DELHI INDIRA GANDHI INTERNATIONAL AIRPORT

GMR

DELIGHT
INNOVATE
ASPIRE
LEAD

2017-18

ANNUAL REPORT

Welcome to the Delhi Indira Gandhi International Airport Annual Report 2017-18

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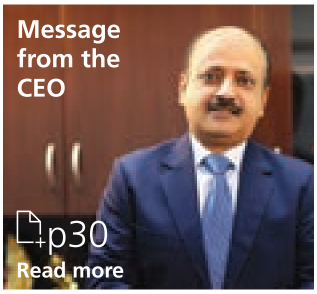

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Forward-looking Statement

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

NUMBER **ONE** AIRPORT IN THE WORLD

Airport Service Quality Survey - 2017
(> 40 million Passenger Category)

Number 1 and beyond

Delhi Airport's meteoric rise to become the World's Number '1' airport in Air Service Quality (ASQ) in the highest category of over 40 Mn passengers in just 11 years, is nothing sort of spectacular, but this is just one part of the equation.

Further information can be found online by visiting www.newdelhiairport.in

The other and the more crucial part is what we are doing to extend this leadership position by challenging ourselves to do better and pushing our imagination to redefine airport experience.

We are focussed on delighting always

We work with best partners, engage best people and adopt best practices to ensure that every moment spent at Delhi Airport is delightful enough to have cherished memories.

We are innovating for better

We adopt innovative approach and technologies to make the airport more engaging and efficient, while ensuring the travellers reach their destinations quickly and comfortably.

We aspire more

We aspire to become the strongest and the best for today and tomorrow to ensure that every new day at the Delhi Airport is better than yesterday.

We are leading from the front

We do not follow the path that others have taken, we create our own path to ensure holistic performance across all parameters.

Airport operations at DIAL is all about Delight. Innovate. Aspire. Lead.


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DELIGHT

Delhi Airport is built to delight and deliver the overwhelming feeling of being at home. Whether on a vacation or business trip, with family, colleagues or alone, shopping, dining, relaxing or just roaming around aimlessly, it is an extraordinary place that ignites powerful emotions. It positively inspires the passengers with its personal touch and warmth of services. It is a place where all employees and retail partners are dedicated to serve passengers with efficacy and affection. Where aesthetics and architectural elegance is pleasing. Where with our world-class services and infrastructure, we ensure that travelling is fun and energising; and not stressful. Delhi Airport is your home away from home.

INNOVATE

Delhi Airport is built on a scale to meet future demand, and we use every inch of it innovatively and smartly to ensure more value to our shareholders from every step we take. From well-planned infrastructure to adopting pioneering technologies, from opening-up new avenues of revenues to achieving better cost-efficiencies, from working collaboratively with all stakeholders to engaging each of them; we are continuously rethinking and redefining airport experience. We continue to bring in innovative concepts to surprise and engage the flyers, while ensuring efficient turnaround. We ensure that Delhi Airport is unlike others.


Gates 37-


*Now also

ASPIRE

We are driven by the quest to become the strongest and the best. This we do by getting more people better connected to the world and improve the world in which we live. On the one hand, we keep adding more capacity, airlines, connections and services for our passengers, and on the other we ensure that this is done sustainably. As a result of this, despite adding more passengers, we have still reduced carbon emission per passenger.

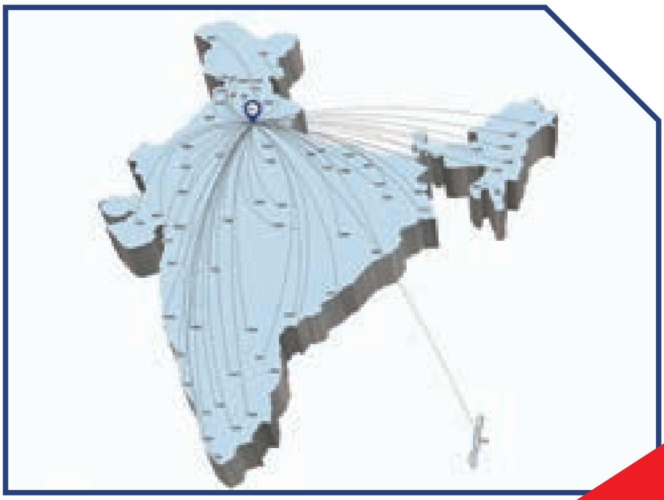
LEAD

With our efforts to delight passengers better every day, innovate for a better airport and aspire to become the best, we are setting new industry benchmarks and leading. With our team of right people and partners, and a right future strategy, we are confident of retaining our leadership position in future.

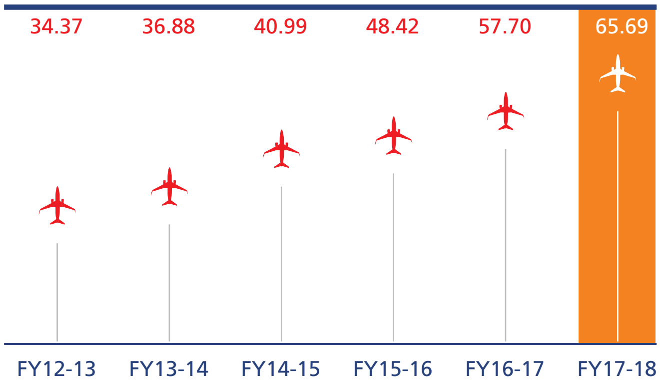
CONNECTING INDIA TO THE WORLD

Delhi Airport is one of the major air hubs in the world. It is not just India's busiest and Asia's seventh busiest airport in terms of passenger traffic and India's largest and world's 29th largest in terms of cargo traffic, it is also one of the fastest growing airports. Having recorded a compounded growth of 13.83% in passenger traffic and 8.82% in air traffic over the last five years (FY 2013-18), today it serves over 65.69 Mn passengers from across 137 destinations. It accounts for 20% of total domestic and 27% of total international passenger traffic handled by Indian airports.

For millions of travellers arriving each year from around the globe, it is the gateway to Delhi and to India, providing the vital first impression to the incredible Indian culture. We have transformed Delhi Airport into a place that truly connects lives of multitude of people to celebrate the joy of togetherness and of travelling. We strive to improve our services while working closely with our 63 airline partners to expand our destinations and offer more flight options.



Passenger traffic
(in Mn)



31.32 Mn
passengers added in 5 years

India's busiest now

65.69 Mn
Passengers in FY 2017-18

Hub for Major Airlines

Air India, Vistara, Indigo, Spicejet

60 Mn
league

Delhi Airport joined the 60 Mn league handling 65.69 Mn passengers in FY 2017-18 to become the world's 16th busiest airport in 2017.

137

No. of Destinations connected

63

No. of airlines operated

WHAT MAKES DELHI AIRPORT UNIQUE

WORLD'S FIRST

- To organise airport community multi-sport event – Skylympics
- To adopt live building performance monitoring and scoring platform 'ARC' by USGBC/GBCI
- To register energy efficiency measures implemented as Clean Development Mechanism project in UNFCCC
- Leed Gold certified building under "New Construction"
- To receive the Energy Management System (ISO 50001:2011) Certification

INDIA'S FIRST

- To have transit hotel located within T3
- To have metro rail connectivity within its terminal
- To use Robotic machines for aircraft exterior cleaning
- To use Airport-Collaborative Decision Making (A-CDM) for airport operation
- To be IATA e-Freight compliant
- To have multi-level cargo terminals, 9 freighter parking bays with 3 code F facilities
- Possessing IGBC platinum-rated building (for T3) under "Existing Building" category

T3-One of the largest terminals in the world and one of the largest buildings under one roof to come up in India post Independence.

4.43 km
long A-380 compatible runway

CAT III B
compatibility that allows landing in extremely low visibility conditions

3 operational runways
only airport in India to have three operational runways

84
aerobridges

411
check-in counters (including common-use self-service)

14
baggage reclaim belts capable of handling luggage load of A-380 sized aircraft with state-of-the-art, 5-level Inline departure hold and baggage screening system

118 metres
one of the longest travelators in Asia

Carbon neutral airport
for two consecutive years

20%
overall domestic air passenger traffic handled by Indian airports

27%
overall international air passenger traffic handled by Indian airports

4,000+
CCTV cameras

102 metres
long ATC tower with 21 controller position and 360º view, tallest in India and 7th tallest globally

35,860
sq. mts.
space dedicated to luxury retail, restaurants, cafés, executive and wellness lounges, duty-free shops being the largest area in any Indian Airport

CONTRIBUTING TO NATION BUILDING

Delhi Airport is an asset of national importance. Situated in the capital city of New Delhi, one of India's largest, richest and most dynamic urban agglomeration, it is a stimulus to the local economy.

With its robust infrastructure and connectivity to important cities, the airport has helped flourish several businesses, while attracting new businesses and investments, and promoting entrepreneurship. It facilitates flow of trade and commerce accounting for 28.72% of India's overall air cargo transfers, handling a total of 9,63,000 metric tonnes of cargo in FY 2017-18. This makes Delhi Airport an important economic and job creation engine. We are effectively utilising our right to develop 230 acres of land parcel in the vicinity for hospitality and mixed-use development, further stimulating job creation and economic value creation.

Overall, the aggregate economic impact of Delhi Airport (direct, indirect, and induced effects) for FY 2014-15, is estimated at ₹ 80,724 Cr. in terms of value-added and 28.39 Lakhs in terms of employment.*

*The Economic Impact of the Indira Gandhi International Airport, Delhi – National Council of Applied Economic Research Report March 2017, data relates to study of FY 2014-15

93,971*

Direct employment created by Delhi Airport

₹80,724 Cr.*

Aggregated economic impact of Delhi Airport, estimated to increase to ₹ 2,40,356 Cr. in FY 2025-26

9,63,000 metric tonne

of freight handled in FY 2017-18

₹2,55,903 Cr.*

Total trade through Delhi Airport in FY 2015-16

68 acres

of land bank holding utilised by DIAL for hospitality and mixed-used development

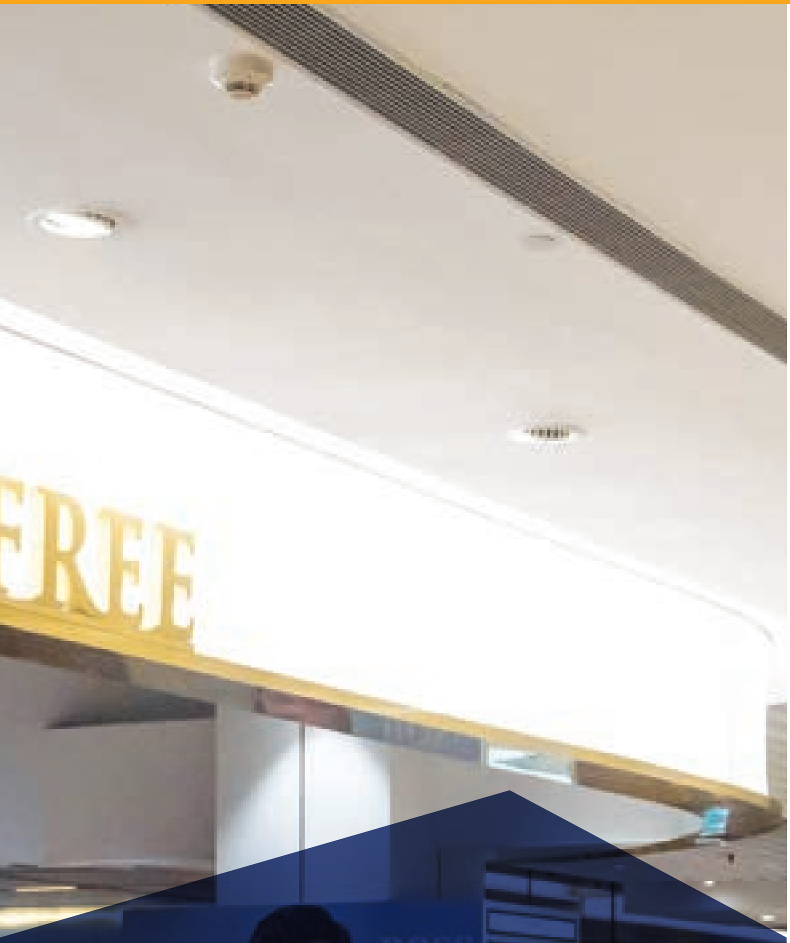
*The Economic Impact of the Indira Gandhi International Airport, Delhi – National Council of Applied Economic Research Report March 2017, data relates to study of FY 2014-15

DELIVERING A WORLD-CLASS PASSENGER EXPERIENCE...

...BY PROVIDING AN EXPERIENCE BEYOND IMAGINATION

We have transformed Delhi Airport to provide an experience beyond imagination and ensure that travelling is fun, energising and de-stressing. With an offering of 360 retail, food & beverages (F&B) and other services outlets spread across 35,860 square metres (sq mts), we spoil consumers with choices. From a balanced mix of street and lux brands to latest fashion, lifestyle and gizmos, from food to liquor, fast food to fine dining, bouquet of traditional Indian offerings to global, fun activities to festival celebrations, Delhi Airport has it all. We pamper guests with a range of relaxing services from our luxurious spa. We take care of wearied travellers by providing them access to world-class hotel, Holiday Inn Express and sleeping pods within the premise.

All in all, Delhi Airport is a place that provides passengers cherished memories. And we continue to work closely with our retail, F&B and other partners to introduce revolutionary ideas and refreshing concepts like Delhi Airport Shopping Fiesta, Delhi Airport Cricket Bonanza, Anniversary Promotion and Duty Free Delights.



Delhi Airport
Extensive offerings in every category

Retail/duty-free (156 outlets)
Liquor & Tobacco, Perfumes & Cosmetics, Confectionery, Destination, Fashion, Gifting and accessories

Hospitality (158 outlets)
Lounges, Coffee shops, Bar, restaurants and QSR, Hotel Fine Dining, Grab & Go, M&G Pouring

Services (46 outlets)
Parking, Radio taxi & car rentals, Forex, Ticketing services, Airport service charge, Wrapping, SPA

35,860 sq mts
of commercial space at airport for passenger benefits

360 outlets
offering shopping, F&B and other services to passengers

4.99
Airport Service Quality score

300
Total number of brands at Delhi Airport

Duty-free brands at the airport
Coach, Delhi Duty-Free, Ethos, Hugo Boss, Longchamp, Michael Kors, Steve Madden, Superdry, The Body Shop, The Luggage Store, The Watches Store, Thomas Pink amongst others

…BY SETTING NEW OPERATIONAL STANDARDS

Delhi Airport sets new benchmark of operational efficiencies. We work alongside our many partners to ensure on-time and all-time availability of airport facilities to smoothen passenger experience and ensure they can get in and get out of the airport fast. From robust project management capabilities to adopting advanced IT infrastructure and technologies, engineering maintenance to operation and management, commercial management to cargo terminal management, we have brought in continuous improvement to ensure flawless passenger experience.

We have engaged UK-based NATS (National Air Traffic Services), a leading global air navigation services consultant, to provide technical consultation on tactics to support increasing airfield capacity in conjunction with AAI.

Further, considering the growing passenger traffic and providing hassle-free and smooth journey to passengers during the expansion of T1 (Terminal 1), we refurbished and operationalised T2 to increase the passenger area and create more room for traffic growth.

Drivers of flawless passenger services at Delhi Airport

Improving operational efficiency

- Continuous Improvement Projects
- Aviation industry best practices
- Business Excellence Model
- Bottomline Improvement Plans
- Kaizen, 5S, Idea factory
- Theory of Constraints
- Knowledge Management
- Zero Tolerance
- BCP
- Enterprise Resource Management

Continuous engineering maintenance

- Scheduled breakdown, emergency, corrective, preventive and predictive maintenance to ensure availability of all services
- Assets Management, Life Cycle Assessment
- Preventive & Predictive Maintenance
- Asset Addition & Alteration
- Cost Efficient O & M
- Carbon footprint, energy & water conversation
- Innovation & Technology deployment

IT excellence

- Expertise in IT project management and development, IT performance tracking
- 20+ integrated system to ease automation of all key aspects of operations and providing seamless customer experience
- Common use self service (CUSS) and Collaborative Decision Making (CDM)
- BAG TAG facility to reduce overall processing time of the passengers
- Advance pax flow management system

Execution and project management expertise

- Robust execution and project management competencies ensures faster completion of expansion projects
- Process base integrated project control and measurement system
- Automated programme management and monitoring tool for transparent implementation of project

INVESTING FOR A SUSTAINABLE FUTURE...

...BY STRENGTHENING FUNDAMENTALS

We are making significant investments to materialise our strategic direction plan focussed on expanding and evolving with the rising passenger and air traffic at the Delhi Airport. The initiative would enable us to continue providing superior customer experience through deployment of technology, while striving to sustain our World No. 1 ranking in ASQ and improve financial stability.

Investing in new capacities

Our ability to provide airline partners profitable operations is resulting in them constantly adding new routes which in turn is leading to surge in passenger traffic. We are investing to enhance capacities in a phased-manner to cater to this rising traffic. By FY 2018- 21, we intend to increase capacity to handle 80 Mn passengers per annum (MPPA), then to 102 MPPA by FY 2021-25, and then to 119 MPPA from FY 2025-26 onwards.

Strengthening financial sustainability

We are continuously investing in better technologies and adopting best practices to reduce costs. We are actively pursuing to monetise 230 acres (of which 68 acres have already been allotted to third parties) of land bank awarded to us for hotel and mixed-use development. This will enable us to generate additional cash flows which shall be effectively utilised for reducing debts. With limited growth scope in aeronautical revenues, our focus going forward will be on enhancing revenues from non-aeronautical sources and commercial property development. In addition to this, we bring in innovative concepts to open-up new revenue generating opportunities.


Rethink what a phone can do

...BY BUILDING GREEN ECONOMY

Delhi Airport being a showcase national asset and the gateway to India, we focus on making it a responsible global hub as well. We ensure that every decision and action taken has long-term viability and sustainability. We measure the impact of each of these decisions and actions on our business, community and planet to keep track of our environmental impact. To serve our communities responsibly, we conserve energy and water, manage waste, monitor and mitigate noise and keep looking for new avenues to become more environment-friendly.

Initiatives undertaken by DIAL towards reducing environmental impact:

- Implemented robust Greenhouse Gas Accounting and Management mechanism to identify emission hot spots and take adequate action
- Use of CNG and battery-operated vehicles
- Undertook large plantation and green cover
- Installed fuel hydrant systems in apron area to avoid fuel spills and reduce vehicular emissions
- Use of non-CFC based refrigerants
- Installed 7.84 MW solar power plant
- Use of Airport-Collaborative Decision Making (A-CDM) for airport operation to minimise the aircraft delay and associated emissions
- Maximum utilisation of rapid exit taxiways to minimise aircraft taxiing time and fuel combustion
- Installed 16.6 MLD zero discharge sewage treatment plant and more than 300 rainwater harvesting infrastructure
- Implemented effective waste management practice for solid waste other type of waste generated
- Initiated dedicated carpool website for employees to participate in reducing air emission and fuel consumption
- Connectivity with Delhi Metro along with six lane road infrastructure reduces vehicular congestion and emission

DIAL's Environmental Performance

1.84 kgs
of CO_2 emitted per passenger

Asia-Pacific's first carbon neutral airport since 2016

All numbers pertain to FY 2017-18

28 ltr/pax
Water consumption

100%
Water recycling and reuse

83 gm/pax
Waste generation

10,319 MWh
Renewable electricity generation

25 tonnes
Paper recycling (total cumulative 106 tonnes till date)

Flying High with DIAL

4.5 Lakhs*
Air traffic movement

1,528#
Employees

137#
Destinations worldwide (72 international and 65 domestic)

2,281*
Contribution to the exchequer (₹ Cr.)

65.69 Mn#
Passengers

9,63,000#
Tonne Cargo

2,868#
Shareholder funds (₹ Cr.)

11.14*
Spent on CSR activities (₹ Cr.)

*in FY 2017-18 #as on March 31, 2018

Developer, operator and maintainer of India's busiest and Asia's seventh busiest airports.

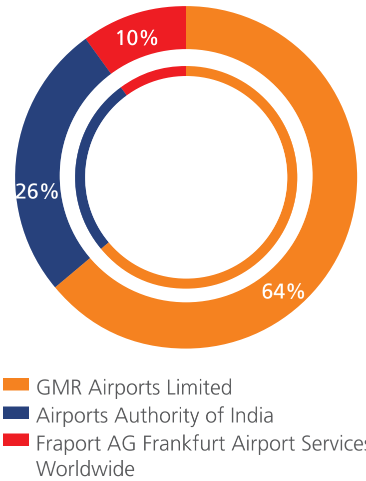
Consistently improving infrastructure and service delivery standards to retain its World No. 1 tag (as per ACI's ASQ) in the highest category of over 40 Mn passengers.

Achieving a track record of consistent growth in passenger/air/cargo traffic, revenues and profitability.

We are Delhi International Airport Limited (DIAL).

DIAL is a Joint Venture consortium between the GMR Group, Airports Authority of India (AAI), and Fraport AG formed in March 2006 and headquartered in New Delhi (India). We won the concession to develop, operate and maintain New Delhi's Indira Gandhi International Airport (IGIA) for a period of 30 years, with an option to extend for another 30 years. We undertake the responsibility of facilitating safe and secure passenger, aircraft and cargo movements, air hub development, handling commercial activities and developing land bank in the vicinity.

Consortium partners



GMR Group

GMR Group is India's leading infrastructure conglomerate engaged in airports, energy, highways and urban infrastructure businesses. It has to its credit a track record of developing mega infrastructure projects including four airports at New Delhi, Hyderabad, Turkey (Sahiba Gokcen) and Philippines (Cebu). It currently has long-term concession for operations, management and development of Delhi, Hyderabad and Goa airports in India and Mactan-Cebu in Philippines.

Airports Authority of India (AAI)

AAI is India's apex civil aviation body responsible for creating, upgrading, maintaining and managing related infrastructure. It operates under the Ministry of Civil Aviation.

Fraport AG Frankfurt Airport Services Worldwide

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

Our Vision & Mission

Vision

DIAL closely follows the GMR Group vision, which is as follows:

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

Mission

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

Teamwork and relationships
Going beyond the individual, encouraging boundary-less behaviour

Learning & Inner Excellence
Nurturing active curiosity - to question, share and improve

Humility
We value intellectual modesty and dislike false pride and arrogance

Social responsibility
Anticipating and meeting relevant and emerging needs of society

Deliver the promise
We value a deep sense of responsibility and self-discipline, to meet and surpass commitments made

Respect for individual
We will treat others with dignity, sensitivity and honour

Entrepreneurship
We seek opportunities - they are everywhere

Values and beliefs for building a perpetual institution

Certifications

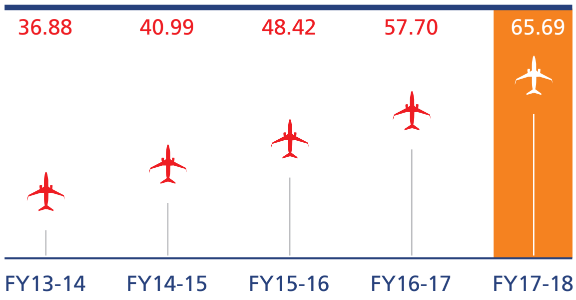
- Quality management system – ISO 9001:2015
- Environmental and greenhouse gas management system – LEED Gold Certification, ISO 14001, ISO 14064, and GreenCo Gold Rating
- Occupational health and safety – OHSAS 18001:2007
- Energy Management System – ISO 50001:2011 (first airport in the world)
- Business Continuity Management System – ISO 22301:2012 (first airport in the world)
- Customer Response Management – ISO 10002:2014
- Service Management System – ISO/IEC 20000-1:2011
- Information Security Management System – ISO/IEC 27001:2013
- Road Traffic Safety Management System – ISO 39001:2012
- Asset Management System – ISO 55001:2014

FY 2017-18 in Retrospect

Growth in key performance indicators in 2018 vs 2017

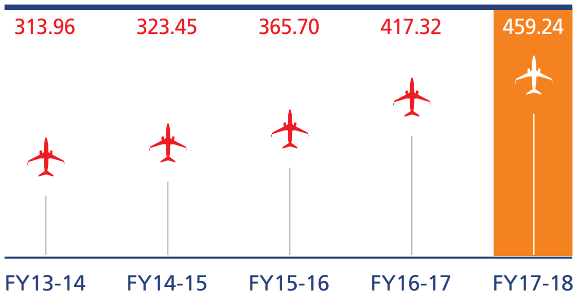
13.84% ↑
Passenger traffic

No. of Passengers
In Mn



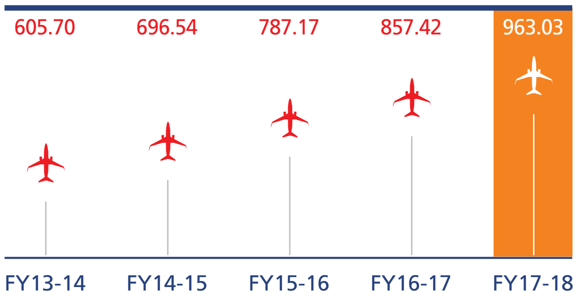
10.05% ↑
ATM

Air Traffic Movement
In '000



12.37% ↑
Cargo Tonnage

Cargo Tonnage
In '000 MT

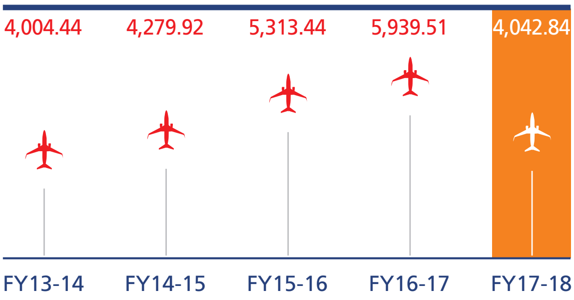


Key developments in FY 2017-18

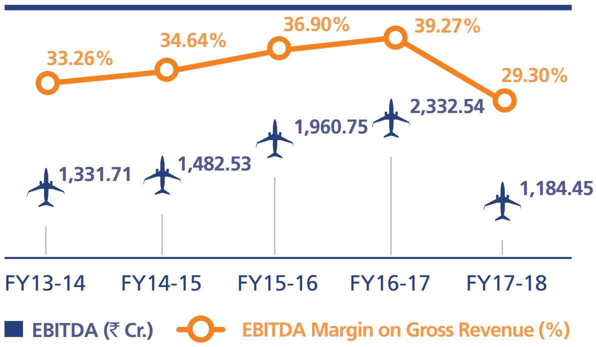
- Air India commenced direct flights to Tel Aviv from Delhi Airport, becoming the first-ever and fastest non-stop commercial flight to overfly the Saudi airspace en route India to Israel
- Refurbished and operationalised Terminal 2 (T2) and partially shifted operations of IndiGo and SpiceJet to it for reducing traffic burden at T1 during expansion. Also, carried out extensive communication and signages plan along with appointing more manpower to assist passengers
- Initiated exports of agro-products from India's North-Eastern regions (NER) as part of the Government's initiative to support the region's economic growth and prosperity with first consignment being done to Dubai. Also, created a new air cargo lane for facilitating exports of perishable produce to global markets like Middle-East and Europe in association with APEDA
- Commissioned robotic machines for Aircraft exterior cleaning, a first-of-its-kind initiative in India, to expedite

Gross Revenues

₹ Cr.

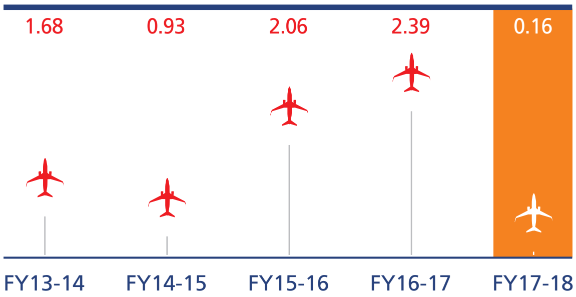


EBITDA and EBITDA Margin

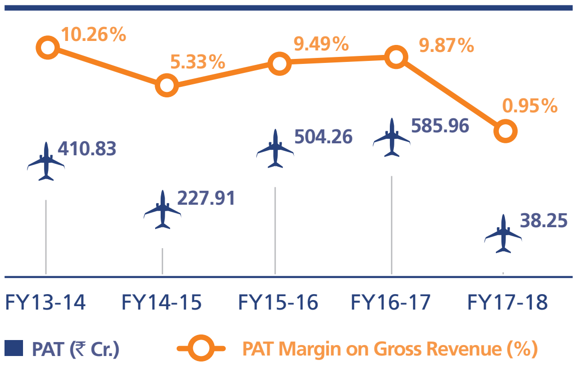


Earnings Per Share

₹

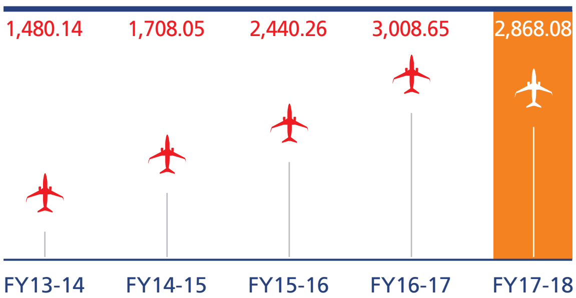


PAT and PAT Margin



Net Worth

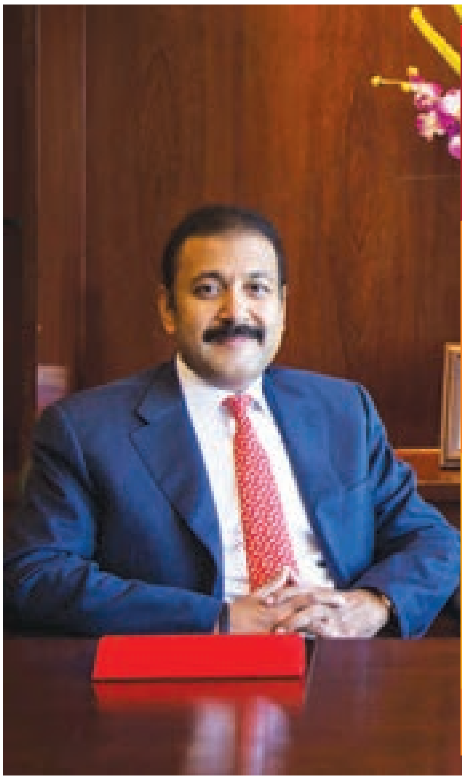
₹ Cr.



cleaning time, enabling late arriving flights to get ready for subsequent flight

- Deployed a new Automated Tray Return System (ATRS) at Terminal 1 and Terminal 3 for smoother security check, which is expected to enhance the passenger flow at the existing pre-embarkation security check operation by nearly 40%
- Added four new international destinations – Astana, Washington, Stockholm and Copenhagen and seven new domestic locations – Bathinda, Kanpur, Durgapur, Bikaner, Ludhiana, Madurai and Silchar
- Added new airline Alitalia, the flag carrier of Italy which will operate flights between Rome and Delhi
- Complete operation of GoAir was also shifted from Terminal 1 to Terminal 2

Message from the Managing Director



> India is estimated to see an investment of US$ 25 billion in the next decade in the airports sector, and traffic growth of 13%, according to Morgan Stanley. According to them, the share of air travel in air and rail travel combined in India will grow to 15.2% by 2027 from 7.9% now.

Dear Fellow Stakeholders,

It gives me immense pleasure to interact with you for the first time after taking over as Managing Director of Delhi International Airport. At the outset I express my sincere thanks to Mr. Srinivas Bommidala and IGI Community for their cohesive effort for taking the Delhi International Airport to new heights year on year and winning World No. 1 position in the highest category of > 40 MPPA of Airport Service Quality Awards 2017. I am confident that with your continued support, DIAL will continue to shine on the Aviation Map of the World.

I am feeling privileged to share your Company's Performance for the FY 2017-18. Your Company has made significant progress in its Corporate Journey during the FY 2017-18. With every passing year, DIAL continues to achieve landmark after one another. While this kind of success has become a convention, we continue to work diligently to ensure sustainability in the longer run as well as to look for new opportunities in near future. As we look forward to the brighter year ahead, I welcome you all to glance through our performance and outlook.

Macro-economic Scenario

Global growth seems on track to reach 3.9% this year. Economic activity in 2017 ended on a high note - growth in the second half of the year was above 4%, the strongest since the second half of 2010, supported by a recovery in investment. The US economy will see a further pickup in growth, with or without a tax cut. However, growth in the Eurozone is predicted to have peaked in 2017. Similarly, the recent Japanese growth spurt looks set to fade. The Chinese economy's gradual deceleration is expected to continue. Fortunately, the emerging world's recovery will likely be sustained and pick up a little steam.

Unfortunately, there is no shortage of risks facing the world economy. But most are low-level threats. The most worrisome are policy mistakes either in the United States (such as a fiscal shock or a trade war) or in China (such as a mismanaged deleveraging).

The International Monetary Fund (IMF) remains bullish on India's growth potential and has retained its GDP forecast for the country at 6.7% in 2017 and 7.4% in 2018. In its World Economic Outlook Update, it also estimated that the Indian economy would grow by 7.8% in 2019, which make the country the world's fastest-growing economy in 2018 and 2019, the top ranking it briefly lost in 2017 to China and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

Corporate earnings in India are expected to grow by 15-20% in FY 2018-19 supported by recovery in capital expenditure. India has retained its position as the third-largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded according to a report by NASSCOM.

Aviation Industry Scenario

The Aviation industry is the major economic contributor to global economic growth and prosperity. It has fuelled the price of globalisation by bringing the businesses and people together. Air transport has doubled in size in every 15 years and it is set to continue to expand potentially at a faster rate.

The Civil Aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. The Aviation Industry in India is witnessing a new era of expansion steered by modern airport infrastructure, embracing technology intervention, boosting foreign direct investment in domestic airlines and growing emphasis on regional connectivity and low-cost carriers (LCCs). The pace of change is gaining momentum with increasingly urbanised population, generating unprecedented demand for Aviation Sector. **"India is currently considered the third-largest domestic civil aviation market in the world. India is expected to become the world's largest domestic civil aviation market in the next 10 to 15 years. According to International Air Transport Association (IATA), India will displace the UK for the third place in 2025"**. As business respond, Delhi Airport has been at the forefront of this resolution. Our response to this growth is driven by pioneering technological innovation, developing engineering excellence and adopting strategic evolution as we continued to provide best-in-class quality service to our customer and stakeholder.

2017 was a positive year for Indian aviation sector with annual traffic growing at nearly 20%. This was the 3rd straight year of such emphatic growth implying that domestic traffic has grown by 75% over the past 3 years. With delivery of nearly 125 aircrafts to various Indian carriers expected by March 2019, domestic traffic is expected to continue its impressive 20% annual growth rate. More importantly the International traffic, which for some time had been languishing in the low single digit has picked up as well and this will provide a strong boost to the non-aeronautical revenues. With the proposed privatisation of the national carrier, I am confident that international traffic at Indian airports will achieve a much higher growth trajectory than ever recorded in the past.

Air traffic in India rose 16.52% year-on-year to 308.75 Mn during FY 2017-18. Total passenger traffic stood at 264.97 Mn in FY 2016-17.

India is estimated to see an investment of US$ 25 billion in the next decade in the airports sector, and traffic growth of 13%, according to Morgan Stanley. According to them, the share of air travel in air and rail travel combined in India will grow to 15.2% by 2027 from 7.9% now.

Government Initiatives

February 1, 2018: Finance Minister Mr. Arun Jaitley in his Union Budget 2018 speech has said that the Government is aiming to expand airport capacity by 5 times to handle 1 billion trips a year.

"Infrastructure is the growth driver of the economy. Our country needs massive investments, estimated to be in excess of ₹ 50 Lakh Cr., in infrastructure to increase growth of GDP, connect and integrate the nation with a network of roads, airports, railways, ports and inland waterways and to provide good quality services to our people," said the finance minister.

- Allocation to Civil Aviation Ministry has been tripled to ₹ 6,602.86 Cr. (US$ 1,019.9 Mn) under Union Budget 2018-19
- Under the second round of Regional Connectivity Scheme (RCS 2), the Government has awarded 325 routes to airlines as well as helicopter operators with the objective of enhancing flight services to hilly and remote areas
- Constructing 17 highways-cum-airstrips
- Airport building and modernisation projects worth over ₹ 19,300 Cr. (US$ 2.99 billion) have been recommended green clearance, in line with the Government of India's focus on improvement in regional air connectivity

Performance Review

FY 2017-18 has been yet another year of record performances for Delhi International Airport Limited (DIAL). In terms of operational performance, the passengers handled at the Delhi Airport increased 13.8% to 65.7 Mn (17.4 Mn international and 48.3 Mn domestic), an all-time high at any Indian Airport, cargo handled increased 12.3% to 963 thousand tonnes and ATM grew 10.9% to 441 thousand. Over the past ten years, the airport has reported sustained performance with passenger traffic, cargo handled and ATMs recording a compounded growth of 10.2%, 7.1%, and 7.8% respectively.

In terms of financial performance, the gross revenue during the year decreased by 31.8% to ₹ 4,043.12 Cr. EBITDA and PAT decreased by 49.4% and 93.5% respectively to ₹ 1,180.29 Cr. and ₹ 38.35 Cr. respectively due to implementation of second control period tariff.

In commercial property development (CPD), we initiated the second phase of land monetisation. This shall be a significant value driver for the Airport and shall facilitate in unlocking of economic potential in the vicinity.

DIAL CSR Initiatives

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

Message to Stakeholders

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

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

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

Warm regards,

G. B. S. Raju
Managing Director

Message from the CEO

“During 2018, the Airport handled around 65.7 Mn passengers surpassing Changi, Incheon and Bangkok airports with remarkable 13.8% YoY growth consistently handling more than 5 Mn passengers every month.

Dear Stakeholders,

It is my privilege to address all the stakeholders as CEO of Delhi International Airport Limited. Delhi Airport has become a benchmark in passenger experience and all the credit goes to the entire airport community. My predecessor, Mr. Indana Prabhakara Rao has been instrumental in getting the whole team to work towards making Delhi Airport the best in the world.

I take this opportunity to also congratulate all the members of the IGI Airport community for their collaborative efforts in achieving the much coveted recognition of World No. 1 Airport in the highest category of over 40 Mn passengers per annum (MPPA) of ACI Airports Service Quality Awards 2017 and “Best Airport Staff Award” India and Central Asia at 2018 Skytrax Airport Awards. These awards are a testimony of our continued hard work and customer centricity towards a unified purpose of delivering superior experience and quality of service to the passengers at the airport.

While being recognised as World No. 1 Airport, Delhi Airport has also witnessed remarkable traffic growth catapulting to 16th busiest airport in the world as per ACI Ranking for CY 2017. During 2018, the Airport handled around 65.7 Mn passengers surpassing Singapore Changi, Seoul Incheon and Bangkok Suvarnabhumi airports with an impressive 13.8% YoY growth. In terms of Cargo, the airport handled a record 963 thousand metric tonnes with 12% YoY growth. In terms of Air Traffic Movement, the airport recorded 10% YoY growth operating around 459 thousand movements. Delhi Airport expanded its reach to 5 new International destinations this year namely Washington, Stockholm, Copenhagen, Tel Aviv and Astana and also to 6 new destinations within India including RCS routes.

DIAL has achieved a 26% reduction in Operating cost per pax in the last five years from ₹ 226 in 2014 to ₹ 167 in 2018 while maintaining the world-class service standards. DIAL has been awarded 1st position in 14th National Award for Excellence in Cost Management under the category of Infrastructure and Construction by Institute of Cost Accountants of India.

Considering the growth in passenger traffic and to facilitate further expansion, Terminal 2 was refurbished and made operational. GoAir shifted their operations from T1 to T2 in October 2017, while IndiGo and SpiceJet moved part of their operations in March 2018. All the agencies worked in tandem and made elaborate arrangements for smooth transition of operations and to ensure passenger convenience.

Delhi Airport has been at the forefront of ‘Delighting Customers’ and the new Retail Refresh experience at the Airport is a big step in this direction. With the introduction of new and diverse portfolios in Retail, Food & Beverages, DIAL has set new benchmarks in ensuring a wide choice of shopping options along with conveniently located stores.

DIAL is undertaking various initiatives in terms of Technology which aim to bring long-term efficiencies and enhance

In terms of cost efficiency, there has been 26% reduction in Operating cost per pax in last 4 years from ₹ 226 in FY 2013-14 to ₹ 168 in FY 2017-18 while maintaining the world-class service standards.

customer experience. CUSS (Common User Self Service) kiosks at the Terminals have been increased and airlines have also enhanced their adoption to the services. Use of automated, sensor-based solution (XOVIS) has enabled better Queue Management in key areas by providing real-time data on passenger numbers, queue length and waiting times. We will also be embarking on a fully automated Biometrics solution that will facilitate faster and seamless travel from kerbside to airside. DIAL in collaboration with stakeholders will continue to identify and implement innovative and long-term Technology solutions.

Environmental Sustainability has always been the key focus area for us. DIAL has achieved significant advancements in terms of environmental parameters including reduction of grid electricity consumption by 2.23% to 2.19 KWh/pax, GHG emission reduction by 2.13% to 1.84 Kg CO_2/pax, waste reduction by 21% to 83 g/pax as compared to the previous year. As a testimony to its consistent efforts towards Environmental Sustainability, Delhi Airport has been conferred with Wings India Award for "Most Sustainable and Green Airport" and "ACI Asia-Pacific Green Airports Recognition 2018" in 2018. Delhi Airport has won silver recognition for its sustainable waste management initiatives in the category of over 35 Mn passengers per annum. Delhi Airport has undertaken several initiatives and programmes for a sustainable and green airport in various fields like Carbon Neutrality, Green Building Programme, Energy and Water Management, Renewable Energy Programme, Effective Waste Management and Stakeholder Engagement.

DIAL continues with its commitment to the society and has undertaken various initiatives in areas of Education, Health Hygiene & Sanitation and Empowerment & Livelihoods including sponsorship programmes for poor and meritorious children, dedicated Mobile medical units, aids and appliances to differently abled persons, constructing household toilets and providing employability initiatives for sustainable livelihood, etc.

The entire IGI Airport community has worked together seamlessly to provide the best experience to its esteemed passengers and has won numerous awards and accolades for the Airport. DIAL won several awards at the Network 18 & Honeywell Smart Building Awards 2017 including the Smartest Building in India, Smartest Large Airport in India, Greenest Building in India, Safest Building in India and Most Productive Building in India. DIAL was also awarded the prestigious Golden Peacock Award for Corporate Ethics for 2017 and the Golden Peacock Occupational Health & Safety Award for 2017. Delhi Airport was also a proud recipient of Quality Excellence Award for Best Airport Security, at World Quality Congress, 2017.

As we embark onto a new journey of expansion at Delhi Airport going forward, together we stand committed to deliver the best customer experience while adopting new technologies, bringing innovations, building efficiencies and creating value for the entire airport ecosystem.

I take this opportunity to thank you all for your continued support and invite you in making Delhi Airport a role model for others.

Warm regards,

Videh Kumar Jaipuriar
Chief Executive Officer

Built on a Sustainable Business Model

Diversified revenue sources

We have a well-diversified revenue mix comprising aeronautical, non-aeronautical and commercial property development. Aeronautical revenues comprise landing fees, parking and housing fees, user development fee and common use terminal equipment charges. Non-aeronautical revenues comprise income from food and beverages, duty-free shops, advertisement/hoarding and display, car park, cargo, bridge mounted equipment, ground handling, car rental, flight catering, fuel throughput charges, transit hotel, land and space, hangar rent and ATM/lounges rent. Revenue from commercial property development comprise lease income.

₹1,705 Cr.
Aeronautical

₹1,799 Cr.
Non-aeronautical

₹177 Cr.
Commercial property development

₹362 Cr.
Other Income

Diversified aeronautical customer base

Indigo Airlines	Vistara	Lufthansa	Saudia Arabian
Air India	AirAsia	Etihad Airways	Air Canada
Jet Airways	Zoom Air	Singapore Airlines	British Airways
SpiceJet	Emirates	Qatar Airways	Turkish Airlines
Go Airways	Thai Airways	Cathay Pacific Airways	Aeroflot

63 Airlines
operate from Delhi Airport

Diversified non-aeronautical customer base and revenue percentage

Delhi Duty-Free Services	Indian Oil Sky Tanking	Thomas Cook	Indian Oil
Celebi Delhi Cargo Terminal	Tim Delhi Airport Advertising	Air India	Bird Worldwild Flight Services
		Delhi Cargo Service Centre	

22%
Retail Duty-free

19%
Land & space

12%
Cargo

10%
Advertisement

7%
Food & Beverage

7%
Ground handling

7%
Retail Duty-paid

4%
Banks/ATM/Forex

3%
Flight Catering

9%
Other Services

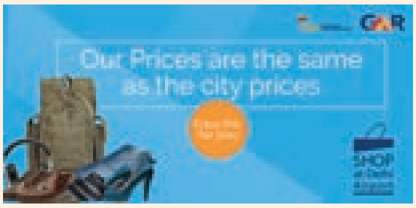
Built on a Sustainable Business Model (contd.)

New Revenue Generating avenues from Non-Aero

1. **Forecourt Charging**
   Concept: Charging vehicles entering T1/T3 arrival forecourt
2. **Pouring Rights**
   Concept: Exclusive beverage pouring deals
3. **DIAL TV**
   Concept: Exclusive deal for (screens) + content rights
4. **Airport Magazine**
   Concept: Exclusive airport magazine deal
5. **Shop & Collect**
   Concept: Exclusive self pick-up service (i.e. shopping) on arrivals
6. **Video Shoots**
   Concept: Movie/video shooting fees
7. **Premium Lane**
   Concept: Fee to access the first lane in T3 arrivals forecourt
8. **Park & Fly**
   Concept: Exclusive products targeting day-return flyers

Marketing & Communication Support

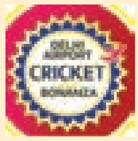
Price Parity Communications



Festive-Décors & Events

Sales Promotion Events

Delhi Airport Shopping Fiesta



Delhi Airport Cricket Bonanza

Sales Promotion

11th Anniversary Promotion

Duty-Free Delights

Association with reputed companies

We have formed JV partnerships with reputed players having expertise in their respective segments enabling us to sustain operations more efficiently and at the same time focus on core airport operations.

