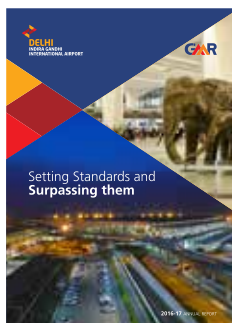




Setting Standards and **Surpassing them**



Contents



The cover having an aerial shot of the Delhi Airport and an intricately carved elephant statue showcases its magnificence, aesthetics, scale and infrastructure. Representing as the gateway to India, it reflects the country's rising aspirations and ambitions.



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Forward-looking Statement

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



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www.newdelhiairport.in



Delhi Airport inspires awe and amazement every time one passes through it. Be it the world famous mudras in the check-in area to the elegant aesthetics, from spacious layout to sparkling cleanliness to top brand stores, each visit becomes a special and a cherished memory.

An iconic landmark in the heart of the country's capital, the airport truly provides a mesmerising experience to travellers through its ambience, retail experience, food courts and impeccable service standards that are at par with the best in the world.

From any another airport to the Delhi International Airport - in just 10 years!

Rising from a ranking of 101 in FY 2006 for Airport Service Quality by Airports Council International (ACI), the Delhi Airport has broken several records to become the world's Number 1 airport in the category of 25-40 mn passengers per annum for FY 2014 & 2015 and world's second best airport in the highest category of over 40 mn passengers in FY 2016.

Over a span of 10 years, Delhi International Airport Limited (DIAL) has completely transformed and redefined airport experience in India. And this is just the beginning...

At DIAL, we believe in **Setting Standards...
...and Surpassing them**



DIAL at a Glance

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57.70mn

No. of passengers in FY 2016-17

4.17lakhs

Total Air Traffic Movement (ATM) in FY 2016-17

8.57lakhs

Total cargo tonnage in FY 2016-17

124

Connected cities worldwide (64 international and 60 domestic)

12.27%

Gross revenue – 5-year CAGR leading to FY 2016-17

15.57%

EBITDA – 5-year CAGR leading to 2016-17

51.87%

PAT – 5-year CAGR leading to FY 2016-17

4,030

Contribution to exchequer in FY 2016-17 (₹ Cr)

3,009

Shareholder funds as on 31st March, 2017 (₹ Cr)

4.99

ASQ score in FY 2016

1.86

Kgs of CO₂ emission per passenger

1,368

Employee count



About GMR Group

With an asset base of over US\$ 9 billion, having a track record of working across mega infrastructure projects globally, the GMR Group is amongst India's leading infrastructure conglomerates. The group undertakes projects in the areas of building and operating airports, energy utilities, modern highways and urban utilities. GMR has developed four major airports, two in India (New Delhi and Hyderabad airport), one in Turkey (Sabiha Gokcen Airport) and one in Philippines (Cebu airport). Currently, it has long-term concessions for operations, management and development of international airports in New Delhi, Hyderabad and Goa in India and Mactan Cebu in Philippines. GMR recently was given a provisional award for developing a greenfield airport at Kastelli in Crete island of Greece.

About DIAL

Delhi International Airport Limited (DIAL) is a Joint Venture consortium between GMR Group, Airports Authority of India (AAI), and Fraport AG, and is headquartered in New Delhi, India. DIAL was formed in March 2006 following an international competitive bidding process in which the consortium, led by the GMR Group, was awarded an exclusive concession to develop, operate and maintain the Indira Gandhi International Airport (IGIA) for an initial Concession term of 30 years, with the option to extend the term for an additional 30 years. Our business activities include services to our customers while facilitating safe and secure passenger, aircraft and cargo movements through the Airport.

Since its inception in 2006, DIAL has consistently raised service delivery standards by providing world-class passenger services. This transformation has resulted in Delhi Airport being

recognised by both passengers as well as industry bodies to be consistently amongst the top 5 airports globally. Delhi Airport has been adjudged as World No. 1 Airport by Airports Council International's (ACI) for two successive years - 2014 & 2015 in the category of 25-40 mn passengers per annum (MPPA). ACI's Airport Service Quality (ASQ) is the world-renowned and globally established global benchmarking programme measuring passengers' satisfaction whilst they are travelling through an airport.

Delhi Airport is recognised for state-of-the-art design, eco-friendly infrastructure, meeting customers expectations by providing world-class service to satisfy their needs and operational efficiency. DIAL lays strong emphasis on green sustainable technologies and has won numerous accolades and recognitions for environmental sustainability initiatives. Terminal 3 also serves as a hub for many carriers and has truly redefined the way Indian passengers fly.

DIAL Vision & Mission

Vision

DIAL closely follows the GMR Group vision, which is:

"GMR Group will be an institution in perpetuity that will build entrepreneurial organisations making a difference to society through creation of value."

Mission

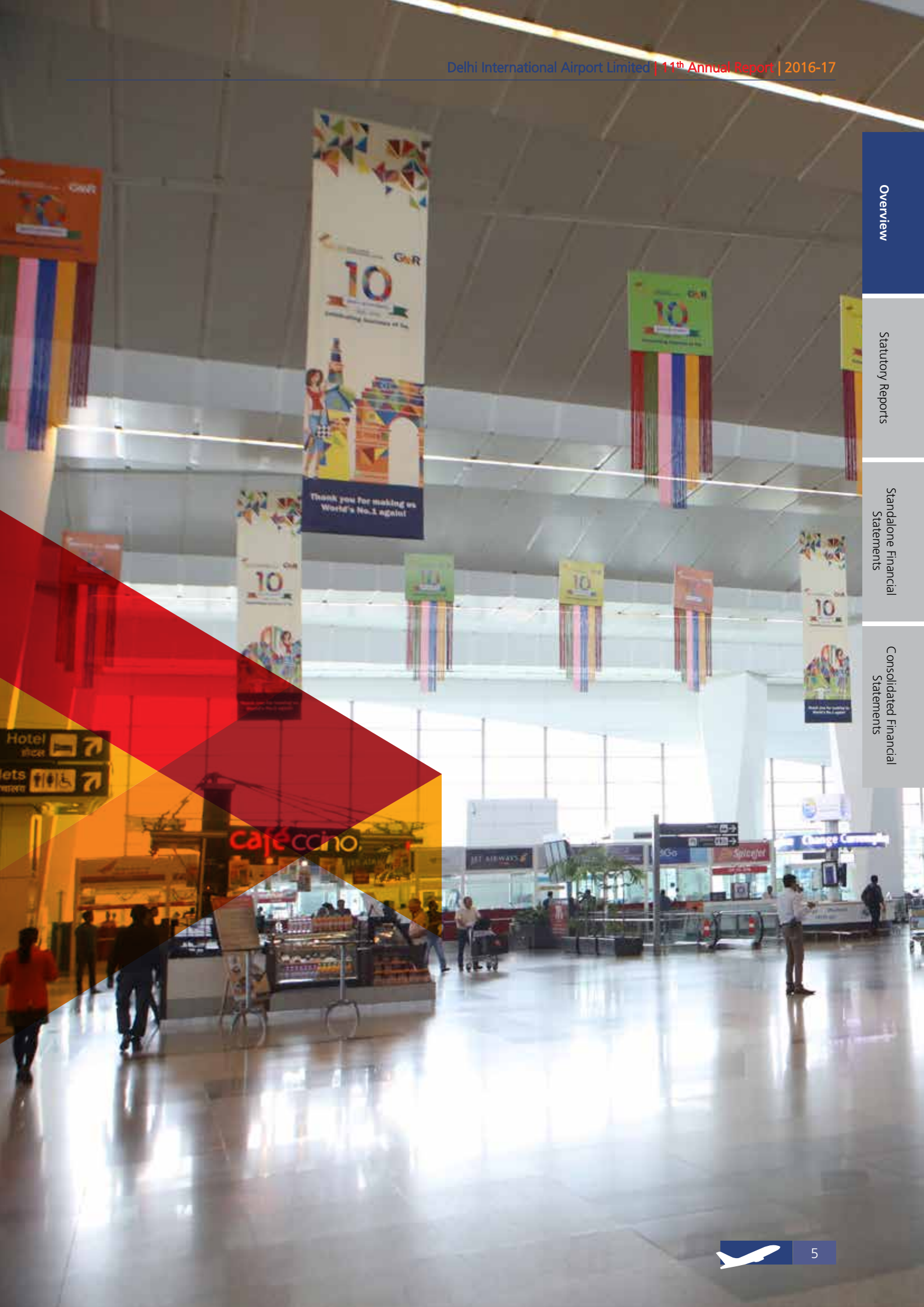
To be amongst the top 3 airports by providing superior customer experience through deployment of technology and innovation, while sustaining profitability with care for environment and being a great place to work.

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Certifications

- Quality management system – ISO 9001:2008
- Environmental and greenhouse gas management system – LEED Gold Certification, ISO 14001, ISO 14064, and GreenCo Gold Rating
- Occupational health and safety – OHSAS 18001
- Energy Management System – ISO 50001:2011 (first airport in the world)
- Business Continuity Management System – ISO 22301:2012 (first airport in the world)
- Customer Response Management – ISO 10002:2011
- Service Management System – ISO/IEC 20000-1:2011
- Information Security Management System – ISO/IEC 27001:2005
- Road Traffic Safety Management System – ISO 39001:2012

Delhi Airport Uniqueness

- India's largest and busiest Airport with a 4.43 km long A-380 compatible runway
- CAT III B facility, allowing aircraft landing in extremely low visibility conditions

- Ability to handle 62 mn passengers and 1.5 mn tonnes of cargo with ultimate capacity of 109 mn passengers and 3 mn tonne cargo
- Only airport in India to have three operational runways
- 87 aerobridges and 336 check-in counters, including CUSS (common-use self-service)
- 14 standard and wide-body baggage reclaim belts with state-of-the-art, 5 level in-line baggage screening systems
- One of the longest travelators (118 m long) in the world
- 3,500+ CCTVs
- India's first transit hotel located within T3
- 59,000 sq.mt. of space dedicated to luxury retail, restaurants, cafés, executive and wellness lounges, duty free shops being the largest area in any Indian Airport

Connectivity

- India's first airport connected with Metro
- It has eight-lane access road linked to National Highway 8 providing connectivity to parts of Northern India



Delhi Airport T3 is the 8th largest terminal in the world and the largest building under one roof to come up in India post-independence



Delhi Airport is the first airport in Asia to implement Collaborative Decision-Making process that results in substantial savings in time and ATF (Air Turbine Fuel) for all airlines

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Highlights of the Year

Financial Performance – FY 2017 Growth Over FY 2016

Gross revenue

 **11.63%**

Aero revenue

 **15.38%**

Non-aero Revenue

 **4.92%***

EBITDA

 **18.96%**

EBITDA margin (on gross revenue)

 **242** basis points

Net worth

 **23.29%**

Operational Performance – FY 2017 Growth Over FY 2016

Passenger

 **19.16%**

ATM

 **14.12%**

Cargo tonnage

 **8.92%**

 Financial Performance Growth

 Operational Performance Growth

*Including CPD & Other Income

Other business performance

- Awarded 23 acres of land to Develop, Construct, Finance, Own, Operate and Maintain the "Integrated Retail Development Project"
- Plans to develop the next parcel of land in an integrated format anchored by retail, leisure and high-end offices along with complimentary tourism oriented opportunity formats

Tariff revisions

- During FY 2017, DIAL collected the Aeronautical Revenue at tariff rate

as determined by Airports Economic Regulatory Authority (AERA) for the First Control Period pursuant to the orders of High Court of Delhi. However, as per the order dated 3rd July, 2017 the Hon'ble Supreme Court of India has vacated the order passed by High Court of Delhi and has directed the implementation of Second tariff order dated 8th December, 2015. The Hon'ble Supreme Court has also directed the Appellate Tribunal to decide the tariff appeals filed by the Company expeditiously preferably within 2 months from the date of order

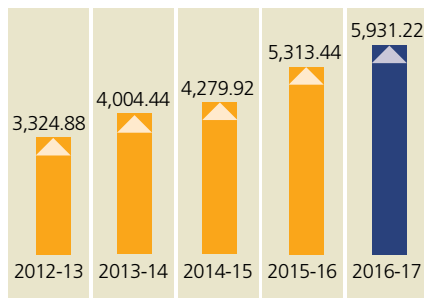
Draft Civil Aviation Policy 2016

- Eased land use restrictions in existing and future airports, promotion of regional connectivity
- Implemented open sky policy for major international airports
- Incentives for maintenance, repair and overhaul (MRO), infrastructure status for MRO ground handling, cargo and Aviation Flight Training

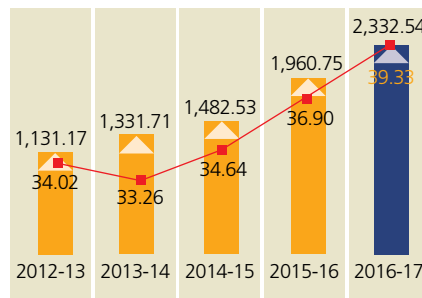


Gross Revenues

(₹ Cr)

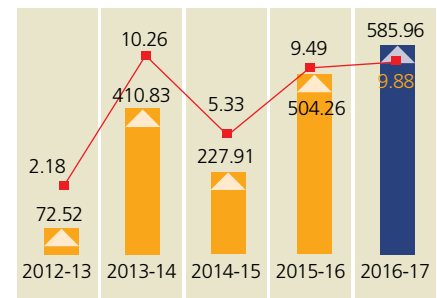


EBITDA (₹ Cr) and EBITDA Margin (%)



— EBITDA margin (%)

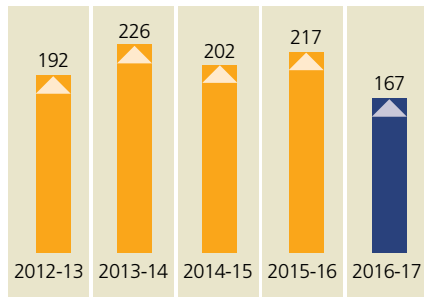
PAT (₹ Cr) and PAT Margin (%)



— PAT margin (%)

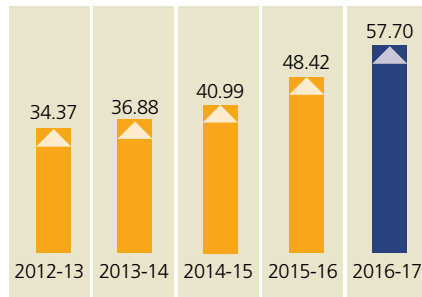
Operating Cost per Passenger

(₹/PAX)



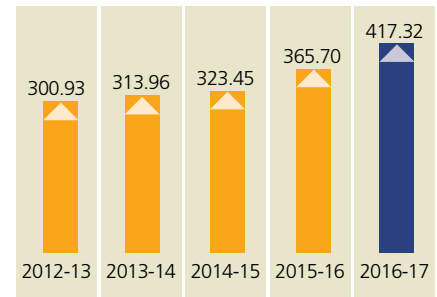
No. of Passengers

(In Mn)



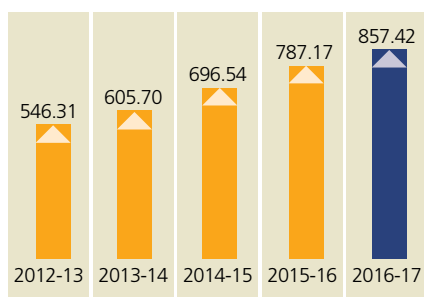
Air Traffic Movement

(In '000)



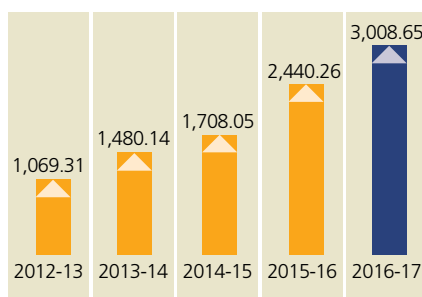
Cargo Tonnage

(In '000 MT)



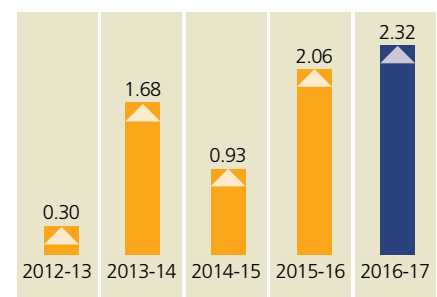
Net Worth

(₹ Cr)



Earnings per Share

(₹ / Share)



Note: Figures for FY 2016 & FY 2017 are Ind-AS compliant

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In Just 10 Years!

Within 10 years, DIAL transformed Delhi Airport into an infrastructure marvel that would be admired for generations, by providing world-class passenger-friendly services to enhance passengers ease and comfort backed by superior food, beverages and retail experience that can be cherished for a lifetime.

We transformed it into a showpiece asset that reflects the aspirations and ambitions of a new India, a country that is rapidly making its presence felt in the global arena.



Today Delhi Airport is,



World's No. 2 and India's No. 1 airport
in terms of ASQ (Airport Service Quality) by ACI in the highest category of over 40 mn passengers for the year 2016.



Best airport in India and Central Asia
as per Skytrax's world airport survey by passengers for the year 2016.



5th largest
in the world in terms of passenger terminal size.



21st busiest airport in the world and 10th busiest in Asia
in terms of annual passenger traffic handled in 2016.



Amongst the world's fastest growing and India's largest
in terms of revenues, profits, no. of passengers, air traffic movement, and cargo tonnage.



India's first and the only
platinum-rated green airport terminal (T3) building in India.

All in a span of just 10 years! We set standards and surpass them.





10-year Comparison of Key Performance Parameters

*Gross Revenue Growth

10.03x

FY 2006-07
₹ 591.38 Cr

FY 2016-17
₹ 5,931.22 Cr

*EBITDA Growth

39.42x

FY 2006-07
₹ 59.17Cr

FY 2016-17
₹ 2,332.54 Cr

*PAT Growth

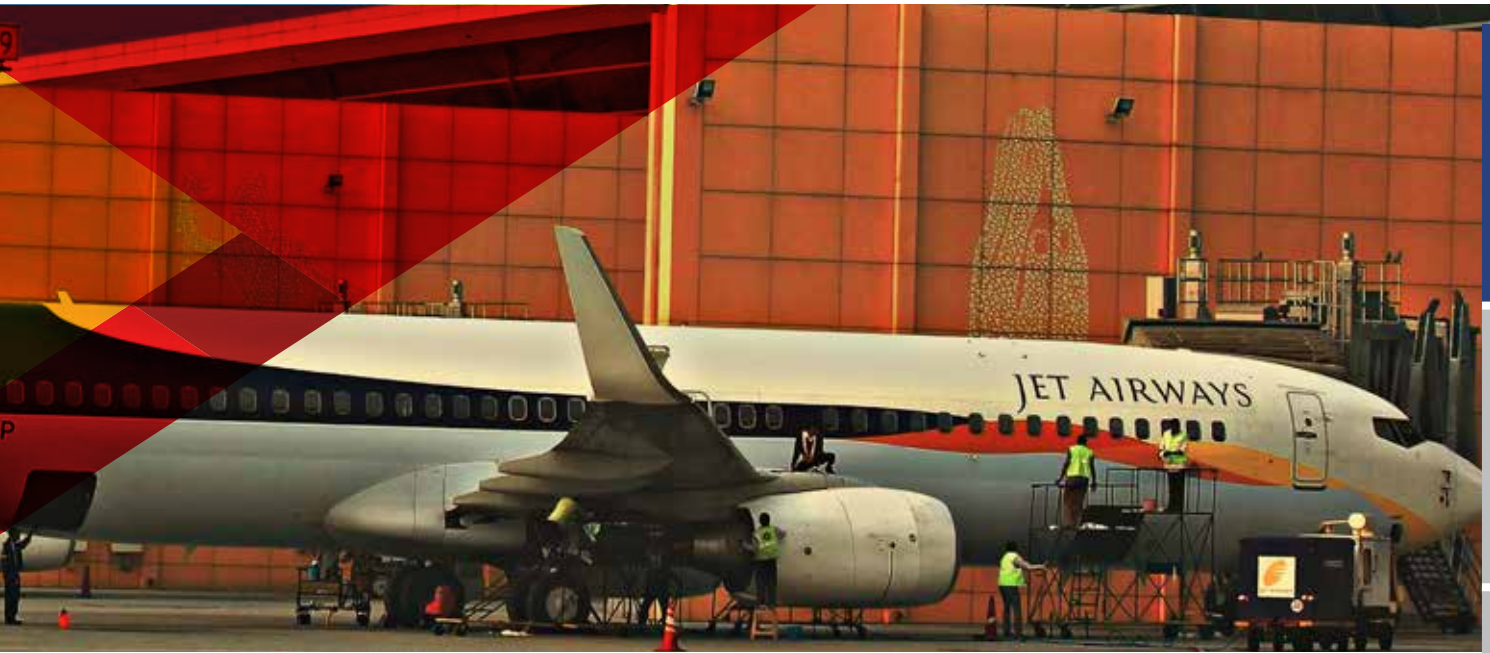
19.98x

FY 2006-07
₹ 29.33 Cr

FY 2016-17
₹ 585.97 Cr

Key Milestones and Achievements

- | | | | |
|--|--|---|---|
| <p> 2006</p> <ul style="list-style-type: none"> Awarded the concession to operate, manage and develop the Delhi Airport following an International competitive bidding process DIAL entered into Operations, Management and Development Agreement (OMDA) on 4th April, 2006 with the AAI | <p> 2008</p> <ul style="list-style-type: none"> Completed modernisation works of the International Terminal (T2) 3rd runway opened for commercial operations | <p> 2009</p> <ul style="list-style-type: none"> Inaugurated and commenced operations of the newly built domestic terminal (T1) Acquired stake in JVs incorporated by Concessionaires for cargo, food and beverages, retail, and duty free shops among others | <p> 2010</p> <ul style="list-style-type: none"> Completed and inaugurated the new integrated terminal (T3) in a record time of 37 months to handle both international (in July 2010) and domestic (in November 2010) operations |
|--|--|---|---|



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*Net Worth Growth

 **13.12x**

FY 2006-07
₹ 229.33 Cr

FY 2016-17
₹ 3,008.65 Cr

Passengers Growth

 **2.82x**

FY 2006-07
20.44 Mn

FY 2016-17
57.70 Mn

Air Traffic Movement Growth

 **2.07x**

FY 2006-07
201,763

FY 2016-17
417,319

Cargo Tonnage Growth

 **2.20x**

FY 2006-07
389,490 MT

FY 2016-17
857,419 MT

*FY 2017 figures are Ind-AS compliant

>
2012

- Final tariff order for the 1st regulatory period released by AERA in April 2012

>
2014

- Ranked no. 1 Airport globally in the 25-40 mn passenger category
- 4 major hotels operational in CPD including the first major JW Marriott Hotel
- Introduced paperless acceptance of cargo – 1st Indian Airport to have received the IATA e-freight compliance certificate

>
2015

- Ranked no. 1 Airport globally in the 25-40 mn passenger category
- DIAL raised US\$ 288.75 Million by issuing 6.125% Senior Secured Notes Due 2022 under Regulation S of U.S. Securities Act of 1933 which are listed on Singapore Stock Exchange

>
2016

- Ranked no. 2 Airport globally in the highest category of over 40 mn passengers
- DIAL raised US\$ 522.60 Million by issuing 6.125% Senior Secured Notes Due 2026 under Regulation S & Rule 144A of U.S. Securities Act of 1933 which are listed on Singapore Stock Exchange



Message from the Managing Director

Dear Fellow Stakeholders,

It's always a pleasure to report the performance of your Company for the year gone by and share with you our future aspirations as well. I would like to place on record my sincere gratitude to you, our valued shareholders for having given me this privilege. With every passing year, DIAL continues to achieve landmarks one after another. While this kind of success has become a convention, we continue to work diligently to ensure sustainability in the longer run as well as to look for new opportunities in the near future.

Macro-economic Scenario

Globally, I think, one thing that is happening with amazing certainty is the rising uncertainty and volatility or to say so, VUCA (Volatility, Uncertainty, Complexity, Ambiguity) is at its peak. Two crucial global events of the UK exiting the European Union and the US citizens voting in favour of Republican Mr. Donald Trump have added to investors' anxiety. Brent crude oil prices averaged US\$ 48.6/bbl in FY 2016-17 marginally higher than US\$ 47.5/bbl in FY 2015-16. Amidst these uncertainties, the global economy witnessed its lowest growth since 2009

levels at 3.1%. As the manufacturing sector revives, inventory level declines and market sentiments improve, the global economy is likely to rebound with growths projected at 3.5% for 2017 and 3.6% for 2018.

India on the other hand remained resilient amidst the global gloom driven by its strong fundamentals and robust domestic demand. Though in FY 2016-17 the country's growth slowed down to an expected 7.1% compared to 7.9% in FY 2015-16, it was primarily on account of demonetisation that created a brief period of lull. In the longer run, however, the vast amounts of idle funds channelised back into the financial system shall facilitate in boosting economic activities. The outlook of Indian economy remains positive as stable governance, implementation of Goods and Services Tax, increasing focus on infrastructure and agriculture and rising investor confidence is likely to further improve its fundamentals.

Aviation Industry Scenario

The civil aviation industry in India is witnessing a new era of expansion steered by development of contemporary airport infrastructure, cutting-edge technologies, boosting foreign direct investments in domestic airlines and growing emphasis on regional connectivity. The pace of change is gaining momentum with rising urbanised population; generating unprecedented demand for Aviation sector. As businesses respond, Delhi Airport has been at the forefront of this revolution. Our response to this growth is driven by pioneering technological innovation, developing engineering excellence and adopting strategic evolution as we continue to provide best-in-class quality service to our customers and stakeholders.



Today, a majority of challenges faced by economies across the globe, directly or indirectly, pertain to the infrastructure and the transportation sector. While we understand that our business aspirations are closely interlinked with that of stakeholders, we endeavour to operate in a collaborative framework to grow our business in a sustainable manner to effectively combat these challenges. As a responsible organisation, we are deeply committed towards creating long-term sustainable value for everyone connected to our business and the communities that we proudly serve.

Performance Review

FY 2016-17 has been yet another year of record performances for Delhi International Airport Limited (DIAL). In terms of operational performance, the passengers handled at the Delhi Airport increased 19.2% to 57.7 million (15.5 million international and 42.2 million domestic), an all-time high at any Indian Airport, cargo handled increased 8.9% to 857 thousand tonnes and ATM grew 15.6% to 397 thousand. Over the past ten years, the airport has reported sustained performance with passenger traffic, cargo handled and ATMs recording a compounded growth of 9.9%, 7.4%, and 6.8% respectively.

In terms of financial performance, the gross revenue during the year increased by 11.6% to ₹ 5,931.22 Cr. EBITDA and PAT grew 19.0% and 16.2% respectively to ₹ 2,332.54 Cr and ₹ 585.96 Cr respectively.

In commercial property development (CPD), we initiated the second phase of land monetisation which is expected to be complete by FY 2017-18. This shall be a significant value driver for the Airport and shall facilitate in unlocking of economic potential in the vicinity.

The year also saw us bagging several awards and accolades reaffirming our status as one of the world's best airports. Some of the awards and accolades received include:

- First Airport in Asia Pacific region to achieve Carbon Neutral accreditation
- First Airport in the world to adopt the first-of-its-kind Green Building

Performance Monitoring Platform – AR

- Skytrax 'Best Airport in India & Central Asia'
- Golden Peacock Award for Social Responsibility (CSR) 2016, in the aviation transport sector category
- Terminal 3 awarded with Platinum rating from Indian Green Building Council (IGBC), under the 'Green Existing Building O&M Rating System'
- Network 18 & Honeywell Smart Building Awards 2016 - Smartest Airport in India & Smartest Building in India
- Good Performance Award under Private service sector (Large) for Excellence in Cost Management by Institute of Cost Accountants of India
- Greentech Safety Award 2016
- Muthiah Kasi Award at the 32nd National & 5th Asian Value Engineering Conference
- Best Fire Safety Company – Services Award during Finest India Skills & Talent Award 2017
- Overall Social Media Strategy Award – 2016
- Best Airport – Central and South Asia FTE Asia Awards 2016
- CII Energy Efficient unit – National Energy Management Award 2016
- DIAL-ARFF Team won a Special Recognition for the project 3R (Reduce-Reuse-Recycle) in the 29th Quality Circle Competition 2016 organised by the CII – Institute of Quality, New Delhi
- DIAL won various awards in "9th CII National Competitiveness & Cluster Summit" Organised by CII – Avantha Centre of Excellence 2016 at New Delhi
- Won various awards at the 18th National Summit on Employee Creativity - organised by the Indian National Suggestion Scheme

Values and Beliefs

Your Company's formation has been on a very strong platform of seven values and beliefs. There are continuous training and renewal sessions for senior management and employees at regular intervals. The Board also keeps on re-visiting these values

and beliefs. Your Company believes in increasing the human consciousness and spirituality and pursues Inner Excellence. Several programmes are conducted for our senior leadership team. We also have developed one of its kind 'Inner Excellence' mobile app which is available to all the employees.

DIAL CSR Initiatives

Your Company has always believed in inclusive growth and takes responsibility of giving back to the society. The Company is driven by GMR Group's vision to make a difference to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company, through GMR Varalakshmi Foundation (GMRVF), partners with the communities around the businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and Sanitation, (iii) Empowerment & Livelihood and Community Development.

Message to Stakeholders

I am extremely happy to be an important part in this exciting period of sustainable growth in the Indian aviation industry. Going forward, we are committed to continue our efforts towards sustainable utilisation of natural resources, providing world-class services and building resilient and sustainable communities and economy. Together, on this sustainable journey, we will work hard to shape the aviation future and excel Delhi Airport as the world's best.

I am thankful to all the stakeholders who have supported us in making Delhi Airport world's second best airport in terms of service quality, especially our employees and partners who have helped us in providing passengers a hassle-free and enthralling experience.

I extend my sincere gratitude to the Members of the Board for the richness of their counsel, encouragement, due-diligence in supervision and commitment to the Values and Visions of DIAL.

Warm regards,

Srinivas Bommidala
Managing Director



Message from the CEO



"We are proud that we have delivered each time and scaled the peak of Global Airport rankings. It has been truly demanding as well as testing. We now have an enormous task ahead with us... We need to sustain and grow at every step ahead. We pledge to challenge ourselves each day to do better and reach the pinnacle."



Dear Stakeholders,

At the outset, I would like to acknowledge the cohesive efforts of the entire IGI Airport community, for achieving recognition as the Best Airport in India and Central Asia at the SKYTRAX World Airport Award 2017 and the 2nd Best Airport in the world for the ACI-ASQ Award 2016. This recognition comes post your Airport retaining the World no. 1 position (25-40 mn passenger category) for two consecutive years (FY 2014 and FY 2015) and now the Airport moving to the highest category of more than 40 mn passengers per annum in the league of world top airports like Incheon and Changi. This reflects the hard work and dedication of the entire Delhi Airport team towards passenger delight. While embracing these achievements, we have now successfully completed 10 years since taking over the operations of Delhi Airport – an achievement we celebrated with our stakeholders.

As far as the current year is concerned, we are in line with our aspiration to be the industry leaders. We have continuously focussed on identifying and implementing innovative and long-term solutions, with the objective of enhancing value for all our stakeholders. We believe that in order to ensure the sustainability of these initiatives, it is imperative to develop, deploy and adhere to processes in day-to-day business.

One of the key initiatives undertaken by us during the year was the successful issue of 10-year dollar denominated foreign currency bond at attractive coupon rate, to raise funds amounting to US\$ 522.60 million to replace the current Rupee denominated and ECB debt which enabled us to save interest cost and conserve the cash for future requirements.

India registered a total passenger traffic of approx. 265 mn, an 18.3% growth in FY 2017 over previous year – This growth has been fuelled primarily by a steady growth in the Domestic passenger traffic over the past several years. Recording an impressive aviation growth, India is set to emerge as the third largest aviation market in the world in the years to come having the potential to grow even further. Recent policy initiatives including the National Civil Aviation Policy 2016, as well as the successful launch of the Regional Connectivity Scheme – UDAN, will further propel the domestic passenger traffic segment, as larger number of airports / airstrips will be connected.

Delhi Airport added a record 9.3 mn passengers to last year traffic resulting into 57.70 mn passengers for FY 2017, driven by a strong growth in domestic traffic. International transfers/transit constituted 23.5% of the international passengers. In terms of Cargo, the airport handled a record 857 thousand metric tonnes of cargo with a growth of 9% year-on-year. In terms of Air Traffic Movement, the airport has operated 417.32 thousand movements with growth of 14.1%.

Delhi Airport has achieved yet another rare feat by making to the top 30 airports in all three categories of traffic in the calendar year 2016 recording the highest growth of 21% in top 30 Airports, while Incheon Airport having the next best growth of 17%. As per the rankings released by ACI for top 30 airports in terms of passengers, cargo and ATMs for the calendar year 2016, Delhi airport ranked 21st in the passenger volumes, 28th in terms of freight volumes handled and 29th in terms of Air Traffic movements. The Airport also recorded a combined peak hour demand of 12,314 passengers, putting us at par with the busiest airports globally.

Delhi Airport Master Plan 2006 has been reviewed keeping in view the future infrastructure requirements and accordingly come up with the revised Master Plan 2016. We will be commencing with Phase 3A development works shortly as per the finalised Master Plan 2016 post obtaining necessary regulatory approvals.

Your airport has continuously focussed on a cost-effective and process-centric approach to ensure Operational efficiency across all elements of business. Efficient use of technology, On-Time Performance, lower holding / taxiing times, lower Security Check Queuing times are few examples of on-ground improvements on account of various initiatives taken like the Collaborative Decision-Making platform, new Domestic Transfer process at T1D, implementation of Theory of Constraints, etc. Process-centricity is further promoted, as part of the Business Excellence journey of DIAL, where in our last external assessment, we have now been placed in the next higher band of Emerging Industry leader in Business Excellence framework. There has been 26% reduction in Operating cost per pax in last 3 years coming down to ₹ 167 in FY 2016-17 from ₹ 226 in FY 2013-14, thereby achieving significant cost efficiencies in operations, while maintaining the world-class service standards.

Delhi Airport has continuously focussed on ensuring Environmental Sustainability and has reduced the overall carbon footprint on account of Delhi Airport operations. This is reflected through various initiatives undertaken, including the 7.84 MW solar plant, rainwater harvesting pits, sewage treatment plants, extensive green landscaping across the Airport and other sustainability initiatives. More recently, Delhi Airport has been recognised as 1st Carbon Neutral Airport in Asia-Pacific region by Airports Council International (ACI). We achieved record 60% reduction in Carbon emission intensity at the Airport since FY 2010 which was 4.76 kg CO₂/pax then and has come down to 1.86 kg CO₂/pax in FY 2016-17.

The Delhi Airport team has also participated in a number of Corporate Social Responsibility initiatives including Preventive Health Care Services, Improvement in Sanitation standards in adopted communities, Women empowerment, etc.

We thrive to see all opportunities in the business as sustainable and are committed to keep exploring them. I take this opportunity to thank each one of you for your continued support and I am sure that collectively we will make Delhi Airport the world's no. 1 Airport.

Warm regards,

I. Prabhakara Rao
Chief Executive Officer



Building a Trajectory for Sustainable Growth

A successful trajectory is one that drives business ahead at all times and reduces risks associated with business cyclicity. One that is built on solid commitment and relentless perseverance. One that reinforces investor confidence and leads to long-term value for all stakeholders.

Concession Term

In FY 2006, DIAL was awarded the exclusive concession to operate, maintain and develop the Delhi Airport for a period of 30 years with a right to extend for another 30 years. Till FY 2036, it has the right of first refusal and match the winning concession bid for developing any new airport planned within 150 kilometres.

Our Operation, Management and Development Agreement with AAI entitles us to undertake the entire airport operations, at an agreed compensation of one-time upfront fees of ₹ 1,500 mn and an annual revenue share of 45.99%. The hybrid tariff structure of the model allows for 30% cross subsidisation from Non-Aeronautical revenues, which excludes revenues from Commercial Property Development.

The concession term also provides the right to commercially develop nearly 230 acres of land within the Airport vicinity. Of this, 68 acres have already been awarded to third parties for construction of a hospitality district with the objective of transforming the Airport into an international-calibre 'aerotropolis'. Renowned international hotels like Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS Lemon Tree, have been built in the hospitality area. The prime location of this land would ensure steady demand.



Consortium Partners

DIAL is a special purpose vehicle comprising three stakeholders – the GMR group, AAI and Fraport AG Frankfurt Airport Services Worldwide.



GMR Group

A diversified infrastructure conglomerate found in 1978 engaged in airports, energy, highways and urban infrastructure business.

Airports Authority of India

AAI, operating under the Ministry of Civil Aviation is the prime body responsible for creating, upgrading, maintaining and managing civil aviation infrastructure in India.

Fraport AG Frankfurt Airport Services Worldwide

Fraport is a global airport operator since 1924 and owns Frankfurt airport.

Diversified Revenue Streams

A balanced mix of revenues from diversified sources (aeronautical, non-aeronautical and commercial property development) enables us to have a relatively de-risked business model. Aeronautical revenues primarily comprise landing, parking and housing fees, user development fees (UDF) and CUTE (Common Use Terminal Equipment) charges. Non-aeronautical revenues come from joint ventures and sub-concession agreements primarily including food and beverages, duty free, advertisement, cargo and rentals. Revenue from commercial property development (CPD) is purely lease rental revenues providing steady cash flows. The airport also benefits from a diversified passengers base from various markets like Asia Pacific region, the Middle East, the United States and Europe.

Operating Revenue

Aeronautical Revenue Landing Fees

- Domestic
- International

Parking and Housing Fees

- Domestic
- International

User Development Fee (UDF)

- Domestic/International
- Arrival/departure
- Distance of haul

Common User Counter Charges

Non-Aeronautical Revenue Concession Income

- Food and beverage
- Duty free shops
- Advertisement / hoarding and display
- Car Park
- Cargo
- Bridge mounted equipment
- Ground handling
- Car rental
- Flight catering
- Fuel throughput charges

Other Revenues

- Transit hotel
- Land and space
- Hangar rent
- ATM/lounges rent

Commercial Property Development

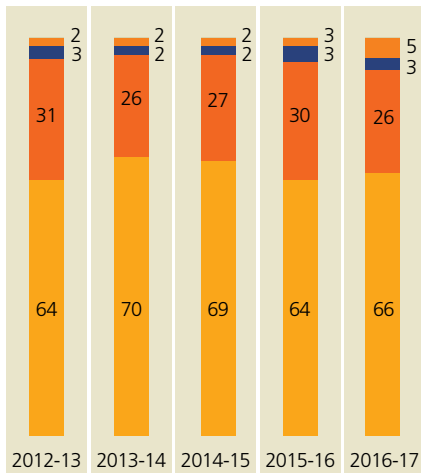
- Lease Rental

CPD Deposits

- Cash but not non-revenue

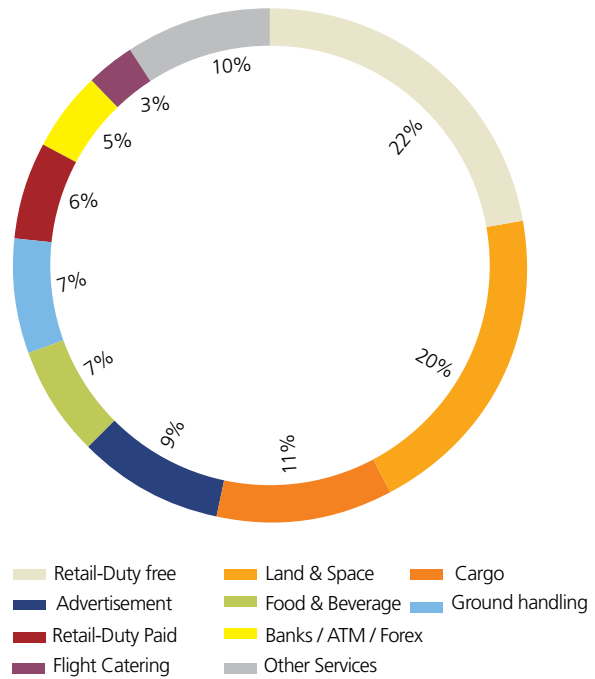
Balanced Mix of Aeronautical and Non-Aeronautical Revenues

(%)



■ Aeronautical ■ Non-Aeronautical
■ CPD ■ Other

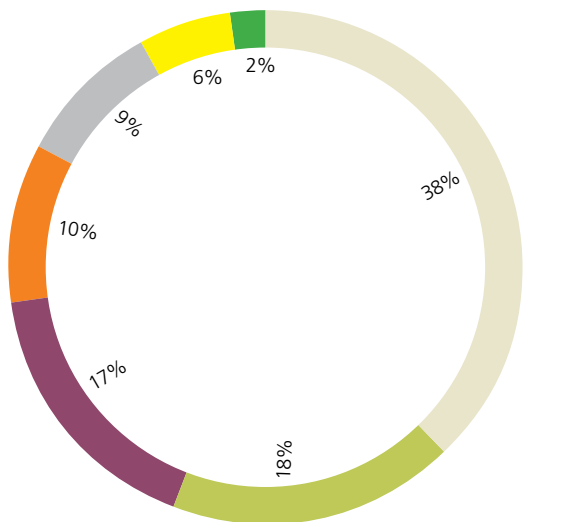
Non-Aeronautical Revenue Breakdown



■ Retail-Duty free ■ Land & Space ■ Cargo
■ Advertisement ■ Food & Beverage ■ Ground handling
■ Retail-Duty Paid ■ Banks / ATM / Forex
■ Flight Catering ■ Other Services

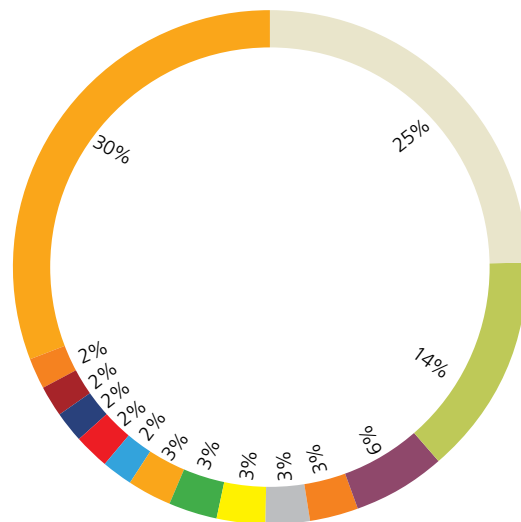
Well-Diversified Aeronautical Customer Base

Domestic



■ Indigo Airlines ■ Air India ■ Jet Airways ■ SpiceJet
■ Go Airways ■ Vistara ■ AirAsia India ■ Zoom Air

International



■ Air India ■ Jet Airways ■ Emirates
■ Thai Airways ■ Lufthansa ■ Indigo Airlines
■ Etihad Airways ■ Singapore Airlines ■ Qatar Airways
■ Cathay Pacific Airways ■ Saudia Arabian Airlines ■ British Airways
■ Turkish Airlines ■ Others

DIAL Activities



Complex Airlines Operations



Airport operations



Overview

Statutory Reports

Standalone Financial Statements

Consolidated Financial Statements



Runway of Success

When the expertise of top management and passion of thousands of employees culminates into one common purpose and philosophy – of making DIAL a showpiece asset, the result is all-clear as the Company accelerates on the runway of success.

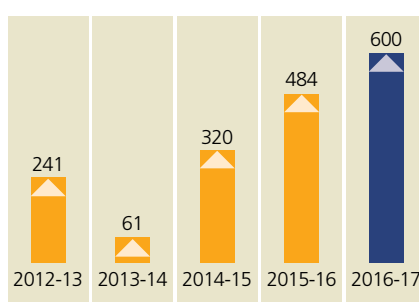
At DIAL, we have strived for continuous improvement to match the growing expectation of Delhi Airport (rise in passengers/flights) by:

Improving Financial Profile

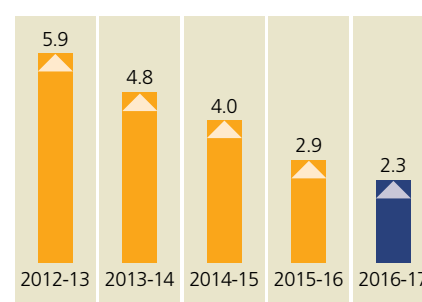
Over the years, a combination of prudent financial management, strong fundamentals, rising traffic, efficient airport management and stable regulatory scenario has enabled us to significantly improve our financial profile. With consistent growth traffic and improving operational efficiency, we expect this trend to continue in the coming years.

Cash & Bank Balance*

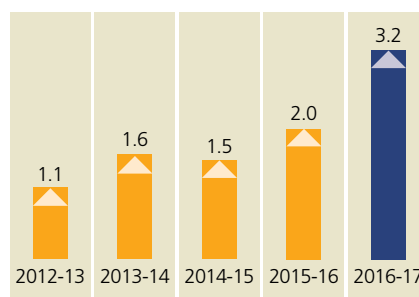
(₹ Cr)



Total Debt/EBITDA*

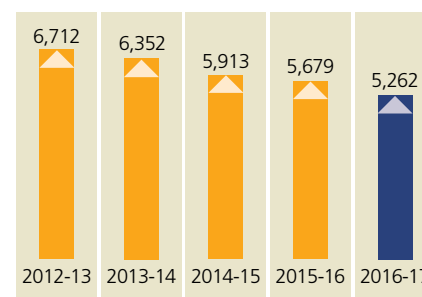


Interest Coverage (EBIT/Finance Charges)*



Total Debt*

(₹ Cr)



*Figures for FY 2015-16 & FY 2016-17 are Ind-AS compliant

Credit Rating

Our robust creditworthiness and business model has enabled us to improve credit rating over time.

DIAL: International and Domestic Credit Rating

Facility Type	Rating Agency Name	Present Rating
Bank Loan	ICRA Limited	Long-Term Rating ICRA AA- / Short-Term Rating ICRA A1+
Corporate Credit Rating	CRISIL Ratings	CCR AA-
Bank Loan	India Rating & Research	IND AA-
Bond Facility	Moody's	Ba2
Bond Facility	Standard & Poor's	BB

Execution Capabilities

DIAL's leading shareholder GMR Group possesses over four decades of experience, and strong project management team and skills which enabled it to deliver Delhi Airport's T3 measuring 5,02,000 sq mts in a record time of 37 months compared to 60 months' time taken by other airports of similar size. The robust execution speed with uncompromised quality enabled DIAL to begin full-fledged services at T3 earlier than the scheduled time and cater to increasing passenger traffic year-on-year.

Our team possesses end-to-end skill of entire life cycle of airport project right from conception to designing to construction to operations to transition phase.

Operational Capabilities

We have managed to enhance operational efficiency at Delhi Airport through deploying innovative technology, benchmarking with best practices in related industry, improving infrastructure, adopting a culture of continuous learning, implementing effective change management and regular communication with all stakeholders. We involved all our stakeholders to create a sustainable organisation through adoption of practices like CIP (Continuous Improvement Plans), Kaizen, 5S, KM, Idea factory, Bottom Line Improvement Plans, Zero tolerance, BCP, and ERM which fosters innovation, agility and engagement. We also have a Knowledge Management Portal

and periodically arrange for training programmes and workshop sessions. To make the airport passenger-friendly, we have implemented policies such as no frisking for transfer passengers, visa on arrival for citizens from more countries, improvement in accuracy and timeliness in reporting traffic data and improvement of transfer area facilities which have further enhanced efficiencies.

Some of our key airport operational capabilities include:





Operations and Management

Our team possesses rich experience and capabilities to effectively operate both greenfield and brownfield airports without impacting the ongoing operations. Our operations and management expertise include:

- Formulating customised operating philosophy as per airport specific requirements (based on traffic, fleet mix, capacity issues, etc.)
- Adapting and implementing best operational strategies for meeting government and stakeholder expectations.
- Expertise in Airport Operational Readiness Programme and Business Continuity Planning across people, equipment, resources and future developments.

Engineering Maintenance

Our team undertakes scheduled, breakdown, emergency, corrective, preventive and predictive maintenance to ensure effective availability of electrical systems, airfield ground lighting, airport systems (baggage, people movement, screening, docking), building services, water supply and sewage treatment plants, and airfield pavements. Our robust approach to predictive maintenance has resulted in availability and serviceability of over 98% systems. We adopt a policy of continuous improvement by leveraging people, process and systems.

IT & Systems Management

We employ a talented pool of IT professionals who have brought-in several advanced systems and processes enabling us to enhance operations. Our expertise includes IT project management and development, IT performance tracking, Fuel Farm solutions, Airport Intelligence Framework, Process Automation. Besides, our culture for excellence and continuous improvement has ensured availability of critical IT systems 99.99% of the time.

Commercial Management

Our innovative structuring facilitates us in maximisation of airport's yields while ensuring better control on operations. Our tendering process for identifying and selecting right concessionaires for commercial outlets, effective structuring of concessions to create win-win situation for both the airport and the concessionaire has resulted in significant value creation across all verticals. We have also implemented robust processes and systems to ensure smooth and efficient operations while maintaining best-in-class service quality.

Cargo Terminal Management

Our focus on operational excellence, training personnel and adoption of automated systems and equipment has enabled us to effectively manage large scale cargo with fastest possible turnaround times.



Operational Excellence Established in Numbers

Availability of Services

- Flight information display system – 98%
- Travelators – 98%
- Automated services (baggage Scroller, ETV, mobile chargers, self-check-in, kiosks, telephones, X-rays) – 99%
- Lifts and escalators – 99%
- Baggage trolley – 100%
- Wheelchairs and disabled assistance – 100% (within five minutes)

Customer Services

- 100% complaints answered within 2 working days
- 100% calls answered within 20 seconds
- 39 minutes taken to transfer passengers in change flight against target of 45 minutes (from aircraft on block time to the time of reaching departure gate)
- % of satisfaction of total inspection on terminal cleanliness – 98%
- 98% of passengers' security check took less than 10 minutes
- 96% of immigration passengers' checking took less than 10 minutes
- 99% of customers found car parking space in less than 5 minutes
- 99% of passengers got taxis within 5 minutes from reaching taxi pick-up point
- No. of airside incidents per 10,000 aircraft movements – 0.14
- No. of incidents per 10,00,000 passengers movements – 0.02
- 3,978 employees were covered under safety training
- 28 building evacuation, aircraft emergency and hot fire drills were conducted

Poised for Take-off

DIAL's proven success over the past 10 years is just the beginning. With the global and Indian civil aviation market set to grow, the NCR population and economy is set to rise, and a strong support from the government for travel and tourism, DIAL is poised to take-off into higher skies.

Delhi Airport – An Asset of National Importance

The Delhi Airport is strategically located in New Delhi (capital city) between the central business district and the key commercial and residential suburb of Gurugram. It serves the entire population of National Capital Region, which by UN estimates is one of the largest urban agglomerations. As per the Census 2011, NCR's total population stood at 57.11 mn, projected to cross 64 million by FY 2021. It acts as a gateway to the world fostering business, trade and commerce, while playing a significant role in shaping up the regional and national economy. Delhi Airport directly impacts air transport and airport services, indirectly impacts supply chain and has an induced impact on tourism and investments.

The Delhi Extended Urban Agglomeration (DEUA) – comprising Delhi, Gurugram, Faridabad, Noida and Ghaziabad is also one of the most economically advanced agglomeration globally. As per the Oxford Economics' studies of top 50 metropolitan cities DEUA ranked 30th globally for FY 2015 with a GDP of US\$ 370 billion, ahead of Mumbai, the economic capital of India. By FY 2020, the National Council of Applied Economic Research (NCAER) estimates Delhi Airport to have an overall impact of 0.7% on the country's GDP and 22% on Delhi's GDP.

Delhi Airport: Projected Economic Impact between FY 2015 and FY 2026 Corresponding to Projected Air Traffic Movement between FY 2025-26

Parameter	Direct effect	Direct + indirect impact	Direct + indirect + induced impact
Value added (₹ Cr)	23,743	93,392	2,40,356
Value added (US\$ billion)	3.65	14.37	36.98
Employment (Lakh)	1.52	8.67	40.22
Value added as a % of national GVA	0.06	0.23	0.60
Employment/Job Creation as Percentage of Total Workers (%)	0.02	0.12	0.58

(Source: NCAER Research)

Delhi Airport – Growth Drivers

With rising affordability, growing economy and changing perception, 'Airbus Global Market Forecast' report estimates the domestic air traffic in India to grow five-fold over the next 20 years. Delhi Airport being an important airport would be a key contributor towards this.

Delhi Airport providing easy access to the country's northern part, especially the

Golden Triangle of Delhi-Agra-Jaipur is critical in attracting tourist traffic, making it an important hub for international passenger traffic. This has enabled it to be one of the fastest growing airports globally, with passenger traffic growing at a CAGR of 11% in the five years leading to FY 2016-17. With 57.70 mn passenger traffic in FY 2016-17, the Delhi Airport has emerged as the largest airport in South Asia.

Passenger and Freight Forecast: CAGR FY 2015-35

	Passenger Traffic	Freight Traffic
World to Indian Subcontinent (Simple Average of different routes)	5.3	5.5
Indian Subcontinent to World (Simple Average of different routes)	6.0	5.6
Domestic India	9.0	6.9

(Source: Airbus Global market forecast 2016-35)

Delhi Airport Strategic Location

Highly Attractive Domestic Market



Strategic Location to Leverage Global Positioning



Government and AAI Support

Delhi Airport being an important asset, DIAL receives strong support from the government for converting the airport into an international hub along with improving regional connectivity to the airport. In addition to this, the newly announced civil aviation policy goes on to prove the government's strong impetus to develop the country's aviation industry.

The AAI, besides holding veto rights over key reserved board matters, helps in managing critical services such as Airport Traffic Control (ATC). The new ATC tower at Indira Gandhi International Airport is unique in more ways than one and has already become an icon for the people in Delhi. It stands 101.9 metres tall with a slenderness ratio of nearly 1:14.

It is the first project in India to have a Tuned Mass Damper, which is positioned at approximately 91 metres high. What makes the Delhi ATC the most unique in the world is that it has a constantly

changing shape as it rises from the ground all the way to the roof. While the tower outline moves inwards along the X-direction, it simultaneously moves outwards in the Y-direction.

Expansion Plans

Delhi Airport presently has a capacity to service 62 mn passengers per annum (MPPA). Based on projections for growth in traffic and need for infrastructure development, we intend to undertake expansion plans to enhance passenger capacity to 109 MPPA and cargo handling capacity to 2.2 million metric tonnes per annum. The expansion plans include:

- Enhancing Terminal 1 and Terminal 3 capacity to 30 MPPA and 45 MPPA respectively
- Development and commissioning of the 4th runway and new passenger terminal (T4) building
- Enhancement of airfields and construction of Eastern cross taxiway

Impact on Delhi Airport

Given the robust development in the global civil aviation industry and strategic location of Delhi Airport, NCAER expects the total passenger traffic and freight load at Delhi Airport to increase to nearly 83.95 million (26.70 international and 57.25 national) and 1.37 million metric tonnes respectively by FY 2025-26.



Strategic Focus

A culture of continuous improvement drives our Business Excellence journey. Aligned with the GMR Group's philosophy, our strategic focus aims to assimilate business growth, leading to institution-building and knowledge-management, as we endeavour to deliver consistent results to all our stakeholders.

Focus on Continuous Improvement

Increase air routes and passenger traffic

We have focussed on enhancing operational efficiency and developing a comprehensive route strategy to make operations more profitable for airlines. This shall enable us to attract new airlines and encourage existing ones to add new routes which in turn shall result in passenger traffic growth. We are also actively working towards enhancing market position to make Delhi Airport a transit point for international travellers.

Promote Delhi Airport as a Hub

We are leveraging our robust infrastructure, world-class facilities and services, and efficient cargo handling processes to upgrade Delhi Airport into an international air traffic hub for passengers and cargo. We are focussed on attracting new freight forwarders and developing new revenue streams through renting warehouse and commercial cargo space.

Enhance Service Standards

We have focussed on enhancing passenger satisfaction and service levels through introducing passenger-friendly policies which include no frisking of transfer passengers, adding new nations under the visa on arrival category, and improving in transfer area for passengers. We are also working on improving accuracy and timeliness of traffic data reporting.

Cost Reduction

At DIAL, we have adopted a comprehensive Cost Management Framework to achieve better profitability, sustain and succeed in competitive environment, and make operations profitable for all partners and suppliers working with us. Our framework for reducing cost include budgeting, benchmarking efficiencies and productivity with peers, implementing cost savings projects (BLIPs, Kaizens, and CIPs), cost benefit analysis, promoting innovative ideas, procurement centralisation for economies of scale and adopting digitalisation.

We are also trying to further reduce costs by implementing various energy audits and energy saving measures, rationalising energy consumption, improving air traffic movements and on-time performance, maintaining adequate headcount and improving administrative efficiency.

Monetising Real Estate

Under the OMDA, we have been awarded the right to develop 230 acres of land parcel, of which we have already awarded development rights for 68 acres of land to third parties for hotel and mixed-use development. Offering the dual advantage of centrally located with effective connectivity and proximity to demand, this land bank holds significant value. We intend to further monetise these land parcels which shall significantly unlock economic potential in the vicinity and contribute to the growth in our non-aero revenues.

Enhancing Retail Experience

We focus on optimising our retail and other service offering through reorganising, repositioning and diversifying outlets in a manner to maximise customer traffic and visibility, while minimising the distance and processing times from retail or other shops to boarding gates. We are working with JV partners to differentiate and diversify our offerings to meet the varied requirements of passengers. Besides, we are also leveraging expert networks to undertake research and provide recommendations on enhancing revenue contributions of the duty-free retails outlets through targeted marketing, better brand promotion and optimisation of the business with nationality-focussed marketing, loyalty programmes, in-store promotions and customer behaviour studies.

We shall focus on enhancing commercial operations by supporting better business decision-making methodologies through the improvement of our business intelligence analytics, point-of-sales data analysis, business relationship management and customer relationship management systems.

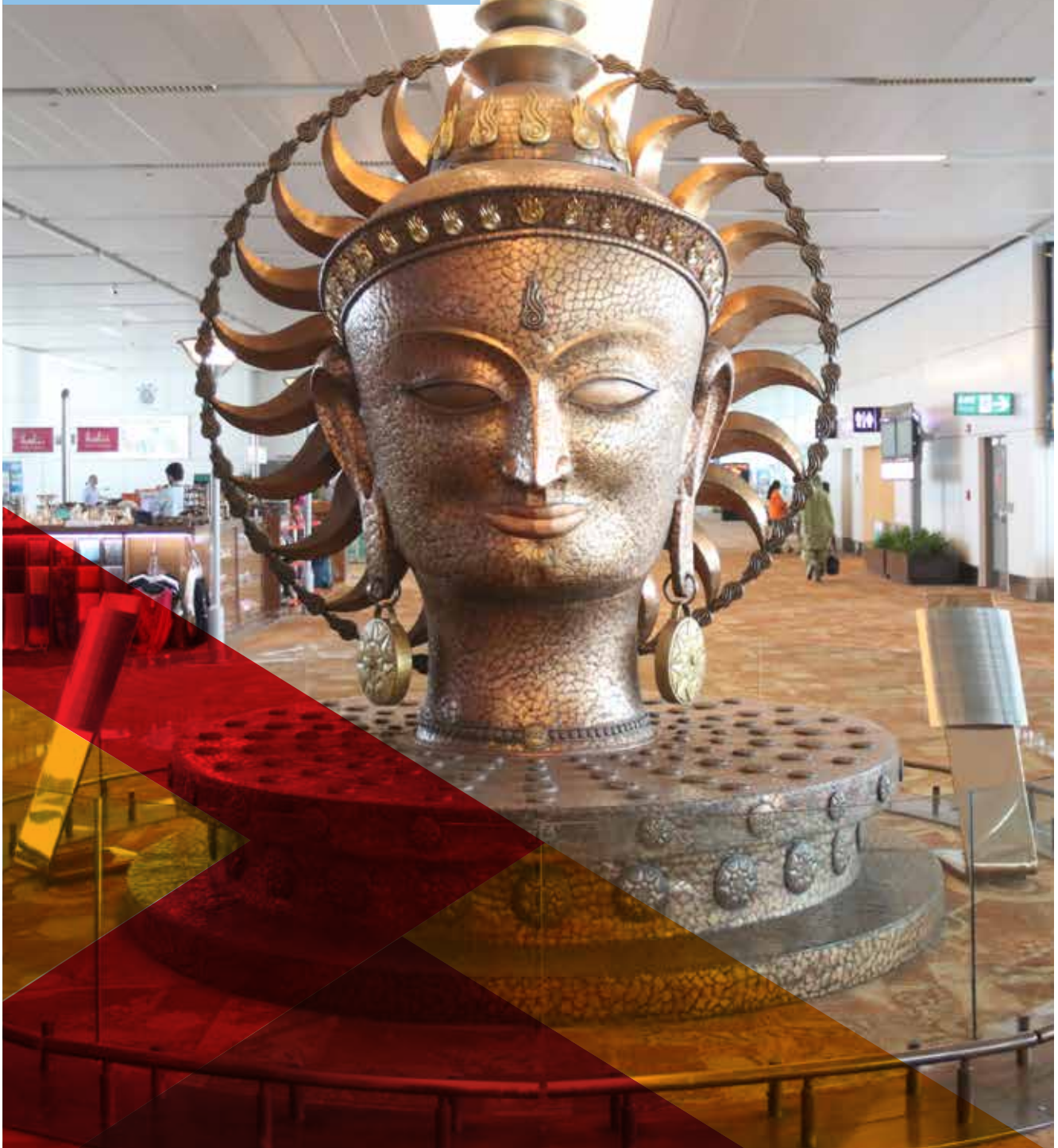
DIAL's Core Competencies and Mission

Existing

Project management	• To become best-in-class Airport • Provide superior customer experience • Enhance profitability
Operational excellence	• Sustain Profitability • Care for environment • Best-in-class Airport • Superior Customer Experience

Aspirational

IT development capability	• Deployment of technology Innovation
Customer service	• Superior Customer Experience • Best-in-class Airport • Being a great place to work



Leadership Team



G. M. Rao

Chairman

He is a Mechanical Engineering graduate from Andhra University, a Doctorate in Laws from the York University (Toronto, Canada) and a Doctorate in Letters from the Andhra University (Hyderabad) and the Jawaharlal Nehru Technological University (Hyderabad).

He is the founder and Executive Chairman of the GMR Group, responsible for steering guiding the group to its current level of success and establishing it as a reputed global infrastructure brand. He brought in the culture of professional-entrepreneurship, where enterprise, speed and team excellence were of utmost importance. Prior to that, he had been on the Board of Vyasa Bank for several years.

He has been conferred the 'First Generation Entrepreneur of the Year' award from CNBC-TV18 in 2009. In the same year, he received the 'Infrastructure Person of the Year' award at the Infrastructure Journal Award Ceremony held in London. He was also chosen as the 'Entrepreneur of the Year' at the Economic Times Awards for Corporate Excellence 2006-07, apart from numerous other awards and public recognition throughout his career.



Srinivas Bommidala

Managing Director

He is a Commerce graduate from the Nagarjuna University. With over 30 years of experience in the infrastructure, agriculture, fast moving consumer goods and services sectors, he holds senior level position across various GMR Group Companies.

He entered family tobacco export business in 1982, leading its diversification to newer businesses of aerated water bottling plants besides being in-charge of international marketing and management of the organisation. Subsequently, he led the team as the Managing Director of GMR Power Corporation Private Limited (GPCL) for setting-up the first independent power project and the world's largest diesel engine power plant under one roof situated at Chennai. As the Managing Director of Vemagiri Power Generation Limited, he led the implementation of the gas-based power project in Vemagiri, Andhra Pradesh. He served as the first Managing Director of DIAL, where he successfully handled the transition process in the initial years of the Concession.



Grandhi Kiran Kumar

Executive Director

He is a Commerce graduate from Osmania University (Hyderabad). He is the Chairman of GMR Group's Group Finance, Corporate Strategy and GMR Sports divisions, and Managing Director of GMR Infrastructure Ltd among various other directorships and positions held by him.

He has also headed GMR Group's finance function and shared services, highways, construction, SEZs and allied businesses (excluding Airports SEZ) and Sports divisions. In past, he has successfully spearheaded the development of Rajiv Gandhi International Airport (Hyderabad) and was instrumental in taking forward Airport's public-private partnership project. Under his stewardship, the GMR Group won the bid to develop the Sabiha Gokcen International Airport at Istanbul, Turkey.



G. B. S. Raju

Director

He is a Commerce graduate from Vivekananda College (University of Madras, Chennai). He currently holds the position of Chairman of Energy Business at the GMR Group. He is also one of the Group Directors of GMR Infrastructure Limited, and a member of the Group Holding Board. He has been the Managing Director of GMR Energy Limited, under whose guidance the barge-mounted power plant was established in record time, well ahead of schedule. He also served as the leader of corporate services including fund-raising initiatives, and spearheaded the GMR Group's foray into international business, as Group CFO.



K. Narayana Rao

Whole Time Director

He is a Commerce graduate from Andhra University, a qualified Chartered Accountant, Cost Accountant, Company Secretary and Management Accountant. He has over 36 years of working experience across prestigious organisations like TATA Steel, Raasi Group, Coromandel Fertilisers, Spectrum Powers and the GMR Group. He has been the Managing Director of GMR Industries Limited, which deals in sugar, co-generation of power, distillery, ferro alloys and jute units. Currently, he is a member in the Managing Committee of ASSOCHAM, FICCI, Indian Sugar Mills Association, South India Sugar Mills Association and AP Distillery Association.



G. Subba Rao

Director

He is a Commerce graduate from Sri Venkateswara University and a qualified Chartered Accountant with the Institute of Chartered Accountants of India. He has over 39 years of experience working across senior level positions in public and private banks and the GMR Group. Currently, he is the CEO of GMR Group's Corporate Affairs holding directorships in nine group companies. Prior to this, he has been the CEO of the Group's Hydro Division. Before his association with the GMR Group, he was the Board Secretary of a nationalised bank.



Gargi Kaul

Director

She holds a Bachelor's degree from Bhopal University and a Master's degree in M. Phil from Delhi University. An officer at the Indian Audit Accounts Service, she has worked across various capacities in Central Government Office. She has worked as a Principal Accountant General in Bhubaneswar (Odisha) before joining the Ministry of Civil Aviation as joint secretary and financial adviser. She is also a board member of Air India Ltd and Pawan Hans Ltd.



A. K. Dutta

Director

He is a board member of AAI and is a Member (Air Navigation Services). He has served AAI across various capacities, including Executive Director (Air Traffic Management), General Manager Air Traffic Services, Senior Instructor in the Civil Aviation Training College (CATC), Air Traffic Controller in International ATC Centres, and Aerodrome Incharge at major airports. Prior to his stint with AAI, he served the Indian Meteorological Department (IMD) for five years.

Leadership Team



S. Suresh

Director

He is a Commerce graduate from Sagar University (Madhya Pradesh), Associate Member of the Institute of Cost Accountants of India and a Post Graduate Diploma in Computer Applications from LNB Institute of Management (Patna).

He has over 32 years of experience working at the Ministry of Defense, NTPC, Bharat Wagons & Engineering (a subsidiary of Bharat Bhari Udyog Nigam Ltd) and AAI. He joined AAI in 1993 as a Senior Manager (F&A) at Hyderabad Airport and was instrumental in setting up the first self-accounting unit at the station. In 1997, he was promoted as Deputy Director (F&A) and was posted as in-charge of Finance in the Northern Region. Later in 2003, he took over as the first General Manager (F&A) of the North Eastern Region in 2003 at Guwahati, and was promoted as Executive Director (F&A) in 2011. At present he is a Member (Finance) of the Board of AAI.



Suresh Goyal

Director

He is an Engineering graduate from Indore University and a Master in Management from the Indian Institute of Management (Lucknow). Currently he is the Managing Director and Chief Executive Officer of SBI Macquarie Infrastructure Fund, which is one of the largest infrastructure funds in India. Prior to this, he was with Leighton International, Lazard and HSBC.



R. S. S. L. N. Bhaskarudu

Director

He is an Electrical Engineering graduate from the College of Engineering (Andhra University). Currently he is also on the board of Rajiv Gandhi International Airport (Hyderabad). Prior to this, he was associated with Bharat Heavy Electricals Limited (BHEL) for over 21 years. During his tenure at BHEL, he was involved in the development and production of turbine generator sets, including auxiliaries, all over the country. He also worked for over 16 years with Maruti Udyog Limited from its inception, and served as the Managing Director. He has also served as a Member and Chairman of the Public Enterprises Selection Board of the Government of India.



N. C. Sarabeswaran

Director

He is a Science graduate from Madras University and a Fellow Member of the Institute of Chartered Accountants of India. He is the founding partner of M/s Jagannathan & Sarabeswaran Chartered Accountants, an audit firm with over 40 years of experience. Currently he is an Advisory Board member of a U.S. and Australian private equity fund, and a Director and Member of the Audit committee of the largest micro finance company in Tamil Nadu. Prior to this, he was a Nominee Director at Reserve Bank of India, Professional and Independent Director on the Board of Vysya Bank Limited for 13 years, and the former President of the Indo-Australian Chamber of Commerce headquartered in Chennai. He is also the Chairman of the audit committee and Corporate Governance committees of GMR Infrastructure Limited.



Vissa Siva Kameswari
Director

She is a Commerce graduate from Andhra University and a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has a diversified working experience having been the head of acquisitions and integration in the information technology sector of Mastek Limited, a partner with Amrop International responsible for cross border searches for leadership positions, head of the business improvement, strategy and information technology group for the RPG Group, and Corporate Budgets and Consolidation department at Ashok Leyland. She has also worked as an Executive Director at KPMG Consulting and A.F. Ferguson & Co.



