

Walker Chandio & Co LLP
Chartered Accountants
21st Floor, DLF Square,
Jacaranda Marg, DLF Phase II,
Gurugram 122002, India

K. S. Rao & Co.
Chartered Accountants
2nd Floor, 10/2 Khivraj
Mansion, Kasturba Road
Bengaluru – 560001, India

Independent Auditor's Review Report on Standalone Unaudited Condensed Interim Financial Statements of the Company for the period ended 30 September 2021

To The Board of Directors of Delhi International Airport Limited

Introduction

1. We have reviewed the accompanying Standalone unaudited condensed interim financial statements of Delhi International Airport Limited ('the Company'), which comprise the Standalone unaudited condensed interim balance sheet as at 30 September 2021, the Standalone unaudited condensed interim statement of profit and loss (including Other Comprehensive Income), the Standalone unaudited condensed interim cash flow statement and the Standalone unaudited condensed interim statement of changes in equity for the six-month period then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as the "Standalone unaudited condensed interim financial statements"). The Management is responsible for the preparation and presentation of these Standalone unaudited condensed interim financial statements in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. These Standalone unaudited condensed interim financial statements have been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on these Standalone unaudited condensed interim financial statements based on our review.

Scope of Review

2. We conducted our review of the Standalone unaudited condensed interim financial statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

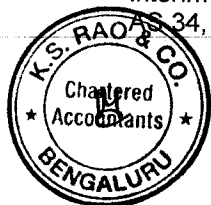
3. As detailed in Note 11(O)(iii) to the accompanying Standalone unaudited condensed interim financial statements, the Company had not recognized lease income amounting Rs. 286.53 crores arising from rental agreements entered with certain commercial property developers ('CPDs') for the period ended 30 September 2020. Based on the ongoing negotiations with the CPDs, the Company has accounted for such income during the quarter ended 31 March 2021 and has not restated the balances of the six-month period ended 30 September 2020 in accordance with the requirement of relevant Ind AS.

The conclusion expressed by us on Standalone unaudited condensed interim financial statements for the six-month period ended 30 September 2020 vide our report dated 03 November 2020 was qualified on account of the accounting treatment of the above matter not being in accordance with the applicable Ind AS in the respective period.

Had the management accounted for the aforesaid matter in the correct period then the other operating income and MAF payable to AAI for the six-month period ended 30 September 2020 would have been higher by Rs. 286.53 crores and Rs. 131.78 crores respectively and correspondingly loss before tax would have been lower by Rs. 154.75 crores.

Qualified Conclusion

4. Based on our review conducted as above except for the effects of the matter described in previous section nothing has come to our attention that causes us to believe that the accompanying Standalone unaudited condensed interim financial statements are not prepared, in all material aspects, in accordance with the requirements of Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India.



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Emphasis of Matters

5. We draw attention to Note 2(B) of the accompanying Standalone unaudited condensed interim financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the Standalone unaudited condensed interim financial statements of the Company as at the balance sheet date. Our conclusion is not modified in respect of this matter.
6. We draw attention to Note 5(I)(h) to the accompanying Standalone unaudited condensed interim financial statements in relation to ongoing litigation / arbitration proceedings between the Company and Airport Authority of India (AAI) in respect of Monthly Annual Fee (MAF) for the period 1 April 2020 to 31 March 2021 and for the six-month period ended 30 September 2021 for which the Company has sought to be excused from making payment to AAI as triggered from a force majeure event, which could have a significant impact on the accompanying Standalone unaudited condensed interim financial statements, if the potential exposure were to materialize. The outcome of such litigation / arbitration proceedings is currently uncertain and basis internal assessment and legal opinion, pending final outcome of the litigation, the management is of the view that no further adjustments are required to be made to the accompanying Standalone unaudited condensed interim financial statements for the aforesaid matter other than the reversal of the expense for Revenue share paid/payable to concessionaire grantors and recognition of provision for advance paid under protest to AAI under the head Other expenses for the six-month period ended 30 September 2020, as explained in the aforementioned note. Our conclusion is not modified in respect of this matter

Restriction on distribution or use

7. The Standalone unaudited condensed interim financial statements has been prepared by the Company's Management solely for the submission to the trustees and bond holders of 6.125% Senior Secured Notes (2022 and 2026) and 6.45% Senior Secured Notes (2029) and trustees and debenture trustees of 10.964% Non-Convertible Debentures (2025) issued by the Company; to assist the Management of the GMR Infrastructure Limited ('GIL' or 'Intermediate Holding Company') and GMR Airports Limited ('GAL' or 'Holding Company') in the preparation of their respective consolidated unaudited condensed interim financial statements as at and for the six-month period ended 30 September 2021 to be used for proposed fund raising by GIL, GAL, GMR Infrastructure (Overseas) Limited, a Subsidiary of GIL and GMR Airport International B.V., a Subsidiary of GAL; and for internal use by management of the Company and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

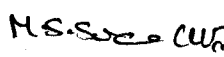
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No: 502013

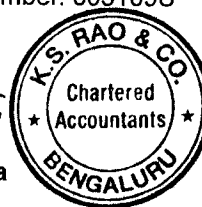
UDIN: 21502103AAAAGI7723
Place: Gurugram
Date: 08 November 2021



For K. S. Rao & Co.,
Chartered Accountants
Firm Registration Number: 003109S


Sudarshana Gupta
Partner
Membership No: 223060

UDIN: 21223060AAAABD1169
Place: New Delhi
Date: 08 November 2021



Delhi International Airport Limited
CIN. U63033DL2006PLC146936
Standalone Unaudited Condensed Interim Balance Sheet as at September 30, 2021
(All amounts in Rupees Crore, except otherwise stated)

	September 30, 2021 (Reviewed)	March 31, 2021 (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment and Intangible assets		
(i) Property, plant and equipment	5,516.22	5,714.96
(ii) Intangible assets	368.36	373.04
Right of use asset	15.70	18.04
Capital work in progress	4,596.84	3,633.80
Investment in subsidiary, associates and joint ventures	288.07	288.07
Financial assets		
(i) Investment	0.01	0.01
(ii) Other financial assets	1,335.93	1,181.71
Other non-current assets	2,815.70	2,502.58
Current tax assets	10.04	4.25
	14,946.87	13,716.46
Current assets		
Inventories	7.07	6.27
Financial assets		
(i) Investments	1,775.55	1,210.57
(ii) Trade receivables	118.50	94.84
(iii) Cash and cash equivalents	1,747.52	3,334.20
(iv) Bank balance other than cash and cash equivalents	769.82	449.80
(v) Other financial assets	453.54	840.09
Other current assets	119.25	106.83
	4,991.25	6,042.60
Total Assets	19,938.12	19,759.06
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,450.00	2,450.00
Other equity		
(i) Retained earnings	(327.43)	(22.47)
(ii) Cash flow hedge reserve	151.43	127.29
	2,274.00	2,554.82
Non-current liabilities		
Financial liabilities		
(i) Borrowings	10,794.95	10,674.40
(ii) Lease liabilities	12.46	14.40
(iii) Other financial liabilities	1,121.01	933.32
Deferred revenue	2,245.13	1,757.52
Other non-current liabilities	185.96	47.70
Long term provisions	4.24	3.53
	14,363.75	13,430.87
Current liabilities		
Financial liabilities		
(i) Borrowings	1,471.22	2,366.92
(ii) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	11.74	17.77
-Total outstanding dues of creditors other than micro enterprises and small enterprises	306.61	347.53
(iii) Lease liabilities	3.82	3.61
(iv) Other financial liabilities	690.35	580.92
Deferred revenue	389.95	93.25
Other current liabilities	274.53	213.80
Short term provisions	152.15	149.57
	3,300.37	3,773.37
Total Liabilities	17,664.12	17,204.24
Total Equity and Liabilities	19,938.12	19,759.06

Explanatory notes Annexed

The accompanying notes are an integral part of these standalone unaudited condensed interim financials statements and have been taken on record by the board of directors vide the meeting dated November 08, 2021.

As per our report of even date
For Walker Chandio & Co LLP
ICAI Firm Registration No. : 001076N/N500013
Chartered Accountants

per Neeraj Sharma
Partner
Membership no: 502103
Place: Gurugram
Date : November 08, 2021



As per our report of even date
For K.S. Rao & Co.
ICAI Firm Registration No. : 003109S
Chartered Accountants

H.S. Suresh Kumar
per Sudarshana Gupta M S
Partner
Membership no: 223060
Place: New Delhi
Date : November 08, 2021



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

BUCHISANY
ASI RAJU
GRANDHI

G.B.S Raju
Managing Director
DIN-00061686
Place: Dubai

VIDEH
KUMAR
JAIPURIAR
Videh Kumar Jaipuria
Chief Executive Officer

SUSHIL
KUMAR

Sushil Kumar Dudeja
Company Secretary
Place: New Delhi
Date : November 08, 2021

NARAYANA
RAO KADA

K. Narayana Rao
Whole Time Director
DIN-00016262
Place: New Delhi

HARI
NAGRANI
Hari Nagrani
Chief Financial Officer

Delhi International Airport Limited
CIN. U63033DL2006PLC146936

Standalone Unaudited Condensed Interim Statement of Profit and Loss for the six months period ended September 30, 2021
(All amounts in Rupees Crore, except otherwise stated)

	For the period ended September 30, 2021 (Reviewed)	For the period ended September 30, 2020 (Reviewed)
I REVENUE		
Revenue from operations [refer note 10]:		
- Sale of services	948.29	687.91
- Other operating revenue	350.96	66.38
Other income	42.20	51.95
Total revenue	1,341.45	806.24
II EXPENSES		
Annual fee to Airports Authority of India (AAI) [refer note 5(l)(h) & 11(e)]	147.54	40.53
Employee benefits expense	105.94	107.76
Depreciation and amortization expense	265.45	315.99
Finance costs	452.46	332.11
Other expenses	350.34	677.72
Total expenses	1,321.73	1,474.11
III Profit/ (Loss) before exceptional items	19.72	(667.87)
IV Exceptional items [refer note 11(o)]	325.16	-
V Loss before tax [(III)-(IV)]	(305.44)	(667.87)
Current tax	-	-
Deferred tax credit	(0.34)	(181.00)
Total tax credit	(0.34)	(181.00)
Loss for the period	(305.10)	(486.87)
VI Other comprehensive income		
A Items that will not be reclassified to profit or loss in subsequent periods		
Re-measurement gain/(loss) on defined benefit plans	0.14	0.00
Income tax effect	-	(0.00)
B Items that will be reclassified to profit or loss in subsequent periods		
Net movement of cash flow hedges	24.48	243.26
Income tax effect	(0.34)	(85.13)
Total other comprehensive income for the period (net of tax) (A+B)	24.28	158.13
Total comprehensive loss for the period (net of tax)	(280.82)	(328.74)
Earnings per equity share: [nominal value of share Rs. 10 (September 30, 2020 : Rs. 10)]		
(1) Basic	(1.25)	(1.99)
(2) Diluted	(1.25)	(1.99)

Explanatory notes Annexed

The accompanying notes are an integral part of these standalone unaudited condensed interim financials statements and have been taken on record by the board of directors vide the meeting dated November 08, 2021.

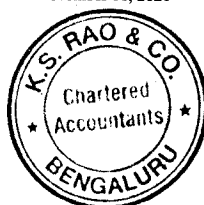
As per our report of even date
For Walker Chandio & Co LLP
ICAI Firm Registration No. : 001076N/N500013
Chartered Accountants

per Neeraj Sharma
Partner
Membership no: 502103
Place: Gurugram
Date : November 08, 2021



As per our report of even date
For K.S. Rao & Co.
ICAI Firm Registration No. : 003109S
Chartered Accountants

per Sudarshana Gupta M S
Partner
Membership no: 223060
Place: New Delhi
Date : November 08, 2021



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

BUCHISAN
YASU RAJU
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G.B.S Raju
Managing Director
DIN-00061686
Place: Dubai

VIDEH
KUMAR
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Videh Kumar Jaipuria
Chief Executive Officer

SUSHIL
KUMAR
Sushil Kumar Dudeja
Company Secretary
Place: New Delhi
Date : November 08, 2021

NARAYA
NA RAO
KADA

K. Narayana Rao
Whole Time Director
DIN-00016262
Place: New Delhi

HARI
NAGRANI
Hari Nagrani
Chief Financial Officer

Delhi International Airport Limited

CIN. U63033DL2006PLC146936

Standalone Unaudited Condensed Interim Statement of Change in Equity for the six months period ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

A. Equity Share Capital

(1) As at September 30, 2021

Balance as at April 1, 2021	Changes during the current period	Balance as at September 30, 2021
2,450.00	-	2,450.00

(2) As at September 30, 2020

Balance as at April 1, 2020	Changes during the current period	Balance as at September 30, 2020
2,450.00	-	2,450.00

B. Other Equity

(1) As at September 30, 2021

Particulars	Reserves and Surplus	Effective portion of	Total
	Retained Earnings	Cash Flow Hedges*	
Balance as at April 1, 2021	(22.47)	127.29	104.82
Loss for the period	(305.10)	-	(305.10)
Other comprehensive income (net of tax)	0.14	24.14	24.28
Balance as at September 30, 2021	(327.43)	151.43	(176.00)

(2) As at September 30, 2020

Particulars	Reserves and Surplus	Effective portion of	Total
	Retained Earnings	Cash Flow Hedges*	
Balance as at April 1, 2020	294.35	(1.89)	292.46
Loss for the period	(486.87)	-	(486.87)
Other comprehensive income (net of tax)	-	158.13	158.13
Balance as at September 30, 2020	(192.52)	156.24	(36.28)

* The Company had entered into "call spread option" with various banks for hedging the repayment of 6.125% Senior secured notes (2022) of USD 288.75 million, 6.125% Senior secured notes (2026) of USD 522.60 million and 6.45% Senior secured notes (2029) of USD 500 million which are repayable in February 2022, October 2026 and June 2029 respectively. The Company has adopted Cash flow hedge accounting for Call spread options as per Ind AS 109. Accordingly, the effective portion of gain or loss on the hedging instruments is recognised in Other Comprehensive Income in the Cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of profit & loss.