Our JV partners

JV	Partner Details	Nature of Business
Delhi Dutyfree Services Pvt Ltd	Yalorvin Limited	Duty-Free Retail Services
TIM Delhi Airport Advertisement Pvt. Ltd	Times Innovative Media Ltd	Advertisement
Celebi Delhi Cargo Terminal Management India Pvt. Ltd.	CelebiHavaServisiAs	Cargo Services
Delhi Aviation Fuel Facility Pvt. Ltd.	IOCL	Fuel Sale & Services
	BPCL	Fuel Sale & Services
Delhi Aviation Services Private Ltd.	Celebi Ground Handling Delhi Pvt. Ltd.	Ground Handling (GPU, PCA, BME Services & PW)
	Bird Worldwide Flight Services (India) Pvt. Ltd.	Ground Handling (GPU, PCA, BME Services & PW)
Delhi Airport Parking Services Pvt. Ltd.	Tenaga Parking Services (India) Pvt. Ltd.	Parking Services
Travel Food Services (Delhi T3) Pvt. Ltd.	Travel Food Services (Delhi) Pvt. Ltd.	Food & Beverages
	Travel Food Services Private Ltd.	Food & Beverages
Wipro Airport IT Services Ltd.	Wipro Ltd.	IT Services
	Antariksh Softtech Private Limited	IT Services

Favourable Concession Term

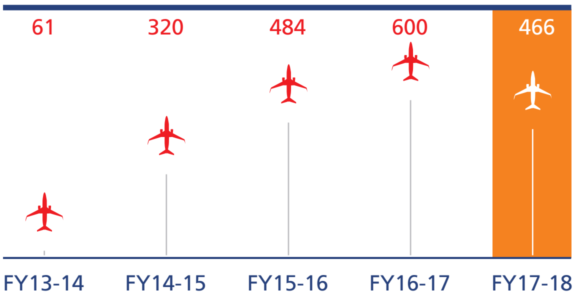
Our concession term provides us the right to operate, maintain and develop the Delhi Airport for 30 years. We further have the right to extend the concession for another 30 years along with right of first refusal and match winning concession bid for any new airport planned within 150 kilometres. The concession provides us the right to develop 230 acres of land bank within the airport vicinity for developing a hospitality district and transforming the Airport into an international calibre 'aerotropolis'. Being a prime location, this land bank commands significant premium and demand, which will allow us to effectively monetise and generate cash flows.

Financial prudence

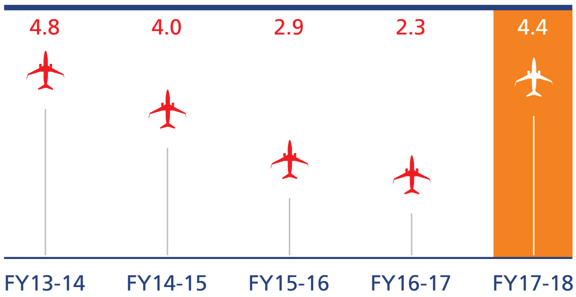
We have leveraged our airport management and prudent financial management skills to steadily grow our revenues and profitability, while being focussed on improving the balance sheet. This enabled us to keep debt cost under control and improve our credit rating.

Cash Flows

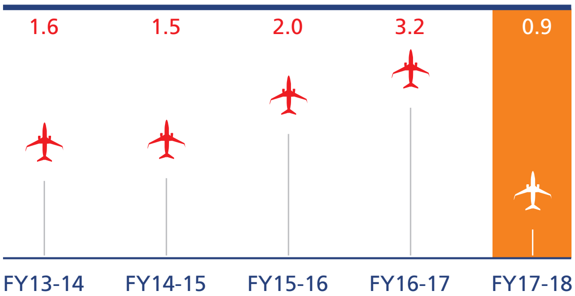
₹ Cr.



Total Debt/EBITDA

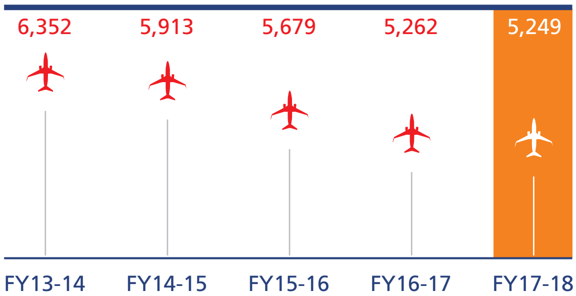


Interest Coverage (EBIT/Finance Charges)



Total Debt

₹ Cr.



Our International and Domestic Credit Rating

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

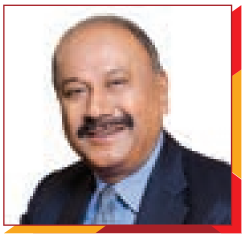
Strong corporate governance

We have formed various committees and appointed responsible people to ensure compliance to regulatory norms and maintain transparency focussed on protecting stakeholders’ interest. In addition to this, being a national asset, the airport is under constant vigilance from various stakeholders like AAI, Ministry of Civil Aviation, Airports Economic Regulatory Authority of India, private equity investors and independent board.

Strategic importance of Delhi Airport

Delhi Airport being the gateway to India with significant socio-economic impact is an asset of national importance. It serves the entire population of National Capital Region and provides access to India’s northern part, especially the Golden Triangle of Delhi-Agra-Jaipur making it an attractive tourist hub. Further, having a government body as a stakeholder provides immense support for converting the airport into international hub. Driven by these factors, a report by NCAER projects the passenger and cargo traffic at Delhi Airport to grow at a CAGR of 7.83% and 6.74% respectively to 96.63 Mn and 1.37 Mn tonnes respectively during 2014 to 2025.

Leadership Team



G. M. Rao
Executive Chairman

He is a Mechanical Engineering graduate from Andhra University (AU) Hyderabad, a Doctorate in Laws from the York University (Toronto, Canada), and a Doctorate in Letters from the AU and the Jawaharlal Nehru Technological University (Hyderabad). Founder and Executive Chairman of the GMR Group, he spearheaded the Group to its current success and established it as a reputed global infrastructure brand. He introduced the professional entrepreneurship culture, wherein enterprise, speed and team excellence are paramount. He was on the Board of Vyasa Bank for several years. He has been conferred with several awards and public recognitions for his excellence and contribution to the industry. Noteworthy of them being the 'First Generation Entrepreneur of the Year' award from CNBC-TV18 in 2009, 'Infrastructure Person of the Year' award at the Infrastructure Journal Award Ceremony at London in 2009, and the 'Entrepreneur of the Year' at the Economic Times Awards for Corporate Excellence 2006-07.

G. B. S. Raju
Managing Director

Mr. G. B. S. Raju has taken over as the Chairman – Airports, GMR Group from April 1, 2018. He joined the family business, the GMR Group, in 1996, and was the Business Chairman of the Energy Sector for over the last six years. During his stint in the Energy Sector, multiple power generation plants including transmission projects were implemented/at various development phases, with an aggregate capacity of about 7500 MW. He has been instrumental in establishing GMR as a key Infrastructure player with footprints in Indian and International markets.

He is also one of the Group Directors of GMR Infrastructure Ltd, GMR Varalakshmi Foundation, the CSR arm of the Group and a member of the Group Holding Board. He, as a Group CFO, also successfully led the Group through GMR Infrastructure's maiden IPO in 2006 and certain largest QIPs & Private Equity in the years 2007, 2010 and 2011 amounting to approx. US$ 3 billion in the Energy and Airport sectors of the Group.

With his farsightedness and entrepreneurial skills, he was a key player in leading GMR's foray into the Airport Sector and in developing the Hyderabad, Delhi and Istanbul Airports and in winning the Cebu Airport (Philippines) and recently the Mopa Greenfield Airport in Goa (India).

Srinivas Bommidala
Director

Mr. Srinivas Bommidala has taken over as the Chairman - Energy, GMR Group from April 1, 2018. He is a Commerce graduate from the Nagarjuna University. He has over 31 years of experience in the infrastructure, agriculture, FMCG and services sectors. He holds senior level position across GMR Group Companies. He started with family tobacco export business in 1982, leading its diversification to aerated water bottling business besides being in-charge of its international marketing and management. Subsequently, he took charge as the Managing Director of GMR Power Corporation and led it to develop the first independent power project and the world's largest diesel engine power plant under one roof at Chennai. As the Managing Director of Vemagiri Power Generation, he led the implementation of gas-based power project in Vemagiri, Andhra Pradesh. At DIAL, he served as its first Managing Director, successfully handling its transition in the initial years of the Concession and resigned from the position of M.D. w.e.f. March 31, 2018.

Grandhi Kiran Kumar
Director

He is a Commerce graduate from Osmania University (Hyderabad). He is the Chairman of GMR Group's Group Finance, Corporate Strategy and GMR Sports divisions and Managing Director of GMR Infrastructure apart from various directorships and positions held by him. He headed GMR Group's finance function and shared services, highways, construction, SEZs and allied businesses (excluding Airports SEZ) and Sports divisions. He successfully spearheaded the development of Rajiv Gandhi International Airport (Hyderabad) and was instrumental in taking forward its public-private partnership project. Under his stewardship, the GMR Group won the bid to develop the Sabiha Gokcen International Airport at Istanbul, Turkey. He was an Executive Director of DIAL till May 31, 2018.

I. Prabhakara Rao
Executive Director

Mr. I. Prabhakara Rao has been appointed as Executive Director of DIAL w.e.f. April 1, 2018. Earlier, he was the Chief Executive Officer of DIAL since 2011. Prior to that he was Chief Development Officer at DIAL and was responsible for revamping the erstwhile Domestic and International Terminals and building a new Integrated Terminal - 3. He has made a stellar contribution in leading the construction of IGI Airport and then leading the operations of the Airport and achieving towards Number # 1 ranking in ACI/ASQ ranking in the world in CY 2015 & 2016.

Under his leadership as a CEO, IGI Airport has been adjudged as No. 1 Airport in 2014 as well as in 2015 in the Airport Service Quality Award conducted by Airport Council International in the 25 Mn to 40 Mn passenger size category and many other prestigious National and International Awards. The Company rated as the No. 1 Airport in the world in the highest category (>40 Mn Passengers per Annum) by Airport Council International for 2017.

K. Narayana Rao
Whole Time Director

He is a Commerce graduate from Andhra University, a qualified Chartered Accountant, Cost Accountant, Company Secretary and Management Accountant. He has over 37 years of working experience across prestigious organisations like TATA Steel, Raasi Group, Coromandel Fertilisers, Spectrum Powers and the GMR Group. He has been the Managing Director of GMR Industries, which deals in sugar, co-generation of power, distillery, ferro alloys and jute units. He presently is a member in the Managing Committee of ASSOCHAM, FICCI, Indian Sugar Mills Association, South India Sugar Mills Association and AP Distillery Association.

G. Subba Rao
Director

He is a Commerce graduate from Sri Venkateswara University and a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has over 40 years of experience working across senior level positions in public and private banks and the GMR Group. Currently, he is the CEO of GMR Group's Corporate Affairs and holds directorships in nine group companies. Prior to this, he was the CEO of the Group's Hydro Division. Before his association with the GMR Group, he was the Board Secretary of a nationalised bank.

Arun Kumar
Director

Mr. Arun Kumar a math graduate has joined the Civil Services in 1989 and having experience over 25 years in various capacities in Departments dealing with infrastructure such as, Power, Surface Transport, and Industrial Development etc. He has also dealt with Commercial Taxes, State Excise, Environment, Housing, and Industrial Training etc. Currently, he is working in Government of India in the Ministry of Civil Aviation for more than four years. He is primarily looking after the work of Airports, International co-operation and Vigilance on behalf of the Ministry. He has the privilege of leading the Indian Delegation in 45 bilateral Air Service Negotiations and has successfully concluded "Open Skies Agreement" with these countries: Greece, Jamaica, Czech Republic, Guyana, Finland, Spain, Sri Lanka, Netherlands, United Kingdom, Serbia and Japan. He is on Board of Directors of Airports Authority of India and Mumbai International Airport Ltd. He is appointed as Director w.e.f. July 24, 2018.

Leadership Team (contd.)

A. K. Dutta
Director

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

S. Suresh
Director

He is a Commerce graduate from Sagar University (Madhya Pradesh), Associate Member of the Institute of Cost Accountants of India and a Post Graduate Diploma in Computer Applications from LNB Institute of Management (Patna). He has over 33 years of experience working for the Ministry of Defence, NTPC, Bharat Wagons & Engineering (a subsidiary of Bharat Bhari Udyog Nigam Ltd) and AAI. He joined AAI in 1993 as a Senior Manager (F&A) at Hyderabad Airport, where he was instrumental in setting-up the first self-accounting unit at the station. Over the years, he was promoted to various key roles at the AAI which included Deputy Director (F&A) in-charge of Finance in the Northern Region in 1993, the first General Manager (F&A) of the North Eastern Region at Guwahati in 2003, and the Executive Director (F&A) in 2011. At present, he is a Member (Finance) of the Board of AAI.

Suresh Goyal
Director

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

R. S. S. L. N.Bhaskarudu
Independent Director

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

N. C. Sarabeswaran
Independent Director

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

Vissa Siva Kameswari
Independent Director

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

Dr. M. Ramachandran
Independent Director

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

Denitza Weismantel
Director

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

Matthias Engler
Alternate Director to
Ms. Denitza Weismantel

Engler holds a German University degree in Business Administration / Electrical Engineering and Information Technology. Presently, he works as a Senior Project Manager in Fraport AG's Global Investments & Management department and he is also the Managing Director of Fraport AG Project Office, Delhi. He has extensive experience in project management, airport operation and airport planning, having worked with Fraport AG for 18 years during which he was involved in the Aviation Ground Services department, the Special Projects department and now the Global Investments & Management department. He also has international exposure with respect to airport privatisation projects and airport master planning in Asia and Europe.

Key Management Team

Videh Kumar Jaipuriar
CEO

He is an Engineering graduate from IIT Delhi and an MBA from Jamnalal Bajaj Institute, Mumbai. He has over 30 years of professional working experience across FMCG, retail, consumer durables, agricultural inputs and application polymers sectors for both Indian companies and MNCs in India. He has been appointed as DIAL's Chief Executive Officer with effect from April 2018.

G.R.K. Babu
CFO

He is a Commerce graduate from Sri Venkateshwara University, Master of Finance from the Institute of Public Enterprises, Osmania University, a Law graduate, a qualified Chartered Accountant and Company Secretary. He has over 30 years of experience in the field of finance and as a corporate secretary. He has been the Chief Financial Officer of DIAL since August 2011 and the Company Secretary from January 2012 to October 2014. Prior to his association with the GMR Group since 2007, he served as Vice President (Finance and Company Secretary) of ICOMM Tele Ltd

Douglas Webster
COO

He holds a Bachelor's degree in business/airport administration from the University of North Dakota. He has been the Chief Operating Officer of DIAL since March 2016. He has over 34 years of experience between the airlines sector and the airport sector. Prior to joining DIAL, he was Deputy Director of Broward County Aviation Department, USA, and was responsible for managing the day-to-day operations of Fort Lauderdale-Hollywood International Airport (FLL). He also served as Director of Administration and Strategic Planning, as Director of Terminal Transition Planning-DTW Medfield Project and as Director of Staffing and Analysis-Ground Operations.

Shyam Sunder
CCO (Non-Aero)

He is an Electronics and Communication graduate from the University of Mysore. He has been the Chief Commercial Officer of the non-aeronautical business of DIAL since April 2014. He has over 24 years of leadership experience across diverse industries including medical equipment, telecom infrastructure, office automation, consumer electronics and retail. He has expertise in building sustainable business ecosystems, marketing, brand building and business development. Prior to DIAL, he was with Microsoft India as Director of Retail Business. He has also worked with other companies including Nokia India, Canon India and Larsen & Toubro Ltd.

Subir Hazra
SPG

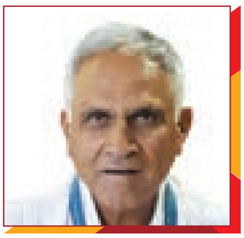
Mr. Hazra, an Alumnus of XLRI, Jamshedpur, a conferee of the highly acclaimed British Council Chevening Gurukul scholarship program for Leadership and Excellence by the London School of Economics and Political Science, is adept at international business operations, thought leadership, strategic analyses, budgeting, knowledge management, quality assurance, process improvement, financial viability analysis, evaluation of new business, and acquisition opportunities, marketing & sales, International Trading, business integration & innovation, to name a few.

Ranjit Narayan
Security

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

Ajay Kharbanda
Legal

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



Anil Dhawan
CPD

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

Key Management Team (contd.)

Dinesh Bhrusundi
QSD

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

Yuvraj Mehta
Corporate Communication

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

Suchitra Kumar
HR

He holds an Integrated first degree from BITS Pilani, diploma in Labour Laws and PGD PM & IR from NIPM, Kolkata. He possesses an experience of 27 years. He has been associated with DIAL since 2012 and has been instrumental in smooth handling of HR / ER including implementation of new level structure after assessment by Hay Group and work design team, GPTW employee engagement initiative, business excellence and several critical litigations under Labour Laws. He also heads Aviation HR for the past two years besides being part of several CFTs on strategic initiatives. He has been part of several Centre and State Govt. committees on key labour issues including the PF reforms committee.

Sanjiv Edward
CCO (Aero)

He is an accomplished individual with over 20 years of domestic and international experience in aviation industry and has won several personal and corporate awards. He will be leading the Aeronautical and Aero-related business verticals, marketing and route development activities at the IGI Airport. Prior to this, he headed the Cargo business, wherein he was responsible for driving the Cargo Strategy and Development of the Cargo Master plan. He actively engages with Government, Regulators and Industry for policy formulation at various levels. He has been the Chairman of The International Air Cargo Association (TIACA), Miami and currently serves on its Board.

Raman Srinivasan
CIO

He is a Science graduate from Delhi University, an Executive MBA from Indian School of Business, Hyderabad and has done Executive Management programs in Wharton, Kellogg and FDC, Brazil. He has over 25 years of experience in IT across transportation, infrastructure, manufacturing, supply chain and retail domains. In his current role, he is responsible for digital and IT strategy, long-term IT roadmap planning, digital transformation and overall tech refresh of DIAL, which involves the refresh of over 15 infrastructure and application components of the Airport Technology landscape. This will form the backbone for the future growth and expansion of DIAL.

Roy Sebastian
CPEO

He is an Engineering and certified Project Management Professional. He has over 28 years of experience across mechanical, electrical, civil & structural and special systems engineering in airport infrastructure, metro rail, sea ports, intelligent highways sectors. He is a project specialist in airport systems having worked for Rajiv Gandhi, Sabiha Gokcen, Indira Gandhi, Male and Mactan Cebu International Airports. He is responsible for the overall project management activities. He also lends his expertise in value engineering to the Airports Vertical and creates value as Internal Systems Audit Expert for other verticals including the Energy sector of the GMR Group.

Giving Back to the Community

We strive to be a responsible neighbour by making meaningful contribution to the local communities. Being managers of India's largest airport, we believe in leading by example and setting precedents by investing in various social, cultural and environmental programmes.

20,000

People were positively impacted from our community development initiatives in FY 2017-18

2,989

No. of hours of community services by our employees

Preventive healthcare and sanitation

We undertake various health and sanitation programmes in Delhi including Reproductive and Child Health (RCH) and Nutrition Programme, Life Skill Education for adolescents, Mobile Medical Units (MMUs) and General Health Awareness. During the year, our healthcare activities focussed on sponsoring various medical expenses, providing antenatal and postnatal care support to women, and providing preventive healthcare assistance across 30 villages at Chandrapur district in Maharashtra benefiting over 5,000 people.

To improve sanitation, we installed sanitary napkin dispensers, incinerators and garbage bins. We undertook construction of toilets in association with GMR Varalakshmi Foundation (GMRVF) across various villages in Maharashtra, Andhra Pradesh, Karnataka, Odisha and Chhattisgarh.

We focussed on helping senior citizens by bearing various medical expenses, distributing medical aids and appliances, and facilitating them in various Government linkage programmes.

Enhancing Education Quality

We actively pursue towards shaping and improving an individuals' future through our various education programmes. We operate Balwadis, early learning centres, after-school learning centres and NCERT-based minimum learning standard programmes, and fund education of meritorious children as well as marginalised students. We support programmes of GMRVF to improve the quality of education imparted to underprivileged children from Holi, Chamba and Bengaluru through computer education and library facilities. We assist individuals in availing Government Schemes benefit by disseminating necessary information through our Community Resource Centre.

Promoting skill development

We provide diverse skill development training to empower youth and women to become self-dependent through our institute Centre for Empowerment and Livelihoods-Delhi (CEL-D), in association with leading industries like Volvo, Voltas, ATDC, VDMA, CELEBI, etc. Individuals are even provided with financial assistance to undertake various learning programme and support their entrepreneurial venture. Additionally, we provide tailoring and jute-based production training to women and help farmers with capacity building programme focussed on implementing better agricultural techniques to improve harvest. We also support GMRVF's Skill India Initiative of operating nine vocational training centres in Madhya Pradesh, Chhattisgarh, Maharashtra, Andhra Pradesh, Telangana and Karnataka.

Environmental Sustainability

Environment sustainability is an area where we continue to invest proactively. At the Delhi Airport, we undertook initiatives like installing solar power capacity, Fixed Electrical Group Power (FEGP), CNG vehicles operation, energy conservation measures, collaborative decision-making and mixed mode operation to reduce carbon footprint. We have also focussed on developing rainwater harvesting pits to recharged groundwater level.

Employee Volunteering

Our employees take active participation in various CSR programmes to enhance its efficacy. In FY 2017-18, we organised 84 employee involvement programmes which saw contribution from 1,174 employees and family members who together put in 2,989 hours for community services. Five community development projects were successfully implemented by employees as part of service to community through volunteering project named as Self to Society (S2S).

Winning Hearts and Awards

Marquee Awards

Golden Peacock Business Excellence Award under Transportation (Aviation) sector for the year 2018

Silver Recognition under ACI Asia-Pacific Green Airports Programme 2018

Six awards at the 12th Global Communication Conclave organised by Public Relations Council of India (PRCI)

Other Awards won by DIAL

- Rated the World's No. 1 Airport by Airports Council International (ACI) on Airport Service Quality (ASQ) in the highest passenger category (above 40 Mn passengers per annum)
- Network 18 & Honeywell Smart Building Awards 2017 – Smartest Building in India, Smartest Large Airport in India, Greenest Building in India, Safest Building in India and Most Productive Building in India
- Golden Peacock Award 2017 for Corporate Ethics
- Golden Peacock Occupational Health & Safety Award 2017
- Delhi Airport fraternity honoured with multiple accolades at World Quality Congress, 2017, Mumbai:
  - Quality Excellence Award for Best Airport Security
  - Skylympics at Delhi Airport adjudged as the Best Airport Community Development Project
  - Quality Champion Award to Chief Quality Officer, DIAL

"Best Airport Staff Award" India and Central Asia at 2018 Skytrax Airport Awards

Wings India Award for "Most Sustainable and Green Airport" & "Best Air Cargo Service Provider"

4 Awards at the 31st Garden Tourism Festival 2018 organised by Delhi Tourism and Transport Development Corporation

- 1st position in 14th National Award for Excellence in Cost Management for FY 2015-16 under the category of Infrastructure and Construction by Institute of Cost Accountants of India
- DIAL bagged 2 awards at the CII – National Lean Competition 2017 under following categories:
  - Deployment of Lean Practices across the Organisation
  - Deployment of Lean at Supplier's Place
- DIAL received the following awards at the 10th CII National Competitiveness & Cluster Summit 2017:
  - Winner in Kaizen – 5S, Safety and Morale in Large Industries
  - 1st Runner up in Kaizen – Productivity & Delivery in Large Industries
  - 2nd Runner up in Kaizen – 5S, Safety and Morale in Large Industries
  - 2nd Runner up in Case studies – Supplier development and engagement in Large Industries; The Cluster Award Winning Case Study from DIAL was "SKYLYMPICS" – the sports event which was organised by DIAL for its stakeholders
  - Special Award – "Top Kaizen Contributor Organization" in Large Industries
  - Special Award – "Top Case studies Contributor Organisation" in Large Industries
- 1st Runner up at the National level for "5S Sustenance Award" at "CII - 2nd National 5S Excellence Awards 2017" organised by the Confederation of Indian Industry (CII) on October 27, 2017 in Indian Habitat Centre, New Delhi.
- GreenCo Best Practices Award 2017:
  - Most Innovative Project
  - Most Useful Presentation

Connecting with Stakeholders

We regularly connect with our stakeholders in innovative manner through social media, festival/event celebration, employee felicitation programmes and sporting extravaganza. This helps us to have a more informative, engaging and vibrant airport.

Our social media impact

6,63,293
3rd highest Facebook likes among global airports

82,531
4th highest Twitter followers among global airports

2,773
Instagram followers

3,705
YouTube subscribers

Trending on social media

We have presence on four social media platforms (Facebook, Twitter, Instagram and YouTube) through which we share important announcements, airport-related information, videos and pictures of airport and event/celebration, national achievements, and handle passenger queries/complaints. Through this, we effectively engage and connect with stakeholders, while ensuring superior satisfaction.

Skylympics – world's first aviation multi-sport event platform

Focussed on strengthening relations and connecting the 50,000+ strong airport community, the second edition of Skylympics was even more grander. Held across three days, the event saw participation of 924 players across various sports events like cricket, football, volleyball, badminton, table tennis, kabaddi and athletics. Added to this year's event were the 4-km 'Run for Fun', lucky draw, fun-filled zorbing ball football, baseball arena for children and adults, food marathon, air hockey, snakes and ladders, photo booth and handloom articles. The event saw presence of personalities like Jagbir Singh, Harbhajan Singh, Tanya Sachdev and Gautam Gambhir. Air India, bagging maximum gold, clinched the 'Champion of Champions Trophy'.

Benefits of Skylympics

- Promoting team work, bonding and pride at work
- Imbibing culture of fitness
- Opportunity for business networking
- Enhanced stakeholder engagement
- Opportunity for aviation community to showcase their talent in sports
- Unlimited fun for friends and families

Connecting with Stakeholders (contd.)

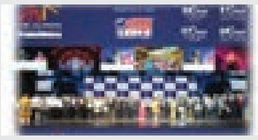
Felicitating stakeholders efforts

We recognise efforts of all the stakeholders working at Delhi Airport through multiple programmes. These facilitate in setting higher standards and motivates all stakeholders to work towards better. Our various employee felicitation initiative includes:

- **GMR IGI Airport Awards:** The event recognises the efforts of key performers across 29 categories who have contributed to the growth and success of the organisation. This year's event was themed 'Power of Passion'.
- **Annual Service Legends Event:** Through this event, we recognise the efforts of service legends who go beyond their call of duty to help passengers. A total of 49 service legends were felicitated with the recognition of Customer Service Stars award in FY 2017-18.
- **BLIP Felicitation:** Through this event, we recognised the efforts of all teams whose BLIP efforts have led to a cumulative benefit of ₹ 150 Cr. to the airport over the last six years. The year also saw a healthy progress in our BLIP initiative with number of projects increasing from 29 to 50 and number of participants from 170 to 235.
- **CEO Communication:** We arranged a CEO Communication event to highlight DIAL's performance, emphasise importance of winning culture, value and beliefs and CSR, and to take 'Deliver the Promise' pledge focussed on taking Delhi Airport to new heights.

- **CSR 10th anniversary:** We celebrated the 10th anniversary of our community development recognising the efforts that our team has made to the communities.

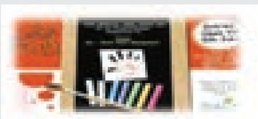
IGIA Idea Meet
Best ideas across the Community are rewarded on this platform



IGIA Awards
Yearly awards for the Best Partners and Suppliers in different categories

Receiving the **World's Best Airport Award** by the IGIA Community

Knowledge Sharing Forums are conducted and all the IGIA Community is invited to horizontal learning and deployment



Poster & Slogan Competition

Signe De Gratitude
Signe De Gratitude - French phrase meaning the 'Signature of Happiness' - the same is awarded to all the employees

Every year, together we celebrate November as the Quality Month

Every year, we celebrate 16th October as **World Food Day**

Festival/Event celebration

We undertook various festival and event celebrations to make the airport livelier. These celebrations include:

- **Christmas:** We celebrated Christmas with 'Together we fly' theme. The celebration was marked with decorations, adornment of terminals with numerous Christmas themed drop-down banners hung across check-in hall and installation of a 40-feet large welcome arch at T3 departures ramp. Additionally, we installed Santa with his sleigh in T3 arrivals section, an Igloo with Santa balanced on top inT3 international area, gigantic Christmas wishing tree, decorated with gift boxes in T1, and Mini Ferris wheel, a life-sized gingerbread house, 25-foot long model sleigh and Santa Claus in T2.
- **Kids carnival:** The kids carnival was an occasion to bring together kids of employees in a fun and thrilling environment, while promoting relationship-building among employees. Amidst swirl of lights, carnival rides, art and craftwork, enthralling performance, and lip-smacking food, the event saw participation of 130 kids.
- **Hindi Divas:** We celebrated Hindi Divas to sensitise people on its evolution as a language in India along with arranging activities like kavitapaath, quiz competition, crossword puzzle and a small skit by Idea factory squad.

Encouraging Employees to Thrive Professionally and Personally

As we focus on building a high performing team to provide quality travel experience, it becomes imperative to create an environment wherein the individuals thrive both professionally and personally.

Pratibha – DIAL talent show

3 Days

12 Contests and talent shows

188 Participants

Engaging employees

We focus on building an engaging and motivating work culture by celebrating various festivals, and arranging sports meet, cross functional dialogue platform, star employee lunch, kids carnival and women's day among others.

During the year, we organised Pratibha, our first talent show, to provide employees a chance to continue exploring and nurturing their personal talent. An entertaining, engaging, fun-filled event, Pratibha was arranged by a team of 12 cross functional members and few senior leadership team members. It was received with immense enthusiasm amidst high participation and leadership commitment across all levels.

The event was inaugurated by DIAL Douglas Webster (COO) and Roy Sebastian (CPEO) at T3 and by Radhakrishna Babu G (CFO) and Videh Jaipuriar (CEO) at New Udaan Bhawan. It culminated with prize distribution and best wishes from I. Prabhakar Rao, Sector Head for Airports Construction.

Implementing GPTW

Kids Carnival

Women's Day

BCM Townhall

Value Fair

HR Policy Road Show

Cross Functional Dialogue

83%
and above as a score for pride related to DIAL Brand

70%
score for pride for job and sense of responsibility

We are chartered on our way to graduate DIAL as a Great Place to Work (GPTW) by working on three key areas of improving trust, having pride for the work and building a collaborative organisation where people enjoy working with each other. A strategic roadmap was created to achieve the same by focussing in the areas of improving skills through job rotation, communicating quarterly, providing promotions, undertaking team building exercise, arranging skip level meeting and ensuring training and knowledge sharing.

To better understand our GPTW status, understand employee satisfaction levels and initiate steps for improvement, we undertook a survey covering a total of 1,101 DIAL employees. As per results, 65% of the employees believe that DIAL is Great Place to Work and the average score of 56 Global Trust Index© statements was 63, both of which are at par with aviation peers. Based on the findings, we have finalised a detailed action plan which is under implementation and would help us improve.

Learning and development

We promote a culture of continuous learning whereby employees are provided necessary skill development training. For this, we have set-up DISHA (DIAL IGIA's Service & Hospitality Academy) to deliver qualitative learning and skill development solutions which will facilitate in enhancing performance indicators. During the year, we initiated the TGILF (Thank God Its Learning Friday) that focussed on achieving team excellence through individual effectiveness.

Promoting gender equality

We undertake several women welfare initiatives to promote women empowerment and gender equality in the organisation. Initiatives towards this include organising panel discussion on gender diversity, healthcare awareness sessions, arranging transportation facilities in case of working late, self-defence training and encouraging participation in various external forums.

Corporate Information

1. **Chief Financial Officer**
   G. Radha Krishna Babu

2. **Company Secretary & Investor Relation Contact**
   Saurabh Jain

3. **Registrar and Transfer Agent**
   Integrated Enterprises (India) Limited
   30, Ramana Residency, 4th Cross,
   Sampige Road,
   Malleswaram,
   Bengaluru - 560 003

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

5. **Statutory Auditors**
   • K. S. Rao & Co.
   • S.R. Batliboi & Associates LLP

6. **Cost Auditors**
   Narasimha Murthy & Co.

7. **Secretarial Auditor**
   Maneesh Gupta

Statutory Section

Management Discussion and Analysis

Global Economy

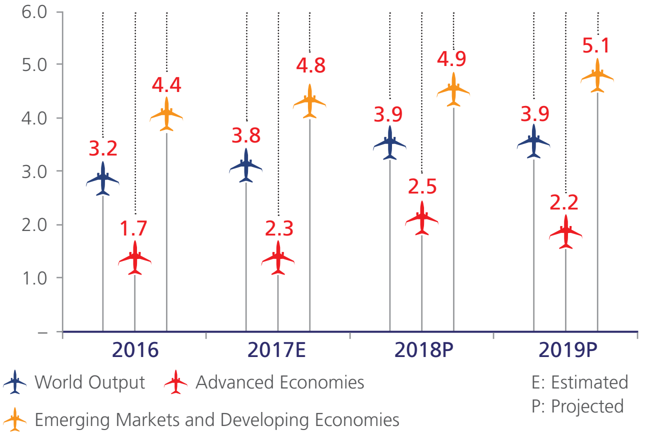
World growth strengthened in CY 2017 to 3.8% with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, upswing in emerging Europe, and signs of recovery in several commodity exporters. Resurgent investment spending in advanced economies and an end to the investment decline in some of the commodity exporting emerging market and developing economies were important drivers for the uptick in global GDP growth and manufacturing activity.

Advanced economies clocked 2.3% growth in 2017 as against 1.7% in 2016 led by a strong pick-up in investment spending. Accommodative monetary policy, stronger balance sheets, and an improved outlook helped release the pent-up demand for capital goods. In the United States (US), growth picked up in 2017 to 2.3% versus 1.5% in 2016 by strengthening private investment, despite modest real income gains and moderate wage growth.

The Euro area witnessed 2.3% growth in 2017 versus 1.8% in 2016. The growth saw broad-based improvements across member countries spurred by policy stimulus and strengthening global demand. Private sector credit continued to respond to the simulative stance of the European Central Bank (ECB), with robust domestic demand and import growth.

Emerging Market and Developing Economies witnessed 4.8% growth in 2017 as against 4.4% in 2016, primarily from acceleration in private consumption. Growth in China and India was supported by resurgent net exports and strong private consumption respectively. Cyclical improvements were witnessed in Argentina, Brazil, Nigeria and the Russian Federation, as these economies emerged from recession.

Global economic growth performance (in %)



(Source: IMF World Economic Outlook, April 2018)

Global growth is expected to tick up to 3.9% both in 2018 and 2019, supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in US.

Advanced economies are projected to grow at 2.5% in 2018 and 2.2% in 2019. Uptick in growth rate reflects stronger prospects for the Euro area and Japan, and especially the expected positive effects of expansionary fiscal policy in US.

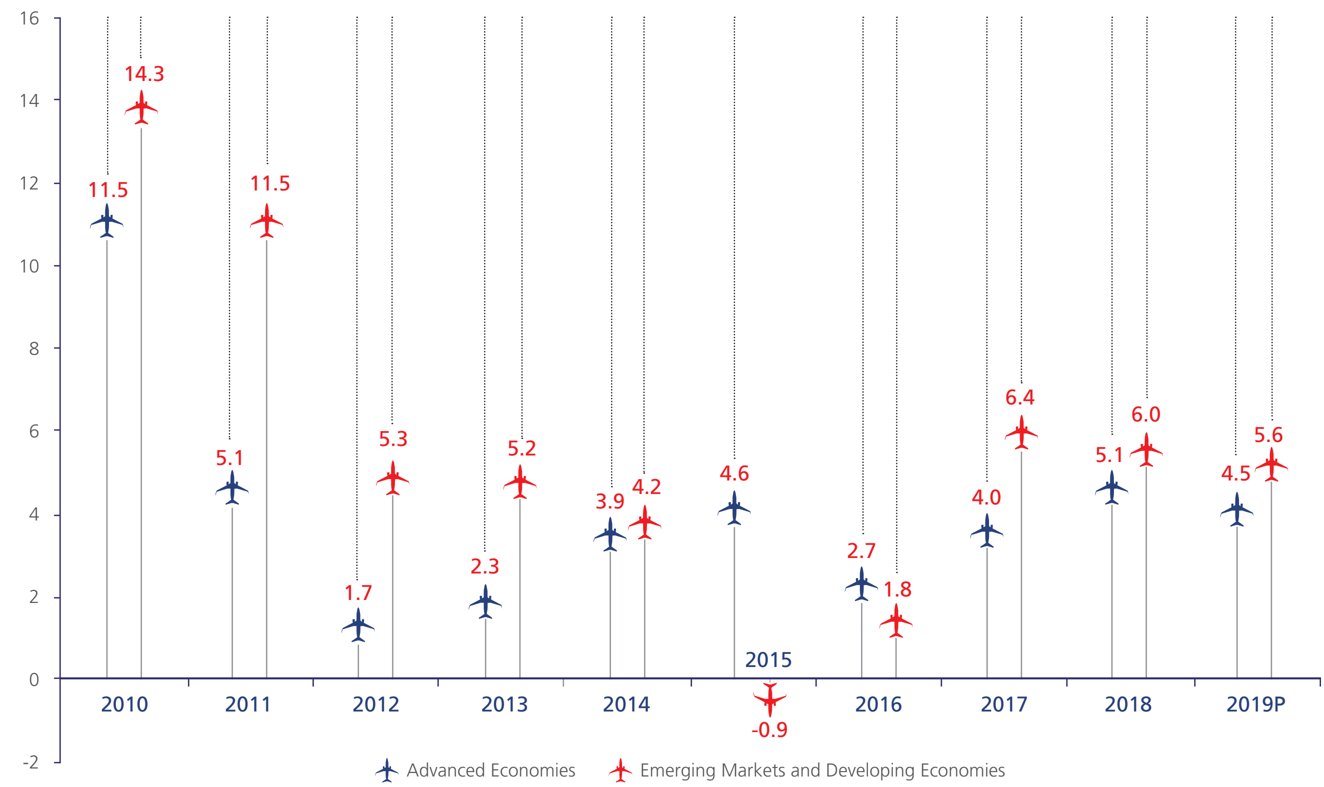
Growth in emerging market and developing economies is expected to increase further to 4.9% in 2018 and 5.1% in 2019. The high growth rate reflects continued strong economic performance in emerging Asia. The projected pick-up in growth also reflects improved prospects for commodity exporters which had experienced three years of weak economic activity till 2017.

(Source: IMF World Economic Outlook, April 2018)

Global Trade

Global trade recovered strongly in 2017 after two years of weakness, to an estimated real growth of 4.9%. The upsurge was more pronounced in emerging market and developing economies, reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally. Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom and United States, contributed strongly to the recovery in exports, while the recovery in imports was broad-based, except in the United Kingdom.

Summary of World Trade – Imports (annual % change)



(Source: IMF World Economic Outlook, April 2018)

Among the emerging market and developing economies, the rebound in export growth was particularly strong in emerging Asia, especially China. In contrast, the rebound in imports largely reflects an import recovery among commodity exporters – countries that had earlier experienced sharp investment and import contractions during the FY 2015-16 commodity price downturn. Trade growth is projected to maintain the growth momentum to grow at a rate of 5.1% in 2018.

(Source: IMF World Economic Outlook, April 2018)

Indian Economy

Post the initial hiccups caused by GST implementation, after effects of demonetisation and implementation of Insolvency and Bankruptcy Code (IBC), the second half of FY 2017-18, witnessed a strong rebound in economic activity on the back of a turnaround in investment demand, acceleration in manufacturing, pick-up in capacity utilisation, strong activity in the services sector and a record agricultural harvest. As per the second advanced estimates issued by the Central Statistics Organisation (CSO), India's GDP at constant prices is expected to grow by 6.6% in FY 2017-18 as compared to 7.1% in the Previous Year. This was supported by acceleration in manufacturing, pick-up in capacity utilisation, strong activity in the services sector and robust agricultural harvest. The Government's impetus on Make in India, investment in infrastructure and smart cities, rising disposable income and lower inflation also cumulatively contributed to this growth. The implementation of the Seventh Pay Commission provided some relief, as did a recovery in exports. The positive effects of Government's economic actions is reflected in the fact that India was ranked as the 100th most eligible place for 'Ease of Doing Business' amongst 190 countries as per the World Bank. India emerged out as one among the top ten improvers with a jump of 30 positions from 130th rank in the Previous Year.

According to IMF, the Indian economy is expected to grow at an annual rate of 7.3% in FY 2018-19 and 7.5% in FY 2019-20. The growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivise private investment. Favourable indicators such as moderate levels of inflation, anticipated growth of industrial sector, and the expectation of greater stability in GST could lead to accelerated pace of growth. The forecast by different international agencies for the coming two years range between 7.3% and 7.8%. Even after a cut by the IMF, India is expected to beat China in terms of GDP Growth Rate.

Airport Sector / Business Environment

Air travel not only connects people but also connects economies to further develop the global economy. The role of aviation is no longer restricted to being a service provider to other industries and members of the public, but a key driver of economic and social growth and prosperity. Airports have a multi-faceted impact on the economy in terms of direct, indirect, and induced effects on production, income, and employment. Without effective air transportation links, it is much harder for economies to attract tourists, to conduct trade and attract investment from other countries. Thus airports and the air services they support, help to make the economy large and affluent. Besides the direct economic impact, airports act as barometers of a country's progress and advancement, reflecting and showcasing a country's transition.

309 Mn
Total Number of passengers handled at Indian Airports in FY 2017-18

23,06,607
Total ATM at Indian Airports

Worldwide air travel has grown at a historically brisk pace with 6%-8% growth of passenger travel witnessed in the last five years. Low air fares, higher living standards with a growing middle class in large emerging markets, and the growth of tourism and travel relative to total consumer spending in major economies are all driving strength in the demand for air travel. Economic and income growth in large emerging markets such as China and India has been a primary driver of global GDP growth and also demand for air travel. India's emergence as a high-growth economy is reflected in more than 20% passenger traffic growth per year in its domestic market.

Indian Airport Sector

India has become the third-largest domestic aviation market in the world and is expected to overtake UK to become the third-largest air passenger market by 2025. (Source: IBEF – Aviation Report, March 2018)

According to the 2017, IATA report on world aviation growth, global passenger traffic grew at a robust rate of 8.1% in 2017 as compared to 2016 despite a sluggish economic environment. All regions recorded increases in demand, led by the Asia-Pacific and Latin America regions.

Among the top 25 airports ranked by total passengers, merely two airports namely Indira Gandhi International Airport, New Delhi and Incheon International Airport, Incheon experienced double-digit annual growth rates of 21% and 17.1%, respectively, in 2016. (Source:https://www.icao.int/annual-report-2016/Documents/ARC_2016_Air%20Transport%20Statistics.pdf)

According to Airports Council International, demand continued its robust trajectory across the world's major airports both in terms of passenger numbers and air cargo in 2017. Passenger traffic at the world's 20 busiest airports grew by 5.2% in 2017. With almost 150 Cr. passengers passing through their terminals in 2017, this group of 20 represents 17% of global passenger traffic. ACI's World Airport Traffic Forecast predicts that the country will represent the third-largest aviation market, in terms of passenger throughput, after US and China by 2020. The country's New Delhi Airport grew by 14% YoY pushing it up from 22nd to the 16th busiest airport in the world. With this rapid growth in throughput, it was also ranked first in 'Airport Service Quality for airports above 4 Cr. passengers per annum'.

India's aviation sector has a lot of latent potential for growth. To date, the economic value-added and the employment generated by India's aviation sector pales in comparison to the impact generated by aviation in more mature economies like UK, US, Singapore, and UAE. With the right policies, India's aviation has the potential to create a massive multiplier effect on India's economy. Allocation to Civil Aviation Ministry has been tripled to ₹ 6,602.86 Cr. under the Union Budget 2018-19. In the coming 20 years, Indian companies will buy 2,100 new planes worth US$ 29,000 Cr. India is estimated to see an investment of US$ 2,500 Cr. in the next decade in the airports sector, and traffic growth of 13%, according to Morgan Stanley. The share of air travel in air and rail travel combined in India will grow from the current 7.9% to 15.2% by 2027.

The Government has undertaken several positive steps through policy changes and other initiatives to facilitate investments in aviation sector. In June 2017, the Ministry of Civil Aviation launched DigiYatra Platform to enable travellers to access information on all the stakeholders and vice versa. The 'Digi-Yatra' is an industry-led initiative coordinated by the Ministry in line with the Government's vision of Digital India.

The Government has announced an investments to the tune of ₹ 95,178 Cr. for creating new terminals, development of greenfield airports and private investment in joint venture airports. The Airports Authority of India (AAI) has an annual terminal capacity of 155 Mn passengers, which it intends to raise to 300 Mn by FY 2026-27. It also aims to add 290 aircraft parking bays to the existing 714 spots.

The AAI will be spending ₹ 20,178 Cr. for development of infrastructure in its 22 airports in the next four-five years. Chennai, Guwahati, Lucknow, Jaipur, Srinagar, Pune, Dehradun, Leh, Goa and others are part of this capex plan. New airports will be added in coming years to major cities facing capacity crunch. The Government has an outlay of over ₹ 50,000 Cr. for developing greenfield airports.