Dr. M. Ramachandran
Director

He is a post-graduate in Economics from University of Kerala, a Master of Philosophy in Economic Planning from University of Glasgow and a doctorate in Project Planning from University of Lucknow. He is a retired officer of Indian Administrative Service. He has held several positions in the State Government and Central Government of India such as Private Secretary to Union Minister of State (Ministries of Industries, Finance, Commerce, Internal Security, and Power), Principal Secretary to Chief Minister of Uttaranchal, Joint Secretary to the Ministry of Shipping, Secretary to the Ministry of Urban Development in Government of India as well as the position as Chairman of the Metro Rail Corporation of Delhi, Bengaluru, Kolkata and Chennai.



Denitza Weismantel
Director

She holds degrees in business administration from the University in Frankfurt and banking and finance from the University of Wales, Bangor. She joined Fraport as Project Director in the Global Investments & Management team in January 2015. Prior to this, she worked in a boutique consultancy. Between 2000 and 2010, she also worked in the Transactions Practice of PricewaterhouseCoopers, leading corporate valuation, transactions management and strategy projects in different countries and industries.



Matthias Engler
alternate director to
Ms. Denitza Weismantel

Engler holds a German University degree (equivalent to M. Sc. Degree) in Business Administration / Electrical Engineering and Information Technology. Presently, he is working as Senior Project Manager with Fraport AG's Global Investments & Management department and he is also the Managing Director of Fraport AG Project Office Delhi. During his 17 years in the aviation business with Fraport AG, he was working for the Fraport AG Aviation Ground Services department, the Special Projects department and now the Global Investments & Management department and gained extensive experience in project management, airport operation and airport planning. Engler also has international exposure with respect to airport privatisation projects and airport master planning in Asia and Europe.

Key Management Team

DIAL's management team comprises experienced professionals having deep know-how of airport safety and operations, finance, business development, infrastructure projects and human resources management in airport-related operations.



I. Prabhakara Rao
CEO

He is a Master of Industrial Engineering from Andhra University. He has been the Chief Executive Officer of DIAL since 2011. Prior to this, he was the Chief Development Officer at DIAL responsible for revamping the erstwhile domestic and international terminals and building a new international and domestic terminal.



G.R.K. Babu
CFO

He is a Commerce graduate from Sri Venkateshwara University and a Master of Finance from the Institute of Public Enterprises, Osmania University. He also holds a Bachelor's degree in Law and is a qualified Chartered Accountant and Company Secretary. He has been the Chief Financial Officer of DIAL since August 2011 and the Company Secretary from January 2012 to October 2014. He has over 29 years of experience in the field of finance and as a corporate secretary. Prior to joining the GMR Group in 2007, he served as Vice President (Finance and Company Secretary) of ICOMM Tele Ltd.



Douglas Webster
COO

He holds a Bachelor's degree in business administration/ airport administration from the University of North Dakota. He has been the Chief Operating Officer of DIAL since March 2016. He has over 33 years of experience between the airlines sector and the airport sector. Prior to joining DIAL, he was Deputy Director of Broward County Aviation Department, USA, and was responsible for managing the day-to-day operations of Fort Lauderdale-Hollywood International Airport (FLL). He also served as Director of Administration and Strategic Planning, as Director of Terminal Transition Planning-DTW Medfield Project and as Director of Staffing and Analysis-Ground Operations.



Pradeep Panicker
Commercial (Aero)

He is a post-graduate in Merchant and Financial Services from the Institute of Chartered Financial Analysts and a qualified Chartered Accountant and Cost and Management Accountant. At DIAL, he has been the Executive Vice President, Chief Commercial Officer of the Aeronautical business and the head of Commercial Property Development business. He has over 25 years of experience in various fields. Prior to joining GMR Group in 2004, he worked with Price Waterhouse Coopers, IDBI, L&T, Feedback Ventures (P) Ltd., and Mumbai SEZ Development Company among others. In his current role, he is responsible for airline marketing, aero-related cargo, land and space development, and revenue management. He was part of the successful business development team that won the bid for our Concession and a key member of the takeover and transition team. He also represented DIAL's joint ventures in various domestic and international forums on the strategy and benefits of the public-private partnership model in India. He is actively involved in the formation of the Association of Private Airports Operators in India, which will be a forum for discussing various issues with the MoCA and AAI.



Shyam Sunder

Commercial (Non-Aero)

He is an Electronics and Communication graduate from the University of Mysore. He has been the Chief Commercial Officer of the non-aeronautical business of DIAL since April 2014. He has over 23 years of leadership experience across diverse industries such as medical equipment, telecom infrastructure, office automation, consumer electronics and retail. He has expertise in building sustainable business ecosystems, marketing, brand building and business development. Prior to DIAL, he was with Microsoft India as Director of Retail Business. He has also worked with other companies including Nokia India, Canon India and Larsen & Toubro Ltd.



Sujit Kumar Nag

CPEO

He is an Electrical Engineering graduate from MA College of Technology. He is the CPEO of DIAL. Prior to this, he was Associate Vice President at DIAL responsible for Mechanical, Electrical & Plumbing for domestic and international terminals. He has 28 years of experience working with DESEIN India, Danya Trading Corporation, ABB, Bechtel and Reliance Energy. Prior to joining DIAL, he worked as General Manager-Operations at AREVA (Alstom).



Subir Hazra

SPG

He is a Mining Engineering graduate from Bengal Engineering College. He has been the Associate Vice President of SPG at DIAL since January 2010. Prior to that, he joined DIAL as the General Manager and was based out of the corporate office at Bengaluru.

Key Management Team



Ranjit Narayan

Security

He is a Master of Arts from St. Stephens College, Delhi University. He has been the Executive Director of Security for DIAL since 2013, prior to which he was the Head of Security & Vigilance. Prior to joining DIAL, he was the Special Commissioner of Police (Crime) Delhi. He also served in the Intelligence Bureau and the Special Protection Group in different ranks.



Ajay Kharbanda

Legal

He is a member of Institute of Company Secretaries of India (ICSI), an LLB from Law Centre-I, Delhi University and a post graduate diploma in Intellectual Properties and International Trade Laws from Amity Law School, Delhi. He has been the Head of Legal at DIAL since August 2012. Prior to this, he has worked with Shriram Industrial Enterprise Ltd., HFCL Satellite Communications, and Frankfinn Aviation Services (Vice President of Legal and Company Secretary).



Anil Dhawan

CPD

He is an Electrical Engineering (Honors) graduate from the Indian Institute of Technology, Bombay and holds a management certificate from Pepperdine University. He has been the Executive Vice President of Commercial Property Development at DIAL since October 2006. He possesses significant experience in project execution. He also served as Executive Vice President of Projects and has been responsible for the construction of a new runway, passenger terminal buildings and associated facilities. Presently, he is responsible for the development of infrastructure facilities and monitoring commercial property development. Prior to joining DIAL, he worked for Bechtel Corporation for forty years and retired as Project Manager.



Dinesh Bhrusundi

QSD

He is an Engineering graduate from Nagpur University and a Masters in Public Administration from Nagpur University. He has been the Chief Quality Officer and Associate Vice President of QSD at DIAL since 2008. He worked for nearly 30 years in the quality management field, including as the Vice President and Director of Quality at General Motors in India.



Jeewan Khulbe

IT

He is an Engineering graduate from the Gorakhpur University. He has been the Head-IT at DIAL since 2008. He has over 21 years of experience in the field of information technology and communications. Prior to joining DIAL in January 2008 as Associate General Manager Information Technology, he worked with American Express as lead network Engineer.



Yuvraj Mehta

Corporate Communication

He is a Master of Business Administration in marketing from Institute of Business Administration. He has been the Vice President of Corporate Communication since February 2015. Prior to joining DIAL, he worked at Reliance Infra Ltd, Samsung Communication, India Expo Centre Expo XXI, Heritage Institute of Technology and Ras Gas Company Ltd.

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Strong Governance

As a future-focussed organisation, we have undertaken proactive initiatives to ensure stringent compliance to regulatory norms and maintain high levels of transparency, which go beyond the prescribed norms. We are focussed on protecting the interest of the organisation and its stakeholders.

DIAL's Robust Corporate Governance Team



Audit Committee

Mr. G. Subba Rao (Chairman)
 Mr. S. Suresh (AAI)
 Ms. Denitza Weismantel (Fraport)
 Mr. R.S.S.L.N. Bhaskarudu (Independent)
 Dr. M. Ramachandran (Independent)
 Mr. N. C. Sarabeswaran (Independent)
 Ms. Vissa Siva Kameswari (Independent)



Nomination & Remuneration Committee

Mr. G. Subba Rao (Chairman)
 Ms. Gargi Kaul (AAI)
 Ms. Denitza Weismantel (Fraport)
 Mr. R.S.S.L.N. Bhaskarudu (Independent)
 Mr. N. C. Sarabeswaran (Independent)
 Ms. Vissa Siva Kameswari (Independent)
 Dr. M. Ramachandran (Independent)

Board of Directors



Corporate Social Responsibility Committee

Mr. R.S.S.L.N. Bhaskarudu (Independent), Chairman
 Mr. G. Subba Rao
 Mr. K. Narayana Rao (GMR)



Share Allotment, Transfer and Grievance Committee

Mr. G. Subba Rao, Chairman
 Mr. S. Suresh (AAI)
 Mr. G. Kiran Kumar (GMR)
 Mr. Srinivas Bommidala (GMR)
 Mr. K. Narayana Rao (GMR)
 Ms. Denitza Weismantel (Fraport)

Proactive Corporate Governance

At DIAL, we have high regards for corporate governance. We have formed various committees and appointed responsible people to ensure that the Company adequately complies with all rules and regulations. Besides, monitoring from various stakeholders (AAI, Ministry of Civil Aviation, Airports Economic Regulatory Authority of India, private equity investors and independent board) facilitate in a strong and stable corporate governance mechanism.

Ring-fencing from Sponsors

We are adequately ring-fenced from our sponsors through AAI escrow accounts and other provisions under the OMDA, Shareholder agreement and other project documents. Our strong corporate governance ensures that there is no mingling of funds with Sponsors and

that all related-party transactions are approved as per OMDA. All our activities are adequately monitored by various stakeholders.

We also have a strong regulatory oversight with tariff being regulated by AERA through an independent and transparent process. To ensure adherence to applicable contractual provisions and manage long-term development of the airport, there has been bi-annual OMDA Implementation Oversight Committee (OIOC) meetings.

Government Support

Apart from its economic importance, the Delhi Airport also fulfils a number of socio-economic goals that are important to the government such as employment generation, infrastructure development and encouraging tourism. Moreover, the government also holds a 26%

stake in this asset through AAI which further enhances the probability of us receiving adequate support to manage the operations profitably, while making DIAL a quasi-sovereign asset. Initiatives (construction of metro and roads) by the government would further enhance regional connectivity to the airport and facilitate in enhancing passenger traffic.

The new Aviation Policy 2016, by the government focusses on promoting aviation through Regional Connectivity Scheme, where a small charge would be levied on domestic flights for funding subsidies provided to airlines which provide capped airfares for certain underserved regional routes. The government also withdrew the existing rule of granting flight operators to go international post five years of domestic operations.



Corporate Social Responsibility

As a responsible and responsive corporate citizen, we are committed to sharing our success and make a positive difference to people, planet and progress.

At DIAL, it is our belief that business sustainability and community sustainability is interlinked. Through our community development programmes we have focussed on empowering and supporting community members through creating economic value, caring for environment and social benefit initiatives.

Key CSR Programme Themes



Promoting education

- Supporting balwadis and anganwadis
- Kid Smart Programme
- Minimum Learning Standard
- After School Learning Centre
- Computer-based functional literacy



Health, hygiene and sanitation

- Reproductive and child health
- Life skill Programme
- Health awareness
- Samarth



Empowerment and livelihoods

- Vocational training and employability in collaboration with industry partners
- Craft Production Centre
- Community Resource Centre



Environment protection

- Reducing harmful emissions
- Conserving water
- Proper waste disposal



Caring For Society

Our social benefit programme focusses on undertaking infrastructure development (roads and highway construction), supporting schools and hospitals, landscape development, and utility sharing (water, electricity and fuel). We have undertaken initiatives to sensitise our employees about CSR activities by encouraging them and their family members to contribute their knowledge, skill and time through structured platforms like vocational training centre and community programmes like taking guest lectures, mock interviews, periodic assessment and on-job training. We also organise blood donation camps and even arranged for donors.

Environment Sustainability

Through our environment sustainability initiatives, we focus on preventing pollution, conserving natural resources, and implementing and monitoring green infrastructure guidelines. Our excellent performance towards environmental sustainability and climate change

mitigation initiatives has enabled us to win several prestigious awards which include LEED-Gold certification, UNFCCC – Clean Development Mechanism Accreditation for carbon credits and Green Company-Gold Rating by CII among many others. Delhi Airport has the distinction of becoming the 'First Airport in India' to achieve the Green Company Gold rating. Initiatives like Fixed Electrical Group Power (FEGP), CNG vehicles operation, energy conservation measures, collaborative decision-making and mixed mode operation in all runways have enabled us to significantly reduce CO₂ emissions. Besides, we have also installed a 7.84 MW on-site mega solar power plant as a renewable source of energy.

We have focussed on water conservation through installing rainwater harvesting structures and reusing treated wastewater for landscaping, flushing and irrigation. We have also ensured proper disposal of all kinds of solid, hazardous, electronic, and construction wastes.



Always Making Headlines

Print media, television media or social media, Delhi Airport has been creating buzz everywhere.



The Delhi Airport is regularly covered on print and television media for its rapid growth, service quality and offerings. Despite this, we are leveraging the power of social media to stay connected and engaged with all our stakeholders. We have made our social media presence felt across Facebook, Twitter, YouTube and Instagram.

Making presence felt in the Social Media

- Awarded the Best Overall Social Media Strategy 2016 by CMO Asia
- Awarded the Best Social Media Campaign 2016 by PRCI
- Only Airport page in India to have a verified sign on both Facebook and Twitter
- Large base of almost 5 L FB fans and over 50 K Twitter followers
- 7.5 Cr Social Media impressions generated in the CY 2016



5,00,000+

Fans on Facebook

50,000+

Followers on Twitter

71

Average Klout score (determining social media influence) in FY 2016-17, higher than Changi and Mumbai Airport

7.5cr

Social Media impressions generated in CY 2016

Applauded, Appreciated and Awarded

DIAL's transformation and success story has been recognised across several platforms, making it an ideal model for airports across the globe.

Awards and recognitions won by DIAL include:

- World No. 2 in the highest category of Airport Service Quality Awards, 2016
- ACI Green Airports Award 2017 – Gold Level in Asia Pacific Region
- Golden Peacock Award 2016 for Corporate Social Responsibility (CSR), in the aviation transport sector category
- Cargo Airport of the Year (Region-India) at Air Cargo India Awards
- International Safety Award 2016 from British Safety Council
- First Airport in Asia-Pacific to achieve carbon neutral status
- First Airport in India to Platinum rating from Indian Green Building Council (IGBC) for its 'Green' Terminal 3
- CII Energy Efficient unit – National Energy Management Award 2016
- First Airport in the world to adopt the first-of-its-kind Green Building Performance Monitoring Platform – AR
- 'Best Airport in India & Central Asia' by Skytrax
- O&M Rating System
- Network 18 & Honeywell Smart Building Awards 2016 - Smartest Airport in India & Smartest Building in India
- Good Performance Award under Private service sector (Large) for Excellence in Cost Management by Institute of Cost Accountants of India
- Greentech Safety Award 2015
- Muthiah Kasi Award at the 32nd National & 5th Asian Value Engineering Conference
- Best Fire Safety Company – Services Award during Finest India Skills & Talent Award 2017
- Overall Social Media Strategy Award – 2016
- Best Airport – Central and South Asia FTE Asia Awards 2016
- DIAL-ARFF Team won a Special Recognition for the project 3R (Reduce-Reuse-Recycle) in the 29th Quality Circle Competition 2016 organised by the CII – Institute of Quality, New Delhi
- DIAL won various awards in "9th CII National Competitiveness & Cluster Summit" organised by CII – Avantha Centre of Excellence 2016 at New Delhi
- Won various awards at the 18th National Summit on Employee Creativity - organised by the Indian National Suggestion Scheme
- Awarded the 1st place in the 14th National Award for Excellence in Cost Management 2016, under the category of "Infrastructure & Construction Services" by the Institute of Cost Accountants of India [ICAI].
- "Best Emerging Airport – Asia" at Asian Freight, Logistics and Supply Chain (AFLAS) Awards



Bringing Together the Stakeholders

Focussed on creating a culture of fitness and strengthening bonds amongst the airport community stakeholders, a first-of-its-kind aviation-only sporting event Skylympics was organised by DIAL.



At DIAL, we undertook massive planning and developed 'Skylympics Village' at the existing parking space and lawn with unique infrastructure and creative backdrops. It brought together members from airlines, retail concessionaires, ground handlers, cargo companies and aerocity developers on a platform, competing in six short format sports – Cricket, Athletics, Volleyball, Badminton, Football and Table Tennis.

The event was marked by the presence of celebrities like Gagan Narang (Air Rifle Shooter) and Nikhil Chopra (Cricketer) for inauguration; Zaheer Khan (Cricketer), Dhanraj Pillay (Hockey-player) and Harendra Singh (Hockey-player) for honouring the winners; and RJ Raunak from RED FM and Faridkot music band for entertainment. It was also appreciated by Indian wrestlers Sangram Singh, Geeta Phogat and Jagdish Kaliraman.

Skylympics

22

teams

770

players

411

matches

5,000+

spectators

3

days

Bringing together all stakeholders of aviation community. A sporting extravaganza promoting camaraderie, fitness and spirit of pride to work for the airport.

Event partners

Zoom Air, radio partner RED FM, awards partner Delhi Daredevils, Tupperware and Lite Bite, logistics partner Shuttle, Medical partner Medanta, F&B and hospitality partner Oberoi Flights Services and Skygourmet.

Corporate Information

1. Statutory Auditors

- Brahmayya & Co.
- S.R. Batliboi & Associates LLP

2. Chief Financial Officer

GRK. Babu

3. Company Secretary & Investor Relation Contact

Saurabh Jain

4. Registrar and Transfer Agent

Integrated Enterprises (India) Limited
30, Ramana Residency, 4th Cross,
Sampige Road,
Malleswaram,
Bangalore - 560 003

5. Registered Office

New Udaan Bhawan
Opp. Terminal – 3, IGI Airport
New Delhi - 110 037
Tel: +91 11 47197000
Fax: +91 11 47197181
Website: www.newdelhiairport.in

6. Cost Auditors

Narasimha Murthy & Co.

7. Secretarial Auditor

Maneesh Gupta

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Management Discussion and Analysis

Global Economy

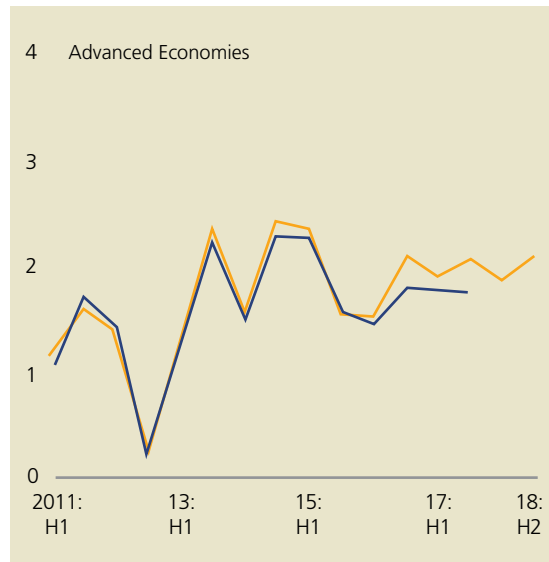
2016 will be remembered for a long time for two of the most unexpected events: the election of the Republican candidate as President of the USA, and the UK's decision to exit the European Union, popularly referred to as Brexit. These events dominated global headlines, affecting both the financial markets and investor sentiments. Another interesting development during the year was the firming up of commodity prices, particularly oil prices that rose by nearly 20% in the second half of the year. Consequently, global growth for the year remained flat at 3.1%, moderately lower than 3.2% in the previous year. However, with the onset of the new year, there was a positive change with the momentum picking up significantly.

Advanced economies grew at 1.7% in 2016 as against 2.1% in 2015. With firms growing more confident about future demand, growth picked up in the United States (US) in second half of 2016. Japan saw robust net exports. Activity also surprised on the upside in Euro area countries, such as Germany and Spain, backed by strong domestic demand.

Growth in the emerging and developing nations remained fixed at 4.1% in 2016 versus 4.2% in 2015. Whereas China grew at 6.7% in 2016 versus 6.9% in 2015, despite high base, reflecting continued policy support. In Brazil, there was a decline of 3.6% in 2016 versus 3.8% decline in 2015, which has been stalled in a deep recession. Activity remained weak in fuel and non-fuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

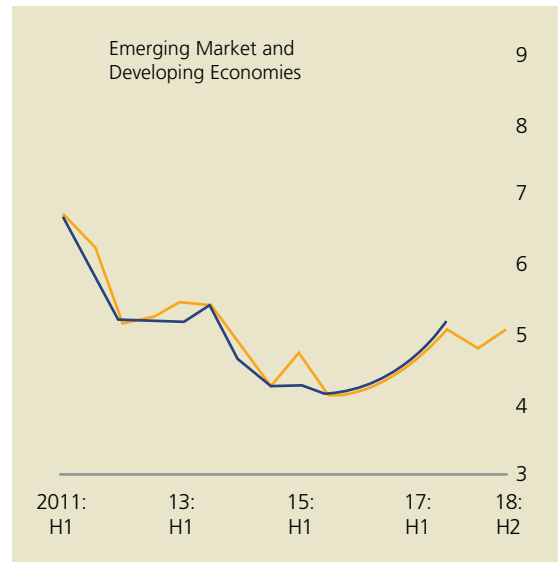


GDP Growth (Annualised semi-annual percent change)



— October 2016 WEO

Source: IMF



— April 2017 WEO

World growth is expected to rise 3.5% in 2017 and 3.6% in 2018 as pickup in global activity is expected to come from developments in emerging markets and developing economies.

The US economy is projected to expand at a faster pace in 2017 and 2018, with growth forecast at 2.3% and 2.5% respectively. The stronger near-term outlook reflects the momentum from the second half of 2016, driven by a cyclical recovery in inventory accumulation, solid consumption growth, and assumption of relaxation in fiscal policy stance.

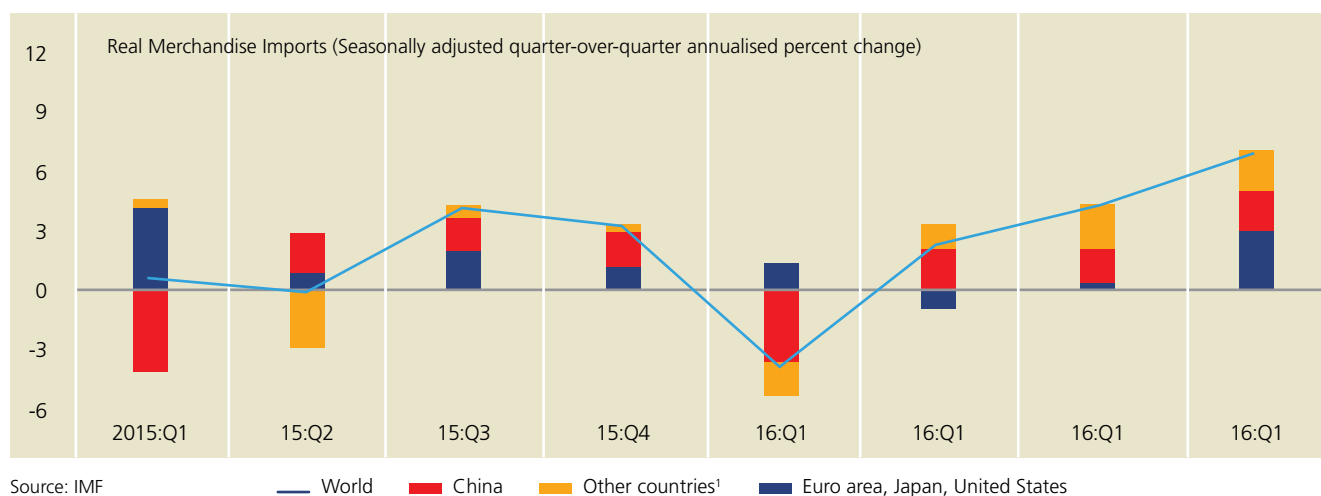
The Euro area recovery is expected to proceed at a broadly similar pace in 2017 and 2018 as achieved in 2016. The modest recovery is projected to be supported by a mildly expansionary fiscal stance, accommodative financial conditions, a weaker euro, and beneficial spillovers from a likely US fiscal stimulus; political uncertainty as elections approach in several countries, coupled with uncertainty about the European Union's future relationship with the United Kingdom, is expected to weigh on activity.

Growth in the group of emerging market and developing economies is forecast to rise to 4.5% and 4.8% in 2017 and 2018, respectively. This projected upturn reflects, to a large extent, a stabilisation or recovery in a number of commodity exports, some of which underwent painful adjustments following the drop in commodity prices, and strengthening of growth in India, partially offset by a gradual slowdown of the Chinese economy.

Global Trade

Global trade is estimated to have grown by 2.2% in 2016 in volume terms, the slowest pace since 2009, and below the 2.4% growth rate of world GDP. The slowdown is attributed to developments in advanced economies, where exports and imports slowed substantially. Weaker trade growth was related to an investment slowdown and inventory adjustment, particularly during the first part of 2016. At the same time, there are signs of recovery, as demand and especially capital spending recover, which should lead to a pickup in trade growth in FY 2017–18.

Real import growth picked up in the second half of 2016, consistent with the firming in investment



After declining to about 0.25% in 2015, trade growth in emerging markets and developing economies showed some signs of recovery, rising to an estimated 2.2% in 2016. This recovery was underpinned by stronger trade growth in China and India as well as in Russia and the Commonwealth of Independent States (CIS), where the contraction in imports moderated from the dramatic pace in FY 2015. Trade growth is projected to increase further in FY 2017–18, as a gradual recovery in investment by commodity exporters boosts import growth. As a result, global trade is projected to grow at a rate of close to 4% in FY 2017–18, close to 1% point above world growth at market exchange rates. (Source: IMF)

Indian GDP growth trends

India's GDP growth rate in % at Constant (2011-12) prices	
2012-13 (3 rd RE)	5.5
2013-14 (3 rd RE)	6.5
2014-15 (2 nd RE)	7.2
2015-16 (1 st RE)	7.9
2016-17 (2 nd AE)	7.1
2017-18*	7.2
2018-19*	7.7

RE: Revised estimates; AE: Advanced estimates; *Projections as per IMF
Source: Central Statistics Office, IMF

Indian economy

India's GDP grew 7.1% in FY 2016-17 (as per second advanced estimates of Central Statistics Office) versus a healthy 7.9% in FY 2015-16. The slowdown in growth can be attributed partly to demonetisation and decline in capital investment by corporate sector amidst lower disbursements by banks due to rising NPAs. However, implementation of the Seventh Pay Commission provided some relief, as did a recovery in exports. Inflation was contained at 3.8% as on March 31, 2017 versus 4.8% as on March 31, 2016, due to tighter monetary policy and lower commodity prices.

Growth is expected to increase to 7.2% and 7.7% in FY 2017-18 and FY 2018-19 respectively, led by a recovery in private investments. India's growth is expected to remain resilient with inflation being low, fiscal prudence, contained current account deficit and benign commodity prices (especially crude). The key policy actions are expected to boost financial stability via increasing capital buffers for PSUs, better targeting of subsidies and structured tax reforms, particularly with the implementation of Goods and Services Tax (GST), which is one of the boldest reforms undertaken in almost last four decades.



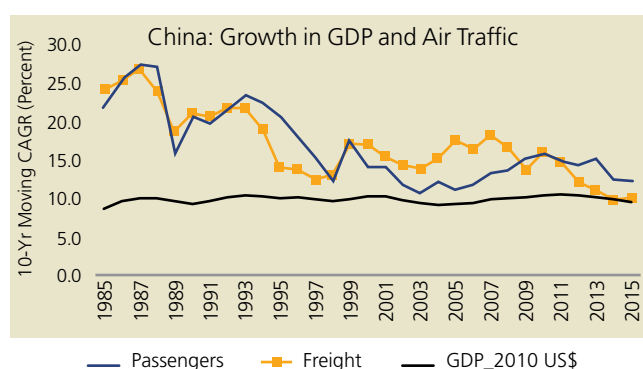
Airport Sector / Business Environment

An Airport has a complex and intricate economic interaction with the economy in which it operates. Airports also have a multi-faceted impact on the economy in terms of direct, indirect, and induced effects on production, income, and employment. The importance of modern Airports is also evident from the positive differential in the growth of their activities such as passenger movements and real growth in the GDP. Besides their economic impact, Airports are also barometers of a country's progress and advance, reflecting and showcasing a country's transition.

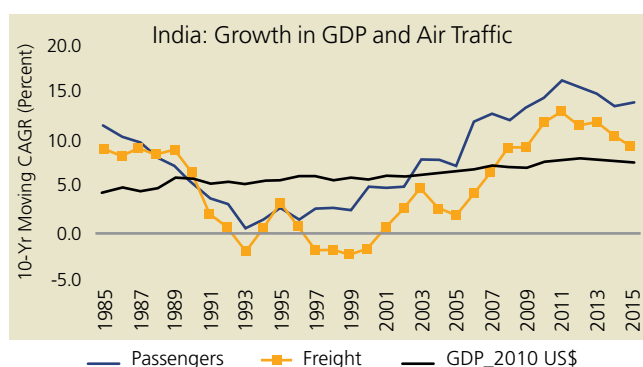
During the period 2005-2015, the average growth of global movement of air passengers was 5.7% as compared to a corresponding growth of about 2.6% in the world GDP during the same period. Data with respect to India and China also show robust growth rates of 13.5% and 12.5%, respectively, in passenger movement even though the growth of their GDPs was lower. This implies that the income elasticity of passenger growth is higher than one as the passengers' preference for air travel increases at a faster rate than the national income. This also signifies as growth accelerates, Airports contribute increasingly to national income and play significant role as active drivers for the rest of the economy.

Growth in GDP and Air Traffic (India, China & World)

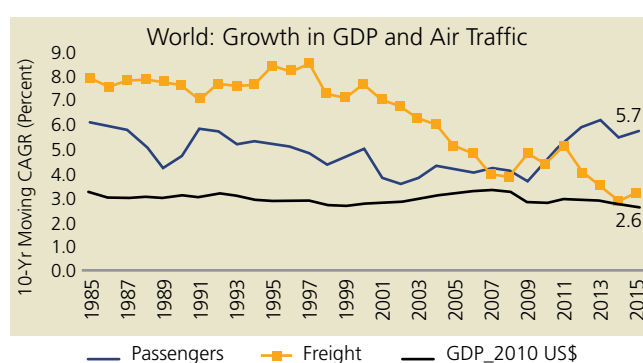
Country	Details	Values			CAGR	
		1975	2005	2015	1975-2015	2005-2015
China	Passenger (million)	1.0	136.7	436.2	13.1	12.3
	Freight (million tonne-km)	46	7579	19806	13.6	10.1
	Reg. Carrier Departures worldwide (million)	0.027	1.349	3.616	10.3	10.4
	GDP_2010 US\$ (trillion)	0.2	3.5	8.8	6.9	9.5



Country	Details	Values			CAGR	
		1975	2005	2015	1975-2015	2005-2015
India	Passenger (million)	3.8	27.9	98.9	5.1	13.5
	Freight (million tonne-km)	211	774	1834	3.3	9.0
	Reg. Carrier Departures worldwide (million)	0.091	0.330	0.788	3.3	9.1
	GDP_2010 US\$ (trillion)	0.2	1.2	2.4	4.0	7.4



Country	Details	Values			CAGR	
		1975	2005	2015	1975-2015	2005-2015
World	Passenger (million)	432.3	1970.1	3440.9	3.9	5.7
	Freight (million tonne-km)	17236	136843	183000	5.3	3.2
	Reg. Carrier Departures worldwide (million)	9.24	24.23	32.96	2.4	3.1
	GDP_2010 US\$ (trillion)	22.8	57.7	74.7	2.3	2.6



Source: World Bank

Source: World Bank

According to the 2015 Annual Report of the International Civil Aviation Organisation (ICAO), global passenger traffic grew at a robust rate of 5.6% despite a sluggish economic environment. Asian Airports such as Dubai, Shanghai (PVG), Bangkok (BKK), and New Delhi, experienced double-digit annual growth rates of 10.7%, 16.3%, 12.8%, and 15.7%, respectively.

Development of modern Airports is vital to India's continued economic progress. Modern Airports in India are instrumental to the success of Make in India as they create an efficient air cargo and logistics network, provide first and last-mile connectivity and help develop regional air services. Expanded air services will open up new markets not only to India's manufacturers but also its primary producers and service providers. Air freight in India has tremendous potential, considering, all Airports in India handled a total of just 30 Lakh tonnes of cargo last year. This compares with 44 Lakh tonnes handled at Hong Kong Airport and 86 Lakh tonnes handled by just the four largest Airports in China, namely Beijing, Shanghai, Guangzhou and Shenzhen.

A report published by the McKinsey Global Institute on 'the Most Dynamic Cities of 2025' lists the 75 powerhouses of the coming urban revolution. In this report, the cities are ranked according to the likely (forecasted) quantum of absolute addition of income (gross domestic product in billion US\$) between 2010 and 2025. Delhi has been ranked as 39th most dynamic city of the world with likely addition of GDP to the tune of US\$ 164 billion. Delhi leads Mumbai and Bengaluru, which are ranked 53rd and 75th, respectively.

Besides being the capital of India, Delhi is also home to embassies and consulates of many countries. It also has rich history with several world heritage monuments, museums, art galleries, architectural wonders and bustling



markets making it one of top tourist destinations. As a result, Delhi alone receives about 20-25 lakh international tourists every year.

With an estimated population of 1.84 Cr in FY 2016, Delhi has occupied the position of fifth most populous city in the world and the largest city in India. The development and growth of the National Capital Region (NCR) - comprising Delhi, Noida and Gurugram has made NCR one of the world's largest urban agglomeration that is bigger in size than the Netherlands and has a population of over 4.6 Cr. The region has emerged as a major business centre with many national and international companies having a presence here. Connecting the three districts of NCR is the Indira Gandhi International Airport, Delhi (IGIA).

Delhi Airport / Company Overview

Delhi International Airport Limited, DIAL (hereafter referred to as the Company/Delhi Airport) is a JV between the GMR Group (64%), Airports Authority of India (26%) and Fraport, Germany (10%). DIAL operates, manages and develops the IGIA, Delhi.

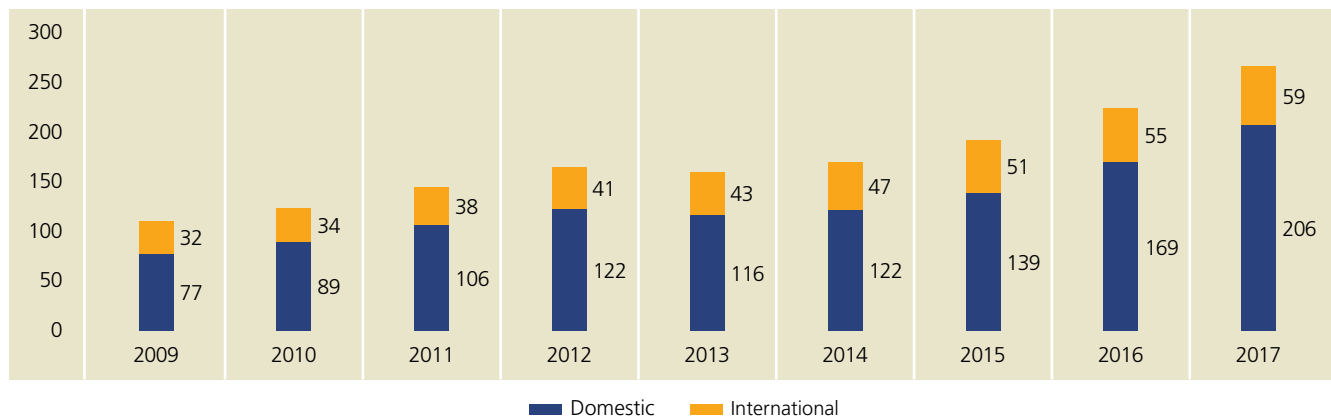
The Company has three business segments namely – Aeronautical, Non-Aeronautical and Commercial Property Development. Under the Aeronautical segment, the Airport provides terminal and airfield infrastructure for use by airline customers. Revenues are derived from charges for use of this infrastructure. The Non-Aeronautical segment consists of the Company's Revenue from retail business including food and beverage, branded shops, advertising displays, car park, car rentals etc. The Commercial Property Development segment includes the property that the Company leases to developers. The Company's Aeronautical revenues are regulated through a hybrid till model with 30% cross-subsidisation from non-Aeronautical revenues (non-aero) excluding revenues from commercial property development. In addition to enhancing passenger and cargo facilities, the Company can commercially develop and monetise land parcel of 230 acres.

Delhi Airport has a terminal handling capacity of 62 mn passengers and cargo capacity of 15 Lakh tonnes. It is the only Indian Airport to have three runways. In recent years, it has emerged as one of the fastest growing Airports in terms of passenger movement as well as aircraft movement. In 2015, the Airport acquired 25th position in top Airports of the world in terms of movement of passengers.

Delhi Airport is the largest amongst the Indian Airports in terms of passengers and cargo handled. It has surpassed Mumbai Airport ever since both the Airports were privatised ten years ago. Over the ten years, Delhi Airport has been consistently handling 21% of passengers, whereas Mumbai Airport's share has declined from 23% in 2007 to the current level of 17%. With respect to cargo, Mumbai Airport handled 30% of cargo in 2007 compared to Delhi Airport's 25% and in 2017 it handled only 25% against Delhi Airport's 29%.

Total Passengers handled in Indian Airports

(Mn)

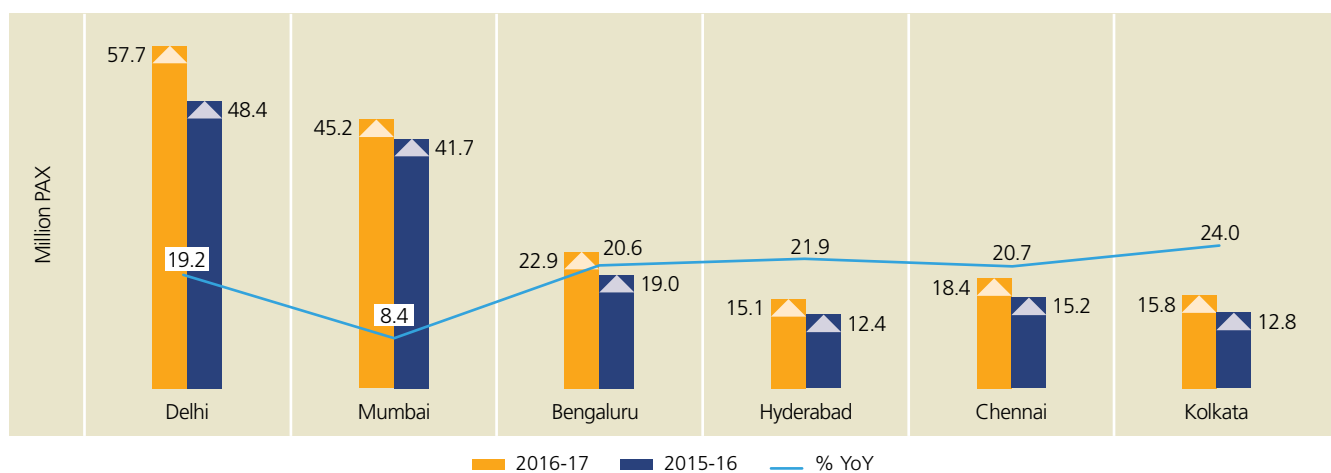


Indian Airports

Traffic at all Indian Airports cumulatively touched 264.3 million with a growth of 18.3%. The traffic of major Indian Airports viz. Delhi, Mumbai, Bengaluru, Hyderabad, Chennai and Kolkata has been analysed for benchmarking Delhi's traffic with other Indian Airports.

Passenger Traffic

The passenger traffic of above mentioned six Airports is presented in the below chart. Delhi Airport has handled 57.7 mn passengers, followed Mumbai with 45.2 mn passengers.



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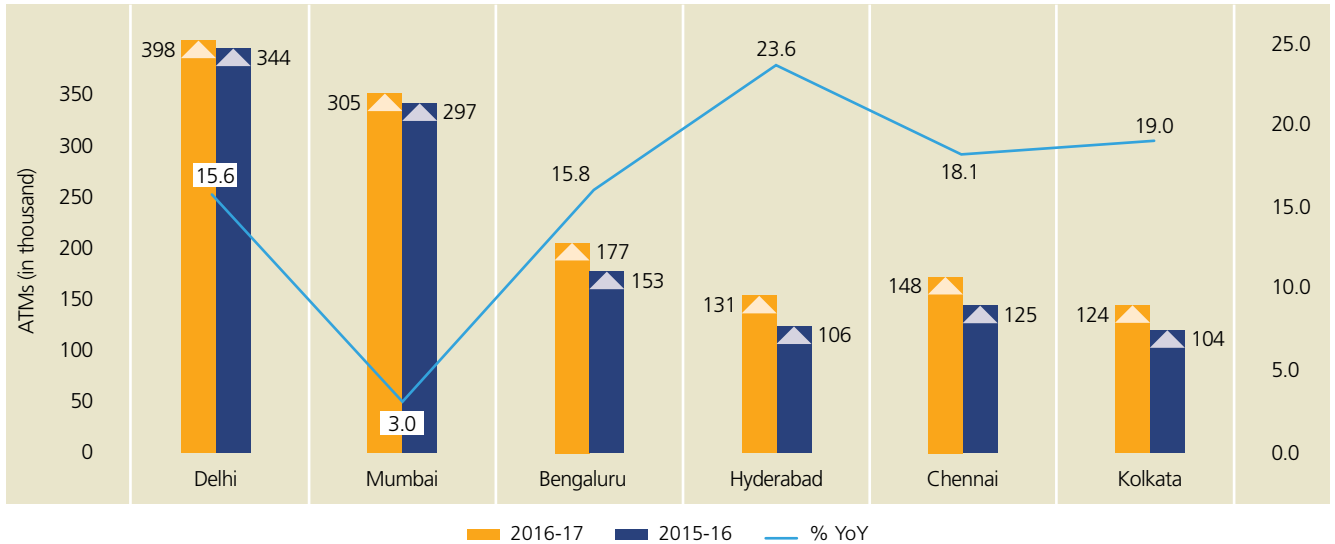
Standalone Financial Statements

Consolidated Financial Statements



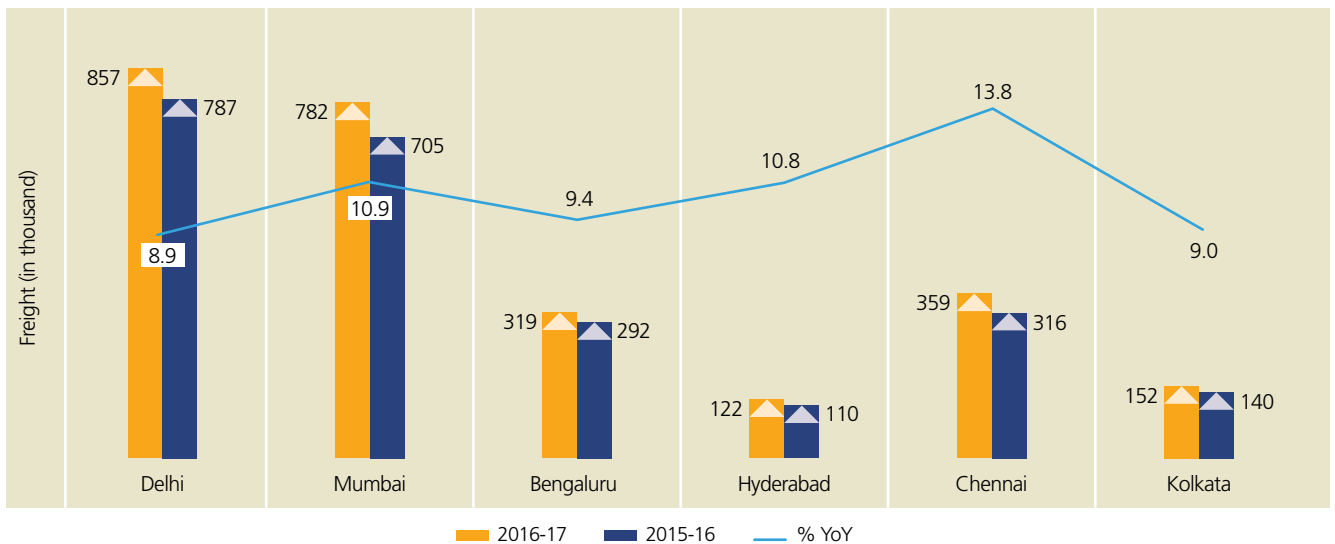
Air Transport Movements

Delhi Airport has operated 3,98,000 scheduled movements, clocking a growth of 15.6% over the previous year. In comparison, Mumbai Airport has operated 3,05,000 scheduled movements with growth of 3% YoY.



Cargo Traffic

Delhi Airport has handled 8,57,000 tonnes of cargo followed by Mumbai with 7,82,000 tonnes. Delhi recorded a YoY growth of 8.9% in cargo traffic.



In total, 56 airlines are calling into Delhi Airport currently, connecting 64 international and 60 domestic destinations, which is the highest amongst Indian Airports. This has helped Delhi Airport to emerge as one of the leading aviation hubs in South Asia. It has been the Company's endeavour to add new airlines as well as add new routes by the existing airlines.

A number of new Airlines and Destinations have been added over the past few years

	Airlines Added	Destination Added
2007	• Air Astana • Air China	• Kam Air • Finn Air
2008	• China Southern Airlines • Air Arabia	• Almaty • Helsinki
2010	• Mahan Air • Druk Air	• Brussels • Guangzhou
2011	-	• New York [JFK] • Tehran • Paro • Kandahar
2012	• Safi Airways	• Dushanbe • Hangzhou
2013	• All Nippon Airways • Iraqi Airways	• Tajik Air • Baghdad • Basra
2014	• Malindo Air	• Birmmingham • Melbourne
2015	• Fly Dubai • Pegasus Air	• Nepal Airlines • Shandong Airlines
2016	• Air Canada • Bhutan Airlines • AirAsia X	• Domodedovo [Moscow] • Toronto • San Francisco • Male

The Government of India's recent "UDAN" initiative of connecting 43 regional Airports across the country will augur well for the country as well as the Company. The aim of the initiative is to promote regional air services (including helicopter services) by connecting unserved or under-served Airports. India has signed its 1st 'Open Skies Agreement' with Greece which will have a positive impact. In May 2017, India and Spain signed a MoU for cooperation in the civil aviation industry. The MoU would spur greater trade, investment, tourism and cultural exchanges between the countries giving a boost to aviation sector. In April 2017, Brussels Airlines launched its service from Brussels to India, its 1st flight to Asia. The launch is a part of the Lufthansa's group strategy to expand its business in India and indicates promising opportunities for Airports across the country. Also, the approval of 49% FDI in aviation for foreign carriers increases investment opportunities for Airports.

Economic Impact of Delhi Airport

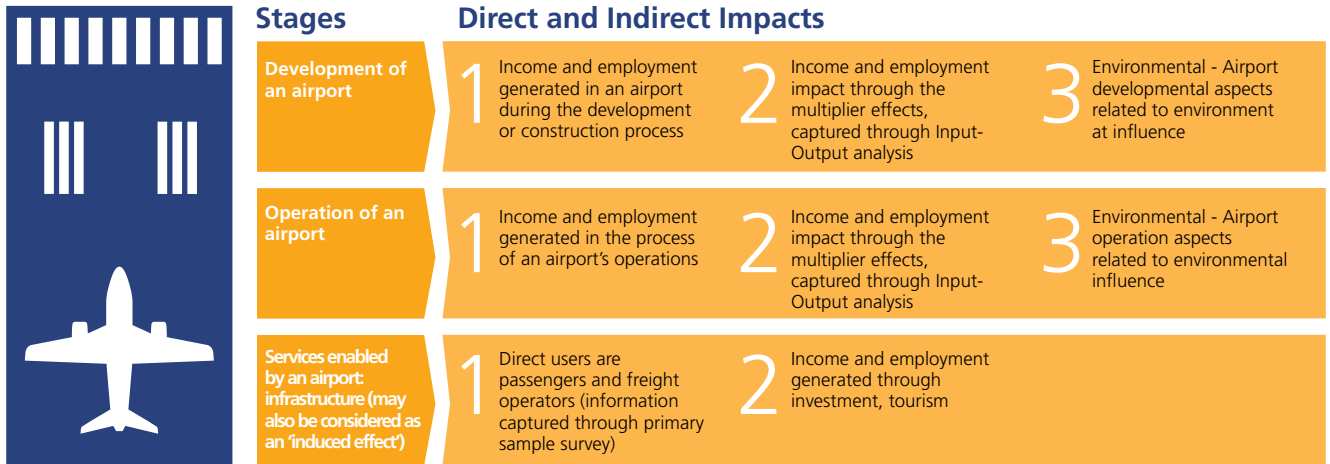
The operations at Delhi Airport have a considerable economic and social impact in Delhi-NCR and surrounding regions. These benefits extend far beyond the direct effect of an Airport's operation on community development to the wider benefits that air service accessibility brings to business interests and to consumers.

Delhi Airport's contribution to any economic activity is a combination of the contribution of all organisations / agencies operating within the Airport's ecosystem. While the demand for an Airport's development and operations emanates from its users, the development and operation requires a variety of inputs including human capital,

technology and other services which have to be deployed by an Airport operator. One aspect of the economic impact of the development and operation of an Airport is the generation of income and employment for those who support the Airport functions and its business.

Delhi Airport supports the employment directly on-site and in the surrounding area, as well as indirectly across the value chain of its operations. In addition, the income earned through these direct and indirect activities generate the demand for goods and services in the economy, in turn, generating further employment and income.





The National Council of Applied Economic Research (NCAER) conducted the Economic Impact Assessment of Delhi International Airport. Following are the key highlights of the study:

- The value of the economic impact (Value added) of the Delhi Airport is estimated at ₹ 80,724 Cr during FY 2014-15 (which is an increase from ₹ 29,470 Cr recorded during FY 2009-10) - This constitutes to a contribution of 0.70% to the National GVA (which was 0.45% to the National GDP in FY 2009-10)
- Airport's operations led to creation of 28.39 Lakh jobs in FY 2014-15, (up from 15.78 Lakh jobs in FY 2009-10). This constitutes to 0.56% of the national employment figure (which was 0.34% in FY 2009-10)
- The value of economic impact by the Airport is expected to touch ~ ₹2,40,356 Cr (i.e. 0.60% of the estimated national GVA) by FY 2025-26
- In terms of Employment, the impact is estimated to touch 40.22 Lakh (i.e. 0.58% of total estimated workers) in FY 2025-26

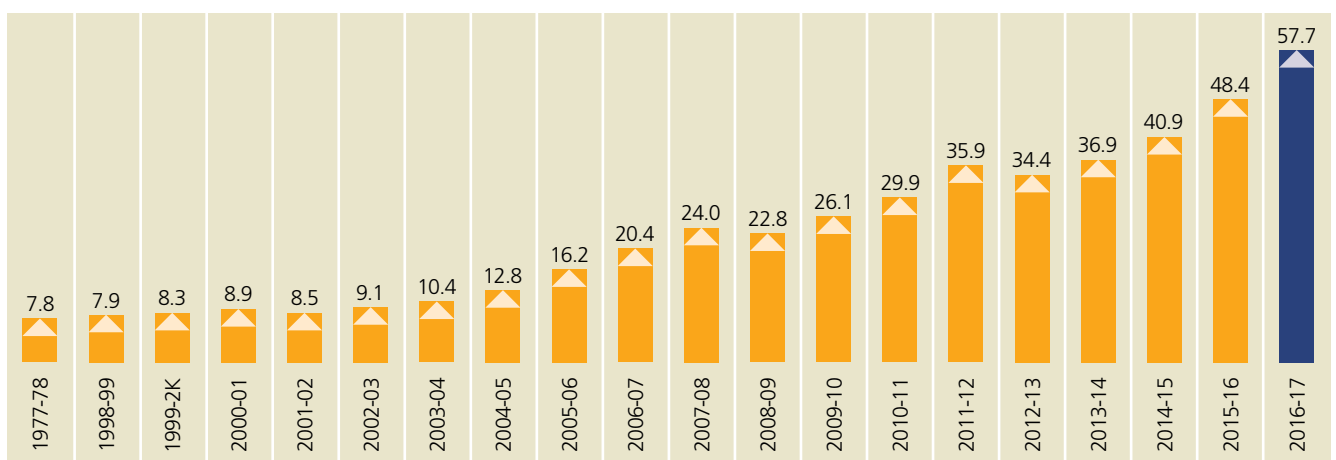
Operational Performance Overview

Delhi Airport handled 57.7 mn passengers in FY 2016-17 against 48.4 million in FY 2015-16, registering a growth of 19%. International and domestic traffic was 15.5 and 42.2 mn passengers respectively, during the fiscal year 2016-17. In domestic, positive growth has been seen in Indigo, SpiceJet and Go Air, while increased frequencies of Vistara and AirAsia India have also contributed significantly. The major reason for international growth is increase in international frequencies of Air Asia X, Air Canada and Kuwait Airways. The introduction of Korean and Air India Express have also contributed to growth in international.

Similar to the last decade, growth has been in line with the industry growth rate with aggregate passengers across Indian Airports growing at 18.3%. The Airport had a CAGR of 11.1% for the period FY 1997-98 to FY 2016-17. The historical growth of passengers is given in the below graph:

Passengers handled by Delhi Airport

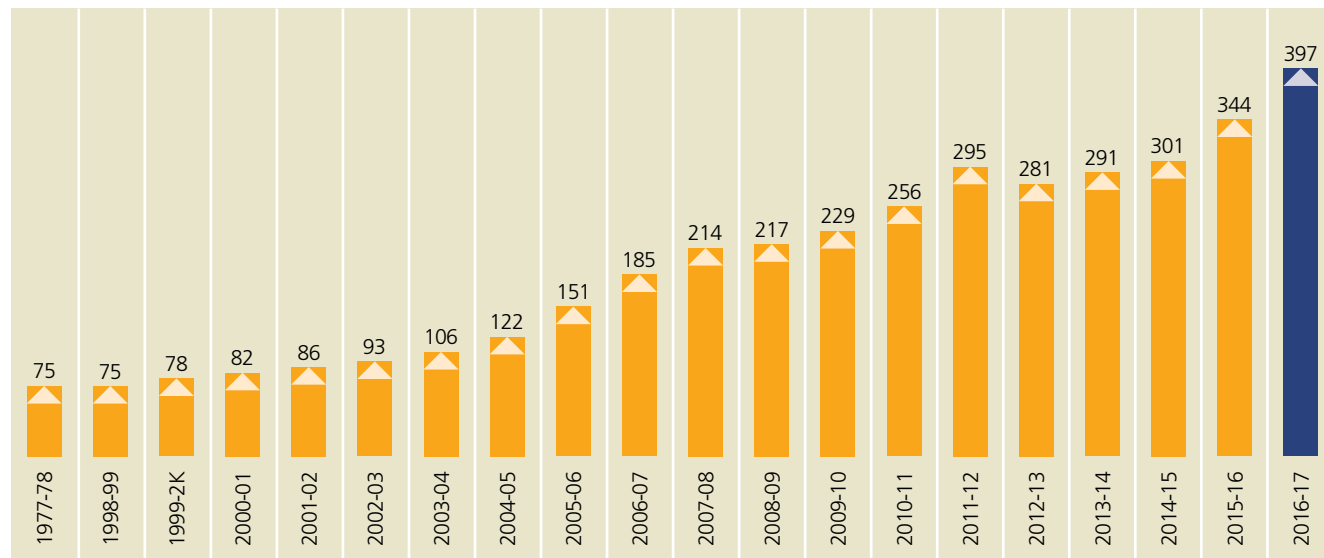
million PAX



Air Traffic Movement by Delhi Airport

The Airport handled 397 thousand schedule movements in FY 2016-17 registering a growth of 15.6% primarily driven by introduction of new flight routes and new airline carriers. The Airport had a CAGR of 9.2% for the period FY 1997-98 to FY 2016-17. The historical growth of ATMs is given in the below graph.

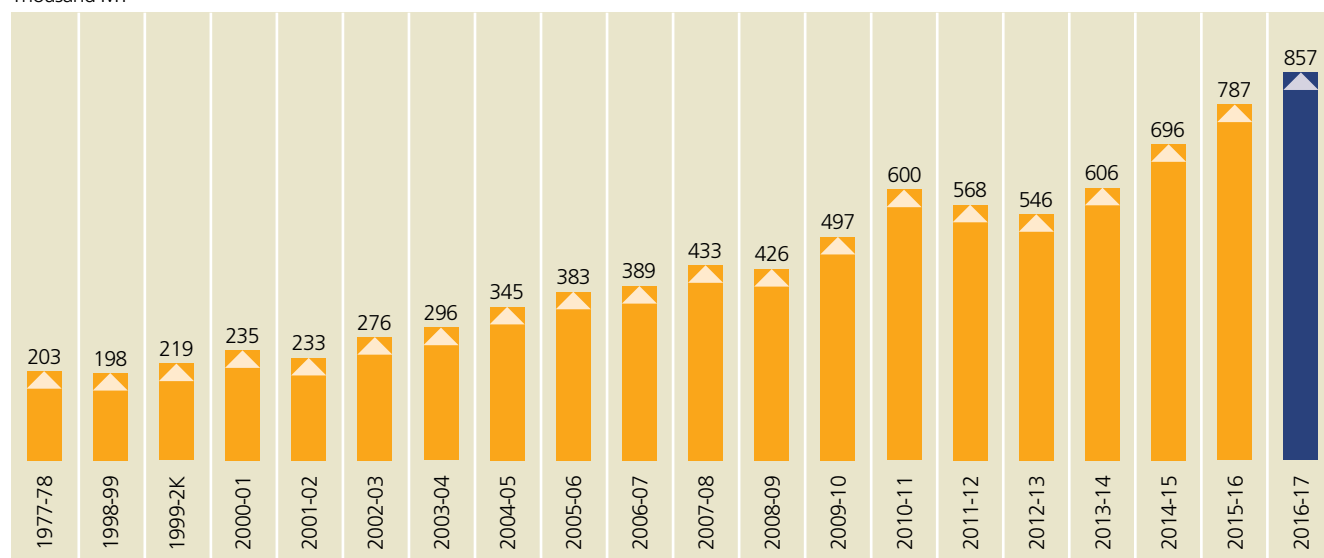
Thousand ATMs



Cargo handled by Delhi Airport

The Airport handled 8,57,000 tonnes of cargo in FY 2016-17 registering a growth of 8.9%, which is slightly lower than the industry average of 11.1%. It had a CAGR of 7.9 % for the period FY 1997-98 to FY 2016-17. The historical growth of ATMs is given in the below graph:

Thousand MT



Financial performance overview

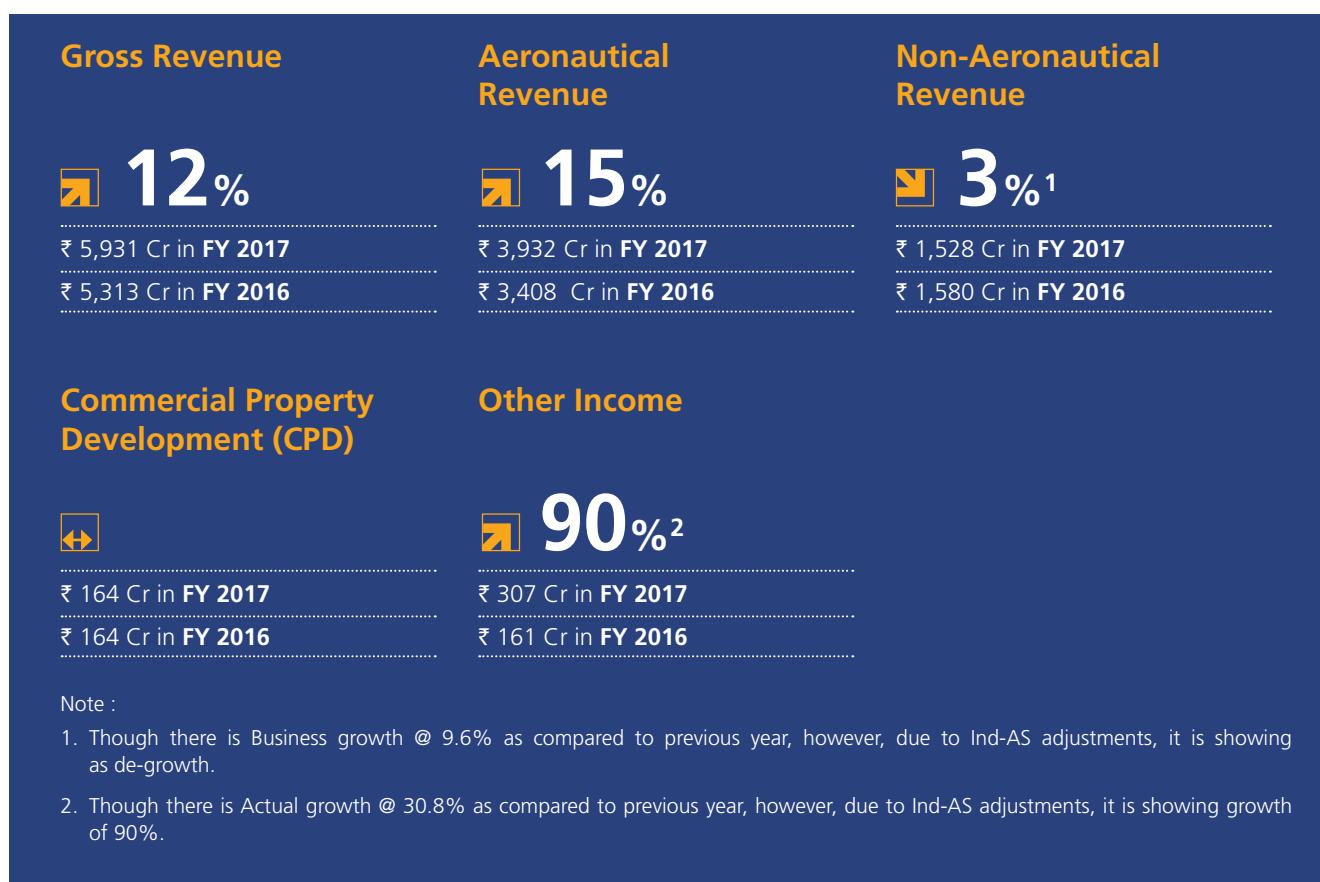
Profit & Loss Account

The Company's EBITDA and PAT recorded a YoY growth from FY 2015-16 to FY 2016-17; EBITDA Margin (as a % of Gross Revenue) increased from 37% in FY 2015-16 to 39% in FY 2016-17 and PAT Margin (as a % of Gross Revenue) increased from 9% in FY 2015-16 to 10% in FY 2016-17 due to increase in various revenue streams and better absorption of overheads/semi variable costs. The summary is shown below:

Particulars	FY 2016-17		FY 2015-16		Growth %
	In ₹/Cr	% of revenue	In ₹/Cr	% of revenue	
Gross Revenue	5,931.22	100%	5,313.44	100%	12%
Less : Annual Fee to AAI	2,634.84	44%	2,304.15	43%	-14%
Net Revenue	3,296.38	56%	3,009.29	57%	10%
Expenses	963.84	16%	1,048.54	20%	8%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,332.54	39%	1,960.75	37%	19%
Finance Cost	527.25	9%	632.24	12%	17%
Depreciation and amortisation expense	638.03	11%	703.57	13%	9%
Profit before tax and exceptional items	1,167.26	20%	624.94	12%	87%
Exceptional Items	40.80	1%	-	-	-
Profit before tax (PBT)	1,126.46	19%	624.94	12%	80%
Tax expense	540.50	9%	120.68	2%	-348%
Profit for the year (PAT)	585.96	10%	504.26	9%	16%

Gross Revenue

Gross Revenue witnessed an increase of 12% on account of improved Aero and Non-Aero revenues driven by increasing passenger traffic and airline volume. The revenue stream can be shown as follows:





Revenue Stream	FY 2017	FY 2016
Aeronautical	3,932	3,408
Non-Aeronautical	1,528	1,580
CPD	164	164
Other Income	307	161
Total	5,931	5,313

Annual Fees to AAI

As per the Concession Agreement (OMDA) entered into with AAI in April 2006, the Company is required to pay to AAI an Annual Fee (AF) each year at 45.99% on its projected revenue in twelve equal monthly instalments (MAF), to be paid in each calendar month. As per Article 1.1 of Chapter I of OMDA,

"Revenue" is defined to mean all pre-tax revenue of DIAL with certain specified exclusions. The share to AAI has increased by 14% on account of increase in revenue.

Expenses

The expenses comprise operating expenses, employee expenses and administration costs. The expenditure has come down by 8% due to higher growth rate of revenue and better absorption of overheads resulting in improvement in operating ratio. The Company has also engaged itself into various cost reduction initiatives like BLIP (Bottom Line Improvement Plan), Kaizen etc. resulting into cost containment. The breakup is shown in below table:

Particulars	FY 2016-17		FY 2015-16		Growth %
	In ₹/Cr	% of total expense	In ₹/Cr	% of total expense	
Personnel Expense	129.47	13%	125.48	12%	3%
Administration Expense	282.76	29%	361.45	34%	-22%
Operating Expense	551.61	58%	561.61	54%	-2%
Total Expense	963.84	100%	1,048.54	100%	-8%

Finance Cost

The finance cost has come down significantly by 17% on account of refinancing of existing debts through US\$ Bonds and one time interest on DF (Development Fund) included in previous year leading to interest cost saving.

Depreciation and Amortisation expense

The Depreciation and Amortisation expenses have come down by 9% due to change in useful life of Intangible Assets. During FY 2015-16, there was depreciation recorded for ₹ 64.45 Cr in

reference to assets under finance lease from WAISL which is not appearing in FY 2016-17.

Tax Expense

The Tax expense comprises Minimum Alternate Tax (MAT) and Deferred Tax. The tax has increased significantly due to increase in book profits and increase in deferred tax liability on account of reduction in carried forward losses and unabsorbed depreciation as per Income Tax Act because of profit during the year.

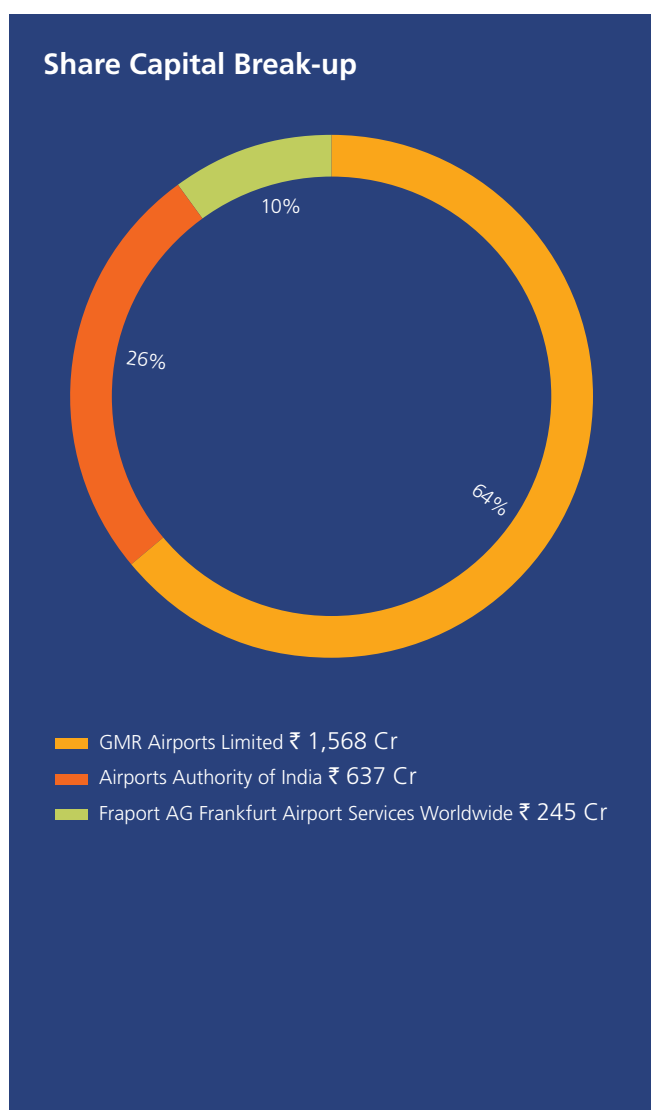
Balance Sheet

(₹ in Cr)

Particulars	FY 2016-17	FY 2015-16	Change
Share capital	2,450.00	2,450.00	-
Other equity	558.66	(9.74)	568.40
Non-current liabilities	7,746.58	7,601.81	144.77
Current liabilities	1,211.77	1,201.95	9.82
TOTAL	11,967.00	11,244.02	722.98
Non-current assets	8,182.87	8,765.50	(582.63)
Current assets	3,784.13	2,478.52	1,305.61
TOTAL	11,967.00	11,244.02	722.98

Share Capital

As on March 31, 2017 the total Share Capital of the Company stood at ₹ 2,450 Cr which largely remains unchanged during the year. Shareholding as at March 31, 2017 is as follows:



Other Equity

This primarily includes retained earnings. The Company's Other Equity as on March 31, 2017 were ₹ 558.66 Cr against ₹ (9.74) Cr as on March 31, 2016. The movement is on account of profit earned during the year.