*The Company has cancelled Call spread Options of USD 105.422 million (USD 80 million of February 8, 2017 options & USD 25.422 million out of January 25, 2018 options) and Call spread option on interest liability of USD 105.422 million in April 2021 due to prepayment of USD 105.422 million to USD 288.75 million notes holders as per tender acceptance.

The accompanying notes are an integral part of these standalone unaudited condensed interim financial statements and have been taken on record by the board of directors vide the meeting dated November 08, 2021.

As per our report of even date
For Walker Chandio & Co LLP
ICAI Firm Registration No. : 001076N/N500013
Chartered Accountants

Neeraj
per Neeraj Sharma
Partner
Membership no: 502103
Place: Gurugram
Date : November 08, 2021



As per our report of even date
For K.S. Rao & Co.
ICAI Firm Registration No. : 003109S
Chartered Accountants

H.S. & Co.
per Sudarshana Gupta M S
Partner
Membership no: 223060
Place: New Delhi
Date : November 08, 2021



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

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YASHI RAJU
GRANDHI

G.B.S Raju
Managing Director
DIN-00061686
Place: Dubai

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JAIPURIAR

Videh Kumar Jaipuria
Chief Executive Officer

SUSHIL
KUMAR

Sushil Kumar Dudgea
Company Secretary
Place: New Delhi
Date : November 08, 2021

NARAYA
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K. Narayana Rao
Whole Time Director
DIN-00016262
Place: New Delhi

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Chief Financial Officer

Delhi International Airport Limited

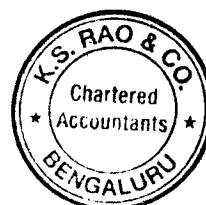
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Standalone Unaudited Condensed Interim Cash Flow Statement for the six months period ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

	For the period ended September 30, 2021 (Reviewed)	For the period ended September 30, 2020 (Reviewed)
Cash flow from operating activities		
Loss before tax		
Adjustment to reconcile profit/ (loss) before tax to net cash flows	(305.44)	(667.87)
Depreciation and amortization expenses	265.45	315.99
Provision for bad debts / bad debts written off	0.64	0.01
Interest income on deposits/current investment	(24.87)	(34.99)
Exchange differences unrealised (net)	0.87	0.55
Gain on sale of current investments-Mutual fund	(9.52)	(4.92)
loss/(Profit) on discard of Property, plant and equipments	1.60	(0.00)
Dividend income on non current investments carried at cost	(2.75)	(10.05)
Interest on borrowings	277.49	198.94
Call spread option premium	90.65	100.92
Other borrowing costs	1.84	-
Redemption premium on borrowings	1.86	-
Rent expenses on financial assets carried at amortised cost	0.10	0.07
Provision against advance to Airports Authority of India (AAI) [refer note 5(I)(h)]	-	305.17
Interest expenses on financial liability carried at amortised cost	38.03	32.46
Deferred income on financial liabilities carried at amortized cost	(52.82)	(50.52)
Fair value gain on financial instruments at fair value through profit or loss	(1.33)	(0.70)
	281.80	185.06
Working capital adjustment:		
(Decrease)/ increase in trade payables	(15.65)	89.52
Increase in other non current liabilities	138.25	0.83
Increase/ (Decrease) in other current liabilities	60.73	(70.85)
(Decrease)/ Increase in non current deferred revenue	(147.37)	1.77
Increase in current deferred revenue	286.42	106.23
Increase/ (decrease) in non current financial liabilities	851.59	(107.57)
(Decrease)/ Increase in current financial liabilities	(44.94)	28.41
Increase in trade receivables	(24.30)	(98.31)
Increase in inventories	(0.79)	(0.07)
Increase in other non current assets	(353.76)	(88.06)
Increase in other current assets	(13.70)	(77.25)
Decrease/ (Increase) in other current financial assets	341.90	(187.54)
(Increase)/ decrease in other non current financial assets	(1.94)	1.89
Increase in non current provisions	0.85	1.31
Increase/ (decrease) in current provisions	2.58	(0.90)
Cash generated from operations	1,361.67	(215.53)
Direct taxes (paid)/ refund (net)	(5.79)	43.15
Net cash flow from/ (used in) operating activities (A)	1,355.88	(172.38)
Cash flows from investing activities		
Purchase of property plant and equipments, including CWIP and capital advances	(797.85)	(636.95)
Proceeds from sale of property, plant and equipment	0.32	0.00
Security deposit given for equipment lease	-	(401.20)
Purchase of current investments	(4,097.00)	(3,265.78)
Sale/maturity of current investments	3,542.87	3,814.92
Dividend income	2.75	10.05
Interest received	71.01	121.46
Investment of margin money deposit	(0.02)	(0.02)
Redemption of (Investments in) fixed deposits with original maturity of more than three months (net)	(320.02)	201.68
Net cash used in investing activities (B)	(1,597.94)	(155.84)

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Delhi International Airport Limited

CIN. U63033DL2006PLC146936

Standalone Unaudited Condensed Interim Cash Flow Statement for the six months period ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

	For the period ended September 30, 2021 (Reviewed)	For the period ended September 30, 2020 (Reviewed)
Cash flows from financing activities		
Principal payment of lease liability	(1.73)	(2.16)
Interest payment of lease liability	(0.89)	(1.03)
Repayment of borrowings	(924.72)	-
Redemption Premium paid	(16.30)	-
Proceeds from hedge cancellation	64.43	-
Option premium paid	(143.73)	(154.11)
Borrowing cost paid	(16.56)	(15.15)
Interest paid	(305.12)	(315.31)
Net cash used in financing activities (C)	(1,344.62)	(487.76)
Net increase in cash and cash equivalents (A + B + C)	(1,586.68)	(815.98)
Cash and cash equivalents at the beginning of the period	3,334.20	2,049.30
Cash and cash equivalents at the end of the period	1,747.52	1,233.32
Components of cash and cash equivalents		
Cash on hand	0.06	0.06
Cheques/ drafts on hand	10.10	0.01
With banks		
- on current account	28.66	307.79
- on deposit account	1,708.70	925.46
Total cash and cash equivalents	1,747.52	1,233.32

Explanatory notes annexed

1. The above cash flow statement has been compiled from and is based on the standalone unaudited condensed interim balance sheet as at September 30, 2021 and the related standalone unaudited condensed interim statement of profit and loss for the six months period ended on that date.
2. Cash and cash equivalents include Rs. 1.21 crore (Sep 30, 2020: Rs. 0.11 crore), pertaining to Marketing Fund, to be used for sales promotional activities.
3. The accompanying notes are an integral part of these standalone unaudited condensed Interim financials statements and have been taken on record by the board of directors vide the meeting dated November 08, 2021.

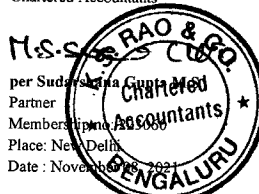
As per our report of even date
For Walker Chandiook & Co LLP
ICAI Firm Registration No. : 001076N/N500013
Chartered Accountants

per Neeraj Sharma
Partner
Membership no: 502103
Place: Gurugram
Date : November 08, 2021



As per our report of even date
For K.S. Rao & Co.
ICAI Firm Registration No. : 003109S
Chartered Accountants

per Sudarshana Gupta
Partner
Membership no: 465009
Place: New Delhi
Date : November 08, 2021



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

BUCHISANY
ASI RAJU
GRANDHI

G.B.S Raju
Managing Director
DIN-00061686
Place: Dubai

VIDEH
KUMAR
JAIPURIAR
Videh Kumar Jaipuria
Chief Executive Officer

SUSHIL
KUMAR
Sushil Kumar Dudeja
Company Secretary
Place: New Delhi
Date : November 08, 2021

NARAYANA
RAO KADA

K. Narayana Rao
Whole Time Director
DIN-00016262
Place: New Delhi

HARI
NAGRANI
Hari Nagrani
Chief Financial Officer

Delhi International Airport Limited

CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021

(All amounts in Rupees crore, except otherwise stated)

1. Corporate information

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

The Standalone Unaudited Condensed Interim Financial Statements ('Financial Statements') are approved by Company's Board of Directors in its meeting on November 08, 2021.

2. (A) Basis of preparation

These Standalone Unaudited Condensed Interim Financial Statements comprises of the Standalone Unaudited Condensed Interim Balance Sheet as at September 30, 2021, the Standalone Unaudited Condensed Interim Statement of Profit and Loss (including other comprehensive income), the Standalone Unaudited Condensed Interim Statement of Cash Flows, the Standalone Unaudited Condensed Interim Statement of Changes in Equity for the six months then ended and a summary of Significant Accounting Policies and other explanatory notes (collectively the "Standalone Unaudited Condensed Interim Financial Statements") and do not include all the information and disclosures that would otherwise be required in a full set of financial statements. The Standalone Unaudited Condensed Interim Financial Statements have been prepared by the Company:

- (i) for submission to the trustees and bond holders of 6.125% Senior Secured Notes (2022 and 2026) and 6.45% Senior Secured Notes (2029) and trustees and debenture holders of 10.964% Non-Convertible Debentures (2025) issued by the Company;
- (ii) to assist the respective management of its intermediate holding company i.e. GMR Infrastructure Limited ('GIL') and its holding company i.e. GMR Airports Limited ('GAL') in the preparation of their respective consolidated unaudited condensed interim financial statements as at and for the six months period ended September 30, 2021 to be used for proposed fund raising by GIL, GMR Infrastructure (Overseas) Limited, GAL, and GMR Airport International B.V., a Subsidiary of GAL; and
- (iii) for internal use by management of the Company.

The Standalone Unaudited Condensed Interim Financial Statements of the Company have been prepared as per the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The accounting policies followed in preparation of the Standalone Unaudited Condensed Interim Financial Information are consistent with those followed in the preparation of the annual statutory financial statements for the year ended March 31, 2021.

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

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



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(All amounts in Rupees crore, except otherwise stated)

(B) Covid-19 Update:

Post outbreak of COVID-19 last year in the month of March, 2020, the business of the company got adversely impacted due to travel restrictions on international and domestic travel. As a quarantine measure, Government of India had also imposed the countrywide lockdown with effect from March 25, 2020, however, restrictions on operation of domestic flights were lifted from May 25, 2020. Accordingly, the airport was closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation / rescue flights for passengers, which in turn has materially impacted the business of the Company. However gradually, the Government of India eased restrictions on domestic travel and domestic travel picked up till March 2021 i.e. till the second wave of Covid 19 pandemic but restriction on international travel continued except air bubble flights. After the decrease in number of COVID cases in June 2021, there has been improvement in air travel, majorly in domestic travel, which was partly halted due to the outbreak of second wave of COVID-19 pandemic from March 2021. The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date and has concluded that there are no material adjustments required in the financial statements. For this assessment, Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in these financial statements. However, the impact of the COVID 19 pandemic on our business will depend on future developments that cannot be reliably predicted. The impact of the COVID 19 pandemic might be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions.

3. Significant Accounting Policies

a. Use of estimates

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financials statements have been disclosed in note 4. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements.

b. Current versus non-current classification

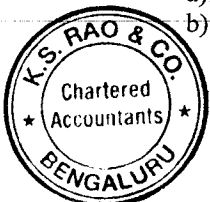
The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- 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



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(All amounts in Rupees crore, except otherwise stated)

- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

c. Revenue recognition

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

Revenue from contract with customer

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

Revenue from Operations

Significant financing component

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

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

Contract balances

Contract assets

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

Trade receivables

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



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(All amounts in Rupees crore, except otherwise stated)

Contract liabilities

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

Income from services

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

Land & Space- rentals pertains to granting right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services.