In the Budget as well, the Government announced a Scheme to expand airport capacity more than five times to handle a billion trips a year under a new scheme called NextGen Airports for Bharat Nirman. This Scheme constitutes investments to be made in airport upgrade by both the private sector and AAI in the due course of time. Under the Scheme, it is proposed to establish 100 airports in 15 years at an estimated investment of ₹ 4 Lacs Cr.

Total passengers handled at Indian airports (Mn)

	Domestic	International	Total
2013-14	122	47	169
2014-15	139	51	190
2015-16	169	55	224
2016-17	206	59	265
2017-18	243	65	309

(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex3.pdf)

Passengers handled by airports (Mn)

	2013-14	2014-15	2015-16	2016-17	2017-18
Delhi	36.9	41.0	48.4	57.7	65.7
Mumbai	32.2	36.6	41.7	45.2	48.5
Chennai	12.9	14.3	15.2	18.4	20.4
Kolkata	10.1	10.9	12.4	15.8	19.9
Bengaluru	12.9	15.4	18.9	22.9	26.9
Hyderabad	8.7	10.4	12.4	15.1	18.2
Others	55.3	61.4	75.0	89.8	109.2
Total	**169.0**	**190.0**	**224.0**	**264.9**	**308.8**

(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex3.pdf)

Total ATM at Indian airports (in nos.)

	2013-14	2014-15	2015-16	2016-17	2017-18
Delhi	2,90,772	3,00,889	3,44,113	3,97,799	4,41,299
Mumbai	2,60,666	2,69,456	2,96,634	3,05,465	3,20,689
Chennai	1,21,817	1,22,377	1,25,122	1,47,767	1,55,123
Kolkata	92,871	97,128	1,02,485	1,24,154	1,48,802
Bengaluru	1,17,728	1,33,488	1,53,063	1,77,271	1,96,560
Hyderabad	87,741	94,057	1,05,772	1,30,713	1,49,581
Others	5,64,993	5,85,628	6,66,421	7,65,916	9,12,497

(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex2.pdf)

Total cargo traffic at Indian airports (in nos.)

	2013-14	2014-15	2015-16	2016-17	2017-18
Delhi	6,05,699	6,96,539	7,87,168	8,57,419	9,63,032
Mumbai	6,48,742	6,94,260	7,05,249	7,82,289	9,06,321
Chennai	2,92,080	3,03,904	3,15,625	3,59,217	4,17,787
Kolkata	1,29,782	1,36,699	1,39,679	1,52,415	1,63,323
Bengaluru	2,42,389	2,79,475	2,91,950	3,19,344	3,48,403
Hyderabad	86,670	98,899	1,10,033	1,21,882	1,34,141

(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex4.pdf)

Delhi Airport / Company Overview

Delhi being the capital of India is home to embassies and consulates of many countries. It boasts of a rich history with several world heritage monuments, museums, art galleries, architectural wonders and bustling markets making it one of the top tourist destinations. As a result, Delhi alone receives about 20-25 Lakh international tourists every year.

Delhi is the fifth most populous city in the world and the largest city in India area-wise. In 2016, Delhi has an estimated population of 1.86 Cr. The National Capital Region (NCR), comprising Delhi, Noida and Gurugram has an estimated population of 2.4 Cr. in 2014. NCR is one of the world's largest urban agglomerate bigger in size than the Netherlands. The region has emerged as a major business centre with many national and international companies having a presence here.

(Source: http://worldpopulationreview.com/world-cities/delhi-population/)

Delhi International Airport Limited (DIAL) (hereafter referred to as the Company/Delhi Airport), develops, operates and manages the Indira Gandhi International Airport, Delhi. In the years of its operations, it has built up a huge reputation for itself. It is the leading airport in India in terms of passengers and cargo handled. The Company is a JV between the GMR Group (64%), Airports Authority of India (26%) and Fraport, Germany (10%).

DIAL is a well-structured organisation having three distinct business verticals – Aeronautical, Non-Aeronautical and Commercial Property Development. Under the Aeronautical segment, the Delhi Airport provides terminal and airfield infrastructure for use by airline customers. Revenues are generated from charges collected for use of this infrastructure. The Non-Aeronautical segment represents the Company's revenue from retail business like food and beverages, branded products, advertising displays, car park, car rentals, etc. The Commercial Property Development segment represents the space that the Company leases to developers. The Company's Aeronautical revenues are regulated through a hybrid model with 30% cross-subsidisation from non-Aeronautical revenues (non-aero), excluding revenues from commercial property development. The Company has the option to

commercially develop and monetise on an additional 230 acres of land at its disposal.

Measured in terms of passenger movement and aircraft movement, Delhi Airport is one of the fastest growing airports in the world. It has 63 airlines, connecting 72 international and 65 domestic destinations, which is the highest amongst the Indian Airports. This has also helped Delhi Airport to emerge as one of the leading aviation hubs in South Asia. The Company is making efforts to have more airlines using the Delhi Airport and to have new routes added by the existing airlines.

Delhi Airport is the largest amongst the Indian Airports, in terms of passengers and cargo handled. It has a terminal handling capacity of 6.2 Cr. passengers and cargo capacity of 15 Lakh tonnes. It is the only Indian Airport to have three runways.

Operational Performance Overview

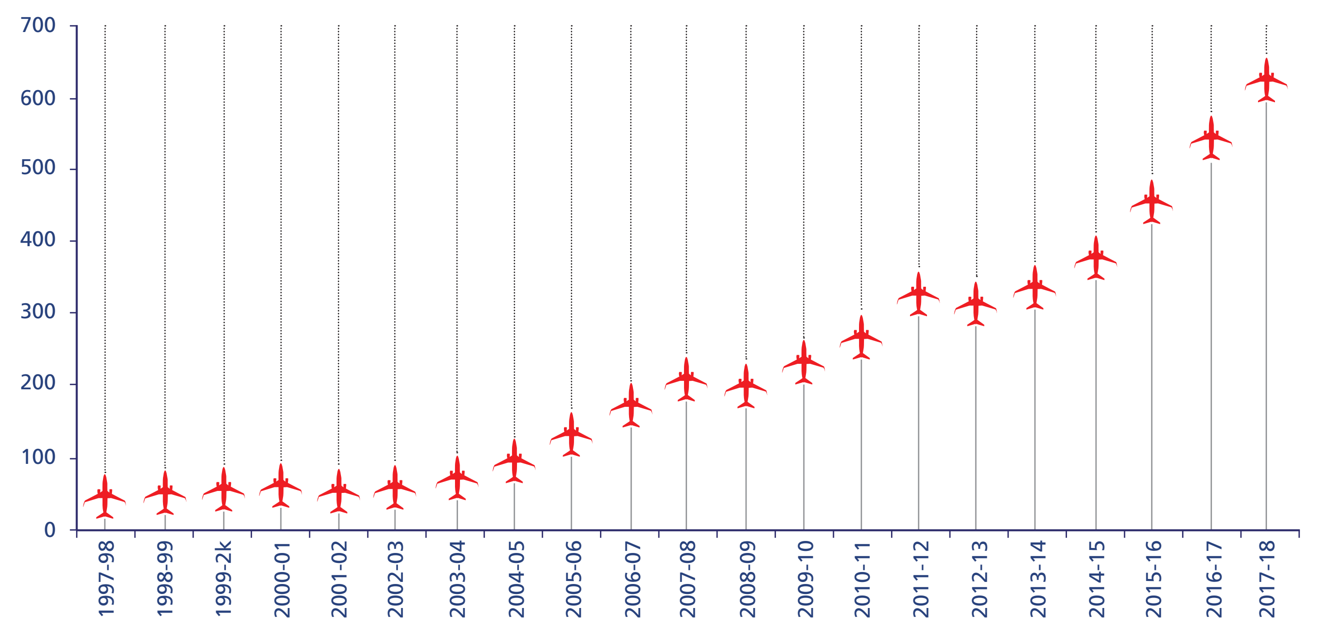
Delhi Airport has witnessed remarkable traffic growth catapulting itself as the 16th busiest airport in the world. Delhi Airport handled 6.57 Cr. passengers in FY 2017-18 as against 5.77 Cr. passengers in FY 2016-17, registering a growth of 13.8%, which is an all-time high at any Indian airport. With this, the Company joined the over 6 Cr. club surpassing Changi, Incheon and Bangkok airports. International and domestic passenger traffic was 1.74 Cr. and 4.83 Cr. respectively, during FY 2017-18. (Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex3.pdf)

The Company boasts of consistently handling more than 50 Lakh passengers every month. In March 2018, Delhi Airport handled 60.5 Lakh passengers, highest ever by any airport in India in a month. The major reason for growth is attributable to increase in international frequencies of Air India and Air Canada. Introduction of new frequencies by Air India to US and Europe has also contributed to growth in international. In domestic, positive growth has been seen in Indigo, SpiceJet and Go Air. Increased frequencies of Vistara and AirAsia India have led to high growth in domestic. Delhi Airport has to its credit the honour of having the highest On Time Performance in the country.

The seat load factor for FY 2017-18 was 79% for international and 83.2% for domestic. Air India handled 44 Lakh passengers comprising about 25% of the total international traffic. Dubai picks the highest passenger share of 12.4% followed by London and Bangkok. Washington, Copenhagen, Tel-Aviv, Astana and Stockholm were the new sectors connected from Delhi. Alitalia and Mihin Lanka started operations during the year. The total domestic traffic grew by 14.5% in FY 2017-18, as against 23.1% in FY 2016-17.Low cost carriers had a share of 57% and full service carriers had a market share of 43%.

Similar to the last decade, growth has been slightly below the industry growth rate with aggregate passengers across Indian Airports growing at 16.5%. The Delhi Airport had a CAGR of 11.2% for the period from FY 1997-98 to FY 2017-18. The historical growth of passengers is given in the below graph:

Total passengers handled at Delhi Airport (Lakh)

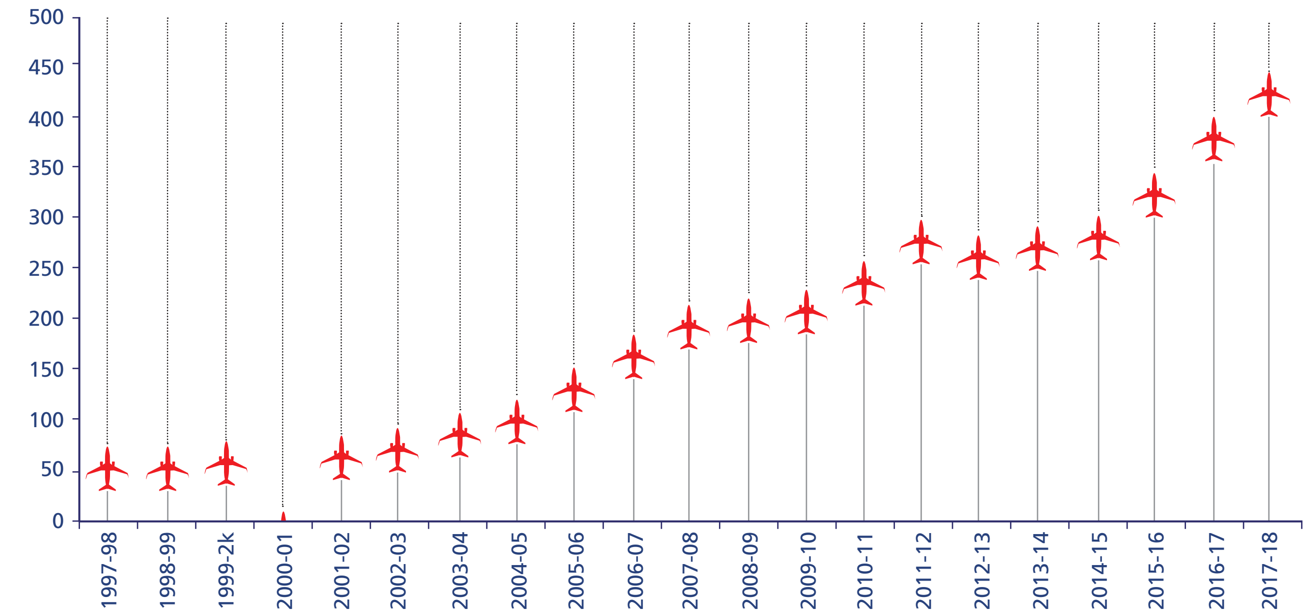


(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex3.pdf)

Air Traffic Movement by Delhi Airport

The Delhi Airport handled 4,41,299 schedule movements in FY 2017-18 registering a growth of 10.9%, slightly below the industry average of 13.4%. The Airport had a CAGR of 9.2%for the period FY 1997-98 to FY 2017-18. The historical growth of Air Traffic Movements (ATMs) is given in the graph below:

Air Traffic Movement by Delhi Airport (in thousands)

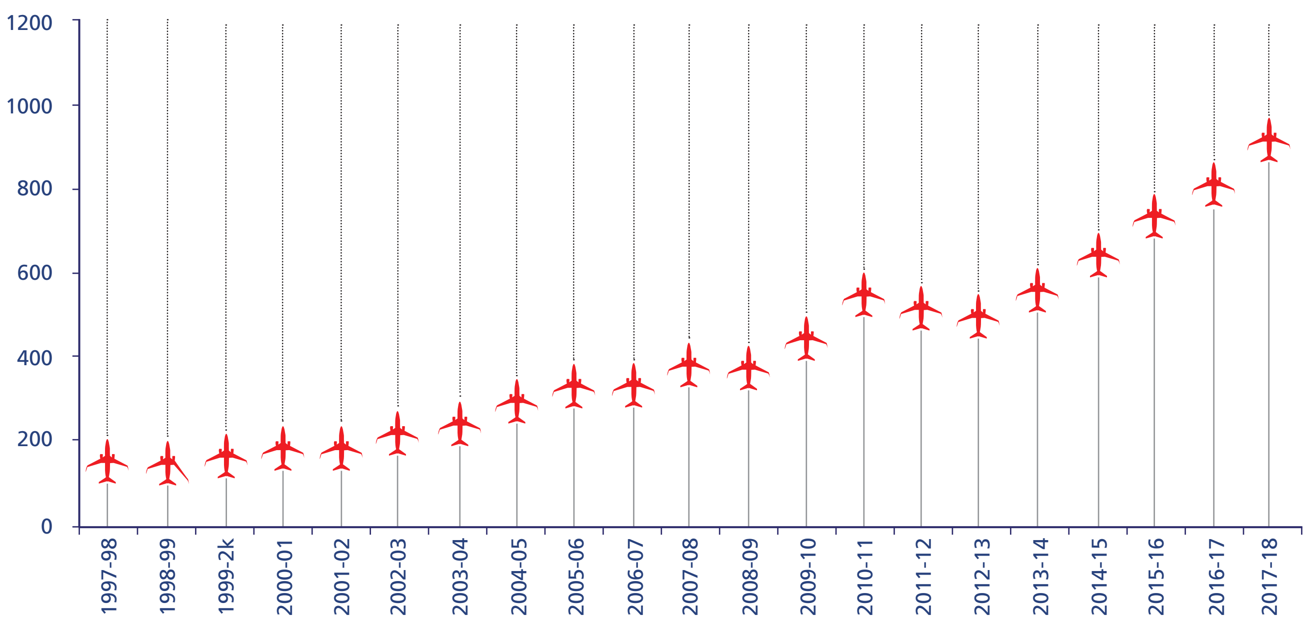


(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex2.pdf)

Cargo handled by Delhi Airport

The Delhi Airport handled 9,63,032 tonnes of cargo in FY 2017-18 registering a growth of 12.3%, in line with the industry average of 12.7%. The international and domestic freight recorded 16.5% and 4.4% growth respectively. It had a CAGR of 8.1% for the period from FY 1997-98 to FY 2017-18. The historical growth of cargo is given in the graph below:

Cargo handled at Delhi Airport (thousand MT)



(Source: https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex4.pdf)

Financial Performance Overview

Profit and Loss Account

The Company's EBITDA and PAT came at ₹ 1,184.45 Cr. and ₹ 38.25 Cr. respectively in FY 2017-18 showing a fall from the previous year mainly on account of decrease in revenue due to implementation of second control period tariff which is having a significant impact on aero revenue. EBITDA Margin (as a % of Gross Revenue) decreased to 29% in FY 2017-18 from 39% in FY 2016-17 and PAT Margin (as a % of Gross Revenue) decreased to 1% in FY 2017-18 from 10% in FY 2016-17. The summary is shown below:

Particulars	FY 2017-18		FY 2016-17		Growth %
	In ₹ /Cr.	% of revenue	In ₹ /Cr.	% of revenue	
Gross Revenue	4,042.84	100%	5,939.51	100%	(32%)
Less: Annual Fee to AAI	1,761.47	44%	2,634.84	44%	33%
Net Revenue	2,281.37	56%	3,304.67	56%	(31%)
Expenses	1,096.92	27%	972.13	16%	(13%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,184.45	29%	2,332.54	39%	(49%)
Finance Cost	579.15	14%	527.25	9%	(10%)
Depreciation and amortisation expense	645.90	16%	638.03	11%	(1%)
Profit before tax and exceptional items	(40.60)	(1%)	1,167.26	20%	(103%)
Exceptional items	-	-	40.80	1%	-
Profit before tax (PBT)	(40.60)	(1%)	1,126.46	19%	(104%)
Tax expense	(78.85)	(2%)	540.50	9%	115%
Profit for the year (PAT)	38.25	1%	585.96	10%	(93%)

Gross Revenue

Gross Revenue clocked 32%, a decrease led by on account of fall in Aero revenues due to implementation of second control period tariff. However, there is a positive growth in Non-Aero and CPD revenues.

The revenue stream can be shown as follows:

Gross Revenue

(32)%

₹ 4,043 Cr. in **FY 2017-18**

₹ 5,940 Cr. in **FY 2016-17**

Aeronautical Revenue

(57)%*

₹ 1,705 Cr. in **FY 2017-18**

₹ 3,940 Cr. in **FY 2016-17**

*Implementation of second control tariffs period

Non-Aeronautical Revenue

18%

₹ 1,799 Cr. in **FY 2017-18**

₹ 1,528 Cr. in **FY 2016-17**

Commercial Property Development (CPD)

8%

₹ 177 Cr. in **FY 2017-18**

₹ 164 Cr. in **FY 2016-18**

Other Income

18%

₹ 362 Cr. in **FY 2017-18**

₹ 307 Cr. in **FY 2016-17**

(₹ in Cr.)

Revenue Stream	FY 2017-18	FY 2016-17
Aeronautical	1,705	3,940
Non-Aeronautical	1,799	1,528
CPD	177	164
Other Income	362	307
Total	**4,043**	**5,940**

Annual Fees to AAI

As per the Concession Agreement (OMDA) entered into with AAI in April 2006, the Company is required to pay to AAI an Annual Fee (AF) each year at 45.99% on its projected revenue in twelve equal monthly instalments (MAF), to be paid in each calendar month. As per Article 1.1 of Chapter I of OMDA, "Revenue" is defined to mean all pre-tax revenue of DIAL with certain specified exclusions. The share to AAI has decreased by 33% YoY on account of decrease in aero revenue due to implementation of second control period tariff.

Expenses

Operating costs, employee costs and administration costs constitute the main expenses for the Company. Total expenditure increased by 12.8% YoY owing to higher Airport Operator fee and impact of increase in minimum wages. Consequently, operating ratio showed a decline. To contain costs, the Company has engaged itself into various cost reduction initiatives like BLIP (Bottom Line Improvement Plan), CIP, Kaizen etc. The breakup is shown in the table below:

Particulars	FY 2017-18		FY 2016-17		Growth %
	In ₹ /Cr.	% of total expense	In ₹ /Cr.	% of total expense	
Personnel Expense	165.24	15%	129.47	13%	28%
Administration Expense	291.81	27%	291.04	30%	-
Operating Expense	639.87	58%	551.62	57%	16%
Total Expense	**1,096.92**	**100%**	**972.13**	**100%**	**13%**

Finance Cost

The finance cost has increased by 10% on account of hedging taken on US$ Bonds.

Depreciation and Amortisation Expense

The Company witnessed 1% YoY increase in Depreciation and Amortisation expenses led by addition in assets.

Tax Expense

The Tax expense comprises Minimum Alternate Tax (MAT) and Deferred Tax. The MAT has not been recognised on account of book loss and further, the Company has created deferred tax asset on account of unabsorbed depreciation.

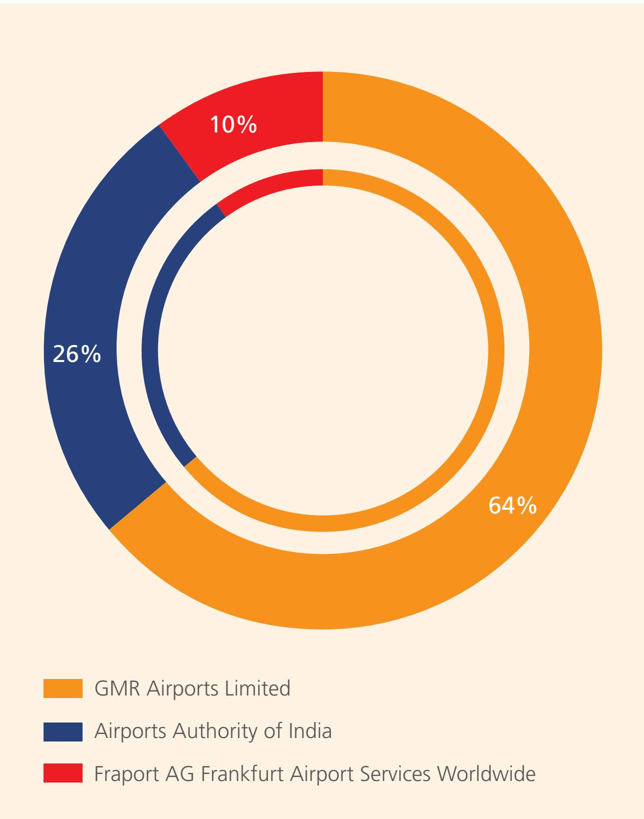
Balance Sheet

(₹ in Cr.)

Particulars	FY 2017-18	FY 2016-17	Change
Share Capital	2,450.00	2,450.00	-
Other Equity	418.08	558.65	(140.58)
Non-Current Liabilities	7,478.26	7,747.79	(269.53)
Current Liabilities	1,146.07	1,210.56	(64.49)
Total	**11,492.41**	**11,967.00**	**(474.59)**
Non-Current Assets	7,745.27	8,183.09	(437.82)
Current Assets	3,747.14	3,783.91	(36.77)
Total	**11,492.41**	**11,967.00**	**(474.59)**

Share Capital

As on March 31, 2018, the total Share Capital of the Company stood at ₹2,450 Cr. which remains unchanged during the Financial Year as compared to ₹2,450 Cr. as on March 31, 2017. Shareholding as at March 31, 2018 is as follows:



Other Equity

This primarily includes retained earnings. The Company's Other Equity as on March 31, 2018 were ₹418.08 Cr. as against ₹558.65 Cr. as on March 31, 2017. The movement is on account of payment of dividend during the Financial Year.

Non-Current Liabilities

As of March 31, 2018, total Non-current liabilities were at ₹7,478.26 Cr. against ₹7,747.79 Cr. as on March 31, 2017. The decrease is mainly on account of settlement of deposits and recognition of income leading to fall in deferred revenue.

(₹ in Cr.)

Particulars	FY 2017-18	FY 2016-17	Change
Financial Liabilities			
(i) Borrowings	5,249.12	5,261.97	(12.85)
(ii) Other financial liabilities	323.02	298.31	24.71
Deferred revenue	1,577.23	1,781.31	(204.09)
Deferred tax liabilities (net)	224.87	292.04	(67.17)
Other non-current liabilities	104.02	114.16	(10.14)
Total	**7,478.26**	**7,747.79**	**269.53**

Current Liabilities

As of March 31, 2018, the total Current liabilities were ₹1,146.07 Cr. as against ₹1,210.56 Cr. as on March 31, 2017. The Current liability has decreased due to no provision being created for income tax and payment of TDS liability in advance.

Non-Current Assets

As of March 31, 2018, total Non-Current Assets were ₹7,745.27 Cr. as against ₹8,183.09 Cr. as on March 31, 2017. There was decrease in Net Gross Block of Fixed Assets on account of depreciation for the Financial Year and transfer of assets.

(₹ in Cr.)

Particulars	FY 2017-18	FY 2016-17	Change
Property, Plant and Equipment	6,806.21	7,381.27	(575.04)
Capital Work in Progress	194.44	123.94	70.50
Intangible Assets	395.30	404.07	(8.78)
Investment in Subsidiaries, Associates and Joint Ventures	289.37	181.05	108.33
Other Non-Current Assets	59.94	92.77	(32.82)
Total	**7,745.27**	**8,183.09**	**(437.82)**

₹4,042.84 Cr.
Total Revenue in FY 2016-17: ₹ 5,939.51 Cr.

Current assets

As of March 31, 2018, total Current Assets were ₹ 3,747.14 Cr. as against ₹ 3,783.91 Cr. as on March 31, 2017. The trade receivable has come down due to receipt of payment from Air India during the Financial Year. Further, receivable against monthly billing has also come down due to fall in aero income.

(₹ in Cr.)

Particulars	FY 2017-18	FY 2016-17	Change
Investments	2,584.46	2,184.38	400.08
Trade receivables	525.13	898.88	(373.74)
Cash and cash equivalents	374.97	554.12	(179.15)
Others	256.19	139.11	117.08
Total	**3,747.14**	**3,783.91**	**(36.77)**

Value-added and Contribution to Exchequer

Modern airports are not mere aviation infrastructures but vital hubs with huge people, freight, knowledge and commercial inflows. They significantly contribute to commercial and economic development within and well beyond their boundaries, gaining the status of multimodal and multifunctional enterprises. They act as meaningful contributors to economic productivity as they provide connectivity, and facilitate business opportunities, trade and tourism. In order to support the country's growth-centric approach, efficient connectivity is mandatory. It also enables to boost real estate and other businesses.

Airports no longer are solely controlled by the Government, as the need for modernisation and efficient operations is growing. Public-private partnership (PPP) models are increasingly being used to involve private sector for development and operation of Airports. Delhi Airport has witnessed a similar scenario. Public-private participation has meaningfully contributed in the successful modernisation of the Delhi Airport infrastructure and enabled maintenance of world-class service standards. This in turn has brought about a paradigm shift in the pattern and development of urban settlement in the region as a gateway to India. This has led to the generation of both the direct and indirect economic value, thus contributing to the economic growth, while maintaining world-class service standard.

Economic Impact of Delhi Airport

The setting up and operations of Delhi Airport has delivered enormous economic benefits to all its associates over the years. Some of these are:

- The operations at Delhi Airport have a considerable economic and social impact on Delhi-NCR and surrounding regions
- Air service accessibility leads to wider benefits for business interests and also to consumers
- The generation of income and employment for those who support the Delhi Airport functions and its business. These are the entities / individuals contributing their inputs, including human capital, technology and other services
- Employment directly on-site and in the surrounding area, as well as indirectly across the value chain of its operations
- The income earned through these direct and indirect activities generate the demand for goods and services in the economy, which in turn generates further employment and income

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

- The value of economic impact by the Delhi Airport is expected to touch ~ ₹ 2,40,356 Cr. (i.e. 0.60% of the estimated national GVA) by FY 2025-26
- In terms of employment, the impact is estimated to touch 40.22 Lakhs (i.e. 0.58% of the total estimated workers) in FY 2025-26

Distribution of Economic Value

DIAL generated ₹ 4,292.65 Cr. in revenues in FY 2017-18, a decrease of 38% over the Previous Year. A major part of the value distributed is payment to the Government, accounting for 53% of the total revenues. Since FY 2005-06, DIAL has paid an aggregate revenue share of ₹ 14,976 Cr. to Airports Authority of India.

Total operating cost, excluding payments to employees and government taxes, increased by 11% over the Previous Year. Payment to employees increased by 28% over the Previous Year. Payment to providers of capital marginally increased over the Previous Year. Total outflow was recorded at ₹ 3,957.22 Cr. and the total value retained was ₹ 335.42 Cr.

Stages	Direct and Indirect Impacts		
Development of an airport	Income and employment generated in an airport during the development or construction process	Income and employment impact through the multiplier effects, captured through Imput-Output analysis	Environment - Airport developmental aspects related to environment at influence
Operation of an airport	Income and employment generated in the process of an airport's operations	Income and employment Impact through the multiplier effects, captured through Input-Output analysis	Environmental - Airport operation aspects related to environmental influence
Services and enabled by an airport: Infrastructure (may also be considered as an 'Induced effect')	Direct users are passengers and freight operators (Information captured through primary sample survey)	Income and enployment generated through investment tourism	

Amount in Cr.	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Economic Value Generated	4,292.65	6,918.87	6,173.42	4,955.35	4,598.55	3,842.25
Revenues Economic Value Distributed Payments to Government						
• Annual Fee to AAI	1,761.47	2,634.84	2,304.15	1,967.8	1,838.06	1,533.16
• Direct Tax	259.57	398.50	422.87	254.73	278.00	179.24
• Indirect Tax	260.11	996.73	872.42	671.84	612.08	540.93
Payments to providers of Capital	579.15	568.05	571.23	556.19	564.83	657.46
Employee Wages and Benefits	165.24	129.47	125.48	132.12	122.65	123.72
Operating Cost	931.68	842.66	923.06	770.34	710.56	525.09
Economic Value Retained	335.42	1,348.63	954.20	602.33	472.37	282.65

Strategic Direction of DIAL

In order to ensure long-term stability and continual improvement, DIAL strives to achieve superior operational efficiency leveraging innovative technology and benchmarking with best practices in related industry both within and outside India. This endeavour enables DIAL to run its operations in a cost-effective manner without compromising on service quality standards. Improved infrastructure, competent operational measures, continuous learning, effective change management and continuous engagement with all possible stakeholders for their support further aid this strategy.

An environment-friendly attitude gains centrestage at DIAL which has adopted a proactive sustainable approach for the Delhi Airport. Its high regards for environment safety ensures that all community concerns are addressed proactively ensuring strict compliance to regulatory requirements.

2016-20

- Among World's Top 3 airports
- Building winning culture through PQS
- Sustain Profitability & Liquidity
- Sweating of Assets and Timely Completion of Capacity Enhancement projects
- Zero Tolerance
- Operation Excellence and Service Quality
- Innovation and Technology to be a Smart Airport

2011-15

- Profitability
- ASQ Rating
- Operational Efficiency
- Cost Containment

2008-10

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

2006-07

- Operational Stabilisation
- Operations Taken over
- QMDA Signing

Cost Containment

DIAL is committed to ensure strong and sustainable delivery of the Efficient Cost Management System. This consists of various initiatives, policies and processes which have been vetted and supported by the Senior Management. For evaluation of the efficacy of implementation, BLIPs (Bottom Line Improvement Plan), Kaizens and CIPs (Continuous Improvement Plan) frameworks are used. These frameworks include:

Budgeting

Annual Operating Plan (AOP) exercise sets the tone and targets for the current Financial Year in the beginning which includes various cost centres. It is based on past cost trends as well as zero base budgeting in some areas using latest inputs available.

Cross Functional Team

Specific cost-saving projects (BLIPs, Kaizens and CIPs) are overseen by Cross Functional Team comprising senior-most executives from different functions of the organisation to ensure that roadblocks to achieve cost targets are removed in a collaborative manner.

Variance Analysis

Monthly costs are tracked and communicated to cost centre owners through Budget versus Actual report at functional level. Further drilldown of the cost is provided for further analysis to have robust cost control. Online tracking is also available through SAP for every cost centre.

Quality Improvement and Sustenance

Comprehensive and integrated quality approach based on P-Q-S (Proactive Approach, Quality Consciousness, Stakeholder Engagement) philosophy that ensures that each function is solving business problems pro-actively without compromising on quality and with effective stakeholder engagement so as to ensure their affirmation to the initiative taken.

Benchmarking

Efficiencies and Productivity matrixes are benchmarked against best in the Industry to bring out conviction in Cost Management and Budgeting programme. Each function is encouraged to establish new benchmark for the entire industry which has been recognised by the Company at large.

Evaluation through Cost Benefit Analysis (CBA)

Significant operating expenses and capital spends are subject to rigorous Cost Benefit Analysis by user function supervisors and Finance before commitment to ensure that projects and initiatives are designed to add value as per stated objectives of the Company.

Cost Saving ideas

Campaigns are conducted among employees of the Company to identify opportunity for cost savings and innovative ideas to optimise cost further. Incentives and rewards are provided for promising ideas which are implemented through the cross functional team.

Procurement Centralisation

Procurement function has been centralised to avail economies of scale and enhanced negotiation processes such as reverse auctions, contract consolidation and value engineering.

Technology Push and Innovation

Management has put in specific emphasis on digitisation and automation of various activities/process with the help of robust business applications and IT infrastructure. Technology has been leveraged to improve cost/process efficiency.

DIAL is a customer-centric, innovation-driven, cost-conscious and operationally-efficient organisation. The Company's mission statement reads – "To be amongst the top 3 Airports by providing superior customer experience through deployment of technology and innovation, while sustaining profitability with care for environment and being a great place to work". It is this philosophy which has got it many awards from reputed institutes. Some of the awards are:

"13th National Award for Excellence in Cost Management 2015," from The Institute of Cost Accountants of India in 2015

Awarded the 1st place in the "14th National Award for Excellence in Cost Management 2016," under the category of "Infrastructure & Construction Services" by The Institute of Cost Accountants of India [ICAI]

Service Excellence at DIAL

Building a customer-focussed organisation

DIAL is a strong customer-focussed organisation, aligning all its systems and processes towards delivering quality customer service. It has created the highest quality infrastructure and operational efficiencies to serve its customers.

The Company has established Key Performance Indicators (KPIs) to measure and enhance its quality of service and passenger experience. This has also facilitated the Company of being able to provide secure and seamless customer service by being innovation driven, cost conscious and operationally efficient.

The Company's unwavering emphasis on customer satisfaction has manifested itself in its continuously improving score and ranking in the ASQ Survey and the many accolades it has received from various international and national organisations.

Excellence at DIAL

The Company established a specialised Quality protocol in FY 2005-06 which facilitated identifying quality gaps, ameliorating those gaps, doing process audits and ensuring overall quality at the Delhi Airport. For the first time for Indian Airports, Quality was institutionalised in the form of CIP culture, 5S and KAIZEN. This has ensured having a culture of quality at Delhi Airport.

Process Excellence

Reiterating our commitment to process excellence, the Company developed and uses DIALean, an ISO 9001, ISO 14001, ISO 20001, ISO 27001, ISO 26001, ISO 39001, ISO 5000 and OHSAS 18001 certified process. It is complemented with various ISO/ Non ISO systems' periodic audits, independent assessments and compliance checks, carried out in a planned manner. To check the level of passenger interfacing processes at the Delhi Airport, the Company carries out regular process efficacy studies using the statistically recommended sample size. Outcomes of all the process assessments along with other relevant inputs structure is the basis for corrective actions.

Business Excellence

At DIAL, Business Excellence stands for Business Everyday. The Business Excellence Model is the core philosophy of DIAL. Our systems and processes are formulated on the Vision, Mission and Values as well as on the needs and expectations of our customers and stakeholders. We are aware about the importance of Quality in business, that Quality is a journey and not a destination.

DIAL adopted the GMR Business Excellence Model (GBEM) in 2010. This is based on Malcolm Baldrige Business Excellence National Quality Award Criteria, which has 6 Enabler Process criteria and respective results criteria, each incorporating Excellence. It has enabled us to develop and deploy an inclusive approach integrating tools and techniques such as Innovation and Benchmarking, and blending principles and practices like SCM, Key Account Management (KAM) etc. The GBEM journey has been quite inspiring and has been central to our BE journey, pursuing the Group's philosophy that assimilates Business Growth, Institution Building and Knowledge Management. It has facilitated us to sharpen our core competencies and assisted us to re-define our Customer in a more comprehensive manner. It has influenced our approach to our business management system that has started reflecting positively in our day-to-day working.

Qualitative Impact of BE on DIAL

S. No.	Aspect	Impact	
		Before	**After**
1	Intent	Top Down Approach (Directive) Largely Translucent Single Customer (Passenger) Focus	Balanced: Top down & Bottom up (participative) Fairly Transparent Multiple Customer Focus (on all four Revenue Streams)
2	Initiatives	Functional (Transactional) Individualistic Anecdotal	Strategic-transformational (Drilled down to Functional level) Cross functional Teams Process-driven (A-D-L-I mindset)
3	Involvement	People Satisfaction Partners/Providers: Commanding Passengers (Reactive by Complaints)	People Engagement Partner & Provider: Collaborative Passengers - Proactive (VOC for expectation - Experience Journey)
4	Implementation	Department Focus Bottom Line Orientation Company Centric (Maximise-Gain)	Organisation focus (with clear line of sight) Sustainable Triple Bottom Line Orientation Community Centric (Win0Win)
5	Improvements	Level based No structured approach Basic tools (Q7, New 7)	Trends, (Benchmarks) Comparisons & Integration added Juran & QC-Story; PDCA-SDCA Approach PQS*, Innovation/Other Advance Tools (TOC, DMAIC, SCAMPER)

Service Excellence

We proactively capture feedback from all customers and stakeholders through regular interactions. This helps strengthen our relationship as well as identify any areas of strength or requiring improvement. To continuously enhance the service levels at Delhi Airport, DIAL follows a 'Find-to-Fix' quality model, where inputs from multiple channels are sorted, based upon the relevance to various initiatives in place at DIAL. After a robust evaluation, the teams arrive at solutions aimed at delivering and exceeding stakeholders' and customers' expectations.

Operational Excellence

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

Developing a people-centric approach

DIAL follows a collaborative work process with its stakeholders and business partners, which plays a crucial role in delivering outstanding experience to all its customers. Making the experience of our customers using the Delhi Airport delightful and memorable is the primary objective of DIAL. To gain most from its operational and process excellence, all employees working at the Delhi Airport is trained to be aligned with the same Vision and Mission.

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

Technological upgradation and IT automation

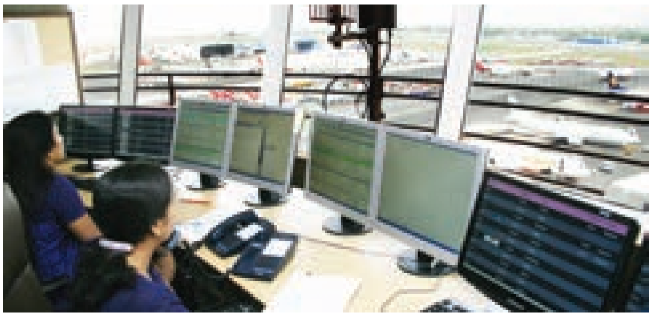
To deliver a seamless and memorable experience to customers, advanced and customer-centric technology plays a crucial role. It is the lifeline of most processes in modern Airports.

The IT system deployed at Delhi Airport across the operational process uses the latest advanced technology. For example, it has introduced an advanced SCADA system and CMS for Engineering Services, EPOS in Commercial Operations amongst numerous technologies and for Operations UFIS and FIDS, etc.

Technological advancements / upgrades are explored from various sources like best-in-class practices, industry researches, consulting firms, business partners and from national/international forums. These are evaluated by doing a technical, commercial and financial feasibility study, involving outsourced expertise, if required. The technology solutions thus approved are incorporated / introduced into the existing processes through proper implementation plans, including pilot projects, if necessary.

Some of the IT initiatives implemented in Delhi Airport are:

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



Sustainability – contribution to the 'triple bottom line'

Creating an economic and social value, while caring for environment are the key business objectives of DIAL. Our environmental objectives are to develop an environment-friendly and efficient infrastructure with minimum resource consumption. We will continue to work towards our mission of operational excellence through a sustainable business plan.

Environment Sustainability Management aims to maximise economic and environmental performance of the Delhi Airport infrastructure and its operation by implementing and monitoring green infrastructure and green company systems. These achieve:

- Site development and management for sustainable airport function
- Efficient management of materials and resources to facilitate reduction of waste generated
- Indoor environmental ambience for the comfort of the occupants
- Optimisation of the energy performance building to protect the atmosphere and environment

Common User Self-Service (CUSS)

Common User Tablet CUPPS with mobile printers

- Increase in water efficiency and its distribution system within buildings
- Adaptation of innovation in Design and Operation of Airport functions

The Company fulfils its environmental obligations by adopting the necessary pollution control measures and safeguards. This is achieved by incorporating all the required pollution prevention technologies to reduce the building's impact on human health and the environment during the building's life cycle and airport operation.

To implement the Sustainability protocol at Delhi Airport, DIAL has taken numerous initiatives with its stakeholders. The principal aim of the environmental sustainability programme is to take part and encourage all Delhi Airport stakeholders to adopt environmental best practices in their function to reduce and mitigate its environmental impact at Delhi Airport. This will lead to environmental and economic benefits to the organisations in Delhi Airport, and also to the nation.

Sustainability Report shares our disclosures with respect to Material Issues, Strategy, Management's Approach, Performance and Results to make Delhi Airport a sustainable entity and, at the same time, supporting global air transport stakeholders and customer needs. This report addresses the material aspects of stakeholders and allows them to analyse deeper into our operations and business challenges, enabling them to work seamlessly towards a common objective. In the coming years, DIAL will be keen to share its performance with the stakeholders, customer and community associated with the Delhi Airport.

Strengths, Capabilities and Challenges

Location

The Delhi Airport has the advantage of being located in the nation's capital, easily accessible from anywhere in North India. It has convenient access through a dedicated high speed metro line and an eight lane access road connected to National Highway 8. From its location, it is the only airport in a radius of 150 kms.

Catchment area

The Delhi Airport is located in one of the richest and most populous cities of India. The proximity of Noida and Gurugram provides the Delhi Airport a vast catchment area and a high potential for growth.

Largest and busiest Indian Airport

Delhi Airport is one of the fastest growing airports in terms of passengers handled and aircrafts movement. It is the only Indian Airport having three runways and the highest passenger handling capacity, with a 22% share in Indian airports. It has an infrastructure with terminal handling capacity of 6.2 Cr. passengers and cargo handling capacity of 15 Lakh tonnes.

Excellent global connectivity

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

Excellent reputation and highly experienced management

Over the last 10 years that DIAL has been operating the Delhi Airport, it has run it without suspending operations for even a day. This has been achieved due to the vast knowledge and experience of its management team. The Company achieved the creditable feat of constructing the new state-of-the-art Terminal 3 in only 37 months.

Right for commercial property development

DIAL has the concession rights to develop nearly 230 acres of land near the Delhi Airport.

Opportunities

Growth in aviation industry

Increased focus on regional connectivity, low cost carriers, modern airports, enhancing transportation infrastructure and the Government's "Make in India" initiative along with the huge push given to boost tourism in the country, will help India to achieve its aim to become the third-largest aviation market by the year 2020 and the largest by 2030.

Boost for travel and tourism

The aviation sector is set to ride the growth momentum expected in the Travel and Tourism industry. The industry is slated to grow at a CAGR of 6.66% to US$ 42,370 Cr. in 2026 from US$ 10,000 Cr. in 2017. (Source: Aviation Report, IBEF – March 2018)

Rise in business travel

With increasing commercialisation in the world, the quantum of business travel has also increased, most of which is through airlines. This presents a huge opportunity to the sector. Spending on business travel is expected to increase to US$ 3,988 Cr. in 2026 from US$ 1,026 Cr. in 2017, while that on leisure travel is set to rise to US$ 20,350 Cr. in 2026 from US$ 18,165 Cr. in 2017. (Source: Aviation Report, IBEF – March 2018)

Changing demographics

The favourable demography of India presents a promising future for our aviation sector. The size of India's middle income class is three times the total population of Germany. By 2030, India's working population is expected to be three times the total population of the US. These are strong tailwinds for the sector.

Significant opportunity in creating employment and economic growth

Based on the air traffic projections for FY 2025-26, the employment generation is expected to be around 40 Lakhs, or about 0.58% of the total estimated workers. The economic consequence of the Delhi Airport, which includes the direct, indirect, and induced effects, is estimated to be ₹ 2.4 Lakh Cr., or about 0.60% of the forecasted national GVA.

Improving service to aid non-aeronautical revenue

DIAL leverages its technical systems and expertise to provide unmatched service and airport experience to its passengers and airline operators. It is striving to add new retail stores to increase its revenue from non-aeronautical streams.

Challenges

DIAL faces many challenges in its functioning. Some of these are:

- Environment-related issues like noise and carbon emissions have placed restrictions
- Poor financial health of Air India has resulted in dues getting piled up with Air India, which is putting DIAL's cash flow under stress
- Growing terror and cyber threat
- Change in tariff regulations, specially with respect to land use
- Global geo-political and economic issues which could affect both passenger and cargo volumes

Internal Financial Controls

The policies and procedures adopted by DIAL take into account the design, implementation and maintenance of adequate internal financial controls keeping in view the size and nature of business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding of Company's assets, strict adherence to policies, and prevention and detection of frauds and errors. The controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures under the Companies Act, 2013.

The internal audit department reviewed and tested the internal financial controls during the current Financial Year. The Internal Controls were also tested by the Statutory Auditors of the Company over financial reporting. The design and operating effectiveness of the controls were well under control with no reportable material weakness observed. A few low risk areas, however, were identified where the controls need to be further strengthened.

Enhancing the quality of life - Human Resource

DIAL attaches immense importance to its human capital and considers employees as the key enablers of strategic initiatives and organisational excellence. It is one of the key resources for the Company to ensure business sustainability and growth. A broad and well-defined Human Resource policy ensures employee growth and aligns their goals with that of the Company. The Company provides a conducive work environment to facilitate efficient working. DIAL believes in providing equal opportunity to all its employees without any discrimination of region, religion, race or gender.