Non-current liabilities

As of March 31, 2017, total Non-current liabilities were at ₹ 7,746.58 Cr against ₹ 7,601.81 Cr as on March 31, 2016. The increase is mainly on account of deferred tax liability. The borrowings has come down on account of repayment of Rupee Term Loan & External Commercial Borrowings by issue of Fresh US\$ Bonds.

The following is the breakup:

(₹ in Cr)

Particulars	FY 2016-17	FY 2015-16	Change
Financial Liabilities			
(i) Borrowings	5,261.97	5,393.16	(131.19)
(ii) Other financial liabilities	298.31	309.26	(10.95)
Deferred revenue	1,781.31	1,752.77	28.54
Deferred tax liabilities (net)	292.04	-	292.04
Other non-current liabilities	112.95	146.62	(33.67)
TOTAL	7,746.58	7,601.81	144.77

Current liabilities

As of March 31, 2017, total Current liabilities were ₹ 1,211.77 Cr against ₹ 1,201.95 Cr as on March 31, 2016. The Current liability has increased marginally mainly on account of increase in trade payables.

Non-current Assets

As of March 31, 2017, total Non-current Assets were ₹ 8,182.87 Cr against ₹ 8,765.50 Cr as on March 31, 2016. There was decrease in Net Gross Block of Fixed Assets on account of depreciation for the year and transfer of assets.

The following is the breakup:

(₹ in Cr)			
Particulars	FY 2016-17	FY 2015-16	Change
Property, plant and equipment	7,381.27	8,039.80	(658.53)
Capital work in progress	123.94	63.87	60.07
Intangible Assets	404.07	412.94	(8.87)
Investment in subsidiaries, associates & joint ventures	181.05	138.01	43.04
Other non-current assets	92.54	110.88	(18.34)
TOTAL	8,182.87	8,765.50	(582.63)

Current Assets

As of March 31, 2017, total Current Assets were ₹3,784.13 Cr against ₹ 2,437.88 Cr as on March 31, 2016, because of surplus availability of cash which has resulted increased investments in mutual funds. The surplus cash is available mainly because of continuance of old tariff. Further, trade receivables majorly includes dues from Air India which Air India is not able to clear due to its poor financial health. However, we are making continuous effort to address this issue by effectively engaging the MoCA & Air India.

The following is the breakup:

(₹ in Cr)			
Particulars	FY 2016-17	FY 2015-16	Change
Investments	2,184.38	956.66	1,227.72
Trade Receivables	898.88	791.46	107.42
Cash and cash equivalents	554.12	407.67	146.45
Others	146.75	282.09	(135.34)
TOTAL	3,784.13	2,437.88	1,346.25



Value-added and contribution to exchequer

Modern Airports are vital hubs with people, freight, knowledge and commercial inflows. In fact, most Airports being developed today are much more than aviation infrastructure. They have now become multimodal and multifunctional enterprises with the ability to generate significant commercial and economic development within and well beyond their boundaries. They also contribute to economic productivity by providing connectivity, facilitating business opportunities, trade and tourism. The efficient connectivity is crucial for growth-centric model and in augmenting real estate and other business development. The growing need for modernisation and efficient operation of Airports, public-private partnership (PPP) models are increasingly being used to involve private sector for development and operation of Airports. The same is true with Delhi Airport. The successful modernisation of the Airport infrastructure through public-private participation has brought about a paradigm shift in the pattern of urban settlement and development in the region as a gateway to India. This enabled economic growth,

benefiting the whole region through the generation of both direct and indirect economic value, while maintaining world class service standard.

Distribution of Economic Value

In FY 2016-17, DIAL generated ₹ 6,910.58 Cr in revenues, an increase of 12% over the previous financial year. Payment to the Government constitutes a major portion of the value distributed, accounting for 60% of the total revenues. DIAL has paid an aggregate revenue share of ₹ 13,214 Cr to Airport Authority of India since FY 2006.

Our operating cost, excluding payments to employees and government taxes, increased by 7% over the previous financial year. Payment to employees marginally increased over the previous year. Payment to providers of capital marginally decreased over the previous year. Total outflow was recorded at ₹ 5,480.87 Cr and the total value retained was ₹ 1,429.72 Cr.

Amount in Cr (₹)

	2016-17	2015-16	2014-15	2013-14	2012-13
Economic Value Generated	6,910.58	6,173.42	4,955.35	4,598.55	3,842.25
Revenues					
Economic Value Distributed					
Payments to Government					
• Annual fee to AAI	2,634.84	2,304.15	1,967.8	1,838.06	1,533.16
• Direct Tax	398.5	422.87	254.73	278	179.24
• Indirect Tax	996.73	872.42	671.84	612.08	540.93
Payments to providers of Capital	568.27	571.23	556.19	564.83	657.46
Employee Wages and Benefits	132.05	125.33	132.12	122.65	123.72
Operating Cost	750.48	698.75	770.34	710.56	525.09
Economic Value Retained	1,429.72	1,178.66	602.33	472.37	282.65



Strategic Direction of DIAL

The DIAL strategy for long-term stability and continual improvement is focussed on operational efficiency to be achieved with deployment of innovative technology, benchmarking with best practices in related industry both within and outside India. This would result in cost-effective operations without compromising on service quality standards. The strategy would be backed by improved infrastructure, efficient operational measures, continuous learning, effective change management and continuous engagement with all possible stakeholders for their support.

DIAL has adopted a proactive sustainable approach for the Airport to develop an environment-friendly posture that accommodates the community's concerns and at the same time meets all regulatory requirements.



2006-07

- Operation Stabilisation
- Operation Took Over
- OMDA Signing

2011-15

- Profitability
- ASQ Rating
- Operational Efficiency
- Cost Containment

2008-10

- T3 Project Completion
- Operation Stabilisation
- T1 D Completion
- New Runway

2016-20

- To join the league of world's Top 3 Airports like Incheon & Changi
- Building winning culture through PQS
- Sustain profitability & liquidity
- Innovation & technology (Smart Airport)
- T2 Operationalisation and Ph3A

With the strong focus of the Board and Management, efficiency, productivity and cost management has become part of the DNA at DIAL now.

Cost containment

DIAL has adopted a comprehensive Cost Management Framework consisting of various policies/processes/activities/initiatives and is supported by Senior Leadership Team commitment to ensure strong and sustainable delivery of the Efficient Cost Management System. Increased number of BLIPs (Bottom Line Improvement Plan), Kaizens & CIPs (Continuous Improvement Plan) form an integral part of the organisational measures of success to evaluate annual performance of the Company. This framework includes:

Budgeting Annual Operating Plan (AOP) exercise sets the tone and targets for the year in the beginning which includes various cost centres. It is based on past cost trends as well as zero base budgeting in some areas using latest inputs available.	Benchmarking Efficiencies and Productivity matrixes are benchmarked against best in Industry to bring out conviction in Cost Management and Budgeting programme. Each function is encouraged to establish new benchmark for the entire industry which has been recognised by Company at large.	Cross Functional Team Specific cost-saving projects (BLIPs, Kaizens & CIPs) are overseen by Cross Functional Team comprising senior-most executives from different functions of the organisation to ensure that road blocks to achieve cost targets are removed in a collaborative manner.
Evaluation through Cost Benefit Analysis (CBA) Significant operating expenses and capital spends are subject to rigorous Cost Benefit Analysis by user function supervisors and Finance before commitment to ensure that projects and initiatives are designed to add value as per stated objectives of the Company.	Variance analysis Monthly costs are tracked and communicated to cost centre owners through Budget versus Actual report at functional level. Further drill down of the cost is provided for further analysis to have robust cost control. Online tracking is also available thru SAP for every cost centre.	Cost saving ideas Campaigns are conducted among employees of the Company to identify opportunity for cost savings and innovative ideas to optimise cost further. Incentives and rewards are provided for promising ideas which are implemented through the cross functional team.
Quality Improvement and Sustenance Comprehensive and integrated quality approach based on P-Q-S (Proactive Approach, Quality Consciousness, Stakeholder Engagement) philosophy that ensures that each function is solving business problems pro-actively without compromising on quality and with effective stakeholder engagement so as to ensure their affirmation to the initiative taken.	Procurement Centralisation Procurement function has been centralised to avail economies of scale and enhanced negotiation processes such as reverse auctions, contract consolidation & value engineering.	Technology push & Innovation Management has put in specific emphasis on digitisation and automation of various activities/process with help of robust business applications and IT infrastructure. Technology has been leveraged to improve cost/process efficiency.

DIAL is cost-conscious, innovation-driven, operationally-efficient and a customer-centric organisation. This is aptly reflected in the Company's mission statement – "To be amongst the top 3 Airports by providing superior customer experience through deployment of technology and innovation, while sustaining profitability with care for environment and being a great place to work".

We also have to our credit, an award for **"13th NATIONAL AWARDS FOR EXCELLENCE IN COST MANAGEMENT 2015,"** from The Institute of Cost Accountants of India in 2015.

Awarded the 1st place in the **"14th NATIONAL AWARD FOR EXCELLENCE IN COST MANAGEMENT 2016,"** under the category of "Infrastructure & Construction Services" by the Institute of Cost Accountants of India [ICAI].

Service Excellence at DIAL

Building a customer-focussed organisation

DIAL has always focussed on “Building a Customer-Focussed Organisation” by creating world-class infrastructure and facilities, and achieving operational excellence. Various initiatives adopted have aligned all systems and processes with an unwavering customer focus. Delhi Airport’s continuously improving score and ranking in the ASQ Survey as well as various accolades earned from various international and national bodies are testimony to the constant and dedicated efforts in this direction.

In order to measure and improve the quality of service delivery and passenger experience, Key Performance Indicators (KPIs) have been established to ensure continued focus in different areas of service delivery. This has also enabled DIAL to retain its focus on being customer-centric, cost-conscious, innovation-driven and operationally excellent while aiming to provide safe, secure and seamless customer service.

Excellence at DIAL

To establish a total quality culture at Delhi Airport, DIAL incorporated a dedicated Quality function in FY 2006. It has

been responsible for identifying quality gaps, providing solutions, doing process audits and overall quality control at the Airport. Quality has been institutionalised in the form of CIP culture, 5S and KAIZEN - first of its kind in Airport environment in India.

Process Excellence

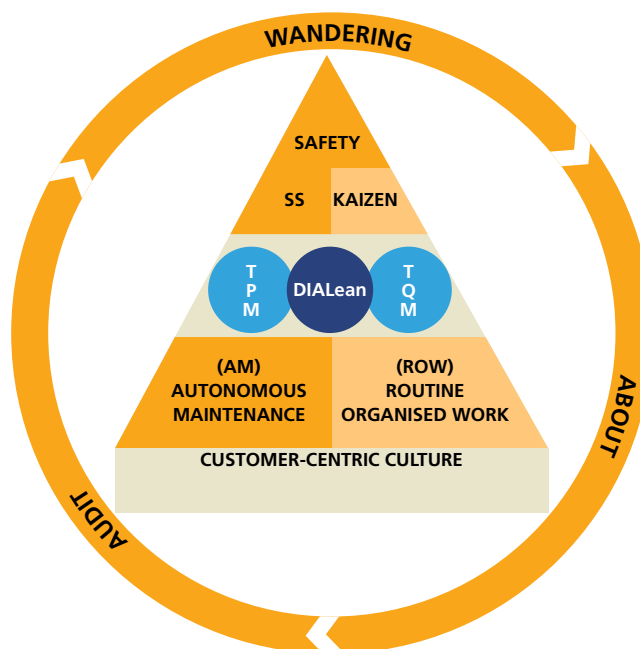
The Process Excellence’s core focus remains on maintaining the highest quality of service delivery for our stakeholders and customers by following a lean methodology called DIALean. Through periodic process efficacy studies as per statistically validated sample size enables the Company to check the passenger interfacing processes at the Airport. The findings of such audits are utilised to further improve the processes at the Airport. Further, various ISO/Non ISO systems’ periodic audits, independent assessments and compliance checks are carried out in planned manner. Outcomes of all these processes as well as other similar inputs form basis for improvement projects commensurate with the priority.

DIALean of DIAL has received a number of certifications including ISO 9001, ISO 14001, ISO 20001, ISO 27001, ISO 26001, ISO 39001, ISO 5000 and OHSAS 18001 reflecting our focus towards process excellence.

Excellence at DIAL



Process Excellence



Business Excellence

The Business Excellence Model has been adopted as a way of life at DIAL. Our systems and processes are linked to the Vision, Mission & Values as well as to the needs and expectations of our customers and stakeholders.

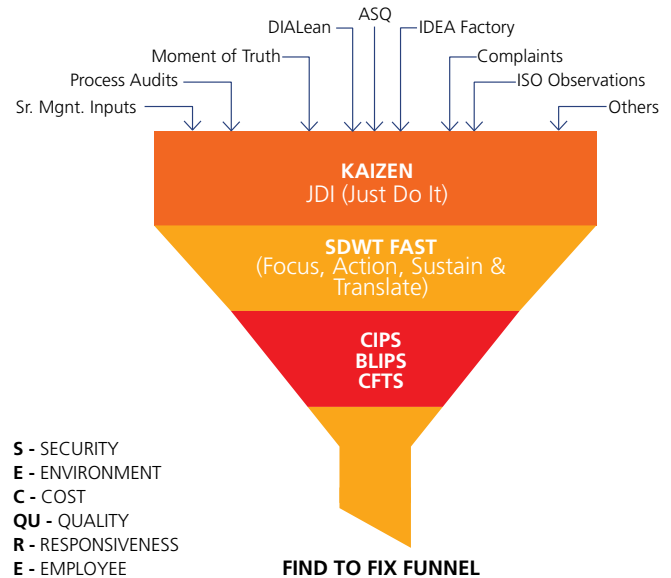
DIAL adopted the GMR Business Excellence Model (GBEM) in 2010. This is based on Malcolm Baldrige Business Excellence National Quality Award Criteria, which has 6 Enabler Process criteria and respective results criteria, each incorporating Excellence. At DIAL, we recognise the fact that Quality is a journey and not a destination.

The GBEM journey has been quite intriguing and inspiring. It has enabled us to develop and deploy an inclusive approach integrating tools and techniques such as Innovation and Benchmarking, and blending principles and practices like SCM, Key Account Management (KAM) etc. It has facilitated us to re-sharpen our core competencies and assisted us to re-define our Customer in a more comprehensive manner. It has completely influenced our approach to our business management system that has started positively reflecting in our day-to-day working.

GBEM is central to our BE journey pursuing the Group's philosophy that assimilates Business Growth, Institution Building and Knowledge Management.

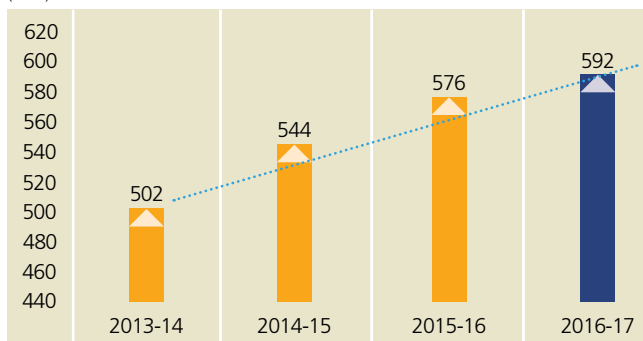
At DIAL, we revere Business Excellence as Business Every-day. To realise this, the BE framework needs to become cornerstone of our way of thoughts and actions – our way of life.

arrive at solutions post a robust evaluation process, aimed at delivering and exceeding stakeholders and customers' expectations.



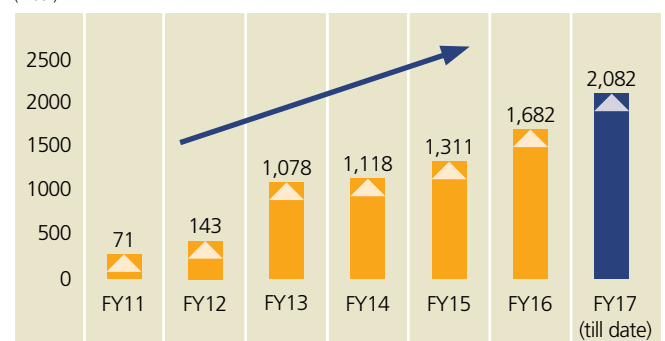
BE Score

(₹ Cr)



Number of Kaizens

(Nos.)



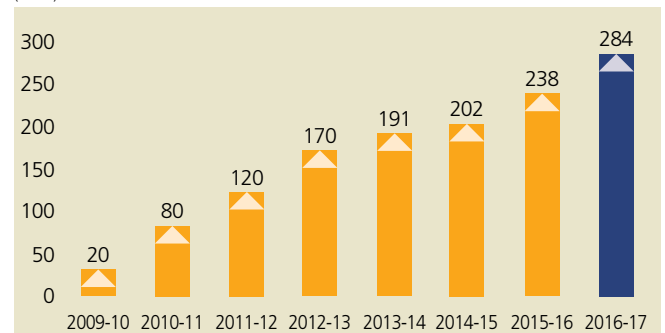
Service Excellence

DIAL's strategy planning process primarily focusses on creating and ensuring customer and stakeholder value. We proactively capture feedback from all customers and stakeholders through regular interactions as it helps strengthen our relationship as well as identify any areas of strength and improvement.

In order to continuously enhance the service quality at Delhi Airport, we follow a 'Find-to-Fix' quality model, where inputs from multiple channels are filtered based upon the relevance to various initiatives in place at DIAL. This enables teams to

Number of 5S Zones

(Nos.)



Operational Excellence

Operational Excellence is a key focus area at Delhi Airport. It enables us to satisfy the expectations of our primary customers, while we maintain a sustainable business model which is economically, socially and environmentally viable, with the optimum utilisation of the infrastructure and resources. Operational Excellence ensures high efficiency at adequate costs.



On Time Performance (OTP)

There has been a vast improvement in OTP at Delhi Airport over the last five years. In 2010, Delhi Airport's OTP was at 60% which currently stands at 83%.



ATM Handling Capacity

DIAL has been successful in increasing the ATM's from 60 (year 2010) to presently 78 aircraft movements per hour in collaboration with its stakeholders.



Runway Occupancy Time

Reducing Runway occupancy time is a key component for DIAL strategy for enhancing capacity. With better runway use planning, maximising usage of Rapid Exit Taxiway (RET) and Continuous Descent approach, DIAL has been successful in reducing the runway occupancy time.



Baggage Handling

Passengers perceive baggage handling as a major contributor to airport service quality. In order to satisfy passengers, airline and CISF security requirements, DIAL has installed 5 level in-line baggage handling system along with 41 X-Ray m/cs having handling capacity of 12,460 bags/hour.



Security Check and Dwell Time

337 Passenger Security Screening Units are made available for CISF to cater the security requirement at Delhi Airport. DIAL has equipped CISF with cabin baggage X-ray inspection system; Door-framed metal detectors, Explosive trace detection system and metal detectors.

Developing a people-centric approach

At Delhi Airport, to gain most of its operational and process excellence, everyone working at the Airport is trained to be aligned with the same Vision and Mission, that is, to make the customer journey delightful. We ensure successful engagement of workforce onto the focus of the common service mission, which is fundamental to customer excellence. A collaborative work culture with our stakeholders and business partners plays a critical role for the achievement of delivering outstanding experience to all our passengers.

To enable our people in delivering a signature 'Delhi Airport Experience', DIAL's Service & Hospitality Academy, also known as DISHA has been fostering a culture of superior customer service amidst the myriad Delhi Airport partners under the flagship of Quality & Service Delivery Department at DIAL. It works on the "AWESOME" framework to make the Airport ecosystem align towards Customer-Centricity.

Awesome Presence

A	Acknowledge Presence	Establish quick eye contact Acknowledge presence Maintain positive posture and smiles
W	Welcome Guest	Extend genuine Greetings (Hello/Good Morning/Namaskar) Pay attention to the passenger Show respect
E	Establish Connect	Extend Pleasantries Have presence of mind Initiate the conversation with positive triggers (How are you? How may I help you? How is your day?)
S	Establish Connect	Extend Pleasantries Have presence of mind Initiate the conversation with positive triggers (How are you? How may I help you? How is your day?)
O	Offer Solution	Offer solution in the form of product/service/advice/insights/perspective/knowledge Understand their needs carefully & check back Provide complete & correct information
M	Measure Satisfaction	Ask for additional assistance Feedback on service Check if their experience can be further enhanced
E	Exit Conversation	Bid fond farewell (Have a pleasant flight. Enjoy the rest of the day) Leave lasting impressions with smiles

Technological upgradation and IT automation

Technology is undoubtedly the lifeline of most processes at modern Airports. Presently, IT system deployed at Delhi Airport across the operational process is based on the latest advanced technology. For example, since beginning, it has introduced an advanced SCADA system & CMS for Engineering Services, EPOS in Commercial Operations amongst numerous technologies and for Operations UFIS and FIDS etc. Technological advancements/upgrades are regularly explored from various sources like best-in-class practices, industry researches, consulting firms, business partners and from national/international forums. The technical, commercial and financial feasibility studies are carried by us involving outside expertise if necessary. The technology solutions thus approved are incorporated / introduced into existing processes through proper implementation plans including pilot projects as applicable. Some of the IT initiatives implemented in Delhi Airport are:

- Common Use Passenger Processing Systems (CUPPS)
- Common Use Terminal Equipment (CUTE)
- Common Use Self Service Kiosks (CUSS)
- Baggage Reconciliation System (BRS)
- In-line Baggage Screening
 - Boarding Gate Reader (BGR)
 - Visual Docking Guiding System
 - Central Ground Power and Pre-conditioned Air (BME-Bridge Mounted Equipment)

Sustainability – contribution to the 'triple bottom line'

Environment Sustainability Management is an integral part of our business strategy which helps in achieving credibility and business sustainability at Delhi Airport. We are committed to conduct our business in an environment-friendly friendly and sustainable manner by minimising the impact of our activities on the environment with necessary pollution control systems and safeguards.

As a responsible organisation, sustainability is a core focus area. To address the Sustainability Journey at Delhi Airport, DIAL has taken numerous initiatives with its stakeholders. The underlying aim of this environmental sustainability programme is to take part and encourage all Airport stakeholders to adopt environmental best practices in their function to reduce and mitigate its environmental impact at Delhi Airport. This will lead everyone at Delhi Airport towards environmental and economic benefits to the organisation and to the nation as a whole.

The growth and development at Delhi Airport has yielded significant improvement to the Airport infrastructure. Creating economic and social value with care for environment remains our key business objective. Our environmental objectives are to develop an environment-friendly and efficient infrastructure with minimum resource consumption. This is achieved by incorporating all required pollution prevention technologies to reduce the building impacts on human



health and the environment during the building's life cycle and Airport operation.

Environment Sustainability Management is one of the strategic objectives at Delhi Airport which aims to maximise economic and environmental performance of the Airport infrastructure and its operation by implementing and monitoring green infrastructure and green company frameworks mainly to:

- Ensure site development and management for sustainable Airport function.
- Ensure the efficient management of materials and resources to facilitate reduction of waste generated.
- Ensure indoor environmental qualities for the comfort of the occupants.
- Optimise the energy performance of building to protect atmosphere and environment.
- Increase water efficiency within buildings and its distribution systems.
- Adopt innovation in Design and Operation of Airport functions

Sustainability Report is prepared to share our disclosure with respect to Material issues, Strategy, Managements Approach,

Performance and Results to make Delhi Airport a sustainable aviation and, at the same time, supporting global air transport stakeholders and customer needs. This report addresses the material aspects of stakeholders and allows them to delve deeper into understanding our operations and business challenges, enabling them to work seamlessly towards a common objective. We will continue to strive towards our mission of operational excellence through a sustainable business plan. We look forward to sharing our performance with the stakeholders, customer and community associated with our Airport in the coming years.

Strengths, Capabilities & Challenges

Location

In addition to being located in the nation's capital, Delhi Airport enjoys proximity to the entire northern region and monopoly within a radius of 150 km. It also enjoys excellent connectivity with a dedicated high speed metro line and eight lane access road linked to National Highway 8.

Catchment Area

Delhi being the most affluent as well as populous city in India along with the rapid urbanisation and growth of Noida and Gurgaon provides a vast catchment area with a strong growth potential.



Largest and busiest Indian Airport

Delhi Airport has a terminal handling capacity of 6.2 crore passengers and cargo capacity of 15 Lakh tonnes. It is also the only Indian Airport to have three runways. In recent years, it has been marked as one of the fastest growing Airports in terms of passenger movement as well as aircraft movement. It enjoys 22% share of passenger handling, highest amongst all Indian Airports.

Excellent global connectivity

Delhi Airport enjoys strong global connectivity with connection to 66 international destinations. Delhi Airport is emerging as a leading aviation hub in South Asia.

Excellent reputation and highly experienced management

DIAL has a strong management team of experienced professionals with extensive knowledge in all aspects of Airport operations and management. The team has operated the Airport for over nine years without a single day of suspended operations. The Company has to its credit the construction of the new state-of-the-art Terminal 3 in only 37 months.

Right for commercial property development

The Company enjoys the concession rights to develop approximately 230 acres of land near the Airport.

Opportunities

Growth in aviation industry

India aims to become the third largest aviation market by 2020 and the largest by 2030. Low cost carriers, modern Airports, fuel prices, regional connectivity, Government of India's thrust on tourism, enhancing transportation infrastructure and the Government's "Make in India" initiative are significant drivers of long-term growth.

Boost in travel and tourism

The Travel & Tourism industry is forecast to grow at a CAGR of 6.66% to US\$ 423.7 billion in 2027 from US\$ 208.5 billion in 2016. This in turn will boost the aviation sector growth.

Rise in business travel

Spending on business travel is estimated to increase to US\$ 39.88 billion in 2026 from US\$ 19.9 billion in 2016, while that on leisure travel is forecast to rise to US\$ 203.5 billion in 2026 from US\$ 96.20 billion in 2016. Since most business travel is via airlines, this is a promising opportunity.

Changing demographics

By 2030, India's working population is expected to be thrice the total population in the US. India's middle income class is triple the total population in Germany. These factors bode well for the aviation sector.

Significant opportunity in creating employment and economic growth

On the basis of air traffic projections for FY 2025-26, the economic impact of the Delhi Airport, including the direct, indirect, and induced effects, is estimated to be at ₹ 2.4 trillion, or about 0.60% of the estimated national GVA. The impact on employment, on the other hand, is estimated to be around 40 lakh, or about 0.58% of the total estimated workers.

Improving service to aid non-aeronautical revenue

DIAL is constantly striving to improve the service it provides to passengers and airline operators and deliver an unmatched Airport experience by leveraging its technological expertise. It looks to add new retail partners and enhance its overall experience.

Challenges

DIAL faces a number of challenges including change in tariff regulations especially with respect to land use, restrictions due to environment-related issues like noise and carbon emissions, increased terror and cyber threat, global geo-political and economic issues which could impact both passenger and cargo volumes. The poor financial health of Air India is also a major concern for DIAL as significant amount is held up with Air India which is putting DIAL cash flow under stress.

Focus on growth

DIAL is proactively focussing on various initiatives to improve its capabilities across business segments.

Aero Business

- Encourage new airlines to call on the Airport and existing airlines to add more routes
- Enhance market position as a transit point for international flights
- Develop comprehensive route strategy to attract new airlines and increase traffic

- Improving air traffic movements and on-time performance

Non-Aero Business

- Create stronger commercial focus – diversify retail, food and other commercial offerings in the airport to maximise customer traffic and visibility
- Leverage state-of-the-art new greenfield cargo terminal with advanced temperature control
- Enhance air cargo logistics centre to attract new freight forwarders
- Develop new revenue streams for renting warehouse and commercial cargo space

Landside Development

Post the land monetisation of 68 acres through development of Hotels in 2009, the Company is looking to expedite monetisation of remaining 162 acres by exploring development options of office parks, retail & commercial centres, additional hotels, other hospitality concepts and parking.

Other Initiatives

- Utilise data analytics for better decision-making
- Introduction of passenger-friendly policies – no frisking of transfer passengers, visa on arrival for additional nationalities, improvement in transfer area for passengers
- Focus on improvement in accuracy and timeliness of traffic data reporting
- Rationalising energy consumption at the Airport
- Maintaining effective headcount and controlling administrative expenses

With an endeavour to sustain its efficient service quality and productivity initiatives apart from mitigating challenges, the Company has entered into “sister Airport” agreements with Incheon Airport – World’s No. 1 Airport on ASQ, Birmingham Airport and Sydney Airport.

Internal Financial Controls

DIAL has adopted policies and procedures including the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures under the Companies Act, 2013.

During the year under review, such controls were reviewed and tested by the internal audit department of the Company. The Statutory Auditors of the Company has also tested the Internal Controls over financial reporting.

There were no reportable material weakness observed in the design or operating effectiveness of the controls except few areas where the risk has been identified as low and there is a need to further strengthen the controls.

Enhancing the quality of life - Human Resource

Human capital is one of the key resources for the Company to ensure business sustainability and growth. Comprehensive and well-structured Human Resource policies ensure employee growth both at personal and professional levels and at the same time aligning their goals with that of the Company to create a win-win situation. The Company provides ergonomically-designed work environment to facilitate the efficient functioning.

Talent Acquisition is a continuous process and the Company follows the principle of ‘Right Job for the Right Fit’. The Company attracts and retain talent through developmental initiatives for employees, reward & recognition schemes, performance-linked compensation and exposure to global business operations.

DIAL recognises workforce as the fundamental enabler of strategic initiatives and organisational excellence. The Company understands the importance of talent acquisition, development and retention all of which are a continuous process. It follows the principle of “Right Fit for the Right Job”. Team members are employed from diverse educational backgrounds such as Aviation, Hospitality, Engineering, Management, Finance and Law etc. to serve the diverse needs



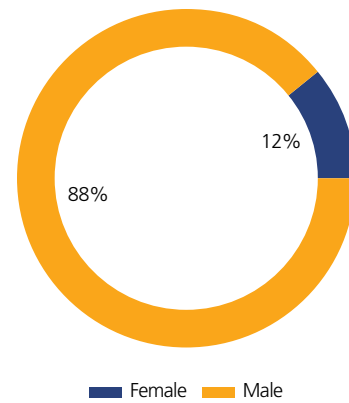
of the business and various stakeholders. This is enabled through our Brand Image and ongoing relationship with institutes and encouraging employee referrals. Keeping in mind the nature of business, DIAL's HR focus also involves Contractors and Sub-Contractors. Issues are addressed through regular meeting with Contractors/Sub-contractors, educating them about the labour compliances and importance of maintaining industrial harmony in the system.

The Company works towards improving workforce capability and capacities including preparation for changing technology & environment. All levels of employees have gone through continuous process of skill upgradation and multi-tasking assignments. The Company follows a role-based training need identification process which includes prioritising the training needs identified, finalising training partners and preparation of the calendar based on discussion with HODs. This is a regular process which is closely monitored. The Company offers a variety of training opportunities through e-learning, classroom training, on-the-job training, special projects, coaching, business simulations & management development programmes etc. The Company's Airport is the first certified Airport in the world for Business Continuity Planning.

DIAL focusses on providing equal opportunity to all employees without any prejudice of region, religion, race or gender.

Making DIAL the Best Place to Work

Our workforce is our greatest resource and asset. At DIAL, we believe that an inclusive culture and a diverse workforce can contribute to the Company's success and sustainability by driving innovation and creating trusted relationships between employees, customers, service providers, stakeholders and community partners. The key factors that motivate the workforce for higher performance are as follows:



- Pride to work in a fascinating & dynamic industry
- Brand image and culture
- Challenge of adapting to ever-changing environment of the aviation industry
- Encouragement for professional development with great emphasis on learning
- Structured performance management process
- Reward and recognition
- Opportunities and job rotations





Corporate Social Responsibility

DIAL has a dedicated team of professionals with background from top academic and social work institutions to implement its Corporate Social Responsibility activities. It has a mandate to make sustainable impact on the human development of under-served communities through initiatives in Education, Hygiene & Sanitation, Empowerment & Livelihood and Community Development. The Company also works with GMR Varalakshmi Foundation, a Section 25, Not for Profit Company.

The Company's CSR programmes are working towards social development of the identified key communities at Savada Ghevra JJ Colony, Meharam Nagar & Shahbad Mohammadpur.

The Company supports individuals and groups of people by providing them monetary support, training, education, skills, knowledge, medical facility, transport service, utilities through its community development programmes. The social care programme includes development of infrastructure such as road, highway connection, support for schools, hospitals, provision of public parks, landscaping development support and direct benefits such as employment and business opportunity. It also considers the well-being of environmental and economic systems.

Environment, Health and Safety

DIAL assesses all the business aspects and associated impacts on society and environment due to its service and operations. The concerns are addressed by effective aspect and impact analysis with necessary action plan and control within the

framework of ISO 14001:2004 Environment Management Systems (EMS) and by sustainability management standards (GRI G4). EMS provides an organised and formal approach towards managing environmental aspects and its impacts at the Airport and also provides the platform for review and continual improvements. The Company is certified under ISO 14001:2004 and ISO 14064:2006 system by M/s DNV-GL. It has also achieved its Carbon Neutral Accreditation (Level 4) from Airport Council International (ACI). Delhi Airport has become the first Airport in Asia-Pacific to achieve Carbon Neutral status under Airport Carbon Accreditation of Airport Council International. The globally reputed Airport Carbon Accreditation has upgraded Delhi Airport to "Level 3+, Neutrality", which is the highest level of achievement available to Airports across the world.

Delhi Airport has won numerous awards for its excellent performance towards environmental sustainability and climate change mitigation initiatives. These include, IGBC Green Existing building Platinum rating and LEED India Gold certification under new construction category for Terminal 3, UNFCCC – Clean Development Mechanism Accreditation for carbon credits, Green Company-Platinum Rating by CII, the best practices award in Renewable Energy and GHG Management, National Award for Excellence in Energy Management by CII, Golden Peacock Environment Management Award and Golden Peacock Sustainability Award by Institute of Directors etc.

The Company's environment sustainability management frameworks are focussed on pollution prevention, natural resource conservation and skill developments by efficient integration of policy, system, procedures and infrastructure.



The key strategic sustainability objectives adopted is to “maximise economic and environmental performance of the Airport infrastructures and its operation to the maximum extend” by implementing and monitoring green infrastructure guidelines and environmental programmes. The Company has installed rainwater harvesting structures spread across the Airport areas to conserve and sustain water resource. Entire waste water generated is reused for landscaping, flushing and irrigation activities. Waste such as Municipal Solid Waste, Hazardous Waste, E-Waste, Construction and Demolition waste are handled and disposed as per the legal framework.

Cautionary Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include a downtrend in the industry global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

Report of the Directors

for the Financial Year Ended March 31, 2017

Dear Shareholders,

Your Directors are pleased to present you the Eleventh Annual Report on Business and Operations along with the Audited Financial Statements and the Auditors Report of your Company for the financial year ended March 31, 2017. The Consolidated Financial Statements and the Auditor's Report of your Company for the Financial Year ended March 31, 2017 also forms part of this Annual Report, as per the provisions of Companies Act, 2013 and Accounting Standards.

FINANCIAL PERFORMANCE ON STANDALONE BASIS

Particulars	31-Mar-17 (₹/cr)	31-Mar-17 (USD Mn)	31-Mar-16 (₹/cr)	31-Mar-16 (USD Mn)
Revenue from Operations	5,624.23	857.35	5,152.00	771.60
Other Income	306.99	46.80	161.44	24.18
Total Revenue	5,931.22	904.15	5,313.44	795.78
Annual fee to AAI	2,634.84	401.65	2,304.15	345.09
Employee benefits expense	129.47	19.74	125.48	18.79
Other expenses	834.37	127.19	923.06	138.24
Earnings before interest, tax, depreciation and amortization (EBITDA)	2,332.54	355.57	1,960.75	293.66
Finance Cost	527.25	80.37	632.24	94.69
Depreciation and Amortization	638.03	97.26	703.57	105.37
Profit/(Loss) before tax and exceptional items	1,167.26	177.94	624.94	93.60
Exceptional Items (net)	40.80	6.22	-	-
Profit/(Loss) before taxation	1,126.46	171.72	624.94	93.60
Provision for taxation – expenses	540.50	82.39	120.68	18.07
Profit/(Loss) After Taxation	585.96	89.33	504.26	75.52
Surplus/(Deficit) carried to Balance Sheet	585.96	89.33	504.26	75.52
Earnings Per Share (in ₹)				
- Basic and Diluted	2.32		2.06	

[Note: Exchange Rate for March 31, 2017 is 1 USD = INR 65.60 and for March 31, 2016 is 1 USD = INR 66.77]

Figures for FY 2015-16 have been restated as per Ind AS and therefore may not be comparable with financials for FY 2015-16 approved by the Directors and disclosed in the financial statement of previous year

ADOPTION OF IND AS

Your Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. For all periods up to and including the year ended March 31, 2016, the Company had prepared its standalone financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2017 are the first such financial statements which the Company has prepared in accordance with Ind AS.

The reconciliations and descriptions of the effect of the transition from erstwhile IGAAP to IND AS have been provided in Note 41(2) in the notes to accounts in the Financial Statements.

REVENUE AND PROFIT – STANDALONE

During the financial year ended March 31, 2017, your company has recorded a Total Revenue of ₹ 5931.22 Cr. as against ₹ 5313.44 Cr., in the corresponding previous year, being an increase of 11.63%.



Further, your company has also recorded the Profit after Tax of ₹ 585.96 Crores for the year ended March 31, 2017 against ₹ 504.26 Crores, in the corresponding previous year, being an increase of 16.20 %.

The above said increase in PAT is mainly due to the following reasons:

- Due to increase in aeronautical and non-aeronautical revenue.
- Reduction in expenses of exchange gain loss which is set off by increase in tax expenses on account of higher book profit and Increase in deferred tax expenses.

FINANCIAL PERFORMANCE ON CONSOLIDATED BASIS

Particulars	31-Mar-17 (₹/cr)	31-Mar-17 (USD Mn)	31-Mar-16 (₹/cr)	31-Mar-16 (USD Mn)
Revenue from Operations	5,624.23	857.35	5,152.00	771.60
Other Income	255.61	38.96	125.92	18.86
Total Revenue	5,879.84	896.32	5,277.92	790.46
Annual fee to AAI	2,634.84	401.65	2,304.15	345.09
Employee benefits expense	129.47	19.74	125.48	18.79
Other expenses	834.38	127.19	923.06	138.25
Earnings before interest, tax, depreciation and amortization (EBITDA)	2,281.15	347.74	1,925.23	288.34
Finance Cost	527.25	80.37	632.24	94.69
Depreciation and Amortization	638.03	97.26	703.57	105.37
Profit/(Loss) before tax and exceptional items	1,115.87	170.10	589.42	88.28
Exceptional Items (net)	40.80	6.22	-	-
Profit/(Loss) before taxation	1,075.07	163.88	589.42	88.28
Provision for taxation – expenses	540.50	82.39	120.68	18.07
Profit/(Loss) After Taxation	534.57	81.49	468.74	70.20
Share of profit of associates and joint ventures	70.48	10.74	68.20	10.21
Surplus/(Deficit) carried to Balance Sheet	605.05	92.23	536.94	80.42
Earnings Per Share (in Rs)				
- Basic and Diluted	2.47		2.19	

[Note: Exchange Rate for March 31, 2017 is 1 USD = INR 65.60 and for March 31, 2016 is 1 USD = INR 66.77]

REVENUE AND PROFIT - CONSOLIDATED

The consolidated revenue is increased by ₹ 601.92 crores approx. as compared to FY 2016-17 due to increase in revenue of DIAL from both Aeronautical & Non Aeronautical services and contribution of higher revenue from JV's mainly Delhi Duty Free Services and Delhi Airport Parking Services. Accordingly, there is increase in overall consolidated profit of the Company.

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(i) SUBSIDIARIES

The Company has only one subsidiary as on March 31, 2017 i.e. Delhi Aerotropolis Private Limited (DAPL) and it has not yet commenced its operations. The financial position of DAPL is as follows:

Particulars	Amount (₹)
Net Revenue (Other Income)	24738.00
Profit/ (Loss) Before Tax	(8821.00)
Profit/ (Loss) After Tax	(8821.00)

(ii) JOINT VENTURES AND ASSOCIATES

For providing better services to the passengers through a superior control over the business operations, and also for maximizing the value, your Company joined as a Joint Venture (JV) Partner in the SPVs formed by the successful bidders in key business areas like Duty Free, Cargo, Food & Beverage, IT services, Vehicle Parking Facilities, Fuel Farm, Advertisement and Bridge Mounted Equipments.

Accordingly, the Company has minority equity stake ranging from 26% to 50% depending on the nature and size of the business.

At present there are 8 JVs and the performance and financial position of each of the JVs and Associates during 2016-17 are as follows:

JOINT VENTURES

(₹/Cr)

S. No.	Name of Joint Venture Company	Total Share Capital	Other Equity	Total Assets	Total Liabilities	Turnover/ Total Income	Profit Before Taxation	Profit after Taxation	% of Equity Shareholding of DIAL
1	Wipro Airport IT Services Ltd.	5.00	8.30	104.31	91.01	56.17	5.88	3.84	26.00%
2	Celebi Delhi Cargo Terminal Management India Pvt. Ltd.	112.00	75.57	410.19	222.62	359.35	14.83	9.59	26.00%
3	Delhi Aviation Fuel Facility Pvt. Ltd.	164.00	31.53	334.51	138.98	138.53	60.86	38.34	26.00%
4	Travel Food Services (Delhi T3) Pvt. Ltd.	14.00	(4.76)	25.75	16.51	49.57	(0.71)	(0.42)	40.00%
5	Delhi Duty Free Services Pvt. Ltd.	80.00	160.13	463.30	223.17	1,020.93	161.59	103.49	49.90%
6	TIM Delhi Airport Advertisement Pvt. Ltd.	18.48	47.85	144.21	77.88	253.85	44.13	28.30	49.90%
7	Delhi Airport Parking Services Pvt. Ltd.	81.44	11.00	224.34	131.90	92.25	17.11	10.18	49.90%
8	Delhi Aviation Services Private Ltd.	25.00	14.30	72.46	33.16	51.67	8.52	5.46	50.00%

There is no change in the business of Company, any of its Joint Ventures and there are no new companies which have become and ceased to be subsidiaries or Joint Ventures during the year.

During the year, East Delhi Waste Processing Company Limited ceased to be the associate of the Company. As the Company is holding only 0.007% of the total share capital of EDWPCL, which is below the threshold limit of at least twenty percent of total share capital as per Section 2 (6) of the Companies Act, 2013 and also in terms of Ind AS 28, it is not falling under the definition of Associate.

Further, a statement containing the salient features of the Financial Statement of our subsidiaries in the prescribed format AOC – 1 is appended as **Annexure A** to the Board Report.

DIVIDEND & APPROPRIATIONS

The Board of Directors of your company has proposed a maiden dividend at the rate of 6.5 % per equity share (i.e. ₹ 0.65 per equity share of ₹ 10 each). The proposal is subject to the approval of the shareholders in the ensuing AGM. No amount has been transferred to the Reserves.

SENIOR SECURED FOREIGN CURRENCY NOTES 2022 AND 2026 LISTED WITH SINGAPORE STOCK EXCHANGE

Your company has raised USD 288.75 mn in February, 2015 by issuing Senior Secured Foreign Currency Notes with the ISIN number XS1165980274 from the International Capital Market under Regulation S of the U.S. Securities Act 1933, at fixed interest rate of 6.125% with bullet repayment in 2022. The same are listed on Singapore Stock.

Further, during the year under review, your Company has successfully completed refinancing of USD 522.60 Mn (Outstanding principal balance of Rupee term loan for ₹ 2928.20 Crores External Commercial borrowings (ECB) facility for USD 83.92 Mn) through Senior Secured Foreign currency Notes with the ISIN number USY2R27RAB56 and US246725AB18 from International Capital Market under Regulation S and Rule 144A of the U.S. Securities Act 1933, at a fixed interest rate of 6.125% with bullet repayment in October 2026. The same are also listed on Singapore Stock Exchange.



REGULATORY

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

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

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

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

In February, 2017, On Air India SLP for implementation of tariff order for second control period, Hon'ble Supreme Court has given direction to AERAAT to dispose off the Tariff appeals within 2 months i.e. by April 2017. In compliance of the aforesaid Supreme Court order Tribunal has decided to hear Tariff appeals on priority. The AERAAT heard the tariff matter at length. DIAL completed their submission on various tariff issues however the proceeding could not be concluded due to retirement of one member.

Further, Ministry of Finance vide the notification dated 26.05.2017, 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).

Due to pending conclusion of tariff appeal at AERAAT Air India again approached Hon'ble Supreme Court. The court passed an order on 3rd July'2017, (1) vacating the order of Hon'ble Delhi High Court granted against implementation of AERA Tariff order dated 18th December 2015 and (2) directing TDSAT to dispose of the appeals of DIAL in the next 2 months. As a result of this DIAL has to implement the tariff as per order no 40/2015-16 with effect from 7th July 2017.

AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Audit Committee, comprises of the following Directors as Members:

S. No.	Name of Members
1.	Mr. G. Subba Rao, Chairman
2.	Ms. Denitza Weismantel, Director
3.	Mr. S. Suresh, Director
4.	Mr. N.C. Sarabeswaran, Independent Director
5.	Mr. R.S.S.L.N. Bhaskarudu, Independent Director
6.	Dr. M. Ramachandran, Independent Director*
7.	Ms. V. Siva Kameswari, Independent Director

Further, during the year under review, the Board of Directors has accepted all the recommendations of Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of Companies Act, 2013, the Nomination and Remuneration Committee comprises of the following Directors as Members:

S. No	Name of Members
1.	Mr. G. Subba Rao, Chairman
2.	Ms. Gargi Kaul, Director
3.	Ms. Denitza Weismantel, Director
4.	Mr. N.C. Sarabeswaran, Independent Director
5.	Mr. R.S.S.L.N. Bhaskarudu, Independent Director
6.	Dr. M. Ramachandran, Independent Director*
7.	Ms. V. Siva Kameswari, Independent Director

[* Dr. M. Ramachandran was nominated as Member of the Audit Committee and Nomination and Remuneration Committee in place of Mr. K. Parameswara Rao, who has resigned from the Company w.e.f. July 28, 2016].

SHARE ALLOTMENT, TRANSFER & GRIEVANCE COMMITTEE

The Share Allotment, Transfer & Grievance Committee comprises of the following Directors as Members:

S. No	Name of Members
1.	Mr. G. Subba Rao, Chairman
2.	Mr. Srinivas Bommalada, Managing Director
3.	Mr. Grandhi Kiran Kumar, Executive Director
4.	Mr. K. Narayana Rao, Whole Time Director
5.	Mr. S. Suresh, Director
6.	Ms. Denitza Weismantel, Director

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Companies Act, 2013, CSR committee of your Company comprises of the following Directors as Members.

S. No	Name of Members
1.	Mr. R.S.S.L.N. Bhaskarudu, Independent Director, Chairman
2.	Mr. K. Narayana Rao, Whole Time Director
3.	Mr. G. Subba Rao, Director

The Chief Operating Officer, the Chief Human Resource Officer and Head of DIAL CSR are permanent invitees to this Committee.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities, as per the requirements of Companies Act, 2013.

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, which has been approved by the Board.

As per the provisions of Companies Act, 2013, during the financial year under review, your Company, was required to spend an amount of ₹ 839 lacs towards CSR activities, out of which ₹ 751.20 Lacs was utilized on the activities specified in Schedule VII of the Companies Act, 2013.

The amount remain unutilized is mainly due to the following reasons, which are beyond the control of the Company

- DIAL CSR team could not get permission of local authorities for adoption of community toilet in Savda JJ Colony, Delhi. Then the activity was converted into construction of house hold level toilets but could not able to complete it due to unavailability of labor in the market as a result of demonetization effect. The same is incorporated in Financial Year 2018 CSR plan.
- Impact study on the CSR Activities conducted by the Company could not be taken up as the agency engaged did not accept the proposal after doing initial field work. Annual satisfaction survey is undertaken in house and third party program evaluation will be undertaken next Financial Year.
- It was planned to scale up the residential facility at Vocational Training Institute, Delhi. The construction of civil structure has started, but not completed by March 31, 2017. The same will be completed in the first quarter of the Financial Year 2018.
- Feasibility study for construction of rain water harvesting pits conducted and sites identified fall in the land of local government authority in Delhi. DIAL has applied for the construction permission. Construction is not started due to delay in permissions and would take up under next FY CSR plan.

BOARD MEETING

	Presents		Leave of absence		Attended through VC
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S. No.	Name of Directors	April 28, 2016	July 20, 2016	August 24, 2016	November 10, 2016	December 09, 2016	February 07, 2017
1	Mr. G.M. Rao						
2	Mr. Srinivas Bommidala						
3	Mr. Grandhi Kiran Kumar						
4	Mr. G.B.S. Raju						
5	Mr. K. Narayana Rao						
6	Mr. G. Subba Rao						
7	Mr. R.S.S.L.N. Bhaskarudu						
8	Mr. N.C. Sarabeswaran						
9	Ms. Kameswari Vissa						

The Board of Directors of your Company in its meeting held on May 11, 2017, deliberated on the reasons of underspent and agreed with the explanation of the management that the same are beyond the control of the Company.

As required by the provisions of Section 135 and Rules thereunder, the annual report on CSR activities and initiatives is annexed as **Annexure B**.

AUDITORS AND AUDITORS' REPORT

M/s. S.R. Batliboi & Associates L.L.P, Chartered Accountants, Bengaluru and M/s. Brahmayya & Co, Chartered Accountants, Bengaluru, Joint Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors on the recommendation of Audit Committee has recommended the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Bengaluru as Statutory Auditors of the Company, for a period of two Years till the conclusion of 13th AGM for the approval of the Shareholders in the ensuing Annual General Meeting and M/s K. S. Rao & Co. as Statutory Auditors of the Company for period 5 years from the conclusion of this AGM till the conclusion of 16th AGM for the approval of the Shareholders in the ensuing Annual General Meeting.

The Auditors Report and Notes on financial statement referred in the Financial Statements are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

DEPOSITS

The Company has not accepted any Deposits during the year, therefore, no disclosure as per Rule 8(5) of The Companies (Acceptance of Deposits) Rules, 2014 is required.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure C** to this Report.

MEETINGS OF THE BOARD AND COMMITTEES

During the financial year ending March 31, 2017, the details of the meetings of the Board and Committees of the Board and attendance of the Directors are as follows:



S. No.	Name of Directors	April 28, 2016	July 20, 2016	August 24, 2016	November 10, 2016	December 09, 2016	February 07, 2017
10	Dr. M. Ramachandran*	Not Appointed	Not Appointed	Not Appointed			
11	Mr. K.P. Rao**			NA	NA	NA	NA
12	Mr. Suresh Goyal						
13	Mr. S. Suresh						
14	Mr. A.K. Dutta						
15	Ms. Gargi Kaul						
16	Ms. Denitza Weismantel	No (Appointed in this Meeting)					
17	Mr. Matthias Engler			NA			NA

* Directors Appointed during the Year

(i) Dr. M. Ramachandran was appointed on the Board of the Company on October 13, 2016.

** Directors Resigned during the Year

(ii) Mr. K.P. Rao ceased to be director in the Company w.e.f. July 28, 2016.

AUDIT COMMITTEE

S. No.	Name of Directors	April 28, 2016	July 20, 2016	November 10, 2016	February 07, 2017
1	Mr. G. Subba Rao				
2	Mr. R.S.S.L.N. Bhaskarudu				
3	Mr. N. C. Sarabeswaran				
4	Mr. K.P. Rao			Ceased to be Director	NA
5	Ms. Kameswari Vissa				
6	Dr. M. Ramachandran	Not Appointed	Not Appointed		
7	Mr. S. Suresh				
8	Ms. Denitza Weismantel	Not Appointed			
9	Mr. Matthias Engler (Alternate to Ms. Denitza Weismantel)				NA
10	Mr. Christoph Hans Nanke	Not attended	-	-	-

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

S. No.	Name of Directors	April 28, 2016	July 20, 2016	November 10, 2016
1	Mr. G. Subba Rao			
2	Mr. R.S.S.L.N. Bhaskarudu			
3	Mr. K. Narayana Rao			

NOMINATION AND REMUNERATION COMMITTEE

S. No.	Name of Directors	April 28, 2016	July 20, 2016	November 10, 2016	February 07, 2017
1	Mr. G. Subba Rao				
2	Ms. Denitza Weismantel				
3	Mr. R.S.S.L.N. Bhaskarudu				
4	Mr. N.C. Sarabeswaran				

S. No.	Name of Directors	April 28, 2016	July 20, 2016	November 10, 2016	February 07, 2017
5	Mr. K.P. Rao			Ceased to be Director	NA
6	Ms. Kameswari Vissa				
7	Dr. M. Ramchandran	Not Appointed	Not Appointed		
8	Ms. Gargi Kaul				NA
9	Mr. Matthias Engler (Alternate Director to Ms. Denitza Weismantel)				
10	Mr. Christoph Hans Nanke	Not attended	-	-	-

SUB COMMITTEE OF BOARD CONSTITUTED FOR SELECTION OF POWER SUPPLIER OF DIAL

S. No.	Name of Directors	April 04, 2016	June 01, 2016	August 12, 2016	March 9, 2017
1	Mr. R.S.S.L.N. Bhaskarudu				
2	Ms. Gargi Kaul				
3	Mr. S. Suresh				
4	Mr. N. C. Sarabeswaran				
5	Ms. V. Siva Kameswari				

INDEPENDENT DIRECTORS MEETING

S. No.	Name of the Independent Director	November 10, 2016
1.	Mr. R.S.S.L.N. Bhaskarudu	
2.	Mr. N.C. Sarabeswaran	
3.	Dr. M. Ramachandran	
4.	Ms. V. Siva Kameswari	

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that :

- in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2017 and of the profit of the Company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the accounts for the financial year ended March 31, 2017 on a 'going concern' basis;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year ended March 31, 2017, Mr. K. Parameswara Rao, Independent Director has ceased to be a Director of the company w.e.f. July 28, 2016, pursuant to resignation u/s 168 of the Companies Act, 2013.

Further, Mr. Christoph Hans Nanke ceased to be the Director of the Company w.e.f. April 28, 2016.

The Board places on record its deep appreciation for the services and support rendered by Mr. K. Parameswara Rao as Independent Director & Mr. Christoph Hans Nanke during their tenure.

Mr. A.K. Dutta (nominee of AAI) and Ms. Denitza Weismantel (nominee of Fraport Frankfurt Airport Services Worldwide) were appointed as Additional Directors w.e.f. April 28, 2016. The shareholders confirmed the appointment of Mr. A.K. Dutta & Ms. Denitza Weismantel as Directors in the Annual General Meeting held on September 20, 2016.

Dr. M. Ramachandran was appointed as Additional Independent Director w.e.f. October 13, 2016, pursuant to the provisions of Section 161(1) of the Companies Act, 2013, by the Board of Directors. The Shareholders of the Company in its Extra- Ordinary Meeting held on March 24, 2017 have approved the appointment of Dr. M. Ramachandran as the Independent of the Company for a term of 5 years from the date of appointment by Board of Directors.



The Shareholders of the Company in its Extra- Ordinary Meeting held on March 24, 2017 have also approved the re-appointment of Mr. Srinivas Bommidala as Managing Director and Mr. Grandhi Kiran Kumar as Executive Director of the Company for a term of 3 years and the payment of remuneration.

Mr. G. M. Rao, Mr. G. Subba Rao, Mr. Suresh Goyal and Ms. Gargi Kaul shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, the existing tenure of Ms. V. Siva Kameswari as Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 is completing at the 11th Annual General Meeting of the Company. The Board has recommended a further term of 5 years for Ms. V. Siva Kameswari as Independent Director from the conclusion of 11th AGM.

The Board recommends the appointment/re-appointment of aforesaid Directors.

In accordance with the provisions of the Companies Act, 2013, Mr. I. Prabhakara Rao, CEO, Mr. G.R.K. Babu, CFO, and Mr. Saurabh Jain, C.S., continues to be the Key Managerial Personnel.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act.

The policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters as required by the provisions of Section 178 of the Act is attached as **Annexure D**.

BOARD EVALUATION

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Company has devised a process for performance evaluation of Independent Directors, Board, Committees and other Individual Directors, which includes criteria for performance evaluation of the non – executive directors and executive directors.

As per the policy, a process of evaluation was followed by the Board for its own performance and that of its Committees and Individual Directors through a comprehensive online survey through surveymonkey.com.

The framework includes the evaluation on various parameters such as :

- Board dynamics and relationships;
- Information flows;
- Decision – making;
- Company performance and strategy;
- Tracking Board and committee effectiveness;
- Peer Evaluation

SECRETARIAL AUDIT REPORT

The Board of Directors has appointed Mr. Maneesh Gupta, Practising Company Secretary, to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year March 31, 2017 is

attached herewith as **Annexure E**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS AS PER SECTION 186

The Company being an Infrastructure Company, the provisions of Section 186 of the Act related to Loans and Guarantees are not applicable to the Company.

The details of Investments already made by the Company form part of the notes to the Financial Statements in the Annual Report and during the financial year under review, Company has invested an amount of ₹ 2.40 crore in Equity Capital of Travel Food Services (Delhi T3) Private limited and there were no other investments made by the Company, except Treasury Investments in Deposits, Mutual Funds etc.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AS PER SECTION 188

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

However, the approval of the Board of Directors were obtained for all the contracts/arrangements entered with related parties during the year, pursuant to the requirements of the Operation Management Development Agreement entered by the Company with Airports Authority of India. As a good corporate governance practice, necessary disclosures as required under the provisions of Section 188 and rules thereunder were made to the Board of Directors at the time of obtaining the approval from the Board. Despite, the fact that the provisions of Section 188 of the Companies Act, 2013 is not applicable, the details of all such contracts/arrangements are given in Format AOC -2 as **Annexure F**.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the Company after the end of financial year till the date of this report, except as explained in the paragraph Regulatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure G** to the Report. The details of Foreign Exchange earnings and outgo are given in the Note No. 42 to the Notes to Accounts to the Balance Sheet as attached.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

Your Company has in line with corporate ERM policy, has adopted Enterprise Risk Management to identify the potential Risks which may affect the organization, and manage risks within its risk appetite providing reasonable assurance to achieve its business objectives. During the Internal Strategy planning process, all the potential risks emerging from environment scan discussions and deliberations between your Company's Senior Management is captured and a consolidated list of top risks is prepared.

RISK MANAGEMENT

S. No.	Risks	Strategic Initiatives to address the Risk
1	Revenue Risk: Significant Dip in revenues impacting Liquidity and profitability	• Ensure fair aero revenue from regulator • Maximize non-regulated revenue • Create value by optimizing land use • Promote Delhi as Hub • Increasing long haul flights • Increasing high yield cargo throughput • Maximize value from existing assets
2	Litigation Risk: Unfavorable decision on key Litigations (Tariff, NGT, Service tax, etc)	• Ensure fair aero revenue from regulator • Effective legal management • Implement environmental sustainability program
3	Reputation Risk: Fall in ASQ Ranking	• Implement a comprehensive stakeholder engagement programme • Operational Excellence • Leverage technology and innovation for superior customer experience • Implement an effective CRM programme • Improve connectivity to the airport • Management of cyber & terror threat • Smart Airport • Great place to work • Implement environment sustainability management program
4	New Airports in IGIA vicinity	• Implement a comprehensive stakeholder engagement programme • Operational Excellence
5	Receivables Risk	• Cash flow management

Strategic initiatives are also finalized during the strategy planning process to address each identified risk. Detailed Risk mitigation plan is prepared for each Risk and progress status is monitored and reviewed by CEO along with Senior Management Team during performance reviews of strategic initiatives at regular intervals

DISCLOSURE OF VIGIL MECHANISM AS PER SECTION 177(10):

The Company has established a vigil mechanism as per the requirement of the Companies Act, 2013.

The Vigil Mechanism Policy of the Company to provide for adequate safeguards against victimization of persons who use such mechanism is attached as **Annexure H**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status and company's operations in future, except explained in the Note No. 42(a) of Notes to the Financial Statements for the year ended March 31, 2017, related to 'Going Concern' and explained in this Report under the paragraph Regulatory.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has adopted policies and procedures including the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures under the Companies Act, 2013.

During the year under review, such controls were reviewed and tested by the internal audit department of the Company. The Statutory Auditors of the Company has also tested the Internal Controls over financial reporting.

There were no reportable material weakness observed in the design or operating effectiveness of the controls except few areas where the risk



has been identified as low and there is a need to further strengthen the controls.

PARTICULARS OF EMPLOYEES

Particulars to be furnished under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are set out in the annexure included in this report is attached as **Annexure - I**.

GENERAL

Your Directors further state that no disclosure or reporting is required in respect of various items, which are only applicable to listed companies or where there were no transactions or event during the year under review.

Further, your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere thanks and gratitude to the Government of India, Government of National

Capital Territory of Delhi, Ministry of Civil Aviation, Airports Authority of India, Airports Economic Regulatory Authority of India, Directorate General of Civil Aviation, Bureau of Civil Aviation Security, IATA, ACI, Airlines, CISF, Delhi Police, various departments/agencies of Central Government State Government, other agencies, users, customers of the Airport, Bankers and Financial Institutions, GMR Group and Fraport AG Frankfurt Airport Services Worldwide, for their co-operation.

Your Directors place on record their sincere appreciation of the contributions made by the employees at all levels through their hard work, dedication, solidarity and support.

For and on behalf of the Board of Directors

Srinivas Bommidala
 Managing Director
 DIN-00061464

K. Narayana Rao
 Whole-Time Director
 DIN-00016262

Place: New Delhi

Date: August 09, 2017

Annexure - A

Delhi International Airport Limited
CIN. U63033DL2006PLC146936

Form AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Crores)

Name of subsidiary	Delhi Aerotropolis Private Limited
The date since when subsidiary was acquired	
Reporting period for subsidiary concerned, if different from the holding company's reporting period	Same as the Holding Company
Reporting currency and exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	NA
Share Capital	0.10
Reserve and Surplus	(0.16)
Total Assets	0.10
Total Liabilities	0.15
Investments	-
Turnover	0.00
Profit before Taxation	(0.00)
Provision for Taxation	(0.00)
Profit after Taxation	-
Proposed Dividend	-
% of shareholding	100

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In Crores)								
Name of Associates/Joint Ventures	Delhi Aviation Services Private Limited (DASPL)	TIM Delhi Airport Advertising Private Limited (TIMDAA)	Delhi Aviation Fuel Facility Private Limited (DAFFPL)	Wipro Airport IT Services Limited (WAISL)	Delhi Airport Parking Services Private Limited (DAPSPL)	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	Delhi Duty Free Services Private Limited (DDFSPL)	Celebi Delhi Cargo Terminal Management India Private Limited (Celebi)
1. Latest audited Balance Sheet date	31-March-17	31-March-17	31-March-17	31-March-17	31-March-17	31-March-17	31-March-17	31-March-17
2. Share of Associate/Joint Ventures was associated or acquired	NA	NA	NA	NA	NA	NA	NA	NA
3. Shares of Associate or Joint Ventures held by the Company on the year end								
No.	12500000	9222505	42640000	1300000	40638560	5600000	39920000	29120000
Amount of investment in Associates/Joint Venture (Cash value-in absolute no.)	125,000,000.00	92,225,050	426,400,000	13,000,000	406,385,600	56,000,000	399,200,000	291,200,000
Extent of Holding %	50.00%	49.90%	26.00%	26.00%	49.90%	40.00%	49.90%	26.00%
4. Description of how there is significant influence								
5. Reason why the associate/joint venture is not consolidated								
6. Networth attributable to Shareholding as per latest audited Balance Sheet	19.65	33.10	50.84	3.46	46.13	3.69	113.65	48.59
6. Profit/Loss for the year	4.44	24.56	27.32	3.84	9.35	(0.42)	81.61	10.34
i. Considered in Consolidation	2.22	12.25	7.10	1.00	4.67	(0.17)	40.72	2.69
ii. Not considered in Consolidation	2.22	12.31	20.22	2.84	4.68	(0.25)	40.89	7.65

Note: DIAL, through a power of attorney, has irrevocably transferred its participating rights in East Delhi Waste Processing Company Limited to other shareholder, resulting EDWPCPL being ceases to be the associate of DIAL.

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

Srinivas Bommidala
Managing Director
DIN-00061464

K. Narayana Rao
Whole-Time Director
DIN-00016262

Radhakrishnababu G.
Chief Financial Officer

Saurabh Jain
Company secretary

Place : New Delhi
Date : August 09, 2017

Annexure - B

Delhi International Airport Limited
CIN. U63033DL2006PLC146936

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Delhi International Airport Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company is driven by Group's vision to make a difference to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Group including the Company, through GMR Varalakshmi Foundation (GMRVF), partners with the communities around the businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and Sanitation, (iii) Empowerment & Livelihood and Community Development. The Company carry out its CSR activities on its own and/or through GMRVF, towards activities / programmes broadly within the ambit of Schedule VII (with a special focus to areas in and around Delhi International Airport, Resettlement colony of Savda Ghevra and National Capital Region, Delhi, India): The detailed note is given as Annexure B - I, which forms part of this report. Weblink: http://www.newdelhiairport.in/our-company.aspx and for overview of Projects or Programs is http://www.newdelhiairport.in/csr.aspx
2	The Composition of the CSR Committee	(i) Mr. R.S.S.L.N. Bhaskarudu, Independent Director - Chairman (ii) Mr. G. Subba Rao, Director (iii) Mr. K. Narayana Rao, Whole time Director
3	Average net profit of the company for last three financial years 2013-14; 2014-15; 2015-16	2013-14 – ₹ 4125396022 2014-15 – ₹ 2121324149 2015-16 – ₹ 6327433271 Average Net Profit – ₹ 4,19,13,84,481
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 83,827,689.61
5	Details of CSR spent during the financial year 2016-17	
	(a) Total amount to be spent for the financial year	₹ 83,827,689.61 Rounded off to 839 Lakhs
	(b) Amount unspent, if any;	₹ 82.00 Lakhs
	(c) Manner in which the amount spent during the financial year is detailed below.	Refer As per details below

CSR ACTIVITIES UNDERTAKEN BY COMPANY DIRECTLY & THROUGH CONTRIBUTION TO GMRFV

(₹/Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Remark
S No.	CSR project or activity identified and Execution Details	Activity as per Schedule VII of the Companies Act 2013	Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency	
	Preventive Health Care Services through - Reproductive Child Health services - Care & support for people with disability	Preventive Health Care & Sanitation	Savda Ghevra JJ colony Delhi	13.00	14.50	14.50	Direct	200 women, 250 adolescents and 350 PWDs benefitted directly
	Improve Sanitation in target communities through - Construction of household toilets - Construction/repairing of school toilets - Installation of garbage bins	Preventive Health Care & Sanitation	Savda Ghevra JJ colony, and 13 schools in Delhi	34.00	14.98 (a)	29.48	Direct	12 units of girls toilets constructed in school and Installed garbage bins in 13 schools
	Support GMRFV run sanitation initiatives in other locations in India through - Construction/repair/maintenance of community/HH toilets - Construction /repair of school toilets - Providing safe drinking water and drainage facility	Preventive Health Care & Sanitation	Raipur (CG) Banglore (KA) Srikakulam (AP) Chamba (UK) East Godawari (AP) Chandrapur (MH) Mirzapur, Kanpur, Fatehpur, Allahabad (UP)	137.00	137.00	166.48	Indirect	Provided sanitation facility to more than 5500 families and 8000 school children in 6 states
	Quality Education accessibility in target communities through - Running Balwadis, Kidsmart and remedial classes - Pratibha Library - Classes on Minimum Learning Levels - Impact Study	Promoting Education including Vocational Skills	Savda Ghevra JJ colony, Mehramnagar and Shabad Mohammadpur, Delhi	25.00	19.10 (b)	185.58	Direct	Improved learning levels of more than 900 children through different initiatives
	Support GMRFV run quality improvement education initiatives in other parts of country through - Supporting tent (bridge) schools - Resuming computer education in govt schools - Providing para teachers in govt schools & - Providing remedial classes to slow learners	Promoting Education including Vocational Skills	Banglore (KA) Badrinath (UL) Srikakulam (AP) Shahdol (MP)	59.00	59.00	244.58	Indirect	Improved learning levels of more than 4900 school children in four states of India.
	Running vocational training institute at Delhi for training 800 school & college dropout youth	Promoting Education including Vocational Skills	Hindi speaking states of India	211.00	175.70 (c)	420.28	Direct	Trained 795 drop out youth with settlement rate of 93%

Overview

Statutory Reports

Standalone Financial Statements

Consolidated Financial Statements



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Remark
S No.	CSR project or activity identified and Execution Details	Activity as per Schedule VII of the Companies Act 2013	Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency	
	Contribution to GMR Varalakshmi Foundation (GMRVF) for supporting other vocational training institutes across India for training around 600 youth including women	Promoting Education including Vocational Skills	Banglore (KA), Shrikakulam, Vizianagram & Nellore (AP) Karimnagar (Telangana) Chhindwara (MP) Raipur (CG) Chandrapur (MH) East Godawari (AP)	280.00	280.00	700.28	Indirect	Trained more than 5800 youth & women with an average settlement rate of 75%
	Empowering women through • Training & marketing of products • Promoting vocational education among girls	Gender Equality through Women Empowerment	Delhi	13.00	13.00	713.28	Indirect	Enhanced livelihoods of more than 50 women and promoted vocational education among 170 girls
	Construction of Rainwater Harvesting pits in periphery of IGI Airport	Environmental Sustainability through Soil & Water Conservation	Delhi	25.00	2.16 (d)	715.44	Direct	Feasibility study conducted and construction to be taken up next FY
	Administrative Expenses	-	-	42.00	35.75	751.20	Direct	Actual cost incurred on HR/ Admin is more than 100 lakhs
	Total			839.00	751.20			Achieved 89.50% spent

Justification for underspent

- DIAL CSR team could not get permission of local authorities for adoption of community toilet in Savda JJ Colony, Delhi. Then the activity was converted into construction of house hold level toilets but could not able to complete it due to unavailability of labor in the market as a result of demonetization effect. The same is incorporated in Financial Year 2018 CSR plan.
- Impact study on the CSR Activities conducted by the Company could not be taken up as the agency engaged did not accept the proposal after doing initial field work. Annual satisfaction survey is undertaken in house and third party program evaluation will be undertaken next Financial Year.
- It was planned to scale up the residential facility at Vocational Training Institute, Delhi. The construction of civil structure has started, but not completed by March 31, 2017. The same will be completed in the first quarter of the Financial Year 2018.
- Feasibility study for construction of rain water harvesting pits conducted and sites identified fall in the land of local government authority in Delhi. DIAL has applied for the construction permission. Construction is not started due to delay in permissions and would take up under next FY CSR plan.

We hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Srinivas Bommidala
 Managing Director
 DIN 00061464

R.S.S.L.N. Bhaskarudu
 Independent Director
 (Chairman CSR Committee)
 DIN 00058527

Place: New Delhi
 Date: August 09, 2017

Annexure - B - 1

Delhi International Airport Limited
CIN. U63033DL2006PLC146936

BRIEF REPORT ON DIAL-CSR (2016-2017)

The Corporate Social Responsibility (CSR) Unit of Delhi International Airport Ltd. (DIAL) has been working with communities neighboring Indira Gandhi International (IGI) airport, since June 2006 in collaboration with GMR Varalakshmi Foundation. The activities were started in Mehramnagar and the same were extended to Savda Ghevra in January 2007, the resettlement colony where illegal encroachments of Airport land were rehabilitated by the govt. Outreach of CSR activities was extended to Shahbad Mohammadpur in August, 2014. The CSR unit is working with approximately 20,000 people altogether in three communities.

In addition to the community-based activities, it runs a Vocational Training Institute where drop-out youth are given skills to obtain gainful employment.

During the year 2016-17, the following activities/initiatives were taken up under the thrust areas of Preventive Health Care & Sanitation; Promoting Education including Vocational Skills; Gender Equality through Women Empowerment and Environmental Sustainability through Soil & Water Conservation as per the CSR policy of the Company.

Preventive Health Care and Sanitation

DIAL-CSR has initiated three programs viz. Reproductive and Child Health (RCH); Life Skill Education for Adolescents; and General Health Awareness. Under RCH program, around 200 women received antenatal & postnatal care, through Gynae clinic and awareness program. Under Life Skill Education Program for Adolescents, DIAL-CSR has trained a cadre of more than 250 adolescents as Peer Educators on ARSH (Adolescent Reproductive & Sexual Health) and other health related issues. These trained adolescents are now working as change agents among their peers. More than 350 People with Disability were benefitted through enabling equipment support, physiotherapy, medicines & counseling to care takers given by DIAL CSR. Special education and speech therapy were provided to 28 mentally retarded and hearing impaired children.

To promote sanitation, garbage collection bins have been installed in 13 government /aided schools in the periphery of IGI airport and this has contributed to a cleaner and healthier environment. DIAL CSR constructed toilets in one school, to be used by more than 300 girls in Delhi. DIAL CSR contributed to GMRVF under Swachh Bharat Abhiyan for construction of and maintenance of 15 community toilets in Maharashtra, Andhra Pradesh & Chhattisgarh, catering to more than 5500 families, and maintenance of a public toilet at Bangalore. Support was also provided to renovation of school toilets in Uttarakhand, Maharashtra & UP states ensuring sanitation facility to more than 8000 school going children. Water ATMs were supported in four villages in Chandrapur district of Maharashtra, as well as drainage facilities in one village. Access to clean drinking water and better drainage infrastructure address major issues which lead to illness.

Promoting Education including Vocational Skills

Enhancing Quality of Education: Recognizing the importance of Early Childhood Education in the holistic development of children, DIAL-CSR is running 3 Balabadis (Pre-schools for the children of 3-5-year age group) covering 100 under-privileged children. In addition, during the year 2016-17, three government-run Anganwadis were supported with water filters ensuring safe drinking water to around 90 children. DIAL-CSR is running 2 Kid Smart Technology-aided Early Learning Centers in MCD Boys Primary school, Shahabad Mohammadpur & in Savda Ghevra, benefiting 390 children. The Kid Smart center is the IBM supported digital literacy based program for children from 3-9-year age group.

The CSR unit also runs After School Learning Center (ASLC) at Savda Ghevra for 146 slow learner students of Std. VI to X. For the children below VI Std. DIAL-CSR has initiated new intervention called Minimum Learning Standard (MLS) program, which is based on the NCERT prescribed Minimum Learning Levels that emphasize on learner's focused age appropriate learning. During the year, 84 children crossed the minimum learning levels successfully.

A Community Resource Center (CRC) is being run at Savda Ghevra to help community to get access to Government schemes by providing them relevant information. In the reporting period, DIAL CSR helped more than 350 people to get enrolled in different Government schemes like Pradhan Mantri Jan Dhan Yojana; Aadhar Card; old age pension, widow pension, income certificate, PAN card etc.

DIAL-CSR has contributed to GMRVF for improving quality of education for more than 4900 children in Badrinath (Uttarakhand), Srikakulam (Andhra Pradesh), Shahdol (Madhya Pradesh) and Bangalore (Karnataka) through computer education in 22 govt. schools, Para-teachers in 48 schools and remedial & tuition classes for slow learners.

Skill Development: DIAL- CSR is implementing various initiatives for empowering youth and women, including vocational training for drop out youth, promotion of entrepreneurial skills among women and coaching youth for entry level jobs.

Centre for Empowerment and Livelihoods-Delhi (CEL-D): Started in September 2009, the center is engaged in imparting vocational skill trainings for under-privileged dropout youth. Since inception, 3840 youth have been trained, with a settlement rate of more than 90%. During the year, training was provided in various trades like Basic Computers; Basic Electrical; Refrigeration and Air Conditioning; B. Cargo Management; Excavator Operator; Welding & Fabrication etc. All the courses are being run in partnership with leading industries like, Volvo, Voltas, ATDC, VDMA, CELEBI etc. A total of 795 under-privileged youths were trained with settlement rate of 93% during this reporting year.

As part of its support to the **Skill India Initiative**, besides running CEL-D, DIAL CSR has supported GMRVF to impart employability training



for more than 5800 youth & women with settlement rate of 75% through 11 vocational training centers and a career counseling center, in Madhya Pradesh, Chhattisgarh, Maharashtra Andhra Pradesh, Telangana and Karnataka.

Gender Equality through Women Empowerment

DIAL-CSR is running a Tailoring training-cum-production center for the women and girls in Mehramnagar community. 25 new women were trained on fabric/ jute based product making. 25 women also directly benefitted through marketing for products made by them.

More than 170 girl trainees were provided commuting expenses to undertake vocational training. Support was provided to 25 women to establish their own income generation activities in Delhi after successful completion of training. 26 women were made literate through Computer Based Functional Literacy (CBFL) program at Shahbad Mohammadpur village in Delhi.

Environmental Sustainability

Towards contributing to groundwater recharge, DIAL-CSR initiated process of development of rain water harvesting pits in the periphery of IGI airport. Feasibility study for the same was conducted. Process of obtaining permission for the same is underway, and the pits will be constructed in 2017-18.

Employee Volunteering:

DIAL-CSR believes in effective partnership and participation of corporate employees in community services. During the period 2016-17, 70 employee involvement programs were organized to create opportunities for employee involvement, and 735 employees and family members were involved, and invested more than 2600 hours in community service.

Awards & Recognitions:

- Golden Peacock Award Winner for CSR
- Recognition by FICCI

Annexure - C

Form MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS	
i) CIN	U63033DL2006PLC146936
ii) Registration Date	March 1, 2006
iii) Name of the Company	Delhi International Airport Limited
iv) Category / Sub-Category of the Company	Public Company/ Limited by Shares
v) Address of the Registered office and contact details	New Udaan Bhawan, Opp. Terminal-3, Indira Gandhi International Airport, New Delhi-110037
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-	ANNEXURE-I
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	ANNEXURE-II
IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i) Category-wise Shareholding	ANNEXURE-III
ii) Shareholding of Promoters	
iii) Change in Promoters Shareholding	
iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)	
v) Shareholding of Directors and Key Managerial Persons	
V. INDEBTEDNESS	ANNEXURE-IV
Indebtedness of the Company including interest outstanding/accrued but not due for payment	
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONS	ANNEXURE-V
i) Remuneration to Managing Director, Whole time Director(s) and/or Manager	
ii) Remuneration to other Directors	
iii) Remuneration to Key Managerial Personnel other than MD/MANAGER/ WTD	
VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES	ANNEXURE-VI

* The Company has converted into Public Limited Company w.e.f. April 10, 2017.

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Annexure - I

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Support Activities for Transportation	NIC- 522	72.9%

[Note: Out of remaining 27.1% of revenue, 8.4% consists of Land, Space and Commercial Property Income, 7.6% consists of Retail Duty Free and Duty Paid and 11.1% consists of other Non-Aeronautical Income(s) from Food & Beverage, Car Parking, Banks/ATM/Forex, Cargo, Concession Fees etc. All these activities are separately classified under different NIC Codes and not mentioned above, as none of activity contributes 10% or more of the total turnover.]

Annexure - II

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	GMR Infrastructure Limited , Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31 G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400051	L45203MH1996PLC281138	Holding	0%	2(46)
2	GMR Airports Limited , 25/1, Skip House, Museum Road, Bangalore- 560025	U65999KA1992PLC037455	Holding	64%	2(46)
3	GMR Enterprises Private Limited, Third Floor, Old No. 248/New No. 114 Royapettah High Road, Royapettah Chennai TN 600014 IN	U74900TN2007PTC102389	Holding	0%	2(46)
4	Delhi Aerotropolis Private Limited, New Udaan Bhawan, Opp Terminal-3, IGI Airport, New Delhi-110037	U45400DL2007PTC163751	Subsidiary	100%	2(87)
5	Delhi Aviation Services Private Limited, New Udaan Bhawan, Opp. Terminal-3, IGI Airport, New Delhi-110037	U24233DL2007PTC165308	Associate/ Joint Venture	50%	2(6)
6	Delhi Aviation Fuel Facility Private Limited, Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061	U74999DL2009PTC193079	Associate/ Joint Venture	26%	2(6)
7	Wipro Airport IT Services Limited, Doddakannelli, Sarjapur Road, Bangalore-560035	U72200KA2009PLC051272	Associate/ Joint Venture	26%	2(6)
8	Delhi Airport Parking Services Private Limited, 6th Floor, Multi-Level Car Parking, IGI Airport, Terminal-3, New Delhi-110037	U63030DL2010PTC198985	Associate/ Joint Venture	49.90%	2(6)
9	Travel Food Services (Delhi Terminal 3) Private Limited, New Udaan Bhawan, Opp. Terminal 3, IGI Airport, New Delhi-110037	U55101DL2009PTC196639	Associate/ Joint Venture	40%	2(6)
10	Delhi Duty Free Services Private Limited, Building No. 301, Ground Floor, Opposite Terminal-3, IGI Airport, New Delhi-110037	U52599DL2009PTC191963	Associate/ Joint Venture	49.90%	2(6)
11	Celebi Delhi Cargo Terminal Management India Private Limited, Room no. Ce-05, First Floor, Import Building II, International Cargo Terminal, IGI Airport, New Delhi-110037	U74900DL2009FTC191359	Associate/ Joint Venture	26%	2(6)
12	TIM Delhi Airport Advertising Private Limited, 202, G-5 Building, Parking complex, Domestic Terminal, IGI Airport, New Delhi-110037	U74999DL2010PTC203419	Associate/ Joint Venture	49.90%	2(6)

Annexure - III

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,568,000,000	NA	1,568,000,000	64	1,567,999,998	2	1,568,000,000	64	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,568,000,000	NA	1,568,000,000	64	1,567,999,998	2	1,568,000,000	64	-
B. Public Shareholding									
1. Institutions:									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds=	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)**									
**Foreign Company	245,000,000		245,000,000	10	245,000,000	NA	245,000,000	10	
2. Non- Institutions									
a) Bodies Corp									
i) Indian (AAI)	637,000,000	NA	637,000,000	26	637,000,000	NA	637,000,000	26	0
ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	882,000,000	-	882,000,000	36	882,000,000	-	882,000,000	36	-
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	0	NA	NA	NA	0	0
Grand Total (A+B+C)	2,450,000,000	NA	2,450,000,000	100	2,449,999,998	2	2,450,000,000	100	0

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ii) Share Holding of Promoters:

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GMR Airports Limited along with 100 shares each held by GMR Infrastructure Ltd and GMR Energy Ltd	1,567,999,800	64	44.10%	1,567,999,800	64	NIL	
	Total		64	44.10%	1,567,999,800	64	NIL	

iii) Change in Promoters' Shareholding (please specify, if there is no change)-

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	1,567,999,800	64%	1,567,999,800	64%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			(Transfer of Shares) Holding one share each with Mr. Srinivas Bommidala and Grandhi Kiran Kumar	
	At the End of the year	1,567,999,800	64%	1,567,999,800	64%

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)-
The details of all the shareholders other than Promoters are mentioned below:**
1. Airports Authority of India

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	637,000,000	26%	637,000,000	26%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	637,000,000	26%	637,000,000	26%

2. Fraport AG Frankfurt Airport Services Worldwide

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	245,000,000	10%	245,000,000	10%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	245,000,000	10%	245,000,000	10%

(v) Shareholding of Directors and Key Managerial Personnel: Mr. Srinivas Bommidala and Mr. Grandhi Kiran Kumar holds one share each jointly with GMR Airports Limited. The Beneficial interest remains with GMR Airports Limited.

Annexure - IV

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Crs.)

Name and address of the company	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Amt. in INR
Indebtedness at the beginning of the financial year				
i) Principal Amount	5553.60			5553.60
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	5553.60			5553.60
Change in Indebtedness during the financial year*				
• Addition				
• Reduction	(231.14)			(231.14)
Net Change	(231.14)			(231.14)
Indebtedness at the end of the financial year				
i) Principal Amount	5322.46			5322.46
ii) Interest due but not paid				
iii) Interest accrued but not due	107.02			107.02
Total (i+ii+iii)	5429.48			5429.48

* The changes in the indebtedness includes accrued interest, changes due to foreign currency fluctuation and repayment of loan

Annexure - V

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹/Lacs)
		Srinivas Bommidala	Grandhi Kiran Kumar	K. Narayana Rao	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	242.90	243.05	116.79	602.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.08	10.08	1.94	22.1
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify				
	Total (A)	252.98	253.13	118.73	624.84
	Ceiling as per the Act (as per Board approval) (See Note Below)	272.25	272.25	150.00	694.50

Note : As on March 31, 2017 DIAL has adequate Profits of ₹ 987.56 crs, accordingly, DIAL can pay to each individual Director upto 5% i.e ₹ 49.37 crs and overall upto 10% i.e 98.75, in our case, the Board approved remuneration for each individual director is less than the higher maximum limit permissible under Companies Act, 2013, therefore, in the above column, the Board approved remuneration is mentioned as ceiling.



B. Remuneration to other directors:

[illegible]

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sl No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹/Lacs)
		I Prabhakara Rao (CEO)	G.R.K. Babu (CFO)	Saurabh Jain (CS)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	352.41	87.74	19.51	459.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.82	0.00	0.82
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify				
	Total	352.41	88.56	19.51	460.48

Annexure - VI**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors**Srinivas Bommidala**Managing Director
DIN 00061464**K. Narayana Rao**Whole-Time Director
DIN-00016262

Place: New Delhi

Date: August 09, 2017



Annexure - D

Nomination and Remuneration Policy

1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every Public Company having a Paid up Capital of ₹ 10 Crores or more; or Turnover of ₹ 100 Crores or more; or having in aggregate outstanding loans or borrowing or debentures or deposits exceeding ₹ 50 Crores or more, as existing on the date of last audited Financial Statements, shall constitute a Nomination and Remuneration Committee Delhi International Airport Limited ("DIAL") fulfills the prescribed requirement and therefore in compliance therewith the Company has constituted a Nomination and Remuneration Committee.

In order to align with the provisions of the Companies Act, 2013, the Board on May 07, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee" and modified its terms of reference.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

1.1. Purpose of the Policy

The Key Objectives of the Committee includes :

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board a policy relating to the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The Policy ensures that:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- (c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

1.2. Definitions

- 1.2.1. **"Board"** means the Board of Directors of the Company.
- 1.2.2. **"Company"** means " Delhi International Airport Limited."

1.2.3. **"Employee Stock Option"** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

1.2.4. **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.

1.2.5. **"Key Managerial Personnel" or "KMP"** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.

(As per Section 203 of the Companies Act, 2013, the following are whole-time Key Managerial Personnel:

- (i) *Managing Director or Chief Executive Officer or the Manager and in their absence a whole-time Director;*
- (ii) *Company Secretary; and*
- (iii) *Chief Financial Officer.)*

1.2.6. **"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

1.2.7. **"Policy or This Policy"** means, "Nomination and Remuneration Policy."

1.2.8. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

1.2.9. **"Senior Management"** mean the KMPs of the Company.

1.3. Interpretation

Words and expressions used in this Policy shall have the same meanings assigned to them in the Companies Act, 2013 or the rules framed thereon.

2. NOMINATION AND REMUNERATION COMMITTEE

2.1. Role of the Committee

- (a) Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.



- (b) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (c) Formulating the criteria for evaluation of Individual Directors and the Board;
- (d) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- (e) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors/Managers;
- (f) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- (g) The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;

2.2. Composition of the Committee

- (a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- (c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (d) Membership of the Committee shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless terminated by the Board of Directors.

2.3. Chairman of the Committee

- (a) Chairman of the Committee shall be as decided by the Board.
- (b) Chairman of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- (c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

The Chairman of the Committee or in his absence, any other member of the Committee authorized by him on his behalf shall attend the general meetings of the company

2.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such regular intervals as may be required.

2.5. Committee Member's Interest

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

2.6. Voting at the Meeting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

2.7. Minutes of the Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

3. APPLICABILITY

This Policy is Applicable to:

- (a) Directors (Executive, Non-Executive and Independent)
- (b) Key Managerial Personnel
- (c) Senior Management Personnel
- (d) Other employees as may be decided by the Nomination and Remuneration Committee

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

4.1. Appointment criteria and qualifications

- (a) Subject to the applicable provisions of the Companies Act, 2013, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.



4.2. Term / Tenure

4.2.1. Managing Director / Whole-time Director / Manager (Managerial Personnel)

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

4.2.2. Independent Director

- (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- (c) At the time of appointment of Independent Director it should be ensured that the appointment should be in compliance of the rules and regulations as laid down in the Companies Act, Rules made thereunder, Listing Agreement and any other applicable law.
- (d) The maximum number of companies in which a person shall hold office as Director, including any alternate directorship, shall not exceed Twenty. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

4.3. Familiarization Programme for Independent Directors

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

4.4. Evaluation

Subject to Schedule IV of the Companies Act, 2013, the Committee shall carry out the evaluation of Directors on such intervals as may be necessary.

4.5. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons

recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

4.6. Retirement

The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

5. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL

5.1. General

- (a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- (c) Increments to the existing remuneration / compensation structure of Managerial Personnel may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.
- (d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

5.2. Remuneration to Managerial Personnel, KMP, Senior Management and Other Employees

5.2.1. Fixed Pay

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

5.2.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

5.2.3. Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

5.2.4. The remuneration to KMPs and Personnel of Senior Management shall be governed by the GMR Group HR Policy.

5.2.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

5.3. Remuneration to Non-Executive / Independent Director**5.3.1. Remuneration / Commission**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

5.3.2. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

5.3.3. Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

5.3.4. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

6. DISCLOSURES

The Company shall disclose the Nomination and Remuneration Policy in the Board's Report.

The terms of appointment of Independent Director shall be displayed on the Company's website, if any.

7. AMENDMENT

Any amendment or modification in the Companies Act, 2013 and rules thereto and any other applicable law relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.



Annexure - E

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Delhi International Airport Limited
New Udaan Bhawan, Opp. Terminal-3,
Indira Gandhi International Airport,
New Delhi-110 037

I/ we were appointed by the Board of Directors of Delhi International Airport Limited (hereinafter called the Company) to conduct Secretarial Audit as per the provisions of Section 204 of Companies Act, 2013, for the financial year ended March 31, 2017.

I/We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me/us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Auditors Responsibility

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

The secretarial audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Opinion

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as may be applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as may be applicable;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable as the Company is not a listed company;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 – Not applicable as the Company is not a listed company;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company is not a listed company;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable as the Company is not a listed company;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company is not a listed company;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company is not a listed company; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable as the Company is not a listed company;

/(we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange – Not applicable as the Company is not listed and had not entered into listing agreement with any stock exchange.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2017, complied with the aforesaid laws, material compliances are listed in the Annexure attached to this report.

/(we further report that 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., 2009-14). The Company has filed an appeal before AERAAT on certain disputed issues in the Tariff order of First Control period (2009-2014). The Company had filed a writ petition before the Hon'ble High Court of Delhi challenging the above said tariff. The Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 dated April 20, 2012 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT. The matter is still pending with the Hon'ble AERAAT. 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).

The Company has also filed an appeal with AERAAT against the AERA order No. 40/2015-16 dated December 8, 2015 (issued on December 10, 2015) for second control period on January 11, 2016. In view of above petitions pending on the implementation of AERA order for

Second Control Period, the said order could not be implemented till the disposal of all legal issues associated with the order. The revenue so collected by the Company during this interim period shall be adjusted from the aggregate revenue requirement.

The Company was required to spend ₹ 8.38 crores under the Corporate Social Responsibility (CSR) head during the financial year 2015-16. The Company could spent only ₹ 7.51 crores during that period.

Based on information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the financial year under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in compliance of the Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. The Company has proper Board processes.

Based on the compliances mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: New Delhi
Date: May 11, 2017

Signature

Maneesh Gupta
FCS No. 4982
C P No. 2945



ANNEXURE TO SECRETARIAL AUDIT REPORT

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has during the financial year under review, complied with the provisions of the Acts, Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or such other authorities;
4. Service of documents by the Company on its Members, Directors, Stock Exchanges, Auditors and Registrar of Companies;
5. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Management Committee, Corporate Governance and Social Responsibility Committee;
6. Appointment, re-appointment and Retirement of Directors including Managing Director and Executive Directors and payment of remuneration to them;
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by Directors;
8. Disclosure requirements in respect to their eligibility for appointment, declaration of their independence, compliance with code of conduct for Directors and Senior Management Personnel;
9. All transactions with related parties were in the ordinary course of business and arms length and were placed before the Audit Committee periodically;
10. Establishing a vigil mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. Constituting the Corporate Social Responsibility Committee formulating and adopting Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
12. Appointment of persons as Key Managerial Personnel;
13. Appointment and remuneration of Statutory Auditor and Cost Auditor;
14. Appointment of Internal Auditor;
15. Notice of meetings of the Board and Committee thereof;
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulations;
17. Notice convening annual general meeting held on September 20, 2016 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of balance sheet as at March 31, 2016 as prescribed under Part I of Schedule III to the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended March 31, 2016;
22. Borrowings and registration of charges;
23. Investment of the Company's funds including inter corporate loans and investments.

Place: New Delhi
 Date: May 11, 2017

Signature

Maneesh Gupta
 FCS No. 4982
 C P No. 2945

Annexure - F

FORM No. – AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis :

All the contracts or arrangements or transactions with the related parties are on arm's length basis. So, the information below is not required.

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

As per details given below Annexure F-1

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

For and on behalf of the Board of Directors

Srinivas Bommidala

Managing Director
DIN 00061464

K. Narayana Rao

Whole-Time Director
DIN-00016262

Place: New Delhi

Date: August 09, 2017



Annexure - F-1

S. No.	Particulars	Details		
1	Name(s) of the related party and nature of relationship	Delhi Duty Free Services Private Limited (Fellow Subsidiary and Joint Venture)	Raxa Security Services Limited (Fellow Subsidiary)	Delhi Airport Parking Services Pvt. Ltd., Joint Venture and Fellow Subsidiary*
2	Nature of contracts/arrangements/ transactions	License agreement with Delhi Duty Free Services Pvt. Ltd. (DDFS) for Hugo Boss luxury brand, which is operated and managed by DDFS for a period of 5 Years	Extension of Existing Contract for availing security and Technical Consultancy Services from Raxa Security Services Limited for a period of 2 Years	License Agreement for a period of 3 Years Effective from date of execution of this Agreement or the Access Date, whichever is later after the Board Approval for operating and managing the Counter at Terminal-1 of the IGI Airport.
3	Duration of the contracts / arrangements/ transactions	5 Years	2 years	3 Years
4	Salient terms of the contracts or arrangements or transactions including the value, if any:	(i) Location - Luxury Fashion Cluster INS 31 (ii) Security Deposit A (Refundable Interest Free) - shall mean an amount USD. 121626 (USD One Lac twenty one thousand six hundred and twenty six only) or prevailing INR converted value as on Effective Date equivalent to 10 times average MMG of the License Term. (iii) Security Deposit B (Refundable Interest Free) - Shall mean an amount of Rupees 28296 X KW (estimated as per design)	(i) By allowing increase in the minimum wage as per the Notification dated January 19, 2017, for Security Guards /Marshal/Traffic Warden (without Arms) and Armed Guards. On the final cost arrived at for 4th Year, a 9% increase will be given on this cost for the 5th Year as per the terms of the existing contract. (ii) For other categories normal Annual Increment of 9% p.a. in monthly rate over the 3rd year rates for 4th Year & 5th Year respectively.	(i) Airport Service Charge – ₹ 821 per sqm. Subject to the escalation at CPI Index every January. (ii) Security Deposit (Refundable Interest Free) – Equivalent to 6 times of average MMG of the License Term.
5	Date(s) of approval by the Board, if any:	February 07, 2017	February 07, 2017	November 10, 2016
6	Amount paid as advances, if any:	NIL	NIL	NIL

* The agreement has not yet been executed.

Annexure G

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy:

- Automation of break down maintenance performance tracking.
- Achieved GreenCo Platinum Level under Green Company Framework by CII-GBC. DIAL has been accredited highest rating for Energy category in service industry.
- Successful recertification of EnMS ISO 50001:2011.
- Second time in a row got Honeywell smart building award (1st prize) in Airports as well as Overall category.
- T3 certified for IGBC Platinum rating.
- Won 1st runner-up in Group CIP in recurring category- "Reduction in water consumption per pax."
- DIAL bagged First Prize in Asia Pacific Energy Conservation Award
- Terminal 1 is fully converted to LED.
- BMA area of Terminal 1 is fully converted to LED.
- Street lights around Terminal 1 converted into LED.
- Around 200 street lights on the Central Spine has been converted into LED.
- 50% of signage light at Terminal 3 has been changed to LED.
- Street light control has been fitted with seasonal control.
- Overall Terminal lighting control at T3 has been improved through LCMS logic change.
- 50% of Apron high mast at T3 has been changed to LED.
- 80% of Apron high mast at T1 & T2 has been changed to LED.
- 5 MW power purchase has been initiated through open access.

- REC unit generation is now of the order of 10,000.
- 90% conversion of perimeter lights to LED.
- 70% conversion of lights to LED in T2.

(ii) The steps taken by the company for utilizing alternate sources of energy:

- Solar generation is in full swing with 7.84 MW peak.

(iii) The capital investment on energy conservation equipment: Not Applicable/ NIL

(B) Technology Absorption : NIL

- the efforts made towards technology absorption;
- the benefits derived like product improvement, cost reduction, product development or import substitution;
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - the details of technology imported;
 - the year of import;
 - whether the technology been fully absorbed;
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- the expenditure incurred on Research and Development.:

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information regarding the Foreign Exchange Earned in terms of actual inflows during the year and the Foreign Exchange Outflow during the year in terms of actual outflow is as follows. In this regard, kindly also refer the Note 42 given in the Notes to Accounts of Financial Statements for the year ended March 31, 2017.

For and on behalf of the Board of Directors

Srinivas Bommidala

Managing Director
DIN 00061464

K. Narayana Rao

Whole-Time Director
DIN-00016262

Place: New Delhi

Date: August 09, 2017



Annexure - H

Policy on Vigil Mechanism

INTRODUCTION

Delhi International Airport Limited is a company maintaining Delhi Airport and working as JVC of GMR Group and other Private Participants including AAI and follows the GMR Group's ethical practices. In an effort to further this approach, as well as to comply with the applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act') and the rules made thereunder, Delhi International Airport Limited has decided to adopt a vigil mechanism in line with the GMR Group's Code of Business Conduct and Ethics Policy which can be referred to as the Whistle Blower Policy.

This Policy provides a platform for Directors, employees and stakeholders to raise genuine concerns and grievances by internally disclosing information which they believe show serious malpractice, impropriety, abuse or wrong doing within the Company, or in the dealings of the Company with other persons, or constitutes a violation of the GMR Group's Code of Business Conduct and Ethics Policy (hereinafter referred to as a "Concern"), without fear of reprisal or victimization.

1.1. Purpose of the Policy

- 1.1.1. To provide a platform to voice concerns in a responsible and effective manner.
- 1.1.2. To provide a platform to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, Fraud, impropriety, abuse or wrong doing within the Company.
- 1.1.3. To ensure that no one is disadvantaged as a result of raising legitimate Concerns.
- 1.1.4. To increase the efficacy of the internal disclosure systems by enabling the Disclosure of information independently of line management for employees (although in relatively minor instances the immediate superior would be the appropriate person to be informed).
- 1.1.5. To provide appropriate infrastructure, including through the appointment of Ombudspersons, for the receipt and analysis of, and response to all bona fide Concerns.

1.2. Definitions

- 1.2.1. **"Audit Committee"** means Audit Committee of the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.
- 1.2.2. **"Board"** means the Board of Directors of the Company.
- 1.2.3. **"Company"** means Delhi International Airport Limited.
- 1.2.4. **"Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper

activity including activities mentioned in Clause 3.5 of this Policy.

- 1.2.5. **"Fraud"** means any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.
- 1.2.6. **"Policy"** means Whistle Blower Policy of the Company.
- 1.2.7. **"Whistle Blower"** means any person making a Disclosure under this Policy.

1.3. Interpretation

Capitalized terms not defined herein shall have the meaning assigned to them under the GMR Group's Code of Business Conduct and Ethics Policy.

2. APPLICABILITY

This Policy shall apply to all Directors, regular employees and consultants of the Company, including advisors, in-house consultants, Whole-time Directors and employees on contract.

This Policy shall also apply to third parties with any commercial dealings with the Company, including vendors, service providers, partners, joint venture employees and customers.

3. SCOPE OF THE POLICY

- 3.1. This Policy is an extension of the Code of Business Conduct and Ethics Policy of the GMR Group.
- 3.2. It shall be emphasized that this Policy is intended to assist Whistle Blowers who have reason to believe that they have observed / come to know of any malpractice, Fraud, impropriety, abuse or wrongdoing within the Company or in its dealings with the persons listed in Clause 2.
- 3.3. The Whistle Blower's role is that of a reporting party with reliable information. They shall not be party to the investigation of complaints, or be involved in deciding what course of remedial action is warranted in a given case. Although, the Whistle Blower is not expected to provide complete evidence in proof of the allegation, he needs to demonstrate to the Ombudsperson that there are sufficient and valid grounds for the concern.
- 3.4. This Policy does not cover issues relating to grievances such as Performance Management Process (PMP) promotions and transfers. These are dealt with separately under the Employee Grievance Policy.

3.5. Concerns that may be raised under this Policy include a wide range of issues, some of which are listed below. An illustrative (but by no means comprehensive) list of Concerns that may be raised under this Policy is as follows:

- (a) any unlawful act, whether criminal (e.g. theft) or giving rise to a civil action (e.g. slander or libel);
- (b) breach of any policy or manual or code adopted by the Company;
- (c) health and safety risks, including risks to employees as well as the public in general (e.g. faulty electrical equipment);
- (d) Fraud and corruption (e.g. attempts to solicit or receive any gift / reward as a bribe);
- (e) any instance of failure to comply with legal or statutory obligations either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company;
- (f) any instance of any kind of financial malpractice;
- (g) abuse of power (e.g. sullying / harassment); and
- (h) any other unethical or improper conduct.

4. OMBUDSPERSON

4.1. A senior level employee / consultant of the GMR Group will be nominated as Ombudsperson to:

- (a) ensure that Concerns received under this Policy are investigated in a fair manner and that decisions are reported appropriately to all concerned, within the stipulated time limits;
- (b) ensure that this Policy is administered appropriately;
- (c) oversee and provide perspective to investigations;
- (d) be available as a 'listening post' for any member of Company, who may wish to speak with them in relation to any Concern;
- (e) provide coaching and counseling to individuals in furtherance of this Policy;
- (f) act as an information resource with respect to applicable guidelines and policies; and
- (g) carry out visits and undertake road shows to bring awareness about this Policy.

4.2. The Ombudsperson shall also periodically report to management on problem areas and trends within the Company so that such issues can be addressed through policies and procedures.

4.3. The Ombudsperson shall be nominated by the Group Chairman and will hold the position for a period of three years from the date of appointment.

4.4. The details of the Ombudsperson for the Company are given in **Annexure – I**.

4.5. The Ombudsperson, as described above, will be the process owner of this Policy.

4.6. The Business Chairman (Institution Building & Governance) of the GMR Group, acting on the directions of the Audit

Committee and the Audit Committee of the Company through a Committee, will oversee the implementation and effectiveness of this Policy.

5. DISCLOSURE AND FILING OF COMPLAINTS

5.1. Anonymous Disclosure

This Policy has adequate safeguards to ensure that no complainant is victimized on account of usage of this Policy. Accordingly, this Policy encourages Whistle Blowers to mention their names while making the Disclosure.

Concerns expressed anonymously / pseudonymously will not ordinarily be acted upon. However, where an anonymous Disclosure contains references to verifiable facts and figures, such cases will be taken up for investigation.

5.2. Frivolous, Fictitious And Mala fide Disclosures

If a Whistle Blower makes an allegation, which he / she knows or has reason to believe is untrue, or with an intent to defame or cause inconvenience, appropriate action will be taken against such Whistle Blower.

In case a person habitually makes false / frivolous complaints, appropriate disciplinary action will be initiated against such person. Further, the subsequent complaints / disclosures made by him/her may not be considered.

5.3. Filing Of Complaints

Any Whistle Blower making a complaint under this Policy may make a Disclosure to the Ombudsperson through the following communication modes:

(a) Oral Complaints

If a Whistle Blower desires to raise a Concern orally, she / he may do so through teleconference or by personally meeting the Ombudsperson, or by calling 1800-1020-467 or such other number as is set out on the Group's website at www.gmrgroup.in.

(b) Complaints filed through Electronic Means

If a Whistle Blower desires to raise a concern through electronic means, she / he may send an e-mail to gmr@ethicshelpline.in to raise a concern under the Policy.

6. ASSURANCES UNDER THIS POLICY

6.1. To The Whistle Blower

6.1.1. All possible precautions will be taken to maintain the confidentiality of the identity of the Whistle Blower, barring where such disclosure is required strictly for the purpose of law or to facilitate the investigation process.

6.1.2. The Company will not tolerate any harassment or victimization (including informal pressures) against a Whistle Blower and will take appropriate action to protect a Whistle Blower who has raised a Concern in good faith.

6.1.3. The Company will provide adequate and timely support and protection to Whistle Blowers in the event she / he faces any civil or criminal action in consequence of a bona fide Concern raised under this Policy.

6.1.4. If a Whistle Blower believes that she/he has been victimized for raising a Concern under this Policy, she /



he may file a written complaint to the Ombudsperson requesting an appropriate remedy. The Ombudsperson shall investigate such complaint and take such actions as it may deem fit to ensure that the complainant is not victimized for having raised a Concern under this Policy.

6.2. On Whom The Investigation Is Made

All possible precautions will be taken to maintain the confidentiality of the person on whom an enquiry is carried out except as may be required by law or to facilitate the investigation process.

7. PROCEDURE FOR RECEIPT AND INVESTIGATION OF COMPLAINT

7.1. Once any Disclosure of a Concern has been made by a Whistle Blower to the Ombudsperson, the following procedure will be followed:

- (a) The Ombudsperson shall acknowledge receipt of the complaint through ethics helpline within seven (7) working days of receipt of the complaint.
- (b) The Ombudsperson shall review the complaint received and decide on the next course of action (including entrusting the matter to an appropriate investigating agency) within seven (7) working days of receipt of the complaint. For this purpose, the Ombudsperson will maintain a list of investigating agencies and in consultation with Group Head, Management Assurance Group or Group Head, Ethics & Intelligence, will decide on the appropriate investigating agency.
- (c) In determining whether to pursue an investigation, or at any stage during the investigation, personal meetings, if required, will be conducted with the Whistle Blower provided the Whistle Blower is willing to disclose his identity with the investigation agency.
- (d) The Ombudsperson may with the permission of the complainant, instead of or prior to initiating an investigation, act as an intermediary to clarify issues and resolve them through mediation.
- (e) Where the complaint is found to be frivolous or bereft of verifiable information, further action will not be initiated. Further, the Ombudsperson may decide to initiate appropriate disciplinary action against such person if the complaint is found to have been made without a bona fide basis.
- (f) Where a complaint is referred to an investigating agency, it will investigate and submit its report within forty five (45) days of receipt of the complaint by it.
- (g) The Ombudsperson will review the report of the investigating agency and forward it to the concerned Chief Executive Officer with a copy to the concerned Business Chairman, Business Chairman (Institution Building & Governance) and Group President-HR, within seven (7) working days of receipt of the report.
- (h) The relevant Chief Executive Officer / Business Chairman will take appropriate action with relevant departments / agency to ensure closure.
- (i) The Ombudsperson will provide a quarterly update to the Business Chairman (Institution Building & Governance) and to the Group Head - Ethics & Intelligence.

- (j) The Group Head - Ethics & Intelligence will make a half yearly presentation to the Audit Committee on the implementation of this Policy.
- (k) The Ombudsperson / Group Head – Ethics & Intelligence will inform the Whistle Blower of the action taken on his / her complaint within two (2) months from the date of receipt of the complaint.

7.2. Where the complaint is against the Director, Ombudsperson, a Business Chairman, or Group Head -Ethics and Intelligence or the Board of Directors, the Whistle Blower may file the complaint directly to the Chairman of the Audit Committee. Where the complaint is against the Chairman of the Audit Committee, the Whistle Blower shall file the complaint with the Chairman of the Board of Directors and if such person is also the Chairman of the Audit Committee shall file the complaint with any member of the Board of Directors.

7.3. The detail of the Chairman of the Audit Committee of the Company is given in Annexure – II.

7.4. A complaint received by the Chairman of the Audit Committee, the Chairman of the Board of Directors, or a member of the Board of Directors as aforesaid, shall be dealt with, as far as possible, in the manner set out for the handling of complaints received by the Ombudsperson.

8. APPEAL AGAINST THE DECISION OF THE CEO / BCM TO THE GCM

If the Whistle Blower is not satisfied with the decision of the Ombudsperson in not initiating an investigation into the complaint, she / he may prefer an appeal against such decision before the relevant Chief Executive Officer / Business Chairman.

If either the Whistle Blower or the person complained against is not satisfied with the decision of the Chief Executive Officer / Business Chairman, then either of the parties could prefer an appeal against the decision before the Group Chairman in accordance with the procedure set out in **Annexure – III**.

The decision of the Group Chairman shall be final and binding on all the parties. The Group President HR / Business Chairman (Institution Building & Governance) will be kept informed.

9. DOCUMENTATION

The Ombudsperson / Group Head, Ethics and Intelligence jointly shall be responsible for documenting each complaint received, the material gathered in relation to such complaint, and a reasoned record of the course of action taken on such complaint. All other persons involved in the procedure for the evaluation of complaints received under this Policy shall forward all such material to the office of the Ombudsperson / Group Head, Ethics and Intelligence for his records.

10. AMENDMENT

This Policy may at any time, and without any prior notice to any person whatsoever, be changed or modified or rescinded or abrogated by the Business Chairman (Institution Building & Governance) with due approval of the Board of Directors and the Audit Committee.

Annexure - I

The Ombudsperson for the Company shall be:

Ombudsperson	Company
Mr. H. J. Dora	Delhi International Airport Limited

Group Chairman may review the name of Ombudsperson from time to time and modify the same as required.

Annexure - II

The contact details of the Chairman of the Audit Committee of the Company shall be:

Chairman	Email ID	Communication Address
Mr. G. Subba Rao	Subbarao.G@gmrgroup.in	Delhi International Airport Limited Airport Building 301, New Udaan Bhawan Complex, Opp. Terminal-3 Indira Gandhi International Airport New Delhi - 110037

In case the Chairman of the Audit Committee changes, same will be updated in the policy from time to time.

Annexure - III

APPEAL PROCEDURE AGAINST THE DECISION OF THE CEO / BCM

- On receipt of the decision of the Chief Executive Officer / Business Chairman, in consultation with the Group President-HR, either the Whistle Blower or the person complained against can prefer an appeal against the decision before the Group Chairman within 30 days of receipt of intimation of the decision.
- The Group Chairman in co-ordination with the Group President-HR may:
 - Have a personal discussion with all required.
 - Request for necessary documentations, evidence and explanations to ensure that drawn opinions / identified gaps are correct.
 - Propose an additional investigation / review to ensure effective closure of the complaint.
- On review of all documentation or on receipt of revised investigation report, the Group Chairman, in consultation with the Group President-HR will give a decision and the Group Chairman's decision in this matter will be final and binding on all the parties.

Annexure - I

PARTICULARS OF TOP TEN EMPLOYEES AS PER RULE 5 (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No	Name	Age	Designation	Date of Commencement of Employment	Gross Remuneration	Qualifications	Experience	Name of Previous Employer
		(Yrs.)			(₹ Lacs)		(Yrs.)	
1	Srinivas Bommidala	54	Managing Director	19.04.2006*	272.18	Commerce Graduate	33	Vemagiri Power Generation Limited, Managing Director
2	Grandhi Kiran Kumar	42	Executive Director	19.04.2006*	272.18	Commerce Graduate	19	GMR Hyderabad International Airport Limited
3	Indana Prabhakara Rao	58	CEO	09.05.2011**	365.24	B.E, M.E	33	Prudhvi Industries
4	Prasanna C	57	President	17.07.2010	147.21	B.Com(Hons) MBA	32	NAGARJUNA FERTILIZERS AND CHEMICALS LTD.
5	Radhakrishna Babu Gadi	57	CFO	01.08.2011	93.69	B.Com C.A C.S LLB MBA	36	ICOMN Tele Ltd
6	Ashwani Khanna	52	VP	12.11.2008	95.95	B.Tech MBA	29	Kingfisher Airlines Ltd
7	Shyam Sundar	45	VP	14.07.2014	101.99	B.E	21	MICROSOFT INDIA
8	K Narayana Rao	62	Whole Time Director	17.04.2007*	125.28	B.Com C.A C.S ICWA CIMA	38	GMR Industries Limited, Managing Director
9	Sushil Joshi	53	VP	14.04.2014	72.99	MBABSc	30	Tata Motors.
10	Douglas Webster	55	COO	30.03.2016	200.32	Bachelors in Airport Administration	33.5	North West Airlines Inc.

Note -

- The nature of employment of all employees above is contractual regular and terms and conditions are as per the policy/rules of the Company and in case of Directors additionally as approved by Board of Directors and Shareholders.
- Remuneration as shown above includes salary, allowances, leave travel assistance, superannuation, PF
- None of the employees holds by himself or along with his spouse and dependent children any Equity Shares in the Company.
Hence, no disclosure is required in accordance with the provisions of Rule 5(2)(iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- None of the employees are relative of any Director or Manager of the Company except Mr. Grandhi Kiran Kumar and Mr. Srinivas Bommidala
*Date of appointment on DIAL's Board.
** Date of Appointment as CEO of DIAL by DIAL Board

For and on behalf of the Board of Directors

Srinivas Bommidala
 Managing Director
 DIN 00061464

K. Narayana Rao
 Whole-Time Director
 DIN-00016262

Place: New Delhi
 Date: August 09, 2017

Independent Auditor's Report

To the Members of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The

procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016;
 - On the basis of written representations received from the directors as on March 31, 2017, and taken on record by



the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 34(II) to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to the holding and dealings in Specified Bank Notes during the period from November 8, 2016 and December 30, 2016. However, as stated in Note 42 (e) to the standalone Ind AS financial statements amounts aggregating to ₹ 203,000 as represented to us by the management have been received from the transactions which are not permitted.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm registration number:
101049W/E300004
Chartered Accountants

per Yogesh Midha

Partner
Membership No.: 094941

Place : Manila
Date : May 11, 2017

For Brahmayya & Co.,

Firm registration number:
000515S
Chartered Accountants

per G Srinivas

Partner
Membership No.: 86761

Place : New Delhi
Date : May 11, 2017

Annexure-1

referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited) ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year Management has conducted physical verification of fixed Assets. The discrepancies identified during such physical verification between physical inventory and books records; have been properly dealt with in the books of accounts.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed asset register are held in the name of the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (c) According to the information and explanations given to us, the dues of income tax, sales-tax, service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute, are as follows*:
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public and hence not commented upon.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to aeronautical services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, custom duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in case of payment of service tax, advance income tax and provident fund in few cases.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, custom duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of the statute	Nature of Dues	Amount (₹ in Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Taxability of Passenger Service Fee (Security Component), Disallowance on account of capital expenditure, Disallowance of payment of gratuity, Disallowance under section 40(a)(ia) of the Act, Disallowance of club expenses, Disallowance under Section 14A of the Act, Issue of SFIS Duty Credit Scrips.	3.66	Assessment Year: 2008-09	Commissioner of Income Tax (CIT) Appeals.
Finance Act 1994	Service tax on Development Fees (DF) receipt.	263.78	March 2009 to September 2013.	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act 1994	i) Non payment of Service tax under reverse charge mechanism for the alleged 'Management or Business Consultants'. ii) Wrong and Excess Utilization of CENVAT credit iii) Non Payment of Service Tax on License Fees / lease rentals.	35.44	Financial year 2006-07 to 2009-10	Commissioner, Service tax, New Delhi
Finance Act 1994	Non-payment of Service Tax on License Fees / lease rentals.	7.74	Financial year 2011-12 (Apr - June' 2010)	Commissioner of Service Tax, New Delhi.



Finance Act 1994	Wrong availment of service tax on the payment made towards employee's medical insurance.	0.22	Financial year 2011-12.	Commissioner of Service Tax (Appeal), New Delhi.
Finance Act 1994	i) Service tax on the supply of electricity and water ii) Denial of CENVAT on Central Industrial Security Force (CISF) related expenses.	25.22	Financial year: 2009 -10 to 2012-13	Commissioner of Service tax
Finance Act 1994	Non-payment of service tax on Advance Development Costs ('ADC').	108.62	Financial year: 2010-11 to 2011-12	CESTAT

* Dispute under Income Tax Act 1961, wherein disallowances resulting in reduction in 'returned loss' as per return of income have not been considered for above disclosure. Tax impact of reduction in loss amounts to ₹ 50.17 crores.

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| <p>(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and bank. The Company did not have any outstanding dues in respect of debenture holders during the year.</p> <p>(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of debt instruments in the nature of secured notes were applied for the purposes for which they were raised. The Company has not raised any funds by way of initial public offer or further public offer or term loan.</p> <p>(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.</p> <p>(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.</p> | <p>(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. (Refer note 35 of the financial statements)</p> <p>(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.</p> <p>(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.</p> <p>(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.</p> |
|---|--|

For S.R. BATLIBOI & ASSOCIATES LLP
 ICAI Firm registration number: 101049W/
 E300004
 Chartered Accountants

per Yogesh Midha
 Partner
 Membership No.: 094941

Place : Manila
 Date : May 11, 2017

For Brahmayya & Co.,
 Firm registration number:
 0005155
 Chartered Accountants

per G Srinivas
 Partner
 Membership No.: 86761

Place : New Delhi
 Date : May 11, 2017

Annexure-2

to the Independent Auditor's Report of even date on the Standalone Ind-AS Financial Statements of Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited)

We have audited the internal financial controls over financial reporting of Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/
E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 094941

Place : Manila
Date : May 11, 2017

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

per G Srinivas
Partner
Membership No.: 86761

Place : New Delhi
Date : May 11, 2017



Standalone Balance Sheet

as at March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
(1) Non-current assets				
Property, plant and equipment	4	7,381.27	8,039.80	8,592.39
Capital work in progress	4	123.94	63.87	50.65
Intangible Assets	5	404.07	412.94	433.50
Investment in subsidiaries, associates & joint ventures	6.1	181.05	138.01	138.01
Financial Assets				
(i) Loans	7	1.25	2.25	1.84
(ii) Other financial assets	8	-	-	106.35
Other non-current assets	9	91.29	97.36	88.90
Deferred tax assets (net)	10	-	11.27	-
		8,182.87	8,765.50	9,411.64
(2) Current assets				
Inventories	11	7.42	7.19	7.73
Financial Assets				
(i) Investments	6.2	2,184.38	956.66	247.14
(ii) Trade Receivables	12	898.88	791.46	654.65
(iii) Cash and cash equivalents	13	554.12	407.67	119.59
(iv) Bank balance other than cash and cash equivalents	14	46.22	76.14	200.57
(v) Loans	7	18.87	14.96	13.57
(vi) Other Financial assets	8	37.25	133.48	541.84
Other current assets	9	36.99	50.32	49.63
		3,784.13	2,437.88	1,834.72
Assets classified as held for sale	6.2	-	40.64	40.64
		3,784.13	2,478.52	1,875.36
Total Assets		11,967.00	11,244.02	11,287.00
EQUITY AND LIABILITIES				
(1) Equity				
Equity Share Capital	15	2,450.00	2,450.00	2,450.00
Other Equity				
(i) Retained earnings	16	576.22	(9.83)	(514.09)
(ii) Cash flow hedge reserve	16	(16.84)	-	-
(iii) Re-measurement gains on defined benefit plans	16	(0.73)	0.09	-
		3,008.65	2,440.26	1,935.91
(2) Non-current liabilities				
Financial Liabilities				
(i) Borrowings	17	5,261.97	5,393.16	5,542.90
(ii) Other financial liabilities	18	298.31	309.26	326.18
Deferred revenue	19	1,781.31	1,752.77	1,785.43
Deferred tax liabilities (net)	10	292.04	-	-
Other non-current liabilities	20	112.95	146.62	208.20
		7,746.58	7,601.81	7,862.71
(3) Current liabilities				
Financial Liabilities				
(i) Trade Payables	21	431.40	390.38	425.64
(ii) Other financial liabilities	18	381.38	507.21	748.59
Deferred revenue	19	86.18	82.05	82.44
Other current liabilities	20	226.29	182.33	207.54
Provisions	22	19.34	15.44	14.90
Liabilities for current tax (net)		67.18	24.54	9.27
		1,211.77	1,201.95	1,488.38
Total Liabilities		8,958.35	8,803.76	9,351.09
Total Equity and Liabilities		11,967.00	11,244.02	11,287.00
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the standalone financial statements.

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 Brahmaya & Co.

ICAI Firm Registration No. : 0005155

Chartered Accountants

For and on behalf of the Board of Directors of

Delhi International Airport Limited

per Yogesh Midha

Partner

Membership no: 94941

Place : Manila

Date : May 11, 2017

per G. Srinivas

Partner

Membership no: 86761

Place : New Delhi

Date : May 11, 2017

Srinivas Bommidala

Managing Director

DIN-00061464

Radhakrishnababu G.

Chief Financial Officer

K. Narayana Rao

Whole Time Director

DIN-00016262

Saurabh Jain

Company Secretary

Place : New Delhi

Date : May 11, 2017

Standalone Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
1 REVENUE			
Revenue From Operations	23	5,624.23	5,152.00
Other Income	24	306.99	161.44
Total Income (I)		5,931.22	5,313.44
2 EXPENSES			
Annual fee to Airports Authority of India (AAI)		2,634.84	2,304.15
Employee Benefits Expense	25	129.47	125.48
Other Expenses	26	834.37	923.06
Total expenses (II)		3,598.68	3,352.69
III Earnings before interest, tax, depreciation and amortisation and exceptional items (EBIDTA) [I-II]		2,332.54	1,960.75
Finance Costs		527.25	632.24
Depreciation and amortization expense	27	638.03	703.57
Profit before tax and exceptional items	28	1,167.26	624.94
IV Exceptional Items [refer note 42 (o)]		40.80	-
V Profit before tax (III-IV)	29	1,126.46	624.94
Tax expense:			
(1) Current Tax		238.69	129.07
(2) Adjustment of tax relating to earlier years		(1.88)	-
(3) MAT credit entitlement for earlier years written off		-	2.93
(4) Deferred Tax charge		303.69	(11.32)
VI Total Tax expense		540.50	120.68
VII Profit for the year (V-VI)		585.96	504.26
Other Comprehensive Income	30		
A Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement gains (losses) on defined benefit plans		(1.11)	0.14
Income tax effect		0.38	(0.05)
B Items that will be reclassified to profit or loss in subsequent years			
Net movement of cash flow hedges		(16.84)	-
Income tax effect			
VIII Total Other Comprehensive Income for the year (net of tax)		(17.57)	0.09
IX Total Comprehensive Income for the year (net of tax) (VII+VIII)		568.39	504.35
X Earnings per equity share:			
(1) Basic	31	2.32	2.06
(2) Diluted	31	2.32	2.06
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

ICAI Firm Registration No. : 101049W/E300004

Chartered Accountants

As per our report of even date

For Brahmayya & Co.

ICAI Firm Registration No. : 000515S

Chartered Accountants

For and on behalf of the Board of Directors of

Delhi International Airport Limited

per Yogesh Midha

Partner

Membership no: 94941

Place : Manila

Date : May 11, 2017

per G. Srinivas

Partner

Membership no: 86761

Place : New Delhi

Date : May 11, 2017

Srinivas Bommidala

Managing Director

DIN-00061464

Radhakrishnababu G.

Chief Financial Officer

Place : New Delhi

Date : May 11, 2017

K. Narayana Rao

Whole Time Director

DIN-00016262

Saurabh Jain

Company Secretary

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Standalone Statement of Change in Equity

(All amounts in Rupees Crore, except otherwise stated)

	Equity share capital	Items of OCI				Total equity
		Retained earnings	Cash flow hedge reserve (net of tax)	Remeasurement of Net Defined benefit plan(net of tax)	Total	
Balance as at April 1, 2015	2,450.00	(514.09)	-	-	(514.09)	1,935.91
Profit for the year	-	504.26	-	-	504.26	504.26
Other comprehensive income	-	-	-	0.09	0.09	0.09
Balance as at March 31, 2016	2,450.00	(9.83)	-	0.09	(9.74)	2,440.26
Profit for the year	-	585.96	-	-	585.96	585.96
Other comprehensive income	-	-	(16.84)	(0.73)	(17.57)	(17.57)
Balance as at March 31, 2017	2,450.00	576.13	(16.84)	(0.64)	558.65	3,008.65

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

ICAI Firm Registration No. : 101049W/E300004

Chartered Accountants

As per our report of even date

For Brahmayya & Co.

ICAI Firm Registration No. : 0005155

Chartered Accountants

For and on behalf of the Board of Directors of

Delhi International Airport Limited

per Yogesh Midha

Partner

Membership no: 94941

Place : Manila

Date : May 11, 2017

per G. Srinivas

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Membership no: 86761

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Chief Financial Officer

Place : New Delhi

Date : May 11, 2017

K. Narayana Rao

Whole Time Director

DIN-00016262

Saurabh Jain

Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Notes	March 31, 2017	March 31, 2016
Cash flow from operating activities			
Profit before tax		1,126.46	624.94
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expenses		638.03	703.57
Provision for Bad debts / Bad Debts Written off		1.73	0.03
Provision for Doubtful advances / Advances Written off		-	0.43
Interest income on deposits/current investment		(43.29)	(27.10)
Exchange differences unrealised (net)		(96.34)	138.18
Net gain on sale of current investments-Mutual fund		(97.43)	(47.99)
Reversal of finance charges on Cancellation of finance lease (refer note 32.1)		(7.01)	-
Profit on Sale of property plant and equipments		-	-
Loss on discard of property plant and equipments		1.59	0.13
Dividend Income on non current investments carried at cost		(51.38)	(35.52)
Interest on Borrowings		426.57	511.28
Interest on prepayment of Borrowing [refer note 42 (o)]		40.80	-
Call spread option premium		40.70	-
Other borrowing costs		7.13	7.83
Deferred income on financial liabilities carried at amorized cost		(63.80)	(83.13)
Interest expenses on financial liability carried at amortised cost		49.87	45.03
Rent expenses on financial assets carried at amortised cost		0.21	0.31
Other interest		9.99	68.10
Fair valuation gain on Investments		(2.50)	(6.94)
Fair value gain on financial instruments (IRS) at fair value through profit or loss		(6.17)	4.24
		1,975.16	1,903.39
Working capital adjustment:			
Increase / (Decrease) in trade payables		40.66	(35.71)
(Decrease) in other non current liabilities		(33.67)	(61.58)
Increase in other current liabilities		48.10	11.81
Increase in non current deferred revenue		92.34	50.47
Increase / (Decrease) in current deferred revenue		4.13	(0.39)
Increase in non current financial liabilities		9.17	3.48
(Decrease) in current financial liabilities		(6.21)	(3.52)
(Increase) in trade receivables		(109.15)	(137.13)
(Increase) / Decrease in inventories		(0.24)	0.54
Decrease in other non current assets		0.44	0.50
Decrease / (Increase) in other current assets		13.33	(0.89)
Decrease in other current financial assets		17.59	39.05
Decrease / (Increase) in non current loans		1.01	(0.41)
Increase in current loans		(3.91)	(1.39)
Decrease in current provisions		2.79	0.54
		2,051.53	1,768.76
Cash generated from operations		2,051.53	1,768.76
Direct taxes paid (net)		(195.00)	(117.02)
Net cash flow from operating activities (A)		1,856.53	1,651.74
Cash flows from investing activities			
Purchase of property plant and equipments, including CWIP and capital advances		(213.94)	(209.66)
Development fee (DF) realised		83.99	413.37
Proceeds from sale of property plant and equipments		-	-
Purchase of investment in associate		(2.40)	-
Purchase of current investments		(14,212.84)	(12,145.62)
Sale of current investments		13,085.06	11,491.01
Dividend Income		51.38	35.52
Interest received		37.73	23.89
Redemption / (investment) of Margin Money Deposit		42.07	(11.45)
Deposits with original maturity of more than three months		(12.15)	135.88
Net cash flow used in investing activities (B)		(1,141.10)	(267.06)

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(All amounts in Rupees Crore, except otherwise stated)

Particulars	Notes	March 31, 2017	March 31, 2016
Cash flows from financing activities			
Proceeds from borrowings		3,493.92	-
Repayment of borrowings		(3,633.44)	(578.38)
Option premium paid		(14.96)	-
Derivative IRS- Mark to market-Breakage Cost		(8.17)	-
Other borrowing costs paid		(7.13)	(7.83)
Collection of interest on DF loans from airlines		0.87	39.15
Interest paid		(400.08)	(549.54)
Net cash flow used in financing activities (C)		(568.99)	(1,096.60)
Net increase in cash and cash equivalents (A + B + C)		146.45	288.08
Cash and cash equivalents at the beginning of the period		407.67	119.59
Cash and cash equivalents at the end of the period		554.12	407.67
Components of cash and cash equivalents			
Cash on hand		0.03	0.04
Cheques/ drafts on hand		4.73	15.78
With banks			
- on current account		44.36	41.85
- on deposit account		505.00	350.00
Total cash and cash equivalents (Note 13)		554.12	407.67
	3		

Explanatory notes annexed

1. Cash and cash equivalents includes balance on current account with banks for ₹ 2.34 Crore (March 31, 2016: Nil; April 1, 2015: Nil) in respect of Marketing Fund.
2. The accompanying notes are an integral part of these Standalone Financials Statements and have been taken on record by the board of directors vide their meeting dated May 11, 2017.

As per our report of even date

For S. R. Batliboi & Associates LLPICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

As per our report of even date

For Brahmayya & Co.ICAI Firm Registration No. : 000515S
Chartered AccountantsFor and on behalf of the Board of Directors of
Delhi International Airport Limited**per Yogesh Midha**

Partner

Membership no: 94941

Place : Manila

Date : May 11, 2017

per G. Srinivas

Partner

Membership no: 86761

Place : New Delhi

Date : May 11, 2017

Srinivas Bommidala

Managing Director

DIN-00061464

Radhakrishnababu G.

Chief Financial Officer

Place : New Delhi

Date : May 11, 2017

K. Narayana Rao

Whole Time Director

DIN-00016262

Saurabh Jain

Company Secretary

Notes to the standalone financial statements for the year ended March 31, 2017

1. Corporate information

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

The standalone financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on May 11, 2017.

2. (A) Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendments Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. For all periods up to and including the year ended March 31, 2016, the Company had prepared its standalone financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2017 are the first such financial statements which the Company has prepared in accordance with Ind AS. Refer to note 41 for information on how the Company adopted Ind AS.

The standalone 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.

(B) Going Concern:

The Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on

April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first Control period of 5 years period (i.e. 2009 - 2014). The first control period of five years referred to above ended on March 31, 2014.

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

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

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

Earlier, AERA has also filed a Special Leave Petition (SLP) dated April 24, 2015 in Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble Delhi High Court dated January 22, 2015. AERA has also filed an application before Hon'ble Supreme Court seeking directions for the implementation of its tariff order for second control period. The pleadings of the parties are complete and Hon'ble Supreme Court has disposed off SLP on May 12, 2016 with directions to AERAAT to dispose of the Tariff Appeals within three months from receipt of this order. The tariff matters were listed for hearing by AERAAT on October 17, 2016; however, as extension for members of AERAAT was not approved till date, the matter was further adjourned till the next communication by AERAAT.

Tribunal has now been reconstituted. In February, 2017, Air India filed an SLP with Hon'ble Supreme Court for implementation of tariff order issued by AERA and Hon'ble Supreme Court only has given direction to AERAAT to dispose off the Tariff appeals within 2 months i.e. by April 2017. In compliance of the aforesaid Supreme Court order Tribunal has decided to hear Tariff appeals on priority. The Tariff appeal filed against the AERA order no 03/2012-13 are being heard and would be concluded in due course.



Notes to the standalone financial statements for the year ended March 31, 2017

Basis the profit earned over the last five financial years and the Company's business plans and cash projections prepared by the management for the next one year considering the appropriate reduction in the existing tariff, the management expects to earn sufficient cash profits and do not foresee any difficulty in continuing its business / operations and meeting its financial obligations for foreseeable future and accordingly, these financial results continue to be prepared on a going concern basis.

3. Significant Accounting Policies

Change in accounting estimate

The Company amortized upfront fee and other costs paid to Airport Authority of India ('AAI') over the initial period of OMDA i.e. 30 years.

However, the concession period can be extended for additional term of 30 years, on satisfaction of certain conditions attached to such renewal as contained in OMDA. The Company has accordingly taken the view that it shall avail full concession period i.e. 60 years as provided in OMDA. Accordingly, the Company has revisited and revised the estimate for amortizing the upfront fees and other cost paid to AAI over the initial and extended period of OMDA i.e 60 years, prospectively.

Had the Company continued to use the earlier estimate of amortizing the intangible assets, its standalone financial statements for the year would have been impacted as below:

Amortization for the current period would have been higher by ₹ 12.01 crores. Profit before tax for the current period would have been lower by ₹ 12.01 crores and intangible assets would have been lower by ₹ 12.01 crores.

a. Use of estimates

The preparation of the standalone 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 standalone 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 32. 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 standalone financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

b. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

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

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Investments in associates, Joint ventures and subsidiary

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

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

d. Non-current assets held for sale:

The Company classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

Notes to the standalone financial statements for the year ended March 31, 2017

- The appropriate level of management is committed to a plan to sell the asset.
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

e. Property, Plant and Equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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.

f. Depreciation on Property, Plant and Equipment

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

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

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

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

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, continues to depreciate

Notes to the standalone financial statements for the year ended March 31, 2017

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

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

g. 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.

h. Amortisation of intangible assets

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

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

i. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangement entered into prior to April 1, 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at fair value of the leased property on inception date or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (refer note 32.1).

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Notes to the standalone financial statements for the year ended March 31, 2017

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Income from operating lease is recognised on a straight-line basis over the term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfers from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

k. Inventories

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

l. 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.

m. 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.



Notes to the standalone financial statements for the year ended March 31, 2017

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.

n. Contingent assets

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

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

o. Retirement and other Employee Benefits

Defined benefit plan

Retirement benefit in the form of provident fund is a defined benefit scheme. DIAL contributes a portion of contribution to DIAL Employees Provident Fund Trust ('the Trust'). DIAL has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate which is determined by actuary and accounted by the DIAL as provident fund cost.

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective trusts.

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages

and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Gratuity Liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service.

The Company treats accumulated leave including sick leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences including sick leave are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment, and date that the Company recognises related restructuring costs.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

Notes to the standalone financial statements for the year ended March 31, 2017

- Net interest expense or income

p. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

Financial assets at amortised cost: A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 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



Notes to the standalone financial statements for the year ended March 31, 2017

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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

II) Financial liabilities

Initial recognition and measurement

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing

financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognised in statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

q. Derivative financial instruments and hedge accounting

Initial Recognition and subsequent measurement

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2017

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.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. Foreign currencies

Functional Currency

The standalone financial statements are presented in Indian rupees (INR), which is also the Company's functional currency.

Transactions and Translations

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

t. 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.



Notes to the standalone financial statements for the year ended March 31, 2017

All assets and liabilities for which fair value is measured or disclosed in the standalone 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 standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

- a) Disclosures for valuation methods, significant estimates and assumptions (note 37)
- b) Quantitative disclosures of fair value measurement hierarchy (note 38)
- c) Financial instruments (including those carried at amortised cost)

u. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the

revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Income from Services

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

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

Management Fee

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

Interest income

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

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

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

Claims

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

v. Taxes

Tax expense comprises current tax and deferred tax.

Notes to the standalone financial statements for the year ended March 31, 2017

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:

- 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
- 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:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent

that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, 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 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.

w. Operating segments

The Company has only one reportable operating segment, which is operation of airport and providing allied services. Accordingly, the amounts appearing in the standalone financial statements relate to the Company's single operating segment.

x. Proposed dividend

As per Ind AS -10, 'Events after the Reporting period', the Company disclose the dividend proposed by board of



Notes to the standalone financial statements for the year ended March 31, 2017

directors after the balance sheet date in the notes to these standalone financial statements.

y. 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.

z. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

za. Measurement of Earnings before interest, tax, depreciation and amortisation (EBITDA)

The company presents EBITDA as a separate line item on the face of statement of Profit and Loss, but including other income as separate line item on the face of statement of Profit and Loss.

The Company measures EBITDA on the basis of profit from the continuing operations. In its measurement, the

Company does not include depreciation and amortization expense, finance costs and tax expense.

zb. Recent accounting pronouncements

1 Standards issued but not yet effective

In March 2017, the ministry of corporate affairs issued the Companies (Indian Accounting Standards) (amendments) rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash flows'. These amendments are in accordance with recent amendments made by international accounting standard board (IASB) to IAS 7, 'Statement of Cash Flows'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provides disclosure that enable user of standalone financials statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of amendments and the effect of the standalone financial statement is being evaluated.