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

Interest income

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

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

Dividends

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

Claims

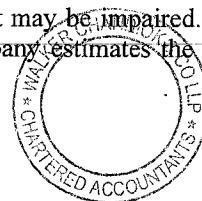
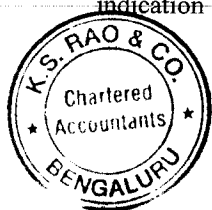
Claims on contractors / concessionaires are accounted on the basis of reasonable certainty / realization.

d. Investments in associates, joint ventures and subsidiary

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

e. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's



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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.

f. Property, Plant and Equipment

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

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

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

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



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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment is calculated on a straight line basis using the useful lives prescribed under Schedule II to the Companies Act, 2013 except for certain assets class i.e. Internal Approach Roads, Electric Panels and Transformers/Sub-station, the Company, based on a technical evaluation, believes that the useful life of such property, plant and equipment is different from the useful life specified in Schedule II to Companies Act 2013. The following is a comparison of the useful lives of these property, plant and equipment as adopted by the Company and those prescribed under Schedule II to the Companies Act, 2013:

Type of Assets	Useful life as estimated by the Company based on technical evaluation	Useful life as prescribed in Schedule II to the Companies Act, 2013
Internal approach roads – Other than RCC	10 years	5 years
Transformers/Power Sub-Stations (included in Plant and Machinery)	15 years	10 years
Electric Panels (included in Electrical Installations and Equipment)	15 years	10 years

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

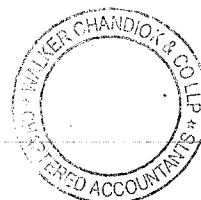
On June 12, 2014, the Airport Economic Regulatory Authority (“the Authority”) has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of major Airports wherein it, inter alia, mentioned that the Authority proposes to lay down, to the 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, that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority has issued order no. 35/2017-18 on January 12, 2018 which was further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 01, 2018.

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

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

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

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h. Intangible assets

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

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

i. Amortisation of intangible assets

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed 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 these financial statements.

The Company amortises, upfront fee paid as airport concession rights and other costs paid to AAI referred to above are recognized and amortized over the initial period of 30 years and extended period of 30 years of OMDA i.e. 60 years. Other intangible assets are amortised over the useful life of asset or six years whichever is lower.

j. Government Grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that

- (i) the Company will comply / have complied with the conditions attached to them, and
- (ii) the grant / subsidy will be received.

When the grant/ subsidy relates to revenue, it is recognized under other income in the Statement of Profit and Loss in the period of receipts of such grant/ subsidy, at the amount expected to be realized.

k. Borrowing cost

Borrowing costs net of income on surplus investments 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 on EIR basis in the period in which they occur.

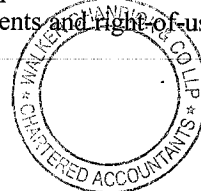
Borrowing costs consist of interest, call spread premium and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



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Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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.

In case of a short term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to statement of profit and loss on accrual basis.

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 of the relevant lease.

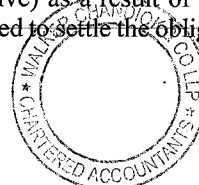
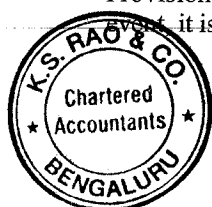
Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified 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.

m. Inventories

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

n. 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



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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will 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.

o. Contingent assets

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

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

p. Financial Instruments

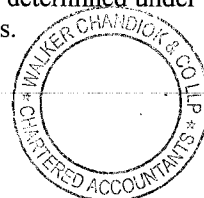
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

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

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



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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost: A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

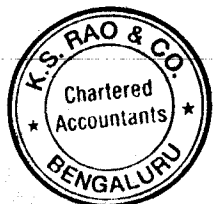
Financial assets at FVOCI : A financial asset is measured at the FVTOCI if both of the following criteria are met:

- 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.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

In addition, the Company may elect to designate a Financial asset's 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 statement of Profit and Loss.



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(All amounts in Rupees crore, except otherwise stated)

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

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

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

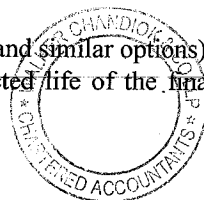
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial



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(All amounts in Rupees crore, except otherwise stated)

instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

II) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognised in standalone statement of profit and loss.



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(All amounts in Rupees crore, except otherwise stated)

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.

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.

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.

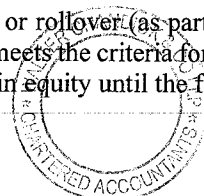
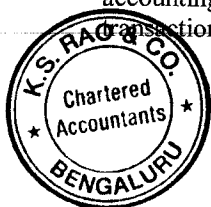
At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective 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.



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(All amounts in Rupees crore, except otherwise stated)

Presentation of derivative contracts in the financial statement

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

r. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in these Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets or liabilities such as derivative instruments.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes as mentioned below.

Disclosures for valuation methods, significant estimates and assumptions (note 7)



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021

(All amounts in Rupees crore, except otherwise stated)

b) Quantitative disclosures of fair value measurement hierarchy (note 8)

c) Financial instruments (including those carried at amortised cost)

s. Taxes

Tax expense comprises current tax and deferred tax.

Current income tax

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

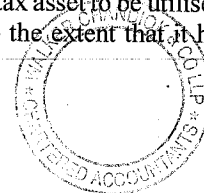
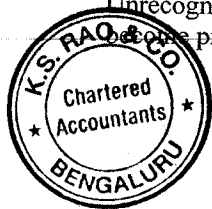
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii) In respect of deductible temporary differences associated with investments in subsidiary, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.



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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

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

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

t. Proposed dividend

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

u. 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.

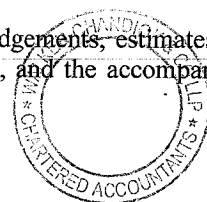
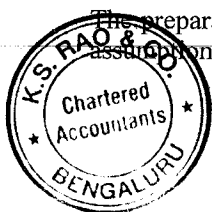
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v. Cash Flow Statement

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

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying



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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.

4.1 Judgements

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

Discounting rate

The Company has considered incremental borrowing rate of Airport sector as at transition date, for measuring deposits being financial assets and financial liabilities, at amortised cost. The incremental borrowing rate have been revised for period starting from April 1, 2021 for all the deposits taken/received post March 31, 2021. The impact has accordingly, been duly accounted in the Financial Statements.

Consideration of significant financing component in a contract

The Company sells pouring rights at airport for which contract period is for more than one year. The Company concluded that there is a significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and rendering services, as well as the prevailing interest rates in the market.

In determining the interest to be applied to the amount of consideration, the Company concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

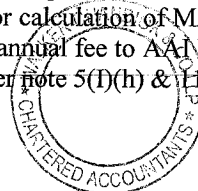
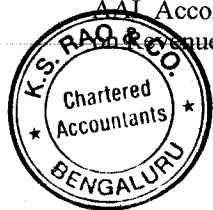
Non applicability of Service Concession Arrangement (SCA)

DIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives DIAL an exclusive right to operate, maintain, develop, modernize and manage the Delhi Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA. Under the agreement, AAI has granted exclusive right and authority to undertake some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Aeronautical Services' and 'Non-Aeronautical Services'. For prices, aeronautical services are regulated, while the regulator has no control over determination of prices for Non-Aeronautical Services. The management of the Company conducted detailed analysis to determine applicability of Appendix D of Ind AS 115 and concluded that the same does not apply to DIAL. Company concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from DIAL, AAI and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. The airport premise is being used both for providing regulated services (Aeronautical Services) and for providing non-regulated services (Non-aeronautical Services). Accordingly, the management has concluded that SCA does not apply in its entirety to the Company.

Annual Fee to AAI

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

Management of the Company is of the view that the certain income / credits arising on adoption of Ind-AS was not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent actual receipts from business operations, from any external sources and therefore, these incomes/ credits should not be treated as "Revenue" for calculation of MAF to AAI. Accordingly, the Company, basis above and legal opinion, has provided the monthly annual fee to AAI based on Revenue as per the Ind AS Financial Statements after adjusting such incomes/credits [refer note 5(I)(h) & H (g)].



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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.

4.2 Estimates and assumptions

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

Taxes

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

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

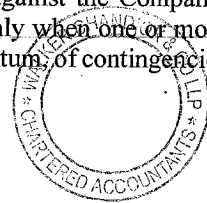
The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Provision for Leave encashment

The present value of leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, and withdrawal rates. Due to complexities involved in the valuation and its long term nature, provision for leave encashment is sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

Contingencies

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



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inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer Note 7, 8, 9)

5. Commitments and Contingencies**I. Contingent liabilities not provided for:**

	Particulars	As at September 30, 2021	As at March 31, 2021
(i)	In respect of Income tax matters *	64.29	64.29
(ii)	In respect of Indirect tax matters [refer note (e) , (f) & (g) below and other matters*]	190.42	190.42
(iii)	In respect of other matters [refer (a) below]	38.41	38.41
(iv)	In respect of Annual fee payable to AAI [refer note (h) below]		

*pertaining to various cases not included below

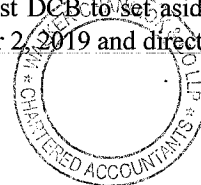
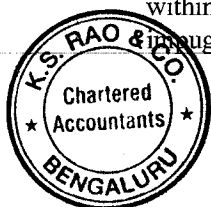
- a) During the year ended March 31, 2017, the Delhi Cantonment Board (DCB) had raised provisional invoice demanding property tax of Rs.9.01 crore in respect of vacant land at IGI Airport for the Financial Year 2016-17. The airport area majorly consists of vacant land area which cannot be commercially let out by the Company because of operational safety, aircraft landing & take off and navigational requirements as per standards laid down by International Civil Aviation Organization (ICAO). However, based on same computation method as used for payment of property tax to South Delhi Municipal Corporation (SDMC), management has made payment of Rs. 1.15 crore towards property tax for financial year 2016-17 and requested DCB to withdraw its demand.

Company has paid Rs. 1.15 crore, Rs. 1.12 crore, Rs. 1.10 crores and Rs. 1.10 crores each for financial year 2017-18, financial year 2018-19, financial year 2019-20 and financial year 2020-21 respectively based on same computation as of financial year 2016-17.

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

The Company has obtained a legal opinion; wherein it has been opined that liability w.r.t. earlier years cannot be ruled out. As DCB has not raised any demand for earlier years, and the Company has submitted its application for adopting the same computation method as considered by SDMC, while arriving at the demand for the financial year 2016-17, the amount of liability for earlier years is unascertainable, and therefore no provision has been considered.

Thereafter on November 1, 2019, DCB issued a notice seeking payment of Property Tax for the amount Rs. 38.41 crores from DIAL and threatened recovery through issue of warrant of distress upon failure to make payment within 30 days. DIAL filed a writ petition before the Hon'ble Delhi High court against DCB to set aside the undrawn demand notices. The Hon'ble Delhi High court heard the matter on December 2, 2019 and directed to



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be keep in abeyance the impugned demand notices and directed DCB to grant a detailed hearing to DIAL, upon DIAL's filing a representation before the DCB and also explain the basis of calculation arrived at by DCB, subject to deposit a sum of Rs. 8.00 crores with DCB within three weeks as liability is to be determined and accordingly the writ petition was disposed off. In compliance of High Court order, DIAL had deposited a sum of Rs. 8.00 crores under protest on December 20, 2019.

DIAL had made representations during personal hearings granted by DCB. However, despite many representations made by DIAL and ignoring all contentions of DIAL, DCB has passed an assessment order dated June 15, 2020 levying the property tax of Rs. 867.21 crores per annum from financial year 2016-17 onwards against its earlier assessment of tax of Rs. 9.13 crores per annum DCB has raised the total demand of Rs. 2,601.63 crores for three years i.e. 2016-17 to 2018-19 and DIAL has been directed to pay Rs. 2,589.11 crores after making due adjustments of amount already deposited within 30 days.

As per the legal opinion taken by DIAL, the order dated June 15, 2020 is in violation of the earlier order dated December 2, 2019 passed by the Delhi High Court, also is in breach of the provisions of the Cantonments Act and is per se arbitrary and illegal, deserves to be set aside/quashed. Accordingly, DIAL filed a Writ Petition on July 20, 2020 before the High Court of Delhi challenging the assessment order dated June 15, 2020. The writ petition was heard on various dates in which Honourable Delhi High Court directed DCB not to take any coercive action against the Company till next hearing.