The Company believes in the principle of 'Right Job for the Right Fit'. To fulfil the diverse needs of the business, the team members are hired from varied educational streams like Management, Engineering, Aviation, Hospitality, Finance,

Law, etc. The objectives of the hiring process are aided by the goodwill enjoyed by the Company in the job space, its long-standing relationship with the institutes and a rewarding employee referrals scheme. To attract and retain talent, the Company has in place developmental initiatives for employees in which all levels of employees go through continuous process of skill upgradation and multi-tasking assignments. The Company also has reward and recognition schemes, performance-linked compensation and exposure to global business operations.

Due to the nature of its business, DIAL's HR policy also involves Contractors and Sub-Contractors. The Company engages with them by having frequent meetings, educating them about the extant labour laws and the importance of maintaining industrial harmony in the system.

The Company works towards improving workforce capabilities and capacities and make them ready for the rapidly-changing technology and environment. The Company follows a role-based training need identification process which includes prioritising the training needs, finalising training partners and preparation of the calendar based on discussion with HODs. The Company has a range of training avenues like on-the-job training, classroom training, e-learning, coaching, business simulations and management development programmes, special projects, etc.

Making DIAL the Best Place to Work

We value our workforce and consider them as our biggest asset. A diverse workforce and an inclusive and open culture in DIAL encourages innovation and creates strong relationships between employees, customers, stakeholders and community associates. These contribute to the growth and sustainability of the Company.

The key factors that motivate the workforce for higher performance are as follows:

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

Corporate Social Responsibility

DIAL has a strong commitment to CSR and has channelised its best resources to make it successful. The social care programme includes development of infrastructure such as roads, highways, support for schools, hospitals, provision of public parks, support for landscaping development and direct benefits such as employment and business opportunity. Some of the key highlights of the Company's CSR work are as follows:

- DIAL has a specialised and dedicated team of professionals with background from premier academic and social work institutions to efficiently implement its Corporate Social Responsibility activities. During the current Financial Year, 84 employee involvement programmes were organised to create opportunities for employee involvement, and 1,174 employees and family members were involved and invested 2,989 hours in community services
- 5 community development projects were successfully implemented by employees as part of the service to community through volunteering project named as Self to Society (S2S)
- It has an objective of making sustainable impact on the human development of under-served communities by contributing in Education, Hygiene and Sanitation, Empowerment and Livelihood and Community Development
- The Company initiated Health and Sanitation programmes in target communities in Delhi. The programmes include Reproductive and Child Health (RCH) and Nutrition Programme; Life Skill Education for Adolescents; Mobile Medical Units and General Health Awareness
- Under RCH programme, around 142 women received antenatal and postnatal care, through gynae clinic, nutrition programme and awareness sessions. To improve awareness on menstrual health, sanitary napkin dispensers and incinerators were installed in eight government girls' schools in periphery of the Delhi Airport benefiting over 2,000 girl students. More than 423 people with disability were benefited through enabling equipment support, physiotherapy, medicines and counselling to caretakers. Special education and speech therapy was provided to 25 mentally retarded and hearing-impaired children
- The Mobile Medical units operate in association with Help-Age India and their outreach is in 26 locations in the periphery of the Delhi Airport benefiting about 6,000 community members
- 26 patients benefited from the contribution of the Company, to All India Heart Foundation among which 23 patients were provided with 6 dual chamber and 17 single chamber pacemakers. With the support of the Company, Can-Support, enhanced capacity of stakeholders and provided pain relief medicines, benefiting approximately 2,000 cancer-affected patients in Delhi and NCR
- To promote sanitation activities, garbage collection bins have been installed in five Government schools in the periphery of the Delhi Airport and has contributed to a cleaner and healthier environment. The Company also constructed individual sanitary Latrines to 100 households in Savda Ghevra. Toilet construction

is also on completion at Andhra Educational Society run school and expected to benefit 2,000 students

- The Company contributed under the Swachh Bharat Abhiyan for construction and/or maintenance of toilets in Holi, Chamba; Maharashtra, Andhra Pradesh, Karnataka, Odisha and Chhattisgarh catering to more than 5,500 families. Support was also provided for renovation of school toilets in four states ensuring sanitation facility in over 24 schools. Preventive healthcare assistance was provided in 30 villages at Chandrapur District of Maharashtra benefiting over 5,000 people
- Recognising the importance of Early Childhood Education in the holistic development of children, the Company runs three Balabadis (pre-schools for the children of 3-5-year age group) covering 115 under-privileged children. It is running a Kid Smart Technology-aided Early Learning Centres in Municipal Corporation of Delhi, Boys Primary School, Shahabad Mohammadpur with 330 children. The CSR unit also runs After School Learning Centre for students of Std. VI to X benefiting 158 children at Savda Ghevra, which provides tuition support to the slow learners. The CSR unit has initiated the intervention called Minimum Learning Standard programme based on the NCERT given Minimum Learning Level. Due to increase in demand from the community, 149 students were enrolled in 2 batches across 3 levels
- As a part of the Gifted Children Scheme, 25 meritorious students hailing from under-privileged background were adopted to support academic expenditure of these children. Education of all the Gifted Children is supported till they get their first job. A Community Resource Centre being run at Savda Ghevra to help the community get access to Government schemes by providing them relevant information

In the reporting period, assistance was extended to more than 600 people to get enrolled in different Government schemes like Pradhan Mantri Jan Dhan Yojana; getting widow pension, income certificate, etc.

- The Company is also working for improving the quality of education for over 2,500 children in Holi, Chamba and Bengaluru through computer education and library facilities in schools and tent schools for children from marginalised community. The Company also supported activities of Christ Educational Society for providing educational support to more than 800 marginalised students and enhance learning for students through creative classes. Individual support was provided to Mr. Raja Karthikeya for international expedition to Antarctica

- Through Centre for Empowerment and Livelihoods-Delhi, training was provided in various trades like (A). Basic Computers; Basic Electrical; Refrigeration and Air Conditioning; (B). Cargo Management; Excavator Operator; Welding and Fabrication etc. All the courses are being run in partnership with leading industries like Volvo, Voltas, ATDC, VDMA, CELEBI etc. A total of 1,013 under-privileged youth were trained with settlement rate of 91.31%

- As part of its support to the Skill India Initiative, besides running CEL-D, DIAL CSR has supported GMRVF to impart employability training to more than 4,000 youth and women with settlement rate of 74% through 9 vocational training centres in Madhya Pradesh, Chhattisgarh, Maharashtra, Andhra Pradesh, Telangana and Karnataka

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

- The Company also works with GMR Varalakshmi Foundation, a Section 25, Not for Profit Company

As part of its wider social responsibility, the Company is also mindful of the well-being of environmental and economic systems.

GMR Group's CSR arm completes 25 years of service to the Nation

GMR Varalakshmi Foundation (GMRVF), the CSR arm of GMR Group, celebrated its silver jubilee with series of CSR initiatives at Aerocity, Delhi International Airport. The celebration coincided with DIAL's 10 years anniversary of community services.

On the occasion, DIAL CSR introduced two Mobile Medical Units, which will cater to approximately 25 different locations in Delhi. Also, under the Gifted Children Scheme, DIAL promised to support education of 25 meritorious under-privileged

children from the 1st standard till they get their first job. GMRVF organised a beautiful exhibition on CSR activities at the venue which attracted all guests and visitors.

Dr. Mohanrao Bhagwat, Sarsanghachalak, Rashtriya Swayamasevak Sangh (RSS) attended as Chief Guest on the occasion. Among others, Ashok Gajapathi Raju, Union Minister for Civil Aviation; Jayant Sinha, Minister of State for Civil Aviation; Rajiv Pratap Rudy, MP; YS Chowdary, Minister of State for Science and Technology & Earth Sciences were present on the occasion.

Dr. Bhagwat praised GM Rao for carrying out corporate social responsibility (CSR) for the last 25 years with dedication and ample responsibility. "I have seen that despite being busy, you also look after the CSR activities with sensitivity and it is this sensitivity which makes your social work special," Bhagwat said.

GM Rao said, "We have been aligning our foundation work with the Prime Minister of India, Shri Narendra Modi Ji's initiatives like Skill India, Swachh Bharat and many others. On the occasion of 25th anniversary, we are adopting 25 more children under Gifted Children scheme."

"Individual Social Responsibility is the moral duty of every individual to give back to the society. Providing skill and imparting education are the best tools for eradicating poverty as it changes lives of an entire family forever," he said.

GMRVF's social intervention in Delhi supports more than 3,000 youth, women and specially-abled children through various initiatives focussing on Education, Health & Hygiene, Community Development and Empowerment for Livelihoods through Vocational Training. One of the key enablers of DIAL CSR is its state-of-the-art vocational training institute. This institute offers 10 disciplines of skill-oriented courses providing training to over 1,000 students every year with more than 85% placement ratio. This also includes a holistic, 360-degree training including soft skills like yoga, etiquettes, grooming and counselling.

Indana Prabhakara Rao, CEO, DIAL, said, "CSR is not merely a spend but an investment for us. An investment in human development and inclusive growth is an investment in the social capital of the country. Social, economic and environmental aspects are considered in each and every aspect of Delhi Airport Operations."

Dr. V. Raghunathan, CEO, GMRVF expressed his happiness on this special day. "We run GMR Varalakshmi Foundation with same professionalism as we run other businesses of GMR Group. There is complete dedication and accountability. We will continue our commitment to be a partner in community development as well as skill development," he said.

Environment, Health and Safety

As a responsible entity, DIAL fulfils all its actions and obligations towards environment protection. This forms part of the core policy of the Company and it focusses on pollution control and natural resources preservation by integrating its policies, systems, procedures and infrastructure. The key objectives are to maximise economic and environmental sustainability of the Delhi Airport infrastructures and its operations, by implementing and monitoring green infrastructure guidelines and a tough environment regimen.

The environmental concerns are addressed by effective business aspect and associated impact analysis with necessary action plan and control within the framework of ISO 14001:2004 Environment Management Systems (EMS) and by Sustainability Management Standards (GRI G4). These also provide the structure for review and continual improvements in the system.

A testimony of the Company's stringent environment commitment is the installation of rainwater harvesting structures spread across the Delhi Airport area to conserve and sustain water resources. All the waste water generated is reused for landscaping, flushing and irrigation activities. Other wastes, such as Municipal Solid Waste, Hazardous Waste, E-waste, Construction and Demolition Waste are handled and disposed in a manner conforming to the prescribed law.

DIAL always takes proactive approach towards environment management and sustainability development at Delhi Airport. Following are some of our initiatives and achievements towards ensuring Sustainable Airport function:

- First Carbon Neutral Airport in Asia-Pacific region under ACI's Airport Carbon Accreditation. Delhi Airport achieved "Neutrality, Level 3+" in 2016 and have been continuing at Level 3+ since then
- Airport's Terminal 3 is a LEED India Gold certified green building under "New Construction" category and it is the first airport in the world to achieve this. Terminal 3 is also Platinum rated Green Building under IGBC "Existing Building" category
- First airport globally to have adopted, live building performance monitoring and scoring platform "ARC" by USGBC/GBCI
- The energy efficiency measures implemented at DIAL has been registered in UNFCCC as Clean Development Mechanism project; it is the first airport project in the world to have achieved this credential
- Installed 7.84 MW solar PV plant in the airside premises of Delhi Airport and is the first airport in the country to have megawatt scale solar plant within the airport
- First airport in India to have implemented Airport Collaborative Decision Making (A-CDM) which aims at improving Air Traffic Flow and Capacity Management and Emission Reduction
- 16.6 MLD state-of-the-art "Zero Discharge" sewage treatment plant treats entire sewage water generated in Delhi Airport, the treated water is used for horticulture, toilet flushing and HVAC make up
- Constructed more than 300 rainwater harvesting structures to improve the groundwater level within the airport and in the surrounding area
- Achieved Platinum Level under Green Company Framework by CII-GBC for its environmental excellence in the field of environmental sustainability
- The Energy Management System of Airport is certified under ISO 50001:2011 and is the first Airport in the world to be certified for ISO 50001:2011 Energy Management System
- Promoted Multimodal Connectivity to reduce emission. There is a dedicated metro line connecting Delhi Airport to the city, besides road connectivity
- Installed dedicated CNG fuelling station at IGIA, which helps in minimising the GHG emission load at IGIA
- The energy efficient and environment-friendly infrastructures also include state-of-the-art STP and WTP, Energy efficient BMEs, Advanced Fuel Hydrant Systems, FEGP and PCA supply systems
- Won numerous award and recognition for its excellent performance towards environmental sustainability and climate change mitigation initiatives. These include ACI Green Airport Recognition 2017-18, National Award for Excellence in Energy Management - 2015, 2016 by CII, Golden Peacock Sustainability Award - 2015 by Institute of Directors, Golden Peacock Environment Management Award - 2014 by Institute of Directors etc. among numerous other achievements

Cautionary Statement

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

Report of the Directors

For the financial year ended March 31, 2018

Dear Shareholders,

Your Directors are pleased to present you the Twelfth Annual Report on Business and Operations along with the Audited Financial Statements and the Auditors Report of your Company for the financial year ended March 31, 2018. The Consolidated Financial Statements and the Auditor's Report of your Company for the Financial Year ended March 31, 2018 also forms part of this Annual Report, as per the provisions of Companies Act, 2013 and Accounting Standards.

FINANCIAL PERFORMANCE ON STANDALONE BASIS

Particulars	31-Mar-18 (₹/cr)	31-Mar-18 (USD Mn)	31-Mar-17 (₹/cr)	31-Mar-17 (USD Mn)
Revenue from Operations	3,680.97	563.36	5,632.52	858.62
Other Income	361.87	55.38	306.99	46.80
Total Revenue	**4,042.84**	**618.74**	**5,939.51**	**905.41**
Annual fee to AAI	1,761.47	269.59	2,634.84	401.65
Employee benefits expense	165.24	25.29	129.47	19.74
Depreciation and Amortization	645.90	98.85	638.03	97.26
Finance Cost	579.15	88.64	527.25	80.37
Other expenses	931.68	142.59	842.66	128.45
Total expenses	**4,083.44**	**624.95**	**4,772.25**	**727.48**
(Loss)/Profit before tax and exceptional items	**(40.60)**	**(6.21)**	**1,167.26**	**177.94**
Exceptional Items (net)	-	-	40.80	6.22
Profit/(Loss) before taxation	**(40.60)**	**(6.21)**	**1,126.46**	**171.72**
Provision for taxation – expenses	(78.85)	(12.07)	540.50	82.39
Profit/(Loss) After Taxation	**38.25**	**5.85**	**585.96**	**89.32**
Other comprehensive income/(loss) for the year	12.85	1.97	(17.57)	(2.68)
Total comprehensive Income for the year	**51.10**	**7.82**	**568.39**	**86.64**
Earnings Per Share (in ₹)				
- Basic and Diluted	0.16		2.39	

[Note: Exchange Rate for March 31, 2018 is 1 USD = INR 65.34 and for March 31, 2017 is 1 USD = INR 65.60]

REVENUE AND PROFIT – STANDALONE

During the financial year ended March 31, 2018, your company has recorded a Total Revenue of ₹ 4042.84 Cr. as against ₹ 5939.51 Cr., in the corresponding previous year, being decrease of 31.93%.

Further, your company has also recorded the Profit after Tax of ₹ 38.25 Crores for the year ended March 31, 2018 against ₹ 585.96 Crores, in the corresponding previous year, being a decrease of 93.47 %.

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

- Decrease in Revenue pursuant to implementation of AERA Tariff order w.e.f July 7, 2017
- Higher expenses due to Terminal 2 operationalised

₹4,043 crores
Total Standalone Revenue in 2018

₹4,017 crores
Total Consolidated Revenue in 2018

FINANCIAL PERFORMANCE ON CONSOLIDATED BASIS

Particulars	31-Mar-18 (₹/cr)	31-Mar-18 (USD Mn)	31-Mar-17 (₹/cr)	31-Mar-17 (USD Mn)
Revenue from Operations	3,690.31	564.79	5,632.52	858.62
Other Income	326.98	50.04	255.61	38.96
Total Revenue (I)	**4,017.29**	**614.83**	**5,888.13**	**897.58**
Annual fee to AAI	1,780.88	272.56	2,634.84	401.65
Employee benefits expense	165.24	25.29	129.47	19.74
Depreciation and Amortization	645.90	98.85	638.03	97.26
Finance Cost	579.15	88.64	527.25	80.37
Other expenses	930.53	142.41	842.67	128.46
Total Expense (II)	**4,101.70**	**627.75**	**4,772.26**	**727.48**
(Loss)/Profit before exceptional items and tax [(I)-(II)]	**(84.41)**	**(12.92)**	**1,115.87**	**170.10**
Exceptional Items (net)	-	-	40.80	6.22
Profit/(Loss) before taxation	(84.41)	(12.92)	1,075.07	163.88
Provision for taxation – expenses	(31.90)	(4.88)	540.50	82.39
Profit/(Loss) After Taxation	**(52.51)**	**(8.04)**	**534.57**	**81.49**
Share of profit of associates and joint ventures	96.85	14.82	70.48	10.74
Profit for the year (A)	**44.34**	**6.79**	**605.05**	**92.23**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement gains on defined benefit plans	0.77	0.12	(1.11)	(0.17)
Income tax effect	(0.27)	(0.04)	0.38	0.06
Items that will be reclassified to profit or loss in subsequent periods				
Net movement of cash flow hedges	18.88	2.89	(16.84)	(2.57)
Income tax effect	(6.53)	(1.00)	-	-
Share of other comprehensive income of associate and joint venture	(0.16)	(0.02)	(0.10)	(0.02)
Total Other Comprehensive Income/(Loss) for the year (net of tax)(A+B)	**12.69**	**1.94**	**(17.67)**	**(2.69)**
Total Comprehensive Income for the year (net of tax)	**57.03**	**8.73**	**587.38**	**89.54**
Earnings Per Share (in ₹)				
- Basic and Diluted	0.22		2.47	

[Note: Exchange Rate for March 31, 2018 is 1 USD = INR 65.34 and for March 31, 2017 is 1 USD = INR 65.60]

REVENUE AND PROFIT – CONSOLIDATED

In accordance with the provisions of the Companies Act, 2013 and Ind AS, the audited consolidated financial statements is provided in the Annual Report.

The consolidated revenue is showing a decrease by ₹ 1870.84 crores approx. as compared to FY 2016-17 majorly due to reduction in Aeronautical Tariff w.e.f. July 07, 2018.

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

(i) SUBSIDIARIES

The Company has only one subsidiary as on March 31, 2018 i.e. Delhi Aerotropolis Private Limited (DAPL) and it has not commenced its operations. The financial position of DAPL is as follows:

Particulars	Amount (₹)
Net Revenue (Other Income)	Nil
Profit/ (Loss) Before Tax	(29,500.00)
Profit/ (Loss) After Tax	**(29,500.00)**

(ii) JOINT VENTURES AND ASSOCIATES

Your Company joined as a Joint Venture (JV) Partner in the SPVs formed by the successful bidders in key business areas like Duty Free, Cargo, Food & Beverage, IT services, Vehicle Parking Facilities, Fuel Farm, Advertisement and Bridge Mounted Equipments.

Accordingly, the Company has minority equity stake ranging from 26% to 50% in 8 JVs, depending on the nature and size of the business. The performance and financial position of each of the JVs and Associates during 2017-18 are as follows:

JOINT VENTURES AND ASSOCIATES **(₹/Crores)**

S. No.	Name of Joint Venture Company	Total Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Turnover/ Total Income	Profit Before Taxation	Profit after Taxation	% of Equity Shareholding of DIAL
1	Wipro Airport IT Services Ltd.	5	0.48	86.41	80.93	57.7	2.89	(7.81)	26.00%
2	Celebi Delhi Cargo Terminal Management India Pvt. Ltd.	112	88.92	428.45	227.53	461.24	31.61	20.14	26.00%
3	Delhi Aviation Fuel Facility Pvt. Ltd.	164	40.99	317.27	112.28	143.64	76.96	48.96	26.00%
4	Travel Food Services (Delhi T3) Pvt. Ltd.	14	(2.98)	37.38	26.36	67.57	3.11	1.78	40.00%
5	Delhi Duty Free Services Pvt. Ltd.	80	183.7	508.59	244.89	1,135.78	186.28	124.09	49.90%
6	TIM Delhi Airport Advertisement Pvt. Ltd	18.48	55.46	165.96	92.02	311.35	49.05	31.04	49.90%
7	Delhi Airport Parking Services Pvt. Ltd.	81.44	16.26	224.45	126.75	125.79	40.07	29.95	49.90%
8	Delhi Aviation Services Private Ltd.	25	15.56	62.48	21.92	63.01	17.45	13.31	50.00%

There is no change in the business of Company, any of its above mentioned Joint Ventures and there are no new companies which have become and ceased to be subsidiaries or Joint Ventures during the year, except GMR Bajoli Holi Hydro Power Private Limited, where the Company has invested an amount of ₹ 108.33 cr as per the Electricity Act, 2003 and Electricity Rules, for purchase of power under Captive arrangement.

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

DIVIDEND & APPROPRIATIONS

Your company has not proposed any dividend for the financial year 2017-18 and consequently, no amount has been transferred to reserve.

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

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

Further, your Company has also issued Senior Secured Foreign currency Notes USD 522.60 MN with the ISIN number USY2R27RAB56 and US246725AB18 under Regulation S and Rule 144A of the U.S. Securities Act 1933, at a fixed interest rate of 6.125% with bullet repayment in October 2026. The same are also listed on Singapore Stock Exchange.

REGULATORY

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, has vacated the order of Hon'ble High Court of Delhi and directed TDSAT to dispose off the appeals of DIAL no 10/2012 for first control period in the next two months.

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

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

Further, as per State Support Agreement signed between DIAL and AAI as part of concession, DIAL is eligible for minimum tariff equivalent to Base Airport Charges as per schedule 8 of state support agreement plus 10% in any year during the concession term. Since the tariff post 7th July'2017 has fallen below the Base Airport Charge plus 10%, your company approached the regulator to allow minimum tariff as provided in the concession. The Regulator has also acknowledged the rights provided under the concession agreement and issued the consultation paper no 6/2018-19 on 29th May'2018 for stakeholder's consultation.

AUDIT COMMITTEE

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

SHARE ALLOTMENT, TRANSFER & GRIEVANCE COMMITTEE

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

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

* w.e.f April 1, 2018, nominated as member of the Committee.

**w.e.f. July 24, 2018 nominated as member of NRCM in place of Ms. Gargi Kaul

CORPORATE SOCIAL RESPONSIBILITY

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

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

The Chief Operating Officer, the Chief Human Resource Officer and Director-Community Services are permanent invitees to this Committee.

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

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

As per the provisions of Companies Act, 2013, during the financial year under review, your Company, was required to spend an amount of ₹ 1170 lacs towards CSR activities, out of which ₹ 1114.42 Lacs was utilized on the activities specified in Schedule VII of the Companies Act, 2013.

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

a): Due to the fact that the Company is not able to find appropriate like minded organisation working for improving learning level of children in our outreach areas.

b): The new classrooms at Vocational Training Institute, Delhi could not be constructed during the financial year as the design development & hiring of suitable vendor basing installed systems & processes took time. However, the work order has been released and it is committed to complete the work in the following year.

c): Due to limitation of the land availability for construction of water harvesting structures with civic agencies, the anticipated numbers of structures could not be achieved in vicinity of IGI Airport.

The Board of Directors of your Company in its meeting held on May 02, 2018, deliberated on the reasons of underspent and agreed with the explanation of the management that the same are beyond the control of the Company.

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

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors and Audit Committee the Shareholders of the Company in the Annual General Meeting held on September 5, 2017 has appointed of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Bengaluru as Statutory Auditors of the Company, for a period of two Years till the conclusion of 13th AGM and M/s K. S. Rao & Co. as Statutory Auditors of the Company for period 5 years till the conclusion of 16th AGM.

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

DEPOSITS

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

EXTRACT OF ANNUAL RETURN

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

MEETINGS OF THE BOARD AND COMMITTEES

During the financial year ending March 31, 2018, the details of the meetings of the Board and Committees of the Board and attendance of the Directors are as follows:

BOARD MEETING

Present | Leave of absence | Attended through VC

Name of Directors	11-May-17	20-Jul-17	09-Aug-17	28-Sep-17	24-Oct-17	08-Feb-18
Mr. G.M. Rao	Present	Present	Leave of absence	Present	Leave of absence	Present
Mr. Srinivas Bommidala	Present	Present	Present	Present	Present	Attended through VC
Mr. Grandhi Kiran Kumar	Present	Present	Present	Present	Leave of absence	Leave of absence
Mr. G.B.S. Raju	Present	Present	Present	Leave of absence	Present	Present
Mr. K. Narayana Rao	Present	Present	Present	Present	Present	Present
Mr. G. Subba Rao	Present	Present	Present	Present	Present	Present
Mr. R.S.S.L.N. Bhaskarudu	Present	Present	Present	Attended through VC	Present	Present
Ms. Kameswari Vissa	Attended through VC	Present	Attended through VC	Attended through VC	Attended through VC	Present
Mr. N.C. Sarabeswaran	Attended through VC	Present	Attended through VC	Attended through VC	Attended through VC	Leave of absence
Dr. M. Ramachandran	Present	Present	Present	Present	Present	Present
Mr. Suresh Goyal	Attended through VC	Attended through VC	Leave of absence	Leave of absence	Leave of absence	Attended through VC
Mr. S. Suresh	Present	Leave of absence	Present	Leave of absence	Present	Present
Mr. A. K. Dutta	Present	Present	Leave of absence	Leave of absence	Present	Leave of absence
Ms. Gargi Kaul	Leave of absence	Present	Leave of absence	Present	Leave of absence	Leave of absence
Ms. Denitza Weismantel	Present	Leave of absence	Leave of absence	Attended through VC	Leave of absence	Attended through VC
Mr. Matthias Engler (Alternate to Ms. Denitza Weismantel)	NA	Attended through VC	Present	Leave of absence	Present	NA

AUDIT COMMITTEE

Name of Members	08-May-17	20-Jul-17	09-Aug-17	24-Oct-17	24-Jan-18	08-Feb-18
Mr. G. Subba Rao	Leave of absence	Present	Present	Present	Present	Present
Mr. R.S.S.L.N. Bhaskarudu	Present	Present	Present	Present	Present	Present
Mr. N. C. Sarabeswaran	Attended through VC	Present	Attended through VC	Attended through VC	Attended through VC	Attended through VC
Dr. M. Ramachandran	Present	Present	Present	Present	Present	Present
Ms. Kameswari Vissa	Present	Present	Attended through VC	Attended through VC	Attended through VC	Present
Ms. Denitza Weismantel	Leave of absence	Leave of absence	Leave of absence	Leave of absence	Leave of absence	Leave of absence
Mr. S. Suresh	Present	Leave of absence	Present	Leave of absence	Leave of absence	Leave of absence
Mr. Matthias Engler (Alternate to Ms. Denitza Weismantel)	Present	Attended through VC	Present	Present	Leave of absence	Leave of absence

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name of Members	08-May-17	24-Oct-17
Mr. R.S.S.L.N. Bhaskarudu		
Mr. K. Narayana Rao		
Mr. G. Subba Rao		

NOMINATION AND REMUNERATION COMMITTEE

Name of Members	20-Jul-17	08-Feb-18
Mr. G. Subba Rao		
Ms. Denitza Weismantel		
Mr. R.S.S.L.N. Bhaskarudu		
Mr. N.C. Sarabeswaran		
Dr. M. Ramachandran		
Ms. Kameswari Vissa		
Ms. Gargi Kaul		
Mr. Matthias Engler (Alternate to Ms. Denitza Weismantel)	NA	NA

INDEPENDENT DIRECTORS MEETING

Name of Members	08-Feb-18
Mr. R.S.S.L.N. Bhaskarudu	
Mr. N.C. Sarabeswaran	
Dr. M. Ramachandran	
Ms. Kameswari Vissa	

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that :

1. in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 and of the profit of the Company for that period;
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the directors have prepared the accounts for the financial year ended March 31, 2018 on a 'going concern' basis;
5. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors in its meeting held on February 8, 2018 has appointed Mr. Grandhi Mallikarjuna Rao as Executive Chairman of the Company for a period of 3 years with effect from April 1, 2018 pursuant to the provisions of Section 196, 197, 198, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013.

Further, Mr. G. B. S. Raju was appointed as Managing Director of Company for a period of 3 years with effect from April 1, 2018 for a period of 3 years pursuant to the provisions of Section 196, 197, 198, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, by the Board of Directors in Board Meeting held on February 08, 2018 and Mr. Srinivas Bommidala resigned as Managing Director of Company, but he continues to be the Director of the Company.

Mr. Grandhi Kiran Kumar also resigned as Executive Director of the Company w.e.f May 31, 2018 and he continues to be a Director of the Company.

The Board of Directors places on record their deep appreciation for the services and support rendered by Mr. Srinivas Bommidala during his tenure as a Managing Director of the Company and Mr. Grandhi Kiran Kumar as Executive Director of the Company.

Mr. Indana Prabhakara Rao was appointed as Additional Director and designated as Executive Director w.e.f. April 01, 2018 for a period of 3 years, pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, by the Board of Directors in Board Meeting held on February 08, 2018.

Pursuant to the change in nomination of its Directors by AAI, the Board of Directors in the meeting held on July 24, 2018 appointed Mr. Arun Kumar as an Additional Director in place of Ms. Gargi Kaul and Mr. Anuj Aggarwal as Additional Director (w.e.f. August 1, 2018) in place of Mr. A.K. Dutta.

Mr. Videh Kumar Jaipuriar was appointed as the Chief Executive Officer in place of Mr. Indana Prabhakara Rao, w.e.f. April 1, 2018 and he shall be the KMP as per the provisions of Companies Act, 2013. His appointment was approved by Board of Directors in its meeting held on February 08, 2018.

The Board of Directors places on record their deep appreciation for the services and support rendered by Ms. Gargi Kaul and Mr. A.K. Dutta as Director and Mr. I. Prabhakara Rao as CEO.

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

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

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

BOARD EVALUATION

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

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

As per the policy, a process of evaluation was followed by the Board for its own performance and that of its Committees and Individual Directors through a comprehensive online survey through a software named Dess Digital Meetings.

SECRETARIAL AUDIT REPORT

The Board of Directors has appointment Mr. Maneesh Gupta, Practising Company Secretary, to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year March 31, 2018 is attached herewith as **Annexure E**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Further, the Directors state that applicable Secretarial Standards, i.e SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS AS PER SECTION 186

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

The details of Investments already made by the Company form part of the notes to the Financial Statements in the Annual Report and during the financial year under review, Company has invested an amount of ₹ 108.33 Cr. in Equity Capital of GMR Bajoli Holi Hydro Power Private Ltd and there were no other investments made by the Company, except Treasury Investments in Deposits, Mutual Funds etc.

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

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

However, the approval of the Board of Directors were obtained for all the contracts/arrangements entered with Group entities during the year, pursuant to the requirements of the Operation Management Development Agreement entered by the Company with Airports Authority of India. As a good corporate governance practice, necessary disclosures as required under the provisions of Section 188 and rules thereunder were made to the Board of Directors at the time of obtaining the approval from the Board. Despite, the fact that the provisions of Section 188 of the Companies Act, 2013 is not applicable, the details of all such contracts/arrangements are given in Format AOC -2 as **Annexure F**. The members may refer Note No. 35 to the Standalone Financial Statement which sets out related party disclosure pursuant to Ind AS.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the Company after the end of financial year till the date of this report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure G** to the Report. The details of Foreign Exchange earnings and outgo are given in the Note No. 41 to the Notes to Accounts to the Balance Sheet as attached.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

Risk Management

S. No.	Risks	Strategic Initiatives to address the Risk
1	Revenue Risk: Significant Dip in revenues impacting Liquidity and profitability	• Ensure fair aero revenue from regulator Maximize non-regulated revenue • Create value by optimizing land use • Maximize value from existing assets • Promote Delhi as Hub • Increasing high yield cargo throughput • Cash flow management • Cost containment
2	Litigation Risk: Unfavorable decision on key Litigations (Tariff, NGT, Service tax, etc)	• Ensure fair aero revenue from regulator • Effective legal management
3	Reputation Risk: Fall in ASQ Ranking	• Minimize unplanned disruptions during Phase 3A expansion project • Implement an effective CRM • Leverage technology and innovation for superior customer experience • Landside connectivity • Drive concept of unified IGIA community
4	New Airports in IGIA vicinity	• Promote Delhi as Hub • Improve airfield capacity and OTP • Reduce Processing time
5	Receivables Risk	• Cash flow management • Cost Containment

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

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

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

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

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

There are no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status and company's operations in future, except explained in the Note No. 2(B) Going concern, 34(ii) and 41 of Notes to the Financial Statements for the year ended March 31, 2018, related to 'Going Concern' and explained in this Report under the paragraph Regulatory.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

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

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

PARTICULARS OF EMPLOYEES

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

GENERAL

Your Directors further state that no disclosure or reporting is required in respect of various items, which are only applicable to listed companies or where there were no transactions or event during the year under review viz. Issue of Equity Shares with differential voting rights, Sweat Equity, ESOP, receipt of commission by MD or WTD from Subsidiaries etc.

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

G.B.S. Raju	**K. Narayana Rao**
Managing Director	Whole-Time Director
DIN-00061686	DIN-00016262

Place: New Delhi
Date: July 24, 2018

Annexure - A

Delhi International Airport Limited

CIN. U63033DL2006PLC146936

Form AOC-1

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

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

Part "A" : Subsidiaries

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

Sl No	
Name of subsidiary	**Delhi Aerotropolis Private Limited**
The date since when subsidiary was acquired	
Reporting period for subsidiary concerned, if different from the holding company's reporting period	Same as the Holding Company
Reporting currency and exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	NA
Share Capital	0.10
Reserve and Surplus	(0.16)
Total Assets	0.00
Total Liabilities	0.00
Investments	-
Turnover	-
Profit before Taxation	(0.0029)
Provision for Taxation	(0.00)
Profit after Taxation	-
Proposed Dividend	-
% of shareholding	100

Part "B" : Associates and Joint Ventures

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

Name of Associates/Joint Ventures	**Delhi Aviation Services Private Limited (DASPL)**	**GMR Bajoli Holi Hydropower Private Limited (GBHHPL)**	**TIM Delhi Airport Advertising Private Limited (TIMDAA)**	**Delhi Aviation Fuel Facility Private Limited (DAFFPL)**	**Wipro Airport IT Services Limited (WAISL)**	**Delhi Airport Parking Services Private Limited (DAPSPL)**	**Travel Food Services (Delhi Terminal 3) Private Limited (TFS)**	**Delhi Duty Free Services Private Limited (DDFSPL)**	**Celebi Delhi Cargo Terminal Management India Private Limited (Celebi)**
1. Latest audited Balance Sheet date	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018
2. Share of Associate/Joint Ventures was associated or acquired	NA	NA	NA	NA	NA	NA	NA	NA	NA
3. Shares of Associate or Joint Ventures held by the Company on the year end									
No.	12,500,000	108,334,241	9,222,505	42,640,000	1,300,000	40,638,560	5,600,000	39,920,000	29,120,000
Amount of investment in Associates /Joint Venture (Cash value)	125,000,000.00	1,083,342,410.00	92,225,050	426,400,000	13,000,000	406,385,600	56,000,000	399,200,000	291,200,000
Extent of Holding %	50.00%	20.85%	49.90%	26.00%	26.00%	49.90%	40.00%	49.90%	26.00%
4 Description of how there is significant influence	Holding more than20% Capital and agreement								
5. Reason why the associate/joint venture is not consolidated	Not Applicable								
6. Networth attributable to Shareholding as per latest audited Balance Sheet	20.28	107.67	36.90	53.30	1.43	48.75	4.41	131.59	52.05
6. Profit/Loss for the year	11.27	(3.17)	27.09	42.27	(7.81)	25.82	1.78	101.89	19.08
i. Considered in Consolidation	5.64	(0.66)	13.52	10.99	(2.03)	12.88	0.71	50.84	4.96
ii. Not considered in Consolidation	5.64	(2.51)	13.57	31.28	(5.78)	12.93	1.07	51.05	14.12

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

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

G. Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company secretary

Place : New Delhi
Date : July 24, 2018

K. Narayana Rao
Whole-Time Director
DIN-00016262

Annexure - B

Delhi International Airport Limited

CIN. U63033DL2006PLC146936

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Delhi International Airport Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. DIAL recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company is driven by Group's vision to make a difference to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Group including the Company, through GMR Varalakshmi Foundation (GMRVF), partners with the communities around the businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and Sanitation, (iii) Empowerment & Livelihood and Community Development. The Company carry out its CSR activities on its own, or through GMRVF, towards activities / programmes broadly within the ambit of Schedule VII (with a special focus to areas in and around Delhi International Airport, Resettlement colony of Savda Ghevra and National Capital Region, Delhi, India): The detailed note is given as **Annexure B - I**, which forms part of this report. Weblink:http://www.newdelhiairport.in/our-company.aspx and for overview of Projects or Programs is http://www.newdelhiairport.in/csr.aspx
2	The Composition of the CSR Committee	(i) Mr. R.S.S.L.N. Bhaskarudu, Independent Director (ii) Mr. G. Subba Rao, Director (iii) Mr. K. Narayana Rao, Whole time Director
3	Average net profit of the company for last three financial years 2014-15; 2015-16; 2016-17	2014-15 – ₹ 1,928,237,866 2015-16 – ₹ 6,327,433,271 2016-17- ₹ 9,296,675,631 Average Net Profit – ₹ 5,850,782,256
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 11.70 crores
5	Details of CSR spent during the financial year 2017-18	
	(a) Total amount to be spent for the financial year	₹ 11.70 crores (Rounded off)
	(b) Amount unspent, if any;	₹ 55.60 Lakhs
	(c) Manner in which the amount spent during the financial year is detailed below.	Refer As per details below

CSR ACTIVITIES UNDERTAKEN BY COMPANY DIRECTLY & THROUGH CONTRIBUTION TO GMRVF

(1) SNo.	(2) CSR project or activity identified and Execution Details	(3) Activity as per Schedule VII of the Companies Act 2013	(4) Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period.	(8) Amount spent: Direct or through implementing agency	Remark
1	Preventive Health Care Services through • Reproductive Child Health services including nutrition • Care & support for people with disability • Preventive health care services at door steps through MMUs • Pacemaker support program for heart patients in need	Preventive Health Care & Sanitation	Savda Ghevra JJ colony; Slums in periphery of IGI Airport & Delhi NCR	90.50	87.74	87.74	Direct	More than 250 women, above 400 children & adolescents and 423 PWDs benefitted directly. Around 6000 OPDs in MMU & 26 heart patients helped.
	Improve Sanitation in target communities through • Construction of household toilets • Construction/ repairing of school toilets & sanitation drives • Installation of garbage bins	Preventive Health Care & Sanitation	Savda Ghevra JJ colony, and 10 schools in periphery of IGI Airport, Delhi	48.50	51.40	51.40	Direct	Constructed 100 ISL at Savda & more than 25 school toilets/urinals are on completion. More than 10 schools covered under sanitation drive & dust bins
	Support preventive health care initiatives in other locations through • Installation of dialysis machines • Provide appliances to PWDs • Preventive health care services • Care & support to cancer patients	Preventive Health Care & Sanitation	Odisha, AP , Chandrapur MH, Chamba in HP and Delhi & NCR	212.50	205.47	205.47	Direct	27 dialysis machines installed in Odisha. 200 PWDs benefitted in AP and more than 5500 families received preventive health care services in Warora & Chamba
	Support GMRVF run sanitation initiatives in other locations in India through • Construction/repair/ maintenance of community/HH toilets • Construction /repair of school toilets	Preventive Health Care & Sanitation	Raipur (CG) Banglore (KA) Srikakulam (AP) Chamba (UK) East Godawari (AP) Chandrapur (MH) Mirzapur, Kanpur, Fatehpur, Allahabad (UP	20.00	25.59	25.59	Indirect	Provided sanitation facility to more than 10000 users and 8000 school children in 6 states

(1) SNo.	(2) CSR project or activity identified and Execution Details	(3) Activity as per Schedule VII of the Companies Act 2013	(4) Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period.	(8) Amount spent: Direct or through implementing agency	Remark
2	Quality Education accessibility in target communities through • Running Balwadis, Kidsmart and remedial classes, MLS, Adult literacy • Gifted children scheme • Support to likeminded organizations & impact study	Promoting Education including Vocational Skills	Savda Ghevra JJ colony, Mehramnagar and Shabad Mohammadpur, Delhi & Banglore in Karnatka	50.64	46.86 (a)	46.86	Direct	Improved learning levels of more than 1500 children through different initiatives and adopted 25 children under Gifted Children Scheme at Delhi
	Support GMRVF run quality improvement education initiatives in other parts of country through • Supporting tent (bridge) schools • Educational inputs through libraries, kidsmart & TLM • Providing remedial classes to slow learners	Promoting Education including Vocational Skills	Banglore (KA) Chamba (HP)	20.50	21.95	21.95	Indirect	Improved learning levels of more than 1000 schoolchildren in two states of India.
	Running vocational training institute at Delhi for training 1000 school & college dropout youth	Promoting Education including Vocational Skills	Hindi speaking states of India	371.00	302.57	302.57 (b)	Direct	Trained 1013 drop out youth in 11 trades with settlement rate of 91%
	Contribution to GMR Varalakshmi Foundation (GMRVF) for supporting other vocational training institutes across India for training around 4000 youth	Promoting Education including Vocational Skills	Banglore (KA), Shrikakulam, Vizianagram, Vijaywada & Nellore (AP) Chhindwara (MP) Chandrapur (MH)	260.00	254.00	254.00	Indirect	Total 4357 youth trained across 9 vocational training centers with settlement of 74%
	Empower communities including youth through • Pratibha Library • Support for self-entrepreneurship • Employee volunteering	Promoting Education including Vocational Skills	Savda JJ colony & airport surrounding communities in Delhi	10.86	12.73	12.73	Direct	Empowered more than 280 youth through career counselling and supported 25 individuals for IGA

(1) SNo.	(2) CSR project or activity identified and Execution Details	(3) Activity as per Schedule VII of the Companies Act 2013	(4) Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period.	(8) Amount spent: Direct or through implementing agency	Remark
	Contribution to GMR Varalakshmi Foundation (GMRVF) for supporting farmers through • Capacity building • Demonstrations on improved agricultural practices	Promoting Education including Vocational Skills	Chandrapur in MH and Chamba in HP	12.50	20.18	20.18	Indirect	More than 500 farmers capacitated on seed production and orcharding across two states in India
3	Empowering women through • Training & marketing of products • Promoting vocational education • Scholarship for professional courses • Support for self-enterprising	Gender Equality	Delhi	21.00	22.33	22.33	Direct	Enhanced livelihoods of more than 40 women and promoted vocational education among 200 girls. Provided scholarship to 22 girls and 10 women supported for enterprise development
4	Construction of Rainwater Harvesting pits in periphery of IGI Airport	Environmental Sustainability	Delhi	22.00	10.55	10.55 (c)	Direct	Constructed rain water harvesting pits in 2 govt. schools in vicinity of IGI airport.
5	Administrative Expenses	-		60.00	53.06	53.06	Direct	Actual cost incurred on HR/Admin is more than 100 lakhs
	Total basing the profit calculation			1170.00	1114.42	1114.42		Unspent ₹55.6 lakhs

Justification of underspent

(a) Due to the fact that the Company is not able to find appropriate like minded organisation working for improving learning level of children in our outreach areas.

(b) The new classrooms at Vocational Training Institute, Delhi could not be constructed during the financial year as the design development & hiring of suitable vendor basing installed systems & processes took time. However, the work order has been released and it is committed to complete the work in the following year.

(c) Due to limitation of the land availability for construction of water harvesting structures with civic agencies, the anticipated numbers of structures could not be achieved in vicinity of IGI Airport.

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

K. Narayana Rao
Whole Time Director
DIN 00016262

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

Annexure - B - 1

Delhi International Airport Limited

CIN. U63033DL2006PLC146936

BRIEF REPORT ON DIAL-CSR (2017-2018)

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

In addition to the community-based activities, it runs a Vocational Training Institute where drop-out youth are given skills and to obtain gainful employment. During the year 2017-18, the following activities/initiatives were taken up under the thrust areas of Preventive Health Care & Sanitation; Promoting Education including Vocational Skills; Gender Equality and Environmental Sustainability as per the CSR policy of the Company.

Preventive Health Care and Sanitation

DIAL-CSR has initiated Health and Sanitation programs in target communities in Delhi. The programs include Reproductive and Child Health (RCH) and Nutrition Program; Life Skill Education for Adolescents; Mobile Medical Units and General Health Awareness. Under RCH program, around 142 women received antenatal & postnatal care, through Gynae clinic, nutrition Program and awareness sessions. To improve awareness on menstrual health, sanitary napkin dispensers and incinerators were installed in eight government girls' schools in periphery of IGI Airport benefitting over 2000 girl students. More than 423 People with Disability were benefitted through enabling equipment support, physiotherapy, medicines & counseling to care takers given by DIAL CSR. Special education and speech therapy was provided to 25 mentally retarded and hearing-impaired children.

The Mobile Medical units operate in association with Help-Age India and their outreach is in 26 locations in periphery of the airport benefitting about 6000 community members

26 patients benefitted from the contribution of DIAL-CSR, to All India Heart foundation among which 23 patients were provided with 6 dual chamber and 17 single chamber pacemakers. With the support of DIAL CSR, Can-Support, enhanced capacity of stakeholders & provided pain relief medicines, benefitting approximately 2,000 cancer affected patients in Delhi and NCR.

To promote sanitation activities, Garbage collection bins have been installed in 5 governments schools in the periphery of IGI airport and has contributed to a cleaner and healthier environment. DIAL CSR also constructed individual sanitary Latrines (ISL) to 100 households in Savda Ghevra. Toilet construction is also on completion at Andhra Educational Society run school and expected to benefit 2000 students

DIAL CSR contributed to GMRVF under Swachh Bharat Abhiyan for construction or/and maintenance of toilets in Holi, Chamba; Maharashtra, Andhra Pradesh, Karnataka, Odisha & Chhattisgarh catering to more than 5500 families. Support was also provided for renovation of school toilets in four states ensuring sanitation facility in over 24 schools. Preventive healthcare assistance was provided in 30 villages at Chandrapur distt. Maharashtra benefitting over 5000 people.