Notes to the standalone financial statements for the year ended March 31, 2017

4 Property, plant and equipments

(All amounts in Rupees Crore, except otherwise stated)

	Buildings	Leasehold improvement	Bridges, Culverts, Bunders, etc.	Electrical Installations and Equipment	Roads-Other than RCC	Runways, Taxiways & Apron etc.	Plant and Machinery	Office Equipment	Computer and data processing units	Furniture and Fittings	Vehicles	Total	Capital work in progress (CWIP)
Gross block (at cost)													
As at April 1, 2015	4,370.15	-	396.47	1,209.61	213.33	2,166.59	2,279.93	21.00	250.68	184.29	29.49	11,121.54	50.65
Reclassification (refer note (a) below)	14.60	-	-	22.27	-	-	(17.97)	-	-	-	(18.90)	-	-
Additions	26.10	-	-	7.82	0.74	13.92	42.98	0.58	14.50	18.82	0.09	125.55	13.22
Disposals	-	-	-	-	-	-	(0.31)	-	-	-	(0.33)	(0.64)	-
Adjustments	(0.36)	-	-	-	-	-	(0.09)	-	-	-	-	(1.02)	-
"Development fund (Collection Charges)"	2.46	-	0.11	0.39	0.11	0.57	1.29	-	-	0.08	-	5.01	-
[Refer note 42 (a) (ii)]													
As at March 31, 2016	4,412.95	-	396.58	1,240.09	213.61	2,181.08	2,305.83	21.58	265.18	203.19	10.35	11,250.44	63.87
Additions	19.67	7.47	-	29.17	4.46	12.21	20.23	0.86	11.69	34.32	2.45	142.53	60.07
Transfer of assets	-	-	-	(263.89)	-	-	(21.92)	-	(202.38)	(11.46)	(0.12)	(499.77)	-
Adjustments	(2.48)	-	-	(0.02)	(0.01)	-	(0.60)	(11.24)	(4.78)	(2.20)	(0.27)	(21.60)	-
"Development fund (Collection Charges)"	0.64	-	0.03	0.10	0.03	0.15	0.33	-	-	0.02	-	1.30	-
[Refer note 42 (a) (ii)]													
As at March 31, 2017	4,430.78	7.47	396.61	1,005.45	218.09	2,193.44	2,303.87	11.20	69.71	223.87	12.41	10,872.90	123.94
Depreciation													
As at April 1, 2015	685.40	-	73.96	423.14	54.98	460.32	542.08	19.38	182.79	67.60	19.50	2,529.15	-
Charge for the year	148.15	-	13.28	143.37	31.11	92.99	185.48	0.87	40.48	23.46	2.76	681.95	-
Disposals	-	-	-	-	-	-	(0.13)	-	-	-	(0.33)	(0.46)	-
Reclassification (refer note (a) below)	3.69	-	-	4.97	-	-	6.02	-	-	-	(14.68)	-	-
As at March 31, 2016	837.24	-	87.24	571.48	86.09	553.31	733.45	20.25	223.27	91.06	7.25	3,210.64	-
Transfer of assets	-	-	-	(138.97)	-	-	(5.21)	-	(179.00)	(5.18)	(0.09)	(328.45)	-
Charge for the year	148.16	0.91	13.28	118.94	31.08	92.43	192.14	0.62	5.65	24.33	1.09	628.63	-
Disposals	(0.67)	-	-	(0.00)	(0.01)	-	(0.35)	(11.23)	(4.70)	(1.96)	(0.27)	(19.19)	-
As at March 31, 2017	984.73	0.91	100.52	551.45	117.16	645.74	920.03	9.64	45.22	108.25	7.98	3,491.63	-
Net block													
As at April 1, 2015*	3,684.75	-	322.51	786.47	158.35	1,706.27	1,737.85	1.62	67.89	116.69	9.99	8,592.39	50.65
As at March 31, 2016	3,575.71	-	309.34	668.61	127.52	1,627.77	1,572.38	1.33	41.91	112.13	3.10	8,039.80	63.87
As at March 31, 2017	3,446.05	6.56	296.09	454.00	100.93	1,547.70	1,383.84	1.56	24.49	115.62	4.43	7,381.27	123.94

* Considered as deemed cost as per para D7AA of Ind AS 101 (Refer note 41.1).

a. Pursuant to the Schedule II of the Companies Act, 2013, the Company has reclassified some of its assets to new categories.

b. Buildings include space given on operating lease.

Gross block ₹ 215.64 Crore (March 31, 2016: ₹ 210.09 Crore; April 01, 2015: ₹ 208.55 Crore). Depreciation charge for the year ₹ 7.17 Crore (March 31, 2016: ₹ 6.99 Crore). Accumulated depreciation ₹ 48.75 Crore (March 31, 2016: ₹ 40.17 Crore; April 01, 2015: ₹ 33.18 Crore). Net book value ₹ 166.89 Crore (March 31, 2016: ₹ 169.92 Crore; April 01, 2015: ₹ 175.37 Crore)

c. Property plant and equipment includes asset taken on finance lease as below:

(All amounts in Rupees Crore, except otherwise stated)

	Electrical Installations and Equipment	Plant and Machinery	Computer and data processing units	Furniture and Fittings	Vehicles	Total
Gross block (at cost)						
As at April 1, 2015	263.89	21.92	202.38	11.46	0.12	499.77
Additions	-	-	-	-	-	-
As at March 31, 2016	263.89	21.92	202.38	11.46	0.12	499.77
Additions	-	-	-	-	-	-
Transfer of assets*	(263.89)	(21.92)	(202.38)	(11.46)	(0.12)	499.77
As at March 31, 2017	-	-	-	-	-	-
Depreciation						
As at April 1, 2015	112.54	3.67	143.90	3.81	0.07	263.99
Charge for the year	26.43	1.54	35.10	0.02	0.02	64.45
As at March 31, 2016	138.97	5.21	179.00	5.18	0.09	328.44
Charge for the year	-	-	-	-	-	-
Transfer of assets*	(138.97)	(5.21)	(179.00)	(5.18)	(0.09)	(328.44)
As at March 31, 2017	-	-	-	-	-	-
Net block						
As at March 31, 2016	124.93	16.72	23.38	6.29	0.04	171.33
As at March 31, 2017	-	-	-	-	-	-

* During the financial year 2016-17, there is a modification in the terms of arrangement and as per the modified terms, this arrangement no longer contains an embedded lease. Accordingly Company has derecognised the assets and liabilities recognised under finance lease. (Also refer note 32.1)

Notes to the standalone financial statements for the year ended March 31, 2017

5. Intangible assets

(All amounts in Rupees Crore, except otherwise stated)

	Airport concessionaire rights	Computer software	Total
Cost			
At April 1, 2015	490.52	39.57	530.09
Additions	-	1.06	1.06
At March 31, 2016	490.52	40.63	531.15
Additions	-	0.53	0.53
At March 31, 2017	490.52	41.16	531.68
Amortisation			
At April 1, 2015	60.05	36.54	96.59
Charge for the year	20.50	1.12	21.62
At March 31, 2016	80.55	37.66	118.21
Charge for the year	8.20	1.20	9.40
At March 31, 2017	88.75	38.86	127.61
Net Block			
At April 1, 2015*	430.47	3.03	433.50
At March 31, 2016	409.97	2.97	412.94
At March 31, 2017	401.77	2.30	404.07

* Considered as deemed cost as per para D7AA of Ind AS 101 (Refer note 41.1).

6.1 Investment in subsidiaries, associates & joint ventures

(All amounts in Rupees Crore, except otherwise stated)

	Non current		
	Airport concessionaire rights	Computer software	Total
Investments carried at cost			
Unquoted equity shares fully paid up			
Investment in subsidiary			
Delhi Aerotropolis Private Limited	0.10	0.10	0.10
100,000 shares of ₹ 10 each (March 31, 2016 : 100,000 shares of ₹ 10 each, April 1, 2015 : 100,000 shares of ₹ 10 each)			
Investment in associates			
East Delhi Waste Processing Company Private Limited	0.01	0.01	0.01
7,839 shares of ₹ 10 each (March 31, 2016 :7,839 shares of ₹ 10 each, April 1, 2015 :7,839 shares of ₹ 10 each)			
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12	29.12
2,91,20,000 shares of ₹ 10 each (March 31, 2016 : 29,120,000 shares of ₹ 10 each, April 1, 2015 : 2,91,20,000 shares of ₹ 10 each)			
Delhi Duty Free Services Private Limited	39.92	39.92	39.92
39,920,000 shares of ₹ 10 each (March 31, 2016 : 39,920,000 shares of ₹ 10 each, April 1, 2015 : 39,920,000 shares of ₹ 10 each)			
Delhi Airport Parking Services Private Limited (refer note 6.2)	40.64	-	-
40,638,560 shares of ₹ 10 each (March 31, 2016: Nil; April 1, 2015: Nil)			
Travel Food services (Delhi Terminal 3) Private Limited	5.60	3.20	3.20
5,600,000 shares of ₹ 10 each (March 31, 2016 : 3,200,000 shares of ₹ 10 each, April 1, 2015 : 3,200,000 shares of ₹ 10 each)			
TIM Delhi Airport Advertising Private Limited	9.22	9.22	9.22
9,222,505 shares of ₹ 10 each (March 31, 2016 : 9,222,505 shares of ₹ 10 each, April 1, 2015 : 9,222,505 shares of ₹ 10 each)			
Investment in joint ventures			
Delhi Aviation Services Private Limited	12.50	12.50	12.50
12,500,000 shares of ₹ 10 each (March 31, 2016 : 12,500,000 shares of ₹ 10 each, April 1, 2015 : 12,500,000 shares of ₹ 10 each)			
Delhi Aviation Fuel Facility Private Limited	42.64	42.64	42.64

Notes to the standalone financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Non current		
	Airport concessionaire rights	Computer software	Total
42,640,000 shares of ₹ 10 each (March 31, 2016 : 42,640,000 shares of ₹ 10 each, April 1, 2015 : 42,640,000 shares of ₹ 10 each)			
Wipro Airport IT Services Limited	1.30	1.30	1.30
1,300,000 shares of ₹ 10 each (March 31, 2016 : 1,300,000 shares of ₹ 10 each, April 1, 2015 : 1,300,000 shares of ₹ 10 each)			
	181.05	138.01	138.01
Aggregate book value of unquoted non-current investment	181.05	138.01	138.01

* Considered as deemed cost as per para D7AA of Ind AS 101 (Refer note 41.1).

6.2 Current Investments

(All amounts in Rupees Crore, except otherwise stated)

	Current		
	Airport concessionaire rights	Computer software	Total
Investments carried at fair value through profit or loss			
Investment in mutual fund			
Unquoted investments			
ICICI Prudential Liquid Regular Plan Growth	327.98	235.82	25.46
[1,36,56,817.68 units (March 31, 2016 :10,534,675.60, April 1, 2015 : [1,230,627.04) of ₹ 100 each]			
Bank of Baroda Mutual Fund	75.05	-	40.09
[4,02,921.06 units (March 31, 2016 : Nil, April 1, 2015: 250,204.70) of ₹ 1000 each]			
Axis Liquid Fund Growth	175.10	133.67	89.65
[9,73,867.89 units (March 31, 2016 :797,658.28, April 1, 2015 : 578,845.39) of ₹ 1000 each]			
Birla Sunlife Cash Plus- Inst.- Growth	408.63	57.28	-
[1,38,74,600.55 units (March 31, 2016 : 2,359,115.02, April 1, 2015 Nil) of ₹ 100 each]			
IDFC Cash Fund Growth Regular Plan	150.09	10.06	44.14
[7,61,522.75 units (March 31, 2016 :54,713.55, April 1, 2015 : 259,782.04) of ₹ 1000 each]			
HDFC Liquid Fund	200.13	113.86	-
[6,25,480.62 units (March 31, 2016 : 381,494.63, April 1, 2015 Nil) of ₹ 1000 each]			
Kotak Liquid Scheme	190.13	62.77	-
[5,77,802.97 units (March 31, 2016 : 204,511.87, April 1, 2015 Nil) of ₹ 1000 each]			
Reliance Mutual Fund	105.31	-	-
[77,28,843.10 units (March 31, 2016 : Nil, April 1, 2015 Nil) of ₹ 1000 each]			
Sundaram Money Fund Regular – Growth	100.06	39.91	11.71
[2,92,64,666.72 units (March 31, 2016 : 12,525,663.49, April 1, 2015 3,974,724.83) of ₹ 1000 each]			
SBI Premier Liquid Fund - REGULAR PLAN -Growth	120.07	195.60	20.01
[4,71,677.90 units (March 31, 2016 : 823,193.45, April 1, 2015: 91,131.37) of ₹ 1000 each]			
DSP Mutual Fund	190.12	33.68	-
[8,20,156.48 units (March 31, 2016 : 155,806.74, April 1, 2015 Nil) of ₹ 1000 each]			
LIC Nomura Liquid Fund	50.03	-	-

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[1,70,270.79 units (March 31, 2016 : Nil, April 1, 2015 Nil) of ₹ 1000 each]			
Tata Liquid Fund Plan A - Growth	-	-	16.08
[Nil units (March 31, 2016 : Nil, April 1, 2015 62,345.08) of ₹ 1000 each]			
Commercial Papers			
SREI Infrastructure Finance Limited	91.68	74.01	-
[2000 units (March 31, 2016 : 1500, April 1, 2015 Nil) of ₹ 500000 each]			
	2,184.38	956.66	247.14
Assets held for sale (at lower of carrying amount and fair value less costs to sell) [Refer Note 37, 38]			
Delhi Airport Parking Services Private Limited*			
[Nil shares (March 31, 2016:40,638,560 shares of 10 each, April 1, 2015: 40,638,560) of 10 each]	-	40.64	40.64
Total Assets classified as held for sale	-	40.64	40.64
Aggregate book value of unquoted investments	2,174.44	949.22	246.64
Aggregate book value of unquoted current investments	-	40.64	40.64
Aggregate market value of unquoted current investments in mutual funds	2,184.38	956.66	247.14

* As at March 31, 2017, management has assessed that the investment does not meet the criteria for classification as held for sale as per Ind AS 105 as sales is not highly probable i.e. it is not expected to qualify for recognition as a completed sale within one year from the reporting date. Such change in classification does not have any impact for the period including the prior period presented.

7. Loans

(All amounts in Rupees Crore, except otherwise stated)

Notes	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Carried at amortised cost						
Security deposits						
Unsecured, considered good to others	1.25	2.25	1.84	2.16	0.24	0.38
	1.25	2.25	1.84	2.16	0.24	0.38
Advances						
Unsecured, considered good to related parties (refer note 35)	-	-	-	16.71	14.72	13.19
Doubtful, to related parties	2.82	2.82	2.82	-	-	-
Less: provision for doubtful advances	(2.82)	(2.82)	(2.82)	-	-	-
	-	-	-	16.71	14.72	13.19
Total	1.25	2.25	1.84	18.87	14.96	13.57

8. Other Financial assets

(All amounts in Rupees Crore, except otherwise stated)

Notes	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Carried at amortised cost						
Development fund receivable [refer note 42 (a) (ii)]	-	-	106.35	-	83.99	456.20
Interest accrued on fixed deposits and others	-	-	-	15.19	9.63	6.42
Non-trade receivable [Net of Provision of Doubtful Debts ₹ 1.57 Crore (March 31, 2016 : ₹ 1.23 Crore and April 1, 2015: ₹ 3.40 crore)]	-	-	-	16.40	14.14	24.67
Unbilled revenue	-	-	-	5.66	25.72	54.55
Total other financial assets	-	-	106.35	37.25	133.48	541.84

Notes to the standalone financial statements for the year ended March 31, 2017

9. Other assets

(All amounts in Rupees Crore, except otherwise stated)

Notes		Non Current			Current		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Capital advances		4.47	10.93	2.26	-	-	-
	(A)	4.47	10.93	2.26	-	-	-
Advances other than capital advance							
Advance to suppliers		-	-	-	23.70	12.81	9.65
Advance to employees		-	-	-	0.09	0.07	0.11
Other advances		-	-	-	0.45	0.45	0.65
Less: provision for doubtful advances		-	-	-	(0.45)	(0.45)	(0.65)
	(B)	-	-	-	23.79	12.88	9.76
Others							
Prepaid expenses		5.87	6.31	6.81	5.02	5.16	5.75
Deposit with government authorities including paid under protest [refer note 34 II (a)]		-	-	-	0.03	30.66	30.66
MAT credit entitlement		-	-	2.93	-	-	-
Service Tax Refund Receivable		-	-	-	0.73	-	-
CENVAT Receivable (Net)		-	-	-	7.42	1.26	3.46
Gratuity fund balance (net) [refer note 33]		-	-	-	-	0.36	-
Advance Tax [net of provision for taxation ₹ 155.78 Crore (March 31, 2016: ₹ 93.80 Crore, April 1, 2015: Nil)]		80.95	80.12	76.90	-	-	-
	(C)	86.82	86.43	86.64	13.20	37.44	39.87
Total other assets (A+B+C)		91.29	97.36	88.90	36.99	50.32	49.63

10. Income tax

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016 and March 31, 2017:

(All amounts in Rupees Crore, except otherwise stated)

Notes	March 31, 2017	March 31, 2016
Accounting profit before tax	1,126.46	624.94
Tax at the applicable tax rate of 34.61% (March 31, 2016: 34.61%)	389.85	216.28
Tax effect of income that are not taxable in determining taxable profit:		
Exempt income not included in calculation of tax	(17.78)	(12.29)
<u>Tax effect of expenses that are not deductible in determining taxable profit:</u>		
Donation paid disallowed	3.60	1.60
Interest on delayed payment of Income Tax	1.60	0.28
Utilisation of previously unrecognised tax losses	-	(197.84)
MAT adjustment	238.69	129.07
Other adjustments	2.09	(0.61)
Previously unrecognised tax losses used to reduce deferred tax expense	-	(40.12)
Interest on delayed payment by customers (Unrealized)	(23.86)	-
Adjustments on which deferred tax is not created	(52.19)	21.43
Adjustment of tax relating to earlier years	(1.88)	-
MAT credit entitlement for earlier years written off	-	2.93
Tax effects on re-measurement gains (losses) on defined benefit plans	0.38	(0.05)
At the effective income tax rate of 48% (March 31, 2016: 19%)	540.50	120.68
Total tax expense reported in the statement of profit and loss	540.50	120.68

Notes to the standalone financial statements for the year ended March 31, 2017

Deferred tax:

(All amounts in Rupees Crore, except otherwise stated)

Notes	Balance sheet			Statement of profit or loss	
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016
Deferred tax liability					
Accelerated depreciation for tax purposes	(1,015.37)	(1,017.66)	(1,001.27)	2.29	(16.39)
Marketing Fund Liability	-	(13.68)	-	13.68	(13.68)
Derivative liability-mark to market loss on IRS	(4.96)	-	-	(4.96)	-
On account of upfront fees being amortized using EIR method	(20.93)	(18.19)	-	(2.74)	(18.19)
Fair value of investment in mutual fund	(3.44)	(2.57)	-	(0.87)	(2.57)
	(1,044.70)	(1,052.10)	(1,001.27)	7.40	(50.83)

Deferred tax asset:

(All amounts in Rupees Crore, except otherwise stated)

Notes	Balance sheet			Statement of profit or loss	
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016
Unabsorbed depreciation	597.75	867.84	890.85	(270.09)	(23.01)
Others Disallowances	34.37	9.03	8.37	25.39	0.66
Unrealised forex loss on borrowings	17.26	-	-	17.26	-
Intangibles (Airport Concession rights)	69.96	73.84	77.73	(3.88)	(3.89)
Carry Forward Losses	-	85.73	24.32	(85.73)	61.41
Derivative liability-mark to market loss on IRS	-	4.96	-	(4.96)	4.96
Other borrowing cost to the extent not amortised	19.26	22.02	-	(2.76)	22.02
Marketing Fund Liability	13.68	-	-	13.68	-
	752.28	1,063.42	1,001.27	(311.09)	62.15
Net deferred tax assets/(liabilities)	(292.42)	11.32	-	303.69	(11.32)

Reconciliations of net deferred tax liabilities / (assets)

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Opening balance as at beginning of the year	(11.27)	-
Tax income/(expense) during the period recognised in profit or loss	303.69	(11.32)
Tax income/(expense) during the period recognised in OCI	(0.38)	0.05
Closing balance as at March 31, 2017	292.04	(11.27)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

11. Inventories

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
(valued at lower of cost or net realizable value)			
Stores and spares	7.42	7.19	7.73
	7.42	7.19	7.73

Notes to the standalone financial statements for the year ended March 31, 2017

12. Trade receivables

(All amounts in Rupees Crore, except otherwise stated)

	Current		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables			
Related parties	66.01	56.82	31.83
Others	832.87	734.64	622.82
	898.88	791.46	654.65

Break up for security details:

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables			
Secured, considered good**	313.09	268.78	248.56
Unsecured, considered good	585.79	522.68	406.09
Unsecured, considered doubtful	2.66	1.38	8.03
	901.54	792.84	662.68
Less: Allowances for doubtful receivables	(2.66)	(1.38)	(8.03)
	898.88	791.46	654.65

** Trade receivable to the extent covered by security deposits or bank guarantees are considered as Secured trade receivables.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

13. Cash and Cash Equivalent

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
- Balances with Banks			
- On current accounts#	44.36	41.85	76.17
- Deposits with original maturity of less than three months*	505.00	350.00	38.11
Cheques / drafts on hand	4.73	15.78	5.28
Cash on hand	0.03	0.04	0.03
	554.12	407.67	119.59

Cash and cash equivalents includes balance on current account with banks for ₹ 2.34 Crore (March 31, 2016: Nil; April 1, 2015: Nil) in respect of Marketing Fund.

* Deposit with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At March 31, 2017, the Company has available ₹ 221.54 crore (March 31, 2016: ₹ 297.96 crore, April 1, 2015: ₹ 300.39 crore) of undrawn borrowing facilities for future operating activities.

14. Bank balances other than cash and cash equivalents

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
- Margin money deposit*	0.22	42.29	30.84
- Deposits with original maturity of more than three months but less than 12 months#	46.00	33.85	169.73
	46.22	76.14	200.57

* ₹ Nil (March 31, 2016 ₹ 42.09 Crore and April 1, 2015: ₹ 30.62 Crore) against Debt Service Reserve Account (DSRA) as per financing agreement. ₹ 0.22 Crore (March 31, 2016: ₹ 0.20 Crore and April 1, 2015: ₹ 0.22 Crore) against License fee to South Delhi Municipal Corporation.

Deposits with bank includes ₹ 46.00 Crore (March 31, 2016: Nil and April 1, 2015: Nil) in respect of Marketing Fund.

Notes to the standalone financial statements for the year ended March 31, 2017

Break up of financials assets carried at amortised cost and at fair value through profit and loss

(All amounts in Rupees Crore, except otherwise stated)

Notes	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets carried at amortised cost						
Loans	1.25	2.25	1.84	18.87	14.96	13.57
Trade Receivable (refer note 12)	-	-	-	898.88	791.46	654.65
Other financial assets			106.35	37.25	133.48	541.84
Cash and cash equivalents (refer note 13)	-	-	-	554.12	407.67	119.59
Bank balance other than Cash and cash equivalents (refer note 14)	-	-	-	46.22	76.14	200.57
(A)	1.25	2.25	108.19	1,555.34	1,423.71	1,530.22
Financial assets carried at Fair value through profit or loss						
Investment in mutual funds				2,184.38	956.66	247.14
(B)	-	-	-	2,184.38	956.66	247.14
Total financial assets (A+B)	1.25	2.25	108.19	3,739.72	2,380.37	1,777.36

15. Equity Share Capital

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Authorised shares (No. in Crores)			
300 (March 31, 2016: 300, April 1, 2015: 300) equity shares of ₹ 10 each	3,000	3,000	3,000
	3,000	3,000	3,000

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Issued, subscribed and fully paid-up shares (No. in Crores)			
245 (March 31, 2016: 245, April 1, 2015: 245) equity shares of ₹ 10 each fully paid up	2,450	2,450	2,450
	2,450	2,450	2,450

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

(All amounts in Rupees Crore, except otherwise stated)

Equity Shares	March 31, 2017		March 31, 2016	
	No. Crore	(₹ In Crores)	No. Crore	(₹ In Crores)
At the beginning of the year	245	2,450	245	2,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	245	2,450	245	2,450

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

Notes to the standalone financial statements for the year ended March 31, 2017

c. Shares held by holding/ intermediate holding company and its subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, intermediate holding company and its subsidiaries are as below:

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Name of Shareholder		
GMR Infrastructure Limited, the intermediate holding company		
100 (March 31, 2016: 100) equity shares of ₹ 10 each fully paid up	0.00	0.00
GMR Energy Limited, Subsidiary of the intermediate holding company		
100 (March 31, 2016: 100) equity shares of ₹ 10 each fully paid up	0.00	0.00
GMR Airports Limited along with Mr. Srinivas Bommidala	0.00	-
1 (March 31, 2016: Nil) equity share of ₹ 10 each fully paid up		
GMR Airports Limited along with Mr Grandhi Kiran Kumar	0.00	-
1 (March 31, 2016: Nil) equity share of ₹ 10 each fully paid up		
GMR Airports Limited, the holding company		
156.80 Crore (March 31, 2016: 156.80 Crore) equity shares of ₹ 10 each fully paid up	1,568	1,568

d. Details of Shareholders holding more than 5% of equity shares in the Company

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017		March 31, 2016	
	Numbers	% holding in Class	Numbers	% Holding in Class
Equity shares of ₹ 10 each fully paid				
Airports Authority of India	637,000,000	26%	637,000,000	26%
GMR Airports Limited	1,567,999,798	64%	1,567,999,800	64%
Fraport AG Frankfurt Airport Services Worldwide	245,000,000	10%	245,000,000	10%
	2,449,999,798	100%	2,449,999,800	100%

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal ownership of shares as at the balance sheet date.

16 Other Equity

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Retained earnings		
Balance as per last financial statements	(9.74)	(514.09)
Add: Net profit for the year	585.96	504.26
Closing balance	576.22	(9.83)
Other items of Comprehensive Income		
Cash flow hedge reserve [refer note 42 (p)]	(16.84)	-
Re-measurement gains on defined benefit plans	(0.73)	0.09
	(17.57)	0.09
	558.65	(9.74)

16.1 Proposed dividends on Equity shares: [refer note: 42 (q)]

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2017: ₹ 0.65 per share	159.25	-
Dividend distribution tax (DDT) on proposed dividend	32.41	-
	191.66	-



Notes to the standalone financial statements for the year ended March 31, 2017

17 Borrowings

(All amounts in Rupees Crore, except otherwise stated)

	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Secured loan						
Rupee term loans from: [refer note 42 (o)]						
Banks	-	2,117.38	1,106.42	-	49.96	2.48
Banks (against development fee)	-	-	89.06	-	84.00	456.20
Financial Institution	-	771.83	1,854.74	-	21.98	4.71
Foreign currency term loans:						
Banks	-	536.73	537.60	-	32.49	28.95
6.125% (2022) senior secured foreign currency notes	1,859.25	1,886.63	1,776.73	-	-	-
6.125% (2026) senior secured foreign currency notes	3,402.72	-	-	-	-	-
Finance lease Obligation :						
Obligation under finance leases (Refer note 34 I)	-	80.59	178.35	-	97.76	87.67
	5,261.97	5,393.16	5,542.90	-	286.19	580.01
Amount disclosed under the head "other current financial liabilities" (refer note 18)					(286.19)	(580.01)
Net amount	5,261.97	5,393.16	5,542.90	-	-	-

- Rupee Term Loan (RTL) of ₹ Nil (March 31, 2016: ₹ 2,167.34 Crore, April 1, 2015: ₹ 1,108.90 Crore), principal outstanding of ₹ Nil (March 31, 2016 ₹ 2,170.37 Crore, April 1, 2015: ₹ 1,112.30 Crore) from Banks carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.65% to 11.00% p.a. (March 31, 2016: 10.65% to 11.75% per annum, April 1, 2015: 11.50% to 11.75% per annum).
- Rupee Term Loan (RTL) of ₹ Nil (March 31, 2016: ₹ 793.81 Crore, April 1, 2015: ₹ 1,859.45 Crore), principal outstanding of ₹ Nil (March 31, 2016 ₹ 794 Crore, April 1, 2015: ₹ 1,859.67 Crore) from financial institutions carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.10% to 10.50% p.a. (March 31, 2016: 10.50% to 10.70% p.a, April 1, 2015: 10.70% to 11.50% p.a).
- Foreign currency term loan of USD Nil (March 31, 2016 : USD 85.25 million, April 1, 2015 : USD 89.84 million), principal outstanding of ₹ Nil (March 31, 2016 : USD 86.45 million, April 1, 2015 : USD 91.24 million) carries interest at 6 months LIBOR plus agreed spread of 480 bps.
- Rupee Term Loan (RTL) for principal outstanding of ₹ 2,928.20 Crore and foreign currency term loan for outstanding of USD 83.92 Million as on October, 2016 have been refinanced in November, 2016 with the proceeds of 6.125% (2026) Senior Secured Foreign Currency Notes (Notes) of USD 522.60 million (March 31, 2016: Nil, April 1, 2015: Nil) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in October, 2026. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.
- 6.125% Senior Secured Foreign Currency Notes (Notes) of USD 283.42 million (March 31, 2016: USD 282.56 million, April 1, 2015: USD 281.75 million), principal outstanding of USD 288.75 million (March 31, 2016: USD 288.75 million, April 1, 2015: USD 288.75 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in February, 2022. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.
- Rupee Term Loan against Development Fees ('DF') receipts from banks carries interest at fixed rate of Interest of 11.50% p.a. (March 31, 2016: 11.95% per annum). The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement. The aforesaid loan was secured by pari passu first charge on DF receipts by the company. The loan has been fully repaid during the year ended March 31, 2017.
- "Finance lease obligation" on account of IT and other assets is secured by hypothecation of these assets. The interest rate implicit in the lease is 10.11% to 10.55%. The finance lease obligation has been settled in full.

Notes to the standalone financial statements for the year ended March 31, 2017

- h. Financing Documents entered into with respect to Rupee Term Loan, Foreign Currency Loan from bank require certain financial covenants such as Debt Service Coverage Ratio, Debt to Equity Ratio etc, to be complied with. In respect of Rupee Term Loan and Foreign Currency Loan from bank, any failure to comply with any of the said financial covenants could lead to Event of Default under the Financing Documents. The Rupee Term loan and the Foreign Currency Loan from bank have been entirely refinanced with Foreign currency Notes, 2026 in October, 2016. With respect to Foreign Currency Notes 2022/2026, the Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Company has complied with the financial covenants prescribed in the financing documents and the Indenture.

18. Other Financial Liabilities

(All amounts in Rupees Crore, except otherwise stated)

	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial liabilities carried at fair value through OCI						
Cash flow hedge; Call spread option	-	-	-	42.58	-	-
	-	-	-	42.58	-	-
Financial liabilities carried at fair value through profit and loss						
Derivative not designated as hedge; Interest rate swap (refer note 37)	-	-	-	-	14.34	10.10
Total financial liabilities at Fair value through Profit and Loss	-	-	-	-	14.34	10.10
Other financial liabilities at amortised cost						
Security Deposits from trade concessionaires-related parties	148.75	132.01	115.97	1.37	0.73	0.46
Security Deposits from trade concessionaires-others	121.61	130.38	143.60	124.85	82.43	41.57
Security Deposits from commercial property developers	7.59	6.39	5.73	-	-	-
Earnest money deposits	-	-	-	4.50	3.90	3.53
Capital Creditors	0.00	6.73	12.77	49.25	36.91	36.25
Retention money - Non-trade	3.51	2.46	3.38	37.36	40.39	38.95
Liability for Voluntary retirement scheme	16.85	31.29	44.73	14.45	13.46	12.65
Current maturities of long term borrowings (refer note 17)	-	-	-	-	188.43	492.34
Current maturities of finance lease obligation (refer note 17)	-	-	-	-	97.76	87.67
Interest accrued but not due on borrowings	-	-	-	107.02	28.86	25.07
Total other financial liabilities at amortised cost	298.31	309.26	326.18	338.80	492.87	738.49
Total other financial liabilities	298.31	309.26	326.18	381.38	507.21	748.59

Financial liabilities at fair value through OCI

Financial liabilities at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 602.6 million (₹ 3,953.06 Crore) on senior secured foreign currency notes.

Financial liabilities at fair value through profit and loss

Interest rate swap of USD Nil (March 31, 2016: USD 86.45 million) [1.94% p.a. on notional amount payable semiannually and receive USD 6 months LIBOR, semi-annually] were effective from June 30, 2015.

Notes to the standalone financial statements for the year ended March 31, 2017

19. Deferred Revenue

(All amounts in Rupees Crore, except otherwise stated)

	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income on financial liabilities carried at amortized cost	1,780.83	1,752.21	1,784.02	74.73	73.57	73.19
Unearned revenue	0.48	0.56	1.41	11.45	8.48	9.25
	1,781.31	1,752.77	1,785.43	86.18	82.05	82.44

Deferred income on financial liabilities carried at amortized cost

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
At April 1	1,825.78	1,857.21	1,857.21
Deferred during the year	93.45	51.50	-
Released to the statement of profit and loss	(63.66)	(82.93)	-
	1,855.57	1,825.78	1,857.21

Unearned revenue

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
At April 1	9.04	10.66	10.66
Deferred during the year	246.90	213.51	-
Released to the statement of profit and loss	(244.01)	(215.13)	-
	11.93	9.04	10.66

Deferred income on financial liabilities carried at amortized cost

Interest free security deposit received from concessionaire and commercial property developers (that are refundable in cash on completion of its term) are carried at amortised cost under Ind AS. Difference between the amortised value and transaction value of the security deposits received has been recognised as deferred revenue.

20. Other Liabilities

(All amounts in Rupees Crore, except otherwise stated)

	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Advances						
Advances from commercial property developers	95.60	121.77	175.85	94.74	104.75	95.66
Advance from customer	17.35	24.85	32.35	5.91	7.01	15.81
Others						
Development Fee Accrued (to the extent of not utilized) [refer note 42 (a) (ii)]	-	-	-	-	4.15	41.17
Other liabilities	-	-	-	13.52	19.21	16.22
Marketing fund liability [refer note 42 (i)]	-	-	-	53.43	-	-
Tax deducted at source/Tax Collected at source payable	-	-	-	55.90	43.25	33.85
Other statutory dues	-	-	-	2.79	3.96	4.83
	112.95	146.62	208.20	226.29	182.33	207.54

Notes to the standalone financial statements for the year ended March 31, 2017

21 Trade payables

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payable			
- Micro, Small and Medium Enterprises	1.19	0.67	1.02
- Related parties	214.44	151.43	117.67
- Others	215.77	238.28	306.95
	431.40	390.38	425.64

Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier:			
- Principal amount	1.19	0.67	1.02
- Interest thereon	-	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
The amount of interest accrued and remaining unpaid	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-	-
Terms and conditions of the above financial liabilities:			
Trade payables are non-interest bearing and are normally settled on 60-day terms.			
Related parties payable are payable on demand once they get due.			
For explanations on the Company's credit risk management processes, refer to Note 39.			

22. Provisions

(All amounts in Rupees Crore, except otherwise stated)

	Current		
	March 31, 2017	March 31, 2016	April 1, 2015
Provision for employee benefits (refer note 33)			
Provision for leave benefits	17.84	15.17	14.29
Provision for Gratuity	1.21	-	0.61
Provision for superannuation	0.29	0.27	-
	19.34	15.44	14.90

Break up of financial liabilities

(All amounts in Rupees Crore, except otherwise stated)

	Non Current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial liability carried at amortised cost						
Borrowings (refer note 17)	5,261.97	5,393.16	5,542.90	-	-	-
Trade Payables (refer note 21)	-	-	-	431.40	390.38	425.64
Other financial liabilities	298.31	309.26	326.18	338.80	492.87	738.49
Financial liabilities carried at fair value through profit and loss (refer note 37)	-	-	-	-	14.34	10.10
Financial liabilities carried at fair value through OCI (refer note 37)	-	-	-	42.58	-	-
	5,560.28	5,702.42	5,869.08	812.78	897.59	1,174.23

Notes to the standalone financial statements for the year ended March 31, 2017

23. Revenue From Operations

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of services		
Aeronautical	3,931.53	3,407.58
Non - Aeronautical (refer note 42 j)	1,528.47	1,579.52
Other operating revenue		
Revenue from commercial property development (refer note 42 j)	164.23	164.90
	5,624.23	5,152.00

24. Other income

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income on financial asset carried at amortised cost		
Bank deposits and others	52.21	70.57
Security deposits given (refer note 42 j)	0.14	0.20
Dividend Income on non-current investments carried at cost	51.38	35.52
Other non-operating income		
Gain on sale of financial asset carried at Fair value through profit and loss		
Current investments-Mutual fund	97.43	47.99
Exchange difference (net) [refer note 42 j]	96.34	-
Fair value gain on financial instruments (IRS) at fair value through profit or loss (refer note 42 j)	6.17	-
Fair value gain on financial instruments at fair value through profit and loss*	2.50	6.94
Miscellaneous income	0.82	0.22
	306.99	161.44

* Fair value gain on financial instrument at fair value through profit & loss relates to current investment in mutual funds.

25. Employee Benefits Expense

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	115.88	111.32
Contribution to provident and other funds (refer note 33)	8.75	8.39
Gratuity expenses [refer note 33 (b)]	1.24	1.36
Staff welfare expenses	3.60	4.41
	129.47	125.48

Notes to the standalone financial statements for the year ended March 31, 2017

26. Other expenses

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Utility expenses	106.54	121.66
Repairs and maintenance		
Plant and machinery	95.20	83.82
Buildings	27.00	32.78
IT Systems	32.08	28.95
Others	9.14	6.00
Manpower hire charges	95.79	85.58
Airport Operator fees	151.05	128.68
Security expenses	13.61	9.89
Information technology and related expenses	2.75	46.27
Insurance	7.16	9.15
Consumables	11.30	8.85
Professional and consultancy expenses	47.19	48.76
Travelling and conveyance	16.51	14.15
Office maintenance and other expenses	6.40	4.33
Rates and taxes	8.28	8.32
Rent (including lease rentals)	9.65	9.99
Advertising and sales promotion	11.01	8.09
Communication costs	1.70	1.62
Printing and stationery	0.98	1.33
Directors' sitting fees	0.32	0.26
Payment to auditors (refer note A below)	1.89	2.16
Fair value loss on financial instruments (IRS) at fair value through profit or loss	-	4.24
Provision for Bad debts / Bad Debts Written off	1.73	0.03
Provision for Doubtful advances / Advances Written off	-	0.43
Exchange difference (net)	-	138.19
Corporate cost allocation	75.92	54.20
Loss on discard of Property, Plant and Equipment	1.59	0.13
Donations	2.89	1.51
CSR expenditure (refer note B below)	7.51	4.21
Marketing expenses	39.55	7.96
Expenses of commercial property development	43.13	44.99
Miscellaneous expenses	6.50	6.53
	834.37	923.06

A. Payment to Auditors (Included in other expenses above)

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
As Auditor		
Audit fee	0.78	0.51
Tax audit fee	0.07	0.07
Other services		
- Other services (including certification fees)*	0.95	1.35
- Reimbursement of expenses	0.09	0.23
	1.89	2.16

* Professional fees of ₹ 0.62 Crore (March 31, 2016: ₹ Nil) in connection with 6.125% of senior secured foreign currency notes (2026) are amortised over the period of secured notes.

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Notes to the standalone financial statements for the year ended March 31, 2017

B. Details of CSR expenditure:

(All amounts in Rupees Crore, except otherwise stated)

		For the year ended March 31, 2017	For the year ended March 31, 2016
a) Gross amount required to be spent by the Company during the year		8.38	4.63
(b) Amount spent during the year ending on 31st March, 2017:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	7.01	0.50	7.51
b) Amount spent during the year ending on 31st March, 2016:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	0.44	-	0.44
ii) On purposes other than (i) above	3.62	0.15	3.77

27. Finance Costs

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings*	419.56	511.28
Call spread option premium	40.70	-
Other interest	9.99	68.10
Other borrowing costs		
-Bank charges	3.91	2.42
-Other cost	3.22	5.41
-Interest expenses on financial liability carried at amortised cost	49.87	45.03
	527.25	632.24

* Includes reversal of finance charges under finance lease obligation of ₹ 7.01 crore (March 31, 2016 expenses of: ₹ 24.73 crore) [refer note 34 I].

28. Depreciation and amortization expense

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation on Property, Plant and Equipment	628.63	681.95
Amortization of intangible assets	9.40	21.62
	638.03	703.57

29. Exceptional items

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Loan prepayment charges [refer note 42 (o)]	40.80	-
	40.80	-

Notes to the standalone financial statements for the year ended March 31, 2017

30. Components of OCI

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

(All amounts in Rupees Crore, except otherwise stated)

During the year ended March 31, 2017	For the year ended March 31, 2017
Re-measurement gains (losses) on defined benefit plans	(0.73)
Cash Flow Hedge Reserve	(16.84)
	(17.57)
During the year ended March 31, 2016	For the year ended March 31, 2016
Re-measurement gains (losses) on defined benefit plans	0.09
	0.09

31. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit attributable to equity holders of the company	568.39	504.35
Profit attributable to equity holders of the parent for basic earnings	568.39	504.35
Weighted average number of equity shares used for computing Earning Per Share (Basic) & Diluted	245.00	245.00
	245.00	245.00
Earning Per Share (Basic) (₹)	2.32	2.06
Earning Per Share (Diluted) (₹)	2.32	2.06
Face value per share (₹)	10.00	10.00

Notes to the standalone financial statements for the year ended March 31, 2017

32. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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.

32.1 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 the financial statements.

Discounting rate

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

Non applicability of Service Concession Arrangement (SCA)

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

Development Fund

The Airport Economic Regulatory Authority of India (AERA) had passed an order vide 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, in respect of levy of Development fee (DF) at Delhi Airport. As per the facts of the matter, DIAL is collecting tax/levy for the purpose of bridging the funding gap i.e. essentially a viability gap funding made by AERA to meet the project cost. The amount of funding, its securitisation and utilisation is closely monitored by AERA. The DF collected is not in the nature of tariffs or charges to be collected from passengers for the purpose of concession, but a levy or tax that has been collected by DIAL on behalf of AAI and utilised for the expansion and up-gradation of the Airport. Accordingly, the management has concluded that DF is a levy or tax and has been used/ collected under a mechanism for building infrastructure that has been part of concession.

Annual Fee to AAI

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

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

Leases: whether an arrangement contains a lease

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

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

Notes to the standalone financial statements for the year ended March 31, 2017

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.

32.2 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 standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

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

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change

only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 33.

Provision for Leave encashment

The present value of leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, and withdrawal rates. Due to complexities involved in the valuation and its long term nature, provision for leave encashment is sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37, 38 and 39 for further disclosures.

33. Retirement and other employee Benefit:-

Employee Benefit:-

a) Defined benefit plans

During the year ended March 31, 2017, the Company has recognised ₹ 9.03 crore (March 31, 2016: ₹ 8.61 crore) as an expenses and included in Employee benefits expense as under the following defined contribution plans.

	For the year ended March 31, 2017	For the year ended March 31, 2016
Benefits (Employer's contribution to):		
Provident and other fund#	5.73	5.51
Superannuation fund*	3.20	3.10
Total	8.93	8.61

Transfer to CWIP & CPD ₹ 0.11 Crore (March 31, 2016: ₹ 0.14 Crore)

* Transfer to Capital work-in-progress ('CWIP') & CPD ₹ 0.07 Crore (March 31, 2016: ₹ 0.09 Crore).



Notes to the standalone financial statements for the year ended March 31, 2017

The Company makes contribution towards provident fund which is administered by the trustees. The rules of the Company's provident fund administered by a trust, require that if the board of the trustees are unable to pay interest at the rate declared by the government under para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuarial valuation and based on the below provided assumption there is no cumulative deficiency at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

As per the requirement of Ind AS 19 of the Institute of Chartered Accountants of India, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is no cumulative short-fall which has been provided in the financial statements.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plan assets at the year end, at fair value	94.27	82.23	76.41
Present value of benefit obligation at year end	94.27	82.23	76.41
Net (liability) recognized in the balance sheet	-	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.10%	7.80%	7.80%
Fund rate	9.50%	9.30%	9.30%
PFO rate	8.60% for the next one year	8.75% for the next one year and 8.60% thereafter	8.75% for the next one year and 8.60% thereafter
Withdrawal rate	5%	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08) (modified) Ult *	Indian Assured Lives Mortality (2006-08) (modified) Ult *	Indian Assured Lives Mortality (2006-08) (modified) Ult *

* As published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013.

(b) Gratuity expense

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2017:

Particulars	As at March 31, 2017	As at March 31, 2016
Current Service Cost	1.31	1.41
Net Interest Cost	(0.07)	(0.04)

Amount recognised in Other Comprehensive Income for the year ended March 31, 2017:

Particulars	As at March 31, 2017	As at March 31, 2016
Actuarial (gain)/loss due to DBO experience	0.39	(0.09)
Actuarial (gain)/loss due to DBO assumption changes	0.69	-
Actuarial (gain)/loss arising during period	1.08	(0.09)
Return on plan assets (greater)/less than discount rate	0.03	(0.05)
Actuarial (gains)/ losses recognized in OCI	1.11	(0.14)

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Balance Sheet

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defined benefit obligation	(12.78)	(10.66)	(9.92)
Fair value of plan assets	11.57	11.02	9.31
Plan asset / (liability)	(1.21)	0.36	(0.61)

Changes in the present value of the defined benefit obligation are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening defined benefit obligation	10.66	9.92	7.23
Interest cost	0.78	0.72	0.64
Current service cost	1.31	1.41	1.25
Acquisition cost	0.24	0.05	0.05
Benefits paid (including transfer)	(1.29)	(1.36)	(0.70)
Actuarial losses/ (gain) on obligation-experience	1.08	(0.08)	1.45
Closing defined benefit obligation	12.78	10.66	9.92

Changes in the fair value of plan assets are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening fair value of plan assets	11.02	9.31	7.94
Acquisition Adjustment	-	(0.02)	-
Interest income on plan assets	0.86	0.77	0.79
Contributions by employer	1.01	2.28	1.62
Benefits paid (including transfer)	(1.29)	(1.37)	(0.70)
Return on plan assets greater/ (lesser) than discount rate	(0.03)	0.05	(0.34)
Closing fair value of plan assets	11.57	11.02	9.31

The Company expects to contribute ₹ 1.01 crore to gratuity fund during the year ended on March 31, 2018 (March 31, 2017: ₹ 2.28 crore March 31, 2016: ₹ 1.62 crore).

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	As at March 31, 2017 (%)	As at March 31, 2016 (%)	As at April 1, 2015 (%)
Investments with insurer managed funds	100	100	100

Experience adjustments for the current and previous years are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(12.78)	(10.66)
Plan assets	11.57	11.02
Funded status	(1.21)	0.36
Experience (loss) adjustment on plan liabilities	(1.08)	0.08
Experience gain/ (loss) adjustment on plan assets	(0.03)	(0.10)
Actuarial gain due to change in assumptions	-	-

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate (in %)	7.10%	7.80%	7.80%
Salary Escalation (in %)	6.00%	6.00%	6.00%
Expected rate of return on assets	7.80%	7.80%	9.25%
Attrition rate (in %)	5.00%	5.00%	5.00%



Notes to the standalone financial statements for the year ended March 31, 2017

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

Particulars	March 31, 2017	March 31, 2016
Assumptions	Discount rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	(0.97)	(0.79)
Impact on defined benefit obligation due to decrease	1.12	0.91

Assumptions	Future Salary Increase	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	0.91	0.78
Impact on defined benefit obligation due to decrease	(0.85)	(0.72)

Assumptions	Attrition rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	0.12	0.14
Impact on defined benefit obligation due to decrease	(0.14)	(0.16)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2016: 10 years).

34. Commitments and Contingencies

I. Leases

Finance lease: Company as lessee

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017		March 31, 2016	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	-	-	112.40	97.76
After one year but not more than five years	-	-	84.30	80.59
Total minimum lease payments	-	-	196.70	178.35
Less: amounts representing finance charges	-	-	(18.35)	-
Present value of minimum lease payments	-	-	178.35	-

During financial year ended March 31, 2017, there is a modification in the terms of arrangement and as per the modified terms, arrangement no longer contains an embedded lease. Accordingly Company has derecognised the assets and liabilities recognised under finance lease (Refer note 32.1).

Operating lease: Company as lessee

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

Future minimum rentals payable under non-cancellable operating leases are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Minimum Lease payment for the year (excluding taxes)	9.65	9.99	7.41
Minimum Lease Payments:			
Within one year	2.78	3.43	5.28
After one year but not more than five years	4.73	6.62	8.41
More than five years	-	-	-
Total future payments	7.51	10.05	13.69

Notes to the standalone financial statements for the year ended March 31, 2017

II. Contingent liabilities not provided for:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(I) In respect of Income tax matters *	67.95	68.41	91.47
(II) In respect of Indirect tax matters [refer note (f) & (g) below and other matters]*	190.68	3.99	3.98
(III) Claim against the Company not acknowledged as debt [refer (e) below and other matters]*	41.47	41.47	41.47
(IV) In respect of other matters [refer (h) below]	7.86	Nil	Nil

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

*pertaining to various cases not included below

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 ₹ 105.18 crore 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 ₹ 30.66 crore under protest till March 31, 2017 (March 31, 2016 & April 1, 2015: ₹ 30.66 crore). 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 ₹ 60.96 crore and also levied interest of ₹ 24.99 crore for assessment years 2006-07 to 2012-13.

The Company had provided ₹ 60.96 crore till March 31, 2017 (March 31, 2016: ₹ 60.96 crore). Further, interest of ₹ 24.99 crore had also been provided till March 31, 2017 (March 31, 2016: ₹ 24.99 crore), making the total provision of ₹ 81.87 crore (March 31, 2016: ₹ 81.87 crore) [net of self-assessment tax paid of ₹ 4.08 crore in earlier years].

However, the Company has paid the balance amount of tax of ₹ 25.14 crores (after considering the amount of ₹ 30.66 crore paid under protest and ₹ 4.08 crore paid as self-assessment tax) on February 27, 2017 to SDMC as per demand letter no. Tax/ HQ/SDMC/2016/ D-1886 dated December 2, 2016 issued by SDMC under "Amnesty Scheme 2016-17" introduced by SDMC for waiver of full interest and penalty charges on payment of complete tax dues payable upto March 31, 2017. However, the matter is still pending with the Hon'ble High Court of Delhi and is now listed for hearing on July 07, 2017 for final settlement of the case.

- 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 favourable judgment has been received vide High Court order dated February 14, 2017.
- 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 ₹ 24.48 crore was already incurred prior to April 16, 2010 and was debited to PSF (SC) account.

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on May 23, 2017. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

- 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 ₹ 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till March 31, 2017 (March 31,



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2016 and April 1, 2015: ₹ 296.90 crore) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on May 23, 2017.

Based on an internal assessment, the management of the Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court and pending further orders, the Company has charged ₹ 58.41 crore from April 1, 2014 till March 31, 2017 (March 31, 2016: ₹ 35.62 crore; April 1, 2015: ₹ 14.98 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes ₹ 22.79 crore during the year ended March 31, 2017 (March 31, 2016: ₹ 20.64 crore; April 1, 2015: ₹ 14.98 crore).

- 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. Till March 31, 2014, the Company had cumulatively utilized custom duty credit scrip amounting to ₹ 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) ₹ 80.39 crore, [being the difference between the value of duty credit scrips amounting to ₹ 89.60 crore and the depreciation amounting to ₹ 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 ₹ 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 ₹ 41.21 crore from Receivable Escrow Account of the

Company as revenue share to AAI's bank account as per terms of the escrow agreement.

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

DIAL has already filed statement of claim before the tribunal and statement of defence on behalf of AAI is awaited. The next effective date of hearing before the tribunal is on July 13, 2017.

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

- 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 ₹ 59.91 crore (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'.

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

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

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

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

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

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

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The Company replied to the show cause notice referred to above with appropriate authority and the issue was heard on merits on February 17, 2016.

Subsequently, the Commissioner of Service Tax, has passed Order No. C.No D III/ST/IV/16/Hqrs/Adjn/DIAL/153/2015/1862-ST dated July 12, 2016 confirming the demand of service tax of ₹ 262.06 crore (after giving cum duty effect) and out of the said demand has appropriated amount of ₹ 130.17 crore already deposited by Company under protest towards service tax, and further imposed a penalty of ₹ 131.89 crore in respect of this matter.

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

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

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

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

The airport area majorly consists of vacant land area which cannot be commercially let out by the Company because of operational safety, aircraft landing & take off and navigational requirements as per standards laid down by International Civil Aviation Organization (ICAO). However, based on same computation method as used for payment of property tax to SDMC, management has made payment of ₹ 1.15 crore towards property tax for financial year 2016-17 and requested DCB to withdraw its demand. The Company has disclosed remaining ₹ 7.86 crore as contingent liability in these financial statements related to pending demand of financial year 2016-17.

The Company has obtained a legal opinion; wherein it has been opined that liability w.r.t. earlier years cannot be ruled out. As DCB has not raised any demand for earlier years, and the Company's application for adopting the same computation method as considered by SDMC, while arriving at the demand for the FY 2016-17, is pending / under consideration by DCB, the amount of liability for earlier years is unascertainable; and therefore no provision has been considered necessary by the Company against such demand in these financial statements.

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

IV. Capital and Other Commitments:

(a) Capital Commitments:

At March 31, 2017, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of ₹ 4.96 crore (March 31, 2016: ₹ 15.44 crore; April 1, 2015: ₹ 2.26 crore)] ₹ 138.92 crore (March 31, 2016: ₹ 94.63 crore; April 1, 2015: ₹ 77.29 crore).

(b) Other Commitments:

- 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.
- 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.
- During the year ended March 31, 2017, the Company has entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2026) of USD 522.60 mn, which is repayable in October 2026. Under this option, the Company has purchased a call option for USD 522.60 mn at a strike price of ₹ 66.85/USD and written a call option for USD 522.60 mn at a strike price of ₹ 101.86/USD at October 31, 2026. As per terms of the agreements, the Company is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), which is payable on quarterly basis. The Company has paid ₹ 14.96 crore towards premium till March 31, 2017 and remaining balance of ₹ 1,226.34 crore is payable as at March 31, 2017.
- During the year ended March 31, 2017, the Company has entered into "Call spread Option" with various banks for hedging the repayment of part of 6.125% Senior secured notes (2022) of USD 288.75 million, which is repayable in February 2022. Under this option, the Company has purchased a call option for USD 80.00 mn at a strike price of ₹ 68.00/USD and written a call option for USD 80 mn at a strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, the Company is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable on quarterly basis.

With respect to Subsidiary, Joint ventures and associates:

- DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is



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committed to pay annually, premium fees to WAISL, determined and mutually agreed on the basis of estimated receivable and subsistence level

(as defined in the said MSA further amended vide addendum number 14, dated January 20, 2017). During the year ended March 31, 2017, the Company accounted for ₹ 2.75 crore towards such premium paid to WAISL and this is disclosed as "Information technology and related expenses" in Note 26 – 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. As at March 31, 2017, the Company has funded ₹ 11.09 Crore (March 31, 2016: ₹ 10.03 crore and April 1, 2015: ₹ 9.62 crore) towards shortfall in collection from customers.

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

(All amounts in Rupees Crore, except otherwise stated)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Company Name	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Delhi Duty Free Services Private Limited	11,976,000	119,760,000	11,976,000	119,760,000	11,976,000	119,760,000
Delhi Airport Parking Services Private Limited	18,853,703	188,537,030	18,853,703	188,537,030	18,853,703	188,537,030
Travel Food Services (Delhi Terminal 3) Private Limited	1,680,000	16,800,000	960,000	9,600,000	960,000	9,600,000

- x. 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.
- xi. 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 is not yet commissioned.

35. Related Party

a) Names of related parties and description of relationship:

(All amounts in Rupees Crore, except otherwise stated)

Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited (formerly known as GMR Holdings Private Limited) ¹
Intermediate holding company	GMR Infrastructure Limited
Holding company	GMR Airports Limited
Subsidiary company	Delhi Aerotropolis Private Limited
Associate company	Delhi Airport Parking Services Private Limited
	Travel Food Services (Delhi Terminal 3) Private Limited
	Delhi Duty Free Services Private Limited
	Celebi Delhi Cargo Terminal Management India Private Limited
	TIM Delhi Airport Advertising Private Limited
	East Delhi Waste Processing Company Limited

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(All amounts in Rupees Crore, except otherwise stated)

Description of relationship	Name of the related parties
Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Chhattisgarh Energy Limited
	GMR Kamalanga Energy Limited
	Kakinada SEZ Limited (formerly known as Kakinada SEZ Private Limited)
	GMR Warora Energy Limited
	GMR Pochanpalli Expressways Limited
	GMR Corporate Affairs Private Limited
	GMR Bajoli Holi Hydropower Private Limited
	GMR Tambaram Tindivanam Expressways Limited
	GMR Consulting Services Limited
	GMR Aerospace Engineering Limited
	GMR Infrastructure (Singapore) Pte Limited
	GMR Energy Trading Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
Joint ventures (where transactions have taken place)	GMR Power Corporation Limited
	GMR Sports Private Limited
	GMR Tuni Anakapalli Expressways Limited
Enterprises in respect of which the company is a joint venture	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited
	Wipro Airport IT Services Limited
Enterprises where significant influence of Key management Personnel or their relatives exists	Airports Authority of India
	Fraport AG Frankfurt Airport Services Worldwide
Joint venture/Associate of member of a Group of which DIAL is a member	GMR Megawide Cebu Airport Corporation
Post-employment benefit plan of the entity	GMR Varalaksmi Foundation
Key Management personnel	DIAL Employee's provident fund trust
Key Management personnel of holding company	Mr. Srinivas Bommidala - Managing Director
	Mr. Grandhi Kiran Kumar - Executive Director
	Mr. K. Narayana Rao - Whole Time Director
	Mr. R.S.S.L.N. Bhaskarudu - Non- Executive Director
	Ms. Kameswari Vissa - Non- Executive Director
	Mr. KP Rao - Non- Executive Director
	Mr. NC Sarabeswaran - Non- Executive Director
	Mr. G. Subba Rao - Non - Executive Director
	Mr. GBS Raju - Non - Executive Director
	Mr. V. Somasundaram - Non - Executive Director
	Mr. Matthias Engler - Non - Executive Director
	Mr. Christoph H. Nanke - Non - Executive Director
	Mr. S. Suresh - Non - Executive Director
	Mr. A.K. Dutta - Non - Executive Director
	Mr. M. Ramachandran - Non - Executive Director
	Ms. Denitza Weizmantel - Non - Executive Director
Key Management personnel of holding company	Mr. G.M. Rao

- GMR Holdings Private Limited and GMR Projects Private Limited has been amalgamated with GMR Enterprises Private Limited (Transferee Company), pursuant to approval of scheme of amalgamation and arrangements by Hon'ble High Court of Madras vide its order No. 8471/16 dated July 06, 2016 effective from August 10, 2016.



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2. Kakinada SEZ Private Limited is converted into a Public Company upon completion of all regulatory compliances. Consequently, the name of the Company has been changed to Kakinada SEZ Limited with effect from October 20, 2016.

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

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	March 31, 2017	March 31, 2016	April 1, 2015
Investments in subsidiary, associates and Joint Ventures			
Investments in Unquoted Equity Share			
Subsidiary Company			
Delhi Aerotropolis Private Limited	0.10	0.10	0.10
Associate Companies			
East Delhi Waste Processing Company Limited	0.01	0.01	0.01
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12	29.12
Delhi Duty Free Services Private Limited	39.92	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	5.60	3.20	3.20
TIM Delhi Airport Advertising Private Limited	9.22	9.22	9.22
Delhi Airport Parking Services Private Limited	40.64	-	-
Joint ventures			
Delhi Aviation Services Private Limited	12.50	12.50	12.50
Delhi Aviation Fuel Facility Private Limited	42.64	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30	1.30
Assets held for sale			
Investments in Unquoted Equity Share			
Associate Companies			
Delhi Airport Parking Services Private Limited	-	40.64	40.64
Trade Receivables (including marketing fund)			
Intermediate holding company			
GMR Infrastructure Limited	0.47	1.28	-
Enterprises in respect of which the company is a joint venture			
Airports Authority of India	0.04	-	0.04
Associate Companies			
Delhi Duty Free Services Private Limited	13.17	13.88	12.31
TIM Delhi Airport Advertising Private Limited	30.35	21.76	0.04
Delhi Airport Parking Services Private Limited	2.30	1.94	1.02
Travel Food Services (Delhi Terminal 3) Private Limited	1.02	4.92	6.64
Celebi Delhi Cargo Terminal Management India Private Limited	14.35	11.92	9.71
Joint ventures			
Delhi Aviation Services Private Limited	-	-	0.41
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Aviation Private Limited	0.18	0.14	0.03
GMR Energy Limited	-	-	1.02
GMR Badrinath Hydro Power Generation Private limited	-	-	0.61
GMR Consulting Services Limited	1.26	1.30	-
GMR Chhattisgarh Energy Limited	1.21	-	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.11	0.37	-
GMR Vemagiri Power Generation Limited	0.90	-	-
GMR Kamalanga Energy Limited	0.35	-	-
GMR Bajoli Holi Hydropower Private Limited	0.30	-	-
Other Financial Assets – Current			
Unbilled revenue including Utility recovery not billed			
Enterprises in respect of which the company is a joint venture			
Airports Authority of India	1.09	1.02	0.66
Associate Companies			
Delhi Airport Parking Services Private Limited	-	-	0.04
TIM Delhi Airport Advertising Private Limited	-	-	18.18

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Balances as at Date	March 31, 2017	March 31, 2016	April 1, 2015
Delhi Duty Free Services Private Limited	-	-	2.17
Celebi Delhi Cargo Terminal Management India Private Limited	-	-	0.08
Joint ventures			
Delhi Aviation Services Private Limited	-	-	0.01
Reversal of Unbilled Revenue			
Associate Companies			
Travel Food Services (Delhi Terminal 3) Private Limited	0.29	-	0.84
Delhi Airport Parking Services Private Limited	0.59	-	-
Other Financial Assets – Current			
Non- Trade Receivables (including marketing fund)			
Intermediate holding company			
GMR Infrastructure Limited	0.05	0.03	-
Enterprises in respect of which the company is a joint venture			
Airports Authority of India	0.71	1.37	2.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Consulting Services Limited	0.78	0.41	-
GMR Chhattisgarh Energy Limited	0.24	0.02	-
GMR Tambaram Tinidivanam Expressways Limited	0.03	0.02	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.10	0.03	-
GMR Energy Limited	-	-	0.65
GMR Kamalanga Energy Limited	0.02	-	-
GMR Aviation Private Limited	0.02	-	-
GMR Bajoli Holi Hydropower Private Limited	0.03	-	-
GMR Vemagiri Power Generation Limited	0.18	-	-
Associate Companies			
Travel Food Services (Delhi Terminal 3) Private Limited	0.37	0.40	0.33
Celebi Delhi Cargo Terminal Management India Private Limited	0.58	1.26	0.98
Delhi Airport Parking Services Private Limited	0.16	0.17	0.16
TIM Delhi Airport Advertising Private Limited	0.23	0.21	2.14
Delhi Duty Free Services Private Limited	1.20	0.23	4.87
Joint ventures			
Delhi Aviation Services Private Limited	0.74	1.66	0.47
Loans and Advances- Current			
Subsidiary Company			
Delhi Aerotropolis Private Limited	0.14	0.07	0.07
Joint ventures			
Delhi Aviation Services Private Limited	0.13	0.13	0.07
Delhi Aviation Fuel Facility Private Limited	0.15	0.15	0.15
Wipro Airport IT Services Limited	6.27	4.62	0.70
Associate Companies			
Delhi Airport Parking Services Private Limited	0.08	0.35	0.17
Travel Food Services (Delhi Terminal 3) Private Limited	0.17	0.12	0.06
Celebi Delhi Cargo Terminal Management India Private Limited	0.19	0.08	0.06
Delhi Duty Free Services Private Limited	0.05	0.09	0.05
TIM Delhi Airport Advertising Private Limited	0.32	0.26	0.09
Enterprises in respect of which the company is a joint venture			
Airports Authority of India	7.03	6.80	7.80
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Kamalanga Energy Limited	-	0.05	0.01
Kakinada SEZ Limited	0.17	0.07	0.07
GMR Hyderabad International Airport Limited	0.23	0.12	-
GMR Male International Airport Private Limited	1.40	1.40	1.14

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Balances as at Date	March 31, 2017	March 31, 2016	April 1, 2015
GMR Aerospace Engineering Limited	-	0.11	0.16
GMR Energy Limited	0.01	-	-
GMR Power Corporation Limited	-	-	0.01
GMR Airport Developers Limited	-	0.07	-
GMR Infrastructure (Singapore) Pte Limited	-	0.21	2.33
GMR Bajoli Holi Hydropower Private Limited	0.01	-	-
GMR GOA International Airport Limited	0.25	-	-
GMR Power Corporation Limited	-	-	0.01
Joint Venture/Associate of member of a Group of which DIAL is a member			
GMR Megawide Cebu Airport Corporation	0.08	0.01	0.25
Loans and Advances- Non-Current			
Joint ventures			
Wipro Airport IT Services Limited	2.82	2.82	2.82
Trade payable (including marketing fund)			
Intermediate holding company			
GMR Infrastructure Limited	11.88	7.71	3.98
Holding company			
GMR Airports Limited (formerly GMR Airports Holding Private Limited)	8.93	10.23	7.20
Enterprises in respect of which the company is a joint venture			
Fraport AG Frankfurt Airport Services Worldwide	79.99	68.35	55.01
Airports Authority of India-	113.31	63.46	50.42
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
Raxa Security Services Limited	2.77	0.57	0.47
GMR Aviation Private limited	-	-	0.45
GMR Energy Trading Limited	2.33	-	-
GMR Airport Developer Limited	-	-	0.12
GMR Hyderabad International Airport Limited	-	-	0.02
Associate Companies			
TIM Delhi Airport Advertising Private Limited	-	0.14	0.29
Delhi Duty Free Services Private Limited	-	0.97	-
Other Financial Liabilities amortised at cost- Non-current			
Liability for voluntary retirement scheme			
Enterprises in respect of which the company is a joint venture			
Airports Authority of India	16.85	31.29	44.73
Provision for Doubtful Advances			
Joint ventures			
Wipro Airport IT Services Limited	2.82	2.82	-
Other Financial Liabilities amortised at cost- Current			
Liability for voluntary retirement scheme			
Enterprises in respect of which the company is a joint venture			
Airports Authority of India	14.45	13.46	12.65
Other Financial Liabilities- Current			
Earnest Money Deposit			
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Bajoli Holi Hydropower Private Limited	0.05	-	-
Deferred Revenue			
Unearned Revenue			
Associate Companies			
TIM Delhi Airport Advertising Private Limited	0.13	0.08	0.05
Other Financial Liabilities- Current			
Security Deposits from trade concessionaires			
Associate Companies			

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(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	March 31, 2017	March 31, 2016	April 1, 2015
Delhi Duty Free Services Private Limited	1.19	-	0.35
Delhi Airport Parking Services Private Limited	0.01	0.14	0.00
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.11	0.11
Delhi Duty Free Services Private Limited	-	0.23	-
Joint ventures			
Delhi Aviation Services Private Limited	0.06	0.06	-
Security Deposits from trade concessionaires- Non-Current			
Joint ventures			
Delhi Aviation Fuel Facility Private Limited	20.48	17.11	15.24
Delhi Aviation Services Private Limited	10.24	9.12	8.12
Associate Companies			
Celebi Delhi Cargo Terminal Management India Private Limited	17.91	15.94	13.20
Delhi Airport Parking Services Private Limited	0.68	0.32	0.40
Delhi Duty Free Services Private Limited	89.73	80.47	71.87
TIM Delhi Airport Advertising Private Limited	7.91	7.05	6.28
Travel Food Services (Delhi Terminal 3) Private Limited	1.44	1.28	0.81
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Aviation Private Limited	-	-	0.06
Deferred Revenue			
Deferred Income on financial liabilities carried at amortised cost – Current			
Associate Companies			
Delhi Airport Parking Services Private Limited	0.15	0.11	0.12
Delhi Duty Free Services Private Limited	12.70	12.73	12.75
Celebi Delhi Cargo Terminal Management India Private Limited	5.12	5.12	4.76
TIM Delhi Airport Advertising Private Limited	1.60	1.60	1.60
Travel Food Services (Delhi Terminal 3) Private Limited	0.15	0.15	0.10
Joint ventures			
Delhi Aviation Fuel Facility Private Limited	6.30	5.91	5.91
Delhi Aviation Services Private Limited	1.02	1.02	1.01
Deferred Income on financial liabilities carried at amortised cost - Non-Current			
Associate Companies			
Delhi Airport Parking Services Private Limited	2.01	2.08	2.19
Delhi Duty Free Services Private Limited	93.99	106.86	119.77
Celebi Delhi Cargo Terminal Management India Private Limited	86.60	91.72	90.13
TIM Delhi Airport Advertising Private Limited	19.49	21.11	22.73
Travel Food Services (Delhi Terminal 3) Private Limited	0.39	0.54	0.49
Joint ventures			
Delhi Aviation Fuel Facility Private Limited	110.62	109.67	115.67
Delhi Aviation Services Private Limited	2.41	3.44	4.47
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Aviation Private Limited	0.09	0.09	0.10
Borrowings			
Secured loan (Financial Lease Obligation- Non Current)			
Joint ventures			
Wipro Airport IT Services Limited	-	80.59	178.35
Secured loan (Financial Lease Obligation- Current)			
Joint ventures			
Wipro Airport IT Services Limited	-	97.76	87.67

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

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the year ended March 31, 2017	For the year ended March 31, 2016
Non-current investments		
Investment made in Equity Share		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	2.40	-
Security Deposits from trade concessionaires		
Security Deposits Received		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.29	0.01
Celebi Delhi Cargo Terminal Management India Private Limited	-	9.63
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.64
Delhi Duty Free Services Private Limited	0.67	-
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	10.64	-
Delhi Aviation Services Private Limited	-	0.07
Security Deposits from trade concessionaires		
Deposits Refunded		
Associate Companies		
Delhi Duty Free Services Private Limited	0.30	0.30
Key Managerial Remuneration paid/ payable		
Short-term employee benefits		
Mr. Grandhi Kiran Kumar	2.72	2.47
Mr. Srinivas Bommidala	2.72	2.47
Mr. K. Narayana Rao	1.32	1.24
Post employment benefits		
Mr. Grandhi Kiran Kumar	0.94	0.91
Mr. Srinivas Bommidala	0.94	0.94
Mr. K. Narayana Rao	0.36	0.26
Annual Fee to Airport Authority of India (AAI)		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	2,634.84	2,304.15
Interest on Revenue share		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	4.87	2.10
Other Interest		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.16	-
CSR activities/Donations		
Enterprises where significant influence of key Management personnel or their relative exists		
GMR Varalakshmi Foundation	6.14	1.94
Interest Income		
Joint ventures		
Delhi Aviation Services Private Limited	0.19	2.76
Associate Companies		
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
Travel Food Services (Delhi Terminal 3) Private Limited	0.97	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Tambaram Tinidivanam Expressways Limited	0.01	-
Consultancy fees paid		

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the year ended March 31, 2017	For the year ended March 31, 2016
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	0.07	0.28
Airports Authority of India	0.12	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Corporate Affairs Private Limited	-	0.26
Holding company		
GMR Airports Limited	-	0.07
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	40.20	36.37
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	151.05	128.68
Expenses incurred by Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	0.01	0.02
Holding company		
GMR Airports Limited	6.19	6.29
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.60
Joint ventures		
Delhi Aviation Services Private Limited	0.46	0.43
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	0.43	0.41
TIM Delhi Airport Advertising Private Limited	0.61	0.58
Delhi Airport Parking Services Private Limited	0.54	0.68
Travel Food Services (Delhi Terminal 3) Private Limited	0.42	0.40
Delhi Duty Free Services Private Limited	0.31	0.30
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.03	0.14
GMR Tuni Anakapalli Expressways Limited	0.01	-
GMR Pochanpalli Expressways Limited	0.01	-
GMR Hyderabad International Airport Limited	0.14	0.22
Raxa Security Services Limited	1.07	0.90
Kakinada SEZ Limited	0.10	0.18
GMR Bajoli Holi Hydropower Private Limited	0.01	-
GMR Kamalanga Energy Limited	-	0.04
GMR Energy Trading Limited	0.01	-
GMR Male International Airport Private Limited	-	0.06
Joint Venture/Associate of member of a Group of which DIAL is a member		
GMR Megawide Cebu Airport Corporation	0.07	-
Expenses incurred by related parties on behalf of Company		
Holding company		
GMR Airports Limited	0.47	0.84
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.06	0.04
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	0.04	-
GMR Sports Private Limited	0.01	0.01

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the year ended March 31, 2017	For the year ended March 31, 2016
Joint Venture/Associate of member of a Group of which DIAL is a member		
GMR Megawide Cebu Airport Corporation	-	0.03
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	37.90	33.55
Holding company		
GMR Airports Limited	38.03	20.65
Services Received		
Travelling & Conveyance- Chartering Cost		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	3.67	3.47
Security related expenses		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	15.70	13.78
Information technology and related expenses		
Joint ventures		
Wipro Airport IT Services Limited	2.75	18.14
Repair and Maintenance - IT System		
Joint ventures		
Wipro Airport IT Services Limited	0.08	1.52
Power		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Trading Limited	3.32	-
Rent (including lease rentals)		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.03
Directors' sitting fees		
Key Management Personnel		
Mr. R.S.S.L.N. Bhaskarudu	0.06	0.07
Ms. Kameswari Vissa	0.05	0.06
Mr. KP Rao	0.02	0.06
Mr. NC Sarabeswaran	0.05	0.06
Mr. G. Subba Rao	0.03	0.03
Mr. GBS Raju	0.01	-
Mr. V. Somasundaram	-	-
Mr. Matthias Engler	0.02	0.02
Mr. Christoph H. Nanke	-	-
Mr. S. Suresh	0.02	0.01
Mr. A.K. Dutta	0.01	-
Mr. M. Ramachandran	0.02	-
Ms. Denitza Weizmantel	-	-
Key management personnel of the holding company		
Mr. G.M. Rao	0.01	0.01
Electricity charges recovered		
Intermediate holding company		
GMR Infrastructure Limited	0.12	0.07
Joint ventures		
Delhi Aviation Services Private Limited	12.10	10.02
Associate Companies		
Delhi Airport Parking Services Private Limited	1.76	1.64

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the year ended March 31, 2017	For the year ended March 31, 2016
Celebi Delhi Cargo Terminal Management India Private Limited	14.61	14.08
TIM Delhi Airport Advertising Private Limited	3.23	3.27
Travel Food Services (Delhi Terminal 3) Private Limited	3.15	3.56
Delhi Duty Free Services Private Limited	2.51	2.72
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	0.01
GMR Energy Limited	-	0.21
GMR Chhattisgarh Energy Limited	0.18	0.22
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.28	0.19
GMR Tambaram Tinidivanam Expressways Limited	0.12	0.07
GMR Consulting Services Limited	0.33	0.48
GMR Vemagiri Power Generation Limited	0.16	-
GMR Kamalanga Energy Limited	0.02	-
GMR Bajoli Holi Hydropower Private Limited	0.02	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	15.93	14.10
Water charges recovered		
Joint ventures		
Delhi Aviation Services Private Limited	0.11	0.10
Associate Companies		
Delhi Airport Parking Services Private Limited	0.43	0.40
Travel Food Services (Delhi Terminal 3) Private Limited	0.35	0.43
Celebi Delhi Cargo Terminal Management India Private Limited	1.18	1.00
Delhi Duty Free Services Private Limited	0.02	0.01
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Bajoli Holi Hydropower Private Limited	0.01	-
GMR Energy Limited	-	0.01
GMR Chhattisgarh Energy Limited	0.01	0.01
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.01	0.02
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.61	0.39
Water charges recoverable written off		
Airports Authority of India	0.99	-
Space Rental & Land Licence fee.		
Intermediate holding company		
GMR Infrastructure Limited	2.10	1.14
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	17.15	15.98
Delhi Aviation Services Private Limited	0.16	0.09
Associate Companies		
TIM Delhi Airport Advertising Private Limited	1.49	1.39
Celebi Delhi Cargo Terminal Management India Private Limited	27.38	25.05
Delhi Duty Free Services Private Limited	1.75	1.56
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Energy Limited	-	0.88
GMR Aviation Private Limited	0.05	0.07
GMR Chhattisgarh Energy Limited	0.95	1.47
GMR Consulting Services Limited	0.95	1.47
GMR Tambaram Tinidivanam Expressways Limited	2.10	1.14
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	1.66	1.47

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Transactions During the period	For the year ended March 31, 2017	For the year ended March 31, 2016
GMR Vemagiri Power Generation Limited	0.71	-
GMR Kamalanga Energy Limited	0.71	-
GMR Bajoli Holi Hydropower Private Limited	0.71	-
Concession fees received		
Joint ventures		
Delhi Aviation Services Private Limited	6.61	6.38
Associate Companies		
Delhi Airport Parking Services Private Limited	18.48	16.10
TIM Delhi Airport Advertising Private Limited	140.59	118.26
Delhi Duty Free Services Private Limited	325.10	305.13
Celebi Delhi Cargo Terminal Management India Private Limited	124.34	111.41
Travel Food Services (Delhi Terminal 3) Private Limited	14.72	15.01
Airport Service, Common Area Maintenance , Screening & Other Charges		
Intermediate holding company		
GMR Infrastructure Limited	0.33	0.18
Joint ventures		
Delhi Aviation Services Private Limited	0.01	0.01
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	1.67	2.46
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.78
TIM Delhi Airport Advertising Private Limited	0.16	0.15
Delhi Duty Free Services Private Limited	5.06	4.55
Delhi Airport Parking Services Private Limited	0.02	0.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	-	0.09
GMR Consulting Services Limited	0.10	0.16
GMR Chhattisgarh Energy Limited	0.10	0.16
GMR Tambaram Tinidivanam Expressways Limited	0.33	0.18
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.18	0.16
GMR Vemagiri Power Generation Limited	0.08	-
GMR Kamalanga Energy Limited	0.08	-
GMR Bajoli Holi Hydropower Private Limited	0.08	-
Aeronautical Revenue		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.27	0.25
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.11	0.06
Other Income		
Income from Long Term Investments-		
Dividend Income		
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	14.07	5.33
Delhi Aviation Services Private Limited	2.50	-
Associate Companies		
Delhi Duty Free Services Private Limited	23.55	22.36
TIM Delhi Airport Advertising Private Limited	9.22	7.84
Delhi Airport Parking Services Private Limited	2.03	-
Marketing Fund Billed		
Associate Companies		
Delhi Duty Free Services Private Limited	10.35	9.83
Delhi Airport Parking Services Private Limited	0.01	0.01

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the year ended March 31, 2017	For the year ended March 31, 2016
Travel Food Services (Delhi Terminal 3) Private Limited	0.67	0.68
Marketing Fund Utilised		
Associate Companies		
Delhi Duty Free Services Private Limited	1.72	2.19
TIM Delhi Airport Advertising Private Limited	0.46	0.39
Travel Food Services (Delhi Terminal 3) Private Limited	0.03	-
CPD Infra Deposit utilization		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	1.76	1.60
Raxa Security Services Limited	1.15	2.12
ATC Development Fund utilization		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	10.00
Non-Aeronautical- Notional income on security deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.21	0.13
TIM Delhi Airport Advertising Private Limited	1.62	1.62
Delhi Duty Free Services Private Limited	12.91	12.89
Celebi Delhi Cargo Terminal Management India Private Limited	5.22	7.15
Travel Food Services (Delhi Terminal 3) Private Limited	0.15	0.34
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	8.69	6.01
Delhi Aviation Services Private Limited	1.03	1.03
Finance Cost- Notional expense on security deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.12	0.05
TIM Delhi Airport Advertising Private Limited	0.86	0.77
Delhi Duty Free Services Private Limited	9.85	8.75
Celebi Delhi Cargo Terminal Management India Private Limited	1.96	2.20
Travel Food Services (Delhi Terminal 3) Private Limited	0.16	0.27
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	2.79	1.87
Delhi Aviation Services Private Limited	1.12	1.00
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	4.16	5.60
Finance cost -Interest on borrowings		
Joint ventures		
Wipro Airport IT Services Limited	-	24.73
Reversal of finance cost -Interest on borrowings		
Joint ventures		
Wipro Airport IT Services Limited	7.01	-
Post-employment benefit plan of the entity		
Contribution to PF Trust		
DIAL employee's provident fund trust	10.33	9.57

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

Name of Joint Venture	Relationship	Ownership interest	Date of incorporation	Country of incorporation
Delhi Aerotropolis Private Limited	Subsidiary	100.00%	22-May-07	India
East Delhi Waste Processing Company Private Limited	Associate	48.99%	20-Apr-05	India
Celebi Delhi Cargo Terminal Management India Private Limited	Associate	26.00%	18-Jun-09	India
Delhi Duty Free Services Private Limited	Associate	49.90%	7-Jul-09	India
Delhi Airport Parking Services Private Limited	Associate	49.90%	11-Feb-10	India
Travel Food Services (Delhi Terminal 3) Private Limited	Associate	40.00%	4-Dec-09	India
TIM Delhi Airport Advertising Private Limited	Associate	49.90%	1-Jun-10	India
Delhi Aviation Fuel Facility Private Limited	Joint Venture	26.00%	11-Aug-09	India
Delhi Aviation Services Private Limited	Joint Venture	50.00%	28-Jun-07	India
Wipro Airport IT Services Limited	Joint Venture	26.00%	22-Oct-09	India

Terms and Condition of transaction with related parties:

Outstanding balances at the year-end are secured/ unsecured and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Nil, April 1, 2015: 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 34(IV) 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 35(c) above. There are no other transactions with Key management personnel.