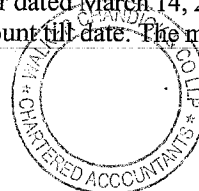
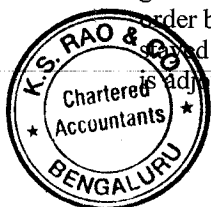
Now, AAI, DCB and Ministry of Defence have filed their counter reply. Pending writ petition, DCB has raised additional demand of property tax for Rs. 1733.32 crore for the FY 2019-20 and FY 2020-21 after considering amount paid by DIAL, which have also been objected by Company in view of directions of the High court to DCB not to take any coercive action. Accordingly, the Company has filed its additional affidavit for consideration for FY 2019-2020 and FY 2020-2021 in present writ petition. MoCA sought further time to file its Counter Affidavit. Accordingly, the Court allowed the request and adjourned the matter to December 09, 2021.

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

The Company had challenged the said circulars issued by MoCA before the Hon'ble High Court of Delhi by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is simply adjourned en bloc by notification. Now listed on December 01, 2021. Based on an internal assessment and aforesaid order of the Hon'ble High Court of Delhi, the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

- c) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by DIAL (the Airport Operator) in a fiduciary capacity. The Company had incurred Rs. 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till September 30, 2021 (March 31, 2021 Rs. 297.25 crore) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble High court of Delhi. The Hon'ble High Court of Delhi, vide its order dated March 14, 2014, directed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is adjourned en bloc and now listed for hearing on November 11, 2021.



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

Based on an internal assessment, the management of the Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court of Delhi and pending further orders, the Company has charged Rs. 114.43 crore from April 1, 2014 till September 30, 2021 (March 31, 2021: Rs. 110.41 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes Rs. 4.02 crore for six months ended September 30, 2021 (September 30, 2020: Rs. 1.97 crore).

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

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

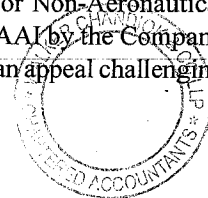
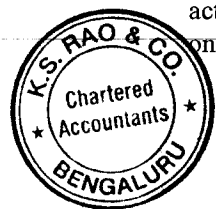
The Expert Advisory Committee ('EAC') of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to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

Accordingly, as allowed under para 15 of erstwhile Accounting Standard 12, the Company had adjusted (netted off) Rs. 80.39 crore, [being the difference between the value of duty credit scrips amounting to Rs. 89.60 crore and the depreciation amounting to Rs. 9.21 crore that ought to have been charged on such assets] against certain expenditure, which in its view are related to obtaining such custom duty credit scrip entitlements and had disclosed the same as prior period items (net) in the financial statements for the year ended March 31, 2014.

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

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

The matter was contested in arbitration before Arbitral Tribunal and arbitration award was pronounced in favour of the Company on December 27, 2018, mentioning that the income earned by way of SFIS Scrip does not fall under the definition of Revenue as per OMDA as it is not related with any Aeronautical or Non-Aeronautical activities and it is of the nature of capital receipt. Accordingly, no annual fee is payable to AAI by the Company on SFIS revenue and demand of AAI for annual fee stands rejected. However, AAI has filed an appeal challenging



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the order of Arbitral Tribunal before the High Court of Delhi on April 25, 2019 for setting aside the arbitration award dated December 27, 2018. The matter is now listed for December 09, 2021. The matter is on stage of issuing notice/ preliminary arguments are to be heard on the maintainability of the petition.

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

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

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

However, based on an internal assessment 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 by depositing Rs. 4.07 crore against the order dated May 02, 2016. The matter was concluded in final hearing held on December 20, 2018 and the decision is pronounced on February 8, 2019 in favour of DIAL setting aside the order of the Director Adjudication raising a demand of service tax of Rs. 54.31 crore and the amount deposited Rs. 4.07 crore has been refunded back with interest by the department.

The department has filed SLP before Supreme Court, against the Order dated February 8, 2019 passed by CESTAT in favour of DIAL. DIAL has filed counter affidavit on September 9, 2020 and the last date tentatively fixed was August 24, 2021 but matter did not come up for hearing and no further date has been fixed in the matter.

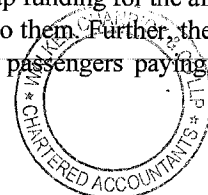
Accordingly, the amount of Rs.54.31 crore disclosed as contingent liability as at September 30, 2021. Further, the management of the Company is of the view that no adjustments are required to be made to these financial statements.

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

The Company replied to the show cause notice referred to above with appropriate authority and the issue was heard on merits on February 17, 2016.

Subsequently, the Commissioner of Service Tax, has passed Order No. C.No.D III/ST/IV/16/Hqrs/Adjn/DIAL/153/2015/1862-ST dated July 12, 2016 confirming the demand of service tax of Rs. 262.06 crore (after giving cum duty effect) and out of the said demand has appropriated amount of Rs 130.17 crore already deposited by Company under protest towards service tax, and further imposed a penalty of Rs 131.89 crore in respect of this matter.

However, based on an internal assessment 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.



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Service tax liability, if any arises on DF, shall be decided by AERA, keeping in view the final pronouncement of the matter.

The Company had filed an appeal against the order before CESTAT, New Delhi on October 10, 2016. The matter was concluded in final hearing held on December 04, 2018 and the decision is pronounced on January 18, 2019 in favour of DIAL setting aside the order of the Commissioner levying service tax on ADF and penalty amounting to Rs. 262.06 crore.

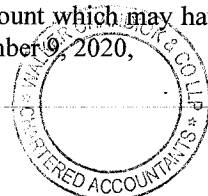
The department has filed SLP before Supreme Court, against the Order dated January 18, 2019 passed by CESTAT in favour of DIAL. DIAL has filed counter affidavit on August 14, 2020 the last date tentatively fixed was September 20, 2021 but matter did not come up for hearing and no further date has been fixed in the matter.

Accordingly, the amount of Rs.131.89 crore has been disclosed as contingent liability as at September 30, 2021. Further, the management of the Company is of the view that no adjustments are required to be made to these financial statements.

- g) In certain matters before Hon'ble Delhi High Court or Hon'ble Supreme Court yet to be decided, wherein DIAL has been made respondent and the petitions filed by the UOI, others/concessionaires which are relating to the applicability of service tax (under pre-GST regime) on services provided by DIAL and the issues under consideration are related to licensing of space in Airport, Service tax on supply of electricity, running of duty free shops to be regarded as Airport Services. DIAL initially charged service tax against the services provided, however levy and the applicability was contested by the such parties and accordingly they filed petitions before judicial authorities making DIAL as a party/respondent in the matters. The management is of the view that these matters will not result in any additional obligation on DIAL in case of adverse decisions and in case of any demand or liability arising on account of adjudication of the issues, the same are recoverable from the service recipients.
- h) In the month of March 2020, DIAL in its various communications issued inter-alia under Article 16 (Force Majeure), informed AAI that consequent to outbreak of Covid-19 pandemic, the entire aviation industry, particularly the IGI Airport has been adversely affected. It was specifically communicated that the said crisis has materially and adversely affected the business of DIAL which in turn has directly impacted the performance of DIAL's obligations under the OMDA (including obligation to pay Annual Fee/Monthly Annual Fee) while DIAL is continuing to perform its obligation to operate, maintain and manage the IGI Airport. DIAL thereby invoked Force Majeure post outbreak of COVID-19 "A Pandemic" as provided under Article 16 of OMDA and claimed that it would not be in a position to perform its obligation to prepare Business Plan and pay Annual Fee/ Monthly Annual fee to AAI. The said event(s) of Force Majeure had also been admitted by AAI in its communication to DIAL. Consequently, DIAL is entitled to suspend or excuse the performance of its said obligations to pay Annual Fee/Monthly Annual Fee as notified to AAI. However, AAI has not agreed to such entitlement of DIAL under OMDA. This has resulted in dispute between DIAL & AAI and for the settlement of which, DIAL has invoked on September 18, 2020 dispute resolution mechanism in terms of Article 15 of OMDA. Further, on December 02, 2020, DIAL again requested to AAI to direct the Escrow Bank to not to transfer the amounts from Proceeds Accounts to AAI Fee Account, seeking similar treatment as granted by Hon'ble High Court of Delhi to Mumbai International Airport Ltd.

In the absence of response from AAI, DIAL approached Delhi High Court seeking certain interim reliefs by filing a petition u/s 9 of Arbitration & Conciliation Act on December 5, 2020 due to the occurrence of Force Majeure event post outbreak of COVID 19 and its consequential impact on business of DIAL, against AAI and ICICI Bank (Escrow Bank). The Hon'ble High Court of Delhi vide its order dated January 5, 2021 has granted ad-interim reliefs with following directions:

- The ICICI Bank is directed to transfer back, into the Proceeds Account, any amount which may have been transferred from the Proceeds Account to the AAI Fee Account, after December 9, 2020,



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- Transfer of moneys from the Proceeds Account to the AAI Fee Account, pending further orders, shall stand stayed and DIAL can use money in Proceeds Account to meet its operational expenses.

The said petition still is pending before Hon'ble Delhi High Court and further proceedings in it are subject to the disposal of appeal filed by AAI with divisional bench. Meanwhile with the nomination of arbitrators by DIAL and AAI and appointment of presiding arbitrator, the arbitration tribunal has been constituted on January 13, 2021. The pleadings in the matter are complete and the Tribunal at its last hearing on August 23, 2021 has directed both the parties to file the witness affidavits.

Before DIAL's above referred Section 9 petition could be finally disposed off, AAI has preferred an appeal against the ad-interim order dated January 5, 2021 under section 37 of the Arbitration and Conciliation Act, 1996 before division bench of Delhi High Court, which is listed for consideration and arguments.

In compliance with the ad-interim order dated January 5 2021, AAI has not issued any certificate or instructions to the Escrow Bank from December 09, 2020 onwards regarding the amount of AAI Fee payable by DIAL to AAI, as contemplated under the Escrow Agreement and the OMDA. Resultantly both pursuant to the ad-interim order of Hon'ble Delhi High Court and in the absence of any certificate or instruction from AAI, the Escrow Bank has not transferred any amount pertaining to AAI Fee from Proceeds Account to AAI Fee Account of the Escrow Account from December 09, 2020 onwards.

Basis the legal opinion obtained, the Company is entitled to not to pay the Monthly Annual fee under article 11.1.2 of OMDA to AAI being an obligation it is not in a position to perform or render on account of occurrence of Force Majeure Event, in terms of the provisions of Article 16.1 of OMDA till such time the Company achieves level of activity prevailing before occurrence of Force majeure. Further, the Company has also sought relief for refund of MAF of an amount of Rs. 465.77 crore appropriated by AAI for the period starting from March 19, 2020 till December 2020.

In view of the above, the management of the Company has decided to continue to not to provide the Monthly Annual Fee to AAI for the six months ended September 30, 2021 amounting to Rs. 275.39 crores in addition to Rs. 768.69 crores for FY 2020-21 (September 30, 2020: Rs. 305.17 crores) on "Revenue" as defined in OMDA.

As AAI had already appropriated the Monthly Annual Fee amounting to Rs. 446.21 crores from April 01, 2020 till December 09, 2020, which the company had already protested. Accordingly, the same had been shown as Advance to AAI paid under protest. However, since the recovery of this amount is sub-judice before the Hon'ble Delhi High Court and the arbitral tribunal, as a matter of prudence, the Company had decided to create a provision against above advance and shown the same in other expenses. Basis this, the Company has also reclassified the numbers for the earlier period of six months ended September 30, 2020 by reducing the revenue share paid/payable to concessionaire of Rs. 305.17 crores with a corresponding equivalent increase in other expenses and the same does not have any impact on earlier reported loss for the aforementioned period.

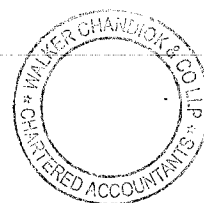
II. Financial guarantees- The Company has not provided any financial guarantee other than performance guarantee on its own behalf, to any party.

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

III. Capital and Other Commitments:

(a) Capital Commitments:

At September 30, 2021, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of Rs. 642.27 crore (excluding GST) (March 31, 2021: Rs. 681.38 crore)] Rs. 4,455.25 crore (excluding GST) (March 31, 2021: Rs. 5,148.34 crore).



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- i. As per the terms of OMDA, the Company is required to pay annual fee to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.
- ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.
- iii. In respect of its equity investment in East Delhi Waste Processing Company Private Limited, the Company along with SELCO International Limited has to maintain minimum 51% shareholding for a period of 2 years from the commissioning of the project and thereafter minimum 26% shareholding for next 10 years. The project has been commissioned with effect from April 1, 2017.
- iv. During previous years, the Company had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2022) of USD 288.75 million, 6.125% Senior secured notes (2026) of USD 522.60 million and 6.45% Senior secured notes (2029) for USD 500 million which are repayable in February 2022, October 2026 and June 2029 respectively.