Promoting Education including Vocational Skills

Enhancing Quality of Education: Recognizing the importance of Early Childhood Education in the holistic development of children, DIAL-CSR runs 3 Balabadis (Pre-schools for the children of 3-5-year age group) covering 115 under-privileged children. DIAL–CSR is running a Kid Smart Technology-aided Early Learning Centers in MCD (Municipal Corporation of Delhi) Boys Primary school, Shahabad Mohammadpur with 330 children. The Kid Smart center is the IBM supported digital literacy based program for children from 3-9-year age group. The CSR unit also runs After School Learning Center (ASLC) for students of Std. VI to X benefiting 158 children at Savda Ghevra, which provides tuition support to the slow learners. DIAL-CSR has initiated the intervention called Minimum Learning Standard (MLS) program, which is based on the NCERT given Minimum Learning Level that emphasizes on learner's focused age appropriate learning. Due to increase in demand from the community, 149 students were enrolled in 2 batches across 3 levels

In the year 2017-2018, 25 meritorious students hailing from under-privileged background were adopted as part of the Gifted Children Scheme. Under this program the prime focus is to support academic expenditure of children from underprivileged community. Children are selected at a very young age (5-6 years) and nurtured by admitting them into good English medium schools. Education of all Gifted Children (GC) is supported from LKG till they get their first job. A Community Resource Center (CRC) being run at Savda Ghevra to help community to get access to Government schemes by providing them relevant information. In the reporting period assistance was extended to more than 600 people to get enrolled in different Government schemes like Pradhan Mantri Jan Dhan Yojana; Aadhar Card; old age pension, getting widow pension, income certificate, PAN card etc.

DIAL-CSR has contributed to GMRVF for improving quality of education over 2500 children in Holi, Chamba and Bangalore through computer education and library facilities in schools and tent schools for children from marginalized community. DIAL CSR also supported activities of Christ Educational Society for providing educational support to more than 800 marginalized students and enhance learning for students through creative classes. Individual support was provided to Mr.Raja Karthikeya for international expedition to Antarktica.

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

Centre for Empowerment and Livelihoods-Delhi (CEL-D): Started in September 2009, the center is engaged in imparting vocational skill trainings for under-privileged dropout youth. Since inception, above 5000 youth have been trained, with a settlement rate of more than 80%. During the year, training was provided in various trades like Basic Computers; Basic Electrical; Refrigeration and Air Conditioning; B. Cargo Management; Excavator Operator; Welding & Fabrication etc. All the courses are being run in partnership with leading industries like, Volvo, Voltas, ATDC, VDMA, CELEBI etc. A total of 1013 under-privileged youths were trained with settlement rate of 91.31%

As part of its support to the Skill India Initiative, besides running CEL-D, DIAL CSR has supported GMRVF to impart employability training of more than 4000 youth & women with settlement rate of 74% through 9 vocational training centers, in Madhya Pradesh, Chhattisgarh, Maharashtra Andhra Pradesh, Telangana and Karnataka.

Empowerment Support

Improving livelihood of communities from vulnerable and backward areas is important to improving quality of life. Similarly exposure to opportunities for the marginalized is identified as a key in bridging the rich poor divide. Pratibha Library provides opportunities to youth from disadvantaged background to access resources and study material to grow in their career and compete in competitive exams. Around 280 youth were beneficiaries of different services of the library.

Twenty five marginalized and disadvantaged individuals from the community were selected through a rigorous process and provided with financial assistance to support existing income generation activity or to initiate livelihood programs

Capacity building program for farmers was supported under DIAL-CSR in Maharashtra and Holi, Chamba. Over 700 farmers were beneficiaries of the initiative and successfully implemented better agricultural techniques to improve harvest.

Gender Equality through Women Empowerment

DIAL-CSR is running a Tailoring training cum-production center for the women and girls in Mehramnagar and one jute based production centre at CEL-D. 46 women were trained on fabric/jute based product making during the year.

10 women from economically vulnerable families were provided with financial assistance during 2017-2018 under DIAL CSR. They were supported to initiate their own entrepreneurial venture for livelihood generation

22 girls from marginalized families pursuing professional courses were provided with scholarship to pay their course fee and help them to complete their education.

More than 183 girl trainees were provided commuting expenses to undertake vocational training. 40 women were made literate through Computer Based Functional Literacy (CBFL) program at Shahabad Mohammadpur village in Delhi.

Environmental Sustainability

Towards contributing to groundwater recharge, DIAL-CSR initiated process of development of rain water harvesting pits in the periphery of IGI airport. Rainwater harvesting structures have been constructed in two government schools located at Shahabad Mohammadpur

Employee Volunteering:

DIAL-CSR believes in effective partnership and participation of corporate employees in community services. During the period 2017-18, 84 employee involvement programs were organized to create opportunities for employee involvement, and 1174 employees and family members were involved and invested 2989 hours in community services.

5 community development projects were successfully implemented by employees as part of service to community through volunteering project named as Self to Society (S2S)

Annexure - C

Form MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

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

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

Annexure - I

AI. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Support Activities for Transportation	NIC- 522	42.45%
2	Land, Space and Commercial Property Income	NIC - 681	13.33%

[Note: Remaining 44.22% of revenue consists of other Non-Aeronautical Income(s) from Retail Duty Free and Duty Paid, Food & Beverage, Car Parking, Banks/ATM/Forex, Cargo, Concession Fees etc., are run by various concessioners who pays revenue share to DIAL. All these activities are separately classified under different NIC Codes however these activities are not directly being done by the Company and Company is receiving only revenue share from Concessioners and for this activity no specific NIC code is available.]

Annexure - II

BI. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

S . No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
11	Celebi Delhi Cargo Terminal Management India Private Limited, Room no. Ce-05, First Floor, Import Building II, International Cargo Terminal, IGI Airport, New Delhi-110037	U74900DL2009FTC191359	Associate/ Joint Venture	26%	2(6)
12	TIM Delhi Airport Advertising Private Limited, 202, G-5 Building, Parking complex, Domestic Terminal, IGI Airport, New Delhi-110037	U74999DL2010PTC203419	Associate/ Joint Venture	49.90%	2(6)
13	GMR Bajoli Holi Hydro Power Private Limited Rattan Chand Building VPO Kuleth Sub Tehsil Holi TehsilBharmour, Chamba 176236 (Himachal Pradesh)	U40101HP2008PTC030971	Associate/Joint Venture	20.90%	2(6)

Annexure - III

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. ofShares held at the end of the year (March 31, 2018)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,567,999,998	2	15,680,000,000	64	1,567,999,998	2	1,568,000,000	64	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-									
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter	1,567,999,998	2	1,568,000,000	64	1,567,999,998	2	1,568,000,000	64	-
(A) = (A)(1)+(A)(2)									
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions:									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds=	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. ofShares held at the end of the year (March 31, 2018)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)**									
**Foreign Company	245,000,000	NA	245,000,000	10	245,000,000	NA	245,000,000	10	
2. Non- Institutions									
a) Bodies Corp	637,000,000	NA	637,000,000	26	637,000,000	NA	637,000,000	26	0
i) Indian (AAI)									
ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):									
Total Public Shareholding	882,000,000	-	882000000	36	882,000,000	-	882,000,000	36	-
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	0	NA	NA	NA	0	0
Grand Total (A+B+C)	2,449,999,998	2	2,450,000,000	100	2,449,999,998	2	2,450,000,000	100	0

ii) Share Holding of Promoters:

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

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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	1,567,999,800	64%	1,567,999,800	64%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			NA	
	At the End of the year	**1,567,999,800**	**64%**	**1,567,999,800**	**64%**

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

1. Airports Authority of India

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

2. Fraport AG Frankfurt Airport Services Worldwide

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

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

Annexure - IV

V. INDEBTEDNESS

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

₹ Crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,322.46	-	-	5,322.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	107.02	-	-	107.02
Total (i+ii+iii)	**5,429.48**	**-**	**-**	**5,429.48**
Change in Indebtedness during the financial year*				
• Addition	-	-	-	-
• Reduction	(73.34)	-	-	(73.34)
Net Change	**(73.34)**	**-**	**-**	**(73.34)**
Indebtedness at the end of the financial year				
i) Principal Amount	5,249.12	-	-	5,249.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	111.35	-	-	111.35
Total (i+ii+iii)	**5,360.47**	**-**	**-**	**5,360.47**

* The changes in the indebtedness includes accrued interest, changes due to foreign currency fluctuation.

Annexure - V

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Srinivas Bommidala	Grandhi Kiran Kumar	K. Narayana Rao	(₹/Lacs)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	381.37	382.18	150.98	914.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.10	11.30	2.36	25.76
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify	See Note 1	See Note 1		
	Total (A)	393.47	393.48	153.34	940.29
	Ceiling as per the Act (See Note Below)	393.70	393.70	393.70	1,181.10

Note : As on March 31, 2018, DIAL has inadequate Profits, accordingly, DIAL has paid to the Directors remuneration as per the slab of the Effective Capital as on March 31, 2017.

Note 1 : Provident Fund and Superannuation to the extent not taxable under the Income Tax Act, 1961, as per Schedule V of the Companies Act, 2013.

B. Remuneration to other directors:

(₹)

	RSSLN Bhaskarudu	V. Siva Kameswari	Dr. M. Ramachandran	N.C. Sarabeswaran	G. Subba Rao	G.M. Rao	G.B.S. Raju	Suresh Goyal	S. Suresh	A.K. Dutta	Gargi Kaul	Denitza Weismantel	Matthias Engler
1. Independent Director													
Fee for attending board /committee meeting	5,60,000	5,20,000	5,20,000	5,20,000	-	-	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (1)	**5,60,000**	**5,20,000**	**5,20,000**	**5,20,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Other Non- Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee for attending board /committee meeting	-	-	-	-	2,80,000	80,000	1,00,000	-	1,20,000	60,000	-	-	-
Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (2)	**-**	**-**	**-**	**-**	**2,80,000**	**80,000**	**1,00,000**	**-**	**1,20,000**	**60,000**	**-**	**-**	**-**
Total (B)=(1+2)	5,60,000	5,20,000	5,20,000	5,20,000	2,80,000	80,000	1,00,000	-	1,20,000	60,000	-	-	-
Total Managerial Remuneration	Not Applicable												
Overall Ceiling as per the Act	1 Lakh per meeting												

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

S No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		I Prabhakara Rao (CEO)	G.R.K. Babu (CFO)	Saurabh Jain (CS)	(₹/Lacs)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	221.82	141.92	28.72	392.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	1.42	0.00	1.42
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00		0.00	
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total	**221.82**	**143.34**	**28.72**	**393.88**

Annexure - VI

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of the Board of Directors

G.B.S. Raju
Managing Director
DIN 00061686

K. Narayana Rao
Whole-Time Director
DIN-00016262

Place: New Delhi
Date: July 24, 2018

Annexure - D

Nomination and Remuneration Policy

1. INTRODUCTION

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

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

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

1.1. Purpose of the Policy

The Key Objectives of the Committee includes :

(a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

(b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

(c) To recommend to the Board a policy relating to the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The Policy ensures that:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate

Directors of the quality required to run the Company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and

(c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

1.2. Definitions

1.2.1. "Board" means the Board of Directors of the Company.

1.2.2. "Company" means " Delhi International Airport Limited."

(iii) Chief Financial Officer.)

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

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

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

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

1.3. Interpretation

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

2. NOMINATION AND REMUNERATION COMMITTEE

2.1. Role of the Committee

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

(b) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

(c) Formulating the criteria for evaluation of Individual Directors and the Board;

(d) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;(e) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors/ Managers;

(f) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;

(g) The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;

2.2. Composition of the Committee

(a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

(b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

(c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

(d) Membership of the Committee shall be disclosed in the Annual Report.

(e) Term of the Committee shall be continued unless terminated by the Board of Directors.

2.3. Chairman of the Committee

(a) Chairman of the Committee shall be as decided by the Board.

(b) Chairman of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

(c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

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

2.4. Frequency of the Meetings of the Committee

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

2.5. Committee Member's Interest

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

2.6. Voting at the Meeting

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

2.7. Minutes of the Meeting

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

3. APPLICABILITY

This Policy is Applicable to:

(a) Directors (Executive, Non-Executive and Independent)

(b) Key Managerial Personnel

(c) Senior Management Personnel

(d) Other employees as may be decided by the Nomination and Remuneration Committee

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

4.1. Appointment criteria and qualifications

(a) Subject to the applicable provisions of the Companies Act, 2013, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

(b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.

(c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4.2. Term / Tenure

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

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

4.2.2. Independent Director

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the

Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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

(c) At the time of appointment of Independent Director it should be ensured that the appointment should be in compliance of the rules and regulations as laid down in the Companies Act, Rules made thereunder, Listing Agreement and any other applicable law.

(d) The maximum number of companies in which a person shall hold office as Director, including any alternate directorship, shall not exceed Twenty. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

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

4.3. Familiarization Programme for Independent Directors

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

4.4. Evaluation

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

4.5. Removal

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

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

4.6. Retirement

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

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

5.1. General

(a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the

Company and Central Government, wherever required.

(b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(c) Increments to the existing remuneration / compensation structure of Managerial Personnel may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.

(d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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

5.2.1. Fixed Pay

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

5.2.2. Minimum Remuneration

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

5.2.3. Provisions for excess remuneration

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

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

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

5.3. Remuneration to Non-Executive / Independent Director

5.3.1. Remuneration / Commission

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

5.3.2. Sitting Fees

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

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

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

5.3.3. Limit of Remuneration / Commission

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

5.3.4. Stock Options

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

6. DISCLOSURES

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

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

7. AMENDMENT

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

Annexure - E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

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

I/ we were appointed by the Board of Directors of Delhi International Airport Limited (hereinafter called the Company) to conduct Secretarial Audit as per the provisions of Section 204 of Companies Act, 2013, for the financial year ended March 31, 2018.

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

Management's Responsibility for Secretarial Compliances

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

Auditors Responsibility

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

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

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

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

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

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

Opinion

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as may be applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as may be applicable;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable as the Company is not a listed company,

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 – Not applicable as the Company is not a listed company;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company is not a listed company;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable as the Company is not a listed company;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company is not a listed company;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company is not a listed company; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable as the Company is not a listed company;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with the Stock Exchange – Not applicable as the Company is not listed and had not entered into listing agreement with any stock exchange.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2018, complied with the aforesaid laws, material compliances are listed in the Annexure attached to this report.

I/we further report that The Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first Control period of 5 years period (i.e. 2009 - 2014). The first control period of five years referred to above ended on March 31, 2014. DIAL vide appeal no 10/2012 had filed an appeal before Airport Economic Regulatory Authority Appellate Tribunal ("AERAAT") on certain disputed issues in the Tariff order of first control period No.03/2012-13. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015, against the writ petition filed by the Company in this matter, ordered that the tariff determined by AERA for the first control Period shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Subsequently, AERA also released the tariff order No. 40/2015-16 ('AERA order') dated December 08, 2015 (issued on December 10, 2015) for second control period i.e. 2014 -2019, DIAL filed an appeal with AERAAT against some of the matters of order No. 40/2015-16 on January 11, 2016.

Further, Ministry of Finance vide the notification dated May 26, 2017, Part XIV of Chapter VI of the Finance Act, 2017 directed the merger of Appellate Tribunal under the Airports Economic Regulatory Authority Act, 2008 ("AERA Act") i.e. AERAAT into Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, has vacated the order of Hon'ble High Court of Delhi and directed TDSAT to dispose off the appeals of DIAL in the next two months.

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

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

Basis the profit earned over the previous five financial years, Company's business plans and cash projections prepared by the management for next one year, the management expects to earn sufficient cash profits.

The Company was required to spend ₹ 11.70 crores under the Corporate Social Responsibility (CSR) head during the financial year 2017-18. The Company could spent only ₹ 11.14 crores during that period.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the financial year under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in compliance of the Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place : New Delhi
Date : May 2, 2018

Signature
Maneesh Gupta
FCS No. 4982
C P No. 2945

Annexure to Secretarial Audit Report

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

1. Maintenance of various statutory registers and documents and making necessary entries therein:
2. Contracts, Common Seal and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or such other authorities;
4. Service of documents by the Company on its Members, Directors, Stock Exchanges, Auditors and Registrar of Companies;
5. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Management Committee, Corporate Governance and Social Responsibility Committee;
6. Appointment, re-appointment and Retirement of Directors including Managing Director and Executive Directors and payment of remuneration to them;
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by Directors;
8. Disclosure requirements in respect to their eligibility for appointment, declaration of their independence, compliance with code of conduct for Directors and Senior Management Personnel;
9. All transactions with related parties were in the ordinary course of business and arms length and were placed before the Audit Committee periodically;
10. Establishing a vigil mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. Constituting the Corporate Social Responsibility Committee formulating and adopting Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
12. Appointment of persons as Key Managerial Personnel;
13. Appointment and remuneration of Statutory Auditor and Cost Auditor;
14. Appointment of Internal Auditor;
15. Notice of meetings of the Board and Committee thereof;
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulations;
17. Notice convening annual general meeting held on September 5, 2017 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of balance sheet as at March 31, 2017 as prescribed under Schedule III Part I of the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended March 31, 2017;
22. Borrowings and registration of charges;
23. Investment of the Company's funds including inter corporate loans and investments.

Place : New Delhi
Date : May 2, 2018

Signature
Maneesh Gupta
FCS No. 4982
C P No. 2945

Annexure - F

FORM No. – AOC 2

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

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

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

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

   (a) Name(s) of the related party and nature of relationship

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts / arrangements/transactions

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any

   (e) Justification for entering into such contracts or arrangements or transactions

   (f) Date(s) of approval by the Board

   (g) Amount paid as advances, if any:

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

As per details given below

   (a) Name(s) of the related party and nature of relationship

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts / arrangements/transactions

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

   (e) Date(s) of approval by the Board, if any:

   (f) Amount paid as advances, if any:

For and on behalf of the Board of Directors

G.B.S. Raju	**K. Narayana Rao**
Managing Director	Whole-Time Director
DIN-00061686	DIN-00016262

Place: New Delhi

Date: July 24, 2018

ANNEXURE – F – I

S. No.	Particulars	Details					
1	Name(s) of the related party and nature of relationship	GMR Infrastructure Limited, its Subsidiary Companies (Holding Company and Fellow Subsidiaries)	Delhi Duty Free Services Pvt Ltd.)	GMR Bajoli Holi Hydro Power Pvt. Ltd, (Fellow Subsidiary)	GMR AVIATION ACADEMY (A divisions of GMR Airports Ltd)	GMR Aero Technic Limited	Delhi Duty Free Services Pvt. Ltd
2	Nature of contracts/ arrangements/ transactions	Extension of License Agreement with GMR Infrastructure Limited for giving space on License Basis at Ground Floor, New Udaan Bhawan, for a period 3 years.	License Agreement with Delhi Duty Free Services Pvt Ltd	Power Purchase Agreement with GMR Bajoli Holi Hydro Power Pvt. Ltd	Contract with GMR Aviation academy	License Agreement with GMR Aero Technic Limited for allotment of office space and setting up line maintenance operations	License Agreement with Delhi Duty Free Services Pvt. Ltd for a) BOH / Store Spaces at B1 and Departure – Approx. 410 sqm b) Office Space at Level 4 of Terminal 3 - Approx. - 37 sqm
3	Duration of the contracts / arrangements/ transactions	3 Years	5 years	Till the 30th Anniversary of the effective date of OMDA	1 year	Upto 31-03-2020	a) BOH / Store Spaces at B1 and Departure - Co Terminus with License Agreement b) Office Space at Level 4 of Terminal 3 - upto March 31, 2020

S. No.	Particulars	Details					
4	Salient terms of the contracts or arrangements or transactions including the value, if any:	(i) Location and Area - Ground Floor, New Udaan Bhawan, Opp. Terminal-3, IGI Airport, New Delhi-110037. Area – 1,499 sqm (ii) License Fees (2017-18)- ₹ 2505.76 Per sqm. per month subject to escalation of 7.5% every year i.e. from 1st April, every year	License Agreement with Delhi Duty Free Services Pvt Ltd for developing, setting up, operating, maintaining and managing the Duty Free Luxury fashion Boutique(s) for a period of 5 Years and extension of Existing Agreement dated July 7, 2010 by 4 months with DDFS	Power Purchase Agreement with GMR Bajoli Holi Hydro Power Pvt. Ltd for Purchase of Power for IGI till the 30th Anniversary of the effective date of OMDA and make investments upto ₹ 108,33,33,340 in GMR Bajoli Holi Hydropower Private Limited in one or more tranches as per the terms of the Bid, Power Purchase Agreement, Share Subscription cum Shareholders' Agreement and as per the requirement of the Captive Power Plant under Electricity Act, 2003	Contract with GMR Aviation academy for imparting Basic Fire Fighting Training to employees of DIAL for a period of one year	(i) Location and Area - IPA-015, International Pier A, Apron Area. Area – 22.00 sqm & IPA-A09, International pier A, Apron area, area- 110.00 sqm (ii) License Fees (2017-18)- ₹ 3,022.79 per sqm per month (FY 2017-18) (iii) Revenue Share- 20% of the gross revenue earned by the Licensee for providing services including line maintenance services to third parties at the Airport, which is subject to revision as may be communicated by DIAL from time to time, which is uniformly applicable.	(i) Location and and Area- BOH / Store Spaces at B1 of Terminal 3 and departure of Terminal 3 (International) area – approx 410 sqm & Office Space at Level 4 of Terminal 3 Area – Approx 37 sqm (ii) License Fees BOH- ₹ 2000 Per sqm. per month Office Space- ₹ 3152.20 Per sqm. per month (in FY 18) and escalation of 7.5% every year i.e. from 1st April, every year (inclusive of Common Area Maintenance Charge)
5	Date(s) of approval by the Board, if any:	May 11, 2017	July 20, 2017	August 9, 2017	August 9, 2017	February 8, 2018	February 8, 2018
6	Amount paid as advances, if any:	Security Deposit B (Refundable Interest Free) - Interest free, 6 month's of the License Fee and Common Area Maintenance charge Electricity Security Deposit for 03 Months	NIL	NIL	NIL	Security Deposit - Interest free, 6 months of the License Fee and Common area maintenance charge	NIL

Annexure - G

FORM No. – AOC 2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

A) Conservation of energy-

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

- Automation of break down maintenance performance tracking.
- Achieved GreenCo Platinum Level under Green Company Framework by CII-GBC. DIAL has been accredited highest rating for Energy category in service industry.
- Successful recertification of EnMS ISO 50001:2011.
- Network 18 & Honeywell Smart building Awards 2017
  - (i) Smartest Building in India (3rd year in a row)
  - (ii) Smartest Large Airport In India (3rd year in a row)
  - (iii) Greenest Building in India
  - (iv) Safest Building in India
  - (v) Most Productive Building in India
- T3 certified for IGBC Platinum rating.
- Won 1st runner-up in Group CIP in recurring category- "Reduction in water consumption per pax."
- DIAL bagged First Prize in Asia Pacific Energy Conservation Award
- Terminal 1 is fully converted to LED.
- BMA area of Terminal 1 is fully converted to LED.
- Street lights around Terminal 1 converted into LED.
- Terminal 2 lights fully converted to LED
- Around 200 street lights on the Central Spine has been converted into LED.
- Around 100 lights on the approaching road to T3 installed.
- 55% of signage light at Terminal 3 has been changed to LED.
- SHA area of T3 completely converted to LED.
- Street light control has been fitted with seasonal control.
- Overall Terminal lighting control at T3 has been improved through LCMS logic change.
- 60% of Apron high mast at T3 has been changed to LED.
- 100% of Apron high mast at T1 & T2 has been changed to LED.
- 5 MW power purchase has been initiated through open access.
- REC unit generation is now of the order of 10,000.
- 100% conversion of perimeter lights to LED.
- Extending UPS supply from Substation to minimize the inventory of UPS and AC at the Perimeter Intrusion Detection System
- Retrofit LED conversion of 100% of AGL Sign Boards.
- Conversion of Dual lamps light fixtures to single lamp fixtures to minimize the spares as well as energy
- Solar Power operated traffic blinkers are installed at airside with three days back up without sun.

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

- Entire power generated from the 7.84 MWp Solar power plants is being consumed during the day time, 17% of DIAL's consumption.

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

(B) Technology Absorption :

i. the efforts made towards technology absorption;

- Installation of Chiller Plant Manager and Automatic Tube Cleaning Systems at T3
- Replacement of 2 Star & 3 Star AC (old) with 5 Star rating AC at T1
- Trials ongoing for deployment of UV Tube at Recirculated AHUs at T3
- Developed Qlikview tool for the monitoring of AGL serviceability trend
- Trials conducted at site to monitor the failure of individual light and transfer of information using IOT at Airside

ii. the benefits derived like product improvement, cost reduction, product development or import substitution;

- Procurement of AGL Cable made from Indian Manufacturer to reduce the import without compromising quality
- Installation of Destratification fan at T1 Food court area
- Deployment of Dehumidifier fan at T1 Food court area during peak monsoon

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NA

a) the details of technology imported;

b) the year of import;

c) whether the technology been fully absorbed;

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv. the expenditure incurred on Research and Development.: NA

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information regarding the Foreign Exchange Earned in terms of actual inflows during the year and the Foreign Exchange Outflow during the year in terms of actual outflow is as follows. In this regard, kindly also refer the Note 41 given in the Notes to Accounts of Financial Statements for the year ended March 31, 2018.

For and on behalf of the Board of Directors

G.B.S. Raju	**K. Narayana Rao**
Managing Director	Whole-Time Director
DIN 00061686	DIN-00016262

Place: New Delhi
Date: July 24, 2018

Annexure - H

Policy on Vigil Mechanism

INTRODUCTION

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

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

1.1. Purpose of the Policy

1.1.1. To provide a platform to voice concerns in a responsible and effective manner.

1.1.2. To provide a platform to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, Fraud, impropriety, abuse or wrong doing within the Company.

1.1.3. To ensure that no one is disadvantaged as a result of raising legitimate Concerns.

1.1.4. To increase the efficacy of the internal disclosure systems by enabling the Disclosure of information independently of line management for employees (although in relatively minor instances the immediate superior would be the appropriate person to be informed).

1.1.5. To provide appropriate infrastructure, including through the appointment of Ombudspersons, for the receipt and analysis of, and response to all bona fide Concerns.

1.2. Definitions

1.2.1. "Audit Committee" means Audit Committee of the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.

1.2.2. "Board" means the Board of Directors of the Company.

1.2.3. "Company" means Delhi International Airport Limited.

1.2.4. "Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper

activity including activities mentioned in Clause 3.5 of this Policy.

1.2.5. "Fraud" means any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

1.2.6. "Policy" means Whistle Blower Policy of the Company.

1.2.7. "Whistle Blower" means any person making a Disclosure under this Policy.

1.3. Interpretation

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

2. APPLICABILITY

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

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

3. SCOPE OF THE POLICY

3.1. This Policy is an extension of the Code of Business Conduct and Ethics Policy of the GMR Group.

3.2. It shall be emphasized that this Policy is intended to assist Whistle Blowers who have reason to believe that they have observed / come to know of any malpractice, Fraud, impropriety, abuse or wrongdoing within the Company or in its dealings with the persons listed in Clause 2.

3.3. The Whistle Blower's role is that of a reporting party with reliable information. They shall not be party to the investigation of complaints, or be involved in deciding what course of remedial action is warranted in a given case. Although, the Whistle Blower is not expected to provide complete evidence in proof of the allegation, he needs to demonstrate to the Ombudsperson that there are sufficient and valid grounds for the concern.

3,4. This Policy does not cover issues relating to grievances such as Performance Management Process (PMP) promotions and transfers. These are dealt with separately under the Employee Grievance Policy.

3.5. Concerns that may be raised under this Policy include Committee and the Audit Committee of the Company a wide range of issues, some of which are listed below. through a Committee, will oversee the implementation An illustrative (but by no means comprehensive) list of and effectiveness of this Policy.

Concerns that may be raised under this Policy is as follows:

(a) any unlawful act, whether criminal (e.g. theft) or giving rise to a civil action (e.g. slander or libel);

(b) breach of any policy or manual or code adopted by the Company;

(c) health and safety risks, including risks to employees as well as the public in general (e.g. faulty electrical equipment);

(d) Fraud and corruption (e.g. attempts to solicit or receive any gift / reward as a bribe);

(e) any instance of failure to comply with legal or statutory obligations either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company;

(f) any instance of any kind of financial malpractice;

(g) abuse of power (e.g. sullying / harassment); and

(h) any other unethical or improper conduct.

4. OMBUDSPERSON

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

(a) ensure that Concerns received under this Policy are investigated in a fair manner and that decisions are reported appropriately to all concerned, within the stipulated time limits;

(b) ensure that this Policy is administered appropriately;

(c) oversee and provide perspective to investigations;

(d) be available as a 'listening post' for any member of Company, who may wish to speak with them in relation to any Concern;

(e) provide coaching and counseling to individuals in furtherance of this Policy;

(f) act as an information resource with respect to applicable guidelines and policies; and

(g) carry out visits and undertake road shows to bring awareness about this Policy.

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

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

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

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

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

5. DISCLOSURE AND FILING OF COMPLAINTS

5.1. Anonymous Disclosure

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

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

5.2. Frivolous, Fictitious And Mala fide Disclosures

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

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

5.3. Filing Of Complaints

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

(a) Oral Complaints

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

(b) Complaints filed through Electronic Means

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

6. ASSURANCES UNDER THIS POLICY

6.1. To The Whistle Blower

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

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

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

6.1.4. If a Whistle Blower believes that she/he has been victimized for raising a Concern under this Policy, she / he may file a written complaint to the Ombudsperson requesting an appropriate remedy. The Ombudsperson shall investigate such complaint and take such actions as it may deem fit to ensure that the complainant is not victimized for having raised a Concern under this Policy.

6.2. On Whom The Investigation Is Made

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

7. PROCEDURE FOR RECEIPT AND INVESTIGATION OF COMPLAINT

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

(a) The Ombudsperson shall acknowledge receipt of the complaint through ethics helpline within seven (7) working days of receipt of the complaint.

(b) The Ombudsperson shall review the complaint received and decide on the next course of action (including entrusting the matter to an appropriate investigating agency) within seven (7) working days of receipt of the complaint. For this purpose, the Ombudsperson will maintain a list of investigating agencies and in consultation with Group Head, Management Assurance Group or Group Head, Ethics & Intelligence, will decide on the appropriate investigating agency.

(c) In determining whether to pursue an investigation, or at any stage during the investigation, personal meetings, if required, will be conducted with the Whistle Blower provided the Whistle Blower is willing to disclose his identity with the investigation agency.

(d) The Ombudsperson may with the permission of the complainant, instead of or prior to initiating an investigation, act as an intermediary to clarify issues and resolve them through mediation.

(e) Where the complaint is found to be frivolous or bereft of verifiable information, further action will not be initiated. Further, the Ombudsperson may decide to initiate appropriate disciplinary action against such person if the complaint is found to have been made without a bona fide basis.

(f) Where a complaint is referred to an investigating agency, it will investigate and submit its report within forty five (45) days of receipt of the complaint by it.

(g) The Ombudsperson will review the report of the investigating agency and forward it to the concerned Chief Executive Officer with a copy to the concerned Business Chairman, Business Chairman (Institution Building & Governance) and Group President-HR, within seven (7) working days of receipt of the report.

(h) The relevant Chief Executive Officer / Business Chairman will take appropriate action with relevant departments / agency to ensure closure.

(i) The Ombudsperson will provide a quarterly update to the Business Chairman (Institution Building & Governance) and to the Group Head - Ethics & Intelligence.

(j) The Group Head - Ethics & Intelligence will make a half yearly presentation to the Audit Committee on the implementation of this Policy.

(k) The Ombudsperson / Group Head – Ethics & Intelligence will inform the Whistle Blower of the action taken on his / her complaint within two (2) months from the date of receipt of the complaint.

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

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

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

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

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

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

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

9. DOCUMENTATION

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

10. AMENDMENT

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

Annexure - I

The Ombudsperson for the Company shall be:

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

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

Annexure - II

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

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

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

Annexure - III

APPEAL PROCEDURE AGAINST THE DECISION OF THE CEO / BCM

1. On receipt of the decision of the Chief Executive Officer / Business Chairman, in consultation with the Group President-HR, either the Whistle Blower or the person complained against can prefer an appeal against the decision before the Group Chairman within 30 days of receipt of intimation of the decision.

2. The Group Chairman in co-ordination with the Group President-HR may:
   - Have a personal discussion with all required.
   - Request for necessary documentations, evidence and explanations to ensure that drawn opinions / identified gaps are correct.
   - Propose an additional investigation / review to ensure effective closure of the complaint.

3. On review of all documentation or on receipt of revised investigation report, the Group Chairman, in consultation with the Group President-HR will give a decision and the Group Chairman's decision in this matter will be final and binding on all the parties.

Annexure - I

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

S. No.	Name	Age (in Years)	Designation	Date of Commencement of Employment	Gross Remuneration (In Lacs)	Qualification	Experience	Name of the Previous Employer
1	Grandhi Kiran Kumar	43	Executive Director	19.04.2006*	414.4	Commerce Graduate	20	GMR Hyderabad International Airport Limited
2	Srinivas Bommidala	55	Managing Director	19.04.2006*	415.52	Commerce Graduate	34	Vemagiri Power Generation Limited, Managing Director
3	Indana Prabhakara Rao	59	Executive Director	09.05.2011	221.97	B.E, M.E	34	Prudhvi Industries
4	Prasanna C	58	President	17.07.2010	195.87	B.Com(Hons) MBA	33	NAGARJUNA FERTILIZERS AND CHEMICALS LTD.
5	Roy Sebastian	48	Chief Project & Engineering Officer	15.05.2006	142.18	BE	29	Kemnor Sure Group Singapore Pvt Ltd
6	Narayana Rao Kada	63	Whole time Director	17.04.2007	160.8	B.Com C.A C.S ICWA CIMA	39	GMR Industries Limited,
7	Gadi Radha Krishna Babu	58	CFO	01.08.2011	155.57	B.Com C.A C.S LLB MBA	37	ICOMN Tele Ltd
8	Ashwani Khanna	53	Vice-President	12.11.2008	130.73	B.Tech MBA	30	Kingfisher Airlines Ltd
9	Shyam Sundar	46	Vice-President	14.07.2014	136.95	B.E.	22	MICROSOFT INDIA
10	Douglas Webster	57	Chief Operating Officer	22.03.2016	204.13	B.Sc, ACI-IAP	34	Fort Lauderdale Hollywood International Airport
11	Videh Kumar Jaipuriar	54	CEO	12.12.2017	85.24	MMS - Marketing	30	Jubilant Industries Ltd.

1. The nature of employment of all employees above is contractual regular and terms and conditions are as per the policy/rules of the Company and in case of Directors additionally as approved by Board of Directors and Shareholders.
2. Remuneration as shown above includes salary, allowances, leave travel assistance,superannuation, PF
3. None of the employees holds by himself or along with his spouse and dependent children any Equity Shares in the Company.

   Hence , no disclosure is required in accordance with the provisions of Rule 5(2)(iii) of The Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.
4. None of the employees are relative of any Director or Manager of the Company except Mr. Grandhi Kiran Kumar and Mr. Srinivas Bommidala
5. Mr. Grandhi Kiran Kumar resigned as Executive Director w.e.f. May 31, 2018, Mr. Srinivas Bommidala resigned as Managing Director of Company w.e.f. end of Business hours of March 31, 2018, Mr. Indana Prabhakara rao is appointed as Executive Director of the Company w.e.f. April 01, 2018, earlier he was CEO of the Company, Mr. Videh Kumar Jaipuriar is appointed as CEO of the Company w.e.f. April 01, 2018.

   * Date of appointment on DIAL's Board.

   ** Date of Appointment as CEO of DIAL by DIAL Board

For and on behalf of the Board of Directors

G.B.S. Raju
Managing Director
DIN 00061686

K. Narayana Rao
Whole-Time Director
DIN-00016262

Place: New Delhi
Date: July 24, 2018

Independent Auditor's Report

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

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive

Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note XX to the standalone Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Yogesh Midha
Partner
Membership Number: 094941
Place : New Delhi
Date : May 02, 2018

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

per Hitesh Kumar P
Partner
Membership Number: 233734
Place : New Delhi
Date : May 02, 2018

ANNEXURE-1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed asset register are held in the name of the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to aeronautical services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, excise duty, custom duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows*:

Name of the statute	Nature of Dues	Amount (₹ in Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Taxability of Passenger Service Fee (Security Component), Taxability of Upfront fee, capital work in progress disallowance on account of capital expenditure under section 14A of the Act., Disallowance under section 40(a)(ia) of the Act.	21.39	Assessment Year: 2007-08	Income Tax Appellate Tribunal (ITAT).
Income Tax Act, 1961	Taxability of Passenger Service Fee (Security Component), Disallowance on account of capital expenditure, Disallowance of payment of gratuity, Disallowance under section 40(a)(ia) of the Act, Disallowance of club expenses, Disallowance under Section 14A of the Act, Issue of SFIS Duty Credit Scrips.	42.90	Assessment Year: 2008-09	Income Tax Appellate Tribunal (ITAT)
Finance Act 1994	Service tax on Development Fees (DF) receipt.	131.89	March 2009 to September 2013.	Commissioner, Service tax.
Finance Act 1994	(i) Non Payment of Service Tax on License Fees / lease rentals.	1.56	Financial year 2006-07 to 2009-10	Commissioner, Service tax, New Delhi
Finance Act 1994	Non-payment of Service Tax on License Fees / lease rentals.	0.07	Financial year 2011-12 (Apr – June'2010)	Commissioner of Service Tax, New Delhi.
Finance Act 1994	Wrong availment of service tax on the payment made towards employee's medical insurance.	0.22	Financial year 2011-12.	Additional Commissioner of Service Tax, New Delhi.
Finance Act 1994	(i) Service tax on the supply of electricity and water	2.35	Financial year: 2009 -10 to 2012-13	Commissioner of Service tax
Finance Act 1994	Non-payment of service tax on Advance Development Costs ('ADC').	54.32	Financial year: 2010-11 to 2011-12	Commissioner of Service Tax

* Dispute under Income Tax Act 1961, wherein disallowances resulting in reduction in 'returned loss' as per return of income have not been considered for above disclosure. Tax impact of reduction in loss amounts to ₹ 55.81 crores.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of secured notes for the purposes for which they were raised. The Company has not raised any fund by way of initial public offer or further public offer or term loan.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Yogesh Midha
Partner
Membership Number: 094941
Place : New Delhi
Date : May 02, 2018

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

per Hitesh Kumar P
Partner
Membership Number: 233734
Place : New Delhi
Date : May 02, 2018

ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF DELHI INTERNATIONAL AIRPORT LIMITED (FORMERLY KNOWN AS DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Yogesh Midha
Partner
Membership Number: 094941
Place : New Delhi
Date : May 02, 2018

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

per Hitesh Kumar P
Partner
Membership Number: 233734
Place : New Delhi
Date : May 02, 2018

Standalone Balance Sheet

as at March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	Notes	March 31, 2018	March 31, 2017
ASSETS			
(1) Non-current assets			
Property, plant and equipment	4	6,806.21	7,381.27
Capital work in progress	4	194.44	123.94
Intangible Assets	5	395.30	404.07
Investment in subsidiary, associates and joint ventures	6.1	289.37	181.04
Financial Assets			
(i) Investment	6.2	0.01	0.01
(ii) Loans	7	2.46	1.25
(ii) Other financial assets	8	1.20	0.22
Other non-current assets	9	56.28	91.29
		7,745.27	**8,183.09**
(2) Current assets			
Inventories	11	6.39	7.42
Financial Assets			
(i) Investments	6.3	2,584.46	2,184.38
(ii) Trade Receivables	12	525.13	898.88
(iii) Cash and cash equivalents	13	374.97	554.12
(iv) Bank balance other than cash and cash equivalents	14	91.27	46.00
(v) Loans	7	1.58	2.16
(vi) Other Financial assets	8	123.16	53.96
Other current assets	9	40.18	36.99
		3,747.14	**3,783.91**
Total Assets		**11,492.41**	**11,967.00**
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	15	2,450.00	2,450.00
Other Equity			
(i) Retained earnings	16	422.57	575.49
(ii) Cash flow hedge reserve	16	(4.49)	(16.84)
		2,868.08	**3,008.65**
(2) Non-current liabilities			
Financial Liabilities			
(i) Borrowings	17	5,249.12	5,261.97
(ii) Other financial liabilities	18	323.02	298.31
Deferred revenue	19	1,577.23	1,781.31
Deferred tax liabilities (net)	10	224.87	292.04
Other non-current liabilities	20	102.57	112.95
Long term provisions	22	1.45	1.21
		7,478.26	**7,747.79**
(3) Current liabilities			
Financial Liabilities			
(i) Trade Payables	21		
- Total outstanding dues of micro enterprises and small enterprises		7.35	1.19
- Total outstanding dues of creditors other than micro enterprises and small enterprises		404.66	430.21
(ii) Other financial liabilities	18	454.82	381.38
Deferred revenue	19	85.94	86.18
Other current liabilities	20	162.52	226.29
Short term provisions	22	21.51	18.13
Liabilities for current tax (net)		9.27	67.18
		1,146.07	1,210.56
Total Liabilities		**8,624.33**	**8,958.35**
Total equity and liabilities		**11,492.41**	**11,967.00**
Summary of significant accounting policies	**3**		

The accompanying notes are an integral part of these standalone financials statements and have been taken on record by the board of directors vide their meeting dated May 2, 2018.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : May 2, 2018

As per our report of even date

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : May 2, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 2, 2018

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Particulars			Notes	March 31, 2018	March 31, 2017
I	**REVENUE**				
	Revenue from operations		23	3,680.97	5,632.52
	Other Income		24	361.87	306.99
	Total Income (I)			**4,042.84**	**5,939.51**
II	**EXPENSES**				
	Annual fee to Airports Authority of India (AAI) [refer note 41 (i)]			1,761.47	2,634.84
	Employee Benefits Expense		25	165.24	129.47
	Depreciation and Amortization Expense		26	645.90	638.03
	Finance Costs		27	579.15	527.25
	Other Expenses		28	931.68	842.66
	Total Expense (II)			**4,083.44**	**4,772.25**
III	**(Loss)/Profit before exceptional items and tax [(I)-(II)]**			**(40.60)**	**1,167.26**
	Exceptional items		29	-	40.80
IV	**(Loss)/Profit before tax**			**(40.60)**	**1,126.46**
	Current Tax		20	-	238.69
	Adjustment of tax relating to earlier years		20	(4.88)	(1.88)
	Deferred Tax (credit) / charge		20	(73.97)	303.69
V	**Total Tax (credit)/expense**			**(78.85)**	**540.50**
VI	**Profit for the year (IV-V)**			**38.25**	**585.96**
	Other Comprehensive Income		30		
	A	Items that will not be reclassified to profit or loss in subsequent periods			
		Re-measurement gains on defined benefit plans		0.77	(1.11)
		Income tax effect		(0.27)	0.38
	B	Items that will be reclassified to profit or loss in subsequent periods			
		Net movement of cash flow hedges		18.88	(16.84)
		Income tax effect		(6.53)	-
VII	**Total Other Comprehensive Income/(Loss) for the year (net of tax) (A+B)**			**12.85**	**(17.57)**
VIII	**Total Comprehensive Income for the year (net of tax) (VI+VII)**			**51.10**	**568.39**
IX	**Earnings per equity share: [nominal value of share ₹ 10 (March 31, 2017: ₹ 10)]**				
	(1)	Basic	31	0.16	2.39
	(2)	Diluted	31	0.16	2.39
Summary of significant accounting policies			3		

The accompanying notes are an integral part of these standalone financials statements and have been taken on record by the board of directors vide their meeting dated May 2, 2018.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : May 2, 2018

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : May 2, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 2, 2018

Standalone Statement of Change in Equity

as at March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	Equity share capital	Reserves and Surplus	Item of OCI	Total equity
		Retained earnings	Cash flow hedge reserve	
Balance as at April 1, 2016	**2,450.00**	**(9.74)**	**-**	**2,440.26**
Profits for the year	-	585.96	-	585.96
Other comprehensive income (net of tax)	-	(0.73)	(16.84)	(17.57)
Balance as at March 31, 2017	**2,450.00**	**575.49**	**(16.84)**	**3,008.65**
Profits for the year	-	38.25	-	38.25
Other comprehensive income (net of tax)	-	0.50	12.35	12.85
Payment of dividends (refer note 16.1)	-	(159.25)	-	(159.25)
Dividend distribution tax (refer note 16.1)	-	(32.42)	-	(32.42)
Balance as at March 31, 2018	**2,450.00**	**422.57**	**(4.49)**	**2,868.08**

Summary of significant accounting policies (refer note 3)

The accompanying notes are an integral part of these standalone financials statements and have been taken on record by the board of directors vide their meeting dated May 2, 2018.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : May 2, 2018

As per our report of even date

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : May 2, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 2, 2018

Standalone Statement of Cash Flows

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Cash flow from operating activities		
(Loss)/Profit before tax	(40.60)	1,126.46
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	645.90	638.03
Provision for Bad debts / Bad Debts Written off	0.31	1.73
Interest income on deposits/current investment	(47.47)	(43.29)
Exchange differences unrealised (net)	(54.15)	(96.34)
Gain on sale of current investments-Mutual fund	(125.03)	(97.43)
Income from Duty credit scrips	(30.27)	-
Reversal of finance charges on cancellation of finance lease (refer note 32.1)	-	(7.01)
Loss on discard of Property Plant and Equipments	0.08	1.59
Dividend Income on non current investments carried at cost	(67.76)	(51.38)
Interest on Borrowings	346.88	426.57
Call spread option premium	153.65	40.70
Interest expenses on financial liability carried at amortised cost	74.41	49.87
Other borrowing costs	-	7.13
Rent expenses on financial assets carried at amortised cost	0.47	0.21
Loan prepayment charges [refer note 41 (l)]	-	40.80
Deferred income on financial liabilities carried at amorized cost	(79.60)	(63.80)
Fair value gain on financial instruments at fair value through profit or loss	(23.57)	(2.50)
Fair value gain on financial instruments (IRS) at fair value through profit or loss	-	(6.17)
Operating profit before working capital changes	**753.25**	**1,965.17**
Working capital adjustment:		
(Decrease)/Increase in trade payables	(19.75)	40.66
Decrease in other non current liabilities	(10.38)	(33.67)
(Decrease)/Increase in other current liabilities	(63.76)	48.10
(Decrease)/Increase in non current deferred revenue	(124.09)	92.34
(Decrease)/Increase in current deferred revenue	(0.24)	4.13
(Decrease)/Increase in non current financial liabilities	(31.51)	9.17
Increase / (Decrease) in current financial liabilities	141.84	(6.21)
Decrease/(Increase) in trade receivables	373.44	(109.15)
Decrease/(Increase) in inventories	1.03	(0.24)
Decrease in other non current assets	0.04	0.44
(Increase) / Decrease in other current assets	(3.66)	13.33
(Increase) / Decrease in other current financial assets	(34.93)	17.59
Increase in other Non current financial assets	(0.97)	-
Increase / (Decrease) in non current loans	(0.82)	1.01
Increase in current loans	0.58	(3.91)
Increase in non current provisions	0.24	-
Increase in current provisions	4.15	2.79
Cash generated from operations	**984.46**	**2,041.54**
Direct taxes paid (net)	(17.93)	(195.00)
Net cash flow from operating activities (A)	**966.53**	**1,846.54**
Cash flows from investing activities		
Purchase of property plant and equipments, including CWIP and capital advances	(185.77)	(213.94)
Development fee (DF) realised	-	83.99
Purchase of non-current investments	(108.33)	(2.40)
Purchase of current investments	(14,874.91)	(14,212.84)
Sale/maturity of current investments	14,634.39	13,085.06
Dividend Income	67.76	51.38
Interest received	43.48	37.73
(Investment)/Redemption of Margin Money Deposit	(0.01)	42.07
Purchase of deposits with original maturity of more than three months	(186.27)	(47.61)
Proceeds from deposits with original maturity of more than three months	141.00	35.46
Net cash flow used in investing activities (B)	**(468.66)**	**(1,141.10)**

Standalone Statement of Cash Flows

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Cash flows from financing activities		
Proceeds from borrowings	-	3493.92
Repayment of borrowings	-	(3,633.44)
Final dividend paid	(159.25)	-
Dividend distribution tax	(32.42)	-
Option premium paid	(144.49)	(14.96)
Derivative IRS- Mark to maket-Breakage Cost	-	(8.17)
Other borrowing costs paid	-	(7.13)
Collection of interest on DF loans from airlines	-	0.87
Interest paid	(340.86)	(390.09)
Net cash flow used in financing activities (C)	(677.02)	(559.00)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(179.15)	146.45
Cash and cash equivalents at the beginning of the year	554.12	407.67
Cash and cash equivalents at the end of the year	**374.97**	**554.12**
Components of cash and cash equivalents		
Cash on hand	0.02	0.03
Cheques/ drafts on hand	0.48	4.73
With banks		
- on current account	110.91	44.36
- on deposit account	263.56	505.00
Total cash and cash equivalents (refer note 13)	**374.97**	**554.12**

Summary of significant accounting policies 3

Explanatory notes to statement of cashflows

1. The above cash flow statement has been compiled from and is based on the standalone balance sheet as at March 31, 2018 and the related standalone statement of profit and loss for the year ended on that date.
2. Cash and cash equivalents include ₹ 1.23 crore (March 31, 2017: ₹ 2.34 crore) pertaining to Marketing Fund, to be used for sales promotional activities.
3. Changes in liabilities arising from financing activities:-

Particulars	Liabilities arising from financing activities		Assets held to hedge long term borrowings
	Borrowings	Interest accrued on Borrowings	Derivative instrument- Cash flow hedge- call spread option
As at April 1, 2017	**5,261.97**	**107.02**	**42.58**
Cash flows	-	(340.86)	(144.49)
Non-cash changes			
Finance cost	7.71	339.17	153.65
Foreign exchange fluctuation	(20.56)	-	-
Change in Fair values	-	-	(52.71)
As at March 31, 2018	**5,249.12**	**105.33**	**(0.97)**

4. The accompanying notes are an integral part of these standalone financials statements and have been taken on record by the board of directors vide their meeting dated May 2, 2018.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : May 2, 2018

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : May 2, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 2, 2018

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

1. CORPORATE INFORMATION

Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) ('DIAL' or 'the Company') is a Public Limited Company domiciled in India. It was incorporated as a Private Limited Company on March 1, 2006 under the provisions of the erstwhile Companies Act, 1956, (replaced with Companies Act 2013 with effect from April 1, 2014) and was converted into a Public Limited Company w.e.f. April 10, 2017. DIAL is into the business of 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.