36. Segment Information

The Company has only one reportable business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

Major customers: Revenue from two customers of the Company is approximately ₹ 1,473.48 crore (March 31, 2016: ₹ 1,235.89 crore) of the Company's total revenues.

37. 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:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Carrying value			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets						
Investment in mutual fund	2,184.38	956.66	247.14	2,184.38	956.66	247.14
Total	2,184.38	956.66	247.14	2,184.38	956.66	247.14
Financial liabilities						
Interest rate swap	-	14.34	10.10	-	14.34	10.10
Derivative liability effective hedges	42.58	-	-	42.58	-	-
Total	42.58	14.34	10.10	42.58	14.34	10.10

Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including

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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 March 31, 2017, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

38. Fair Hierarchy

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

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

(All amounts in Rupees Crore, except otherwise stated)

	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, 2017	2,184.38	2,184.38	-	-
Liabilities measured at fair value					
mark to market exchange gain/loss on derivatives	March 31, 2017	42.58	-	42.58	-
Total		2,226.96	2,184.38	42.58	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2016:

(All amounts in Rupees Crore, except otherwise stated)

	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)
Financial assets at fair value					
Investment in mutual fund	March 31, 2016	956.66	956.66	-	-
Liabilities measured at fair value					
Derivative liability-mark to market loss on Interest rate swap	March 31, 2016	14.34	-	14.34	-
Total		971.00	956.66	14.34	-

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 April 1, 2015:

(All amounts in Rupees Crore, except otherwise stated)

	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)
Financial assets at fair value					
Investment in mutual fund	April 1, 2015	247.14	247.14	-	-
Liabilities measured at fair value					
Derivative liability-mark to market loss on Interest rate swap	April 1, 2015	10.10	-	10.10	-
Total		257.24	247.14	10.10	-

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39. Risk Management

Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management team that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016:

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 34.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at March 31, 2017 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(All amounts in Rupees Crore, except otherwise stated)

	Increase/decrease in basis points*	Effect on profit before tax
March 31, 2016		
INR Term loan	+50/-50	14.68
INR ECB Loan	+50/-50	2.91

*All borrowings as on March 31, 2017 of Company are fixed interest rate borrowings, so no influence of interest rate change.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from banks.

Notes to the standalone financial statements for the year ended March 31, 2017

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.

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017		March 31, 2016		April 1, 2015	
Particulars	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency call spread options designated as hedging instruments	-	(42.58)	-	-	-	-

As on March 31, 2017, the USD spot rate is below the USD call strike price and hence not covered in hedge relationship. However, prospective testing is done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

There is no re-classification to profit or loss during the year gains or losses included in OCI.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of liabilities including non-designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and Interest rate swap. The Company's exposure to foreign currency changes for all other currencies is not material.

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Impact on profit before tax			
USD Sensitivity			
INR/USD- Increase by 5%	(73.83)	(124.69)	(121.11)
INR/USD- decrease by 5%	73.83	124.69	121.11
EURO Sensitivity			
INR/EURO- Increase by 5%	(0.14)	(0.19)	(0.13)
INR/EURO- decrease by 5%	0.14	0.19	0.13
AUD Sensitivity			
INR/AUD Increase by 5%	-	(0.01)	-
INR/AUD- decrease by 5%	-	0.01	-
GBP Sensitivity			
INR/GBP Increase by 5%	-	(0.01)	(0.01)
INR/GBP- decrease by 5%	-	0.01	0.01

Liquidity risk

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. None of the Company's debt will mature in less than one year at March 31, 2017 (March 31, 2016: 5.26%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2017						
Borrowings (including current maturities)	-	-	-	1,894.20	3,428.26	5,322.46
Trade payables	-	431.40	-	-	-	431.40
Other financial liabilities	61.94	202.06	81.83	179.53	2,300.85	2,826.21
Total	61.94	633.46	81.83	2,073.73	5,729.11	8,580.07
As at March 31, 2016						



Notes to the standalone financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (including current maturities)	-	142.46	145.46	1,529.59	3,914.45	5,731.96
Trade and other payables	-	390.34	-	-	-	390.34
Other financial liabilities	32.52	96.60	87.98	210.22	2,217.07	2,644.39
Total	32.52	629.40	233.44	1,739.81	6,131.52	8,766.69
As at April 1, 2015						
Borrowings (including current maturities)	-	143.39	420.82	1,299.63	4,315.66	6,179.50
Trade and other payables	-	425.65	-	-	-	425.65
Other financial liabilities	21.31	84.65	62.52	241.46	2,190.13	2,600.07
Total	21.31	653.69	483.34	1,541.09	6,505.79	9,205.22

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables- Customer credit risk is managed by Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's senior management on regular basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017 and March 31, 2016 is the carrying amounts of Trade Receivables.

Collateral

As at March 31, 2017 the security provided to bond holders and working capital facilities is as below;

- A first ranking pari passu charge/ assignment of all insurance policies, contractors' guarantees and liquidated damages to the maximum extent permissible under the OMDA and the Escrow Account Agreement;
- A first ranking pari passu charge/assignment of all the rights; titles, permits, approvals and interests of the Borrower in, to and in respect of the Project Documents, in accordance with and to the maximum extent permitted under the OMDA and the Escrow Account Agreement;
- A first ranking pari passu charge on all the revenues / receivables of the Borrower (excluding dues to the Authority) subject to the provisions of the Escrow Account Agreement and the OMDA.

40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The Company's policy is to keep the gearing ratio below 80%, which is reviewed at end of each financial year.

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (including current maturities)	5,261.97	5,679.35	6,122.92
Total debts (A)	5,261.97	5,679.35	6,122.92

Notes to the standalone financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Share Capital	2,450.00	2,450.00	2,450.00
Other Equity	558.65	(9.74)	(514.09)
Total Equity (B)	3,008.65	2,440.26	1,935.91
Total equity and total debt (C=A+B)	8,270.62	8,119.61	8,058.83
Gearing ratio (%) (A/C)	64%	70%	76%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

41. First Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2017 are the first financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015 being the Company's date of transition to Ind AS. The principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

41.1. Exemptions applied

IND AS- 101 allows First time adopters certain exemptions from the retrospective application of certain requirements under IND AS. The Company has applied the following exemptions:

Use of Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP apart from the Impairment of financial assets based on Expected Credit Loss (ECL) model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015 the date of transition to Ind AS, and as of March 31, 2016.

Impairment of financial assets

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2015.

De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date except below:

As per Paragraph D13AA of Ind AS 101 a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (capitalizes the exchange differences to the cost of the asset).

Notes to the standalone financial statements for the year ended March 31, 2017

The Company has decided not to avail the option available under paragraph D13AA of Ind AS 101. Accordingly, Company has adopted hedge accounting as per Ind AS 109 resulting in decapitalization of Assets and reversal of depreciation.

Arrangements containing a lease: (Arrangement in the nature of leases):

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Investments in subsidiary, joint ventures and associates (Ind AS 101.D14-15)

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.

The Company has elected to apply previous GAAP carrying amount of its investment in subsidiary, associates and joint venture as deemed cost on the date of transition to Ind AS.

41.2 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

i. Equity as at April 1, 2015 and March 31, 2016

(All amounts in Rupees Crore, except otherwise stated)

Reconciliation of equity		Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS	Indian IGAAP	Ind AS adjustments	Ind AS
ASSETS							
(1) Non-current assets							
Property, plant and equipment	7,11	8,355.69	236.70	8,592.39	7,999.58	40.22	8,039.80
Capital work in progress		50.65	-	50.65	63.87	-	63.87
Intangible assets		433.50	-	433.50	412.94	-	412.94
Investment in subsidiaries, associates & joint ventures		138.01	-	138.01	138.01	-	138.01
Financial assets							
(i) Loans	1	6.69	(4.85)	1.84	7.02	(4.77)	2.25
(ii) Other Financial Assets		106.35	-	106.35	-	-	-
Other non-current assets	1,2	146.50	(57.60)	88.90	146.21	(48.85)	97.36
Deferred tax assets (net)	8	-	-	-	-	11.27	11.27
		9,237.39	174.25	9,411.64	8,767.63	(2.13)	8,765.50
(2) Current assets							
Inventories	7	8.65	(0.92)	7.73	8.11	(0.92)	7.19
Financial assets							
(i) Investments	3	246.63	0.51	247.14	949.23	7.43	956.66
(ii) Trade Receivables		654.65	-	654.65	791.46	-	791.46
(iii) Cash and cash equivalents		119.59	-	119.59	407.67	-	407.67
(iv) Bank balance other than Cash and cash equivalents		200.57	-	200.57	76.14	-	76.14
(iv) Loans	1	15.10	(1.53)	13.57	16.45	(1.49)	14.96
(v) Other Financial assets		541.84	-	541.84	133.48	-	133.48
Other current assets	1,2	56.09	(6.46)	49.63	52.15	(1.83)	50.32
		1,843.12	(8.40)	1,834.72	2,434.69	3.19	2,437.88
Assets classified as held for sale		40.64	-	40.64	40.64	-	40.64
		1,883.76	(8.40)	1,875.36	2,475.33	3.19	2,478.52
TOTAL ASSETS		11,121.15	165.85	11,287.00	11,242.96	1.06	11,244.02

Notes to the standalone financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Reconciliation of equity		Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS	Indian IGAAP	Ind AS adjustments	Ind AS
EQUITY AND LIABILITIES							
(1) Equity							
Equity Share capital		2,450.00	-	2,450.00	2,450.00	-	2,450.00
Other equity							
(i) Retained earnings	1-12	(741.95)	227.86	(514.09)	(233.09)	223.26	(9.83)
(ii) Re-measurement gains on defined benefit plans	6	-	-	-		0.09	0.09
		1,708.05	227.86	1,935.91	2,216.91	223.35	2,440.26
(2) Non-current liabilities							
Financial Liabilities							
(i) Borrowings	2, 11	5,436.94	105.96	5,542.90	5,363.43	29.73	5,393.16
(ii) Other financial liabilities	1,4	1,841.84	(1,515.66)	326.18	1,838.63	(1,529.37)	309.26
Deferred revenue	1	1.41	1,784.02	1,785.43	0.56	1,752.21	1,752.77
Deferred tax liabilities (net)	8	-	-	-	27.28	(27.28)	-
Other non-current liabilities		208.20	-	208.20	146.62	-	146.62
		7,488.39	374.32	7,862.71	7,376.52	225.29	7,601.81
(3) Current liabilities							
Financial Liabilities							
(i) Trade Payables		425.64	-	425.64	390.38	-	390.38
(ii) Other financial liabilities	1,2,4,5,11	1,234.76	(486.17)	748.59	995.92	(488.71)	507.21
Deferred revenue	1	9.25	73.19	82.44	8.48	73.57	82.05
Other current liabilities	9,10	230.89	(23.35)	207.54	214.77	(32.44)	182.33
Provisions		14.90	-	14.90	15.44	-	15.44
Current tax liabilities (net)		9.27	-	9.27	24.54	-	24.54
		1,924.71	(436.33)	1,488.38	1,649.53	(447.58)	1,201.95
Total liabilities		9,413.10	(62.01)	9,351.09	9,026.05	(222.29)	8,803.76
TOTAL EQUITY AND LIABILITIES		11,121.15	165.85	11,287.00	11,242.96	1.06	11,244.02

ii. Statement of Profit and Loss for the year ended March 31, 2016

(All amounts in Rupees Crore, except otherwise stated)

	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS
REVENUE				
Revenue from operations	1,9,10,11	4861.63	290.37	5,152.00
Other income	1,3	154.35	7.09	161.44
Total Income (I)		5,015.98	297.46	5,313.44
EXPENSES				
Annual fee to Airports Authority of India (AAI)		2,304.15	-	2,304.15
Employee benefit expenses	6	125.34	0.14	125.48
Other expenses	5,9,10,11	700.15	222.91	923.06
Total expenses (II)		3,129.64	223.05	3,352.69
Earnings before interest, tax, depreciation and amortisation and exceptional items (EBIDTA) [I-II]		1,886.34	74.41	1960.75
Finance costs	1,2,4,11	571.24	61.00	632.24
Depreciation and amortisation expenses	7,11	646.96	56.61	703.57
Profit before tax and exceptional items (III)		668.14	(43.20)	624.94
Exceptional items (IV)		-	-	-
Profit/(loss) before tax (III-IV)		668.14	(43.20)	624.94
(1) Current tax		129.07	-	129.07
(2) MAT credit entitlement for earlier years written off		2.93	-	2.93
(3) Deferred tax charge/ (credit)	8	27.28	(38.60)	(11.32)
Total Tax expense		159.28	(38.60)	120.68

Notes to the standalone financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS
Profit for the year (V-VI)		508.86	(4.60)	504.26
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss in subsequent years				
Re-measurement loss (gain) on defined benefit plans	6,12	-	0.14	0.14
Income tax effect	8		(0.05)	(0.05)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	0.09	0.09
Total Comprehensive Income for the year(net of tax) (VII+VIII)		508.86	(4.51)	504.35

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016:

1. Security deposit

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

2. Borrowings

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

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

3. Fair valuation of investments in mutual fund

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

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

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

Accordingly, the liability for Voluntary retirement scheme and capital creditor have been reduced with a corresponding adjustment to retained earnings as at the date of transition and subsequently increased by interest cost charged to the profit or loss.

5. Interest rate swap not designated as hedging instruments

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

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

6. Re-measurements of post-employment benefit plans

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

Notes to the standalone financial statements for the year ended March 31, 2017

7. Capital spares

Under previous GAAP, spares are classified under Inventory and measured at lower of cost or net realisable value. Under Ind AS, spare parts which meet the definition of property, plant and equipment they are accounted for in accordance with Ind AS 16. Accordingly, the Company has capitalised the spares under property plant and equipment and charged the depreciation thereon.

8. Deferred tax

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

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

9. Advance development cost from Commercial property developers

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

10. Marketing fund

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

11. Finance Lease

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

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

12. Other comprehensive income

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

13. Statement of cash flows

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

42. 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 ₹ 350 crore during the year 2012-13, earmarked for construction of Air Traffic Control (ATC) tower; currently work is under progress as at March 31, 2017. DF amounting to ₹ 350 crore (March 31, 2016: ₹ 345.85 crore and April 1, 2015: ₹ 308.83 crore) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2017 and balance DF amounting to ₹ Nil (March 31, 2016: ₹ 4.15 crore and April 1, 2015: ₹ 41.17 crore), pending utilization, has been disclosed under other current liabilities.

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

Pending discussion with AAI for the excess amount, the Company has included the additional amount of ₹ 43.07 crore (March 31, 2016: ₹ Nil and April 1, 2015: Nil) under Capital Work in Progress (CWIP) as at March 31, 2017.



Notes to the standalone financial statements for the year ended March 31, 2017

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

In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalised DF collection charges aggregating to ₹ 28.37 crore till March 31, 2017 (March 2016 : ₹ 27.07 crore and April 1, 2015: ₹ 22.06 crore).

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

- b) The Company has a receivable of ₹ 564.47 crore as at March 31, 2017 (March 31, 2016: ₹ 516.37 crore and April 1, 2015: ₹ 405.57 crore) (including unbilled revenue) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing "Airport Enhancement and Financing Service Agreement" with the International Air Transport Association for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Company considers its dues from Air India as good and fully recoverable.

- c) **Particulars of un-hedged and un-discounted foreign currency exposure as at the Balance sheet date are as under:**

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Amount (₹ In Crore)	Currency	Foreign Currency in Crore	Amount (₹ In Crore)	Currency	Foreign Currency in Crore
Other current Financial Liabilities	107.02	USD	1.62	28.86	USD	0.43
Trade Payable						
	2.64	EUR	0.04	3.55	EUR	0.05
	0.17	GBP	0.00	0.12	GBP	0.00
	0.03	SGD	0.00	0.05	SGD	0.00
	-	AUD	-	0.14	AUD	0.00
	0.01	MYR	0.00	-	MYR	-
	15.70	USD	0.25	4.23	USD	0.07
Borrowings (including Current Maturity)	1,369.40	USD	20.88	2505.23	USD	37.52
Trade Receivable	13.17	USD	0.20	12.86	USD	0.19
Non-Trade Receivables	1.06	USD	0.02	1.01	USD	0.02
Advance to suppliers	1.46	USD	0.02	1.83	USD	0.03

Closing exchange rates in ₹:

(All amounts in Rupees Crore, except otherwise stated)

Currency	As at March 31, 2017	As at March 31, 2016
EUR	69.29	75.78
GBP	80.90	96.15
SGD	46.41	49.55
MYR	14.65	16.77
AUD	49.57	51.41
USD	65.60	66.77

Notes to the standalone financial statements for the year ended March 31, 2017

d) Additional information :

- i) Earnings in foreign currency (On accrual basis, excluding service tax)

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from concessionaires	325.10	305.13
Revenue from airlines	782.02	673.44
Total	1,107.12	978.57

- ii) CIF value of imports (On accrual basis)

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Import of capital goods	13.27	6.79
Import of stores and spares	4.05	2.11
Total	17.32	8.90

- iii) Expenditure in foreign currency (On accrual basis)

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings (including exceptional items)	253.89	162.29
Professional and consultancy expenses	1.44	8.40
Finance costs	26.63	-
Other expenses	13.27	12.59
Travelling and Conveyance	1.27	1.17
Total	296.50	184.45

- iv) Consumption of stores and spares during the year:

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	%	Amount	%	Amount
Imported	15.99	4.15	4.44	1.04
Indigenous	84.01	21.79	95.56	22.31
Total	100	25.94	100	23.35

- e) As per notification number G.S.R.308(E) dated March 30, 2017, the Ministry of Corporate Affairs the central government have made amendment to schedule III of Companies Act 2013, requiring every Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016.

The required details for the Company are provided in the table below:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,289,000	16,460	1,305,460
(+) Permitted receipts#	1,262,000	1,487,519	2,749,519
(-) Permitted payments	-	(340,287)	(340,287)
(-) Amount deposited in Banks	(2,546,000)	(1,071,576)	(3,617,576)
Closing cash in hand as on 30.12.2016*	5,000	92,116	97,116

includes SBNs of ₹ 518,500 received by the Company through Lost and Found section at airport terminals.

includes SBNs of ₹ 203,000 received by the Company through non-scheduled airlines.

*₹ 5000 of SBN's as on 30.12.2016 were stale which could not be deposited in bank and accordingly written off later during the year.



Notes to the standalone financial statements for the year ended March 31, 2017

- f) 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.
- g) These financial statements of the Company do not include billing to airlines for DF by the Company. As per the Management, DIAL's responsibility is restricted only to the billing on behalf of Airports Authority of India (AAI) in accordance with provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.
- h) The Company has received advance development costs of ₹ 660.06 crore (March 31, 2016: ₹ 653.13 crore and April 1, 2015: ₹ 653.13 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2017, the Company has incurred development expenditure of ₹ 469.72 crore (March 31, 2016: ₹ 426.61 crore and April 1, 2015 ₹ 381.62 crore) which has been adjusted against the aforesaid advance and balance amount of ₹ 190.34 crore (March 31, 2016: ₹ 226.52 crore and April 1, 2015: ₹ 271.51 crore) is disclosed under other liabilities.
- i) The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such marketing fund are being audited by one of the Joint Statutory auditors. As at March 31, 2017, the Company has billed ₹ 92.48 crore towards such Marketing Fund and has incurred expenditure amounting to ₹ 39.05 crore (net of income on temporary investments) till March 31, 2017 from the amount so collected. The balance amount of ₹ 53.43 crore pending utilization as at March 31, 2017 (March 31, 2016: Nil and April 1, 2015: Nil; as marketing fund billing and utilization was not forming part of marketing fund) 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.
- j) The Company is of the view that certain income/ credits arising on adoption of Ind-AS were not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, these incomes/credits should not be form part of "Revenue" as defined in OMDA for the purpose of calculating monthly annual fee (MAF) payable to AAI. Accordingly, the Company, based on legal opinion and discussions with consultants, 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 are as under:

(All amounts in Rupees Crore, except otherwise stated)

Description	Incomes forming part of	For the year ended March 31, 2017
Construction income from Commercial property developers	Other operating income	43.13
Discounting on fair valuation of deposits taken from commercial property developers	Other operating income	25.91
Discounting on fair valuation of deposits taken from concessionaires	Sale of services – Non Aeronautical	37.75
Discounting on fair valuation of deposits given	Other income	0.14
Unrealised foreign exchange difference on borrowings	Other income	96.34
Reversal of Fair value of financial instruments Interest Rate Swap on actual settlement	Other income	6.17

- k) 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 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.

- l) 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 year ended March 31, 2017.
- m) A survey under section 133A of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax authorities on June 22 -23, 2016. The Income Tax department has sought information vide its letter dated July 18, 2016. The management has provided majority of the information and is in the process of providing the rest of the information to the department. The management of the

Notes to the standalone financial statements for the year ended March 31, 2017

Overview

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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.

- n) Airport Economic Regulatory Authority ("AERA") had passed the tariff order No. 40/2015-16 dated December 8, 2015 (issued on December 10, 2015) wherein Authority had decided to adjust DF of ₹ 3,241.37 crore out of allowed DF of ₹ 3,415.35 crore based on the actual expenditure spent towards project. The authority had decided to adjust the balance amount of DF of ₹ 173.98 crore as on March 31, 2014 on utilization basis as and when it is incurred. However, the Company availed ₹ 3,415.35 crore of Loan based on the DF Orders and DF collected from passengers is used for payment of interest and principal till March 31, 2017. Accordingly, the differential interest i.e. paid by the Company on DF Loans and considered on actual spent amounting to ₹ 48.06 crore (March 31, 2016: ₹ 47.90 crore) is required to be absorbed by DIAL. Accordingly, during the year ended March 31, 2017 interest expense of ₹ 0.16 crore (March 31, 2016: ₹ 47.90 crore) has been provided in the books of accounts.

Further, the Company had incurred a sum of ₹ 17.29 crore towards interest from December 2011 to February 2012 which was not allowed by AERA and accordingly interest expense of ₹ 17.29 crore had also been provided in the books of accounts during previous year ended March 31, 2016.

- o) During the year ended March 31, 2017, the Company refinanced its existing external commercial borrowings of USD 83.92 million and rupee term loans of ₹ 2,928.20 crore outstanding as at October 20, 2016; by issuance of 6.125% senior secured notes (2026) of USD 522.60 million. As a result of such refinancing, the Company has incurred the following costs:

- i. The prepayment charges of ₹ 40.80 crore have been paid to various erstwhile lenders on prepayment of existing external commercial borrowings and rupee term loans outstanding as on the date of repayment / prepayment.

The above amount of ₹ 40.80 crore has been disclosed as "Exceptional Items" in the Statement of profit and loss.

In addition to above, Interest Rate Swap (IRS) which was outstanding on the existing external commercial borrowings was cancelled, resulting in breakage cost of ₹ 8.17 crore, has been adjusted from fair valuation loss of IRS' provided in earlier years and has been disclosed under 'other income' in the Statement of profit and loss.

- p) During the year ended March 31, 2017, the Company has entered into "Call spread Options" with various banks for hedging the risk of volatility in foreign exchange fluctuation on account of its liability:

- i. Towards redemption of 6.125% Senior secured notes (2026) of USD 522.60 million, which is repayable in October 2026. Under this option, the Company has purchased a call option for USD 522.60 million at a strike price of ₹ 66.85/USD and written a call option for USD 522.60 million at a strike price of ₹ 101.86/USD at October 31, 2026. As per terms of the agreements, the Company is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), payable quarterly, the Company has paid ₹ 14.96 crore till March 31, 2017 and remaining balance of ₹ 1,226.34 crore is payable as at March 31, 2017.
- ii. Towards redemption of part of 6.125% Senior secured notes (2022) of USD 288.75 million, which is repayable in February 2022. Under this option, the Company has purchased a call option for USD 80.00 mn at a strike price of ₹ 68.00/USD and written a call option for USD 80 mn at a strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, the Company is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable quarterly.

The Company has accounted the same as per Cash flow hedge accounting as provided in Ind AS 109. For details, please refer detailed accounting policies of the Company.

- q) Board of Directors in its meeting held on May 11, 2017, proposed a dividend of 6.5% to its equity shareholders. (refer Note 16.1).
- r) 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 Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha

Partner
Membership no: 94941
Place : Manila
Date : May 11, 2017

For Brahmayya & Co.

ICAI Firm Registration No. : 0005155
Chartered Accountants

per G. Srinivas

Partner
Membership no: 86761
Place : New Delhi
Date : May 11, 2017

Delhi International Airport Limited

Srinivas Bommidala

Managing Director
DIN-00061464

Radhakrishnababu G.

Chief Financial Officer

Place : New Delhi
Date : May 11, 2017

K. Narayana Rao

Whole Time Director
DIN-00016262

Saurabh Jain

Company Secretary



Independent Auditor's Report

To the Members of Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) (hereinafter referred to as "the Holding Company"), its subsidiary, associates and joint ventures (the Holding Company, its subsidiary, associates and joint ventures together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards

on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the

financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary, associates and joint ventures incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary, associates and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 35(II) to the consolidated Ind AS financial statements;
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary, associates and joint ventures incorporated in India during the year ended March 31, 2017.
 - iv. The Holding Company, its subsidiary, associates and joint ventures incorporated in India, have provided requisite disclosures in Note 44(e) to these consolidated Ind AS financial statements as to the holding of Specified Bank

Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, as stated in Note 44(e) to these consolidated Ind AS financial statements, ₹ 203,000 in case of Holding Company and ₹ 139,500 in case of one associate company, as represented to us by the management of the Holding Company, have been received from the transactions which are not permitted.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of ₹ 0.10 crore (March 31, 2016: ₹ 0.09 crore and April 01, 2015: ₹ 0.09 crore) as at March 31, 2017, total revenues (including other income) and net cash inflows of ₹ 0.01 crore (March 31, 2016: ₹ Nil) and ₹ 0.02 crore (March 31, 2016: ₹ Nil) respectively for the year ended on that date, in respect of 1 subsidiary (March 31, 2016: 1 subsidiary); and also include the Holding Company share of net profits (including other comprehensive income) of ₹ 62.46 crore (March 31, 2016: ₹ 59.20 crore) for the year ended on that date in respect of 1 joint venture and 4 associates (March 31, 2016: 1 joint venture and 4 associates), which have been audited by one of us in individual capacity.
- (b) The consolidated Ind AS financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 7.92 crore for the year ended March 31, 2017 (March 31, 2016: ₹ 8.99 crore), as considered in the consolidated financial statements, in respect of 1 associate and 2 joint venture (March 31, 2016: 2 associate and 2 joint ventures), whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, associates and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, associates and joint ventures, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/
E300004
Chartered Accountants

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

per Yogesh Midha
Partner
Membership No.: 094941

per G Srinivas
Partner
Membership No.: 86761

Place : New Delhi
Date : August 9, 2017

Place : New Delhi
Date : August 9, 2017



Annexure

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Delhi International Airport Limited (Formerly known as Delhi International Airport Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiary, associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary, associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary, associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit

of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 1 subsidiary, 1 joint venture and 4 associates (March 31, 2016: 1 subsidiary, 1 joint venture and 4 associates) which are companies incorporated in India, is based on the corresponding reports of one of us audited in individual capacity.
- b) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 1 associate and 2 joint ventures (March 31, 2016: 1 associate

and 2 joint ventures) which are companies incorporated in India, is based on the corresponding reports of such associates and joint ventures incorporated in India.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/
E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 094941

Place : New Delhi
Date : August 9, 2017

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

per G Srinivas
Partner
Membership No.: 86761

Place : New Delhi
Date : August 9, 2017



Consolidated Balance Sheet

as at March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
(1) Non-current assets				
Property, plant and equipment	4	7,381.27	8,039.80	8,592.39
Capital work in progress	4	123.94	63.87	50.65
Intangible Assets	5	404.07	412.94	433.50
Investment in subsidiaries, associates & joint ventures	41,42	319.11	254.17	224.24
Financial Assets				
(i) Investments	6.1	0.01	-	-
(ii) Loans	7	1.25	2.25	1.84
(iii) Other financial assets	8	-	-	106.35
Other non-current assets	9	91.29	97.38	88.92
Deferred tax assets (net)	10	-	11.27	-
		8,320.94	8,881.68	9,497.89
(2) Current assets				
Inventories	11	7.42	7.19	7.73
Financial Assets				
(i) Investments	6.2	2,184.38	956.66	247.14
(ii) Trade Receivables	12	898.88	791.46	654.65
(iii) Cash and cash equivalents	13	554.21	407.74	119.66
(iv) Bank balance other than cash and cash equivalents	14	46.22	76.14	200.57
(iv) Loans	7	2.16	0.24	0.38
(v) Other Financial assets	8	53.81	148.13	554.96
Other current assets	9	36.99	50.32	49.63
		3,784.07	2,437.88	1,834.72
Assets classified as held for sale	41	-	43.54	40.81
		3,784.07	2,481.42	1,875.53
Total Assets		12,105.01	11,363.10	11,373.42
EQUITY AND LIABILITIES				
(1) Equity				
Equity Share Capital	15	2,450.00	2,450.00	2,450.00
Other Equity				
(i) Retained earnings	16	713.60	109.28	(427.75)
(ii) Cash flow hedge reserve	16	(16.84)	-	-
(iii) Share of OCI of associates and joint ventures	16	(0.11)	(0.01)	-
		3,146.67	2,559.27	2,022.25
(2) Non-current liabilities				
Financial Liabilities				
(i) Borrowings	17	5,261.97	5,393.16	5,542.90
(ii) Other financial liabilities	18	298.31	309.26	326.18
Deferred revenue	19	1,781.31	1,752.77	1,785.43
Deferred tax liabilities (net)	10	292.04	-	-
Other non-current liabilities	20	112.95	146.62	208.20
		7,746.58	7,601.81	7,862.71
(3) Current liabilities				
Financial Liabilities				
(i) Trade Payables	21			
- Total outstanding dues of micro, small and medium enterprises		1.19	0.67	1.02
- Total outstanding dues of creditors other than micro small and medium enterprises		430.22	389.78	424.70
(ii) Other financial liabilities	18	381.38	507.21	748.59
Deferred revenue	19	86.18	82.05	82.44
Other current liabilities	20	226.29	182.33	207.54
Provisions	22	19.34	15.44	14.90
Liabilities for current tax (net)		67.18	24.54	9.27
		1,211.78	1,202.02	1,488.46
Total Liabilities		8,958.36	8,803.83	9,351.17
Total Equity and Liabilities		12,105.01	11,363.10	11,373.42
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

ICAI Firm Registration No. : 101049W/E300004

Chartered Accountants

per Yogesh Midha

Partner

Membership no: 94941

Place : New Delhi

Date : August 9, 2017

As per our report of even date

For Brahmayya & Co.

ICAI Firm Registration No. : 0005155

Chartered Accountants

per G. Srinivas

Partner

Membership no: 86761

Place : New Delhi

Date : August 9, 2017

For and on behalf of the Board of Directors of

Delhi International Airport Limited

Srinivas Bommidala

Managing Director

DIN-00061464

G. Radhakrishnababu

Chief Financial Officer

K. Narayana Rao

Whole Time Director

DIN-00016262

Saurabh Jain

Company Secretary

Place : New Delhi

Date : August 9, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I REVENUE			
Revenue From Operations	23	5,624.23	5,152.00
Other Income	24	255.61	125.92
Total Income (I)		5,879.84	5,277.92
II EXPENSES			
Annual fee to Airports Authority of India (AAI) (refer note 44 j)		2,634.84	2,304.15
Employee Benefits Expense	25	129.47	125.48
Other Expenses	26	834.38	923.06
Total expenses (II)		3,598.69	3,352.69
III Earnings before interest, tax, depreciation and amortisation and exceptional items (EBIDTA) [I-II]		2,281.15	1,925.23
Finance Costs	27	527.25	632.24
Depreciation and amortization expense	28	638.03	703.57
Profit before exceptional items and tax		1,115.87	589.42
IV Exceptional Items	29	40.80	-
V Profit before tax (III-IV)		1,075.07	589.42
Tax expense:			
(1) Current Tax		238.69	129.07
(2) Adjustment of tax relating to earlier years		(1.88)	-
(3) MAT credit entitlement for earlier years written off		-	2.93
(4) Deferred Tax charge		303.69	(11.32)
VI Total Tax expense		540.50	120.68
VII Profit for the year before share of (profit)/loss of associates and joint ventures, (V-VI)		534.57	468.74
VIII Share of profit/ (loss) of associates and joint ventures	41,42	70.48	68.20
IX Profit for the year (VII+VIII)		605.05	536.94
Other Comprehensive Income	30		
A Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement (losses)/ gains on defined benefit plans		(1.11)	0.14
Income tax effect		0.38	(0.05)
B Items that will be reclassified to profit or loss in subsequent years			
Net movement of cash flow hedges		(16.84)	-
Share of other comprehensive income of associates and joint ventures	41, 42	(0.10)	(0.01)
X Total Other Comprehensive Income for the year (net of tax)		(17.67)	0.08
XI Total Comprehensive Income for the year (net of tax) (IX+X)		587.38	537.02
XII Earnings per equity share: [nominal value of share ₹10 (March 31, 2016: ₹10)]			
(1) Basic	31	2.47	2.19
(2) Diluted	31	2.47	2.19
Summary of significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financial statements.

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

per Yogesh Midha
 Partner
 Membership no: 94941
 Place : New Delhi
 Date : August 9, 2017

As per our report of even date
For Brahmayya & Co.
 ICAI Firm Registration No. : 0005155
 Chartered Accountants

per G. Srinivas
 Partner
 Membership no: 86761
 Place : New Delhi
 Date : August 9, 2017

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

Srinivas Bommidala
 Managing Director
 DIN-00061464

G. Radhakrishnababu
 Chief Financial Officer

K. Narayana Rao
 Whole Time Director
 DIN-00016262

Saurabh Jain
 Company Secretary

Place : New Delhi
 Date : August 9, 2017

Overview

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Consolidated Statement of Change in Equity

(All amounts in Rupees Crore, except otherwise stated)

	Equity share capital	Reserves and Surplus	Items of OCI		Total	Total equity
		Retained earnings	Cash flow hedge reserve (net of tax)	Share of OCI of joint ventures and associates		
Balance as at April 1, 2015	2,450.00	(427.75)	-	-	(427.75)	2,022.25
Profit for the year	-	536.94	-	-	536.94	536.94
Other comprehensive income	-	0.09	-	(0.01)	0.08	0.08
Balance as at March 31, 2016	2,450.00	109.28	-	(0.01)	109.27	2,559.27
Profit for the year	-	605.05	-	-	605.05	605.05
Other comprehensive income	-	(0.73)	(16.84)	(0.10)	(17.67)	(17.67)
Balance as at March 31, 2017	2,450.00	713.60	(16.84)	(0.11)	696.65	3,146.65

The accompanying notes are an integral part of these consolidated financial statements.

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

per Yogesh Midha
 Partner
 Membership no: 94941
 Place : New Delhi
 Date : August 9, 2017

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For and on behalf of the Board of Directors of
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Srinivas Bommidala
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G. Radhakrishnababu
 Chief Financial Officer

Place : New Delhi
 Date : August 9, 2017

K. Narayana Rao
 Whole Time Director
 DIN-00016262

Saurabh Jain
 Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Profit before tax	1,075.07	589.42
<i>Adjustment to reconcile profit before tax to net cash flows</i>		
Depreciation and amortization expenses	638.03	703.57
Provision for Bad debts / Bad Debts Written off	1.73	0.03
Provision for Doubtful advances / Advances Written off	-	0.43
Interest income on deposits/current investment	(43.29)	(27.10)
Exchange differences unrealised (net)	(96.34)	138.18
Net gain on sale of current investments-Mutual fund	(97.43)	(47.99)
Reversal of finance charges on Cancellation of finance lease (refer note 32.1)	(7.01)	-
Loss on discard of property plant and equipments	1.59	0.13
Share of profit of associates and joint ventures (refer note 41 & 42)	70.48	68.20
Share of OCI of associates and joint ventures (refer note 41 & 42)	(0.10)	(0.01)
Interest on Borrowings	426.57	511.28
Loan prepayment interest	40.80	-
Call spread option premium	40.70	-
Other borrowing costs	7.13	7.83
Deferred income on financial liabilities carried at amorized cost	(63.80)	(83.13)
Interest expenses on financial liability carried at amortised cost	49.87	45.03
Rent expenses on financial assets carried at amortised cost	0.21	0.31
Other interest	9.99	68.10
Fair valuation gain on Investments	(2.50)	(6.94)
Fair value gain on financial instruments (IRS) at fair value through profit or loss	(6.17)	4.24
	2,045.53	1,971.58
Working capital adjustment:		
Increase / (Decrease) in trade payables	40.60	(35.72)
(Decrease) in other non current liabilities	(33.67)	(61.58)
Increase in other current liabilities	48.10	11.81
Increase in non current deferred revenue	92.34	50.47
Increase / (Decrease) in current deferred revenue	4.13	(0.39)
Increase in non current financial liabilities	9.17	3.48
(Decrease) in current financial liabilities	(6.21)	(3.52)
(Increase) in trade receivables	(109.15)	(137.13)
(Increase) / Decrease in inventories	(0.24)	0.54
Decrease in other non current assets	0.44	0.50
Decrease / (Increase) in other current assets	13.33	(0.89)
Decrease in other current financial assets	15.67	37.52
Decrease / (Increase) in non current loans	1.01	(0.41)
Increase in current loans	(1.91)	0.14
Decrease in current provisions	2.79	0.54
	2,121.93	1,836.93
Cash generated from operations	2,121.93	1,836.93
Direct taxes paid (net)	(195.00)	(117.02)
Net cash flow from operating activities (A)	1,926.93	1,719.92
Cash flows from investing activities		
Purchase of property plant and equipments, including CWIP and capital advances	(213.94)	(209.66)
Development fee (DF) realised	83.99	413.37
Purchase of investment in associate	(2.40)	-
Purchase of current investments	(14,212.84)	(12,145.62)
Sale of current investments	13,085.06	11,491.01
Change in carrying value of investment (refer note 41 & 42)	(18.99)	(32.66)
Interest received	37.73	23.89
Redemption / (investment) of Margin Money Deposit	42.07	(11.45)
Deposits with original maturity of more than three months	(12.15)	135.88
	(1,211.47)	(335.24)
Net cash flow used in investing activities (B)	(1,211.47)	(335.24)

Overview

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(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Cash flows from financing activities		
Proceeds from borrowings	3,493.92	-
Repayment of borrowings	(3,633.44)	(578.38)
Option premium paid	(14.96)	-
Derivative IRS- Mark to market-Breakage Cost	(8.17)	-
Other borrowing costs paid	(7.13)	(7.83)
Collection of interest on DF loans from airlines	0.87	39.15
Interest paid	(400.08)	(549.54)
Net cash flow used in financing activities (C)	(568.99)	(1,096.60)
Net increase in cash and cash equivalents (A+B+C)	146.47	288.08
Cash and cash equivalents at the beginning of the period	407.74	119.66
Cash and cash equivalents at the end of the period	554.21	407.74
Components of cash and cash equivalents		
Cash on hand	0.03	0.04
Cheques/ drafts on hand	4.73	15.78
With banks		
- on current account	44.45	41.92
- on deposit account	505.00	350.00
Total cash and cash equivalents (Note 13)	554.21	407.74

Explanatory notes annexed

1. Cash and cash equivalents includes balance on current account with banks for ₹ 2.34 Crore (March 31, 2016: Nil; April 1, 2015: Nil) in respect of Marketing Fund.
2. The accompanying notes are an integral part of these Consolidated Financials Statements and have been taken on record by the board of directors vide their meeting dated May 11, 2017.

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

As per our report of even date
For Brahmayya & Co.
 ICAI Firm Registration No. : 0005155
 Chartered Accountants

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

per Yogesh Midha
 Partner
 Membership no: 94941
 Place : New Delhi
 Date : August 9, 2017

per G. Srinivas
 Partner
 Membership no: 86761
 Place : New Delhi
 Date : August 9, 2017

Srinivas Bommidala
 Managing Director
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G. Radhakrishnababu
 Chief Financial Officer

K. Narayana Rao
 Whole Time Director
 DIN-00016262

Saurabh Jain
 Company Secretary

Place : New Delhi
 Date : August 9, 2017

Notes to the consolidated financial statements for the year ended March 31, 2017

1. Corporate Information

Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) ('DIAL' or 'the Holding Company'), is a Public Limited Company domiciled in India, its subsidiary, associates and joint ventures herein are collectively referred as "the Group". DIAL was incorporated as a Private Limited Company on March 1, 2006 under the provisions of the erstwhile Companies Act, 1956, (replaced with Companies Act 2013 with effect from April 1, 2014) and was converted into a Public Limited Company w.e.f. April 10, 2017. DIAL is into the business of managing the operations and modernization of the Indira Gandhi International Airport ('Delhi Airport'). GMR Airports Limited ('GAL' or 'Holding company of DIAL') a subsidiary of GMR Infrastructure Limited ('GIL' or 'Intermediate Holding Company'), holds majority shareholding in the Holding 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 entered between Holding Company and AAI.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on August 9, 2017.

2. A) Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendments Rules, 2016 as amended.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. For all periods up to and including the year ended March 31, 2016, the Group had prepared its consolidated financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended March 31, 2017 are the first such financial statements which the Group has prepared in accordance with Ind AS. Refer to note 43 for information on how the Group adopted Ind AS.

The consolidated 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.

B) Basis of Consolidation

(i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date that control ceases.

(ii) Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

(iii) Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The unrealised gains resulting from intra-group transactions are also eliminated. Similarly, the unrealised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's



Notes to the consolidated financial statements for the year ended March 31, 2017

share of the net assets of investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee.

However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

The entities considered in the Consolidated Financial Statements in the year are listed below:

S. No.	Name of the entity	Country of Incorporation	Relationship as at March 31, 2017	Relationship as at March 31, 2016	Relationship as at April 1, 2015	Percentage of effective ownership interest held (directly or indirectly) as at		
						March 31, 2017	March 31, 2016	April 1, 2015
1	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary	Subsidiary	Subsidiary	100%	100%	100%
2	Delhi Aviation Services Private Limited (DASPL)	India	Joint Venture	Joint Venture	Joint Venture	50%	50%	50%
3	Delhi Aviation Fuel Facility Private Limited (DAFFPL)	India	Joint Venture	Joint Venture	Joint Venture	26%	26%	26%
4	Wipro Airport IT Services Limited (WAISL)	India	Joint Venture	Joint Venture	Joint Venture	26%	26%	26%
5	TIM Delhi Airport Advertising Private Limited (TIMDAA)	India	Associate	Associate	Associate	49.90%	49.90%	49.90%
6	Delhi Airport Parking Services Private Limited (DAPSPL)	India	Associate	Associate	Associate	49.90%	49.90%	49.90%
7	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Associate	Associate	Associate	40%	40%	40%
8	Delhi Duty Free Services Private Limited (DDFSPL)	India	Associate	Associate	Associate	49.90%	49.90%	49.90%
9	Celebi Delhi Cargo Terminal Management India Private Limited (Celebi)	India	Associate	Associate	Associate	26%	26%	26%
10	East Delhi Waste Processing Company Limited (EDWPCL)*	India	Investment	Associate	Associate	-	48.99%	48.99%

C) Going concern

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

The Holding Company had filed an appeal before Airports Economic Regulatory Authority Appellate Tribunal ('AERAAT') on certain disputed issues in the Tariff order of First Control period (2009-2014). Further, the Holding Company filed a writ petition before the Hon'ble Delhi High Court seeking extension of existing tariff as allowed vide AERA order no. 03/2012-13 issued on April 24, 2012 till disposal of DIAL's appeal pending before AERAAT.

Subsequently, Hon'ble Delhi High Court vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012, shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

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

The Holding Company has also filed an appeal with AERAAT against the AERA order No. 40/2015-16 dated December 08, 2015 (issued on December 10, 2015) for

Notes to the consolidated financial statements for the year ended March 31, 2017

second control period on January 11, 2016. In view of above petitions pending on the implementation of AERA order for Second Control Period, the said order could not be implemented till the disposal of all legal issues associated with the order. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement.

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

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

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

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

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

Basis the profit earned over the last five financial years and the Group's business plans and cash projections prepared by the management for the next one year considering the appropriate reduction in the existing tariff, the management expects to have cash loss. In view of the fact that the Group has sufficient cash reserves as at March 31, 2017, the management do not foresee any uncertainty in continuing its business / operations and meeting its liabilities for foreseeable future and accordingly, these financial statements continue to be prepared on a going concern basis.

3. Statement of significant accounting policies

(i) Change in accounting estimate

Amortisation of Intangible Assets

The Holding Company amortized upfront fee and other costs paid to Airport Authority of India ('AAI') over the initial period of OMDA i.e. 30 years.

However, the concession period can be extended for additional term of 30 years, on satisfaction of certain conditions attached to such renewal as contained in OMDA. The Holding Company has accordingly taken the view that it shall avail full concession period i.e. 60 years as provided in OMDA. Accordingly, the Holding Company has revisited and revised the estimate for amortizing the upfront fees and other cost paid to AAI over the initial and extended period of OMDA i.e. 60 years, prospectively.

Had the Holding Company continued to use the earlier estimate of amortizing the intangible assets, these consolidated financial statements for the year would have been impacted as below:

Amortization for the current period would have been higher by ₹ 12.01 crores. Profit before tax for the current period would have been lower by ₹ 12.01 crores and intangible assets would have been lower by ₹ 12.01 crores.

a. Use of estimates

The preparation of the consolidated 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 consolidated 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 consolidated financial statements have been disclosed in Note 32. 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 consolidated financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to these consolidated financial statements.

b. Current versus Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading



Notes to the consolidated financial statements for the year ended March 31, 2017

- 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 Group 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 Group 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 Group has identified twelve months as its operating cycle.

c. Investments

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

d. Investments in Associates and Joint Ventures

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of profit or loss.

Notes to the consolidated financial statements for the year ended March 31, 2017

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated profit or loss.

e. Non-current assets held for sale

The Group classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset.
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

f. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the acquisition of assets and making them operational for their intended use after deducting trade discounts and rebates, and in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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 Group 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 consolidated profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated 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 Group 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.



Notes to the consolidated financial statements for the year ended March 31, 2017

Depreciation of Property, Plant and Equipment

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 ₹ 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 Holding 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 Holding Company and those prescribed under Schedule II to the Companies Act, 2013:

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

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 Group 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, inter alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority has issued a consultation paper dated June 19, 2017 in the matter of Determination of Useful life of Airport Assets, asking comments from Airport operators on useful life of airport specific assets. The management of the Holding Company is in the process of assessing the impact of proposed useful life of airport assets on the fixed assets of the Holding Company. Based on preliminary

assessment, the management is of the view that useful lives considered by the Holding Company for most of the assets are in line with the useful life proposed by AERA in consultation paper dated June 19, 2017. Therefore, no significant impact is expected on Airport specific assets owned by the Holding Company, on the consultation paper becoming effective. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Holding Company continues to depreciate these assets over their estimated useful lives of 30 years as determined by the management of the Holding Company based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.

Leasehold Improvements are improvements, betterments, or modifications of leased property which will benefit the Group for the period of more than one year. The amount of leasehold improvements are capitalised and amortised over the period of lease or economic useful life whichever is lower.

Some of the Group companies have been following useful life for their Fixed Assets which are different from the lives published under Schedule II to the Companies Act, 2013 based on the estimation of useful lives done by the respective Management.

Type of Assets	Useful life as adopted by the management of respective entities in the group based on technical evaluation	Life of Asset As per Sch II of Companies Act 2013 (in years)
Building	25 or remaining life of the concession period whichever is earlier	30
Plant and machinery	5-15 or concession period whichever is earlier	15
Electrical Fittings	10-15	10
Office Equipments	3-5	5
Furniture and Fittings	3-10	10
Computers	2-6	3-6
Vehicles	3-10	8

g. Intangible assets

Identifiable intangible assets are recognised:

- when the Group controls the asset,
- it is probable that future economic benefits attributed to the asset will flow to the Group and
- the cost of the asset can be reliably measured.

Notes to the consolidated financial statements for the year ended March 31, 2017

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.

In case of Holding Company, 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.

In DDFS, license represents right to run and operate duty free shops and represents time value of security deposit amount paid to the Holding Company in accordance with the terms of concession arrangement.

The useful lives of intangible assets are assessed as finite or indefinite.

Amortisation of Intangible Assets

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

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives 3- 6 years (finite) for software and 5-10 years (finite) for Franchise rights fee using the straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased/dispensed during the year.

Gain or losses arising from derecognition of other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Consolidated Statement of Profit and Loss, as incurred.

The Holding 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.

Service concession arrangements:

CELEBI constructs and upgrades infrastructure (construction and upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that CELEBI receives a right (i.e. a concessionaire) to charge users of the public service. The financial asset model is used when the Celebi has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Celebi performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to their relative fair values of the services delivered when the amounts are separately identifiable.

CELEBI has entered into Concessionaire Agreement with Holding Company which gives it right to operate, maintain, develop, modernise and manage the existing Cargo Terminal for a period till March 31, 2034. The concession arrangement is a service concession arrangement under appendix A to Ind AS 11. CELEBI has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

h. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Leases

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at



Notes to the consolidated financial statements for the year ended March 31, 2017

the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangement entered into prior to April 1, 2015, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property on inception date or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Income from operating lease is recognised on a straight-line basis over the term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate

for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfers from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

j. Inventories

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition.

However, in respect of TFS & Celebi, cost of inventories is determined on First in First out ('FIFO') basis. The value of inventories in respect of these entities is not significant and as such, has not been aligned with Group accounting policy.

Provision is made for items which are expired/not likely to be consumed and other anticipated losses wherever considered necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k. Impairment of non-financial assets

The Group 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 Group 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.

Notes to the consolidated financial statements for the year ended March 31, 2017

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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 Group 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 consolidated 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 Group 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 consolidated statement of profit or loss.

I. Provisions, Contingent liabilities and Commitments

Provisions are recognised when the Group 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 Group 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 consolidated 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.

Provisions for onerous contracts are recognized when the expected benefits to be delivered by the Group 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 Group recognizes any impairment loss on the assets associated with that contract.

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.

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 realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

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

n. Retirement and Other Employee Benefits

Defined benefit plan

Retirement benefit in the form of provident fund, Superannuation Fund and Employee State Insurance are defined contribution schemes and the contributions are charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due. The group has no obligation, other than the contribution payable to the respective funds. In case of Holding Company, Holding Company contributes a portion of contribution to DIAL Employees Provident Fund Trust ('the Trust'). The Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate which is determined by actuary and accounted by the Holding Company as provident fund cost.

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the consolidated statement



Notes to the consolidated financial statements for the year ended March 31, 2017

of profit and loss in the period in which the employee renders the related service.

The Group recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service.

Gratuity Liability in case of Holding Company is funded through policy taken from Life Insurance Corporation of India.

The Group treats accumulated leave including sick leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences including sick leave are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and date that the Group recognizes related restructuring costs.
- The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit

obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

o. 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

i. Initial recognition and measurement

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. 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 other comprehensive income (FVTOCI)
- c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost: A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the consolidated profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 12.

Notes to the consolidated financial statements for the year ended March 31, 2017

Financial assets at FVTOCI: A financial asset is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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 FVTOCI, is classified as at FVTPL.

In addition, the Group 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. Net gains and losses, including any interest income, are recognised in the Consolidated Statement of 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group 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 Group 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 Group 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 Group 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 Group 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 Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its



Notes to the consolidated financial statements for the year ended March 31, 2017

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 Group 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

i. Initial recognition and measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

ii. 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 risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

iii. De-Recognition of Financial liability

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 consolidated statement of Profit and Loss.

III. 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.

p. Loans and borrowings

This is the category most relevant to the Group. 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 consolidated statement of profit and loss.

q. Derivative financial instruments and hedge accounting

Initial Recognition and subsequent measurement

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

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

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- 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;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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

Notes to the consolidated financial statements for the year ended March 31, 2017

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 consolidated 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.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Foreign Currencies

Functional Currency

The Consolidated financial statements are presented in Indian rupees (INR), which is also the Group's functional currency. However, in case of DDFS, the functional currency is USD.

Transactions and Translations

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In case of DDFS, Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Conversion from functional currency to presentation currency

DDFS's, functional currency is United States Dollar (USD) and INR is the presentation currency. For conversion of functional currency amounts into INR DDFS has applied below mentioned conversion procedures.

1. Assets and liabilities for each balance sheet presented has been translated at the closing rate at the date of that balance sheet;
2. Income and expenses for each statement of profit and loss presented (i.e. including comparatives) has been translated at exchange rates at the dates of the transactions;
3. All resulting exchange differences have been recognised in other comprehensive income.

t. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date, available for sale equity securities and derivatives at fair value on a recurring basis and other assets when impaired by reference to fair value less costs of disposal. Additionally, the fair value of other financial assets and liabilities require disclosure.

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 Group.



Notes to the consolidated financial statements for the year ended March 31, 2017

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 the 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 Group 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 Group 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, unquoted financial assets and contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For impairment testing purposes and where significant assets (such as property) are valued by reference to fair value less costs of disposal, an external valuation will normally be obtained using professional valuers who have appropriate market knowledge; reputation and independence

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group 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
- b) Quantitative disclosures of fair value measurement hierarchy
- c) Financial instruments (including those carried at amortised cost)

u. Revenue recognition

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

Income from Services.

Revenue is measured with reference to the quantity, operating expense of the operator and the effective infrastructure charges as on date. However, Tax as collected on behalf of the government is excluded from revenue.

Airport Operations

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

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

Management Fee

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

Notes to the consolidated financial statements for the year ended March 31, 2017

Cargo Operations

Revenue from cargo operations are recognized on accrual basis, net of service tax, applicable discounts, when services are rendered.

Revenue from outbound cargo is recognized at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.

In case of service concession agreements, revenue are recognised in line with the Appendix A to Ind AS 11 – Service Concession Arrangements

Income from the concession arrangements earned under the intangible asset model consists of :

- fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- payments actually received from the users.

Revenues and cost of improvements to concession assets

In conformity with appendix A of Ind AS 11, the Celebi recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the cargo terminal as established by the concession agreement. Revenues represent the value of the exchange between the Celebi and the grantor of concession with respect to the improvements, given that the Celebi constructs or provides improvements to the cargo terminal as obligated under the concession agreement and in exchange, the grantor of concession grants the Celebi the right to obtain benefits for services provided using those assets. The Celebi has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfil the concession provisions are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit or loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by the Group in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services represents is equal to the amount of costs incurred along with appropriate construction margins.

Fuel Farm Operations:

Revenue from sale of fuel is measured with reference to the quantity, operating expense of the operator and the effective infrastructure charges as on date.

Food & Beverage Operations

a) Sale from outlets

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the customer, which coincides with the point of delivery of the goods to the customer from restaurant delivery outlets.

b) Sale to Corporate Customers

Revenue from the sales to corporate customers is recognised when the significant risks and rewards of ownership of the goods have passed to the customer, which is on delivery of the goods to the customer.

Consultancy Fee

Consultancy fees are recognised on an accrual basis in the accounting period in which the services are rendered and in accordance with the agreement entered into with the food and beverage outlet operator.

Maintenance Contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using percentage of completion method. When services are performed through an indefinite number of repetitive acts over specified period of time, revenue is recognized on straight-line basis over the specified period unless some other method better represents the stage of completion.

Advertisement Services

Revenue from developing, operating, maintaining and managing the sites at airport for display of advertisement are recognized on pro-rate basis over the period of display of advertisements.

Bridge Mounted Equipments Operations

Revenue from Operations i.e. Ground Power Unit (GPU), Pre Conditioned Air (PCA) and potable water are recognized on accrual basis when the services are rendered.

Parking Operations

The Group's revenue is generated from parking services and revenue from these services is recognised as and when the amounts are received from users i.e. recognised as revenue on receipt.

Similarly revenue from airport entry ticket for visitors and from left luggage facilities are recognised as and when cash/money is collected.

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 are 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 Group 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 consolidated statement of profit and loss.

Claims

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



Notes to the consolidated financial statements for the year ended March 31, 2017

Others

Rental income

Space rental has been recognised as per the terms of the contract with the customer.

Branding income

Branding income is recognised on an accrual basis in the accounting period in which the services are rendered and in accordance with the agreement entered into with the parties.

Mutual Fund income

Mutual fund income are recognized based on the fair valuation as on each reporting date for the respective period.

v. Taxes

Tax expense comprises current tax and deferred tax.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

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.

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ("MAT") credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Taxes, cess, duties such as sales tax/ value added tax/ service tax 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.

Notes to the consolidated financial statements for the year ended March 31, 2017

w. Operating segments

The Group has only one reportable operating segment, which is operation of airport and providing allied services. Accordingly, the amounts appearing in the consolidated financial statements relate to the Group's single operating segment.

x. Proposed dividend

As per Ind AS –10, 'Events after the Reporting period', the Group discloses the dividend proposed by board of directors after the balance sheet date in the notes to these consolidated financial statements.

y. Earnings per share

Basic earnings per share are 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.

z. Corporate Social Responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

aa. Measurement of Earnings before interest, tax, depreciation and amortization (EBITDA)

The Group presents EBITDA as a separate line item on the face of consolidated statement of Profit and Loss, but including other income as separate line item on the face of consolidated statement of Profit and Loss.

The Group measures EBITDA on the basis of profit from the continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

bb. Recent accounting pronouncements

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosure that enable user of financials statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.