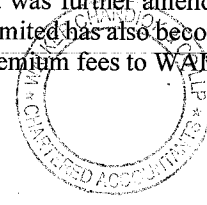
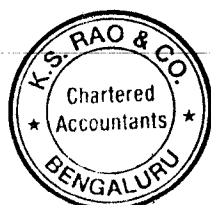
The terms of above agreements is as below:

Option Value (in USD Mn)	Period		Call spread range (INR/USD)	Total Premium Payable	Premium paid/adjusted till	Premium outstanding as at	
	From	To			September 30, 2021	September 30, 2021	March 31, 2021
522.60	December 6, 2016	October 22, 2026	66.85 - 101.86	1,241.30	580.75	660.55	722.23
80.00*	February 8, 2017	January 25, 2022	68.00 - 85.00	94.33	94.33	-	18.98
208.75*	January 25, 2018	January 25, 2022	63.80 - 85.00	192.28	170.56	21.72	49.39
350.00	June 24, 2019	May 30, 2029	69.25-102.25	742.79	160.58	582.21	620.29
150.00	February 27, 2020	May 30, 2029	71.75-102.25	307.17	49.71	257.46	274.30

During the six months period, the Company has also entered into "Coupon only hedge" with bank for hedging the payment of interest liability on 6.125% Senior secured notes (2026) for USD 522.60 million borrowings.

* During the six months period, the Company has cancelled Call spread Options of USD 105.422 million (USD 80 million of February 8, 2017 options & USD 25.422 million out of January 25, 2018 options) and Call spread option on interest liability of USD 105.422 million in April 2021 due to prepayment of USD 105.422 million to USD 288.75 million notes holders as per tender acceptance on April 6, 2021.

- v. In terms of Section 115JB of Income Tax Act, 1961, certain Ind AS adjustments at the Ind AS transition date to be included in book profits equally over a period of five years starting from the year of first time adoption of Ind AS i.e. Financial Year 2016-17. Pursuant to above, the Company had made Ind AS adjustments amounting to Rs. 184.79 crore as on March 31, 2016 and included 1/5th of the same i.e. Rs. 36.96 crore while computing book profit for Financial Year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-2021.
- vi. DIAL entered into a tripartite Master Service Agreement (MSA) with WAISL Limited (Formerly known as Wipro Airport IT Services Limited) [WAISL] and WIPRO Limited. This agreement was further amended vide addendum number 17, dated April 5, 2018, in which Antariksh Softech Private Limited has also become the party to the agreement. As per the agreement, DIAL is committed to pay annual premium fees to WAISL



Delhi International Airport Limited**CIN. U63033DL2006PLC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021****(All amounts in Rupees crore, except otherwise stated)**

or receive from WAISL a concession fee, determined and mutually agreed on the basis of estimated receivable and subsistence level (as defined in the said MSA further amended vide addendum number 21 dated October 31, 2019). The said agreement has expired on 28th July 2020.

However, in case of delay in payment of dues from customers to WAISL, the Company was required to fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. As of September 30, 2021, the Company had funded net of recovery Rs. 11.08 crore (March 31, 2021: Rs. 19.98 crore) towards shortfall in collection from customers.

With respect to Subsidiary, Joint ventures and associates:

- vii. The Company has committed to provide financial support to Delhi Aerotropolis Private Limited (100% Subsidiary Company) to meet the liabilities of Delhi Aerotropolis Private Limited (Subsidiary Company), as and when required.

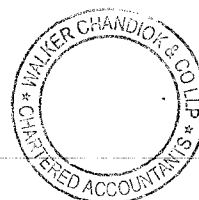
The Company has approved to strike off its investment in the Subsidiary Company in its board meeting dated February 11, 2020. Pursuant to this, the Board of Directors of DAPL, in its meeting held on June 05, 2020 have approved the filing of application with the Registrar of Companies (ROC) for strike off. The application has been filed with the ROC on August 11, 2020. However, the approval from ROC is awaited.

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

Company Name	As at September 30, 2021		As at March 31, 2021	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Delhi Airport Parking Services Private Limited	18,853,703	188,537,030	18,853,703	188,537,030
Travel Food Services (Delhi Terminal 3) Private Limited	1,680,000	16,800,000	1,680,000	16,800,000

- ix. In respect of the Company's investment in Joint Venture ('JV') entities and Associate Companies, other JV/ associate partners have the first right of refusal in case, any of the JV/ associate partners intend to sell its stake subject to other terms and conditions of respective JV/ associate agreements.
- x. In respect of its equity investment in GMR Bajoli Holi Hydropower Private Limited ('Bajoli Holi'), the Company has to maintain minimum 17.33% of equity shareholding until the expiry of or early termination of power purchase agreement dated September 11, 2017 entered between the Company and the Bajoli Holi, expiring on May 03, 2036. The Company had invested Rs. 108.33 crore as equity share capital.
- xi. The Company had invested in DIGI Yatra foundation, a Special Purpose Vehicle (SPV) formed as central platform for identity management of passengers, as Joint Venture (JV) of Private Airport Operators and Airports Authority of India (AAI) as Section 8 Company (Not for Profit Organization) under the provisions of the Companies Act, 2013. Further, it had been decided by AAI that initially AAI, Delhi International Airport Limited (DIAL) and Bangalore International Airport Limited (BIAL) will form this company with the shareholding ratio of 26:37:37 respectively. Currently, DIGI Yatra foundation is having paid up share capital of Rs. 10,000 and DIAL has invested Rs. 2,220 only (March 31, 2021: Rs. 2,220). In future, 26% shareholding of Digi Yatra Foundation will be held by AAI and remaining 74% shareholding will be equally divided amongst the Private Airport Operators viz. BIAL, Cochin International Airport Limited (CIAL), DIAL, GMR Hyderabad International Airport Limited (GHIAL), Mumbai International Airport Limited (MIAL) i.e. 14.8% each.

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Delhi International Airport Limited

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Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

6. Related Party Transactions

a) Names of related parties and description of relationship:

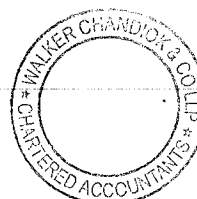
Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited
Intermediate holding company	GMR Infrastructure Limited
Holding company	GMR Airports Limited
Subsidiary company	Delhi Aerotropolis Private Limited ³
Associate company	Delhi Airport Parking Services Private Limited
	Travel Food Services (Delhi Terminal 3) Private Limited
	Celebi Delhi Cargo Terminal Management India Private Limited
	TIM Delhi Airport Advertising Private Limited
	DIGI Yatra Foundation ¹
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Krishnagiri SEZ Limited
	Kakinada SEZ Limited (formerly known as Kakinada SEZ Private Limited)
	GMR Pochanpalli Expressways Limited
	GMR Tambaram Tindivanam Expressways Limited
	GMR Energy Trading Limited
	GMR Goa International Airport Limited
	GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited) ⁴
	GMR Hospitality & Retail Limited
	GMR Tuni Anakapalli Expressways Limited
	GMR League Games Private Limited
Joint ventures	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited
	Delhi Duty Free Services Private Limited
Enterprises in respect of which the company is a joint venture	GMR Bajoli Holi Hydropower Private Limited
	Airports Authority of India
Associate of member of a Group of which DIAL is a member	Fraport AG Frankfurt Airport Services Worldwide
	GMR Megawide Cebu Airport Corporation
Joint Venture of member of a Group of which DIAL is a member	GMR Kamalanga Energy Limited
	GMR Warora Energy Limited
	GMR Consulting Services Private Limited
	GMR Vemagiri Power Generation Limited
	GMR Varalaksmi Foundation
Enterprises where significant influence of Key management Personnel or their relatives exists	Key Management personnel
	Mr. G.M. Rao – Executive Chairman
	Mr. G.B.S. Raju – Managing Director
	Mr. Srinivas Bommidala – Non Executive Director
	Mr. Grandhi Kiran Kumar – Non Executive Director
	Mr. K. Narayana Rao – Whole Time Director
	Mr. Indana Prabhakara Rao – Executive Director
	Mr. G. Subba Rao – Director
	Mr. R.S.S.L.N. Bhaskarudu – Independent Director
	Mr. M. Ramachandran – Independent Director
	Ms. Siva Kameswari Vissa – Independent Director
	Mr. N.C. Sarabeswaran – Independent Director
	Mr. Anuj Aggarwal – Director (AAI Nominee) ²
	Mr. Rubina Ali – Director (AAI Nominee)
	Mr. Anil Kumar Pathak – Director (AAI Nominee)
	Mr. K. Vinayak Rao – Director (AAI Nominee)

1. The Company had invested in DIGI Yatra foundation, a Special Purpose Vehicle (SPV) formed as central platform for identity management of passengers, as Joint Venture (JV) of private airport operators and AAI under Section 8 of the Companies Act, 2013 (Not for Profit Organization). Further, it has been decided by AAI that initially for incorporation AAI, DIAL and Bangalore International Airport Limited (BIAL) will form this company with shareholding of 26:37:37 respectively. During the year ended March 31, 2020, DIAL has transferred 148 shares to Cochin International Airport Limited (CIAL) on August 18, 2019. Currently DIGI Yatra foundation is having paid up capital of Rs. 10,000 and DIAL has invested Rs. 2,220 only (March 31, 2021 : Rs. 2,220). In future, the equity share of Joint Venture Company (JVC) will be 26% of AAI and remaining 74% will be equally divided amongst the Private Airport Operators viz. BIAL, Cochin International Airport Limited (CIAL), DIAL, GMR Hyderabad International Airport Limited (GHIAL), Mumbai International Airport Limited (MIAL) i.e. 14.8% each.

2. Mr. Anuj Aggarwal cease to be director due to his demise on April 22, 2021.

3. The Company has approved to strike off its Subsidiary Company in its board meeting dated February 11, 2020. Pursuant to this, the Board of Directors of DAPL, in its meeting held on June 05, 2020 have approved the filing of application with the Registrar of Companies (ROC) for strike off. The application has been filed with the ROC on August 11, 2020. However, the approval from ROC is awaited.

4. GMR Aero Technic Limited has demerged the Maintenance, Repair and Overhaul (MRO) division and merged into GMR Air Cargo and Aerospace Engineering Limited. Therefore, the MRO business is now operated under the new name "GMR Air cargo and Aerospace Engineering Limited".



Delhi International Airport Limited

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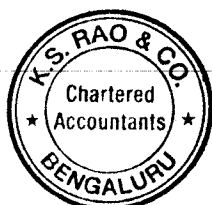
Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	September 30, 2021	March 31, 2021
Investments in subsidiary, associates and Joint Ventures		
Investments in Unquoted Equity Share		
Subsidiary Company		
Delhi Aerotropolis Private Limited	0.10	0.10
Associate Companies		
East Delhi Waste Processing Company Limited		
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Travel Food services (Delhi Terminal 3) Private Limited	5.60	5.60
TIM Delhi Airport Advertising Private Limited	9.22	9.22
Delhi Airport Parking Services Private Limited	40.64	40.64
Digi Yatra Foundation	0.00	0.00
Joint Ventures		
Delhi Aviation Services Private Limited	12.50	12.50
Delhi Duty Free Services Private Limited	39.92	39.92
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
GMR Bajoli Holi Hydropower Private Limited	108.33	108.33
Trade Receivables (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	1.72	0.32
Holding Company		
GMR Airports Limited	1.84	0.75
Associate Companies		
TIM Delhi Airport Advertising Private Limited	1.26	0.23
Travel Food Services (Delhi Terminal 3) Private Limited	0.18	-
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.01
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	1.92	2.30
Delhi Duty Free Services Private Limited	0.02	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.09	0.01
GMR Hyderabad International Airport Limited	0.12	0.13
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.17	0.01
GMR Tambaram Tindivanam Expressways Limited	4.71	4.72
GMR Energy Trading Limited	1.11	0.18
GMR Pochanpalli Expressways Limited	3.64	3.82
GMR Airport Developers Limited	-	0.01
Raxa Security Services Limited	0.08	-
Joint Venture of member of a Group of which DIAL is a member		
GMR Warora Energy Limited	4.57	5.31
GMR Vemagiri Power Generation Limited	2.83	2.83
GMR Kamalanga Energy Limited	0.91	-
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.02	-
Other Financial Assets - Current		
Unbilled receivables		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	-	1.12
Associate Companies		
Delhi Airport Parking Services Private Limited	3.34	2.95
TIM Delhi Airport Advertising Private Limited	17.74	18.82
Celebi Delhi Cargo Terminal Management India Private Limited	17.88	18.06
Travel Food Services (Delhi Terminal 3) Private Limited	1.96	1.89
Joint Ventures		
Delhi Duty Free Services Private Limited	13.95	15.91
Delhi Aviation Services Private Limited	1.68	1.48
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	-	0.01
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.03	0.02
GMR Energy Trading Limited	0.02	0.01
Joint Venture of member of a Group of which DIAL is a member		
GMR Kamalanga Energy Limited	0.02	0.01