2. (A) BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. However, the Company has adopted not to disclose Earnings before interest, tax, depreciation and amortization and exceptional items (EBITDA) as a separate line item in the standalone statement of profit or loss.

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

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

(B) GOING CONCERN:

The Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first Control period of 5 years period (i.e. 2009 - 2014). The first control period of five years referred to above ended on March 31, 2014. DIAL vide appeal no 10/2012 had filed an appeal before Airport Economic Regulatory Authority Appellate Tribunal ("AERAAT") on certain disputed issues in the Tariff order of first control period No.03/2012-13. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015, against the writ petition filed by the Company in this matter, ordered that the tariff determined by AERA for the first control Period shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Subsequently, AERA also released the tariff order No. 40/2015-16 ('AERA order') dated December 08, 2015 (issued on December 10, 2015) for second control period i.e. 2014 -2019, DIAL filed an appeal with AERAAT against some of the matters of order No. 40/2015-16 on January 11, 2016.

Further, Ministry of Finance vide the notification dated May 26, 2017, Part XIV of Chapter VI of the Finance Act, 2017 directed the merger of Appellate Tribunal under the Airports Economic Regulatory Authority Act, 2008 ("AERA Act") i.e. AERAAT into Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, has vacated the order of Hon'ble High Court of Delhi and directed TDSAT to dispose off the appeals of DIAL in the next two months.

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

2018 has passed the order, which provides clarity on the issues which were pending for last six years and has laid down the principles to be followed by AERA in the third control period starting from April 1, 2019. The Company expects the uplift impact of the TDSAT order to reflect in the tariff determination by AERA for the next control period i.e. 2019 -2024. DIAL's appeal against the second control period shall be heard in due course.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates

The preparation of the standalone financial statements inconformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financials statements have been disclosed in note 32. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

b. Current versus non-current classification

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

a) Expected to be realised or intended to be sold or consumed in normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The company classifies all other assets as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

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

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

c. Investments in Associates, Joint Ventures and Subsidiary

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

d. Property, Plant and Equipment

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

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 capitalised.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

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

Collection charges on development fund (DF) are added to the property, plant and equipment and are being depreciated over the remaining useful life of the property, plant and equipment.

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

Development fee from any regulatory authority are recognized when there is reasonable assurance that it will be received / utilized and the Company will comply with the conditions attached to them.

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

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

e. 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
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 property, plant and equipment which are not as per schedule II of the Companies Act 2013, have been estimated by the management based on internal technical evaluation.

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

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, interalia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which will be effective from April 01, 2018. Based on preliminary assessment, the management is of the view that useful lives considered by the Company for most of the assets except passenger related Furniture and Fixtures are in line with the useful life proposed by AERA in its order dated January 12, 2018, which is further amended on April 09, 2018.

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.

f. Intangible assets

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

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

g. 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 least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

h. 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.

i. Borrowing cost

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

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

j. Leases

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

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

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

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

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

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

Company as a lessor:

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

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

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

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

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

k. Inventories

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

l. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) fair value less cost of disposal and its value in use. The recoverable

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

m. Provisions, Contingent liabilities and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

n. Contingent assets

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

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

o. Retirement and other Employee Benefits

Defined benefit plan

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

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

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

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

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

The Company treats accumulated leave including sick leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences including sick leave are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

i) The date of the plan amendment or curtailment, and date that the Company recognises related restructuring costs.

ii) The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

- Net interest expense or income

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

p. **Financial Instruments**

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

I) **Financial assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company's financial liabilities include trade and other receivables, investments in mutual funds and commercial papers and derivative financial instruments.

Subsequent measurement

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

a) Financial assets at amortised cost

b) Financial assets at fair value through profit or loss (FVTPL)

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 12.

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

In addition, the Company may elect to designate a Financial assets, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Derecognition of financial assets

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

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

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

II) Financial liabilities

Initial recognition and measurement

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

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement

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

Loans and borrowings

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

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

q. Derivative financial instruments and hedge accounting

Initial Recognition and subsequent measurement

The Company uses derivative financial instruments, such as call spread options and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

forecast transaction or the foreign currency risk in an unrecognised firm commitment;

c) Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Presentation of derivative contracts in the financial statement

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

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. Foreign currencies

Functional Currency

The standalone financial statements are presented in Indian rupees (INR), which is also the Company's functional currency.

Transactions and Translations

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

t. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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 the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

The Company determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of significant assets or liabilities such as derivative instruments.

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

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

a) Disclosures for valuation methods, significant estimates and assumptions (note 37)

b) Quantitative disclosures of fair value measurement hierarchy (note 38)

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

u. Revenue recognition

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

<u>Income from services</u>

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax/Goods and Service Tax (GST), and applicable discounts when services

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

are rendered. Aeronautical operations include user development fees (UDF), landing and parking of aircraft, fuel farm, operation and maintenance of passenger boarding and other allied services. The main streams of non –aeronautical revenue includes duty free, retail , advertisement , food & beverages, cargo, ground handling, 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 statement of profit and loss.

Dividends

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

Claims

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

v. Taxes

Tax expense comprises current tax and deferred tax.

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 subsidiary, 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.

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

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

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

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

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

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

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

w. **Operating segments**

The Company has only one reportable operating segment, which is operation of airport and providing allied services. Accordingly, the amounts appearing in the standalone financial statements relate to the Company's single operating segment.

x. **Proposed dividend**

As per Ind AS –10, 'Events after the Reporting period', the Company disclose the dividend proposed by board of directors after the balance sheet date in the notes to these standalone financial statements.

y. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

z. **Corporate Social Responsibility ('CSR') expenditure**

The Company charges its CSR expenditure during the year to the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENTS

	Buildings	Leasehold improvement	Bridges, Culverts, Bunders,etc.	Electrical Installations and Equipment	Roads-Other than RCC	Runways, Taxiways & Apron etc.	Plant and Machinery	Office Equipment	Computer and data processing units	Furniture and Fittings	Vehicles	Total	Capital work in progress (CWIP)
Gross block (at cost)													
As at April 1, 2016	4,412.95	-	396.58	1,240.09	213.61	2,181.08	2,305.83	21.58	265.18	203.19	10.35	11,250.44	63.87
Additions	19.67	7.47	-	29.17	4.46	12.21	20.23	0.86	11.69	34.32	2.45	142.53	60.07
Transfer of assets*	-	-	-	(263.89)	-	-	(21.92)	-	(202.38)	(11.46)	(0.12)	(499.77)	-
Adjustments [refer note (a) below]	(2.48)	-	-	(0.02)	(0.01)	-	(0.60)	(11.24)	(4.78)	(2.20)	(0.27)	(21.60)	-
Development fund (Collection Charges) [refer note 41 (a) (ii)]	0.64	-	0.03	0.10	0.03	0.15	0.33	-	-	0.02	-	1.30	-
As at March 31, 2017	**4,430.78**	**7.47**	**396.61**	**1,005.45**	**218.09**	**2,193.44**	**2,303.87**	**11.20**	**69.71**	**223.87**	**12.41**	**10,872.90**	**123.94**
Reclassification	2.14	-	-	(0.57)	4.45	-	(0.72)	-	-	(5.30)	-	-	-
Additions	8.52	2.36	0.32	14.56	1.78	9.30	7.22	0.23	14.85	11.88	1.25	72.27	70.50
Disposals	-	-	-	-	-	-	(0.15)	(0.04)	(2.09)	(0.04)	-	(2.32)	-
Adjustments [refer note (a) below]	(10.46)	-	-	(0.17)	-	-	(0.07)	-	-	-	-	(10.70)	-
As at March 31, 2018	**4,430.98**	**9.83**	**396.93**	**1,019.27**	**224.32**	**2,202.74**	**2,310.15**	**11.39**	**82.47**	**230.41**	**13.66**	**10,932.15**	**194.44**
Depreciation													
As at April 1, 2016	837.24	-	87.24	571.48	86.09	553.31	733.45	20.25	223.27	91.06	7.25	3,210.64	-
Transfer of assets	-	-	-	(138.97)	-	-	(5.21)	-	(179.00)	(5.18)	(0.09)	(328.45)	-
Charge for the year	148.16	0.91	13.28	118.94	31.08	92.43	192.14	0.62	5.65	24.33	1.09	628.63	-
Adjustments [refer note (a) below]	(0.67)	-	-	-	(0.01)	-	(0.35)	(11.23)	(4.70)	(1.96)	(0.27)	(19.19)	-
As at March 31, 2017	984.73	0.91	100.52	551.45	117.16	645.74	920.03	9.64	45.22	108.25	7.98	3,491.63	-
Reclassification	0.02	-	-	(0.01)	0.06	-	(0.01)	-	-	(0.06)	-	-	-
Charge for the year	145.68	2.33	13.31	120.76	31.57	94.45	192.26	0.51	7.15	27.38	1.15	636.55	-
Disposals	-	-	-	-	-	-	(0.08)	(0.04)	(2.09)	(0.03)	-	(2.24)	-
As at March 31, 2018	**1,130.43**	**3.24**	**113.83**	**672.20**	**148.79**	**740.19**	**1,112.20**	**10.11**	**50.28**	**135.54**	**9.13**	**4,125.94**	**-**
Net block													
As at March 31, 2017	**3,446.05**	**6.56**	**296.09**	**454.00**	**100.93**	**1,547.70**	**1,383.84**	**1.56**	**24.49**	**115.62**	**4.43**	**7,381.27**	**123.94**
As at March 31, 2018	**3,300.55**	**6.59**	**283.10**	**347.07**	**75.53**	**1,462.55**	**1,197.95**	**1.28**	**32.19**	**94.87**	**4.53**	**6,806.21**	**194.44**

a. Adjustments include amounts related to final settlement of the vendors related to construction of various capital asssets.

b. Buildings include space given on operating lease:
Gross block ₹ 233.27 Crore (March 31, 2017: ₹ 215.64 Crore),
Depreciation charge for the year ₹ 7.75 Crore (March 31, 2017: ₹ 7.17 Crore),
Accumulated depreciation ₹ 60.12 Crore (March 31, 2017: ₹ 48.75 Crore),
Net book value ₹ 173.15 Crore (March 31, 2017: ₹ 166.89 Crore)

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

c. **Property plant and equipment includes asset taken on finance lease as below:**

	Electrical Installations and Equipment	Plant and Machinery	Computer and data processing units	Furniture and Fittings	Vehicles	Total
Gross block (at cost)						
As at March 31, 2016	263.89	21.92	202.38	11.46	0.12	499.77
Transfer of assets*	(263.89)	(21.92)	(202.38)	(11.46)	(0.12)	499.77
As at March 31, 2017	-	-	-	-	-	-
Transfer of assets*	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-
Depreciation						
As at March 31, 2016	138.97	5.21	179.00	5.18	0.09	328.44
Charge for the year	-	-	-	-	-	-
Transfer of assets*	(138.97)	(5.21)	(179.00)	(5.18)	(0.09)	(328.44)
At March 31, 2017	-	-	-	-	-	-
Transfer of assets*	-	-	-	-	-	-
At March 31, 2018	-	-	-	-	-	-
Net block						
As at March 31, 2017	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-

*During the financial year 2016-17, there is a modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly Company has derecognised the assets and liabilities recognised under finance lease. (Also refer note 32.1)

5 INTANGIBLE ASSETS

	Airport concessionaire rights	Computer software	Total
Gross block (at cost)			
At April 1, 2016	490.52	40.63	531.15
Additions	-	0.53	0.53
At March 31, 2017	**490.52**	**41.16**	**531.68**
Additions	-	0.58	0.58
At March 31, 2018	**490.52**	**41.74**	**532.26**
Amortisation			
At April 1, 2016	80.55	37.66	118.21
Charge for the year	8.20	1.20	9.40
At March 31, 2017	**88.75**	**38.86**	**127.61**
Charge for the year	8.20	1.15	9.35
At March 31, 2018	**96.95**	**40.01**	**136.96**
Net Block			
At March 31, 2017	**401.77**	**2.30**	**404.07**
At March 31, 2018	**393.57**	**1.73**	**395.30**

Notes to the Standalone Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

6.1 INVESTMENT IN SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

	Non current	
	March 31, 2018	March 31, 2017
Investments carried at cost		
Unquoted equity shares fully paid up		
Investment in subsidiary		
Delhi Aerotropolis Private Limited 100,000 shares of ₹ 10 each (March 31, 2017 : 100,000 shares of ₹ 10 each)	0.10	0.10
Investment in associates		
Celebi Delhi Cargo Terminal Management India Private Limited 29,120,000 shares of ₹ 10 each (March 31, 2017 : 29,120,000 shares of ₹ 10 each)	29.12	29.12
Delhi Duty Free Services Private Limited 39,920,000 shares of ₹ 10 each (March 31, 2017 : 39,920,000 shares of ₹ 10 each)	39.92	39.92
Delhi Airport Parking Services Private Limited 40,638,560 shares of ₹ 10 each (March 31, 2017:40,638,560 shares of ₹ 10 each)	40.64	40.64
Travel Food services (Delhi Terminal 3) Private Limited 5,600,000 shares of ₹ 10 each (March 31, 2017 : 5,600,000 shares of ₹ 10 each)	5.60	5.60
TIM Delhi Airport Advertising Private Limited 9,222,505 shares of ₹ 10 each (March 31, 2017 : 9,222,505 shares of ₹ 10 each)	9.22	9.22
Investment in joint ventures		
Delhi Aviation Services Private Limited 12,500,000 shares of ₹ 10 each (March 31, 2017 : 12,500,000 shares of ₹ 10 each)	12.50	12.50
Delhi Aviation Fuel Facility Private Limited 42,640,000 shares of ₹ 10 each (March 31, 2017 : 42,640,000 shares of ₹ 10 each)	42.64	42.64
Wipro Airport IT Services Limited 1,300,000 shares of ₹ 10 each (March 31, 2017 : 1,300,000 shares of ₹ 10 each)	1.30	1.30
GMR Bajoli Holi Hydropower Private Limited 108,334,241 shares of ₹ 10 each (March 31, 2017 : Nil)	108.33	-
	289.37	**181.04**
Aggregate book value of unquoted non-current investment	**289.37**	**181.04**

6.2 OTHER INVESTMENTS

	Non current	
	March 31, 2018	March 31, 2017
Carried at fair value through profit and loss		
East Delhi Waste Processing Company Private Limited 7,839 shares of ₹ 10 each (March 31, 2017 :7,839 shares of ₹ 10 each)	0.01	0.01
	0.01	**0.01**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

6.3 CURRENT INVESTMENTS

	Current	
	March 31, 2018	March 31, 2017
Investments carried at fair value through profit or loss		
Investment in mutual fund		
Unquoted investments		
ICICI Prudential Liquid Regular Plan Growth [11,130,257.38 units (March 31, 2017 : 13,656,817.68) of ₹ 100 each]	285.37	327.98
Bank of Baroda Mutual Fund [176,460.73 units (March 31, 2017 : 402,921.06) of ₹ 1000 each]	35.10	75.05
Axis Liquid Fund Growth [913,307.88 units (March 31, 2017 :973,867.89) of ₹ 1000 each]	175.42	175.10
Birla Sunlife Cash Plus- Inst.- Growth [16,757,830.39 units (March 31, 2017 : 13,874,600.55) of ₹ 100 each]	517.92	408.63
IDFC Cash Fund Growth Regular Plan [394,752.88 units (March 31, 2017 : 761,522.75) of ₹ 1000 each]	83.03	150.09
HDFC Liquid Fund [Nil (March 31, 2017: 6,25,480.62 units) of ₹ 10 each]	-	200.13
DHFL Mutual Fund [6,680,746.71 units (March 31, 2017 : Nil) of ₹ 100 each]	150.31	-
Invesco Mutual Fund [630,626.71 units (March 31, 2017 : Nil) of ₹ 1000 each]	150.32	-
Kotak Liquid Scheme [413,959.05 units (March 31, 2017 : 577,802.97) of ₹ 1000 each]	145.42	190.13
Reliance Mutual Fund [7,593,237.26 units (March 31, 2017 : 7,728,843.10) of ₹ 1000 each]	77.04	105.31
Sundaram Money Fund Regular – Growth [48,059,856.01 units (March 31, 2017 : 29,264,666.72) of ₹ 10 each]	175.37	100.06
SBI Premier Liquid Fund - Regular Plan -Growth [Nil units (March 31, 2017 : 471,677.90) of ₹ 1000 each]	-	120.07
DSP Mutual Fund [931,807.72 units (March 31, 2017 : 820,156.48) of ₹ 1000 each]	230.53	190.12
LIC Nomura Liqud Fund [287,655.12 units (March 31, 2017 : 170,270.79) of ₹ 1000 each]	90.20	50.03
IDBI Mutual Fund [487,216.23 units (March 31, 2017 : Nil) of ₹ 1000 each]	90.16	-
Investments carried at amortised cost		
Investment in Commercial Papers		
SREI Infrastructure Finance Limited [8000 (March 31, 2017 : 2000) Units of ₹ 500,000 each]	378.27	91.68
	2,584.46	**2,184.38**
Aggregate book value of unquoted investments	**2,584.46**	**2,184.38**

Notes to the Standalone Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

7. LOANS

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Carried at amortised cost				
Security deposits				
Unsecured, considered good	2.46	1.25	1.58	2.16
(A)	**2.46**	**1.25**	**1.58**	**2.16**
Advances				
Doubtful, to related parties [refer note 35]	2.82	2.82	-	-
Less: provision for doubtful advances	(2.82)	(2.82)	-	-
(B)	**-**	**-**	**-**	**-**
Total (A+B)	**2.46**	**1.25**	**1.58**	**2.16**

8. OTHER FINANCIAL ASSETS

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Derivative Instrument carried at fair value through OCI #				
Cash flow hedge- Call spread option	0.97	-	-	-
Carried at amortised cost				
Interest accrued on fixed deposits and others	-	-	19.18	15.19
Non-trade receivable				
[net of provision of doubtful debts ₹ 0.46 crores (March 31, 2017 ₹ 1.57 crores)]	-	-	47.39	16.40
Unbilled revenue	-	-	9.11	5.66
Other recoverables from related parties [refer note 35]	-	-	17.65	16.71
Margin money deposit * (refer note 13)	0.23	0.22	-	-
Other receivable	-	-	29.83	-
Total other financial assets	**1.20**	**0.22**	**123.16**	**53.96**

#Financial assets at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 811.35 million (₹ 5301.36 Crore) [March 31, 2017 USD 602.60 million (₹ 3,953.06 Crore)] on senior secured foreign currency notes.

* ₹ 0.23 Crore (March 31, 2017: ₹ 0.22 Crore) against License fee to South Delhi Municipal Corporation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

9. OTHER ASSETS

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Capital advances	4.60	4.47	-	-
(A)	**4.60**	**4.47**	**-**	**-**
Advances other than capital advance				
Advance to suppliers	-	-	15.02	19.63
Advance to employees	-	-	-	0.09
Other advances	-	-	0.05	0.07
Less: provision for doubtful advances	-	-	(0.05)	(0.07)
(B)	**-**	**-**	**15.02**	**19.72**
Others				
Prepaid expenses	5.83	5.87	6.52	5.02
Deposit with government authorities including paid under protest [refer note 34 II (e)]	-	-	4.07	4.10
Balance with statutory / government authorities	-	-	14.57	8.14
Advance Tax (net of provision for taxation Nil (March 31, 2017: ₹ 155.78 crores)]	45.85	80.95	-	-
(C)	**51.68**	**86.82**	**25.16**	**17.27**
Total other assets (A+B+C)	**56.28**	**91.29**	**40.18**	**36.99**

10. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	March 31, 2018	March 31, 2017
Current income tax:		
Current Tax	-	238.69
Adjustment of tax relating to earlier years	(4.88)	(1.88)
Deferred tax:		
Relating to origination and reversal of temporary differences	(73.97)	303.69
Income tax expense reported in the statement of profit or loss	(78.85)	540.50
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	(0.27)	0.38
Cash flow Hedge Reserve	(6.53)	-
Income tax charged to OCI	**(6.80)**	**0.38**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Accounting profit before tax	**(40.60)**	**1,126.46**
Tax at the applicable tax rate of 34.94% (March 31, 2017: 34.61%)	**(14.19)**	**389.84**
Exempt income not included in calculation of tax	(23.68)	(17.78)
Assets capitalised in the Income Tax Act in current year but in the books in previous year	(22.13)	-
MAT adjustment	-	238.69
Impact of increment in tax rate	0.98	-
Other adjustments	(1.60)	2.09
Interest on delayed payment by customers (Unrealized)	-	(23.86)
Adjustments on which deferred tax is not created	(13.27)	(52.19)
Adjustment of tax relating to earlier years	(4.88)	(1.88)
Previously unrecognised tax losses used to reduce deffered tax expense	(11.24)	-
Tax on other Comprehensive income	6.80	0.38
Tax effect of expenses that are not deductible in determining taxable profit:		
Donation paid disallowed	4.74	3.60
Interest on delayed payment of Income Tax	(0.38)	1.60
At the effective income tax rate of 48% (March 31, 2017: 19%)	(78.85)	540.49
Total tax expense reported in the statement of profit and loss	(78.85)	540.50

Deferred tax:

	Balance sheet		Statement of profit or loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liability				
Accelerated depreciation for tax purposes	(972.74)	(1,015.37)	42.63	2.29
Derivative liability-mark to market loss on IRS	-	(4.96)	4.96	(9.92)
On account of upfront fees being amortized using EIR method	(18.26)	(20.93)	2.68	(2.74)
Fair value of investment in mutual fund	(11.71)	(3.44)	(8.27)	(0.87)
Cash Flow Hedge	(0.71)	-	(0.71)	-
	(1,003.42)	**(1,044.70)**	**41.29**	**(11.24)**
Deferred tax asset				
Unabsorbed depreciation	649.27	597.75	51.52	(270.09)
Others Disallowances	42.96	34.37	8.21	25.39
Unrealised forex loss on borrowings	10.06	17.26	(7.20)	17.26
Intangibles (Airport Concession rights)	66.71	69.96	(3.25)	(3.88)
Carry Forward Losses	-	-	-	(85.73)
Other borrowing cost to the extent not amortised	16.34	19.26	(2.92)	(2.76)
Marketing Fund Liablity	-	13.68	(13.68)	27.36
	785.34	**752.28**	**32.68**	**(292.45)**
Net deferred tax assets/(liabilities)	**(218.08)**	**(292.42)**	**(73.97)**	**303.69**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Reconciliations of net deferred tax liabilities / (assets)

	March 31, 2018	March 31, 2017
Opening balance as at beginning of the year	292.04	(11.27)
Tax income/(expense) during the period recognised in profit or loss	(73.97)	303.69
Tax income/(expense) during the period recognised in OCI	6.80	(0.38)
Closing balance as at March 31, 2018	**224.87**	**292.04**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

11. INVENTORIES (valued at lower of cost or net realizable value)

	March 31, 2018	March 31, 2017
Stores and spares	6.39	7.42
	6.39	**7.42**

12. TRADE RECEIVABLES

	Current	
	March 31, 2018	March 31, 2017
Trade receivables		
Related parties (refer note 35)	106.28	66.01
Others	418.85	832.87
	525.13	**898.88**
Break up for security details:		
Trade receivables		
Secured, considered good**	220.32	313.09
Unsecured, considered good	304.81	585.79
Unsecured, considered doubtful	3.23	2.66
	528.36	**901.54**
Less: Allowances for doubtful receivables	(3.23)	(2.66)
	525.13	**898.88**
** Trade receivable to the extent covered by security deposits or bank guarantees are considered as Secured trade receivables.		
Trade receivables includes:-		
Dues from entities in which the Company's non-executive director is a director		
Delhi Duty Free Services Private Limited	16.37	13.17
TIM Delhi Airport Advertising Private Limited	30.37	30.35
GMR Bajoli Holi Hydropower Private Limited	0.50	0.30

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

13 CASH AND CASH EQUIVALENT

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances with Banks				
- On current accounts#	-	-	110.91	44.36
- Deposits with original maturity of less than three months*	-	-	263.56	505.00
Cheques / drafts on hand	-	-	0.48	4.73
Cash on hand	-	-	0.02	0.03
(A)	**-**	**-**	**374.97**	**554.12**
Other bank balances				
– Margin money deposit*	0.23	0.22	-	-
(B)	**0.23**	**0.22**	**-**	**-**
Amount disclosed under other non-current financial assets (refer note 8)	(0.23)	(0.22)	-	-
Total (A+B)	**-**	**-**	**374.97**	**554.12**

Cash and cash equivalents includes balance on current account with banks for ₹ 1.23 crore (March 31, 2017: ₹ 2.34 crore) in respect of Marketing Fund.

*Deposit with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At March 31, 2018, the Company has available ₹ 225.81 crore (March 31, 2017: ₹ 221.54 crore) of undrawn borrowing facilities for future operating activities.

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2018	March 31, 2017
Balances with banks:		
– Deposits with original maturity of more than three months but less than 12 months#	91.27	46.00
	91.27	**46.00**

Deposits with bank includes ₹ 49.32 crore (March 31, 2017: 46.00 crore) in respect of Marketing Fund.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Break up of financials assets carried at amortised cost and at fair value through profit and loss

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets carried at amortised cost				
Investment in commercial papers (refer note 6.3)	-	-	378.27	91.68
Trade Receivable (refer note 12)	-	-	525.13	898.88
Cash and cash equivalents (refer note 13)	-	-	374.97	554.12
Bank balance other than Cash and cash equivalents (refer note 14)	-	-	91.27	46.00
Loans (refer note 8)	2.46	1.25	1.58	2.16
Other financial assets (refer note 9)	1.20	0.22	123.16	53.96
(A)	**3.66**	**1.47**	**1,494.38**	**1,646.80**
Financial assets caried at Fair value through profit or loss				
Investment in mutual funds (refer note 6.3)	-	-	2,206.19	2,092.70
Investments in Equity Shares (refer note 6.2)	0.01	0.01	-	-
(B)	**0.01**	**0.01**	**2,206.19**	**2,092.70**
Total financial assets (A+B)	**3.67**	**1.48**	**3,700.57**	**3,739.50**

15 EQUITY SHARE CAPITAL

	March 31, 2018	March 31, 2017
Authorised shares (No. in Crores)		
300 (March 31, 2017: 300) equity shares of ₹ 10 each	3,000	3,000
	3,000	**3,000**
Issued, subscribed and fully paid-up shares (No. in Crores)		
245 (March 31, 2017: 245) equity shares of ₹10 each fully paid up	2,450	2,450
	2,450	**2,450**

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Equity Shares	March 31, 2018		March 31, 2017	
	No. Crore	(₹ In Crores)	No. Crore	(₹ In Crores)
At the beginning of the year	245	2,450	245	2,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	**245**	**2,450**	**245**	**2,450**

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and

Notes to the Standalone Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

c. **Shares held by holding/ intermediate holding company and its subsidiary**

Out of equity shares issued by the Company, shares held by its holding company, intermediate holding company and its subsidiary are as below:

Name of Shareholder	March 31, 2018	March 31, 2017
GMR Infrastructure Limited, the intermediate holding company 100 (March 31, 2017: 100) equity share of ₹10 each fully paid up	0.00	0.00
GMR Energy Limited, Subsidiary of the intermediate holding company 100 (March 31, 2017: 100) equity share of ₹10 each fully paid up	0.00	0.00
GMR Airports Limited along with Mr. Srinivas Bommidala 1 (March 31, 2017: 1) equity share of ₹10 each fully paid up	0.00	0.00
GMR Airports Limited along with Mr Grandhi Kiran Kumar 1 (March 31, 2017: 1) equity share of ₹10 each fully paid up	0.00	0.00
GMR Airports Limited, the holding company 156.80 crore (March 31, 2017: 156.80 crore) equity share of ₹10 each fully paid up	1,568	1,568

d. **Details of Shareholders holding more than 5% of equity shares in the Company**

Equity Shares	March 31, 2018		March 31, 2017	
	Nunmbers	% holding in Class	Nunmbers	% Holding in Class
Equity shares of ₹ 10 each fully paid				
Airports Authority of India	637,000,000	26%	637,000,000	26%
GMR Airports Limited	1,567,999,798	64%	1,567,999,798	64%
Fraport AG Frankfurt Airport Services Worldwide	245,000,000	10%	245,000,000	10%
	2,449,999,798	**100%**	**2,449,999,798**	**100%**

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal and beneficial ownership of shares as at the balance sheet date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

16 OTHER EQUITY

	March 31, 2018	March 31, 2017
Retained earnings		
Balance as per last financial statements	575.49	(9.74)
Net profit for the year	38.25	585.96
Re-measurement gains on defined benefit plans	0.50	(0.73)
Payment of dividends	(159.25)	-
Dividend distribution tax	(32.42)	-
Closing balance	422.57	575.49
Other items of Comprehensive Income		
Cash flow hedge reserve		
Balance as per last financial statements	(16.84)	-
Net Movement during the year	12.35	(16.84)
	(4.49)	**(16.84)**
	418.08	**558.65**

16.1 Distribution made and proposed on Equity shares:

	March 31, 2018	March 31, 2017
Cash dividends on equity shares declared and paid		
Final dividend on equity shares for the year ended on March 31, 2017: ₹ 0.65 per share	159.25	-
Dividend distribution tax (DDT) on final dividend	32.42	-
	191.67	**-**
Proposed dividends on Equity shares:		
The Board proposed dividend after the balance sheet date:-		
Proposed dividend on equity shares for the year ended on March 31, 2017: ₹ 0.65 per share	-	159.25
Dividend distribution tax (DDT) on proposed dividend	-	32.42
	-	**191.67**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2017. This is subsequently approved in annual general meeting held on September 5, 2017.

16.2 Net dividend remitted in foreign exchange:

Year of remittance (ending on)	March 31, 2018	March 31, 2017
Period to which relates	April 1, 2016 to March 31, 2017	-
Number of non-resident shareholders	1	-
Number of equity shares of nominal value ₹10 per share held on which dividend was due	245,000,000	-
Amount remitted in USD (in million)	0.25	
Amount remitted in INR (in crore)	15.93	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

17 BORROWINGS

	Non - Current	
	March 31, 2018	March 31, 2017
Bonds		
6.125% (2022) senior secured foreign currency notes (Note-1)	1,857.93	1,859.25
6.125% (2026) senior secured foreign currency notes (Note-2)	3,391.19	3,402.72
	5,249.12	**5,261.97**

a. 6.125% Senior Secured Foreign Currency Notes (Note-1) of USD 284.35 million (March 31, 2017: USD 283.42 million), principal outstsanding of USD 288.75 million (March 31, 2017: USD 288.75 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Note-1 are due for repayment in February, 2022. The bonds are secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.

b. 6.125% Senior Secured Foreign Currency Notes (Note-2) of USD 519.00 million (March 31, 2017: USD 518.70 million), principal outstsanding of USD 522.60 million (March 31, 2017: USD 522.60 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Note-2 are due for repayment in October 2026. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.

c. With respect to note-1 and note-2, the Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Company has complied with the financial covenants prescribed in the financing documents and the Indenture.

18 OTHER FINANCIAL LIABILITIES

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liabilities carried at fair value through OCI *				
Cash flow hedge; Call spread option	-	-	-	42.58
	-	**-**	**-**	**42.58**
Other financial liabilities at amortised cost				
Security Deposits from trade concessionaires-related parties [refer note 35]	-	148.75	-	1.37
Security Deposits from trade concessionaires-others	310.78	121.61	150.24	124.85
Security Deposits from commercial property developers	7.48	7.59	116.75	-
Earnest money deposits	-	-	2.51	4.50
Capital Creditors	-	-	23.63	49.25
Retention money	3.41	3.51	40.89	37.36
Liability for Voluntary retirement scheme	1.35	16.85	15.47	14.45
Interest accrued but not due on borrowings	-	-	105.33	107.02
Total other financial liabilities at amortised cost	**323.02**	**298.31**	**454.82**	**338.80**
Total other financial liabilities	**323.02**	**298.31**	**454.82**	**381.38**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

* Financial liabilities at fair value through OCI

Financial liabilities at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 811.35 million (₹ 5,301.36 Crore) [March 31, 2017 USD 602.6 million (₹ 3,953.06 Crore)] on Note-1 and Note-2.

19 DEFERRED REVENUE

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred income on financial liabilities carried at amorized cost	1,575.76	1,780.83	74.27	74.73
Unearned revenue	1.47	0.48	11.67	11.45
	1,577.23	**1,781.31**	**85.94**	**86.18**

Deferred income on financial liabilities carried at amorized cost

	March 31, 2018	March 31, 2017
At April 1	1,855.56	1,825.78
Deferred during the year	36.84	93.45
Reversed during the year	(163.16)	-
Released to the statement of profit and loss	(79.21)	(63.67)
	1,650.03	**1,855.56**
Unearned revenue		
At April 1	11.93	9.04
Deferred during the year	277.93	246.90
Released to the statement of profit and loss	(276.72)	(244.01)
	13.14	**11.93**

Deferred income on financial liabilities carried at amorized cost

Interest free security deposit received from concessionaire and commercial property developers (that are refundable in cash on completion of its term) are carried at amortised cost. Difference between the amortised value and transaction value of the security deposits received has been recognised as deferred revenue.

20 OTHER LIABILITIES

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Advances				
Advances from commercial property developers	92.72	95.60	48.15	94.74
Advance from customer	9.85	17.35	6.16	5.91
Others				
Marketing fund liability [refer note 41 (h)]	-	-	51.51	53.43
Tax deducted at source/Tax Collected at source payable	-	-	15.20	55.90
Goods & Service tax payable	-	-	1.72	-
Other statutory dues	-	-	1.66	2.79
Other liabilities	-	-	38.12	13.52
	102.57	**112.95**	**162.52**	**226.29**

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(All amounts in ₹ Crore, except otherwise stated)

21 TRADE PAYABLES

	March 31, 2018	March 31, 2017
Trade Payable		
- Micro Enterprises and Small Enterprises	7.35	1.19
- Related parties [refer note 35]	204.58	214.44
- Others	200.08	215.77
	412.01	**431.40**
Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".		
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	7.35	1.19
- Interest thereon	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Related parties payable are payable on demand once they get due.

For explanations on the Company's credit risk management processes, refer to Note 39.

22 PROVISIONS

	Long term		Short term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for leave benefits	-	-	21.18	17.84
Provision for Gratuity (refer note 33)	1.45	1.21	-	-
Provision for superannuation	-	-	0.33	0.29
	1.45	**1.21**	**21.51**	**18.13**

Break up of financial liabilities

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liability carried at amortised cost				
Borrowings (refer note 17)	5,249.12	5,261.97	-	-
Trade Payables (refer note 21)	-	-	412.01	431.40
Other financial liabilities	323.02	298.31	454.82	338.80
Financial liabilities carried at fair value through OCI (refer note 37)				
Cash flow hedge- Call spread option	-	-	-	42.58
	5,572.14	**5,560.28**	**866.83**	**812.78**

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for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

23. REVENUE FROM OPERATIONS

	March 31, 2018	March 31, 2017
Sale of services		
Aeronautical (A)	1,705.48	3,939.82
Non - Aeronautical		
Duty free	378.42	342.52
Retail	133.30	99.37
Advertisement	170.98	142.24
Food & Beverages	134.66	111.51
Cargo	206.99	171.23
Ground Handling	124.40	113.18
Parking	25.89	19.23
Land & Space — Rentals	349.33	317.47
Others	274.84	211.72
Total Non -Aeronautical (B)	1,798.81	1,528.47
Other operating revenue		
Revenue from commercial property development (C)	176.68	164.23
TOTAL (A+B+C)	**3,680.97**	**5,632.52**

24. OTHER INCOME

	March 31, 2018	March 31, 2017
Interest income on financial asset carried at amortised cost		
Bank deposits and others	60.96	52.21
Security deposits given	0.39	0.14
Dividend Income on non-current investments carried at cost	67.76	51.38
Other non-operating income		
Gain on sale of financial asset carried at Fair value through profit and loss	-	-
Current investments-Mutual fund	125.03	97.43
Exchange difference (net)	53.26	96.34
Fair value gain on financial instruments (IRS) at fair value through profit or loss	-	6.17
Fair value gain on financial instruments at fair value through profit and loss*	23.57	2.50
Income from Duty credit scrips [refer note 41 (n)]	30.27	-
Miscellaneous income	0.63	0.82
	361.87	**306.99**

* Fair value gain on financial instrument at fair value through profit & loss relates to current investment in mutual funds.

25. EMPLOYEE BENEFITS EXPENSE

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	147.11	115.88
Contribution to provident and other funds [refer note 33(a)]	10.48	8.75
Gratuity expenses [refer note 33 (b)]	3.01	1.24
Staff welfare expenses	4.64	3.60
	165.24	**129.47**

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for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

26. DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2018	March 31, 2017
Depreciation on Property, Plant and Equipment (refer note 4)	636.55	628.63
Amortization of Intangible assets (refer note 5)	9.35	9.40
	645.90	**638.03**

27. FINANCE COSTS

	March 31, 2018	March 31, 2017
Interest on borrowings*	346.88	419.56
Call spread option premium	153.65	40.70
Interest expenses on financial liability carried at amortised cost	74.41	49.87
Other interest	1.41	9.99
Other borrowing costs		
- Bank charges	2.80	3.91
- Other cost	-	3.22
	579.15	**527.25**

*Includes reversal of finance charges under finance lease obligation of Nil (March 31, 2017 expenses of: ₹ 7.01 crore) [refer note 34 I]

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(All amounts in ₹ Crore, except otherwise stated)

28. OTHER EXPENSES

	March 31, 2018	March 31, 2017
Utility expenses	113.20	106.54
Repairs and maintenance		
Plant and machinery	108.27	95.20
Buildings	32.35	27.00
IT Systems	35.32	32.08
Others	10.46	9.14
Manpower hire charges	125.97	95.79
Airport Operator fees	171.87	151.05
Security related expenses	23.06	13.61
Information technology and related expenses	-	2.75
Insurance	6.63	7.16
Consumables	12.73	11.30
Professional and consultancy expenses	73.06	47.19
Travelling and conveyance	17.63	16.51
Office maintenance and other expenses	5.38	6.40
Rates and taxes	8.30	8.28
Rent (including lease rentals)	10.57	9.65
Advertising and sales promotion	11.18	11.01
Communication costs	2.09	1.70
Printing and stationery	1.51	0.98
Directors' sitting fees	0.27	0.32
Payment to auditors (refer note A below)	1.62	1.89
Provision for Bad debts / Bad Debts Written off	0.31	1.73
Corporate cost allocation	85.02	75.92
Collection charges (Net)	5.28	8.29
Loss on discard of Property, Plant and Equipment	0.08	1.59
Donations	2.42	2.89
CSR expenditure (refer note B below)	11.14	7.51
Marketing expenses	-	39.55
Expenses of commercial property development	49.47	43.13
Miscellaneous expenses	6.49	6.50
	931.68	**842.66**

A. Payment to Auditors (Included in other expenses above)

	March 31, 2018	March 31, 2017
As Auditor		
Audit fee	0.70	0.78
Tax audit fee	0.07	0.07
Other services		
- Other services (including certification fees)*	0.83	0.95
- Reimbursement of expenses	0.02	0.09
	1.62	**1.89**

* Professional fees of Nil (March 31, 2017: ₹ 0.62 crores) in connection with 6.125% of senior secured foriegn currency notes (2026) are amortised over the period of secured notes.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

B. Details of CSR expenditure:

			March 31, 2018	March 31, 2017
a)	Gross amount required to be spent by the Company during the year		11.70	8.38
(b)	**Amount spent during the year ended on March 31, 2018:**	**In cash**	**Yet to be paid in cash**	Total
	i) Construction/acquisition of any asset	-	-	-
	ii) On purposes other than (i) above	9.32	1.82	11.14
b)	**Amount spent during the year ended on March 31, 2017:**	**In cash**	**Yet to be paid in cash**	Total
	i) Construction/acquisition of any asset	-	-	-
	ii) On purposes other than (i) above	7.01	0.50	7.51

29. EXCEPTIONAL ITEMS

	March 31, 2018	March 31, 2017
Loan prepayment charges [refer note 41(l)]	-	40.80
	-	**40.80**

30. COMPONENTS OF OCI

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2018	March 31, 2018
Cash Flow Hedge Reserve	12.35
	12.35

During the year ended March 31, 2017	March 31, 2017
Cash Flow Hedge Reserve	(16.84)
	(16.84)

31. EARNINGS PER SHARE (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Profit attributable to equity holders of the company	38.25	585.96
Weighted average number of equity shares used for Computing Earning Per Share (Basic & Diluted)	245.00	245.00
	245.00	**245.00**
Earning Per Share (Basic) (₹)	0.16	2.39
Earning Per Share (Diluted) (₹)	0.16	2.39
Face value per share (₹)	10.00	10.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

32. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

32.1 Judgements

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

Discounting rate

The Company has considered incremental borrowing rate of Airport sector as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost.