Notes to the consolidated financial statements for the year ended March 31, 2017

4. Property, plant and equipments

(All amounts in Rupees Crore, except otherwise stated)

	Buildings	Leasehold improvement	Bridges, Culverts, Bunders, etc.	Electrical Installations and Equipment	Roads-Other than RCC	Runways, Taxiways & Apron etc.	Plant and Machinery	Office Equipment	Computer and data processing units	Furniture and Fittings	Vehicles	Total	Capital work in progress (CWIP)
Gross block (at cost)													
As at April 1, 2015	4,370.15	-	396.47	1,209.61	213.33	2,166.59	2,279.93	21.00	250.68	184.29	29.49	11,121.54	50.65
Reclassification (refer note (a) below)	14.60	-	-	22.27	-	-	(17.97)	-	-	-	(18.90)	-	-
Additions	26.10	-	-	7.82	0.74	13.92	42.98	0.58	14.50	18.82	0.09	125.55	13.22
Disposals	-	-	-	-	-	-	(0.31)	-	-	-	(0.33)	(0.64)	-
Adjustments	(0.36)	-	-	-	(0.57)	-	(0.09)	-	-	-	-	(1.02)	-
Development fund (Collection Charges) [Refer note 44 (a) (ii)]	2.46	-	0.11	0.39	0.11	0.57	1.29	-	-	0.08	-	5.01	-
As at March 31, 2016	4,412.95	-	396.58	1,240.09	213.61	2,181.08	2,305.83	21.58	265.18	203.19	10.35	11,250.44	63.87
Additions	19.67	7.47	-	29.17	4.46	12.21	20.23	0.86	11.69	34.32	2.45	142.53	60.07
Transfer of assets	-	-	-	(263.89)	-	-	(21.92)	-	(202.38)	(11.46)	(0.12)	(499.77)	-
Adjustments	(2.48)	-	-	(0.02)	(0.01)	-	(0.60)	(11.24)	(4.78)	(2.20)	(0.27)	(21.60)	-
Development fund (Collection Charges) [Refer note 44 (a) (ii)]	0.64	-	0.03	0.10	0.03	0.15	0.33	-	-	0.02	-	1.30	-
As at March 31, 2017	4,430.78	7.47	396.61	1,005.45	218.09	2,193.44	2,303.87	11.20	69.71	223.87	12.41	10,872.90	123.94
Depreciation													
As at April 01, 2015	685.40	-	73.96	423.14	54.98	460.32	542.08	19.38	182.79	67.60	19.50	2,529.15	-
Charge for the year	148.15	-	13.28	143.37	31.11	92.99	185.48	0.87	40.48	23.46	2.76	681.95	-
Disposals	-	-	-	-	-	-	(0.13)	-	-	-	(0.33)	(0.46)	-
Reclassification (refer note (a) below)	3.69	-	-	4.97	-	-	6.02	-	-	-	(14.68)	-	-
As at March 31, 2016	837.24	-	87.24	571.48	86.09	553.31	733.45	20.25	223.27	91.06	7.25	3,210.64	-
Transfer of assets	-	-	-	(138.97)	-	-	(5.21)	-	(179.00)	(5.18)	(0.09)	(328.45)	-
Charge for the year	148.16	0.91	13.28	118.94	31.08	92.43	192.14	0.62	5.65	24.33	1.09	628.63	-
Disposals	(0.67)	-	-	(0.00)	(0.01)	-	(0.35)	(11.23)	(4.70)	(1.96)	(0.27)	(19.19)	-
At March 31, 2017	984.73	0.91	100.52	551.45	117.16	645.74	920.03	9.64	45.22	108.25	7.98	3,491.63	-
Net block													
As at April 1, 2015*	3,684.75	-	322.51	786.47	158.35	1,706.27	1,737.85	1.62	67.89	116.69	9.99	8,592.39	50.65
As at March 31, 2016	3,575.71	-	309.34	668.61	127.52	1,627.77	1,572.38	1.33	41.91	112.13	3.10	8,039.80	63.87
As at March 31, 2017	3,446.05	6.56	296.09	454.00	100.93	1,547.70	1,383.84	1.56	24.49	115.62	4.43	7,381.27	123.94

* Considered as deemed cost as per para D7AA of Ind AS 101 (Refer note 43.1).

a. Pursuant to the Schedule II of the Companies Act, 2013, the Holding Company has reclassified some of its assets to new categories.

b. Buildings include space given on operating lease:

Gross block ₹ 215.64 Crore (March 31, 2016: ₹ 210.09 Crore; April 01, 2015: ₹ 208.55 Crore),

Depreciation charge for the year ₹ 7.17 Crore (March 31, 2016: ₹ 6.99 Crore),

Accumulated depreciation ₹ 48.75 Crore (March 31, 2016: ₹ 40.17 Crore; April 01, 2015: ₹ 33.18 Crore),

Net book value ₹ 166.89 Crore (March 31, 2016: ₹ 169.92 Crore; April 01, 2015: ₹ 175.37 Crore)

Notes to the consolidated financial statements for the year ended March 31, 2017

c. Property plant and equipment includes asset taken on finance lease as below:

(All amounts in Rupees Crore, except otherwise stated)

	Electrical Installations and Equipment	Plant and Machinery	Computer and data processing units	Furniture and Fittings	Vehicles	Total
Gross block (at cost)						
As at April 1, 2015	263.89	21.92	202.38	11.46	0.12	499.77
Additions	-	-	-	-	-	-
As at March 31, 2016	263.89	21.92	202.38	11.46	0.12	499.77
Additions	-	-	-	-	-	-
Transfer of assets*	(263.89)	(21.92)	(202.38)	(11.46)	(0.12)	499.77
As at March 31, 2017	-	-	-	-	-	-
Depreciation						
As at April 1, 2015	112.54	3.67	143.90	3.81	0.07	263.99
Charge for the year	26.43	1.54	35.10	1.36	0.02	64.45
As at March 31, 2016	138.97	5.21	179.00	5.17	0.09	328.44
Charge for the year	-	-	-	-	-	-
Transfer of assets*	(138.97)	(5.21)	(179.00)	(5.17)	(0.09)	(328.44)
At March 31, 2017	-	-	-	-	-	-
Net block						
As at March 31, 2016	124.93	16.71	23.38	6.29	0.03	171.33
As at March 31, 2017	-	-	-	-	-	-

* During the financial year 2016-17, there is a modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly Holding Company has derecognised the assets and liabilities recognised under finance lease. (Also refer note 32.1)

Notes to the consolidated financial statements for the year ended March 31, 2017

5. Intangible assets

(All amounts in Rupees Crore, except otherwise stated)

	Airport concessionaire rights	Computer software	Total
Cost			
At April 1, 2015	490.52	39.57	530.09
Additions	-	1.06	1.06
At March 31, 2016	490.52	40.63	531.15
Additions	-	0.53	0.53
At March 31, 2017	490.52	41.16	531.68
Amortisation			
At April 1, 2015	60.05	36.54	96.59
Charge for the year	20.50	1.12	21.62
At March 31, 2016	80.55	37.66	118.21
Charge for the year	8.20	1.20	9.40
At March 31, 2017	88.75	38.86	127.61
Net Block			
At April 1, 2015*	430.47	3.03	433.50
At March 31, 2016	409.97	2.97	412.94
At March 31, 2017	401.77	2.30	404.07

* Considered as deemed cost as per para D7AA of Ind AS 101 (Refer note 43.1).

6.1 Non Current Investments

(All amounts in Rupees Crore, except otherwise stated)

	Non current		
	March 31, 2017	March 31, 2016	April 1, 2015
East Delhi Waste Processing Company Private Limited	0.01	-	-
7,839 shares of ₹ 10 each (March 31, 2016 : 7,839 shares of ₹ 10 each, April 1, 2015 : 7,839 shares of ₹ 10 each)			-
	0.01	-	-

6.2 Current Investments

(All amounts in Rupees Crore, except otherwise stated)

	Non current		
	March 31, 2017	March 31, 2016	April 1, 2015
Investments carried at fair value through profit or loss			
Investment in mutual fund			
Unquoted investments			
ICICI Prudential Liquid Regular Plan Growth	327.98	235.82	25.46
[1,36,56,817.68 units (March 31, 2016 : 10,534,675.60, April 1, 2015 : [1,230,627.04) Units of ₹ 100 each]			
Bank of Baroda Mutual Fund	75.05	-	40.09
[4,02,921.06 units (March 31, 2016 : Nil, April 1, 2015: 250,204.70) Units of ₹ 1000 each]			
Axis Liquid Fund Growth	175.10	133.67	89.65
[9,73,867.89 units (March 31, 2016 : 797,658.28, April 1, 2015 : 578,845.39) Units of			
Birla Sunlife Cash Plus- Inst.- Growth	408.63	57.28	-
[1,38,74,600.55 units (March 31, 2016 : 2,359,115.02, April 1, 2015 Nil) of ₹ 100 each]			
IDFC Cash Fund Growth Regular Plan	150.09	10.06	44.14
[7,61,522.75 units (March 31, 2016 : 54,713.55, April 1, 2015 : 259,782.04) Units of ₹ 1000 each]			
HDFC Liquid Fund	200.13	113.86	-
[6,25,480.62 units (March 31, 2016 : 381,494.63, April 1, 2015 Nil) Units of ₹ 1000 each]			
Kotak Liquid Scheme	190.13	62.77	-
[5,77,802.97 units (March 31, 2016 : 204,511.87, April 1, 2015 Nil) Units of ₹ 1000 each]			
Reliance Mutual Fund	105.31	-	-

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Non current		
	March 31, 2017	March 31, 2016	April 1, 2015
[77,28,843.10 units (March 31, 2016 : Nil, April 1, 2015 Nil) Units of ₹ 1000 each]			
Sundaram Money Fund Regular – Growth	100.06	39.91	11.71
[2,92,64,666.72 units (March 31, 2016 : 12,525,663.49, April 1, 2015 3,974,724.83) Units of ₹ 1000 each]			
SBI Premier Liquid Fund - REGULAR PLAN -Growth	120.07	195.60	20.01
[4,71,677.90 units (March 31, 2016 : 823,193.45, April 1, 2015: 91,131.37) Units of ₹ 1000 each]			
DSP Mutual Fund	190.12	33.68	-
[8,20,156.48 (March 31, 2016 : 155,806.74, April 1, 2015 Nil) Units of ₹ 1000 each]			
LIC Nomura Liquid Fund	50.03	-	-
[1,70,270.79 units (March 31, 2016 : Nil, April 1, 2015 Nil) Units of ₹ 1000 each]			
Tata Liquid Fund Plan A - Growth	-	-	16.08
[Nil (March 31, 2016 : Nil, April 1, 2015 62,345.08) Units of ₹ 1000 each]			
Commercial Papers			
SREI Infrastructure Finance Limited	91.68	74.01	-
[2000 units (March 31, 2016 : 1500, April 1, 2015 Nil) Units of ₹ 500000 each]			
	2,184.38	956.66	247.14
Aggregate book value of unquoted investments	2,174.44	949.22	246.64
Aggregate market value of unquoted current investments in mutual funds	2,184.38	956.66	247.14

7. Loans

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Carried at amortised cost						
Security deposits						
Unsecured, considered good to others	1.25	2.25	1.84	2.16	0.24	0.38
	1.25	2.25	1.84	2.16	0.24	0.38

8. Other Financial assets

(All amounts in Rupees Crore, except otherwise stated)

		Non current			Current		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Carried at amortised cost							
Advances to related parties							
Unsecured, considered good to related parties		-	-	-	16.56	14.65	13.12
Doubtful, to related parties		2.82	2.82	2.82	-	-	-
Less: provision for doubtful advances		(2.82)	(2.82)	(2.82)	-	-	-
	(A)	-	-	-	16.56	14.65	13.12
Others							
Development fund receivable [refer note 44 (a) (iii)]		-	-	106.35	-	83.99	456.20
Interest accrued on fixed deposits and others		-	-	-	15.19	9.63	6.42
Non-trade receivable [Net of Provision of Doubtful Debts ₹ 1.57 Crore (March 31, 2016 : Rs. 1.23 Crore and April 1, 2015: ₹ 3.40 crore)]		-	-	-	16.40	14.14	24.67
Unbilled revenue		-	-	-	5.66	25.72	54.55
	(B)	-	-	106.35	37.25	133.48	541.84
Total other financial assets	(A+B)	-	-	106.35	53.81	148.13	554.96

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Notes to the consolidated financial statements for the year ended March 31, 2017

9. Other assets

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Capital advances	4.47	10.93	2.26	-	-	-
(A)	4.47	10.93	2.26	-	-	-
Advances other than capital advance						
Advance to suppliers	-	-	-	23.70	12.81	9.65
Advance to employees	-	-	-	0.09	0.07	0.11
Other advances	-	-	-	0.45	0.45	0.65
Less: provision for doubtful advances	-	-	-	(0.45)	(0.45)	(0.65)
(B)	-	-	-	23.79	12.88	9.76
Others						
Prepaid expenses	5.87	6.31	6.81	5.02	5.16	5.75
Deposit with government authorities including paid under protest [refer note 44 (r)]	-	-	-	0.03	30.66	30.66
MAT credit entitlement	-	-	2.93	-	-	-
Service Tax Refund Receivable	-	-	-	0.73	-	-
CENVAT Receivable (Net)	-	-	-	7.42	1.26	3.46
Gratuity fund balance (net) [refer note 34]	-	-	-	-	0.36	-
Advance Tax (net of provision for taxation ₹ 155.78 Crore (March 31, 2016: ₹ 93.80 Crore, April 1, 2015: Nil))	80.95	80.14	76.92			
(C)	86.82	86.45	86.66	13.20	37.44	39.87
Total other assets (A+B+C)	91.29	97.38	88.92	36.99	50.32	49.63

10. Income tax

The major components of income tax expenses for the years ended March 31, 2017 and March 31, 2016 are:

Consolidated statement of profit and loss:

Profit and loss section:

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Current Tax	238.69	129.07
Adjustment of tax relating to earlier years	(1.88)	-
MAT credit entitlement for earlier years written off	-	2.93
Deferred Tax charge	303.69	(11.32)
	540.50	120.68

OCI section

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Tax effects on re-measurement gains (losses) on defined benefit plans	0.38	(0.05)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016 and March 31, 2017:

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Accounting profit before tax	1,075.07	589.42
Tax at the applicable tax rate of 34.61% (March 31, 2016: 34.61%)	372.06	203.99
Tax effect of expenses that are not deductible in determining taxable profit:		
Donation paid disallowed	3.60	1.60
Interest on delayed payment of Income Tax	1.60	0.28
Utilisation of previously unrecognised tax losses	-	(197.84)
MAT adjustment	238.69	129.07
Other adjustments	2.09	(0.61)
Previously unrecognised tax losses used to reduce deferred tax expense	-	(40.12)
Interest on delayed payment by customers (Unrealized)	(23.86)	-
Adjustments on which deferred tax is not created	(52.19)	21.43

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Adjustment of tax relating to earlier years	(1.88)	-
MAT credit entitlement for earlier years written off	-	2.93
Tax effects on re-measurement gains (losses) on defined benefit plans	0.38	(0.05)
At the effective income tax rate of 48% (March 31, 2016: 19%)	540.50	120.68
Total tax expense reported in the statement of profit and loss	540.50	120.68

Deferred tax:

(All amounts in Rupees Crore, except otherwise stated)

	Balance sheet			Statement of profit or loss	
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016
Deferred tax liability					
Accelerated depreciation for tax purposes	(1,015.37)	(1,017.66)	(1,001.27)	2.29	(16.39)
Marketing Fund Liability	-	(13.68)	-	13.68	(13.68)
Derivative liability-mark to market loss on IRS	(4.96)	-	-	(4.96)	-
On account of upfront fees being amortized using EIR method	(20.93)	(18.19)	-	(2.74)	(18.19)
Fair value of investment in mutual fund	(3.44)	(2.57)	-	(0.87)	(2.57)
	(1,044.70)	(1,052.10)	(1,001.27)	7.40	(50.83)
Deferred tax asset					
Unabsorbed depreciation	597.75	867.84	890.85	(270.09)	(23.01)
Others Disallowances	34.37	9.03	8.37	25.39	0.66
Unrealised forex loss on borrowings	17.26	-	-	17.26	-
Intangibles (Airport Concessionaire rights)	69.96	73.84	77.73	(3.88)	(3.89)
Carry Forward Losses	-	85.73	24.32	(85.73)	61.41
Derivative liability-mark to market loss on IRS	-	4.96	-	(4.96)	4.96
Other borrowing cost to the extent not amortised	19.26	22.02	-	(2.76)	22.02
Marketing Fund Liability	13.68	-	-	13.68	-
	752.28	1,063.42	1,001.27	(311.09)	62.15
Net deferred tax assets/(liabilities)	(292.42)	11.32	-	303.69	(11.32)

Reconciliations of net deferred tax liabilities / (assets)

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Opening balance as of April 1	(11.27)	-
Tax income/(expense) during the period recognised in profit or loss	303.69	(11.32)
Tax income/(expense) during the period recognised in OCI	(0.38)	0.05
Closing balance as at March 31, 2017	292.04	(11.27)

The Holding Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

11. Inventories

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
(valued at lower of cost or net realizable value)			
Stores and spares	7.42	7.19	7.73
	7.42	7.19	7.73

12. Trade receivables

(All amounts in Rupees Crore, except otherwise stated)

	Current		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables			
Related parties	66.01	56.82	31.83
Others	832.87	734.64	622.82
	898.88	791.46	654.65



Notes to the consolidated financial statements for the year ended March 31, 2017

Break up for security details:

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	313.09	268.78	248.56
Secured, considered good**	585.79	522.68	406.09
Unsecured, considered good	2.66	1.38	8.03
Unsecured, considered doubtful	901.54	792.84	662.68
	(2.66)	(1.38)	(8.03)
Less: Allowances for doubtful receivables	898.88	791.46	654.65

** Trade receivable to the extent covered by security deposits or bank guarantees are considered as Secured trade receivables.

No trade or other receivable are due from directors or other officers of the holding company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

13. Cash and Cash Equivalent

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
- Balances with Banks			
- On current accounts [#]	44.45	41.92	76.24
- Deposits with original maturity of less than three months*	505.00	350.00	38.11
Cheques / drafts on hand	4.73	15.78	5.28
Cash on hand	0.03	0.04	0.03
	554.21	407.74	119.66

[#] Cash and cash equivalents includes balance on current account with banks for ₹ 2.34 Crore (March 31, 2016: Nil; April 1, 2015: Nil) in respect of Marketing Fund.

* Deposit with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Holding Company, and earn interest at the respective short-term deposit rates.

At March 31, 2017, the Group has available ₹ 221.54 crore (March 31, 2016: ₹ 297.96 crore, April 1, 2015: ₹ 300.39 crore) of undrawn borrowing facilities for future operating activities.

14. Bank balances other than cash and cash equivalents

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
- Margin money deposit*	0.22	42.29	30.84
- Deposits with original maturity of more than three months but less than 12 months [#]	46.00	33.85	169.73
	46.22	76.14	200.57

* ₹ Nil (March 31, 2016 ₹ 42.09 Crore and April 1, 2015: ₹ 30.62 Crore) against Debt Service Reserve Account (DSRA) as per financing agreement. ₹ 0.22 Crore (March 31, 2016: ₹ 0.20 Crore and April 1, 2015: ₹ 0.22 Crore) against License fee to South Delhi Municipal Corporation.

[#] Deposits with bank includes ₹ 46.00 Crore (March 31, 2016: Nil and April 1, 2015: Nil) in respect of Marketing Fund.

Break up of financial assets carried at amortised cost and at fair value through profit and loss

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets carried at amortised cost						
Loans	1.25	2.25	1.84	2.16	0.24	0.38
Trade Receivable (refer note 12)	-	-	-	898.88	791.46	654.65
Other financial assets			106.35	53.81	148.13	554.96
Cash and cash equivalents (refer note 13)	-	-	-	554.21	407.74	119.66
Bank balance other than Cash and cash equivalents (refer note 14)	-	-	-	46.22	76.14	200.57
(A)	1.25	2.25	108.19	1,555.28	1,423.71	1,530.22

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets carried at Fair value through profit or loss						
Investment in mutual funds				2,184.38	956.66	247.14
(B)	-	-	-	2,184.38	956.66	247.14
Total financial assets (A+B)	1.25	2.25	108.19	3,739.66	2,380.37	1,777.36

15. Equity Share Capital

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Authorised Share capital : (No. in Crore)			
300 Crore (March 31, 2016: 300 Crore, April 1, 2015: 300 Crore) equity shares of ₹ 10 each	3,000	3,000	3,000
	3,000	3,000	3,000
Issued, Subscribed and Paid-up			
245 Crore (March 31, 2016: 245 Crore, April 1, 2015: 245 Crore) equity shares of ₹ 10 each fully paid up	2,450	2,450	2,450
	2,450	2,450	2,450

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017		March 31, 2016	
	No. Crore	(₹ in Crores)	No. Crore	(₹ in Crores)
Equity Shares				
At the beginning of the year	245	2,450	245	2,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	245	2,450	245	2,450

b. Terms/Rights Attached to equity Shares

The Holding Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company the holders of equity shares would be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

c. Shares held by holding /ultimate holding company and/or their subsidiaries.

Out of equity shares issued by the Holding Company, shares held by its holding company, intermediate holding company and its subsidiaries are as below:

(All amounts in Rupees Crore, except otherwise stated)

Name of Shareholder	March 31, 2017	March 31, 2016
GMR Infrastructure Limited, the intermediate holding company		
100 (March 31, 2016: 100) equity shares of ₹10 each fully paid up	0.00	0.00
GMR Energy Limited, Subsidiary of the intermediate holding company		
100 (March 31, 2016: 100) equity shares of ₹10 each fully paid up	0.00	0.00
GMR Airports Limited along with Mr. Srinivas Bommidala		
1 (March 31, 2016: Nil) equity shares of ₹10 each fully paid up	0.00	-



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Name of Shareholder	March 31, 2017	March 31, 2016
GMR Airports Limited along with Mr Grandhi Kiran Kumar		
1 (March 31, 2016: Nil) equity shares of ₹10 each fully paid up	0.00	-
GMR Airports Limited, the holding company of DIAL		
156.80 Crore (March 31, 2016: 156.80 Crore) equity shares of ₹10 each fully paid up	1,568	1,568

d. Details of Shareholders holding more than 5% of equity shares in the Holding company

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017		March 31, 2016	
	Numbers	% holding in Class	Numbers	% Holding in Class
Equity shares of ₹ 10 each fully paid				
Airports Authority of India	637,000,000	26%	637,000,000	26%
GMR Airports Limited	1,567,999,798	64%	1,567,999,800	64%
Fraport AG Frankfurt Airport Services Worldwide	245,000,000	10%	245,000,000	10%
	2,449,999,798	100%	2,449,999,800	100%

As per records of the Holding Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal ownership of shares as at the balance sheet date.

16. Other Equity

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
Retained earnings		
Opening balance	109.28	(427.75)
Add: Net profit for the year	605.05	536.94
Re-measurement gains on defined benefit plans	(0.73)	0.09
Closing balance	713.60	109.28
Share of OCI of Joint Venture & Associates		
Opening balance	(0.01)	-
Add: current Year Share of OCI	(0.10)	(0.01)
Closing balance	(0.11)	(0.01)
Cash flow hedge reserve	(16.84)	-
	696.65	109.27

16.1 Proposed dividends on Equity shares: [refer note: 44 (q)]

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2017: ₹ 0.65 per share	159.25	-
Dividend distribution tax (DDT) on proposed dividend	32.41	-
	191.66	-

Proposed dividend is subject to approval in the Annual General Meeting and are not recognized as a liability (including DDT thereon) as at March 31, 2017.

17. Borrowings

(All amounts in Rupees Crore, except otherwise stated)

Secured loan	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Rupee term loans from:						
Banks	-	2,117.38	1,106.42	-	49.96	2.48
Banks (against development fee)	-	-	89.06	-	84.00	456.20
Financial Institution	-	771.83	1,854.74	-	21.98	4.71

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Secured loan	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Foreign currency term loans:						
Banks	-	536.73	537.60	-	32.49	28.95
6.125% (2022) senior secured foreign currency notes	1,859.25	1,886.63	1,776.73	-	-	-
6.125% (2026) senior secured foreign currency notes	3,402.72	-	-	-	-	-
Finance lease Obligation :						
Obligation under finance leases (Refer note 35 I)	-	80.59	178.35	-	97.76	87.67
	5,261.97	5,393.16	5,542.90	-	286.19	580.01
Amount disclosed under the head "other current financial liabilities" (refer note 18)					(286.19)	(580.01)
Net amount	5,261.97	5,393.16	5,542.90	-	-	-

- Rupee Term Loan (RTL) of ₹ Nil (March 31, 2016: ₹ 2,167.34 Crore, April 1, 2015: ₹ 1,108.90 Crore), principal outstanding of ₹ Nil (March 31, 2016 ₹ 2,170.37 Crore, April 1, 2015: ₹ 1,112.30 Crore) from Banks carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.65% to 11.00% p.a. (March 31, 2016: 10.65% to 11.75% per annum, April 1, 2015: 11.50% to 11.75% per annum).
- Rupee Term Loan (RTL) of ₹ Nil (March 31, 2016: ₹ 793.81 Crore, April 1, 2015: ₹ 1859.45 Crore), principal outstanding of ₹ Nil (March 31, 2016 ₹ 794 Crore, April 1, 2015: ₹ 1,859.67 Crore) from financial institutions carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.10% to 10.50% p.a. (March 31, 2016: 10.50% to 10.70% p.a, April 1, 2015: 10.70% to 11.50% p.a).
- Foreign currency term loan of USD Nil (March 31, 2016 : USD 85.25 million, April 1, 2015 : USD 89.84 million), principal outstanding of ₹ Nil (March 31, 2016 : USD 86.45 million, April 1, 2015 : USD 91.24 million) carries interest at 6 months LIBOR plus agreed spread of 480 bps.
- Rupee Term Loan (RTL) for principal outstanding of ₹ 2,928.20 Crore and foreign currency term loan for outstanding of USD 83.92 Million as on October, 2016 have been refinanced in November, 2016 with the proceeds of 6.125% (2026) Senior Secured Foreign Currency Notes (Notes) of USD 522.60 million (March 31, 2016: Nil, April 1, 2015: Nil) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in October, 2026. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Holding Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.
- 6.125% Senior Secured Foreign Currency Notes (Notes) of USD 283.42 million (March 31, 2016: USD 282.56 million, April 1, 2015: USD 281.75 million), principal outstanding of USD 288.75 million (March 31, 2016: USD 288.75 million, April 1, 2015: USD 288.75 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in February, 2022. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Holding Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.
- Rupee Term Loan against Development Fees ("DF") receipts from banks carries interest at fixed rate of Interest of 11.50% p.a. (March 31, 2016: 11.95% per annum). The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement. The aforesaid loan was secured by pari passu first charge on DF receipts by the Holding Company. The loan has been fully repaid during the year ended March 31, 2017.
- Finance lease obligation on account of IT assets and other assets is secured by hypothecation of these assets. The interest rate implicit in the lease is 10.11% to 10.55%. The finance lease obligation has been settled in full.
- Financing Documents entered into with respect to Rupee Term Loan, Foreign Currency Loan from bank require certain financial covenants such as Debt Service Coverage Ratio, Debt to Equity Ratio etc, to be complied with. In respect of Rupee Term Loan and Foreign Currency Loan from bank, any failure to comply with any of the said financial covenants could lead to Event of Default under the Financing Documents. The Rupee Term loan and the Foreign Currency Loan from bank have been entirely refinanced with Foreign currency Notes, 2026 in October, 2016. With respect to Foreign Currency Notes 2022/2026, the Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Holding Company has complied with the financial covenants prescribed in the financing documents and the Indenture.

Notes to the consolidated financial statements for the year ended March 31, 2017

18. Other Financial Liabilities

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial liabilities carried at fair value through OCI						
Cash flow hedge; Call spread option	-	-	-	42.58	-	-
	-	-	-	42.58	-	-
Financial liabilities carried at fair value through profit and loss						
Derivative not designated as hedge; Interest rate swap (refer note 37)	-	-	-	-	14.34	10.10
Total financial liabilities at Fair value through Profit and Loss	-	-	-	-	14.34	10.10
Other financial liabilities at amortised cost						
Security Deposits from trade concessionaires-related parties	148.75	132.01	115.97	1.37	0.73	0.46
Security Deposits from trade concessionaires-others	121.61	130.38	143.60	124.85	82.43	41.57
Security Deposits from commercial property developers	7.59	6.39	5.73	-	-	-
Earnest money deposits	-	-	-	4.50	3.90	3.53
Capital Creditors	0.00	6.73	12.77	49.25	36.91	36.25
Retention money - Non-trade	3.51	2.46	3.38	37.36	40.39	38.95
Liability for Voluntary retirement scheme	16.85	31.29	44.73	14.45	13.46	12.65
Current maturities of long term borrowings (refer note 17)	-	-	-	-	188.43	492.34
Current maturities of finance lease obligation (refer note 17)	-	-	-	-	97.76	87.67
Interest accrued but not due on borrowings	-	-	-	107.02	28.86	25.07
Total other financial liabilities at amortised cost	298.31	309.26	326.18	338.80	492.87	738.49
Total other financial liabilities	298.31	309.26	326.18	381.38	507.21	748.59

Financial liabilities at fair value

Financial liabilities at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 602.6 million (₹ 3,953.06 Crore) on senior secured foreign currency notes.

Financial liabilities at fair value through profit and loss

Interest rate swap of USD Nil million (March 31, 2016: USD 86.453 million) [1.94% p.a. on notional amount payable semiannually and receive USD 6 months LIBOR, semi-annually] were effective from June 30, 2015.

19. Deferred Revenue

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income on financial liabilities carried at amortized cost	1,780.83	1,752.21	1,784.02	74.73	73.57	73.19
Unearned revenue	0.48	0.56	1.41	11.45	8.48	9.25
	1,781.31	1,752.77	1,785.43	86.18	82.05	82.44

Notes to the consolidated financial statements for the year ended March 31, 2017

Deferred income on financial liabilities carried at amorized cost

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
At April 1	1,825.78	1,857.21	1,857.21
Deferred during the year	93.45	51.50	-
Released to the statement of profit and loss	(63.66)	(82.93)	-
	1,855.57	1,825.78	1,857.21

Unearned revenue

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
At April 1	9.04	10.66	10.66
Deferred during the year	246.90	213.51	-
Released to the statement of profit and loss	(244.01)	(215.13)	-
	11.93	9.04	10.66

Deferred income on financial liabilities carried at amorized cost

Interest free security deposit received from concessionaire and commercial property developers (that are refundable in cash on completion of its term) are carried at amortised cost under Ind AS. Difference between the amortised value and transaction value of the security deposits received has been recognised as deferred revenue.

20. Other Liabilities

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Advances						
Advances from commercial property developers	95.60	121.77	175.85	94.74	104.75	95.66
Advance from customer	17.35	24.85	32.35	5.91	7.01	15.81
Others						
Development Fee Accrued (to the extent of not utilized)	-	-	-	-	4.15	41.17
Other liabilities	-	-	-	13.52	19.21	16.22
Marketing fund liability [refer note 44 (i)]	-	-	-	53.43	-	-
Tax deducted at source/Tax Collected at source payable	-	-	-	55.90	43.25	33.85
Other statutory dues	-	-	-	2.79	3.96	4.83
	112.95	146.62	208.20	226.29	182.33	207.54

21. Trade payables

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payable			
- Micro, Small and Medium Enterprises	1.19	0.67	1.02
- Related parties	214.45	151.50	117.74
- Others	215.77	238.28	306.95
	431.41	390.45	425.72

Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
"The principal amount and the interest due thereon remaining unpaid to any supplier:"			
- Principal amount	1.19	0.67	1.02
- Interest thereon	-	-	-



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
The amount of interest accrued and remaining unpaid	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-	-
Terms and conditions of the above financial liabilities:			
Trade payables are non-interest bearing and are normally settled on 60-day terms.			
Related parties payable are payable on demand once they get due.			
For explanations on the Company's credit risk management processes, refer to Note 39.			

22. Provisions

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Provision for employee benefits (refer note 34)			
Provision for leave benefits	17.84	15.17	14.29
Provision for Gratuity	1.21	-	0.61
Provision for superannuation	0.29	0.27	-
	19.34	15.44	14.90

Break up of financial liabilities

(All amounts in Rupees Crore, except otherwise stated)

	Non current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial liability carried at amortised cost						
Borrowings (Note 17)	5,261.97	5,393.16	5,542.90	-	-	-
Trade Payables (Note 21)	-	-	-	431.41	390.45	425.72
Other financial liabilities	298.31	309.26	326.18	338.80	492.87	738.49
Financial liabilities carried at fair value through profit and loss	-	-	-	-	14.34	10.10
Financial liabilities carried at fair value through OCI	-	-	-	42.58	-	-
	5,560.28	5,702.42	5,869.08	812.79	897.66	1,174.31

23. Revenue From Operations

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of services		
Aeronautical	3,931.53	3,407.58
Non - Aeronautical (refer note 44 j)	1,528.47	1,579.52
Other operating income		
Income from commercial property development (refer note 44 j)	164.23	164.90
	5,624.23	5,152.00

Notes to the consolidated financial statements for the year ended March 31, 2017

24. Other income

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income on financial asset carried at amortised cost		
Bank deposits and others	52.21	70.57
Security deposits given	0.14	0.20
Other non-operating income		
Gain on sale of financial asset carried at Fair value through profit and loss		
Current investments-Mutual fund	97.43	47.99
Exchange difference (net)	96.34	-
Fair value gain on financial instruments (IRS) at fair value through profit or loss	6.17	-
Fair value gain on financial instruments at fair value through profit and loss*	2.50	6.94
Miscellaneous income	0.82	0.22
	255.61	125.92

* Fair value gain on financial instrument at fair value through profit & loss relates to current investment in mutual funds.

25. Employee Benefits Expense

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	115.88	111.32
Contribution to provident and other funds (refer note 34)	8.75	8.39
Gratuity expenses (refer note 34)	1.24	1.36
Staff welfare expenses	3.60	4.41
	129.47	125.48

26. Other expenses

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Utility expenses	106.54	121.66
Repairs and maintenance		
Plant and machinery	95.20	83.82
Buildings	27.00	32.78
IT Systems	32.08	28.95
Others	9.14	6.00
Manpower hire charges	95.79	85.58
Airport Operator fees	151.05	128.68
Security expenses	13.61	9.89
Information technology and related expenses	2.75	46.27
Insurance	7.16	9.15
Consumables	11.30	8.85
Professional and consultancy expenses	47.19	48.76
Travelling and conveyance	16.51	14.15
Office maintenance and other expenses	6.40	4.33
Rates and taxes	8.28	8.32
Rent (including lease rentals)	9.65	9.99
Advertising and sales promotion	11.01	8.09
Communication costs	1.70	1.62
Printing and stationery	0.98	1.33
Directors' sitting fees	0.32	0.26
Payment to auditors (refer note A below)	1.89	2.16
Fair value loss on financial instruments (IRS) at fair value through profit or loss	-	4.24
Provision for Bad debts / Bad Debts Written off	1.73	0.03
Provision for Doubtful advances / Advances Written off	-	0.43



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Exchange difference (net)	-	138.19
Corporate cost allocation	75.92	54.20
Loss on discard of Property, Plant and Equipment	1.59	0.13
Donations	2.89	1.51
CSR expenditure (refer note B below)	7.51	4.21
Marketing expenses	39.55	7.96
Expenses of commercial property development	43.13	44.99
Miscellaneous expenses	6.51	6.53
	834.38	923.06

A. Payment to Auditors (Included in other expenses above)

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
As Auditor		
Audit fee	0.78	0.51
Tax audit fee	0.07	0.07
Other services		
- Other services (including certification fees)*	0.95	1.35
-Reimbursement of expenses	0.09	0.23
	1.89	2.16

* Professional fees of ₹ 0.62 Crore (March 31, 2016: ₹ Nil) in connection with 6.125% of senior secured foreign currency notes (2026) are amortised over the period of secured notes.

B. Details of CSR expenditure:

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Gross amount required to be spent by the Group during the year	8.38	4.63
(b) Amount spent during the year ending on 31st March, 2017:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.01	0.50
		7.51
b) Amount spent during the year ending on 31st March, 2016:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	0.44	-
ii) On purposes other than (i) above	3.62	0.15
		3.77

27. Finance Costs

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings*	419.56	511.28
Call spread option premium	40.70	-
Other interest	9.99	68.10
Other borrowing costs		
- Bank charges	3.91	2.42
- Other cost	3.22	5.41
- Interest expenses on financial liability carried at amortised cost	49.87	45.03
	527.25	632.24

*Includes reversal of finance charges under finance lease obligation of ₹ 7.01 crore (March 31, 2016 expenses of: ₹ 24.73 crore) [refer note 35 i]

Notes to the consolidated financial statements for the year ended March 31, 2017

28. Depreciation and amortization expense

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation on Property, Plant and Equipment	628.63	681.95
Amortization of intangible assets	9.40	21.62
	638.03	703.57

29. Exceptional items

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Loan prepayment charges [refer note 44 (o)]	40.80	-
	40.80	-

30. Components of OCI

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

(All amounts in Rupees Crore, except otherwise stated)

During the year ended March 31, 2017	For the year ended March 31, 2017
Re-measurement gains (losses) on defined benefit plans	(0.73)
Cash Flow Hedge Reserve	(16.84)
Share of associates and joint ventures	(0.10)
	(17.67)
During the year ended March 31, 2016	For the year ended March 31, 2016
Re-measurement gains (losses) on defined benefit plans	0.09
Share of associates and joint ventures	(0.01)
	0.08

31. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(All amounts in Rupees Crore, except otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit attributable to equity holders of the Holding Company	605.05	536.94
Profit attributable to equity holders of the Holding Company for basic earnings	605.05	536.94
Weighted average number of equity shares used for computing Earning Per Share (Basic) & Diluted	245.00	245.00
	245.00	245.00
Earning Per Share (Basic) (Rs)	2.47	2.19
Earning Per Share (Diluted) (Rs)	2.47	2.19
Face value per share (Rs)	10.00	10.00



Notes to the consolidated financial statements for the year ended March 31, 2017

32. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that effect 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.

32.1 Judgements

In the process of applying the Group's accounting policies, Group's management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Discounting rate

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

Service Concession Arrangement (SCA)

- i. The Holding Company had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives Holding Company 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 Holding Company conducted detailed analysis to determine applicability of Appendix A of Ind AS 11 and concluded that the same does not apply to the Holding Company. Holding Company's concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from holding Company, 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 of Holding Company has concluded that SCA does not apply in its entirety to the Holding Company.
- ii. Management of Celebi has assessed applicability of Appendix A to Ind AS 11 – "Service Concession

Arrangements" to Concessionaire agreement entered into by the Celebi which gives it right to operate, maintain, develop, modernise and manage the existing Cargo Terminal for a period till March 31, 2034. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, Celebi's management has determined that this arrangement meet the criteria for recognition as service concession arrangements.

Development Fund

The Airport Economic Regulatory Authority of India (AERA) had passed an order vide 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, in respect of levy of Development fee (DF) at Delhi Airport. As per the facts of the matter, Holding Company is collecting tax/levy for the purpose of bridging the funding gap i.e. essentially a viability gap funding made by AERA to meet the project cost. The amount of funding, its securitisation and utilisation is closely monitored by AERA. The DF collected is not in the nature of tariffs or charges to be collected from passengers for the purpose of concession, but a levy or tax that has been collected by Holding Company on behalf of AAI and utilised for the expansion and up-gradation of the Airport. Accordingly, the management of Holding Company has concluded that DF is a levy or tax and has been used/collected under a mechanism for building infrastructure that has been part of concession.

Annual Fee to AAI

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

Management of the Holding 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 Holding 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.

Leases: whether an arrangement contains a lease

Lease of Solar power plant

Significant judgement is required to apply lease accounting under Appendix C to Ind AS 17: 'Determining whether an arrangement

Notes to the consolidated financial statements for the year ended March 31, 2017

contains a Lease'. In assessing the applicability to arrangements entered into by the Celebi, Celebi's management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to Ind AS 17.

Lease of IT assets

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

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group 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.

32.2 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 Group based its assumptions and estimates on parameters available when the standalone 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 Group. 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, management of the group considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 34.

Provision for planned maintenance

As part of the Celebi's contractual obligation to maintain the cargo terminal to a specified level of serviceability, the Celebi has recognised a provision for planned maintenance in their financial statement. In determining the fair value of the provision, assumption and estimate are made in relation to discount rates, the expected cost to replace the assets, inflation percentage and the expected timing of those costs. The carrying amount of the provision as at March 31, 2017 was ₹ 302,969,668 (March 31, 2016: 264,251,902, April 01, 2015: 239,503,982). The Celebi has calculated the provision using the discounted cash flow (DCF) method based on the following assumptions:

- Discount rate: 7.25-8.45% p.a.
- Inflation percentage: 4 % p.a.

Provision for Leave encashment

The present value of leave encashment is determined using actuarial valuations. An actuarial valuation involves making



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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 Group, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of

significant judgement and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37, 38 and 39 for further disclosures.

33. Related Party Transactions

(a) Names of related parties and description of relationship in respect of Holding Company:

Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited (formerly known as GMR Holdings Private Limited) ¹
Intermediate holding company	GMR Infrastructure Limited
Holding company of DIAL	GMR Airports Limited
Subsidiary company	Delhi Aerotropolis Private Limited
Associate company	Delhi Airport Parking Services Private Limited
	Travel Food Services (Delhi Terminal 3) Private Limited
	Delhi Duty Free Services Private Limited
	Celebi Delhi Cargo Terminal Management India Private Limited
	TIM Delhi Airport Advertising Private Limited
Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	East Delhi Waste Processing Company Limited ²
	GMR Energy Limited
	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Chhattisgarh Energy Limited
	GMR Kamalanga Energy Limited
	Kakinada SEZ Limited (formerly known as Kakinada SEZ Private Limited) ³
	GMR Warora Energy Limited
	GMR Pochanpalli Expressways Limited
	GMR Corporate Affairs Private Limited
	GMR Bajoli Holi Hydropower Private Limited
	GMR Tambaram Tindivanam Expressways Limited
	GMR Consulting Services Limited
	GMR Aerospace Engineering Limited
	GMR Infrastructure (Singapore) Pte Limited
	GMR Energy Trading Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	GMR Power Corporation Limited
	GMR Sports Private Limited
	GMR Tuni Anakapalli Expressways Limited
Description of relationship	Name of the related parties
Joint ventures (where transactions have taken place)	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited

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

1. GMR Holdings Private Limited and GMR Projects Private Limited have been amalgamated with GMR Enterprises Private Limited (Transferee Company), pursuant to approval of scheme of amalgamation and arrangements by Hon'ble High Court of Madras vide its order No. 8471/16 dated July 06, 2016 effective from August 10, 2016.
2. DIAL, through a power of attorney, has irrevocably transferred its participating rights in East Delhi Waste Processing Company Limited to other shareholder, resulting EDWPCL being ceases to be the associate of DIAL.
3. Kakinada SEZ Private Limited is converted into a Public Company upon completion of all regulatory compliances. Consequently, the name of the Company has been changed to Kakinada SEZ Limited with effect from October 20, 2016.

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

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Investments in subsidiary, associates and Joint Ventures			
Investments at carrying value			
Associate Companies			
Celebi Delhi Cargo Terminal Management India Private Limited	48.59	45.91	43.16
Delhi Duty Free Services Private Limited	113.65	96.49	78.35
Travel Food services (Delhi Terminal 3) Private Limited	3.69	1.46	0.34
TIM Delhi Airport Advertising Private Limited	33.10	30.12	27.48
Delhi Airport Parking Services Private Limited	46.13	-	-



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(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
East Delhi Waste Processing Company Limited	-	0.00	0.00
Joint ventures			
Delhi Aviation Services Private Limited	19.65	19.93	17.18
Delhi Aviation Fuel Facility Private Limited	50.84	57.81	55.38
Wipro Airport IT Services Limited	3.46	2.46	2.35
Assets held for sale			
Investment at carrying value			
Associate Companies			
Delhi Airport Parking Services Private Limited	-	43.54	40.81
Trade Receivables (including marketing fund)			
Intermediate holding company			
GMR Infrastructure Limited	0.47	1.28	-
Enterprises in respect of which the holding company is a joint venture			
Airports Authority of India	0.04	-	0.04
Associate Companies			
Delhi Duty Free Services Private Limited	13.17	13.88	12.31
TIM Delhi Airport Advertising Private Limited	30.35	21.76	0.04
Delhi Airport Parking Services Private Limited	2.3	1.94	1.02
Travel Food Services (Delhi Terminal 3) Private Limited	1.02	4.92	6.64
Celebi Delhi Cargo Terminal Management India Private Limited	14.35	11.92	9.71
Joint ventures			
Delhi Aviation Services Private Limited	-	-	0.41
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Aviation Private Limited	0.18	0.14	0.03
GMR Energy Limited	-	-	1.02
GMR Badrinath Hydro Power Generation Private limited	-	-	0.61
GMR Consulting Services Limited	1.26	1.3	-
GMR Chhattisgarh Energy Limited	1.21	-	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.11	0.37	-
GMR Vemagiri Power Generation Limited	0.90	-	-
GMR Kamalanga Energy Limited	0.35	-	-
GMR Bajoli Holi Hydropower Private Limited	0.30	-	-
Other Financial Assets – Current			
Unbilled revenue including Utility recovery not billed			
Enterprises in respect of which the holding company is a joint venture			
Airports Authority of India	1.09	1.02	0.66
Associate Companies			
Delhi Airport Parking Services Private Limited	-	-	0.04
TIM Delhi Airport Advertising Private Limited	-	-	18.18
Delhi Duty Free Services Private Limited	-	-	2.17
Celebi Delhi Cargo Terminal Management India Private Limited	-	-	0.08
Joint ventures			
Delhi Aviation Services Private Limited	-	-	0.01
Reversal of Unbilled Revenue			
Associate Companies			
Travel Food Services (Delhi Terminal 3) Private Limited	0.29	-	0.84
Delhi Airport Parking Services Private Limited	0.59	-	-
Other Financial Assets – Current			

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(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Non- Trade Receivables (including marketing fund)			
Intermediate holding company			
GMR Infrastructure Limited	0.05	0.03	-
Enterprises in respect of which the holding company is a joint venture			
Airports Authority of India	0.71	1.37	2.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Consulting Services Limited	0.78	0.41	-
GMR Chhattisgarh Energy Limited	0.24	0.02	-
GMR Tambaram Tinidivanam Expressways Limited	0.03	0.02	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.10	0.03	-
GMR Energy Limited	-	-	0.65
GMR Kamalanga Energy Limited	0.02	-	-
GMR Aviation Private Limited	0.02	-	-
GMR Bajoli Holi Hydropower Private Limited	0.03	-	-
GMR Vemagiri Power Generation Limited	0.18	-	-
Associate Companies			
Travel Food Services (Delhi Terminal 3) Private Limited	0.37	0.40	0.33
Celebi Delhi Cargo Terminal Management India Private Limited	0.58	1.26	0.98
Delhi Airport Parking Services Private Limited	0.16	0.17	0.16
TIM Delhi Airport Advertising Private Limited	0.23	0.21	2.14
Delhi Duty Free Services Private Limited	1.20	0.23	4.87
Joint ventures			
Delhi Aviation Services Private Limited	0.74	1.66	0.47
Loan and Advances-Current			
Joint ventures			
Delhi Aviation Services Private Limited	0.13	0.13	0.07
Delhi Aviation Fuel Facility Private Limited	0.15	0.15	0.15
Wipro Airport IT Services Limited	6.27	4.62	0.70
Associate Companies			
Delhi Airport Parking Services Private Limited	0.08	0.35	0.17
Travel Food Services (Delhi Terminal 3) Private Limited	0.17	0.12	0.06
Celebi Delhi Cargo Terminal Management India Private Limited	0.19	0.08	0.06
Delhi Duty Free Services Private Limited	0.05	0.09	0.05
TIM Delhi Airport Advertising Private Limited	0.32	0.26	0.09
Enterprises in respect of which the holding company is a joint venture			
Airports Authority of India	7.03	6.8	7.8
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Kamalanga Energy Limited	-	0.05	0.01
Kakinada SEZ Limited	0.17	0.07	0.07
GMR Hyderabad International Airport Limited	0.23	0.12	-
GMR Male International Airport Private Limited	1.4	1.4	1.14
GMR Aerospace Engineering Limited	-	0.11	0.16
GMR Energy Limited	0.01	-	-
GMR Power Corporation Limited	-	-	0.01
GMR Airport Developers Limited	-	0.07	-
GMR Infrastructure (Singapore) Pte Limited	-	0.21	2.33
GMR Bajoli Holi Hydropower Private Limited	0.01	-	-

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Balances as at Date	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
GMR GOA International Airport Limited	0.25	-	-
GMR Power Corporation Limited	-	-	0.01
Joint Venture/Associate of member of a Group of which Holding Company is a member			
GMR Megawide Cebu Airport Corporation	0.08	0.01	0.25
Loans and Advances-Non-Current			
Joint ventures			
Wipro Airport IT Services Limited	2.82	2.82	2.82
Trade payable (including marketing fund)			
Intermediate holding company			
GMR Infrastructure Limited	11.88	7.71	3.98
Holding company of DIAL			
GMR Airports Limited (formerly GMR Airports Holding Private Limited)	8.93	10.30	7.27
Enterprises in respect of which the holding company is a joint venture			
Fraport AG Frankfurt Airport Services Worldwide	79.99	68.35	55.01
Airports Authority of India	113.31	63.46	50.42
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
Raxa Security Services Limited	2.77	0.57	0.47
GMR Aviation Private limited	-	-	0.45
GMR Energy Trading Limited	2.33	-	-
GMR Airport Developer Limited	-	-	0.12
GMR Hyderabad International Airport Limited	-	-	0.02
Associate Companies			
TIM Delhi Airport Advertising Private Limited	-	0.14	0.29
Delhi Duty Free Services Private Limited	-	0.97	-
Other Financial Liabilities amortised at cost-Non-current			
Liability for voluntary retirement scheme			
Enterprises in respect of which the holding company is a joint venture			
Airports Authority of India	16.85	31.29	44.73
Provision for Doubtful Advances			
Joint ventures			
Wipro Airport IT Services Limited	2.82	2.82	-
Other Financial Liabilities amortised at cost-Current			
Liability for voluntry retirement scheme			
Enterprises in respect of which the holding company is a joint venture			
Airports Authority of India	14.45	13.46	12.65
Other Financial Liabilities-Current			
Earnest Money Deposit			
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)			
GMR Bajoli Holi Hydropower Private Limited	0.05	-	-
Deferred Revenue			
Unearned Revenue			
Associate Companies			
TIM Delhi Airport Advertising Private Limited	0.13	0.08	0.05

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Balances as at Date	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Other Financial Liabilities-Current			
Security Deposits from trade concessionaires			
Associate Companies			
Delhi Duty Free Services Private Limited	1.19	-	0.35
Delhi Airport Parking Services Private Limited	0.01	0.14	0
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.11	0.11
Delhi Duty Free Services Private Limited	-	0.23	-
Joint ventures			
Delhi Aviation Services Private Limited	0.06	0.06	-
Security Deposits from trade concessionaires-Non-Current			
Joint ventures			
Delhi Aviation Fuel Facility Private Limited	20.48	17.11	15.24
Delhi Aviation Services Private Limited	10.24	9.12	8.12
Associate Companies			
Celebi Delhi Cargo Terminal Management India Private Limited	17.91	15.94	13.20
Delhi Airport Parking Services Private Limited	0.68	0.32	0.40
Delhi Duty Free Services Private Limited	89.73	80.47	71.87
TIM Delhi Airport Advertising Private Limited	7.91	7.05	6.28
Travel Food Services (Delhi Terminal 3) Private Limited	1.44	1.28	0.81
Fellow subsidiaries (including subsidiary companies of the ultimate/Intermediate holding company)			
GMR Aviation Private Limited	-	-	0.06
Deferred Revenue			
Deferred Income on financial liabilities carried at amortised cost – Current			
Associate Companies			
Delhi Airport Parking Services Private Limited	0.15	0.11	0.12
Delhi Duty Free Services Private Limited	12.70	12.73	12.75
Celebi Delhi Cargo Terminal Management India Private Limited	5.12	5.12	4.76
TIM Delhi Airport Advertising Private Limited	1.60	1.60	1.60
Travel Food Services (Delhi Terminal 3) Private Limited	0.15	0.15	0.10
Joint ventures			
Delhi Aviation Fuel Facility Private Limited	6.30	5.91	5.91
Delhi Aviation Services Private Limited	1.02	1.02	1.01
Deferred Income on financial liabilities carried at amortised cost -Non-Current			
Associate Companies			
Delhi Airport Parking Services Private Limited	2.01	2.08	2.19
Delhi Duty Free Services Private Limited	93.99	106.86	119.77
Celebi Delhi Cargo Terminal Management India Private Limited	86.60	91.72	90.13
TIM Delhi Airport Advertising Private Limited	19.49	21.11	22.73
Travel Food Services (Delhi Terminal 3) Private Limited	0.39	0.54	0.49
Joint ventures			
Delhi Aviation Fuel Facility Private Limited	110.62	109.67	115.67
Delhi Aviation Services Private Limited	2.41	3.44	4.47
Fellow subsidiaries (including subsidiary companies of the ultimate/Intermediate holding company)			
GMR Aviation Private Limited	0.09	0.09	0.10
Borrowings			
Secured loan (Financial Lease Obligation-Non Current)			
Joint ventures			
Wipro Airport IT Services Limited	-	80.59	178.35
Secured loan (Financial Lease Obligation-Current)			
Joint ventures			
Wipro Airport IT Services Limited	-	97.76	87.67

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

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Period ended March 31, 2017	For the Period ended March 31, 2016
Non-current investments		
Investment made in Equity Share		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	2.40	-
Security Deposits from trade concessionaires		
Security Deposits Received		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.29	0.01
Celebi Delhi Cargo Terminal Management India Private Limited	-	9.63
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.64
Delhi Duty Free Services Private Limited	0.67	-
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	10.64	-
Delhi Aviation Services Private Limited	-	0.07
Security Deposits from trade concessionaires		
Deposits Refunded		
Associate Companies		
Delhi Duty Free Services Private Limited	0.30	0.30
Key Managerial Remuneration paid/ payable		
Short-term employee benefits		
Mr. Grandhi Kiran Kumar	2.72	2.47
Mr. Srinivas Bommidala	2.72	2.47
Mr. K. Narayana Rao	1.32	1.24
Post employment benefits		
Mr. Grandhi Kiran Kumar	0.94	0.91
Mr. Srinivas Bommidala	0.94	0.94
Mr. K. Narayana Rao	0.36	0.26
Annual Fee to Airport Authority of India (AAI)		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	2,634.84	2,304.15
Interest on Revenue share		
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	4.87	2.10
Other Interest		
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	0.16	-
CSR activities/Donations		
Enterprises where significant influence of key Management personnel or their relative exists		
GMR Varalakshmi Foundation	6.14	1.94
Interest Income		
Joint ventures		
Delhi Aviation Services Private Limited	0.19	2.76
Associate Companies		
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
Travel Food Services (Delhi Terminal 3) Private Limited	0.97	-

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Transactions During the period	For the Period ended March 31, 2017	For the Period ended March 31, 2016
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Tambaram Tinidivanam Expressways Limited	0.01	-
Consultancy fees paid		
Enterprises in respect of which the holding company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	0.07	0.28
Airports Authority of India	0.12	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Corporate Affairs Private Limited	-	0.26
Holding company of DIAL		
GMR Airports Limited	-	0.07
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	40.20	36.37
Airport Operator fees		
Enterprises in respect of which the holding company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	151.05	128.68
Expenses incurred by holding company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	0.01	0.02
Holding company of DIAL		
GMR Airports Limited	6.19	6.29
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	-	0.60
Joint ventures		
Delhi Aviation Services Private Limited	0.46	0.43
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	0.43	0.41
TIM Delhi Airport Advertising Private Limited	0.61	0.58
Delhi Airport Parking Services Private Limited	0.54	0.68
Travel Food Services (Delhi Terminal 3) Private Limited	0.42	0.40
Delhi Duty Free Services Private Limited	0.31	0.30
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.03	0.14
GMR Tuni Anakapalli Expressways Limited	0.01	-
GMR Pochanpalli Expressways Limited	0.01	-
GMR Hyderabad International Airport Limited	0.14	0.22
Raxa Security Services Limited	1.07	0.90
Kakinada SEZ Limited	0.10	0.18
GMR Bajoli Holi Hydropower Private Limited	0.01	-
GMR Kamalanga Energy Limited	-	0.04
GMR Energy Trading Limited	0.01	-
GMR Male International Airport Private Limited	-	0.06
Joint Venture/Associate of member of a Group of which holding company is a member		
GMR Megawide Cebu Airport Corporation	0.07	-
Expenses incurred by related parties on behalf of holding company		
Holding company of DIAL		
GMR Airports Limited	0.47	0.84
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.06	0.04

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Period ended March 31, 2017	For the Period ended March 31, 2016
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	0.04	-
GMR Sports Private Limited	0.01	0.01
Joint Venture/Associate of member of a Group of which holding company is a member		
GMR Megawide Cebu Airport Corporation	-	0.03
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	37.90	33.55
Holding company of DIAL		
GMR Airports Limited	38.03	20.65
Services Received		
Travelling & Conveyance-Chartering Cost		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	3.67	3.47
Security related expenses		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	15.70	13.78
Information technology and related expenses		
Joint ventures		
Wipro Airport IT Services Limited	2.75	18.14
Repair and Maintenance - IT System		
Joint ventures		
Wipro Airport IT Services Limited	0.08	1.52
Power		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Trading Limited	3.32	-
Rent (including lease rentals)		
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	-	0.03
Directors' sitting fees		
Key Management Personnel		
Mr. R.S.S.L.N. Bhaskarudu	0.06	0.07
Ms. Kameswari Vissa	0.05	0.06
Mr. KP Rao	0.02	0.06
Mr. NC Sarabeswaran	0.05	0.06
Mr. G. Subba Rao	0.03	0.03
Mr. GBS Raju	0.01	-
Mr. V. Somasundaram	-	-
Mr. Matthias Engler	0.02	0.02
Mr. Christoph H. Nanke	-	-
Mr. S. Suresh	0.02	0.01
Mr. A.K. Dutta	0.01	-
Mr. M. Ramachandran	0.02	-
Ms. Denitza Weizmantel	-	-
Key management personnel of the holding company		
Mr. G.M. Rao	0.01	0.01
Electricity charges recovered		
Intermediate holding company		
GMR Infrastructure Limited	0.12	0.07
Joint ventures		
Delhi Aviation Services Private Limited	12.10	10.02

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Period ended March 31, 2017	For the Period ended March 31, 2016
Associate Companies		
Delhi Airport Parking Services Private Limited	1.76	1.64
Celebi Delhi Cargo Terminal Management India Private Limited	14.61	14.08
TIM Delhi Airport Advertising Private Limited	3.23	3.27
Travel Food Services (Delhi Terminal 3) Private Limited	3.15	3.56
Delhi Duty Free Services Private Limited	2.51	2.72
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	0.01
GMR Energy Limited	-	0.21
GMR Chhattisgarh Energy Limited	0.18	0.22
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.28	0.19
GMR Tambaram Tinidivanam Expressways Limited	0.12	0.07
GMR Consulting Services Limited	0.33	0.48
GMR Vemagiri Power Generation Limited	0.16	-
GMR Kamalanga Energy Limited	0.02	-
GMR Bajoli Holi Hydropower Private Limited	0.02	-
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	15.93	14.10
Water charges recovered		
Joint ventures		
Delhi Aviation Services Private Limited	0.11	0.10
Associate Companies		
Delhi Airport Parking Services Private Limited	0.43	0.40
Travel Food Services (Delhi Terminal 3) Private Limited	0.35	0.43
Celebi Delhi Cargo Terminal Management India Private Limited	1.18	1.00
Delhi Duty Free Services Private Limited	0.02	0.01
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Bajoli Holi Hydropower Private Limited	0.01	-
GMR Energy Limited	-	0.01
GMR Chhattisgarh Energy Limited	0.01	0.01
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.01	0.02
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	0.61	0.39
Water charges recoverable written off		
Airports Authority of India	0.99	-
Space Rental & Land License fee		
Intermediate holding company		
GMR Infrastructure Limited	2.10	1.14
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	17.15	15.98
Delhi Aviation Services Private Limited	0.16	0.09
Associate Companies		
TIM Delhi Airport Advertising Private Limited	1.49	1.39
Celebi Delhi Cargo Terminal Management India Private Limited	27.38	25.05
Delhi Duty Free Services Private Limited	1.75	1.56
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Energy Limited	-	0.88
GMR Aviation Private Limited	0.05	0.07
GMR Chhattisgarh Energy Limited	0.95	1.47
GMR Consulting Services Limited	0.95	1.47
GMR Tambaram Tinidivanam Expressways Limited	2.10	1.14

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(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Period ended March 31, 2017	For the Period ended March 31, 2016
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	1.66	1.47
GMR Vemagiri Power Generation Limited	0.71	-
GMR Kamalanga Energy Limited	0.71	-
GMR Bajoli Holi Hydropower Private Limited	0.71	-
Concession fees received		
Joint ventures		
Delhi Aviation Services Private Limited	6.61	6.38
Associate Companies		
Delhi Airport Parking Services Private Limited	18.48	16.1
TIM Delhi Airport Advertising Private Limited	140.59	118.26
Delhi Duty Free Services Private Limited	325.10	305.13
Celebi Delhi Cargo Terminal Management India Private Limited	124.34	111.41
Travel Food Services (Delhi Terminal 3) Private Limited	14.72	15.01
Airport Service, Common Area Maintenance , Screening & Other Charges		
Intermediate holding company		
GMR Infrastructure Limited	0.33	0.18
Joint ventures		
Delhi Aviation Services Private Limited	0.01	0.01
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	1.67	2.46
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.78
TIM Delhi Airport Advertising Private Limited	0.16	0.15
Delhi Duty Free Services Private Limited	5.06	4.55
Delhi Airport Parking Services Private Limited	0.02	0.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	-	0.09
GMR Consulting Services Limited	0.10	0.16
GMR Chhattisgarh Energy Limited	0.10	0.16
GMR Tambaram Tinidivanam Expressways Limited	0.33	0.18
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	0.18	0.16
GMR Vemagiri Power Generation Limited	0.08	-
GMR Kamalanga Energy Limited	0.08	-
GMR Bajoli Holi Hydropower Private Limited	0.08	-
Aeronautical Revenue		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.27	0.25
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	0.11	0.06
Other Income		
Income from Long Term Investments-		
Dividend Income		
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	14.07	5.33
Delhi Aviation Services Private Limited	2.5	-
Associate Companies		
Delhi Duty Free Services Private Limited	23.55	22.36
TIM Delhi Airport Advertising Private Limited	9.22	7.84
Delhi Airport Parking Services Private Limited	2.03	-

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Transactions During the period	For the Period ended March 31, 2017	For the Period ended March 31, 2016
Marketing Fund Billed		
Associate Companies		
Delhi Duty Free Services Private Limited	10.35	9.83
Delhi Airport Parking Services Private Limited	0.01	0.01
Travel Food Services (Delhi Terminal 3) Private Limited	0.67	0.68
Marketing Fund Utilised		
Associate Companies		
Delhi Duty Free Services Private Limited	1.72	2.19
TIM Delhi Airport Advertising Private Limited	0.46	0.39
Travel Food Services (Delhi Terminal 3) Private Limited	0.03	-
CPD Infra Deposit utilization		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	1.76	1.60
Raxa Security Services Limited	1.15	2.12
ATC Development Fund utilization		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	10
Non-Aeronautical-Notional income on security deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.21	0.13
TIM Delhi Airport Advertising Private Limited	1.62	1.62
Delhi Duty Free Services Private Limited	12.91	12.89
Celebi Delhi Cargo Terminal Management India Private Limited	5.22	7.15
Travel Food Services (Delhi Terminal 3) Private Limited	0.15	0.34
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	8.69	6.01
Delhi Aviation Services Private Limited	1.03	1.03
Finance Cost-Notional expense on security deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.12	0.05
TIM Delhi Airport Advertising Private Limited	0.86	0.77
Delhi Duty Free Services Private Limited	9.85	8.75
Celebi Delhi Cargo Terminal Management India Private Limited	1.96	2.20
Travel Food Services (Delhi Terminal 3) Private Limited	0.16	0.27
Joint ventures		
Delhi Aviation Fuel Facility Private Limited	2.79	1.87
Delhi Aviation Services Private Limited	1.12	1.00
Enterprises in respect of which the holding company is a joint venture		
Airports Authority of India	4.16	5.60
Finance cost-Interest on borrowings		
Joint ventures	-	24.73
Wipro Airport IT Services Limited		
Finance cost - Interest on borrowings		
Joint ventures	(7.01)	-
Wipro Airport IT Services Limited		
Post-employment benefit plan of the entity		
Contribution to PF Trust		
DIAL employee's provident fund trust	10.33	9.57

Terms and Condition of transaction with related parties:

Outstanding balances at the year-end are secured/ unsecured and settlement occurs in cash. For the year ended March 31, 2017, the Holding Company and its Subsidiary has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Nil, April 1, 2015: 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.

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Commitments with related parties:

The commitments in respect of related parties are provided in note 35(IV) below, forming part of these consolidated 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 33(c) above. There are no other transactions with Key management personnel.

34. Retirement and other employee Benefit:

Employee Benefit:

a) Defined benefit plans

During the year ended March 31, 2017, the Holding Company has recognised ₹ 8.93 crore (March 31, 2016: ₹ 8.61 crore) as expenses and included in Employee benefits expense as under the following defined contribution plans.

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
benefits (Employer's contribution to):		
Provident and other fund#	5.73	5.51
Superannuation fund*	3.20	3.10
Total	8.93	8.61

Transfer to CWIP & CPD ₹ 0.11 Crore (March 31, 2016: ₹ 0.13 Crore)

* Transfer to Capital work-in-progress ('CWIP') & CPD ₹ 0.07 Crore (March 31, 2016: ₹ 0.09 Crore).

The Holding Company makes contribution towards provident fund which is administered by the trustees. The rules of the Holding Company's provident fund administered by a trust, require that if the board of the trustees are unable to pay interest at the rate declared by the government under para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Holding Company making interest shortfall a defined benefit plan. Accordingly, the Holding Company has obtained actuarial valuation and based on the below provided assumption there is no cumulative deficiency at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

As per the requirement of Ind AS 19 of the Institute of Chartered Accountants of India, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is no cumulative short-fall which has been provided in the financial statements.

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plan assets at the year end, at fair value	94.27	82.23	76.41
Present value of benefit obligation at year end	94.27	82.23	76.41
Net (liability) recognized in the balance sheet	-	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.10%	7.80%	7.80%
Fund rate	9.50%	9.30%	9.30%
PFO rate	8.60% for the next one year	8.75% for the next one year and 8.60% thereafter	8.75% for the next one year and 8.60% thereafter
Withdrawal rate	5%	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08) (modified)Ult*	Indian Assured Lives Mortality (2006-08) (modified)Ult *	Indian Assured Lives Mortality (2006-08) (modified)Ult *

*As published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013.

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(b) Gratuity expense

In Holding Company, Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2017:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Service Cost	1.31	1.41
Net Interest Cost	(0.07)	(0.05)

Amount recognised in Other Comprehensive Income for the year ended March 31, 2017:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Actuarial gain/(loss) due to DBO experience	0.39	(0.09)
Actuarial gain/(loss) due to DBO assumption changes	0.69	-
Actuarial gain/(loss) arising during period	1.08	(0.09)
Return on plan assets (greater)/less than discount rate	0.03	(0.05)
Actuarial gain/(loss) recognized in OCI	1.11	(0.14)

Balance Sheet

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defined benefit obligation	(12.78)	(10.66)	(9.92)
Fair value of plan assets	11.57	11.02	9.31
Plan asset / (liability)	(1.21)	0.36	(0.61)

Changes in the present value of the defined benefit obligation are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening defined benefit obligation	10.66	9.92	7.23
Interest cost	0.78	0.72	0.64
Current service cost	1.31	1.41	1.25
Acquisition cost	0.24	0.05	0.05
Benefits paid (including transfer)	(1.29)	(1.36)	(0.70)
Actuarial losses/ (gain) on obligation-experience	1.08	(0.08)	1.45
Closing defined benefit obligation	12.78	10.66	9.92

Changes in the fair value of plan assets are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening fair value of plan assets	11.02	9.31	7.94
Acquisition Adjustment	-	(0.02)	-
Interest income on plan assets	0.86	0.77	0.79
Contributions by employer	1.01	2.28	1.62
Benefits paid (including transfer)	(1.29)	(1.37)	(0.70)
Return on plan assets greater/ (lesser) than discount rate	(0.03)	0.05	(0.34)
Closing fair value of plan assets	11.57	11.02	9.31

The Holding Company expects to contribute ₹ 1.01 crore to gratuity fund during the year ended on March 31, 2018 (March 31, 2017: ₹ 2.28 crore March 31, 2016: ₹ 1.62 crore).



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The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	(%)	(%)	(%)
Investments with insurer managed funds	100	100	100

Experience adjustments for the current and previous years are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(12.78)	(10.66)
Plan assets	11.57	11.02
Funded status	(1.21)	0.36
Experience (loss) adjustment on plan liabilities	(1.08)	0.08
Experience gain/ (loss) adjustment on plan assets	(0.03)	(0.10)
Actuarial gain due to change in assumptions	-	-

The principal assumptions used in determining gratuity obligation for the Holding Company's plans are shown below:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate (in %)	7.10%	7.80%	7.80%
Salary Escalation (in %)	6.00%	6.00%	6.00%
Expected rate of return on assets	7.80%	7.80%	9.25%
Attrition rate (in %)	5.00%	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

(All amounts in Rupees Crore, except otherwise stated)

Assumptions	March 31, 2017	March 31, 2016
	Discount rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	(0.97)	(0.79)
Impact on defined benefit obligation due to decrease	1.12	0.91

(All amounts in Rupees Crore, except otherwise stated)

Assumptions	March 31, 2017	March 31, 2016
	Future Salary Increase	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	0.91	0.78
Impact on defined benefit obligation due to decrease	(0.85)	(0.72)

(All amounts in Rupees Crore, except otherwise stated)

Assumptions	March 31, 2017	March 31, 2016
	Attrition rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	0.12	0.14
Impact on defined benefit obligation due to decrease	(0.14)	(0.16)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2016:10 years).

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35. Commitments and Contingencies

I. Leases

Finance lease: Holding Company as lessee

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017		March 31, 2016	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	-	-	112.4	97.76
After one year but not more than five years	-	-	84.3	80.59
More than five years	-	-	-	-
Total minimum lease payments	-	-	196.7	178.35
Less: amounts representing finance charges	-	-	(18.35)	-
Present value of minimum lease payments	-	-	178.35	-

For Holding Company, during financial year ended March 31, 2017, there is a modification in the terms of arrangement and as per the modified terms, arrangement no longer contains an embedded lease. Accordingly Holding Company has derecognised the assets and liabilities recognised under finance lease (Refer note 32.1).

Operating lease: Holding Company as lessee

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

Future minimum rentals payable under non-cancellable operating leases are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Minimum Lease payment for the year (excluding taxes)	9.65	9.99
Minimum Lease Payments:		
Within one year	2.78	3.43
After one year but not more than five years	4.73	6.62
More than five years	-	-
Total future payments	7.51	10.05

II. Contingent liabilities not provided for:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) In respect of Income tax matters *	67.95	68.41	91.47
(ii) In respect of Indirect tax matters [refer note (e) & (f) below and other matters]*	190.68	3.99	3.98
(iii) Claim against the Holding Company not acknowledged as debt [refer (d) below and other matters]*	41.47	41.47	41.47
(iv) In respect of other matters [refer (g) below]	7.86	Nil	Nil

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

*pertaining to various cases not included below

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

- 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 Holding 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 Holding Company 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 Holding Company has filed a writ petition with Hon'ble High Court of Delhi and was heard on November 17, 2015 and favourable judgment has been received vide High Court order dated February 14, 2017.