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Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	September 30, 2021	March 31, 2021
Other recoverables		
Joint Ventures		
Delhi Aviation Services Private Limited	0.06	0.05
Delhi Duty Free Services Private Limited	0.04	0.12
GMR Bajoli Holi Hydropower Private Limited	5.14	-
Associate Companies		
Delhi Airport Parking Services Private Limited	0.02	0.15
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.08
Celebi Delhi Cargo Terminal Management India Private Limited	0.05	0.18
TIM Delhi Airport Advertising Private Limited	0.41	0.68
DIGI Yatra Foundation	0.16	0.16
Enterprises in respect of which the company is a joint venture		
Airports Authority of India (including advance to AAI paid under protest)	491.73	486.35
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Kakinada SEZ Limited	0.11	0.11
GMR Goa International Airport Limited	0.27	0.27
GMR Pochanpalli Expressways Limited	0.02	0.02
Associate of a member of a group of which DIAL is a member		
GMR Megawide Cebu Airport Corporation	-	0.07
Provision against advance to AAI paid under protest		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India [refer note 5 (I) (h) & 11(e)]	446.21	446.21
Other Financial Assets - Current		
Non- Trade Receivables (including marketing fund)		
Holding Company		
GMR Airports Limited	0.10	-
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	4.14	2.27
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Trading Limited	0.10	0.01
Joint Venture of member of a Group of which DIAL is a member		
GMR Warora Energy Limited	0.46	0.72
GMR Kamalanga Energy Limited	0.08	-
GMR Vemagiri Power Generation Limited	0.57	0.57
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.13	0.05
Celebi Delhi Cargo Terminal Management India Private Limited	3.11	1.42
TIM Delhi Airport Advertising Private Limited	0.45	0.25
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	-	0.21

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Delhi International Airport Limited

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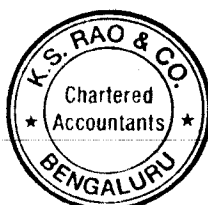
Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	September 30, 2021	March 31, 2021
Trade payable (including marketing fund)-Current		
Intermediate holding company		
GMR Infrastructure Limited	1.61	1.64
Holding company		
GMR Airports Limited	9.23	11.27
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	-
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	-	5.97
Enterprises in respect of which the company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	25.07	59.71
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	6.31	5.67
GMR Airport Developers Limited	6.35	0.19
GMR Hospitality & Retail Limited	0.06	0.04
Other financial liabilities - Non Current		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	531.42	528.00
Remuneration payable to key managerial personnel		
Mr. G. M. Rao	0.81	1.63
Mr. K. Narayana Rao	0.19	0.38
Mr. G.B.S Raju	0.88	1.75
Mr. Indana Prabhakara Rao	0.30	0.60
Other Financial Liabilities at amortised cost- Current		
Security Deposits from trade concessionaires		
Holding company		
GMR Airports Limited	0.01	-
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	7.05	7.04
Delhi Airport Parking Services Private Limited	0.01	0.01
TIM Delhi Airport Advertising Private Limited	0.79	0.75
Travel Food Services (Delhi Terminal 3) Private Limited	2.17	0.63
Joint Ventures		
Delhi Duty Free Services Private Limited	1.19	0.40
Delhi Aviation Services Private Limited	14.90	14.64
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.11	0.11
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.25	0.23
Other Financial Liabilities at amortised cost- Non Current		
Security Deposits from trade concessionaires		
Holding company		
GMR Airports Limited	-	0.01
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	41.23	38.89
Delhi Duty Free Services Private Limited	170.22	161.34
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	40.82	45.12
Delhi Airport Parking Services Private Limited	0.61	0.57
TIM Delhi Airport Advertising Private Limited	12.37	11.68
Travel Food Services (Delhi Terminal 3) Private Limited	3.62	3.41

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Delhi International Airport Limited

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Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	September 30, 2021	March 31, 2021
Unearned Revenue		
Current		
Associate Companies		
TIM Delhi Airport Advertising Private Limited	0.20	0.16
Travel Food Services (Delhi Terminal 3) Private Limited	0.24	0.32
Celebi Delhi Cargo Terminal Management India Private Limited	0.62	0.40
Joint Ventures		
Delhi Duty Free Services Private Limited	0.15	0.17
Delhi Aviation Fuel Facility Private Limited	12.27	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Pochanpalli Expressways Limited	0.01	0.01
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	-	0.01
Unearned Revenue		
Non-Current		
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.19
TIM Delhi Airport Advertising Private Limited	0.05	0.05
Travel Food Services (Delhi Terminal 3) Private Limited	0.04	0.07
Joint Ventures		
Delhi Duty Free Services Private Limited	-	0.02
Deferred Revenue		
Deferred Income on financial liabilities carried at amortised cost - Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.11	0.11
Celebi Delhi Cargo Terminal Management India Private Limited	7.25	8.08
TIM Delhi Airport Advertising Private Limited	1.57	1.61
Travel Food Services (Delhi Terminal 3) Private Limited	0.45	0.43
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	6.31	6.31
Delhi Duty Free Services Private Limited	13.47	13.55
Delhi Aviation Services Private Limited	0.27	0.51
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.00	0.02
Deferred Revenue		
Deferred Income on financial liabilities carried at amortised cost - Non-Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	1.45	1.51
Celebi Delhi Cargo Terminal Management India Private Limited	88.76	94.11
TIM Delhi Airport Advertising Private Limited	12.36	13.14
Travel Food Services (Delhi Terminal 3) Private Limited	1.47	1.69
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	68.91	72.12
Delhi Duty Free Services Private Limited	25.19	32.00

Note: Balances below Rs. 50,000 have not been reported in the above disclosure due to rounding off procedures.

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Delhi International Airport Limited

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Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

(All amounts in Rupees Crore, except otherwise stated)

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

Transactions during the period	September 30, 2021	September 30, 2020
Security Deposits from trade concessionaires		
Security Deposits Received		
Holding Company		
GMR Airports Limited	-	0.01
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	1.55	-
Security Deposits from trade concessionaires		
Security Deposits Refunded		
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	9.08	-
Delhi Aviation Fuel Facility Private Limited	-	46.79
Delhi Airport Parking Services Private Limited	-	0.42
Marketing Fund Billed		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.33	0.10
Joint Ventures		
Delhi Duty Free Services Private Limited	1.82	0.48
Marketing Fund Utilised		
Associate Companies		
TIM Delhi Airport Advertising Private Limited	0.33	0.13
Travel Food Services (Delhi Terminal 3) Private Limited	0.14	0.11
Joint Ventures		
Delhi Duty Free Services Private Limited	-	4.21
Utilization of advance from commercial property developers		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	-	0.58
Raxa Security Services Limited	0.37	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	4.24	4.01
Non-aeronautical revenue		
Intermediate holding company		
GMR Infrastructure Limited	1.39	0.21
Holding company		
GMR Airports Limited	0.72	0.64
Joint Venture		
Delhi Aviation Fuel Facility Private Limited	19.34	19.33
Delhi Aviation Services Private Limited	3.45	1.50
Delhi Duty Free Services Private Limited	57.86	17.42
Associate Companies		
TIM Delhi Airport Advertising Private Limited	32.00	13.26
Celebi Delhi Cargo Terminal Management India Private Limited	131.53	136.22
Travel Food Services (Delhi Terminal 3) Private Limited	8.50	2.80
Delhi Airport Parking Services Private Limited	12.25	5.61
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Aviation Private Limited	0.04	0.03
GMR Energy Trading Limited	1.13	-
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.52	0.33
GMR Pochanpalli Expressways Limited	0.58	1.51
Raxa Security Services Limited	0.07	-
Joint Venture of member of a Group of which DIAL is a member		
GMR Warora Energy Limited	-	1.01
GMR Kamalanga Energy Limited	1.13	1.01
Aeronautical Revenue		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.02	0.04
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.01
Other Income		
Dividend Income on Non-current Investments		
Joint Ventures		
Delhi Duty Free Services Private Limited	-	2.77
Delhi Aviation Services Private Limited	2.75	-
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	-	7.28
Non-aeronautical - Income on Security Deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.06	0.08
TIM Delhi Airport Advertising Private Limited	0.82	0.73
Celebi Delhi Cargo Terminal Management India Private Limited	4.13	1.65
Travel Food Services (Delhi Terminal 3) Private Limited	0.32	0.24
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	3.21	3.61
Delhi Duty Free Services Private Limited	6.89	5.96
Delhi Aviation Services Private Limited	0.80	0.62
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.01	0.01



Delhi International Airport Limited
CIN: U63033DL2006PLC146936
Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021
(All amounts in Rupees Crore, except otherwise stated)

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

Transactions during the period	September 30, 2021	September 30, 2020
Key managerial Remuneration paid/payable		
Short-term employee benefits*		
Mr. G.M. Rao	2.53	1.34
Mr. K. Narayana Rao	1.04	0.52
Mr. G.B.S. Raju	2.15	1.18
Mr. Indana Prabhakara Rao	1.18	0.84
Annual Fee		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India [refer note 5 (f) (h) & 11(g)]	147.54	40.53
Advance to AAI paid under protest		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India [refer note 5 (f) (h) & 11(g)]	-	305.17
Provision against advance to AAI paid under protest		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India [refer note 5 (f) (h) & 11(g)]	-	305.17
Finance Cost- Interest expense on financial liability carried at amortised cost		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.03	0.05
TIM Delhi Airport Advertising Private Limited	0.74	0.53
Celebi Delhi Cargo Terminal Management India Private Limited	2.73	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.31	0.21
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	2.33	2.25
Delhi Duty Free Services Private Limited	9.66	6.76
Delhi Aviation Services Private Limited	0.81	0.84
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.01	0.01
Donations/ CSR Expenditure		
Enterprises where significant influence of key Management personnel or their relative exists		
GMR Varalakshmi Foundation	0.40	1.29
Mannpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	27.36	26.55
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	25.07	54.10
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	8.68	6.11
Holding company		
GMR Airports Limited	20.28	16.54
Security related expenses		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	12.59	13.19
Hire Charges-Equipments		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	0.04	-
Utility Expenses		
Electricity Charges		
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	62.68	60.48
Electricity charges recovered		
Intermediate holding company		
GMR Infrastructure Limited	0.02	0.01
Joint Ventures		
Delhi Aviation Services Private Limited	6.05	2.74
Delhi Duty Free Services Private Limited	4.41	4.71
GMR Bajoli Holi Hydropower Private Limited	-	0.01
Associate Companies		
Delhi Airport Parking Services Private Limited	1.66	0.86
Celebi Delhi Cargo Terminal Management India Private Limited	5.71	4.28
TIM Delhi Airport Advertising Private Limited	1.62	0.72
Travel Food Services (Delhi Terminal 3) Private Limited	3.93	2.25
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	0.03
GMR Energy Trading Limited	0.10	0.11
GMR Air Cargo and Aerospace Engineering (Formerly known as GMR Aero Technic Limited)	0.01	0.01
GMR Pochanpalli Expressways Limited	0.01	0.02
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	8.85
Joint Venture of member of a Group of which DIAL is a member		
GMR Warora Energy Limited	-	0.04
GMR Vemagiri Power Generation Limited	-	-
GMR Kamalanga Energy Limited	0.10	0.10

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

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Delhi International Airport Limited

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Notes to the standalone Unaudited Condensed Interim Financial Statements for the six months ended September 30, 2021

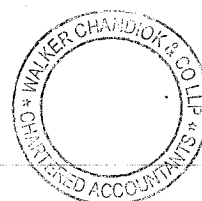
(All amounts in Rupees Crore, except otherwise stated)

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

Transactions during the period	September 30, 2021	September 30, 2020
Water charges recovered		
Joint Ventures		
Delhi Aviation Services Private Limited	0.03	0.01
Delhi Duty Free Services Private Limited	0.01	-
GMR Bajoli Holi Hydropower Private Limited	-	0.01
Associate Companies		
Delhi Airport Parking Services Private Limited	0.26	0.29
Travel Food Services (Delhi Terminal 3) Private Limited	0.35	0.12
Celebi Delhi Cargo Terminal Management India Private Limited	2.10	1.93
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Trading Limited	0.01	-
Airports Authority of India	0.91	0.21
Directors' sitting fees		
Key management personnel		
Mr. R.S.S.L.N. Bhaskarudu	0.02	0.02
Ms. Siva Kameswari Vissa	0.02	0.02
Mr. Anil Kumar Pathak	0.01	0.01
Mr. N.C. Sarabeswaran	0.02	0.02
Mr. G. Subba Rao	0.01	0.01
Mr. Srinivas Bommidala	0.00	0.00
Mr. Grandhi Kiran Kumar	0.01	0.00
Mr. Anuj Agarwal (AAI)	-	0.00
Mr. M. Ramachandran	0.02	0.02
Mr. K. Vinayaka Rao (AAI)	0.00	-
Mr. A.K. Dutta	-	-
Expenses incurred by Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	-	0.01
Holding company		
GMR Airports Limited	-	2.22
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	-
Joint Ventures		
Delhi Aviation Services Private Limited	0.77	0.11
Delhi Duty Free Services Private Limited	0.28	0.23
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	0.38	0.31
TIM Delhi Airport Advertising Private Limited	0.39	0.32
Delhi Airport Parking Services Private Limited	0.28	0.37
Travel Food Services (Delhi Terminal 3) Private Limited	0.30	0.25
Expenses incurred by related parties on behalf of Company		
Intermediate Holding company		
GMR Infrastructure Limited	-	0.02
Holding company		
GMR Airports Limited	0.14	-
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.63
Delhi Aviation Fuel Facility Private Limited	0.01	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	-	0.03

Note: Transactions below Rs. 50,000 have not been reported in the above disclosure due to rounding off procedures.