Non applicability of Service Concession Arrangement (SCA)

DIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives DIAL an exclusive right to operate, maintain, develop, modernize and manage the Delhi Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA. Under the agreement, AAI has granted exclusive right and authority to undertake some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Aeronautical Services' and 'Non-Aeronautical Services'. For prices, aeronautical services are regulated, while the regulator has no control over determination of prices for Non-Aeronautical Services. The management of the Company conducted detailed analysis to determine applicability of Appendix A of Ind AS 11 and concluded that the same does not apply to DIAL. Company concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from DIAL, AAI and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. The airport premise is being used both for providing regulated services (Aeronautical Services) and for providing non-regulated services (Non-aeronautical Services). Accordingly the management has concluded that SCA does not apply in its entirety to the Company.

Development Fund

The Airport Economic Regulatory Authority of India (AERA) had passed an order vide Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011, December 28, 2012 and April 24, 2012 respectively, in respect of levy of Development fee (DF) at Delhi Airport. As per the facts of the matter, DIAL is collecting tax/levy for the purpose of bridging the funding gap i.e. essentially a viability gap funding made by AERA to meet the project cost. The amount of funding, its securitisation and utilisation is closely monitored by AERA. The DF collected is not in the nature of tariffs or charges to be collected from passengers for the purpose of concession, but a levy or tax that has been collected by DIAL on behalf of AAI and utilised for the expansion and up-gradation of the Airport. Accordingly, the management has concluded that DF is a levy or tax and has been used/ collected under a mechanism for building infrastructure that has been part of concession.

Annual Fee to AAI

As per the Concession Agreement (OMDA) entered into with AAI in April 2006, the Company is required to pay to AAI annual fee (AF) each year at 45.99% on its projected revenue and same shall be payable in twelve equal monthly instalments (MAF), to be paid in each calendar month. As per Article 1.1 of Chapter I of OMDA, "Revenue" is defined to mean all pre-tax 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 and discussions with consultants, has provided the monthly annual fee to AAI based on Revenue as per the Ind AS financial statements after adjusting such incomes/credits.

Leases: whether an arrangement contains a lease

Company in earlier years, had entered in to an IT service arrangement with a Wipro Airport IT Systems Limited (WAISL) to provide IT services at the Airport on its behalf. As per the agreement, Company pays or receives a variable charge to the WAISL depending upon the actual billing and subsistence level agreed. WAISL cannot offer such services to any other customer and it is not economically feasible for the WAISL to offer the level of services using any other equipment. Accordingly, although the arrangement is not in the legal form of lease, the Company concluded that the arrangement contains a lease of the IT equipment and other assets. The lease was classified as a finance lease at inception of the arrangement and payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on incremental borrowing rate of interest.

However, in the financial year 2016-17, there is modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly, the Company has derecognised the assets and liabilities recognised under finance lease.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

32.2 ESTIMATES AND ASSUMPTIONS

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

Taxes

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

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 33.

Provision for Leave encashment

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

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37, 38 and 39 for further disclosures.

33. RETIREMENT AND OTHER EMPLOYEE BENEFIT:-

Employee Benefit:-

a) Defined benefit plans

During the year ended March 31, 2018, the Company has recognised ₹ 10.48 crore (March 31, 2017: ₹ 8.75 crore) as an expenses and included in Employee benefits expense as under the following defined contribution plans.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Benefits (Employer's contribution to):		
Provident and other fund#	7.02	5.62
Superannuation fund*	3.46	3.13
Total	**10.48**	**8.75**

#Net of amount transferred to Capital work-in-progress ('CWIP') & CPD ₹ 0.11 Crore (March 31, 2017: ₹ 0.11 Crore)

*Net of amount transferred to CWIP & CPD ₹ 0.08 Crore (March 31, 2017: ₹ 0.07 Crore).

The Company makes contribution towards provident fund which is administered by the trustees. The rules of the Company's provident fund administered by a trust, require that if the board of the trustees are unable to pay interest at the rate declared by the government under para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuarial valuation and based on the below provided assumption there is no cumulative deficiency at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

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As per the requirement of Ind AS 19 of the Institute of Chartered Accountants of India, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is no cumulative short-fall which has been provided in the financial statements.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Plan assets at the year end, at fair value	111.59	94.27
Present value of benefit obligation at year end	111.59	94.27
Net (liability) recognized in the balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.60%	7.10%
Fund rate	9.30%	9.50%
PFO rate	8.55% for the next one year	8.60% for the next one year
Withdrawal rate	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08) (modified)Ult *	Indian Assured Lives Mortality (2006-08) (modified)Ult *

*As published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013.

(b) Gratuity expense

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

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2018:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	1.51	1.31
Past Service Cost	1.53	-
Net Interest Cost	(0.03)	(0.07)
Total	**3.01**	**1.24**

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Amount recognised in Other Comprehensive Income for the year ended March 31, 2018:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain)/loss due to DBO experience	0.08	(0.39)
Actuarial gain due to DBO financial assumptions changes	(0.59)	(0.69)
Actuarial gain arising during period	(0.51)	(1.08)
Return on plan assets greater than discount rate	(0.26)	(0.03)
Actuarial gains recognized in OCI	(0.77)	(1.11)

Balance Sheet

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	(16.39)	(12.78)
Fair value of plan assets	14.94	11.57
Benefit liability	(1.45)	(1.21)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	12.78	10.66
Interest cost	0.87	0.78
Current service cost	1.51	1.31
Past Service Cost	1.53	-
Acquisition cost	1.10	0.24
Benefits paid (including transfer)	(0.89)	(1.29)
Actuarial (gain)/ losses on obligation-experience	(0.51)	1.08
Closing defined benefit obligation	16.39	12.78

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	11.57	11.02
Acquisition Adjustment	0.92	-
Interest income on plan assets	0.90	0.85
Contributions by employer	2.18	1.02
Benefits paid (including transfer)	(0.89)	(1.29)
Return on plan assets greater/ (lesser) than discount rate	0.26	(0.03)
Closing fair value of plan assets	14.94	11.57

The Company expects to contribute ₹ 2.18 crore to gratuity fund during the year ended on March 31, 2019 (March 31, 2018: ₹ 1.01 crore).

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	March 31, 2018 (%)	March 31, 2017 (%)
Investments with insurer managed funds	100	100

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Experience adjustments for the current and previous years are as follows:

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	(16.39)	(12.78)
Plan assets	14.94	11.57
Funded status	(1.45)	(1.21)
Experience gain adjustment on plan liabilities	(0.51)	(1.08)
Experience gain adjustment on plan assets	(0.26)	(0.03)
Actuarial gain due to change in assumptions	-	-

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	March 31, 2018	March 31, 2017
Discount rate (in %)	7.60%	7.10%
Salary Escalation (in %)	6.00%	6.00%
Expected rate of return on assets	7.60%	7.80%
Attrition rate (in %)	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

	March 31, 2018	March 31, 2017
Assumptions	Discount rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	(1.17)	(0.97)
Impact on defined benefit obligation due to decrease	1.34	1.12

	March 31, 2018	March 31, 2017
Assumptions	Future Salary Increase	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	1.26	0.91
Impact on defined benefit obligation due to decrease	(1.15)	(0.85)

	March 31, 2018	March 31, 2017
Assumptions	Attrition rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	0.14	0.12
Impact on defined benefit obligation due to decrease	(0.16)	(0.14)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2017:10 years).

34. COMMITMENTS AND CONTINGENCIES

I. Leases

Operating lease: Company as lessee

The Company has taken office and residential space, information technology equipment under operating lease arrangements. Office premises are obtained on operating lease for terms ranging from 0-5 years and are renewable upon agreement of both the Company and the lessor. There are no sub leases.

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Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017
Minimum Lease payment for the year (excluding taxes)	10.57	9.65
Minimum Lease Payments:		
Within one year	2.69	2.78
After one year but not more than five years	2.18	4.73
More than five years	-	-
Total future payments	4.87	7.51

II. Contingent liabilities not provided for:

Particulars	March 31, 2018	March 31, 2017
(i) In respect of Income tax matters *	64.29	67.95
(ii) In respect of Indirect tax matters [refer note (e) & (f) below and other matters*]	190.42	190.68
(iii) Claim against the Company not acknowledged as debt [refer (d) below and other matters*]	41.47	41.47
(iv) In respect of other matters [refer (a) below]	15.72	7.86

*pertaining to various cases not included below

The Company has provided guarantee to an unrelated party for the performance in a contract. No liability is expected to arise.

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

a) During the year ended March 31, 2017, the Delhi Cantonment Board (DCB) has raised provisional invoice demanding property tax of ₹ 9.01 crore in respect of vacant land at IGI Airport for the Financial Year 2016-17.

The airport area majorly consists of vacant land area which cannot be commercially let out by the Company because of operational safety, aircraft landing & take off and navigational requirements as per standards laid down by International Civil Aviation Organization (ICAO). However, based on same computation method as used for payment of property tax to South Delhi Municipal Corporation ('SDMC'), management has made payment of ₹ 1.15 crore towards property tax for financial year 2016-17 and requested DCB to withdraw its demand.

Company has also paid ₹ 1.15 crore for financial year 2017-18 based on same computation as of previous financial year. During the year ended March 31, 2018, DCB has raised provisional invoice on November 23, 2017 demanding property tax of ₹ 9.01 crore for the Financial Year 2017-18 along with arrears of ₹ 7.86 crore for 2016-17. Accordingly, The Company has disclosed remaining amount of ₹ 15.72 crore in respect of FY 2016-17 and FY 2017-18 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's application for adopting the same computation method as considered by SDMC, while arriving at the demand for the financial year 2016-17, is pending / under consideration by DCB, the amount of liability for earlier years is unascertainable; and therefore no provision has been considered necessary by the company against such demand in these standalone financial statements.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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13024/43/2003-SS (AD) dated May 17, 2012, it was further directed that any such expenditure already debited was required to be credited back to PSF(SC) account. However, security expenditure amounting to ₹ 24.48 crore was already incurred prior to April 16, 2010 and was debited to PSF (SC) account.

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on May 04, 2018. Based on an internal assessment and aforesaid order of the Hon'ble Delhi High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

c) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by DIAL (the Airport Operator) in a fiduciary capacity. The Company had incurred ₹ 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till March 31, 2018 (March 31, 2017: ₹ 296.90 crore) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble Delhi High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on July 13, 2018.

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 ₹ 295.58 crores and ₹ 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 and pending further orders, the Company has charged ₹ 79.38 crore from April 1, 2014 till March 31, 2018 (March 31, 2017: ₹ 58.41 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes ₹ 20.97 crore during the year ended March 31, 2018 (March 31, 2017: ₹ 22.79 crore).

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 ₹ 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

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for the year ended March 31, 2018

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

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

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

Arbitration tribunal in its hearing dated October 5, 2017 has passed the order framing the issues after hearing the contention of both the parties. The tribunal has ordered and recorded that the present case does not demand leading of oral evidence and the parties may be permitted to rely on any document on record for arguments and posted the matter for final arguments. The next date of hearing is yet to be notified by the Tribunal.

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

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 ₹ 59.91 crore (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'.

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

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

However, based on an internal assessment and legal opinions obtained by the Company in this regard, the Management is of the view that service tax is not leviable on ADC, as these are collected for development of certain infrastructure facilities for the common use and not for the exclusive use of any developer. Service tax liability on ADC, if any arises, shall be adjusted from Advance Development Costs collected by Company from the Commercial Property Developers.

The Company has filed appeal before CESTAT, New Delhi on August 02, 2016 by depositing ₹ 4.07 crore against the order dated May 02, 2016, the same has been shown under other loan and advances as Deposit with Government Authorities including paid under protest. The date of hearing is yet to be notified by the Tribunal.

The Company has disclosed the amount of penalty of ₹ 54.31 crore as contingent liability.

Further, the management of the Company is of the view that no adjustments are required to be made to these financial statements.

f) The Commissioner of Service Tax, New Delhi had issued three Show Cause Notices (SCN)

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and one addendum to SCN on the Company, proposing a demand of service tax aggregating to ₹ 275.53 crore (excluding interest and penalty) on the collection of Development Fee ("DF") from passengers in airport for the period from March, 2009 to September, 2013. Out of total demand of service tax of ₹ 275.53 crore, service tax amounting to ₹ 130.17 crore has already been paid by Company under protest.

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

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

However, based on an internal assessment and legal views obtained by Company in this regard, the management is of the view that service tax is not leviable on DF, as the DF is a statutory levy and is meant to bridge financing gap funding for the airport project. The collection of DF from passengers is not in lieu of provision of any service to them. Further, there is no service provider and service recipient relationship between the Company and the passengers paying DF. Service tax liability, if any arises on DF, shall be decided by AERA, keeping in view the final pronouncement of the matter.

The Company has filed appeal against the order before CESTAT, New Delhi on October 10, 2016 and; has disclosed the amount of penalty of ₹ 131.89 crore as contingent liability. The date of hearing is yet to be notified by the Tribunal.

Further, the management of the Company is of the view that no adjustments are required to be made to these financial statements.

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

IV. Capital and Other Commitments:

i. Capital Commitments:

At March 31, 2018, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of ₹ 4.01 crore (March 31, 2017: ₹ 4.96 crore)] ₹ 154.99 crore (March 31, 2017: ₹ 138.92 crore).

ii. Other Commitments:

i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.

ii. 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 01, 2017.

iii. 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.

iv. 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. FY 2016-17. Pursuant to above, the Company had made Ind AS adjustments amounting to ₹ 184.79 crore as on March 31, 2016 and included 1/5th of the same i.e. ₹ 36.96 crore while computing book profit for FY 2016-17 and FY 2017-18 and paid MAT accordingly. The remaining amount of ₹ 110.87 crore will be adjusted in the three subsequent years while computing book profit for MAT.

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v. During previous year, the Company had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2026) of USD 522.60 mn, which is repayable in October 2026. Under this option, the Company has purchased a call option for USD 522.60 mn at a strike price of ₹ 66.85/ USD and written a call option for USD 522.60 mn at a strike price of ₹ 101.86/ USD at October 31, 2026. As per terms of the agreements, the Company is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), which is payable on quarterly basis. The Company has paid ₹ 140.73 crore towards premium till March 31, 2018 and remaining balance of ₹ 1,100.57 crore is payable as at March 31, 2018 (March 31, 2017:₹ 1,226.34 crore).

vi. During the previous year, the Company had entered into "Call spread Option" with various banks for hedging the repayment of part of 6.125% Senior secured notes (2022) of USD 80 million (out of USD 288.75 million), which is repayable in February 2022. Under this option, the Company has purchased a call option for USD 80.00 million at a strike price of ₹ 68.00/USD and written a call option for USD 80 million at a strike price of ₹85.00/USD at February, 2022. As per terms of the agreements, the Company is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable on quarterly basis. The Company has paid ₹ 18.46 crore towards premium till March 31, 2018 and remaining balance of ₹ 75.87 crore is payable as at March 31, 2018 (March 31, 2017: ₹ 94.33 crore).

Further during the current year, the Company has purchased a call option for remaining USD 208.75 million at a strike price of ₹ 63.80/USD and written a call option for USD 208.75 million at a strike price of ₹85.00/USD at February, 2022. As per terms of the agreements, the Company is required to pay premium of ₹ 198.34 crore (starting from January 2018 to January 2022), payable on quarterly basis. The Company has paid ₹ 0.26 crore towards premium till March 31, 2018 and remaining balance of ₹ 198.08 crore is payable as at March 31, 2018 (March 31, 2017: Nil).

With respect to Subsidiary, Joint ventures and associates:

vii. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited. As per the agreement, DIAL is committed to pay annually, premium fees to WAISL or receive from WAISL a concession fee, determined and mutually agreed on the basis of estimated receivable and subsistence level (as defined in the said MSA further amended vide addendum number 17, dated April 5, 2018). During year ended March 31, 2018, the Company accounted for ₹ 45.26 crore towards such concession fee from WAISL and this is included in revenue from operations (March 31, 2017: ₹ 2.75 crore as premium fee and was included in other expenses). This agreement was further amended vide addendum number 17, dated April 5, 2018, in which Antariksh Softtech Private Limited has also become the party to the agreement.

Also in case of delay in collection of dues from customers by WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. Till March 31, 2018, the Company has funded ₹ 11.02 Crore (March 31, 2017: ₹ 11.09 crore) towards shortfall in collection from customers.

viii. In respect of its equity investment in WAISL, the Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.

ix. The Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its

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shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.

x. The Company has committed to provide financial support to Delhi Aerotropolis Private Limited (Subsidiary Company) in proportion to its shareholding to meet the liabilities of Delhi Aerotropolis Private Limited (Subsidiary Company), as and when required.

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

Company Name	March 31, 2018		March 31, 2017	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Delhi Duty Free Services Private Limited	11,976,000	119,760,000	11,976,000	119,760,000
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

xii. 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.

xiii. 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 has invested ₹ 108.33 crore as Share Capital.

35. RELATED PARTY

35 a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited[1]
Intermediate holding company	GMR Infrastructure Limited
Holding company	GMR Airports Limited
Subsidiary company	Delhi Aerotropolis Private Limited
Associate company	Delhi Airport Parking Services Private Limited
	Travel Food Services (Delhi Terminal 3) Private Limited
	Delhi Duty Free Services Private Limited
	Celebi Delhi Cargo Terminal Management India Private Limited
	TIM Delhi Airport Advertising Private Limited

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Description of relationship	Name of the related parties
Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Chhattisgarh Energy Limited
	GMR Kamalanga Energy Limited
	Kakinada SEZ Limited[2] (formerly known as Kakinada SEZ Private Limited)
	GMR Warora Energy Limited
	GMR Pochanpalli Expressways Limited
	GMR Tambaram Tindivanam Expressways Limited
	GMR Consulting Services Limited
	GMR Energy Trading Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	GMR Sports Private Limited
	GMR Aero Technic Limited
	GMR Tuni Anakapalli Expressways Limited
Joint ventures (where transactions have taken place)	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited
	Wipro Airport IT Services Limited
	GMR Bajoli Holi Hydropower Private Limited[3]
Enterprises in respect of which the company is a joint venture	Airports Authority of India
	Fraport AG Frankfurt Airport Services Worldwide
Associate of member of a Group of which DIAL is a member	GMR Megawide Cebu Airport Corporation
Enterprises where significant influence of Key management Personnel or their relatives exists	GMR Varalaksmi Foundation
Post-employment benefit plan of the entity	DIAL Employee's provident fund trust
Key Management personnel	Mr. Srinivas Bommidala[4]- Managing Director
	Mr. Grandhi Kiran Kumar - Executive Director
	Mr. K. Narayana Rao - Whole Time Director
	Mr. R.S.S.L.N. Bhaskarudu - Independent Director
	Ms.Kameswari Vissa - Independent Director
	Mr. N.C. Sarabeswaran - Independent Director
	Mr. K.P. Rao - Non- Executive Director
	Mr. Matthias Engler- Non- Executive Director
	Mr. G. Subba Rao – Director
	Mr. S. Suresh - Director (AAI Nominee)
	Mr. A.K. Dutta - Director (AAI Nominee)
	Mr. G.B.S. Raju[4] – Director
	Mr. M. Ramachandran - Independent Director
Key Management personnel of holding company	Mr. G.M. Rao[5]

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1. GMR Holdings Private Limited and GMR Projects Private Limited has been amalgamated with GMR Enterprises Private Limited (Transferee Company), pursuant to approval of scheme of amalgamation and arrangements by Hon'ble High Court of Madras vide its order No. 8471/16 dated July 06, 2016 effective from August 10, 2016.
2. Kakinada SEZ Private Limited is converted into a Public Company upon completion of all regulatory compliances. Consequently, the name of the Company has been changed to Kakinada SEZ Limited with effect from October 20, 2016.
3. W.e.f. from September 11, 2017, the Company has entered into a share subscription cum shareholder's agreement for acquisition of 17.33% of shareholding in GMR Bajoli Holi Hydropower Private Limited. The Company holds 20.85% of shareholding in GMR Bajoli Holi Hydropower Private Limited as at March 31, 2018. Pursuant to terms of the agreement, GMR Bajoli Holi Hydropower Private Limited has become a joint venture of the Company.
4. Mr. Srinivas Bommidala ceased to be the Managing Director of the Company w.e.f. end of business hours of March 31, 2018.Appointment of Mr. G.B.S. Raju as Managing Director in place of Mr. Srinivas Bommidala w.e.f. April 01, 2018.
5. W.e.f. April 01, 2018, Mr. G.M. Rao would be Executive Chairman of the company.

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

Balances as at Date	March 31, 2018	March 31, 2017
Investments in subsidiary, associates and Joint Ventures		
Investments in Unquoted Equity Share		
Subsidiary Company		
Delhi Aerotropolis Private Limited	0.10	0.10
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Delhi Duty Free Services Private Limited	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	5.60	5.60
TIM Delhi Airport Advertising Private Limited	9.22	9.22
Delhi Airport Parking Services Private Limited	40.64	40.64
Joint Ventures		
Delhi Aviation Services Private Limited	12.50	12.50
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
GMR Bajoli Holi Hydropower Private Limited	108.33	-
Trade Receivables (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	0.36	0.47
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.07	0.04
Associate Companies		
Delhi Duty Free Services Private Limited	16.37	13.17
TIM Delhi Airport Advertising Private Limited	30.37	30.35
Delhi Airport Parking Services Private Limited	2.69	2.30
Travel Food Services (Delhi Terminal 3) Private Limited	0.86	1.02
Celebi Delhi Cargo Terminal Management India Private Limited	15.57	14.35
Wipro Airport IT Services Limited	37.35	-

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

Balances as at Date	**March 31, 2018**	**March 31, 2017**
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	0.50	0.30
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.02	0.18
GMR Consulting Services Limited	-	1.26
GMR Chhattisgarh Energy Limited	-	1.21
GMR Warora Energy Limited	1.46	0.11
GMR Vemagiri Power Generation Limited	0.41	0.90
GMR Kamalanga Energy Limited	0.23	0.35
GMR Aero Technic Limited	0.03	-
Other Financial Assets - Current		
Unbilled revenue (including Utility recovery not billed)		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	1.16	1.09
Other recoverables		
Subsidiary Company		
Delhi Aerotropolis Private Limited	0.06	0.14
Joint Ventures		
Delhi Aviation Services Private Limited	0.06	0.13
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Wipro Airport IT Services Limited	8.09	6.27
GMR Bajoli Holi Hydropower Private Limited	0.03	0.01
Associate Companies		
Delhi Airport Parking Services Private Limited	0.30	0.08
Travel Food Services (Delhi Terminal 3) Private Limited	0.05	0.17
Celebi Delhi Cargo Terminal Management India Private Limited	0.02	0.19
Delhi Duty Free Services Private Limited	0.06	0.05
TIM Delhi Airport Advertising Private Limited	0.10	0.32
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	6.80	7.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Consulting Services Limited	0.01	-
GMR Warora Energy Limited	0.01	-
Kakinada SEZ Limited	0.10	0.17
GMR Hyderabad International Airport Limited	0.13	0.23
GMR Male International Airport Private Limited	1.37	1.40
GMR Energy Limited	-	0.01
GMR GOA International Airport Limited	0.25	0.25
GMR Energy Trading Limited	0.18	-

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

Balances as at Date	**March 31, 2018**	**March 31, 2017**
GMR Pochanpalli Expressways Limited	0.01	-
Associate of member of a Group of which DIAL is a member		
GMR Megawide Cebu Airport Corporation	0.07	0.08
Reversal of Unbilled Revenue		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.29
Delhi Airport Parking Services Private Limited	-	0.59
Non- Trade Receivables (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	0.12	0.05
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	3.38	0.71
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Consulting Services Limited	-	0.78
GMR Chhattisgarh Energy Limited	0.02	0.24
GMR Tambaram Tindivanam Expressways Limited	0.01	0.03
GMR Warora Energy Limited	0.23	0.10
GMR Kamalanga Energy Limited	0.22	0.02
GMR Aviation Private Limited	-	0.02
GMR Vemagiri Power Generation Limited	0.27	0.18
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.20	0.37
Celebi Delhi Cargo Terminal Management India Private Limited	0.10	0.58
Delhi Airport Parking Services Private Limited	0.33	0.16
TIM Delhi Airport Advertising Private Limited	0.21	0.23
Delhi Duty Free Services Private Limited	1.28	1.20
Joint Ventures		
Delhi Aviation Services Private Limited	0.91	0.74
Wipro Airport IT Services Limited	23.76	-
GMR Bajoli Holi Hydropower Private Limited	0.07	0.03
Loans - Advances- Non-Current		
Joint Ventures		
Wipro Airport IT Services Limited	2.82	2.82
Provision for Doubtful Advances		
Joint Ventures		
Wipro Airport IT Services Limited	2.82	2.82
Trade payable (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	1.93	11.88

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

Balances as at Date	March 31, 2018	March 31, 2017
Holding company		
GMR Airports Limited	44.43	8.93
Enterprises in respect of which the company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	93.86	79.99
Airports Authority of India	62.31	113.31
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	1.50	2.77
GMR Energy Trading Limited	-	2.33
GMR Airport Developers Limited	0.36	-
GMR Vemagiri Power Generation Limited	0.02	-
GMR Sports Private Limited	0.01	-
GMR Tuni Anakapalli Expressways Limited	0.17	-
Other Financial Liabilities at amortised cost- Non-current		
Liability for Voluntary retirement scheme		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	1.35	16.85
Other Financial Liabilities at amortised cost- Current		
Liability for voluntary retirement scheme		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	15.47	14.45
Other Financial Liabilities at amortised cost- Current		
Earnest Money Deposit		
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	-	0.05
Other Financial Liabilities at amortised cost- Current		
Security Deposits from trade concessionaires		
Associate Companies		
Delhi Duty Free Services Private Limited	1.10	1.19
Celebi Delhi Cargo Terminal Management India Private Limited	0.01	-
Delhi Airport Parking Services Private Limited	0.01	0.01
Joint Ventures		
Delhi Aviation Services Private Limited	0.09	0.06
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.11	-
Other Financial Liabilities at amortised cost- Non Current		
Security Deposits from trade concessionaires		
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	23.09	20.48
Delhi Aviation Services Private Limited	11.49	10.24

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Balances as at Date	March 31, 2018	March 31, 2017
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	21.26	17.91
Delhi Airport Parking Services Private Limited	0.77	0.68
Delhi Duty Free Services Private Limited	102.69	89.73
TIM Delhi Airport Advertising Private Limited	9.07	7.91
Travel Food Services (Delhi Terminal 3) Private Limited	2.80	1.44
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.20	-
Deferred Revenue		
Unearned Revenue		
Associate Companies		
TIM Delhi Airport Advertising Private Limited	0.31	0.13
Delhi Airport Parking Services Private Limited	0.01	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.25	-
Delhi Duty Free Services Private Limited	0.16	-
Celebi Delhi Cargo Terminal Management India Private Limited	0.56	-
Deferred Revenue		
Deferred Income on financial liabilities carried at amortised cost - Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.15	0.15
Delhi Duty Free Services Private Limited	12.99	12.70
Celebi Delhi Cargo Terminal Management India Private Limited	5.51	5.12
TIM Delhi Airport Advertising Private Limited	1.60	1.60
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	0.15
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	6.39	6.30
Delhi Aviation Services Private Limited	1.02	1.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.03	-
Deferred Income on financial liabilities carried at amortised cost - Non-Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	1.86	2.01
Delhi Duty Free Services Private Limited	82.74	93.99
Celebi Delhi Cargo Terminal Management India Private Limited	87.56	86.60
TIM Delhi Airport Advertising Private Limited	17.72	19.49
Travel Food Services (Delhi Terminal 3) Private Limited	3.04	0.39
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	105.49	110.62

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Balances as at Date	March 31, 2018	March 31, 2017
Delhi Aviation Services Private Limited	1.38	2.41
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	-	0.09
GMR Aero Technic Limited	0.03	-
Other liabilities-Current		
Advances from customer		
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	0.31	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Tambaram Tindivanam Expressways Limited	0.47	-

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

Transactions During the period	March 31, 2018	March 31, 2017
Non-current investments		
Investment made in Equity Share		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	-	2.40
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	108.33	-
Security Deposits from trade concessionaires		
Security Deposits Received		
Associate Companies		
Delhi Airport Parking Services Private Limited	-	0.29
Celebi Delhi Cargo Terminal Management India Private Limited	7.95	-
Delhi Duty Free Services Private Limited	3.97	0.67
Travel Food Services (Delhi Terminal 3) Private Limited	4.33	-
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	-	10.64
Delhi Aviation Services Private Limited	0.04	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.25	-
Security Deposits Refunded		
Associate Companies		
Delhi Duty Free Services Private Limited	0.12	0.30
Marketing Fund Billed		
Associate Companies		
Delhi Duty Free Services Private Limited	11.21	10.35
Travel Food Services (Delhi Terminal 3) Private Limited	0.86	0.67
Delhi Airport Parking Services Private Limited	0.01	0.01
Marketing Fund Utilised		
Associate Companies		
Delhi Duty Free Services Private Limited	10.87	1.72

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Transactions During the period	**March 31, 2018**	**March 31, 2017**
TIM Delhi Airport Advertising Private Limited	0.36	0.46
Travel Food Services (Delhi Terminal 3) Private Limited	0.05	0.03
Utilization of advance from commercial property developers		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	2.63	1.76
Raxa Security Services Limited	-	1.15
Post-employment benefit plan of the entity		
Contribution to PF trust		
DIAL Employee's provident fund trust	12.52	10.33
Dividend Paid		
Holding company		
GMR Airports Limited	101.92	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	41.41	-
Fraport AG Frankfurt Airport Services Worldwide	15.92	-
Non-aeronautical revenue		
Intermediate holding company		
GMR Infrastructure Limited	2.61	2.43
Joint Venture		
Delhi Aviation Fuel Facility Private Limited	18.43	17.15
Delhi Aviation Services Private Limited	8.22	6.78
Wipro Airport IT Services Limited	45.26	-
GMR Bajoli Holi Hydropower Private Limited	1.69	0.79
Associate Companies		
TIM Delhi Airport Advertising Private Limited	171.28	142.24
Celebi Delhi Cargo Terminal Management India Private Limited	189.45	151.72
Travel Food Services (Delhi Terminal 3) Private Limited	22.17	16.39
Delhi Duty Free Services Private Limited	363.59	331.91
Delhi Airport Parking Services Private Limited	25.81	18.50
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Aviation Private Limited	0.06	0.05
GMR Chhattisgarh Energy Limited	-	1.05
GMR Consulting Services Limited	-	1.05
GMR Tambaram Tindivanam Expressways Limited	2.60	2.43
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	1.69	1.84
GMR Vemagiri Power Generation Limited	1.69	0.79
GMR Kamalanga Energy Limited	1.69	0.79
GMR Aero Technic Limited	0.03	-
Non-Aeronautical - Income on Security deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.15	0.21
TIM Delhi Airport Advertising Private Limited	1.63	1.62
Delhi Duty Free Services Private Limited	13.09	12.91
Celebi Delhi Cargo Terminal Management India Private Limited	5.55	5.22
Travel Food Services (Delhi Terminal 3) Private Limited	0.38	0.15

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Transactions During the period	March 31, 2018	March 31, 2017
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	4.49	8.69
Delhi Aviation Services Private Limited	1.03	1.03
Aeronautical Revenue		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.19	0.27
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.09	0.11
Other Income		
Dividend Income on Non-current Investments		
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	8.53	14.07
Delhi Aviation Services Private Limited	5.00	2.50
Associate Companies		
Delhi Duty Free Services Private Limited	32.93	23.55
TIM Delhi Airport Advertising Private Limited	9.68	9.22
Delhi Airport Parking Services Private Limited	10.16	2.03
Celebi Delhi Cargo Terminal Management India Private Limited	1.46	-
Interest Income on Financial Assets carried at amortised cost		
Joint Ventures		
Delhi Aviation Services Private Limited	-	0.19
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	2.62	0.97
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Tambaram Tindivanam Expressways Limited	-	0.01
Remuneration to key managerial personnel		
Short-term employee benefits		
Mr. Grandhi Kiran Kumar	3.94	2.72
Mr. Srinivas Bommidala	3.94	2.72
Mr. K. Narayana Rao	1.60	1.32
*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.		
Annual Fee		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	1,761.47	2,634.84
Finance cost		
Other cost - Interest on Revenue share		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	2.49	4.87
Other Interest		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.16

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Transactions During the period	March 31, 2018	March 31, 2017
Finance Cost- Interest expense on financial liablity carried at amortised cost		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.08	0.12
TIM Delhi Airport Advertising Private Limited	0.99	0.86
Delhi Duty Free Services Private Limited	11.16	9.85
Celebi Delhi Cargo Terminal Management India Private Limited	2.31	1.96
Travel Food Services (Delhi Terminal 3) Private Limited	0.19	0.16
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	2.04	2.79
Delhi Aviation Services Private Limited	1.25	1.12
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	2.65	4.16
Reversal of finance cost- Interest on borrowings		
Joint ventures		
Wipro Airport IT Services Limited	-	7.01
CSR activities/Donations		
Enterprises where significant influence of key Management personnel or their relative exists		
GMR Varalakshmi Foundation	5.42	6.14
Consultancy fees paid		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	-	0.07
Airports Authority of India	-	0.12
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	45.11	40.20
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	171.87	151.05
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	20.89	37.90
Holding company		
GMR Airports Limited	64.12	38.03
Travelling & Conveyance- Chartering Cost		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	4.28	3.67
Meetings and Seminars		
Holding company		
GMR Airports Limited	0.20	-
Security related expenses		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	22.47	15.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Transactions During the period	March 31, 2018	March 31, 2017
Information technology and related expenses		
Joint Ventures		
Wipro Airport IT Services Limited	-	2.75
Repair and Maintenance - IT System		
Joint Ventures		
Wipro Airport IT Services Limited	0.19	0.08
Utility Expenses		
Electricity charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Trading Limited	31.83	3.32
Electricity charges recovered		
Intermediate holding company		
GMR Infrastructure Limited	0.12	0.12
Joint Ventures		
Delhi Aviation Services Private Limited	12.87	12.10
GMR Bajoli Holi Hydropower Private Limited	0.16	0.02
Associate Companies		
Delhi Airport Parking Services Private Limited	1.86	1.76
Celebi Delhi Cargo Terminal Management India Private Limited	10.94	14.61
TIM Delhi Airport Advertising Private Limited	3.28	3.23
Travel Food Services (Delhi Terminal 3) Private Limited	3.12	3.15
Delhi Duty Free Services Private Limited	1.97	2.51
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	0.01
GMR Chhattisgarh Energy Limited	-	0.18
GMR Warora Energy Limited	0.27	0.28
GMR Tambaram Tindivanam Expressways Limited	0.12	0.12
GMR Consulting Services Limited	-	0.33
GMR Vemagiri Power Generation Limited	0.29	0.16
GMR Kamalanga Energy Limited	0.18	0.02
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	17.07	15.93
Water charges recovered		
Joint Ventures		
Delhi Aviation Services Private Limited	0.11	0.11
GMR Bajoli Holi Hydropower Private Limited	0.02	0.01
Associate Companies		
Delhi Airport Parking Services Private Limited	0.41	0.43
Travel Food Services (Delhi Terminal 3) Private Limited	0.39	0.35
Celebi Delhi Cargo Terminal Management India Private Limited	1.27	1.18
Delhi Duty Free Services Private Limited	0.02	0.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Chhattisgarh Energy Limited	-	0.01
GMR Warora Energy Limited	0.01	0.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Transactions During the period	March 31, 2018	March 31, 2017
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.61
Water charges recoverable written off		
Enterprises in respect of which the Company is a joint venture		
Airport Authority of India	-	0.99
Directors' sitting fees		
Key management personnel		
Mr.R.S.S.L.N. Bhaskarudu	0.06	0.06
Ms. Kameswari Vissa	0.05	0.05
Mr. K.P. Rao	-	0.02
Mr. N.C. Sarabeswaran	0.05	0.05
Mr. G. Subba Rao	0.03	0.03
Mr. G.B.S. Raju	0.01	0.01
Mr. Matthias Engler	-	0.02
Mr. S. Suresh	0.01	0.02
Mr. A.K. Dutta	0.01	0.01
Mr. M. Ramachandran	0.05	0.02
Key Management personnel of holding company		
Mr. G.M. Rao	0.01	0.01
Recovery of Collection Charges		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	3.07	-
Expenses incurred by Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	0.02	0.01
Holding company		
GMR Airports Limited	4.74	6.19
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	-
Joint Ventures		
Delhi Aviation Services Private Limited	0.60	0.46
Wipro Airport IT Services Limited	20.14	-
GMR Bajoli Holi Hydropower Private Limited	0.01	0.01
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	0.54	0.43
TIM Delhi Airport Advertising Private Limited	0.64	0.61
Delhi Airport Parking Services Private Limited	0.57	0.54
Travel Food Services (Delhi Terminal 3) Private Limited	0.45	0.42
Delhi Duty Free Services Private Limited	0.35	0.31
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.01	0.03
GMR Tuni Anakapalli Expressways Limited	0.02	0.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Transactions During the period	March 31, 2018	March 31, 2017
GMR Pochanpalli Expressways Limited	0.04	0.01
GMR Consulting Services Limited	0.01	-
Raxa Security Services Limited	0.30	1.07
Kakinada SEZ Limited	0.08	0.10
GMR Hyderabad International Airport Limited	-	0.14
GMR Energy Trading Limited	0.02	0.01
Expenses incurred by related parties on behalf of Company		
Intermediate Holding company		
GMR Infrastructure Limited	0.02	-
Holding company		
GMR Airports Limited	0.18	0.47
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.10	0.06
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	-	0.04
GMR Sports Private Limited	-	0.01

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

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

Terms and Condition of transaction with related parties:

Outstanding balances at the year-end are secured/ unsecured and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties:

The commitments in respect of related parties are provided in note 34(IV) above, forming part of these financial statements.

Transactions with key management personnel

The transaction with key management personnel includes the payment of directors sitting fees and managerial remuneration which are provided in note 35(c) above. There are no other transactions with Key management personnel.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

36. SEGMENT INFORMATION

The Company has only one reportable business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

Major customers: Revenue from one customer of the Company is approximately ₹ 376.68 crore of the Company's total revenues (March 31, 2017: Revenue from two customers of the company is approximately ₹ 1,473.48 crore of the company's total revenues)

37. FAIR VALUES

The carrying amount of all financial assets and liabilities (except for investment of mutual funds and certain assets and liabilities, i.e. "Instruments carried at fair value") appearing in the financial statements is reasonable approximation of fair values. Such investments carried at fair value are disclosed below:

Particulars	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Investment in mutual fund	2,206.19	2,092.72	2,206.19	2,092.72
Derivative asset effective hedges	0.97	-	0.97	-
Total	**2,207.16**	**2,092.72**	**2,207.16**	**2,092.72**
Financial liabilities				
Derivative liability effective hedges	-	42.58	-	42.58
Total	**-**	**42.58**	**-**	**42.58**

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 March 31, 2018, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

38. FAIR HIERARCHY

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2018:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
Investment in mutual fund	March 31, 2018	2,206.19	2,206.19	-	-
Cash flow hedges-Call spread option	March 31, 2018	0.97	-	0.97	-
Total		**2,207.16**	**2,206.19**	**0.97**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2017:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment in mutual fund	March 31, 2017	2,092.70	2,092.70	-	-
Liability measured at fair value					
Cash flow hedges-Call spread option	March 31, 2017	42.58	-	42.58	-

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

39. RISK MANAGEMENT

Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management team that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017:

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 34.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at March 31, 2018 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to risk of changes in market interest rates as the borrowings of the company are at fixed rate of interest.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from banks.

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.

Company Name	March 31, 2018		March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency call spread options designated as hedging instruments	0.97	-	-	(42.58)

As at March 31, 2018, for call spread options of USD 602.60 million, the USD spot rate is below the USD call option strike price and hence not covered in hedge relationship in respect of hedge instruments. However, prospective testing is done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

For call spread options of ₹ 208.75 million, taken during the year, the USD spot rate is above the USD call option strike price. Accordingly, an amount of ₹ 33.82 crores has been released from Cash flow hedge reserve to Statement of Profit and Loss to neutralize the impact of Foreign exchange loss included in Statement of Profit and Loss.

As on March 31, 2017, the USD spot rate was below the USD call option strike price and hence not covered in hedge relationship in respect of hedge instruments. However, prospective testing was done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. There was no re-classification to profit or loss during the previous year for gains or losses included in Statement of Profit and Loss.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of liabilities including non-designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and Interest rate swap. The Company's exposure to foreign currency changes for all other currencies is not material.

	March 31, 2018	March 31, 2017
	Impact on profit before tax	
USD Sensitivity		
INR/USD- Increase by 5%	(6.53)	(73.83)
INR/USD- decrease by 5%	6.53	73.83
EURO Sensitivity		
INR/EURO- Increase by 5%	(0.13)	(0.14)
INR/EURO- decrease by 5%	0.13	0.14
GBP Sensitivity		
INR/GBP Increase by 5%	(0.16)	-
INR/GBP- decrease by 5%	0.16	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Liquidity risk

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. None of the Company's debt will mature in less than one year at March 31, 2018 (March 31, 2017: Nil) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2018						
Borrowings	-	-	-	1,886.69	3,414.67	5,301.36
Trade payables	-	412.01	-	-	-	412.01
Other financial liabilities	236.38	142.26	76.82	186.13	2,124.70	2,766.29
Total	**236.38**	**554.27**	**76.82**	**2,072.82**	**5,539.37**	**8,479.66**
As at March 31, 2017						
Borrowings	-	-	-	1,894.20	3,428.26	5,322.46
Trade and other payables	-	431.44	-	-	-	431.44
Other financial liabilities	61.94	202.06	81.83	179.53	2,300.85	2,826.21
Total	**61.94**	**633.50**	**81.83**	**2,073.73**	**5,729.11**	**8,580.11**

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables- Customer credit risk is managed by Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's senior management on regular basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts of Trade Receivables.

Collateral

As at March 31, 2018 the security provided to bond holders and working capital facilities is as below;

(i) A first ranking pari passu charge/ assignment of all insurance policies, contractors' guarantees and liquidated damages to the maximum extent permissible under the OMDA and the Escrow Account Agreement;

(ii) A first ranking pari passu charge/assignment of all the rights; titles, permits, approvals and interests of the Borrower in, to and in respect of the Project Documents, in accordance with and to the maximum extent permitted under the OMDA and the Escrow Account Agreement;

(iii) A first ranking pari passu charge on all the revenues / receivables of the Borrower (excluding dues to the Authority) subject to the provisions of the Escrow Account Agreement and the OMDA.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

40. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The Company's policy is to keep the gearing ratio below 80%, which is reviewed at end of each financial year.

	March 31, 2018	March 31, 2017
Borrowings	5,249.12	5,261.97
Total debts (A)	**5,249.12**	**5,261.97**
Share Capital	2,450.00	2,450.00
Other Equity	418.08	558.65
Total Equity (B)	**2,868.08**	**3,008.65**
Total equity and total debt (C=A+B)	**8,117.20**	**8,270.62**
Gearing ratio (%) (A/C)	64.67%	63.62%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

41. OTHER DISCLOSURES

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

(i) The Company had accrued Development Fee (DF) amounting to ₹ 350 crore during the year 2012-13, earmarked for construction of Air Traffic Control (ATC) tower; currently work is under progress as at March 31, 2018. DF amounting to ₹ 350 crore (March 31, 2017: ₹ 350 crore) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2018.

The total expenditure incurred on construction of ATC tower is ₹ 398.62 crore till March 31, 2018 which exceeds the earmarked DF of ₹ 350 crore, as the construction got delayed due to security reasons and additional requirements from time to time.

As per the approval in DIAL Board Meeting held on May 11, 2017, the Company has written a letter to AAI for reimbursement of additional expense. However, pending acceptance by AAI, additional amount of ₹ 48.62 crore is shown under Capital Work in Progress (CWIP) as at March 31, 2018 (March 31, 2017: ₹ 43.07 crores).