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- 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 Holding 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 ₹ 24.48 crore was already incurred prior to April 16, 2010 and was debited to PSF (SC) account.

The Holding 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 Holding Company and the matter is now listed for hearing on August 10, 2017. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

- c) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by Holding Company (the Airport Operator) in a fiduciary capacity. The Holding Company had incurred ₹ 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till March 31, 2017 (March 31, 2016 and April 1, 2015: ₹ 296.90 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 Holding 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 Holding Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on September 19, 2017.

Based on an internal assessment, the management of the Holding 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 Holding Company has charged ₹ 58.41 crore from April 1, 2014 till March 31, 2017 (March 31, 2016: ₹ 35.62 crore; April 1, 2015: ₹ 14.98 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes ₹ 22.79 crore during the year ended March 31, 2017 (March 31, 2016: ₹ 20.64 crore; April 1, 2015: ₹ 14.98 crore).

- d) The Holding 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 Holding Company that can be utilized for payment of import duty. Till March 31, 2014, the Holding Company had cumulatively utilized custom duty credit scrip amounting to ₹ 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 Holding 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 Holding Company had adjusted (netted off) ₹ 80.39 crore, [being the difference between the value of duty credit scrips amounting to ₹ 89.60 crore and the depreciation amounting to ₹ 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 ₹ 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 ₹ 41.21 crore from Receivable Escrow Account of the Holding Company as revenue share to AAI's bank account as per terms of the escrow agreement.

The Holding Company had filed a writ petition against the AAI's letter in Hon'ble Delhi High Court on July 10, 2015 disputing the demand and the letter unilaterally issued by AAI and prayed for quashing of demand by AAI. Court has granted the interim relief and disposed with a direction to Holding Company to seek remedy under the provisions of Arbitration law. Accordingly Holding 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 Holding Company. Both the parties have appointed their arbitrators.

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

Besides, based on an opinion obtained from consultant, Holding Company has filed an application to EAC of ICAI on November

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23, 2015 seeking clarification that the SFIS utilized for capital goods, should be treated as capital grant.

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

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

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

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

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

Further, the management of the Holding Company is of the view that no adjustments are required to be made to the consolidated financial statements.

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

The Holding Company replied to the show cause notice referred to above with appropriate authority and the issue was heard on merits on February 17, 2016.

Subsequently, the Commissioner of Service Tax, has passed Order No. C.No D III/ST/IV/16/Hqrs/Adjn/DIAL/153/2015/1862-ST dated July 12, 2016 confirming the demand of service tax of ₹ 262.06 crore (after giving cum duty effect) and out of the said demand has appropriated amount of ₹ 130.17 crore already deposited by Holding Company under protest towards service tax, and further imposed a penalty of ₹ 131.89 crore in respect of this matter.

However, based on an internal assessment and legal views obtained by Holding Company in this regard, the management

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

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

Further, the management of the Holding Company is of the view that no adjustments are required to be made to the consolidated financial statements.

- g) During the year ended March 31, 2017, the Delhi Cantonment Board (DCB) has raised provisional invoice demanding property tax of ₹ 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 Holding Company because of operational safety, aircraft landing & take off and navigational requirements as per standards laid down by International Civil Aviation Organization (ICAO). However, based on same computation method as used for payment of property tax to SDMC, management has made payment of ₹ 1.15 crore towards property tax for financial year 2016-17 and requested DCB to withdraw its demand. The Holding Company has disclosed remaining amount of ₹ 7.86 crore as contingent liability in these Unaudited Condensed Interim Financial Statements. No demand has been received from DCB towards property tax for financial year 2017-18, however the Holding Company has paid ₹ 1.15 crores for financial year 2017-18 based on same computation as of previous financial year. No demand has been received from DCB towards property tax for financial year 2017-18, however the Holding Company has paid ₹ 1.15 crores for financial year 2017-18 based on same computation as of previous financial year.

The Holding 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 Holding Company's application for adopting the same computation method as considered by SDMC, while arriving at the demand for the FY 2016-17, is pending / under consideration by DCB, the amount of liability for earlier years is unascertainable.

III. Financial guarantees:

The Holding Company has not provided any financial guarantee other than performance guarantee on its own behalf, to any party.

IV. Capital and Other Commitments:

(a) Capital Commitments:

At March 31, 2017, Holding Company has estimated amount of contracts remaining to be executed on capital



Notes to the consolidated financial statements for the year ended March 31, 2017

account not provided for [net of advances of ₹ 4.96 crore (March 31, 2016: ₹ 15.44 crore; April 1, 2015: ₹ 2.26 crore)] ₹ 138.92 crore (March 31, 2016: ₹ 94.63 crore; April 1, 2015: ₹ 77.29 crore).

(b) Other Commitments:

- i. As per the terms of OMDA, the Holding Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) 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 Holding 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 Holding 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 commissioned on April 1, 2017.
- iv. During the year ended March 31, 2017, the Holding Company has entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2026) of USD 522.60 mn, which is repayable in October 2026. Under this option, the Holding Company has purchased a call option for USD 522.60 mn at a strike price of ₹ 66.85/USD and written a call option for USD 522.60 mn at a strike price of ₹ 101.86/USD at October 31, 2026. As per terms of the agreements, the Holding Company is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), which is payable on quarterly basis. The Holding Company has paid ₹ 14.96 crore towards premium till March 31, 2017 and remaining balance of ₹ 1,226.34 crore is payable as at March 31, 2017.
- v. During the year ended March 31, 2017, the Holding Company has entered into "Call spread Option" with various banks for hedging the repayment of part of 6.125% Senior secured notes (2022) of USD 288.75 million, which is repayable in February 2022. Under this option, the Holding Company has purchased a call

option for USD 80.00 mn at a strike price of ₹ 68.00/USD and written a call option for USD 80 mn at a strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, the Holding Company is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable on quarterly basis.

With respect to Subsidiary, Joint ventures and associates:

- vi. The Holding Company entered into a tripartite Master Service Agreement with WAISL and WIPRO Limited by which the Holding Company is committed to pay annually, premium fees to WAISL, determined and mutually agreed on the basis of estimated receivable and subsistence level (as defined in the said MSA further amended vide addendum number 14, dated January 20, 2017). During the year ended March 31, 2017, the Holding Company accounted for ₹ 2.75 crore towards such premium paid to WAISL and this is disclosed as "Information technology and related expenses" in Note 26 – Other expenses.

Also in case of delay in payment of dues from customers to WAISL, the Holding Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. As at March 31, 2017, the Holding Company has funded ₹ 11.09 Crore (March 31, 2016: ₹ 10.03 crore and April 1, 2015: ₹ 9.62 crore) towards shortfall in collection from customers.

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

- x. The following investments have been pledged by Holding Company towards borrowings by these companies:

Company Name	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Delhi Duty Free Services Private Limited	11,976,000	119,760,000	11,976,000	119,760,000	11,976,000	119,760,000
Delhi Airport Parking Services Private Limited	18,853,703	188,537,030	18,853,703	188,537,030	18,853,703	188,537,030
Travel Food Services (Delhi Terminal 3) Private Limited	1,680,000	16,800,000	960,000	9,600,000	960,000	9,600,000

Notes to the consolidated financial statements for the year ended March 31, 2017

- xi. In respect of the Holding 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.

36. Segment Information

The Holding Company has only one reportable business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the Holding Company's single business segment.

Major customers: Revenue from two customers of the Holding Company is approximately ₹ 1,473.48 crore (March 31, 2016: ₹ 1,235.89 crore) of the Holding Company's total revenues.

37. Fair Values

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

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Carrying value			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets						
Investment in mutual fund	2,184.38	956.66	247.14	2,184.38	956.66	247.14
Total	2,184.38	956.66	247.14	2,184.38	956.66	247.14
Financial liabilities						
Interest rate swap	-	14.34	10.10	-	14.34	10.10
Derivative liability effective hedges	42.58	-	-	42.58	-	-
Total	42.58	14.34	10.10	42.58	14.34	10.10

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 Holding Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at March 31, 2017, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

38. Fair Hierarchy

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

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

(All amounts in Rupees Crore, except otherwise stated)

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2016:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets at fair value					
Investment in mutual fund	March 31, 2016	956.66	956.66	-	-
Liabilities measured at fair value					
Derivative liability-mark to market loss on Interest rate swap	March 31, 2016	14.34	-	14.34	-

Notes to the consolidated financial statements for the year ended March 31, 2017

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 April 1, 2015:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets at fair value					
Investment in mutual fund	April 1, 2015	247.14	247.14	-	-
Liabilities measured at fair value					
Derivative liability-mark to market loss on Interest rate swap	April 1, 2015	10.10	-	10.10	-

39. Risk Management

Financial risk management objectives and policies

The Holding Company's and its Subsidiary's principal financial liabilities, other than derivatives, comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Holding Company's and its Subsidiary's operations and to provide guarantees to support its operations. The Holding Company's and its Subsidiary's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Holding Company also enters into derivative transactions.

The Holding Company is exposed to market risk, credit risk and liquidity risk. The Holding Company's senior management oversees the management of these risks. The Holding Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Holding Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management team that have the appropriate skills, experience and supervision. It is the Holding Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016:

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 35.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at March 31, 2017 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes to the consolidated financial statements for the year ended March 31, 2017

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Holding Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(All amounts in Rupees Crore, except otherwise stated)

	Increase/decrease in basis points*	Effect on profit before tax
March 31, 2016		
INR Term loan	+50/-50	14.68
INR ECB Loan	+50/-50	2.91

*All borrowings as on March 31, 2017 of Holding Company are fixed interest rate borrowings, so no influence of interest rate change.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Holding Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from banks.

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.

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency call spread options designated as hedging instruments	-	(42.58)	-	-	-	-

As on March 31, 2017, the USD spot rate is below the USD call strike price and hence not covered in hedge relationship. However, prospective testing is done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. There is no re-classification to profit or loss during the year gains or losses included in OCI.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Holding Company's profit before tax is due to changes in the fair value of liabilities including non-designated foreign currency derivatives. The impact on the Holding Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and Interest rate swap. The Holding Company's exposure to foreign currency changes for all other currencies is not material.

(All amounts in Rupees Crore, except otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Impact on profit before tax			
USD Sensitivity			
INR/USD-Increase by 5%	(73.83)	(124.69)	(121.11)
INR/USD-decrease by 5%	73.83	124.69	121.11
EURO Sensitivity			
INR/EURO- Increase by 5%	(0.14)	(0.19)	(0.13)
INR/EURO-decrease by 5%	0.14	0.19	0.13
AUD Sensitivity			
INR/AUD Increase by 5%	-	(0.01)	-
INR/AUD-decrease by 5%	-	0.01	-
GBP Sensitivity			
INR/GBP Increase by 5%	-	(0.01)	(0.01)
INR/GBP-decrease by 5%	-	0.01	0.01



Notes to the consolidated financial statements for the year ended March 31, 2017

Liquidity risk

The Holding Company and its Subsidiary monitors its risk of a shortage of funds on a regular basis. Their objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. None of the Holding Company's debt will mature in less than one year at March 31, 2017 (March 31, 2016: 5.26%) based on the carrying value of borrowings reflected in the consolidated financial statements. The Holding Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Holding Company and its Subsidiary's financial liabilities based on contractual undiscounted payments:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2017						
Borrowings (including current maturities)	-	-	-	1,894.20	3,428.26	5,322.46
Trade payables	-	431.41	-	-	-	431.41
Other financial liabilities	61.94	202.06	81.83	179.53	2,300.85	2,826.21
Total	61.94	633.47	81.83	2,073.73	5,729.11	8,580.06
As at March 31, 2016						
Borrowings (including current maturities)	-	142.46	145.46	1,529.59	3,914.45	5,731.96
Trade and other payables	-	390.45	-	-	-	390.45
Other financial liabilities	32.52	96.60	87.98	210.22	2,217.07	2,644.39
Total	32.52	629.51	233.44	1,739.81	6,131.52	8,766.80
As at April 1, 2015						
Borrowings (including current maturities)	-	143.39	420.82	1,299.63	4,315.66	6,179.50
Trade and other payables	-	425.72	-	-	-	425.72
Other financial liabilities	21.31	84.65	62.52	241.46	2,190.13	2,600.07
Total	21.31	653.76	483.34	1,541.09	6,505.79	9,205.29

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Holding Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables-Customer credit risk is managed by Holding Company subject to the Holding Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments and cash deposits-Credit risk from balances with banks and financial institutions is managed by the Holding Company's treasury department in accordance with the Holding Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Holding Company's senior management on regular basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Holding Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017 and March 31, 2016 is the carrying amounts of Trade Receivables.

Collateral

As at March 31, 2017 the security provided by Holding Company to bond holders and working capital facilities is as below;

- A first ranking pari passu charge/ assignment of all insurance policies, contractors' guarantees and liquidated damages to the maximum extent permissible under the OMDA and the Escrow Account Agreement;
- A first ranking pari passu charge/assignment of all the rights; titles, permits, approvals and interests of the Borrower in, to and in respect of the Project Documents, in accordance with and to the maximum extent permitted under the OMDA and the Escrow Account Agreement;
- A first ranking pari passu charge on all the revenues / receivables of the Borrower (excluding dues to the Authority) subject to the provisions of the Escrow Account Agreement and the OMDA.

Notes to the consolidated financial statements for the year ended March 31, 2017

40. Capital management

For the purpose of the Holding Company and its Subsidiary's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders. The primary objective of the Holding Company's and its Subsidiary's capital management is to maximise the shareholder value.

The Holding Company's and its Subsidiary's manages their capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Holding Company and its Subsidiary's may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Holding Company and its Subsidiary's monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The Holding Company and its Subsidiary's policy are to keep the gearing ratio below 80%, which is reviewed at end of each financial year.

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (including current maturities)	5,261.97	5,679.35	6,122.92
Total debts (A)	5,261.97	5,679.35	6,122.92
Share Capital	2,450.00	2,450.00	2,450.00
Other Equity	696.65	109.27	(427.75)
Total Equity (B)	3,146.65	2,559.27	2,022.25
Total equity and total debt (C=A+B)	8,408.62	8,238.62	8,145.17
Gearing ratio (%) (A/C)	62.58	68.94	75.17

In order to achieve this overall objective, the Holding Company and its Subsidiary's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

41. Investments in Associates

The Holding Company has investment in TIMDAA, CELEBI, TFS, DDFSPL, DASPL* and EDWPCL# as associates.

1) Carrying Value of Investments in associates

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Carrying Value of Investment in associates	245.16	173.97	149.33
Carrying Value of Investment in associates held for sale	-	43.54	40.81
Share of Profit for the year in associates	60.16	57.59	-
Share of OCI for the year in associates	(0.10)	(0.01)	-

The following table illustrates the summarized financial information of the Holding Company's investment in TIMDAA:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets	88.16	59.34	49.05
Non-current Assets	56.05	52.09	52.90
Current Liabilities	(72.51)	(44.98)	(37.69)
Non-Current Liabilities	(5.37)	(6.10)	(9.20)
Equity	66.33	60.35	55.06
Proportion of the Holding Company's Ownership	49.90%	49.90%	49.90%
Carrying amount of the investment	33.10	30.11	27.48

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue	253.85	214.77
Depreciation & amortization	(5.40)	(6.12)
Finance Cost	(2.27)	(2.90)
Employee benefit	(12.63)	(10.18)
Other Expense	(189.42)	(157.65)
Profit before tax	44.13	37.93
Current Tax	(17.18)	(14.70)
Deferred Tax charge	1.35	0.93
Profit for the year	28.29	24.15
Consolidation Adjustments	(3.74)	(3.20)



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Profit for the year for consolidation	24.56	20.96
Other comprehensive income of the year	(0.07)	0.04
Proportion of the Holding Company's ownership	49.90%	49.90%
Holding Company's share of profit for the year	12.25	10.46
Holding Company's share of OCI for the year	(0.04)	0.02

The following table illustrates the summarized financial information of the Holding Company's investment in Celebi:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets	78.84	78.36	104.88
Non-current Assets	330.66	311.60	301.98
Current Liabilities	(125.78)	(108.10)	(112.92)
Non-Current Liabilities	(96.85)	(105.28)	(127.95)
Equity	186.87	176.58	165.99
Proportion of the Holding Company's ownership	26.00%	26.00%	26.00%
Carrying amount of the investment	48.59	45.91	43.16

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue	359.35	323.77
Cost of Raw Material and Components Consumed	(63.89)	(60.53)
Depreciation & amortization	(14.06)	(13.30)
Finance Cost	(12.82)	(15.46)
Employee benefit	(37.47)	(25.89)
Other Expense	(215.62)	(193.94)
Profit before tax	15.49	14.64
Current Tax	(5.80)	(4.91)
Adjustment of tax relating to earlier years	-	1.61
Deferred Tax charge	0.56	(0.79)
Profit for the year	10.25	10.56
Consolidation Adjustments	0.09	(0.03)
Profit for the year for consolidation	10.34	10.53
Other comprehensive income of the year	(0.05)	0.01
Proportion of the Holding Company's ownership	26.00%	26.00%
Holding Company's share of profit for the year	2.69	2.74
Holding Company's share of OCI for the year	(0.01)	0.00

The following table illustrates the summarized financial information of the Holding Company's investment in TFS:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets	12.37	16.06	11.16
Non-current Assets	13.38	14.22	16.40
Current Liabilities	(13.82)	(21.88)	(20.08)
Non-Current Liabilities	(2.69)	(4.74)	(6.64)
Equity⁵	9.24	3.66	0.84
Proportion of the Holding Company's ownership	40.00%	40.00%	40.00%
Carrying amount of the investment	3.69	1.46	0.33

\$ During the year 2016-17, the Holding Company has invested ₹ 2.40 Crores additionally in equity share capital of TFS

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue	49.57	53.28
Cost of Raw Material and Components Consumed	(11.97)	(12.51)
Depreciation & amortization	(1.73)	(2.07)
Finance Cost	(1.12)	(1.92)
Employee benefit	(10.17)	(9.25)

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Other Expense	(25.29)	(23.44)
Profit before tax	(0.71)	4.09
Current Tax	(0.44)	-
Deferred Tax charge	0.71	(1.28)
Profit for the year	(0.42)	2.81
Consolidation Adjustments	-	-
Profit for the year for consolidation	(0.42)	2.81
Other comprehensive income of the year	(0.00)	0.02
Proportion of the Holding Company's ownership	40.00%	40.00%
Holding Company's share of profit for the year	(0.17)	1.12
Holding Company's share of OCI for the year	(0.00)	0.01

The following table illustrates the summarized financial information of the Holding Company's investment in DDFSPL:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets	170.40	183.74	166.47
Non-current Assets	280.53	294.78	295.41
Current Liabilities	(113.35)	(125.85)	(110.03)
Non-Current Liabilities	(109.82)	(159.31)	(194.84)
Equity	227.76	193.36	157.01
Proportion of the Holding Company's ownership	49.90%	49.90%	49.90%
Carrying amount of the investment	113.65	96.49	78.36

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue	1,020.93	960.13
Cost of Raw Material and Components Consumed	(363.87)	(343.87)
Depreciation & amortization	(19.73)	(17.99)
Finance Cost	(16.05)	(20.50)
Employee benefit	(30.74)	(27.83)
Other Expense	(441.75)	(414.38)
Profit before tax	148.79	135.56
Current Tax	(54.31)	(50.25)
Deferred Tax charge	(3.79)	1.45
Profit for the year	90.69	86.76
Consolidation Adjustments	(9.08)	(5.47)
Profit for the year for consolidation	81.61	81.29
Other comprehensive income of the year	(0.01)	(0.14)
Proportion of the Holding Company's ownership	49.90%	49.90%
Holding Company's share of profit for the year	40.72	40.56
Holding Company's share of OCI for the year	(0.00)	(0.07)

The following table illustrates the summarized financial information of the Holding Company's investment in DAPSPL*:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets	27.31	29.57	8.73
Non-current Assets	197.03	206.88	218.68
Current Liabilities	(21.44)	(20.90)	(10.13)
Non-Current Liabilities	(110.46)	(128.30)	(135.51)
Equity	92.44	87.25	81.77
Proportion of the Holding Company's ownership	49.90%	49.90%	49.90%
Carrying amount of the investment	46.13	43.54	40.81



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue	92.25	77.68
Depreciation & amortization	(14.23)	(14.24)
Finance Cost	(14.69)	(15.38)
Employee benefit	(7.73)	(6.22)
Other Expense	(38.49)	(32.00)
Profit before tax and exceptional items	17.11	9.84
Exceptional items	-	(1.26)
Profit before tax	17.11	8.58
Current Tax	(3.61)	(1.78)
Adjustment of tax relating to earlier years	(0.00)	-
Deferred Tax charge	(6.92)	(3.15)
MAT tax credit	3.62	1.78
Profit for the year	10.18	5.43
Consolidation Adjustments	(0.83)	-
Profit for the year for consolidation	9.35	5.43
Other comprehensive income of the year	(0.09)	0.05
Proportion of the Holding Company's ownership	49.90%	49.90%
Holding Company's share of profit for the year	4.67	2.71
Holding Company's share of OCI for the year	(0.05)	0.03

* As at March 31, 2017, Holding Company's management has assessed that the investment does not meet the criteria for classification as held for sale as per Ind AS 105 as sales is not highly probable i.e. it is not expected to qualify for recognition as a completed sale within one year from the reporting date. Such change in classification does not have any impact for the period including the prior period presented.

The following table illustrates the summarized financial information of the Holding Company's investment in EDWPCL:-

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2016	April 1, 2015
Current Assets	0.84	0.10
Non-current Assets	446.98	344.82
Current Liabilities	(204.37)	(93.80)
Non-Current Liabilities	(247.59)	(254.60)
Equity	(4.14)	(3.48)
Proportion of the Holding Company's ownership	48.99%	48.99%
Carrying amount of the investment	-	-

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2016
Revenue	0.00
Depreciation & amortization	(0.01)
Finance Cost	(0.00)
Employee benefit	(0.05)
Other Expense	(0.61)
Profit before tax	(0.67)
Consolidation Adjustments	-
Profit for the year for consolidation	(0.67)
Other comprehensive income of the year	-
Proportion of the Holding Company's ownership	48.99%
Holding Company's share of profit for the year	-
Holding Company's share of OCI for the year	-

Notes to the consolidated financial statements for the year ended March 31, 2017

2) Commitments and Contingencies of associates

I. Leases

Finance lease: Associates as lessee

(All amounts in Rupees Crore, except otherwise stated)

Particulars	CELEBI				TIMDAA			
	March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016	
	Minimum payment	Present value of MLP	Minimum payments	Present value of MLP	Minimum payment	Present value of MLP	Minimum payments	Present value of MLP
Within one year	1.68	1.60	-	-	0.06	0.05	0.06	0.05
After one year but not more than five years	6.55	5.00	-	-	0.01	0.01	0.07	0.07
More than five years	20.06	7.50	-	-	-	-	-	-
Total minimum lease payments	28.29	14.10	-	-	0.07	0.06	0.13	0.12
Less: amounts representing finance charges	(14.19)	-	-	-	(0.01)	-	(0.01)	-
Present value of minimum lease payments	14.10	14.10	-	-	0.06	0.06	0.12	0.12

CELEBI has entered into an arrangement for solar power purchase with GMR Solar Energy Private Limited. As per the agreement, CELEBI pays fixed tariff as per the terms of the agreement to GMR Solar Energy Private Limited. GMR solar energy cannot offer such services to any other customer and it is not economically feasible for the GMR solar energy to offer the level of services using any other equipment. Accordingly, although the arrangement is not in the legal form of lease, the CELEBI concluded that the arrangement contains a lease of the solar power plant. The lease was classified as a finance lease at inception of the arrangement, payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on implicit rate.

TIMDAA has finance lease for motor vehicle. These lease have no renewal option included in the contract. The term of such lease arrangement is for 3 years. There are no restrictions imposed by lease agreements. There are no sub leases.

Operating lease: Associates as lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	CELEBI		TIMDAA	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Minimum Lease payment for the year (excluding taxes)	-	-	143.31	120.29
Minimum Lease Payments:				
Within one year	29.93	26.93	47.43	43.12
After one year but not more than five years	143.89	129.50	-	-
More than five years	791.51	804.45	-	-
Total future payments	965.33	960.88	47.43	43.12

For CELEBI, Cargo terminal has been obtained on operating lease. Lease rent is payable at predetermined rate. Lease term is for initial period of 24 years and 4 months. There is escalation of 7.5% at start of each financial year during the term of lease.

TIMDAA has entered into operating lease agreement for space for advertisement sites and office premises. These leases have an average life of one to twenty years with no renewal option included in the contract.

II. Contingent Liabilities

Celebi:

- As on March 31, 2017 Celebi has ₹ 0.74 crores (as on March 31, 2016 ₹ 0.74 crores and as on April 1, 2015 ₹ 0.74 crores) of claims not acknowledged as debts from third parties.
- Celebi has imported equipment worth of ₹ 47.28 Crores as on March 31, 2017 through Export Promotion Capital Goods Scheme (EPCG) license obtained from the Customs Department. As per the EPCG license the customs duty on all the imported equipment has been levied at a lower rate of 3%.

Notes to the consolidated financial statements for the year ended March 31, 2017

As per the EPCG authorization terms, Celebi has an obligation of export earning equivalent to eight times of the differential duty amount which will be earned through over a period of eight years. As on March 31, 2017, total duty saved on account of concessional rate of duty is ₹ 6.75 Crores. CELEBI believes to have met the export obligations, pending assessment / confirmation from assessing officer.

- c) During the year ended March 31, 2016, Celebi received an order under Section 263 of the Income-tax Act, 1961 pertaining to the assessment year 2011-12 wherein the Principal Commissioner of Income Tax (PCIT) has set aside the assessment order passed by the Assessing Officer (AO) under Section 143(3) of the Income-tax Act, 1961 challenging certain deductions claimed by Celebi and allowed by the AO and directed AO for a fresh assessment. Based on the directions of PCIT, AO reassessed the income under Section 143(3) read with Section 263 during the current year and disallowed certain deductions and expenses that were allowed in original order of AO under Section 143(3) and raised a demand of ₹ 13.65 Crores. Celebi has filed an appeal with ITAT for order passed under Section 263 and also an appeal before CIT (Appeals) for order under Section 143(3) read with Section 263. Based on the original assessment order under Section 143(3) issued by the AO, Celebi had during earlier years written back tax provision for an amount of ₹ 9.73 Crores and recognised interest income of ₹ 2.21 Crores on account of refund of taxes.

Celebi also received order under Section 263 of the Income-tax Act, 1961 pertaining to assessment year 2012-13 wherein the PCIT has set aside the assessment order passed by the AO under Section 143(3) of the Income-tax Act, 1961 challenging certain deductions claimed by the Celebi and allowed by the AO. Based on earlier assessment order passed by the AO under Section 143(3) of the Income-tax Act, 1961, for assessment year 2012-13, Celebi had written back an amount of ₹ 1.38 Crores during the earlier years, with respect to allow ability of the deductions that are now being challenged by the PCIT for the assessment year 2012-13 through order issued under Section 263. Celebi is in process of filing appeal with ITAT for order passed under section 263.

Management of Celebi is confident that no liability will devolve on Celebi for the disallowances of expenses and deductions relating to assessment years 2011-12 and 2012-13 being challenged by AO and PCIT, accordingly no provision has been made in these financial statements

Celebi has received assessment orders during the current year for the assessment years 2011-12, 2013-14 and 2014-15 disallowing expenses aggregating to ₹ 0.4 crores, ₹ 0.24 crores and ₹ 0.28 crores respectively. Management of Celebi is confident that no liability will devolve on Celebi for the disallowances of expenses relating to assessment years 2011-12, 2013-14 and 2014-15, accordingly no provision has been made in these financial statements

TFS:

- d) The claims of ₹ 1.39 crore (March 31, 2016: ₹ 1.39 crore) have been made by a few capital vendors in relation to work carried out by them during the earlier years for construction of food outlets at the Airport. TFS has disputed these claims in the past. TFS is either in legal proceedings or in arbitration proceedings with the vendors depending on the facts of the claims. However, based on technical assessment supported by the legal confirmation, TFS has assessed the amount payable to these vendors. Accordingly, TFS has recorded a payable of ₹ 0.95 crores (previous year ₹ 0.95 crores) in their financial statements under the head Capital creditors. For the balance amount of claims, TFS, based on legal advice, is confident that the extent of claims made by the vendor is not sustainable and therefore untenable.
- e) In TFS, there is claim of ₹ 0.04 crore (March 31, 2016: ₹ 0.04 crore) from sales tax authorities.

DDFSPL:

- f) DDFSPL has received demand on account of transfer pricing and corporate tax under litigation for A/Y 2012-13, pending with Commissioner of Income Tax (Appeals) amounting to ₹ 0.09 crores (as on March 31, 2016 ₹ 0.09 crores and as on April 1, 2015 ₹ 0.26 crores)

DAPSPL:

- g) In respect of DAPSPL Penalty for compounding under section 177 and 178 of the Companies Act, 2013 has been levied during the year on DAPSPL amounting to ₹ 0.05 crores (March 31, 2016 : Nil).

III. Financial guarantees by associates:

In case of TIMDAA, irrevocable and unconditional Bank Guarantee of ₹ 7.5 Crores given to the Holding Company towards service tax liability, if any, in respect of the License Fee and is valid up to 31.03.2018.

IV. Capital and Other Commitments of associates:

a) Capital Commitments:

The capital commitments of associates are as below:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	TIMDAA		CELEBI		TFS		DDFSPL		DAPSPL	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Capital Commitments	0.87	1.40	4.33	-	1.07	0.25	11.97	2.20	1.19	-

Notes to the consolidated financial statements for the year ended March 31, 2017

b) Other Commitments:

- DAPSPL has entered into a Concessionaire Agreement with the Holding Company which gives DAPSPL an exclusive right to develop, operate, maintain, modernize and manage the vehicle parking and existing cargo terminal on revenue share model for a period of 25 years from the date of its operation. The revenue sharing will be as per the percentage prescribed in the concessionaire agreement for the respective years.
- DAPSPL has entered into an operation and maintenance agreement with Tenaga Parking Services (India) Private Limited for operating and maintaining parking services on revenue share model for an exclusive period of 5 years from the commencement of its operation. The revenue sharing will be as per the percentage prescribed in the agreement.

3) Dividend received from Associates

The Holding Company has accounted the dividend income as below:

(All amounts in Rupees Crore, except otherwise stated)

Name of the entity	uring the year ended	
	March 31, 2017	March 31, 2016
TIMDAA	9.22	7.84
DDFSPL	23.56	22.35
DAPSPL	2.03	-

42. Investments in Joint Ventures

The Holding Company's investments in WAISL, DAFFPL and DASPL are classified as joint ventures.

1) Carrying Value of Investments of joint ventures

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Carrying Value of Investment in joint ventures	73.95	80.20	74.91
Share of Profit for the year in joint ventures	10.32	10.61	
Share of OCI for the year in joint ventures	(0.00)	0.00	

The following table illustrates the summarized financial information of the Holding Company's investment in WAISL:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets, including cash and cash equivalents ₹ 6.26 crore (March 31, 2016: ₹ 2.77 crore, April 1, 2015: ₹ 2.69 crores)	50.88	47.37	30.94
Non-current Assets	53.42	25.39	17.49
Current Liabilities, including borrowings of ₹ Nil (March 31, 2016 ₹ 4 crore, April 1, 2015: ₹ 4 crore), Income tax Liabilities ₹ 28.75 crore (March 31, 2016: ₹ 4.43 crores, April 1, 2015: Nil) and statutory liabilities of ₹ 0.36 crore (March 31, 2016: ₹ 0.42 crore, April 1, 2015 ₹ 0.52 crore)	(83.44)	(55.44)	(37.40)
Non-Current Liabilities, including borrowings ₹ 0.21 crore (March 31, 2016 ₹ 0.21 crore, April 1, 2015: ₹ 0.53 crore) and deferred tax liabilities ₹ Nil crore (March 31, 2016 ₹ Nil, April 1, 2015: ₹ 0.29 crore)	(7.58)	(7.86)	(2.01)
Equity	13.30	9.46	9.02
Proportion of the Holding Company's ownership	26.00%	26.00%	26.00%
Carrying amount of the investment	3.46	2.46	2.35

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue, including interest income ₹ 5.24 crore (March 31, 2016: ₹ 0.55 crore)	56.16	39.32
Cost of Raw Material and Components Consumed	(46.59)	(35.83)
Depreciation & amortization	(0.87)	(0.01)
Finance Cost, including interest expense ₹ 0.83 crore (March 31, 2016: ₹ 0.48 crore)	(0.83)	(0.48)
Employee benefit	(1.02)	(1.05)
Other Expense	(0.99)	(1.17)
Profit before tax	5.88	0.80
Current Tax	(26.13)	(19.72)
Deferred Tax charge	24.09	19.36



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Profit for the year	3.84	0.44
Profit for the year for consolidation	3.84	0.44
other comprehensive income of the year	(0.01)	0.00
Proportion of the Holding Company's ownership	26.00%	26.00%
Holding Company's share of profit for the year	1.00	0.11
Holding Company's share of OCI for the year	(0.00)	0.00

The following table illustrates the summarized financial information of DAFFPL:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets, including cash and cash equivalents ₹ 0.01 crore (March 31, 2016 : ₹ 0.00 crore, April 1, 2015 : ₹ 4.04 crore)	5.85	20.79	7.57
Non-current Assets	328.67	340.09	364.92
Current Liabilities, including borrowings ₹ 18.83 crore (March 31, 2016 : ₹ 0.03 crore, April 1, 2015 : ₹ 0.20 crore)	(39.08)	(18.82)	(21.72)
Non-Current Liabilities including borrowings ₹ 73.82 crore (March 31, 2016 ₹ 91.70 crore, April 1, 2015: ₹ 109.60 crore) and deferred tax liabilities ₹ 25.95 crore (March 31, 2016 ₹ 27.93 crore, April 1, 2015: ₹ 28.07 crore)	(99.91)	(119.73)	(137.75)
Equity	195.53	222.33	213.02
Proportion of the Group's ownership	26.00%	26.00%	26.00%
Carrying amount of the investment	50.84	57.81	55.38

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue, including interest income of ₹ 2.82 crore (March 31, 2016: ₹ 2.45 crore)	120.85	114.21
Depreciation & amortization	(27.13)	(27.95)
Finance Cost, including interest expenses ₹ 10.18 crore (March 31, 2016: ₹ 12.25 crore)	(10.18)	(12.25)
Employee benefit	(1.23)	(1.16)
Other Expense	(21.45)	(17.87)
Profit before tax	60.86	55.00
Current Tax	(24.49)	(21.13)
Deferred Tax charge	1.97	0.14
Profit for the year	38.34	34.01
Consolidation Adjustments	(11.02)	(4.20)
Profit for the year for consolidation	27.32	29.81
other comprehensive income of the year	0.01	(0.00)
Proportion of the Holding Company's ownership	26.00%	26.00%
Holding Company's share of profit for the year	7.10	7.75
Holding Company's share of OCI for the year	0.00	(0.00)

The following table illustrates the summarized financial information of the Holding Company's investment in DASPL:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets, including cash and cash equivalents ₹ Nil (March 31, 2016 : ₹ 0.59 crore, April 1, 2015 : ₹ 0.33 crore)	33.32	43.95	26.90
Non-current Assets	39.13	46.66	54.80
Current Liabilities, including borrowings ₹ 2.18 crore (March 31, 2016 : ₹ 10.64 crore, April 1, 2015 : ₹ 0.56 crore)	(17.78)	(27.80)	(16.89)
Non-Current Liabilities including borrowings ₹ 10.97 crore (March 31, 2016 ₹ 19.75 crore, April 1, 2015: ₹ 28.41 crore) and deferred tax liabilities ₹ 4.36 crore (March 31, 2016 ₹ 3.18 crore, April 1, 2015: ₹ 2.02 crore)	(15.39)	(22.95)	(30.45)
Equity	39.30	39.86	34.36
Proportion of the Holding Company's ownership	50.00%	50.00%	50.00%
Carrying amount of the investment	19.65	19.93	17.18

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Revenue, including interest income of ₹ 4.97 crore (March 31, 2016: ₹ 0.97)	51.67	50.07
Cost of Raw Material and Components Consumed	(3.54)	(3.29)
Depreciation & amortization	(8.20)	(8.22)
Finance Cost, including interest expenses ₹ 3.29 crore (March 31, 2016: ₹ 4.86 crore)	(3.33)	(5.38)
Employee benefit	(0.39)	(0.36)
Other Expense	(27.69)	(24.42)
Profit before tax	8.52	8.40
Current Tax	(1.39)	(1.75)
Adjustment of tax relating to earlier years	(0.48)	(0.02)
MAT credit entitlement for earlier years written off	(2.65)	-
Deferred Tax charge	0.99	(2.89)
MAT tax credit	0.49	1.75
Profit for the year	5.46	5.50
Consolidation Adjustments	(1.02)	-
Profit for the year for consolidation	4.44	5.50
other comprehensive income of the year	(0.01)	0.00
Proportion of the Holding Company's ownership	50.00%	50.00%
Holding Company's share of profit for the year	2.22	2.75
Holding Company's share of OCI for the year	(0.00)	0.00

2) Commitments and Contingencies of joint ventures

I. Leases

Operating lease: Joint Venture as lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	DAFFPL	
	March 31, 2017	March 31, 2016
Minimum Lease payment for the year (excluding taxes)	17.23	15.95
Minimum Lease Payments:		
Within one year	18.52	17.14
After one year but not more than five years	88.63	82.44
More than five years	573.14	597.70
Total future payments	680.29	697.29

In case of DAFFPL, lease rent, termed as License Fees in Concession & Operating Agreement (C&OA) is being paid at the predetermined rate to Holding Company in respect of land taken on lease for 25 years with an escalation clause of 7.5% every year during the term of lease.

Operating lease: Joint Venture as lessor

DAFFPL has entered into cancellable lease agreement with the occupiers of its administrative building. The lease rental is recognised as income in the statement of profit and loss as per the respective agreements.

(All amounts in Rupees Crore, except otherwise stated)

Particulars	DAFFPL	
	March 31, 2017	March 31, 2016
Lease rentals recognised during the year	24.61	22.77
Minimum Lease Payments:		
Not later than one year	26.64	24.48
Later than one year and not later than five years	128.10	117.70
Later than five years	828.38	853.35
Total future payments	983.12	995.53



Notes to the consolidated financial statements for the year ended March 31, 2017

II. Contingent Liabilities

- a) During the previous year, WAISL had received a demand order for interest of ₹ 0.67 crores (as on March 31, 2016 ₹ 0.67 crores) computed on availment of 100% cenvat credit on capital goods in the first year of purchase itself during the financial years 2010 – 2011 and 2011 – 2012. The service tax department had contended that WAISL should have availed cenvat credit of 50% in the first year and balance 50% in the second year of purchase/ transfer of capital assets from Delhi International Airport Private Limited (DIAL). WAISL had filed an appeal against the said order and believes that the outcome in respect of the matter will be in favour and accordingly, no provision has been considered in this regard.
- b) DAFFPL has received during the year demand cum show cause notices amounting to ₹ 4.36 crores from the Service Tax Authority stating the wrong availment of Cenvat Credit by the DAFFPL for the period F.Y. 2010-11 to F.Y. 2015-16. DAFFPL has submitted the appropriate response and presented the case before Commissioner Service Tax. The matter is sub-judice with the Authority.

III. Financial guarantees by joint ventures:-

The Joint Ventures have not provided any financial guarantee other than performance guarantee on its own behalf, to any party.

IV. Capital and Other Commitments of joint ventures:-

a) Capital Commitments of joint venture:

The capital commitment of joint ventures is as below:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	DAFFPL		WAISL	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Capital Commitments	5.53	7.27	-	0.63

b) Other Commitments of joint ventures:

- i. DAFFPL has given counter guarantee to the Indian Bank, New Delhi for ₹ 5 crore against sanction limit for issuing bank guarantee on behalf of the companies; out of the same no bank guarantees is issued as at the balance sheet date.
- ii. DASPL has entered into a Concessionaire Agreement with Holding Company which gives the DASPL an exclusive right for managing the operations of bridge mounted equipment and supply of potable water at Indira Gandhi International Airport-Terminal 3. The revenue sharing will be as per the percentage prescribed in the concessionaire agreement for the respective years.

3) Other Disclosures of joint ventures:

- a) DASPL has reconciled the statement of account with one of the customer and identified certain discrepancies between the receivable as per DASPL and payable as per the books of accounts maintained by such customer. DASPL has reversed a sum of ₹ 10.96 crores.

4) Dividend received from Joint Ventures

The Holding Company has accounted the dividend income as below:

(All amounts in Rupees Crore, except otherwise stated)

Name of the entity	During the year ended	
	March 31, 2017	March 31, 2016
DASPL	2.50	-
DAFFPL	14.07	5.33

43. First Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2017 are the first financial statements, the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015 being the Group's date of transition to Ind AS. The principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Notes to the consolidated financial statements for the year ended March 31, 2017

43.1. Exemptions applied

IND AS-101 allows First time adopters certain exemptions from the retrospective application of certain requirements under IND AS. The Group has applied the following exemptions.

Use of Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP apart from the Impairment of financial assets based on Expected Credit Loss (ECL) model where application of Indian GAAP did not require estimation.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015 the date of transition to Ind AS, and as of March 31, 2016.

Impairment of financial assets

The Group has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2015.

De-recognition of financial assets and liabilities

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date except below:

As per Paragraph D13AA of Ind AS 101 a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (capitalizes the exchange differences to the cost of the asset).

The Group has decided not to avail the option available under paragraph D13AA of Ind AS 101. Accordingly, Group has adopted hedge accounting as per Ind AS 109 resulting in decapitalization of Assets and reversal of depreciation.

Arrangements containing a lease: (Arrangement in the nature of leases):

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

43.2 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

i. Equity as at April 1, 2015 and March 31, 2016

(All amounts in Rupees Crore, except otherwise stated)

Reconciliation of equity	Foot notes	Consolidated Balance Sheet as at April 1, 2015			Consolidated Balance Sheet as at March 31, 2016		
		Indian GAAP	Ind AS adjustments	Ind AS	Indian IGAAP	Ind AS adjustments	Ind AS
ASSETS							
(1) Non-current assets							
Property, plant and equipment	8,12	8,606.86	(14.47)	8,592.39	8,230.36	(190.56)	8,039.80
Capital work in progress	1	52.39	(1.74)	50.65	68.08	(4.21)	63.87
Intangible assets	1	434.04	(0.54)	433.50	413.44	(0.50)	412.94
Investment in subsidiaries, associates & joint ventures	1	-	224.24	224.24	-	254.17	254.17



Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Reconciliation of equity	Foot notes	Consolidated Balance Sheet as at April 1, 2015			Consolidated Balance Sheet as at March 31, 2016		
		Indian GAAP	Ind AS adjustments	Ind AS	Indian IGAAP	Ind AS adjustments	Ind AS
Financial assets							
(i) Loans	2	7.94	(7.94)	-	7.19	(4.94)	2.25
(ii) Other Financial Assets	1	174.85	(173.01)	1.84	56.42	(56.42)	-
Other non-current assets	2,3	99.87	6.48	106.35	111.21	(13.83)	97.38
Deferred tax assets (net)	1	3.55	85.37	88.92	9.65	1.62	11.27
		9,379.50	118.39	9,497.89	8,896.35	(14.67)	8,881.68
(2) Current assets							
Inventories	8	61.84	(54.11)	7.73	71.54	(64.35)	7.19
Financial assets							
(i) Investments	4	249.46	(2.32)	247.14	966.72	(10.06)	956.66
(ii) Trade Receivables	1	683.54	(28.89)	654.65	816.78	(25.32)	791.46
(iii) Cash and cash equivalents	1	142.48	(22.82)	119.66	438.45	(30.71)	407.74
(iv) Bank balance other than Cash and cash equivalents	1	211.65	(11.08)	200.57	85.54	(9.40)	76.14
(iv) Loans	2	1.91	11.59	13.50	1.73	13.16	14.89
(v) Other Financial assets	1	541.27	0.57	541.84	146.98	(13.50)	133.48
Other current assets	2,3	85.26	(35.63)	49.63	81.07	(30.75)	50.32
		1,977.41	(142.69)	1,834.72	2,608.81	(170.93)	2,437.88
Assets classified as held for sale		-	40.81	40.81	-	43.54	43.54
TOTAL ASSETS		11,356.91	(16.51)	11,373.42	11,505.16	(142.06)	11,363.10

(All amounts in Rupees Crore, except otherwise stated)

Reconciliation of equity	Foot notes	Consolidated Balance Sheet as at April 1, 2015			Consolidated Balance Sheet as at March 31, 2016		
		Indian GAAP	Ind AS adjustments	Ind AS	Indian IGAAP	Ind AS adjustments	Ind AS
EQUITY AND LIABILITIES							
(1) Equity							
Equity Share capital		2,450.00	-	2,450.00	2,450.00	-	2,450.00
Other equity							
(i) Retained earnings	1-13	(659.07)	231.32	(427.75)	(112.67)	221.94	109.27
(ii) Re-measurement gains on defined benefit plans	7						
		1,790.93	231.32	2,022.25	2,337.33	221.94	2,559.27
(2) Non-current liabilities							
Financial Liabilities							
(i) Borrowings	3,12	5,658.73	(115.83)	5,542.90	5,542.40	(149.24)	5,393.16
(ii) Other financial liabilities	2,5	1,652.40	(1,326.22)	326.18	1,667.36	(1,358.10)	309.26
Deferred revenue	2	1.46	1,783.97	1,785.43	0.55	1,752.22	1,752.77
Deferred tax liabilities (net)	9	11.89	(11.89)	0.00	42.48	(42.48)	0.00
Other non-current liabilities	1	210.22	(2.02)	208.20	149.60	(2.98)	146.62
Provisions	1	54.01	(54.01)	0.00	37.48	(37.48)	0.00
		7,588.71	274.00	7,862.71	7,439.87	161.94	7,601.81
(3) Current liabilities							
Financial Liabilities							
(i) Trade Payables		462.52	(36.80)	425.72	440.11	(49.66)	390.45
(ii) Borrowings		16.38	475.96	492.34	17.28	171.15	188.43
(iii) Other financial liabilities	2,3,5,6,12	1,169.19	(912.94)	256.25	936.36	(617.58)	318.78
Deferred revenue	2	12.18	70.26	82.44	10.55	71.50	82.05
Other current liabilities	10,11	244.87	(37.33)	207.54	232.54	(50.21)	182.33

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in Rupees Crore, except otherwise stated)

Reconciliation of equity	Foot notes	Consolidated Balance Sheet as at April 1, 2015			Consolidated Balance Sheet as at March 31, 2016		
		Indian GAAP	Ind AS adjustments	Ind AS	Indian IGAAP	Ind AS adjustments	Ind AS
Provisions		62.45	(47.55)	14.90	60.58	45.14	15.44
Current tax liabilities (net)		9.68	(0.41)	9.27	30.54	(6.00)	24.54
		1,977.27	(488.81)	1,488.46	1,727.96	(525.94)	1,202.02
Total liabilities		9,565.98	(214.81)	9,351.17	9,167.83	(364.00)	8,803.83
TOTAL EQUITY AND LIABILITIES		11,356.91	16.51	11,373.42	11,505.16	(142.06)	11,363.10

ii. Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(All amounts in Rupees Crore, except otherwise stated)

	Foot Notes	Indian GAAP	Ind AS adjustments	Ind AS
REVENUE				
Revenue from operations	2,10,11,12	5,360.14	(208.14)	5,152.00
Other income	2,4	127.34	(1.42)	125.92
Total Income (I)		5,487.48	(209.56)	5,277.92
EXPENSES				
Annual fee to Airports Authority of India (AAI)		2,304.15	-	2,304.15
Purchase of traded goods	1	179.92	(179.92)	-
Increase in traded goods	1	(8.28)	8.28	-
Cost of material consumed	1	5.00	(5.00)	-
Employee benefit expenses	7	158.81	(33.33)	125.48
Other expenses	6,10,11,12	818.17	104.89	923.06
Total expenses (II)		3,457.77	(105.08)	3,352.69
Earnings before interest, tax, depreciation and amortisation and exceptional items (EBIDTA) [I-II]		2,029.71	(104.48)	1,925.23
Finance costs	2,3,5,12	600.97	31.27	632.24
Depreciation and amortisation expenses	8,12	673.81	29.76	703.57
Profit before tax and exceptional items (III)		754.93	(165.51)	589.42
(1) Current tax		175.64	(46.57)	129.07
(2) Adjustment of tax relating to earlier years		(0.40)	0.40	-
(3) MAT credit entitlement for earlier years written off		2.93	-	2.93
(4) MAT credit entitlement		(2.02)	2.02	-
(5) Deferred tax	9	24.49	(35.81)	(11.32)
Total Tax expense (IV)		200.64	(79.96)	120.68
Profit for the year before share of associate and joint ventures V=(III-IV)		554.29	(85.55)	468.74
Share of profit/ (loss) of associates and joint ventures (VI)	1	0.01	68.19	68.20
Profit for the year VII= (V+ VI)		554.30	(17.56)	536.94
Other Comprehensive Income for the year (net of tax) (VIII)	13	-	0.08	0.08
Total Comprehensive Income for the year (net of tax) (VII+VIII)		554.30	(17.48)	537.02

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016:

1. Associate and Joint Venture

Under the Indian GAAP, group has proportionately consolidated its interest in the associates and joint ventures in the consolidated financial statement. On transition to Ind AS the group has assessed and determined associates and joint ventures under Ind AS 111 *Joint Arrangements*. Basis which the Group has evaluated and accounted for using the equity method as against proportionate consolidation earlier. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the group has previously



Notes to the consolidated financial statements for the year ended March 31, 2017

proportionately consolidated. The book value of investments as at March 31, 2016 in the books of Holding Company is ₹ 178.55 Crores and the carrying value of these investments as on March 31, 2016 is ₹ 297.71 Crores (April 1, 2015 ₹ 265.03 Crores). De-recognition of proportionately consolidated associates and joint ventures resulted in change in balance sheet, statement of profit and loss and cash flow statement. For its impact on the financial statement refer note 41 and 42.

2. Security deposit

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

3. Borrowings

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

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

4. Fair valuation of investments in mutual fund

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

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

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

Accordingly, the liability for Voluntary retirement scheme and capital creditor have been reduced with a corresponding adjustment to retained earnings as at the date of transition and subsequently increased by interest cost charged to the profit or loss.

6. Interest rate swap not designated as hedging instruments

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

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. Accordingly, the Group has accounted the fair valuation of IRS with an adjustment to retained earnings on transition and subsequently in the profit or loss.

7. Re-measurements of post-employment benefit plans

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

8. Capital spares

Under previous GAAP, spares are classified under Inventory and measured at lower of cost or net realisable value. Under Ind AS, spare parts which meet the definition of property, plant and equipment they are accounted for in accordance with Ind AS 16. Accordingly, the Group has capitalised the spares under property plant and equipment and charged the depreciation thereon.

9. Deferred tax

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

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

10. Advance development cost from Commercial property developers

Under Indian GAAP, the advance development cost received from commercial property developers is recorded at transaction value. Further, per Holding company management, entire amount

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

11. Marketing fund

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

12. Finance Lease

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

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

13. Other comprehensive income

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

14. Statement of cash flows

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

44. 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 Holding Company had accrued Development Fee (DF) amounting to ₹ 350 crore during the year 2012-13, earmarked for construction of Air Traffic Control (ATC)

tower; currently work is under progress as at March 31, 2017. DF amounting to ₹ 350 crore (March 31, 2016: ₹ 345.85 crore and April 1, 2015: ₹ 308.83 crore) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2017 and balance DF amounting to ₹ Nil (March 31, 2016: ₹ 4.15 crore and April 1, 2015: ₹ 41.17 crore), pending utilization, has been disclosed under other current liabilities.

The total expenditure incurred on construction of ATC tower is ₹ 393.07 crore till March 31, 2017 which exceeds the earmarked DF of ₹ 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 Holding Company has written a letter to AAI for reimbursement of additional expense incurred till March 31, 2017. However, pending acceptance by AAI, the Holding Company has included the additional amount of ₹ 43.07 crore (March 31, 2016: ₹ Nil and April 1, 2015: Nil) under Capital Work in Progress (CWIP) as at March 31, 2017.

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

In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Holding 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 Holding Company has capitalised DF collection charges aggregating to ₹ 28.37 crore till March 31, 2017 (March 2016 : ₹ 27.07 crore and April 1, 2015: ₹ 22.06 crore).

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



Notes to the consolidated financial statements for the year ended March 31, 2017

accounted for on final reconciliation of ADF pending with AAI. However, Holding Company has collected the DF receivable in full and settled the DF loan on May 28, 2016.

- b) The Holding Company has a receivable of ₹ 564.47 crore as at March 31, 2017 (March 31, 2016: ₹ 516.37 crore and April 1, 2015: ₹ 405.57 crore) (including unbilled revenue) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing "Airport Enhancement and Financing Service Agreement" with the International Air Transport Association for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Holding Company considers its dues from Air India as good and fully recoverable.
- c) **Particulars of un-hedged and un-discounted foreign currency exposure for the Holding Company as at the Balance sheet date are as under:**

Particulars	As at March 31, 2017			As at March 31, 2016		
	Amount (₹ in Crore)	Currency	Foreign Currency in Crore	Amount (₹ in Crore)	Currency	Foreign Currency in Crore
Other current Financial Liabilities	107.02	USD	1.62	28.86	USD	0.43
Trade Payable	2.64	EUR	0.04	3.55	EUR	0.05
	0.17	GBP	0.00	0.12	GBP	0.00
	0.03	SGD	0.00	0.05	SGD	0.00
	-	AUD	-	0.14	AUD	0.00
	0.01	MYR	0.00	-	MYR	-
	15.70	USD	0.25	4.23	USD	0.07
Borrowings (including Current Maturity)	1,369.40	USD	20.88	2505.23	USD	37.52
Trade Receivable	13.17	USD	0.20	12.86	USD	0.19
Non-Trade Receivables	1.06	USD	0.02	1.01	USD	0.02
Advance to suppliers	1.46	USD	0.02	1.83	USD	0.03

Closing exchange rates in Rs:

Currency	As at March 31, 2017	As at March 31, 2016
EUR	69.29	75.78
GBP	80.90	96.15
SGD	46.41	49.55
MYR	14.65	16.77
AUD	49.57	51.41
USD	65.60	66.77

d) Additional information :

- i) Earnings in foreign currency for the Holding Company (On accrual basis, excluding service tax)

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from concessionaires	325.10	305.13
Revenue from airlines	782.02	673.44
Total	1,107.12	978.57

- ii) CIF value of imports for the Holding Company (On accrual basis)

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Import of capital goods	13.27	6.79
Import of stores and spares	4.05	2.11
Total	17.32	8.90

Notes to the consolidated financial statements for the year ended March 31, 2017

iii) Expenditure in foreign currency for the Holding company (On accrual basis)

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings (including exceptional items)	253.89	162.29
Professional and consultancy expenses	1.44	8.40
Finance costs	26.63	-
Other expenses	13.27	12.59
Travelling and Conveyance	1.27	1.17
Total	296.50	184.45

iv) Consumption of stores and spares during the year for the Holding Company:

(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	%	Amount	%	Amount
Imported	15.99	4.15	4.44	1.04
Indigenous	84.01	21.79	95.56	22.31
Total	100	25.94	100	23.35

e) As per notification number G.S.R.308(E) dated March 30, 2017, the Ministry of Corporate Affairs the central government have made amendment to schedule III of Companies Act 2013, requiring every Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016.

During the year, the Group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particular	SBNs*	Other ₹ Denomination notes	Total
Closing cash in hand on November 08, 2016	1,96,96,000	46,40,600	2,43,36,600
(+) permitted receipts	12,62,000	22,77,68,993	22,90,30,993
(+) Receipts from non-permitted transactions	1,39,500	-	1,39,500
(-) Permitted payment	-	(9,44,88,583)	(10,27,71,083)
(-) Amount deposited in Banks	(2,10,92,500)	(12,33,84,650)	(12,46,65,650)
Closing cash in hand as on December 30, 2016*	5,000	1,45,36,360	2,60,70,360

In Respect of Holding Company

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	1,289,000	16,460	13,05,460
(+) Permitted receipts#	12,62,000	14,87,519	27,49,519
(-) Permitted payments	-	(3,40,287)	(3,40,287)
(-) Amount deposited in Banks	(25,46,000)	(10,71,576)	(3,617,576)
Closing cash in hand as on December 30, 2016*	5,000	92,116	97,116

includes SBNs of ₹ 518,500 received by the Holding Company through Lost and Found section at airport terminals.

includes SBNs of ₹ 203,000 received by the Holding Company through non-scheduled airlines.

*₹ 5000 of SBN's as on December 30, 2016 were stale which could not be deposited in bank and accordingly written off later during the year.

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Celebi Delhi Cargo Terminal Management India Private Limited

(Amount in ₹)

Particulars	SBNs *	Other ₹ Denomination notes	Total
Closing cash in hand on November 08, 2016	4,17,000	23,511	4,40,511
(+) permitted receipts		52,18,937	52,18,937
(+) Receipts from non permitted transactions	1,39,500		1,39,500
(-) Permitted payment	-	(1,60,955)	(1,60,955)
(-) Amount deposited in Banks	(5,56,500)	(49,21,636)	(54,78,136)
Closing cash in hand as on December 30, 2016	-	1,59,857	1,59,857

Travel Food Services (Delhi Terminal 3) Private Limited

(Amount in ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on November 08, 2016	17,89,500	76,166	18,65,666
(+) Permitted receipts	-	2,96,09,123	2,96,09,123
(-) Permitted payments	-	(16,54,970)	(16,54,970)
(-) Amount deposited in Banks	(17,89,500)	(2,59,17,209)	(2,77,06,709)
Closing cash in hand as on December 30, 2016	-	21,13,110	21,13,110

Delhi Duty Free Services Private Limited

(Amount in ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on November 08, 2016	82,82,500	6,35,058	89,17,558
(+) Permitted receipts	-	9,67,39,640	9,67,39,640
(-) Permitted payments/ Amount deposited in bank	-	(9,07,29,965)	(9,07,29,965)
(-) Amount deposited in Banks	(82,82,500)	-	(82,82,500)
Closing cash in hand as on December 30, 2016	-	66,44,733	66,44,733

Delhi Airport Parking Services Private Limited

(Amount in ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on November 08, 2016	79,18,000	38,89,465	11,807,465
(+) Permitted receipts	Nil	9,47,13,774	9,47,13,774
(-) Permitted payments	Nil	1601866	Nil
(-) Amount deposited in Banks	79,18,000	9,14,74,229	9,93,92,229
Closing cash in hand as on December 30, 2016	Nil	55,27,144	55,27,144

- f) These financial statements of the Holding 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 Holding 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.
- g) These financial statements of the Holding Company do not include billing to airlines for DF by the Holding Company. As per the Management, DIAL's responsibility is restricted only to the billing on behalf of Airports Authority of India (AAI) in accordance with provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.
- h) The Holding Company has received advance development costs of ₹ 660.06 crore (March 31, 2016: ₹ 653.13 crore and April 1, 2015: ₹ 653.13 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Holding 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 Holding Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Holding 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

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of the development agreement. As at March 31, 2017, the Holding Company has incurred development expenditure of ₹ 469.72 crore (March 31, 2016: ₹ 426.61 crore and April 1, 2015 ₹ 381.62 crore) which has been adjusted against the aforesaid advance and balance amount of ₹ 190.34 crore (March 31, 2016: ₹ 226.52 crore and April 1, 2015: ₹ 271.51 crore) is disclosed under other liabilities.

- i) The Holding 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 Holding Company. The financial statements of such marketing fund are being audited by one of the Joint Statutory auditors. As at March 31, 2017, the Holding Company has billed ₹ 92.48 crore towards such Marketing Fund and has incurred expenditure amounting to ₹ 39.05 crore (net of income on temporary investments) till March 31, 2017 from

the amount so collected. The balance amount of ₹ 53.43 crore pending utilization as at March 31, 2017 (March 31, 2016: Nil and April 1, 2015: Nil; as marketing fund billing and utilization was not forming part of marketing fund) 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.

- j) The Holding Company is of the view that certain income/ credits arising on adoption of Ind-AS were not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, these incomes/credits should not be form part of "Revenue" as defined in OMDA for the purpose of calculating monthly annual fee (MAF) payable to AAI. Accordingly, the Holding 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 are as under:

(All amounts in Rupees Crore, except otherwise stated)

Description	Incomes forming part of	For the year ended March 31, 2017
Construction income from Commercial property developers	Other operating income	43.13
Discounting on fair valuation of deposits taken from commercial property developers	Other operating income	25.91
Discounting on fair valuation of deposits taken from concessionaires	Sale of services – Non Aeronautical	37.75
Discounting on fair valuation of deposits given	Other income	0.14
Unrealised foreign exchange difference on borrowings	Other income	96.34
Reversal of Fair value of financial instruments Interest Rate Swap on actual settlement	Other income	6.17

- k) 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 Holding 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 Holding Company is of the view that the observations in the CAG report and the PAC report do not have any financial impact on the Holding Company.

- l) As per the transfer pricing rules prescribed under the Income tax act, 1961, the Holding Company is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The Holding Company's management does not anticipate any material adjustment with regard to the transactions during year ended March 31, 2017.
- m) A survey under section 133A of the Income Tax Act, 1961 was carried out at the premises of the Holding 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 of Holding Company has provided majority of the information and is in the process of providing

the rest of the information to the department. The management of the Holding 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.

- n) Airport Economic Regulatory Authority ("AERA") had passed the tariff order No. 40/2015-16 dated December 8, 2015 (issued on December 10, 2015) wherein Authority had decided to adjust DF of ₹ 3,241.37 crore out of allowed DF of ₹ 3,415.35 crore based on the actual expenditure spent towards project. The authority had decided to adjust the balance amount of DF of ₹ 173.98 crore as on March 31, 2014 on utilization basis as and when it is incurred. However, the Holding Company availed ₹ 3,415.35 crore of Loan based on the DF Orders and DF collected from passengers is used for payment of interest and principal till March 31, 2017. Accordingly, the differential interest i.e. paid by the Holding Company on DF Loans and considered on actual spent amounting to ₹ 48.06 crore (March 31, 2016: ₹ 47.90 crore) is required to be absorbed by Holding Company. Accordingly, during the year ended March 31, 2017 interest expense of ₹ 0.16 crore (March 31, 2016: ₹ 47.90 crore) has been provided in the books of accounts.

Further, the Holding Company had incurred a sum of ₹ 17.29 crore towards interest from December 2011 to February 2012 which was not allowed by AERA and accordingly interest expense



Notes to the consolidated financial statements for the year ended March 31, 2017

of ₹ 17.29 crore had also been provided in the books of accounts during previous year ended March 31, 2016.

- o) During the year ended March 31, 2017, the Holding Company refinanced its existing external commercial borrowings of USD 83.92 million and rupee term loans of ₹ 2,928.20 crore outstanding as at October 20, 2016; by issuance of 6.125% senior secured notes (2026) of USD 522.60 million. As a result of such refinancing, the Holding Company has incurred the following costs:

- i. The prepayment charges of ₹ 40.80 crore have been paid to various erstwhile lenders on prepayment of existing external commercial borrowings and rupee term loans outstanding as on the date of repayment / prepayment.

The above amount of ₹ 40.80 crore has been disclosed as "Exceptional Items" in the Statement of profit and loss.

In addition to above, Interest Rate Swap (IRS) which was outstanding on the existing external commercial borrowings was cancelled, resulting in breakage cost of ₹ 8.17 crore, has been adjusted from fair valuation loss of IRS' provided in earlier years and has been disclosed under 'other income' in the Statement of profit and loss.

- p) During the year ended March 31, 2017, the Holding Company has entered into "Call spread Options" with various banks for hedging the risk of volatility in foreign exchange fluctuation on account of its liability:

- i. Towards redemption of 6.125% Senior secured notes (2026) of USD 522.60 million, which is repayable in October 2026. Under this option, the Holding Company has purchased a call option for USD 522.60 million at a strike price of ₹ 66.85/USD and written a call option for USD 522.60 million at a strike price of ₹ 101.86/USD at October 31, 2026. As per terms of the agreements, the Holding Company is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), payable quarterly, the Holding Company has paid ₹ 14.96 crore till March 31, 2017 and remaining balance of ₹ 1,226.34 crore is payable as at March 31, 2017.
- ii. Towards redemption of part of 6.125% Senior secured notes (2022) of USD 288.75 million, which is repayable in February 2022. Under this option, the Holding Company has purchased a call option for USD 80.00 mn at a strike price of ₹ 68.00/USD and written a call option for USD 80 mn at a strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, the Holding Company is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable quarterly.

The Holding Company has accounted the same as per Cash flow hedge accounting as provided in Ind AS 109. For details, please refer detailed accounting policies of the Group.

- q) Board of Directors of Holding Company in its meeting held on May 11, 2017, proposed a dividend of 6.5% to its equity shareholders. (refer Note 16.1).

- r) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of ₹ 105.18 crore from 2006-07 to 2012-13 on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount of ₹ 30.66 crore under protest. SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, from 2013-14 the Holding 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 ₹ 60.96 crore and also levied interest of ₹ 24.99 crore for assessment years 2006-07 to 2012-13. The Holding Company had provided the amount of property tax and interest in its books of accounts till March 31, 2017.

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

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

Notes to the consolidated financial statements for the year ended March 31, 2017

45. Additional information pursuant to Schedule III of the Companies Act, 2013.

(All amounts in Rupees Crore, except otherwise stated)

S No.	Name of the entity	% of shareholding	March 31, 2017							
			Net Assets		Share in Profit and Loss		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
			As % consolidated net assets	Amount	As % consolidated Profit and Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Holding Company									
1	DIAL		89.86	2,827.60	88.36	534.57	99.41	(17.57)	88.02	517.02
	Subsidiary (Indian)									
1	DAPL	100	(0.00)	(0.06)	-	-	-	-	-	-
	Associates (Indian)									
1	TIMDAA	49.90	1.05	33.10	2.03	12.25	0.21	(0.04)	2.08	12.21
2	DAPSPL	49.90	1.47	46.13	0.77	4.67	0.26	(0.05)	0.78	4.62
3	TFS	40.00	0.12	3.69	(0.03)	(0.17)	-	(0.00)	(0.03)	(0.17)
4	DDFSPL	49.90	3.61	113.65	6.73	40.72	0.03	(0.00)	6.93	40.72
5	CELEBI	26.00	1.54	48.59	0.44	2.69	0.08	(0.01)	0.46	2.68
	Joint Ventures (Indian)									
1	DASPL	50.00	0.62	19.65	0.37	2.22	0.02	(0.00)	0.38	2.22
2	DAFFPL	26.00	1.62	50.84	1.17	7.10	(0.02)	0.00	1.21	7.10
3	WAISL	26.00	0.11	3.46	0.16	1.00	0.01	(0.00)	0.17	1.00
	Total		100.00	3,146.65	100.00	605.05	100.00	(17.67)	100.00	587.38

(All amounts in Rupees Crore, except otherwise stated)

S No.	Name of the entity	% of shareholding	March 31, 2016							
			Net Assets		Share in Profit and Loss		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
			As % consolidated net assets	Amount	As % consolidated Profit and Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Holding Company									
1	DIAL		88.36	2,261.61	87.31	468.74	118.31	0.09	87.31	468.83
	Subsidiary (Indian)									
1	DAPL	100	(0.00)	(0.05)	-	-	-	-	-	-
	Associates (Indian)									
1	TIMDAA	49.90	1.18	30.11	1.95	10.46	27.32	0.02	1.95	10.48
2	DAPSPL	49.90	1.70	43.54	0.50	2.71	32.98	0.03	0.51	2.74
3	TFS	40.00	0.06	1.46	0.21	1.12	8.41	0.01	0.21	1.13
4	DDFSPL	49.90	3.77	96.49	7.55	40.56	(91.83)	(0.07)	7.54	40.49
5	CELEBI	26.00	1.79	45.91	0.51	2.74	3.26	0.00	0.51	2.74
6	EDWPCL	48.99	-	-	-	-	-	-	-	-
	Joint Ventures (Indian)									
1	DASPL	50.00	0.78	19.93	0.51	2.75	0.72	0.00	0.51	2.75
2	DAFFPL	26.00	2.26	57.81	1.44	7.75	(0.44)	(0.00)	1.44	7.75
3	WAISL	26.00	0.10	2.46	0.02	0.11	1.27	0.00	0.02	0.11
	Total		100.00	2,559.27	100.00	536.94	100.00	0.08	100.00	537.02



Notes to the consolidated financial statements for the year ended March 31, 2017

- 46.** Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these consolidated financial statements have been rounded off or truncated as deemed appropriate by the Group.

For S. R. Batliboi & Associates LLP

ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha

Partner
Membership no: 94941
Place : New Delhi
Date : August 9, 2017

For Brahmaya & Co.

ICAI Firm Registration No. : 000515S
Chartered Accountants

per G. Srinivas

Partner
Membership no: 86761
Place : New Delhi
Date : August 9, 2017

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

Srinivas Bommidala

Managing Director
DIN-00061464

K. Narayana Rao

Whole Time Director
DIN-00016262

G. Radhakrishnababu

Chief Financial Officer

Saurabh Jain

Company Secretary

Place : New Delhi
Date : August 9, 2017



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INDIRA GANDHI
INTERNATIONAL AIRPORT

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