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)****6 (d) Interest in significant investment in subsidiary, joint ventures and associates:**

Name	Relationship	Ownership interest	Date incorporation/ investments of	Country of incorporation
Delhi Aerotropolis Private Limited (Refer Note 5 III (ii)(vii))	Subsidiary	100.00%	May 22, 2007	India
Digi Yatra Foundation	Associate	22.20%	February 20, 2019	India
Celebi Delhi Cargo Terminal Management India Private Limited	Associate	26.00%	June 18, 2009	India
Travel Food Services (Delhi Terminal 3) Private Limited	Associate	40.00%	December 04, 2009	India
Delhi Airport Parking Services Private Limited	Associate	49.90%	February 11, 2010	India
TIM Delhi Airport Advertising Private Limited	Associate	49.90%	June 01, 2010	India
GMR Bajoli Holi Hydropower Private Limited	Joint Venture	20.14%	September 11, 2017	India
Delhi Aviation Fuel Facility Private Limited	Joint Venture	26.00%	August 11, 2009	India
Delhi Duty Free Services Private Limited	Joint Venture	49.90%	July 07, 2009	India
Delhi Aviation Services Private Limited	Joint Venture	50.00%	June 28, 2007	India

Terms and Condition of transaction with related parties:

Outstanding balances at the reporting date are secured/ unsecured and settlement occurs in cash. For the period ended September 30, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Nil). This assessment is undertaken in 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 5(III) 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 6(c) above. There are no other transactions with Key management personnel.

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Delhi International Airport Limited

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)****7. Fair Values**

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

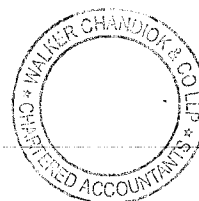
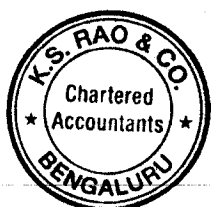
Particulars	Carrying value		Fair value	
	As at September 30, 2021	As at March 31, 2021	As at September 30, 2021	As at March 31, 2021
Financial assets				
Investment in mutual fund	1,161.23	744.84	1,161.23	744.84
Cash flow hedges-Call spread option	968.57	872.41	968.57	872.41
Total	2,129.80	1617.25	2,129.80	1617.25
Financial Liabilities (carried at amortised cost)				
Security deposit from trade concessionaires	620.45	627.28	630.79	638.11
Security deposit from commercial property developers	183.40	15.99	182.56	16.74
Total	803.85	642.27	656.48	654.85

Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at September 30, 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)****8. Fair Value Hierarchy**

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at September 30, 2021:

	Fair value measurement using				
	Date of valuation	Total	Market 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	September 30, 2021	1,161.23	1,161.23	-	-
Cash flow hedges-Call spread option	September 30, 2021	968.57	-	968.57	-
Total		2,129.80	1,161.23	968.57	-

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

	Fair value measurement using				
	Date of valuation	Total	Market 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, 2021	744.84	744.84	-	-
Cash flow hedges-Call spread option	March 31, 2021	872.41	-	872.41	-
Total		1,617.25	744.84	872.41	-

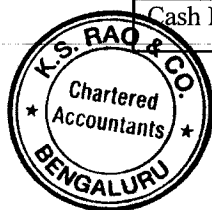
There have been no transfers between Level 1, Level 2 and Level 3 during the period.

9. Cash flow hedges

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

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

Particulars	September 30, 2021		March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Cash Flow Hedge- Call Spread option	968.57	-	872.41	-



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)**

As at September 30, 2021 the USD spot rate is above the USD call option strike price for all call spread options of USD 1,205.93 million. Accordingly, an amount of Rs. 135.06 crore has been released from Cash flow hedge reserve to Standalone Statement of Profit and Loss to neutralize the impact of Foreign exchange loss included in standalone Statement of Profit and Loss.

As at March 31, 2021, the USD spot rate is above the USD call option strike price for all call spread options of USD 1311.35 million. Accordingly, an amount of Rs. 335.94 crore has been released from Cash flow hedge reserve to statement of profit and loss to neutralize the impact of Foreign exchange gain included in standalone statement of profit and loss.

10. Revenue

For the six months period ended September 30, 2021, revenue includes Rs. 20.68 crore from the contract liability balance at the beginning of the period.

The Company's revenue from operations disaggregated by primary geographical markets is as follows:

	Six months period ended September 30, 2021			
Particulars	Aeronautical	Non-aeronautical	Others	Total
India	244.08	704.22	350.96	1,299.26
Outside	-	-	-	-
Total	244.08	704.22	350.96	1,299.26

	Six months period ended September 30, 2020			
Particulars	Aeronautical	Non-aeronautical	Others	Total
India	138.72	549.19	66.38	754.29
Outside	-	-	-	-
Total	138.72	549.19	66.38	754.29

The Company's revenue disaggregated by pattern of revenue recognition is as follows:

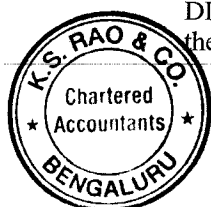
	Six months period ended September 30, 2021			
Particulars	Aeronautical	Non-aeronautical	Others	Total
Services transferred at a point in time	217.07	-	-	217.07
Services transferred over time	27.01	704.22	350.96	1,082.19
Total	244.08	704.22	350.96	1,299.26

	Six months period ended September 30, 2020			
Particulars	Aeronautical	Non-aeronautical	Others	Total
Services transferred at a point in time	99.44	-	-	99.44
Services transferred over time	39.28	549.19	66.38	654.85
Total	138.72	549.19	66.38	754.29

11. Other Disclosures

- a) AERA DF Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 and 57/2020-21 on determination of Aeronautical Tariff; issued on November 14, 2011, December 28, 2012, April 24, 2012 and December 30, 2020 respectively
- (i) DIAL implemented the tariff order No. 40/2015-16 dated December 08, 2015 issued by AERA for the second control period with effect from July 08, 2017 as per directions of Director General of Civil Aviation dated July 07, 2017.

DIAL's appeal no. 10/2012 with respect to first control period has been concluded at the TDSAT along with the appeal of certain airlines. TDSAT vide its order dated April 23, 2018 has passed the order, which provides



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021

(All amounts in Rupees crore, except otherwise stated)

clarity on the issues which were pending for last six years and has laid down the principles to be followed by AERA in the third control period starting from April 1, 2019. The Company expects the uplift impact of the TDSAT order to reflect in the tariff determination by AERA for the third control period i.e. 2019 -2024. DIAL's appeal against the second control period is pending before the TDSAT and the same is still to be heard which shall be heard in due course. Also, DIAL in respect of TDSAT order dated April 23, 2018 has filed a limited appeal in the Hon'ble Supreme Court of India on July 21, 2018 and same is still to be heard.

Further, DIAL has filed tariff proposal for the third control period starting April 1, 2019 to March 31, 2024 with the regulator on November 27, 2018. AERA has time to time extended the prevailing tariff. AERA has issued tariff order no 57/2020-21 for third control period on December 30, 2020 allowing DIAL to continue with BAC+10% tariff for the balance period of third control period plus compensatory tariff in lieu of Fuel Throughput Charges. DIAL had also filed an appeal against some of AERA's decision in third control period order on January 29, 2021 with TDSAT.

TDSAT at the request of AERA and concurred by DIAL, has agreed tagged CP2 appeal with CP3 appeal. The matter is now listed for hearing both appeals together. Next date of hearing is Dec 08, 2021.

- (ii) The Airport Economic Regulatory Authority of India (AERA) had passed an order vide Order No 30/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016.

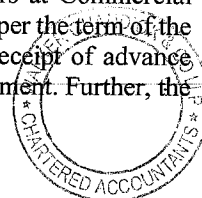
Further, AERA has issued order No.47/2015-16 dated January 25, 2016, restricting cut-off date for collection of ADF upto April 30, 2016. As per the order, AERA has granted AAI, six months' time after cut-off date i.e. April 30, 2016 to reconcile and close the account, and to arrive at the over recovery / under recovery of ADF. However, the same has not yet been finalized. This over / under recovery will be accounted for on final reconciliation of ADF pending with AAI. However, DIAL has collected the DF receivable in full and settled the DF loan on May 28, 2016.

- b) The Company has a receivable of Rs. 214.35 crore as at September 30, 2021 (March 31, 2021: Rs. 196.31 crores) (including unbilled receivables) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Express Limited collectively referred as 'Air India'. During the six months ended September 30, 21, the Company has recognized receivable of Rs. Nil (Year ended March 31, 2021: Rs. Nil) (including GST) and received Nil (Year ended March 31, 2021: Rs. Nil) (including GST) towards interest agreed to be paid by Air India Limited. In view of payment and continuous reduction in the overdue quarter on quarter and considering the fact that Air India being a government enterprise/undertaking, the Company considers its due from Air India as good and fully recoverable. As agreed in 13th OMDA Implementation Oversight Committee (OIOC) meeting, the Company has not paid revenue share on Rs. Nil (March 31, 2021: Rs. Nil) recognised as interest income on delayed payment by Air India.

- c) These financial statements of the Company do not include Accounts for Passenger Service Fee - Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by the Company on behalf of Government of India and are governed by Standard Operating Procedure issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by Ministry of Civil Aviation, Government of India.

As per the MOCA notification, the PSF (SC) is replaced by Aviation Security Fee w.e.f. July 1, 2019 and will be governed by National Aviation Security Fee trust.

- d) The Company has received Advance Development Costs (ADC) 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



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)**

Company has no right to escalate the development cost and in case the Company towards development of any infrastructure facility does not utilize any portion of the advance development cost, 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. The status of fund balance is as below:

Particulars	As at September 30, 2021	As at March 31, 2021
ADC Funds Received *	843.84	680.14
Funds Utilized for Common Infrastructure Development (including refund of ADC)	630.33	614.72
Fund Balance disclosed under "other liabilities"	213.51	65.42

* During the month of September 2021, the company has received Rs 163.70 crores for common infra development from Developers.

- e) The Company made an internal assessment on computation of Annual Fee payable to AAI and is of the view that the Annual Fee has been paid to AAI on Gross Receipts credited to the statement of profit and loss (with certain exclusions) instead of on the "Revenue" as defined under OMDA. The legal opinion obtained in this regard made it clear that there were excess payments of Annual Fee by DIAL by mistake from time to time to AAI. Accordingly, as per the decision taken by the Board of Directors of the Company a claim for return of excess Annual Fee paid to the AAI was raised on 26.12.2016. AAI has not agreed to the claim and insisted DIAL to continue to pay Annual Fee on the same basis, which DIAL is paying under protest and accounting annual fee as expense till the matter is settled. Accordingly, the dispute arose under OMDA but same could not be resolved amicably leading to the initiation of arbitration proceedings, which have commenced from December, 2018. DIAL has submitted its statement of claim in respect of which, AAI has filled its Statement of Defence (SOD). Pleadings in the matter are completed and issues were framed by Arbitral Tribunal. At the stage of oral evidence, DIAL had examined two of its witnesses. Despite opportunity being given no witness was examined by AAI. Both the parties have completed its final arguments. The matter is reserved for passing of Award.
- f) The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. As at September 30, 2021, the Company has accounted for Rs. 186.44 crore (March 31, 2021: Rs. 181.07 crore) towards such Marketing Fund and has incurred expenditure amounting to Rs. 137.43 crore (March 31, 2021: Rs. 129.34 crore) (net of income on temporary investments) till September 30, 2021 from the amount so collected. The balance amount of Rs. 49.01 crore pending utilization as at September 30, 2021 (March 31, 2021: Rs. 51.72 crore) against such sales promotion activities is included under "Other current liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose as per Marketing Fund Policy.

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)**

- g) The Company is of the view that certain incomes/credits arising on adoption of Ind-AS were not in contemplation of parties in April 2006 when this Concession Agreement i.e. OMDA was signed/entered. Further, these income/credits in Financial Statements do not represent receipts from business operations, from any external sources and therefore, these incomes/credits should not be form part of "Revenue" as defined in OMDA for the purpose of calculating monthly annual fee (MAF) payable to AAI. Accordingly, the Company, based on legal opinion has provided the MAF to AAI based on Revenue as per the Ind AS Financial Statements after adjusting such incomes/credits. Detail of such incomes / credits is as under:

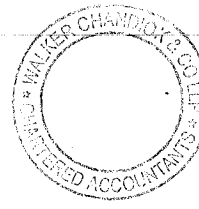
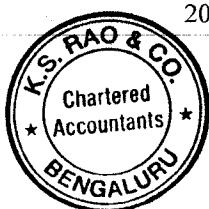
Description	Incomes forming part of	For six months period ended September 30, 2021	For six months period ended September 30, 2020
Construction income from Commercial property developers	Other Operating income	2.06	3.45
Discounting on fair valuation of deposits taken from commercial property developers	Other Operating income	16.07	15.94
Discounting on fair valuation of deposits taken from concessionaires	Sale of services – Non Aeronautical	36.75	32.69
Discounting on fair valuation of deposits given	Other income	0.16	0.12
Significant financing component on revenue from contract with customer	Sale of services- Non Aeronautical	-	1.89

The Company has accrued revenue of Rs. 320.80 crores basis straight lining revenue, in accordance with Ind AS 116. Annual fee of Rs. 147.54 crore on this revenue is also provided and payable to AAI in future years on actual realization of revenue.

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

- h) The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions w.r.t input tax credit allowability in respect of Civil work are not in line with the objective of the Act, and accordingly, held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST w.r.t. civil work. DIAL (the company) is engaged in rendering output supplies which is in the nature of letting out space/ facilities to various airline operators and other parties/concessionaires, in return for consideration, known by different nomenclatures and are given that the same is leviable to GST. Hence, the company has availed the GST ITC in respect of the costs for civil work incurred as part of the Phase 3A expansion project and regular operations, upon application of the said judicial pronouncement. Further, department has filed an appeal in Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court. Pending outcome of judgement of Hon'ble Supreme Court of India, considering the judgement of Hon'ble Orissa High Court and based on the opinion obtained by the Company in this regard, the Management is of the view that GST ITC in respect of such civil work is eligible to be availed by the Company. Having regard to the same, GST ITC amounting to Rs.606.27 crores (March 31, 2021: Rs.477.62 crores) has been claimed in GST return and lying as balance to GST ITC unutilised kept in separate ledger in the books of accounts.

Further a Writ Petition has also been filed by the company in the matter before Delhi High Court on July 10, 2020, for ITC claim to be allowed of GST in respect of the civil works i.e. works contract service and goods and services received by the company for construction of immoveable property used for providing output taxable supplies. The writ was heard by the Hon'ble High Court on July 29, 2020 and has issue notice to the respondents. Accordingly the matter was heard on September 15, 2020 and on November 20, 2020 and July 9, 2021. Next date of hearing has been fixed on Nov 26, 2021.



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(All amounts in Rupees crore, except otherwise stated)

- i) As per the transfer pricing rules prescribed under the Income tax act, 1961, the Company is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions during period ended September 30, 2021.
- j) A survey under section 133A of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax authorities on June 22 -23, 2016. The Income Tax department has sought information vide its letter dated July 18, 2016. The management has provided all the information as asked by the department. The management of the Company believes that it has complied with all the applicable provisions of the Income Tax Act, 1961 and does not expect any additional tax liability on account of survey operations.

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

Pursuant to above, during the year ended March 31, 2018, the Company had received SEIS scrips of Rs. 31.19 crore of financial year 2015-16 having validity till September 30, 2019.

Pursuant to above, during the year ended March 31, 2019, the Company has received SEIS scrips of Rs. 55.82 crores for financial year 2016-17, having validity till October 21, 2020. During the previous year ended March 31, 2020, the Company has also received SEIS scrips of Rs. 24.32 crores and Rs. 15.87 crores for FY 2017-18 and FY 2018-19 respectively, having validity till June 20, 2021 and August 13, 2021 respectively.

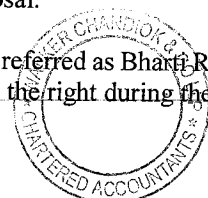
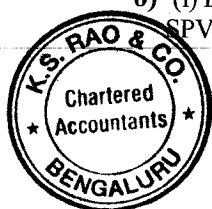
Till September 30, 2021, The Company has entirely utilized / sold Rs. 127.20 crore (March 31, 2021: Rs. 127.20 crore) of the remaining scrips.

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

- l) AERA vide its letter dated January 15, 2020 advised to implement the directions given by the Ministry of Civil Aviation vide letter No. AV 13030/216/2016-ER (Pt. 2) dated January 8, 2020 wherein charging of airport operator charge or fuel throughput charge in any manifestation should be discontinued with immediate effect and asked AERA/ MoCA to consider the amount in this stream and duly compensate the Airport Operators by recalibrating other tariffs during determinations of airport tariffs. AERA vide order no. 57/2020-21 dated December 30, 2020 has allowed compensatory tariff in lieu of Fuel Throughput Charges w.e.f. February 01, 2021 for the balance period of third control period.
- m) The Company has only one business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these Financial Statements relate to the Company's single business segment.

Major customers: Revenue from one customer of the company is approximately Rs. 131.53 crore out of total revenue of the Company (September 30, 2020: Revenue from one customer of the Company is approximately Rs. 124.77 crore out of total revenue of the Company).

- n) During the six months ended September 30, 2021, additions to property, plant & equipment is for Rs. 60.16 crore (year ended March 31, 2021: Rs. 191.66 crore) and there is no significant disposal.
- o) (i) DIAL has entered into Development agreements with five developers collectively referred as Bharati Reality SPV's ("Developers") on March 28, 2019 ("Effective date") granting the Developers the right during the term



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(All amounts in Rupees crore, except otherwise stated)

for developing 4.89 million square feet commercial space from the Effective Date subject to the receipt of applicable permits. As per the terms of Development agreements, DIAL is entitled to receive interest free refundable security deposit ("RSD"), advance development cost ("ADC") and the annual lease rent ("ALR") in certain manner and at certain times as stated in the respective development agreements.

With respect to the receipt of applicable permits, the approval of Concept Master Plan ("CMP") was received from Delhi Urban Art Commission (DUAC) in March 2021. Thereafter, a sudden surge in Covid-19 cases emerged in India affecting the entire economy. Accordingly, DIAL was not in a position to effectuate the transaction and seek payment of ALR, balance amount of RSD and ADC from the Developers until August 2021.

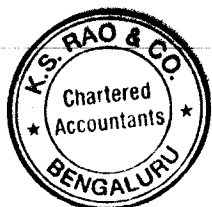
On August 27, 2021, basis the CMP, the Company has entered into certain modifications w.r.t. area and date of commencement of lease rental for the three Developers. As per amended agreements, lease rentals have started with effect from September 1, 2021 for modified area of 2.73 million square feet (approx.).

Accordingly, considering the above and the amendment with three Developers as Lease Modification, lease receivables (including unbilled revenue) of Rs. 678.04 crores accrued until August 2021 shall be carried forward to balance lease period, in accordance with recognition and measurement principles under Ind AS 116 "Leases". Consequently, the Company has also carried forward the provision of annual fee to AAI of Rs. 211.35 crores corresponding to straight lining adjustments of Ind AS 116 which will get adjusted in future in line with Lease receivables.

In respect of Development agreements with two Developers for balance area of 2.16 million square feet (approx.), the asset area will be identified by DIAL not later than February 28, 2023, as per mutual understanding vide agreement dated August 27, 2021. Accordingly, all payments will be due basis the handover of asset area. Pending identification of asset area and effectiveness of lease, the Company has reversed the lease receivables (including unbilled revenue) of Rs. 462.33 crores pertaining to these two developers recognized earlier until August 2021 in accordance with recognition and measurement principles under Ind AS 116 "Leases". Further, the Company has also reversed the provision of annual fee to AAI of Rs. 144.11 crores corresponding to the straight lining adjustments of Ind AS 116 recognized earlier until August 2021. Further, the Company has also made the required adjustments of RSD as per Ind AS 109, reversing the discounting impact amounting to Rs. 6.94 crores in statement of profit & loss. The net amount of Rs. 325.16 crores is disclosed as an "Exceptional item" in statement of profit & loss.

- ii) DIAL had entered a settlement agreement with Bamboo Hotel ("Developer") on January 17, 2019 in reference to dispute which aroused due to non- approval of concept plan by AAI and consequent loss of revenue and time to the Developer. The settlement agreement was entered with the background that AAI approval on the concept master plan will be arranged shortly by the DIAL and there will be no further loss of revenue and time to the developer. As per Settlement agreement, the Developer shall pay the license fee for FY 2020-21 and FY 2021-22 in March 2022.

Further, Developer has informed via communication dated November 17, 2020 that since, the approval of AAI on revised concept plan was received on September 4, 2020 and COVID 19 pandemic has resulted into delay in commencement of development work and funding of the project etc., resulting loss of revenue and delay in project completion time by the developer. Developer has asked for waiver of applicable license fee for FY2020-21 and FY2021-22 due in March 2022. Considering the uncertainty in collection of license fees for FY 2020-21 and quarter ended June 30, 2021, DIAL management has assessed the possibility of developer agreeing to pay license fee for FY 2020-21 and quarter ended September 30, 2021 is remote and uncertain, hence the management has decided not to accrue the income for FY 2020-21 and six months ended September 30, 2021 and considering the same as Lease Holiday period. Accordingly, the Company has accrued revenue of Rs.23.78 crores (March 31, 2021: Rs. 47.43 crores) on straight line basis, in accordance with recognition and measurement principles under Ind AS 116 "Leases".



Delhi International Airport Limited

CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021**(All amounts in Rupees crore, except otherwise stated)**

(iii) During the corresponding period ended September 30, 2020, the Company had not recognized revenue from Bharti Realty SPV's considering the uncertainty and pending approval of CMP by governmental authorities of Rs. 239.63 crores and from other Commercial Property Developers (CPDs) considering the uncertainty of Rs. 46.90 crores, which resulted in other operating income and MAF payable to AAI being lower by Rs. 286.53 crores and Rs. 131.78 crores respectively, loss before tax being higher by Rs. 154.75 crores and understatement of tax and other equity by Rs. 54.08 crores and Rs. 100.67 crores respectively.

p) During the year 2018-19, company had started the construction activities for phase 3A airport expansion as per Master Plan. The company has incurred the following costs towards construction of phase 3A works.

Particulars	As at September 30, 2021 (excluding GST)	As at March 31, 2021 (excluding GST)
Cost incurred	3,877.59	3,107.05
Capital advance outstanding	586.00	635.76
Total Cost (excluding IDC)	4,463.59	3,742.81
Interest Cost During Construction (IDC)	645.19	418.08
Total Cost	5,108.78	4,160.89

The Company has capitalized the following expenses during construction, included in above, being expenses related to phase 3A airport expansion project. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

Particulars	As at September 30, 2021	As at March 31, 2021
Employee benefit expenses	34.14	28.78
Manpower hire charges	22.66	18.08
Professional consultancy	20.99	15.58
Travelling and conveyance	3.65	3.01
Insurance	2.91	1.66
Others	3.59	2.25
Total	87.94	69.35

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Delhi International Airport Limited

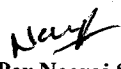
CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the Six months period ended September 30, 2021

(All amounts in Rupees crore, except otherwise stated)

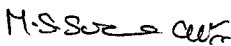
q) Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Financial Statements have been rounded off or truncated as deemed appropriate by the management of the Company.

For Walker Chandiok & Co LLP
ICAI Firm Reg. No.: 001076N/N500013
Chartered Accountants


Per Neeraj Sharma
Partner
Membership No. 502103
Place: Gurugram
Date: November 08, 2021



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


Per Sudarshana Gupta M S
Partner
Membership No. 223060
Place : New Delhi
Date: November 08, 2021



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

BUCHISAN
YASI RAJU
GRANDHI

G.B.S. Raju
Managing Director
DIN-00061686
Place : Dubai

NARAYANA
RAO KADA

K. Narayana Rao
Whole Time Director
DIN-00016262
Place : New Delhi

VIDEH
KUMAR
JAIPURIAR

Videh Kumar Jaipuria
Chief Executive Officer

HARI
NAGRANI

Hari Nagrani
Chief Financial Officer

SUSHIL
KUMAR

Sushil Kumar Dudeja
Company Secretary
Place : New Delhi
Date: November 08, 2021