(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 ₹ 200 to ₹ 100 and from ₹ 1,300 to ₹ 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. Further, AERA has issued order No.47/2015-16 dated January 25, 2016, restricting cutoff date for collection of ADF upto April 30, 2016. As per the order, AERA has granted AAI, six months' time after cutoff date i.e April 30, 2016 to reconcile and close the account, and to arrive at the over recovery / under recovery of ADF. However, the same has not yet been finalized. This over / under recovery will be accounted for on final reconciliation of ADF pending with AAI. However, DIAL has collected the DF receivable in full and settled the DF loan on May 28, 2016.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

b) The Company has a receivable of ₹262.36 crore as at March 31, 2018 (March 31, 2017: ₹ 567.47 crores) (including unbilled revenue) 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 year, Air India Limited has made a bullet payment of ₹ 173 crores; in addition to payment received through Airport Enhancement and Financing Service Agreement ('Financing Service Agreement') with International Air Transport Association ('IATA'). In view of latest payment received, continuing Financing Service Agreement with IATA for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Company considers its dues from Air India as good and fully recoverable.

c) **Particulars of un-hedged and un-discounted foreign currency exposure as at the Balance sheet date are as under:**

Particulars	March 31, 2018			March 31, 2017		
	Amount (₹ In Crore)	Currency	Foreign Currency in Crore	Amount (₹ In Crore)	Currency	Foreign Currency in Crore
Other current Financial Liabilities	33.36	USD	0.51	107.02	USD	1.62
Trade Payable	2.66	EUR	0.03	2.64	EUR	0.04
	3.15	GBP	0.03	0.17	GBP	0.00
	0.04	SGD	0.00	0.03	SGD	0.00
	-	MYR	-	0.01	MYR	0.00
	116.51	USD	1.78	15.70	USD	0.25
Borrowings	-	USD	-	1,369.40	USD	20.88
Trade Receivable	16.37	USD	0.25	13.17	USD	0.20
Non-Trade Receivables	1.19	USD	0.02	1.06	USD	0.02
Advance to suppliers	1.44	USD	0.02	1.46	USD	0.02

Closing exchange rates in ₹ :

Currency	March 31, 2018	March 31, 2017
EUR	80.81	69.29
GBP	92.28	80.90
SGD	49.82	46.41
MYR	-	14.65
USD	65.34	65.60

d) **Additional information :**

i) **Earnings in foreign currency (On accrual basis, excluding service tax/GST)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Non-Aeronautical Services (Revenue from concessionaires)	356.51	325.10
Aeronautical Services (Revenue from airlines)	192.18	782.02
Total	**548.69**	**1,107.12**

ii) **CIF value of imports (On accrual basis)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Import of capital goods	12.83	13.27
Import of stores and spares	2.65	4.05
Total	**15.48**	**17.32**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

iii) Expenditure in foreign currency (On accrual basis)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings (including exceptional items)	336.43	253.89
Professional and consultancy expenses	9.63	1.44
Finance costs	4.12	26.63
Other expenses	17.27	13.27
Travelling and Conveyance	0.02	1.27
Total	**367.47**	**296.50**

iv) Consumption of stores and spares during the year:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	%	Amount	%	Amount
Imported	10.39	2.41	15.99	4.15
Indigenous	89.61	20.79	84.01	21.79
Total	**100**	**23.20**	**100**	**25.94**

e) 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.

f) These financial statements of the Company do not include billing to airlines for DF by the Company. As per the Management, DIAL's responsibility is restricted only to the billing on behalf of Airports Authority of India (AAI) in accordance with provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.

g) The Company has received advance development costs of ₹ 660.06 crore (March 31, 2017: ₹ 660.06 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2018, the Company has incurred development expenditure of ₹ 519.19 crore (March 31, 2017: ₹ 469.72 crore) which has been adjusted against the aforesaid advance and balance amount of ₹ 140.87 crore (March 31, 2017: ₹ 190.34 crore) is disclosed under other liabilities.

h) 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 March 31, 2018, the Company has billed ₹ 116.62 crore (March 31, 2017: ₹ 92.48 crore) towards such Marketing Fund and has incurred expenditure amounting to ₹ 65.11 crore (March 31, 2017: ₹ 39.05 crore) (net of income on temporary investments) till March 31, 2018 from the amount so collected. The balance amount of ₹ 51.51 crore pending utilization as at March 31, 2018 (March 31, 2017:₹53.43 crore); as marketing fund billing and utilization was not forming part of marketing fund) against such sales promotion activities is included under "Other current liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.

i) The Company is of the view that certain income/ credits arising on adoption of Ind-AS were not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of

Notes to the Standalone Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Profit and Loss do not represent receipts from business operations from any external sources and therefore, these incomes/ credits should not form part of "Revenue" as defined in OMDA for the purpose of calculating monthly annual fee (MAF) payable to AAI. Accordingly, the Company, based on legal opinion and discussions with consultants, has provided the MAF to AAI based on Revenue as per the Ind AS financial statements after adjusting such incomes/credits. Detail of such incomes / credits are as under:

Description	Incomes forming part of	For the year ended March 31, 2018	For the year ended March 31, 2017
Construction income from commercial property developers	Other operating income	49.47	43.13
Discounting on fair valuation of deposits taken from commercial property developers	Other operating income	26.67	25.91
Discounting on fair valuation of deposits taken from concessionaires	Sale of services – Non Aeronautical	52.54	37.75
Discounting on fair valuation of deposits given	Other income	0.39	0.14
Unrealised foreign exchange difference on borrowings	Other income	53.26	96.34
Reversal of Fair value of financial instruments Interest Rate Swap on actual settlement	Other income	-	6.17

j) The Comptroller and Auditor General of India (CAG) had conducted the performance audit of PPP (Public Private Partnership) project of AAI at Delhi Airport for the period 2006 to 2012. CAG has presented its report before Rajya Sabha on August 17, 2012 wherein they have made certain observations on the Company. The Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Loksabha vide its Ninety fourth report in February 2014.

The Management of the Company is of the view that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

k) As per the transfer pricing rules prescribed under the Income tax act, 1961, the Company is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions during year ended March 31, 2018.

l) During the previous year ended March 31, 2017, the Company had refinanced its existing external commercial borrowings of USD 83.92 million and rupee term loans of ₹ 2,928.20 crore outstanding as at October 20, 2016; by issuance of 6.125% senior secured notes (2026) of USD 522.60 million. As a result of such refinancing, the Company had incurred the following costs:

The prepayment charges of ₹ 40.80 crore had been paid to various erstwhile lenders on prepayment of existing external commercial borrowings and rupee term loans outstanding as on the date of repayment / prepayment.

The above amount of ₹ 40.80 crore had been disclosed as "Exceptional Items" in the Statement of profit and loss.

In addition to above, Interest Rate Swap (IRS) which was outstanding on the existing external commercial borrowings was cancelled, resulting in breakage cost of ₹ 8.17 crore, had been adjusted from fair valuation loss of IRS' provided in earlier years and had been disclosed under 'other income' in the Statement of profit and loss.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

The Arbitral Award was passed by the Hon'ble Arbitral Tribunal which was received by the Company on September 08, 2017. The favorable award passed in majority by Tribunal granting ₹ 115.89 crores award to DIAL and directing it to settle the award against security deposits of ₹ 192.88 crores lying with the Company and pay the balance ₹ 76.99 crores to the Developer. However, one of the arbitrators has passed the dissenting order granting award in favor of Developer amounting to ₹ 416.86 crores. Dissenting award granted by one of the arbitrators is not enforceable / binding on the parties, being the minority order /dissenting opinion.

Accordingly, DIAL has deposited payment of ₹76.13 crore (net of recovery of arbitration cost of ₹ 0.86 crore) in the Hon'ble High Court of Delhi as per arbitration award.

Further, both the parties have their respective rights to challenge the Arbitral Award before the Hon'ble High court of Delhi as per Section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), within 90 days from the date of receipt of award order. Consequently, Silver resort has filed an appeal against the arbitration award before the Hon'ble High court. The matter was heard for arguments on April 26, 2018 and the judgment is reserved.

n) 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.

o) 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 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 has received SEIS scrips of ₹ 31.14 crore, having validity till September 30, 2019. The Company has so far utilized ₹ 0.44 crore out of these scrips. Considering the major expansion plans at the IGI airport, the Company is evaluating various options for utilization of these Scrips. The Company has accounted the amount utilized and remaining scrips of ₹ 30.70 crore at fair value of ₹ 29.83 crore (97% of face value of the scrips) as "Other Incomes" in the Statement of Profit and Loss.

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; which is presently under litigation with respect to Annual Fee payable towards AAI/ on the same.

Further, based on the legal opinion obtained, the Government Grants are not part of "Revenue" under OMDA. Accordingly, Management believes that, no Annual Fee is payable as per the provisions of OMDA, and has not been provided in the standalone financial statements.

p) As per notification number G.S.R.308(E) dated March 30, 2017, the Ministry of Corporate Affairs the central government have made amendment to schedule III of Companies Act 2013, requiring every company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016.

The required details for the company are provided in the table below: (Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,289,000	16,460	1,305,460
(+) Permitted receipts#	1,262,000	1,487,519	2,749,519
(-) Permitted payments	-	(340,287)	(340,287)
(-) Amount deposited in Banks	(2,546,000)	(1,071,576)	(3,617,576)
Closing cash in hand as on 30.12.2016*	5,000	92,116	97,116

includes SBNs of ₹ 518,500 received by the Company through Lost and Found section at airport terminals.

includes SBNs of ₹ 203,000 received by the Company through non-scheduled airlines.

*₹ 5000 of SBN's as on 30.12.2016 were stale which could not be deposited in bank and accordingly written off later during the previous year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

q) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115- Revenue from Contracts with Customers

Ind AS 115 'Revenue from Contracts with Customers' was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company for the annual period beginning on or after April 1, 2018 and permits two possible methods of transition:

(i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

(ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any major impact on the company as the company has no major deductible temporary differences or assets that are in the scope of the amendments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

r) Audited figures as at and for the year ended March 31, 2017 were audited by another firm along with M/s S.R. Batliboi & Associates LLP.

s) 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.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : May 2, 2018

As per our report of even date

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : May 2, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 2, 2018

Independent Auditor's Report

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

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) (hereinafter referred to as "the Holding Company"), its subsidiary, associates and joint ventures (the Holding Company, its subsidiary, associates and joint ventures together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's management is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiary, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTER

(a) The accompanying consolidated Ind AS financial statements include Group's share of net profits (including other comprehensive income) of ₹ 18.40 crore (March 31, 2017: ₹ 62.46 crore) for the year ended on that date in respect of 2 associates (March 31, 2017: 4 associates and 1 joint venture) and also include, total assets of ₹ 0.10

crore as at March 31, 2017, total revenues (including other income) and net cash inflows of ₹ 0.01 crore and ₹ 0.02 crore respectively for the year ended on that date, in respect of 1 subsidiary, which have been audited by one of us in individual capacity.

(b) The consolidated Ind AS financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 78.29 crore for the year ended March 31, 2018 (March 31, 2017: 7.92 crore), as considered in the consolidated financial statements, in respect of 3 associate and 4 joint venture (March 31, 2017: 1 associate and 2 joint venture), whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, associates and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, associates and joint ventures, is based solely on the report(s) of such other auditors.

(c) The Consolidated Ind AS Financial Statements of the Group for the year ended March 31, 2017, included in these Consolidated Ind AS Financial Statements, have been audited by the S.R.Batliboi & Associates LLP and Brahmayya and Co. (the 'predecessor joint auditors') who expressed unmodified opinion on those statements on August 09, 2017.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary, associates and joint ventures incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary, associates and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report; except in case of Travel Foods Services (Delhi Terminal 3) Private Limited, in view of the exemption available in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 35(II) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary, associates and joint ventures incorporated in India during the year ended March 31, 2018.

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

per Yogesh Midha
Partner
Membership Number: 094941
Place : New Delhi
Date : July 24, 2018

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

per Hitesh Kumar P
Partner
Membership Number: 233734
Place : New Delhi
Date : July 24, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF DELHI INTERNATIONAL AIRPORT LIMITED (FORMERLY KNOWN AS DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiary, associates and joint ventures, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company, its subsidiary, associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 2 associates (March 31, 2017: 1 subsidiary, 1 joint venture and 4 associates) which are companies incorporated in India, is based on the corresponding reports of one of us audited in individual capacity.

b) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 3 associate and 4 joint ventures (March 31, 2017: 1 associate and 2 joint ventures) which are companies incorporated in India, is based on the corresponding reports of such associates and joint ventures incorporated in India.

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

per Yogesh Midha
Partner
Membership Number: 094941
Place : New Delhi
Date : July 24, 2018

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

per Hitesh Kumar P
Partner
Membership Number: 233734
Place : New Delhi
Date : July 24, 2018

Consolidated Balance Sheet

as at March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	Notes	March 31, 2018	March 31, 2017
ASSETS			
(1) Non-current assets			
Property, plant and equipment	4	6,806.21	7,381.27
Capital work in progress	4	194.44	123.94
Intangible Assets	5	395.30	404.07
Investment in subsidiary, associates and joint ventures	41 & 42	456.36	319.11
Financial Assets			
(i) Investment	6.1	0.01	0.01
(ii) Loans	7	2.46	1.25
(ii) Other financial assets	8	1.20	0.22
Other non-current assets	9	56.28	91.29
Deferred tax assets (net)	10	-	-
		7,912.26	**8,321.16**
(2) Current assets			
Inventories	11	6.39	7.42
Financial Assets			
(i) Investments	6.2	2,584.46	2,184.38
(ii) Trade Receivables	12	479.48	898.88
(iii) Cash and cash equivalents	13	374.97	554.21
(iv) Bank balance other than cash and cash equivalents	14	91.27	46.00
(v) Loans	7	1.58	2.16
(vi) Other Financial assets	8	123.10	53.81
Other current assets	9	40.18	36.99
		3,701.43	**3,783.85**
Total Assets		**11,613.69**	**12,105.01**
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	15	2,450.00	2,450.00
Other Equity			
(i) Retained earnings	16	566.77	713.60
(ii) Cash flow hedge reserve	16	(4.49)	(16.84)
(iii) Re-measurement gains on defined benefit plans	16	(0.27)	(0.11)
		3,012.01	**3,146.65**
(2) Non-current liabilities			
Financial Liabilities			
(i) Borrowings	17	5,249.12	5,261.97
(ii) Other financial liabilities	18	323.02	298.31
Deferred revenue	19	1,602.07	1,781.31
Deferred tax liabilities (net)	10	271.82	292.04
Other non-current liabilities	20	96.34	112.95
Long term provisions	22	1.45	1.21
		7,543.82	**7,747.79**
(3) Current liabilities			
Financial Liabilities			
(i) Trade Payables	21		
- Total outstanding dues of micro enterprises and small enterprises		7.35	1.19
- Total outstanding dues of creditors other than micro enterprises and small enterprises		424.07	430.22
(ii) Other financial liabilities	18	338.07	381.38
Deferred revenue	19	87.42	86.18
Other current liabilities	20	170.17	226.29
Short term provisions	22	21.51	18.13
Liabilities for current tax (net)		9.27	67.18
		1,057.86	1,210.57
Total Liabilities		**8,601.68**	**8,958.36**
Total equity and liabilities		**11,613.69**	**12,105.01**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financials statements and have been taken on record by the board of directors vide their meeting dated July 24, 2018.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : July 24, 2018

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : July 24, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 24, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	Particulars	Notes	March 31, 2018	March 31, 2017
I	**REVENUE**			
	Revenue from operations	23	3,690.31	5,632.52
	Other Income	24	326.98	255.61
	Total Income (I)		**4,017.29**	**5,888.13**
II	**EXPENSES**			
	Annual fee to Airports Authority of India (AAI) [refer note 43 (i)]		1,780.88	2,634.84
	Employee Benefits Expense	25	165.24	129.47
	Depreciation and Amortization Expense	26	645.90	638.03
	Finance Costs	27	579.15	527.25
	Other Expenses	28	930.53	842.67
	Total Expense (II)		**4,101.70**	**4,772.26**
III	**(Loss)/Profit before exceptional items and tax [(I)-(II)]**		**(84.41)**	**1,115.87**
	Exceptional items	29	-	40.80
IV	**(Loss)/Profit before tax**		**(84.41)**	**1,075.07**
	Current Tax	10	-	238.69
	Adjustment of tax relating to earlier years	10	(4.88)	(1.88)
	MAT credit entitlement for earlier years written off	10	-	-
	Deferred Tax (credit) / charge	10	(27.02)	303.69
V	**Total Tax (credit)/expense**		**(31.90)**	**540.50**
VI	**Profit for the year before share of profit of associates and joint ventures (IV-V)**		**(52.51)**	**534.57**
VII	**Share of profit of associates and joint ventures**	41 & 42	96.85	70.48
VIII	**Profit for the year (VII+VIII)**		**44.34**	**605.05**
	Other Comprehensive Income	30		
	A Items that will not be reclassified to profit or loss in subsequent periods			
	Re-measurement gains on defined benefit plans		0.77	(1.11)
	Income tax effect		(0.27)	0.38
	B Items that will be reclassified to profit or loss in subsequent periods			
	Net movement of cash flow hedges		18.88	(16.84)
	Income tax effect		(6.53)	-
	Share of other compreshensive income of assoicate and joint venture		(0.16)	(0.10)
IX	**Total Other Comprehensive Income/(Loss) for the year (net of tax) (A+B)**		**12.69**	**(17.67)**
X	**Total Comprehensive Income for the year (net of tax) (VIII+IX)**		**57.03**	**587.38**
XI	**Earnings per equity share: [nominal value of share Rs. 10 (March 31, 2017: Rs. 10)]**			
	(1) Basic	31	0.18	2.47
	(2) Diluted	31	0.18	2.47
Summary of significant accounting policies		3		

The accompanying notes are an integral part of these consolidated financials statements and have been taken on record by the board of directors vide their meeting dated July 24, 2018.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : July 24, 2018

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : July 24, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 24, 2018

Consolidated Statement of Change in Equity

as at March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	Equity share capital	Reserves and Surplus	Item of OCI			Total equity
		Retained earnings	Cash flow hedge reserve	Share of OCI of joint ventures and associates	Total	
Balance as at April 1, 2016	**2,450.00**	**109.28**	**-**	**(0.01)**	**109.27**	**2,559.27**
Profits for the year	-	605.05	-	-	605.05	605.05
Other comprehensive income (net of tax)	-	(0.73)	(16.84)	(0.10)	(17.67)	(17.67)
Balance as at March 31, 2017	**2,450.00**	**713.60**	**(16.84)**	**(0.11)**	**696.65**	**3,146.65**
Profits for the year	-	44.34	-	-	44.34	44.34
Other comprehensive income (net of tax)	-	0.50	12.35	(0.16)	12.69	12.69
Payment of dividends (refer note 16.1)	-	(159.25)	-	-	(159.25)	(159.25)
Dividend distribution tax (refer note 16.1)	-	(32.42)	-	-	(32.42)	(32.42)
Balance as at March 31, 2018	**2,450.00**	**566.77**	**(4.49)**	**(0.27)**	**562.01**	**3,012.01**

Summary of significant accounting policies (refer note 3)

The accompanying notes are an integral part of these consolidated financials statements and have been taken on record by the board of directors vide their meeting dated July 24, 2018.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : July 24, 2018

As per our report of even date

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : July 24, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 24, 2018

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Cash flow from operating activities		
(Loss)/Profit before tax	(84.41)	1,075.07
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	645.90	638.03
Provision for Bad debts / Bad Debts Written off	0.31	1.73
Interest income on deposits/current investment	(80.34)	(43.29)
Exchange differences unrealised (net)	(54.15)	(96.34)
Gain on sale of current investments-Mutual fund	(125.03)	(97.43)
Income from Duty credit scrips	(30.27)	-
Reversal of finance charges on cancellation of finance lease (refer note 32.1)	-	(7.01)
Loss on discard of Property Plant and Equipments	0.08	1.59
Share of profit of associates and joint ventures (refer note 41 & 42)	96.85	70.48
Share of OCI of associates and joint ventures (refer note 41 & 42)	(0.16)	(0.10)
Interest on Borrowings	346.88	426.57
Call spread option premium	153.65	40.70
Interest expenses on financial liability carried at amortised cost	74.41	49.87
Other borrowing costs	-	7.13
Rent expenses on financial assets carried at amortised cost	0.47	0.21
Loan prepayment charges [refer note 43 (l)]	-	40.80
Deferred income on financial liabilities carried at amorized cost	(79.60)	(63.80)
Fair value gain on financial instruments at fair value through profit or loss	(23.57)	(2.50)
Fair value gain on financial instruments (IRS) at fair value through profit or loss	-	(6.17)
	841.02	**2,035.54**
Working capital adjustment:		
(Decrease)/Increase in trade payables	(0.35)	40.60
Decrease in other non current liabilities	(16.61)	(33.67)
(Decrease)/Increase in other current liabilities	(56.12)	48.10
(Decrease)/Increase in non current deferred revenue	(99.25)	92.34
(Decrease)/Increase in current deferred revenue	1.23	4.13
(Decrease)/Increase in non current financial liabilities	(31.50)	9.17
Increase / (Decrease) in current financial liabilities	25.09	(6.21)
Decrease/(Increase) in trade receivables	419.10	(109.15)
Decrease/(Increase) in inventories	1.03	(0.24)
Decrease in other non current assets	0.04	0.44
(Increase) / Decrease in other current assets	(3.66)	13.33
(Increase) / Decrease in other current financial assets	(35.03)	15.67
Increase in other Non current financial assets	(0.97)	-
Increase / (Decrease) in non current loans	(0.82)	1.01
Decrease/ (Increase) in current loans	0.58	(1.91)
Increase in non current provisions	0.24	-
Increase in current provisions	4.15	2.79
Cash generated from operations	**1,048.17**	**2,111.94**
Direct taxes paid (net)	(17.93)	(195.00)
Net cash flow from operating activities (A)	**1,030.24**	**1,916.94**
Cash flows from investing activities		
Purchase of property plant and equipments, including CWIP and capital advances	(185.77)	(213.94)
Development fee (DF) realised	-	83.99
Purchase of non-current investments	(108.33)	(2.40)
Purchase of current investments	(14,874.91)	(14,212.84)
Sale/maturity of current investments	14,634.39	13,085.06
Change in carrying value of investment (refer note 41 & 42)	(28.83)	(18.99)
Interest received	76.35	37.73
(Investment)/Redemption of Margin Money Deposit	(0.01)	42.07
Purchase of deposits with original maturity of more than three months	(186.27)	(47.61)
Proceeds from deposits with original maturity of more than three months	141.00	35.46
Net cash flow used in investing activities (B)	**(532.38)**	**(1,211.47)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Cash flows from financing activities		
Proceeds from borrowings	-	3493.92
Repayment of borrowings	-	(3,633.44)
Final dividend paid	(159.25)	-
Dividend distribution tax	(32.42)	-
Option premium paid	(144.49)	(14.96)
Derivative IRS- Mark to maket-Breakage Cost	-	(8.17)
Other borrowing costs paid	-	(7.13)
Collection of interest on DF loans from airlines	-	0.87
Interest paid	(340.86)	(390.09)
Net cash flow used in financing activities (C)	**(677.02)**	**(559.00)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(179.15)	146.47
Cash and cash equivalents at the beginning of the year	554.12	407.74
Cash and cash equivalents at the end of the year	**374.97**	**554.21**
Components of cash and cash equivalents		
Cash on hand	0.02	0.03
Cheques/ drafts on hand	0.48	4.73
With banks		
- on current account	110.91	44.45
- on deposit account	263.56	505.00
Total cash and cash equivalents (refer note 13)	**374.97**	**554.21**

Summary of significant accounting policies 3

Explanatory notes to statement of cashflows

1. The above cash flow statement has been compiled from and is based on the consolidated balance sheet as at March 31, 2018 and the related standalone statement of profit and loss for the year ended on that date.
2. Cash and cash equivalents include ₹ 1.23 crore (March 31, 2017: ₹ 2.34 crore) pertaining to Marketing Fund, to be used for sales promotional activities.
3. Changes in liabilities arising from financing activities:-

Particulars	Liabilities arising from financing activities		Assets held to hedge long term borrowings
	Borrowings	Interest accrued on Borrowings	Derivative instrument- Cash flow hedge- call spread option
As at April 1, 2017	**5,261.97**	**107.02**	**42.58**
Cash flows	-	(340.86)	(144.49)
Non-cash changes			
Finance cost	7.71	339.17	153.65
Foreign exchange fluctuation	(20.56)	-	-
Change in Fair values	-	-	(52.71)
As at March 31, 2018	**5,249.12**	**105.33**	**(0.97)**

4. The accompanying notes are an integral part of these consolidated financials statements and have been taken on record by the board of directors vide their meeting dated July 24, 2018.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : July 24, 2018

As per our report of even date

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : July 24, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 24, 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

1. CORPORATE INFORMATION

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors passed in the Board Meeting held on July 24, 2018.

2. (A) BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. However, the Group has adopted not to disclose Earnings before interest, tax, depreciation and amortization and exceptional items (EBITDA) as a separate line item in the consolidated statement of profit or loss.

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

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

(B) GOING CONCERN:

(i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date that control ceases.

(ii) Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

(iii) Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

The entities considered in the Consolidated Financial Statements in the year are listed below:

S. No.	Name of the entity	Country of Incorporation	Relationship as at March 31, 2018	Relationship as at March 31, 2017	Percentage of effective ownership interest held (directly or indirectly) as at	
					March 31, 2018	March 31, 2017
1	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary	Subsidiary	100%	100%
2	Delhi Aviation Services Private Limited (DASPL)	India	Joint Venture	Joint Venture	50%	50%
3	Delhi Aviation Fuel Facility Private Limited (DAFFPL)	India	Joint Venture	Joint Venture	26%	26%
4	Wipro Airport IT Services Limited (WAISL)	India	Joint Venture	Joint Venture	26%	26%
5	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)*	India	Joint Venture	Joint Venture	20.85%	-
6	TIM Delhi Airport Advertising Private Limited (TIMDAA)	India	Associate	Associate	49.90%	49.90%
7	Delhi Airport Parking Services Private Limited (DAPSPL)	India	Associate	Associate	49.90%	49.90%
8	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Associate	Associate	40%	40%
9	Delhi Duty Free Services Private Limited (DDFSPL)	India	Associate	Associate	49.90%	49.90%
10	Celebi Delhi Cargo Terminal Management India Private Limited (Celebi)	India	Associate	Associate	26%	26%

* W.e.f. from September 11, 2017, the Company has entered into a share subscription cum shareholder's agreement for acquisition of 17.33% of shareholding in GMR Bajoli Holi Hydropower Private Limited. The Company holds 20.85% of shareholding in GMR Bajoli Holi Hydropower Private Limited as at March 31, 2018. Pursuant to terms of the agreement, GMR Bajoli Holi Hydropower Private Limited has become a joint venture of the Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

C) GOING CONCERN

a. Use of estimates

In respect of the Holding Company. the Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first Control period of 5 years period (i.e. 2009 - 2014). The first control period of five years referred to above ended on March 31, 2014. DIAL vide appeal no 10/2012 had filed an appeal before Airport Economic Regulatory Authority Appellate Tribunal ("AERAAT") on certain disputed issues in the Tariff order of first control period No.03/2012-13. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015, against the writ petition filed by the Holding Company in this matter, ordered that the tariff determined by AERA for the first control Period shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Subsequently, AERA also released the tariff order No. 40/2015-16 ('AERA order') dated December 08, 2015 (issued on December 10, 2015) for second control period i.e. 2014 -2019, DIAL filed an appeal with AERAAT against some of the matters of order No. 40/2015-16 on January 11, 2016.

Further, Ministry of Finance vide the notification dated May 26, 2017, Part XIV of Chapter VI of the Finance Act, 2017 directed the merger of Appellate Tribunal under the Airports Economic Regulatory Authority Act, 2008 ("AERA Act") i.e. AERAAT into Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, has vacated the order of Hon'ble High Court of Delhi and directed TDSAT to dispose off the appeals of DIAL in the next two months.

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

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

DIAL has filed an appeal in the Hon'ble Supreme Court of India on July 21, 2018 for few matters in respect of TDSAT order dated April 23, 2018.

AERA has issued consultation paper with respect to Base Airport Charges which the airport operator is entitled to receive as minimum charges in accordance with Schedule 6 of State Support Agreement (SSA) read with Schedule 8 of the SSA. The stakeholders had given their feedbacks/comments/suggestions on the Consultation Paper. Consultation meeting in this regard was also held on July 11, 2018. The order on the subject matter is awaited and would be issued by AERA in due course.

Basis the profit earned over previous five financial years, Group's business plans and cash projections prepared by the management for next one year, the management expects to earn sufficient cash profits do not foresee any uncertainty in continuing its business/ operations and meeting its liabilities for the foreseeable future and accordingly, these consolidated financial statements have continued to be prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates

The preparation of the consolidated financial statements inconformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed in Note 32. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to these consolidated financial statements.

b. Current versus Non-Current Classification

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

a) Expected to be realised or intended to be sold or consumed in normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

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

C. INVESTMENTS

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

D. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated profit or loss.

E. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the acquisition of assets and making them operational for their intended use after deducting trade discounts and rebates, and in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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 capitalised.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date, and the related advances are shown as Capital Advances.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Collection charges on the development fund (DF) are added to the property, plant and equipment and are being depreciated over remaining useful,life of the property, plant and equipment.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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

Development fee from any regulatory authority are recognized when there is reasonable assurance that it will be received / utilized and the Group will comply with the conditions attached to them.

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

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

Depreciation of Property, Plant and Equipment

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

The following is a comparison of the useful lives of these assets as adopted by the Holding Company and those prescribed under Schedule II to the Companies Act, 2013:

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

The useful life of the assets which are not as per schedule II of the Companies Act 2013, have been estimated by the management based on internal technical evaluation. The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life; or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Group will obtain ownership at the end of lease term.

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, interalia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which will be effective from April 01, 2018.

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

Subsequently, in order to align the useful life of passenger related Furniture and Fixtures as per AERA order, the Holding Company has revised the useful life and charged the depreciation of ₹ 23.12 crore related to the assets whose life were expired on March 31, 2018 to opening reserves as at April 1, 2018.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Some of the Group companies have been following useful life for their Fixed Assets which are different from the lives published under Schedule II to the Companies Act, 2013 based on the estimation of useful lives done by the respective Management.

Type of Assets	Useful life as adopted by the management of respective entities in the group based on techinical evaluation	Life of Asset As per Sch II of the Companies Act 2013 (In years)
Building	25 or remaining life of the concession period whichever is earlier	30
Plant and machinery	3-15 or concession period whichever is earlier	15
Electrical Fittings	10-15	10
Office Equipments	3-10	5
Furniture and Fittings	3-10	10
Computers (including servers and network)	2-6	3-6
Vehicles	1-10	8

In case of GBHHPL, with respect to plant and machinery the life of the asset is considered 25 years as prescribed by Central Electricity Regulatory Commission(CERC) being the regulator of energy sector. Leasehold land is amortised from the date of commercial operation in case of power plants.

F. INTANGIBLE ASSETS

Identifiable intangible assets are recognised:

a) when the Group controls the asset,

b) it is probable that future economic benefits attributed to the asset will flow to the Group and

c) the cost of the asset can be reliably measured.

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

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

In DDFS, license represents right to run and operate duty free shops and represents time value of security deposit amount paid to the Holding Company in accordance with the terms of concession arrangement.

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 auseful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives 1-6 years for software and 5-10 years for Franchise rights fee using the straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased/ disposed during the year.

Gain or losses arising from derecognition of other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Consolidated Statement of Profit and Loss, as incurred.

The Holding Company amortises, upfront fee paid as airport concession rights and other costs paid to AAI referred to above are recognized and amortized over the initial and extended period of OMDA i.e. 60 years.

Service concession arrangements:

CELEBI constructs and upgrades infrastructure (construction and upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that CELEBI receives a right (i.e. a concessionaire) to charge users of the public service. The financial asset model is used when the Celebi has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Celebi performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to their relative fair values of the services delivered when the amounts are separately identifiable.

CELEBI has entered into Concessionaire Agreement with Holding Company which gives it right to operate, maintain, develop, modernise and manage the existing Cargo Terminal for a period till March 31, 2034. The concession arrangement is a service concession arrangement under appendix A to Ind AS 11. CELEBI has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

G. BORROWING COST

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

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

H. LEASES

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

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property on inception date or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

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

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

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

Group as a lessor:

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

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

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

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

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

I. INVENTORIES

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition.

However, in respect of TFS , cost of inventories is determined on First in First out ('FIFO') basis. The value of inventories in respect of the entity is not significant and as such, has not been aligned with Group accounting policy.

Provision is made for items which are expired/not likely to be consumed and other anticipated losses wherever considered necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

J. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss. After

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impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

K. PROVISIONS, CONTINGENT LIABILITIES AND COMMITMENTS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

Provisions for onerous contracts are recognized when the expected benefits to be delivered by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

L. CONTINGENT ASSETS

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

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

M. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Defined benefit plan

Retirement benefit in the form of provident fund, Superannuation Fund and Employee State Insurance are defined contribution schemes and the contributions are charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due. The group has no obligation, other than the contribution payable to the respective funds. In case of Holding Company, Holding Company contributes a portion of contribution to DIAL Employees Provident Fund Trust ('the Trust'). The Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate which is determined by actuary and accounted by the Holding Company as provident fund cost.

All employee benefits payable/available within twelve months of rendering the service are classified as short-term

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employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the consolidated statement of profit and loss in the period in which the employee renders the related service.

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

Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service.

Gratuity Liability in case of Holding Company is funded through policy taken from Life Insurance Corporation of India.

The Group treats accumulated leave including sick leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences including sick leave are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and date that the Group recognizes related restructuring costs.
- The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

N. FINANCIAL INSTRUMENTS

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

I. Financial Assets

i. Initial recognition and measurement

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group's financial liabilities include trade and other receivables, investments in mutual funds and commercial papers and derivative financial instruments.

ii. Subsequent measurement

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

a) Financial assets at amortised cost

b) Financial assets at fair value through other comprehensive income (FVTOCI)

c) Financial assets at fair value through profit or loss (FVTPL)

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the consolidated profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 12.

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

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

In addition, the Group may elect to designate a Financial assets, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss. Net gains and losses, including any interest income, are recognised in the Consolidated Statement of Profit and Loss.

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired or

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost e.g., deposits, trade receivables and bank balance, and credit risk exposure.

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent

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period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

II. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

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

ii. Subsequent measurement

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

iii. De-Recognition of Financial liability

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

III. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

O. LOANS AND BORROWINGS

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is

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included as finance costs in the consolidated statement of profit and loss.

P. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Initial Recognition and subsequent measurement

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

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;

c) Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

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.

Q. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

R. FOREIGN CURRENCIES

Functional Currency

The Consolidated financial statements are presented in Indian rupees (INR), which is also the Group's functional currency. However, in case of DDFS, the functional currency is USD.

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Transactions and Translations

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In case of DDFS, non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Conversion from functional currency to presentation currency

DDFS's, functional currency is United States Dollar (USD) and INR is the presentation currency. For conversion of functional currency amounts into INR DDFS has applied below mentioned conversion procedures.

1. Assets and liabilities for each balance sheet presented has been translated at the closing rate at the date of that balance sheet;

2. Income and expenses for each statement of profit and loss presented (i.e. including comparatives) has been translated at exchange rates at the dates of the transactions;

3. All resulting exchange differences have been recognised in other comprehensive income.

S. FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date, available for sale equity securities and derivatives at fair value on a recurring basis and other assets when impaired by reference to fair value less costs of disposal. Additionally, the fair value of other financial assets and liabilities require disclosure.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

The Group determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of significant assets or liabilities such as derivative instruments, unquoted financial assets and contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For impairment testing purposes and where significant assets (such as property) are valued by reference to'fair value less costs of disposal, an external valuation will normally be obtained using professional valuers who have appropriate market knowledge; reputation and independence

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes as mentioned below.

a) Disclosures for valuation methods, significant estimates and assumptions

b) Quantitative disclosures of fair value measurement hierarchy

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

T. REVENUE RECOGNITION

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

Income from Services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax/Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), landing and parking of aircraft, fuel farm, operation and maintenance of passenger boarding and other allied services. The main streams of non –aeronautical revenue includes duty free, retail, advertisement, food & beverages, cargo, ground handling, parking and land & space- rentals.

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

Management Fee

Revenue from Management fees for support services rendered is recognized on accrual basis as per the terms of the agreement.

Cargo Operations

Revenue from cargo operations are recognized on accrual basis, net of service tax/GST, applicable discounts, when services are rendered.

Revenue from outbound cargo is recognized at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.

In case of service concession agreements, revenue are recognised in line with the Appendix A to Ind AS 11 – Service Concession Arrangements

Income from the concession arrangements earned under the intangible asset model consists of :

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- fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and

- payments actually received from the users.

Revenues and cost of improvements to concession assets

In conformity with appendix A of Ind AS 11, the Celebi recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the cargo terminal as established by the concession agreement. Revenues represent the value of the exchange between the Celebi and the grantor of concession with respect to the improvements, given that the Celebi constructs or provides improvements to the cargo terminal as obligated under the concession agreement and in exchange, the grantor of concession grants the Celebi the right to obtain benefits for services provided using those assets. The Celebi has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfil the concession provisions are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit or loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by the Group in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services represents is equal to the amount of costs incurred along with appropriate construction margins.

Fuel Farm Operations:

Revenue from sale of fuel is measured with reference to the quantity, operating expense of the operator and the effective infrastructure charges as on date.

Food & Beverage Operations

a) Sale from outlets

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the customer, which coincides with the point of delivery of the goods to the customer from restaurant delivery outlets.

b) Sale to Corporate Customers

Revenue from the sales to corporate customers is recognised when the significant risks and rewards of ownership of the goods have passed to the customer, which is on delivery of the goods to the customer.

Consultancy Fee

Consultancy fees are recognised on an accrual basis in the accounting period in which the services are rendered and in accordance with the agreement entered into with the food and beverage outlet operator.

Maintenance Contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using percentage of completion method. When services are performed through an indefinite number of repetitive acts over specified period of time, revenue is recognized on straight-line basis over the specified period unless some other method better represents the stage of completion.

Advertisement Services

Revenue from developing, operating, maintaining and managing the sites at airport for display of advertisement are recognized on pro-rate basis over the period of display of advertisements. The collects

Bridge Mounted Equipments Operations

Revenue from Operations i.e. Ground Power Unit (GPU), Pre Conditioned Air (PCA) and potable water are recognized on accrual basis when the services are rendered.

Parking Operations

The Group's revenue is generated from parking services and revenue from these services is recognised as and when the amounts are received from users i.e. recognised as revenue on receipt.

Similarly revenue from airport entry ticket for visitors and from left luggage facilities are recognised as and when cash/money is collected.

Power Plant Income

In case of power generating and trading companies, revenue from energy units sold as per the terms of the PPA ('Power Purchase Agreement) and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers.

The Claims for delayed payment charges and any other claims, which the Group is entitled to under the PPAs, are accounted for in the year of acceptance.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Interest income

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

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

Claims

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

Others

Rental income

Space rental has been recognised as per the terms of the contract with the customer.

Branding income

Branding income is recognised on an accrual basis in the accounting period in which the services are rendered and in accordance with the agreement entered into with the parties.

Mutual Fund income

Mutual fund income are recognized based on the fair valuation as on each reporting date for the respective period. Profit/ loss on sale of mutual funds is recognized when the title to mutual funds ceases to exist. On disposal of above, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

U. TAXES

Tax expense comprises current tax and deferred tax.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

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

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

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

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

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 subsidiary, 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

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 Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiary, associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

a) the parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference; and

b) it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Taxes, cess, duties such as sales tax/ value added tax/ service tax/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.

V. OPERATING SEGMENTS

The Group has only one reportable operating segment, which is operation of airport and providing allied services. Accordingly, the amounts appearing in the consolidated financial statements relate to the Group's single operating segment.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

W. PROPOSED DIVIDEND

As per Ind AS –10, 'Events after the Reporting period', the Group discloses the dividend proposed by board of directors after the balance sheet date in the notes to these consolidated financial statements.

X. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

Y. CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENDITURE

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENTS

	Buildings	Leasehold improvement	Bridges, Culverts, Bunders,etc.	Electrical Installations and Equipment	Roads-Other than RCC	Runways, Taxiways & Apron etc.	Plant and Machinery	Office Equipment	Computer and data processing units	Furniture and Fittings	Vehicles	Total	Capital work in progress (CWIP)
Gross block (at cost)													
As at April 1, 2016	4,412.95	-	396.58	1,240.09	213.61	2,181.08	2,305.83	21.58	265.18	203.19	10.35	11,250.44	63.87
Additions	19.67	7.47	-	29.17	4.46	12.21	20.23	0.86	11.69	34.32	2.45	142.53	60.07
Transfer of assets*	-	-	-	(263.89)	-	-	(21.92)	-	(202.38)	(11.46)	(0.12)	(499.77)	-
Adjustments [refer note (a) below]	(2.48)	-	-	(0.02)	(0.01)	-	(0.60)	(11.24)	(4.78)	(2.20)	(0.27)	(21.60)	-
Development fund (Collection Charges) [refer note 41 (a) (ii)]	0.64	-	0.03	0.10	0.03	0.15	0.33	-	-	0.02	-	1.30	-
As at March 31, 2017	**4,430.78**	**7.47**	**396.61**	**1,005.45**	**218.09**	**2,193.44**	**2,303.87**	**11.20**	**69.71**	**223.87**	**12.41**	**10,872.90**	**123.94**
Reclassification	2.14	-	-	(0.57)	4.45	-	(0.72)	-	-	(5.30)	-	-	-
Additions	8.52	2.36	0.32	14.56	1.78	9.30	7.22	0.23	14.85	11.88	1.25	72.27	70.50
Disposals	-	-	-	-	-	-	(0.15)	(0.04)	(2.09)	(0.04)	-	(2.32)	-
Adjustments [refer note (a) below]	(10.46)	-	-	(0.17)	-	-	(0.07)	-	-	-	-	(10.70)	-
As at March 31, 2018	**4,430.98**	**9.83**	**396.93**	**1,019.27**	**224.32**	**2,202.74**	**2,310.15**	**11.39**	**82.47**	**230.41**	**13.66**	**10,932.15**	**194.44**
Depreciation													
As at April 1, 2016	837.24	-	87.24	571.48	86.09	553.31	733.45	20.25	223.27	91.06	7.25	3,210.64	-
Transfer of assets	-	-	-	(138.97)	-	-	(5.21)	-	(179.00)	(5.18)	(0.09)	(328.45)	-
Charge for the year	148.16	0.91	13.28	118.94	31.08	92.43	192.14	0.62	5.65	24.33	1.09	628.63	-
Adjustments [refer note (a) below]	(0.67)	-	-	-	(0.01)	-	(0.35)	(11.23)	(4.70)	(1.96)	(0.27)	(19.19)	-
As at March 31, 2017	**984.73**	**0.91**	**100.52**	**551.45**	**117.16**	**645.74**	**920.03**	**9.64**	**45.22**	**108.25**	**7.98**	**3,491.63**	**-**
Reclassification	0.02	-	-	(0.01)	0.06	-	(0.01)	-	-	(0.06)	-	-	-
Charge for the year	145.68	2.33	13.31	120.76	31.57	94.45	192.26	0.51	7.15	27.38	1.15	636.55	-
Disposals	-	-	-	-	-	-	(0.08)	(0.04)	(2.09)	(0.03)	-	(2.24)	-
As at March 31, 2018	**1,130.43**	**3.24**	**113.83**	**672.20**	**148.79**	**740.19**	**1,112.20**	**10.11**	**50.28**	**135.54**	**9.13**	**4,125.94**	**-**
Net block													
As at March 31, 2017	**3,446.05**	**6.56**	**296.09**	**454.00**	**100.93**	**1,547.70**	**1,383.84**	**1.56**	**24.49**	**115.62**	**4.43**	**7,381.27**	**123.94**
As at March 31, 2018	**3,300.55**	**6.59**	**283.10**	**347.07**	**75.53**	**1,462.55**	**1,197.95**	**1.28**	**32.19**	**94.87**	**4.53**	**6,806.21**	**194.44**

a. Adjustments include amounts related to final settlement of the vendors related to construction of various capital asssets.

b. Buildings include space given on operating lease:
Gross block ₹ 233.27 Crore (March 31, 2017: ₹ 215.64 Crore),
Depreciation charge for the year ₹ 7.75 Crore (March 31, 2017: ₹ 7.17 Crore),
Accumulated depreciation ₹ 60.12 Crore (March 31, 2017: ₹ 48.75 Crore),
Net book value ₹ 173.15 Crore (March 31, 2017: ₹ 166.89 Crore)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

c. **Property plant and equipment includes asset taken on finance lease as below:**

	Electrical Installations and Equipment	Plant and Machinery	Computer and data processing units	Furniture and Fittings	Vehicles	Total
Gross block (at cost)						
As at March 31, 2016	263.89	21.92	202.38	11.46	0.12	499.77
Transfer of assets*	(263.89)	(21.92)	(202.38)	(11.46)	(0.12)	499.77
As at March 31, 2017	-	-	-	-	-	-
Transfer of assets*	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-
Depreciation						
As at March 31, 2016	138.97	5.21	179.00	5.18	0.09	328.44
Charge for the year	-	-	-	-	-	-
Transfer of assets*	(138.97)	(5.21)	(179.00)	(5.18)	(0.09)	(328.44)
At March 31, 2017	-	-	-	-	-	-
Transfer of assets*	-	-	-	-	-	-
At March 31, 2018	-	-	-	-	-	-
Net block						
As at March 31, 2017	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-

*During the financial year 2016-17, there is a modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly Company has derecognised the assets and liabilities recognised under finance lease. (Also refer note 32.1)

5 INTANGIBLE ASSETS

	Airport concessionaire rights	Computer software	Total
Gross block (at cost)			
At April 1, 2016	490.52	40.63	531.15
Additions	-	0.53	0.53
At March 31, 2017	**490.52**	**41.16**	**531.68**
Additions	-	0.58	0.58
At March 31, 2018	**490.52**	**41.74**	**532.26**
Amortisation			
At April 1, 2016	80.55	37.66	118.21
Charge for the year	8.20	1.20	9.40
At March 31, 2017	**88.75**	**38.86**	**127.61**
Charge for the year	8.20	1.15	9.35
At March 31, 2018	**96.95**	**40.01**	**136.96**
Net Block			
At March 31, 2017	**401.77**	**2.30**	**404.07**
At March 31, 2018	**393.57**	**1.73**	**395.30**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

6.1 OTHER INVESTMENTS

	Non current	
	March 31, 2018	March 31, 2017
Carried at fair value through profit and loss		
East Delhi Waste Processing Company Private Limited 7,839 shares of ₹ 10 each (March 31, 2017 :7,839 shares of ₹ 10 each)	0.01	0.01
	0.01	**0.01**

6.3 CURRENT INVESTMENTS

	Current	
	March 31, 2018	March 31, 2017
Investments carried at fair value through profit or loss		
Investment in mutual fund		
Unquoted investments		
ICICI Prudential Liquid Regular Plan Growth [11,130,257.38 units (March 31, 2017 : 13,656,817.68) of ₹ 100 each]	285.37	327.98
Bank of Baroda Mutual Fund [176,460.73 units (March 31, 2017 : 402,921.06) of ₹ 1000 each]	35.10	75.05
Axis Liquid Fund Growth [913,307.88 units (March 31, 2017 :973,867.89) of ₹ 1000 each]	175.42	175.10
Birla Sunlife Cash Plus- Inst.- Growth [16,757,830.39 units (March 31, 2017 : 13,874,600.55) of ₹ 100 each]	517.92	408.63
IDFC Cash Fund Growth Regular Plan [394,752.88 units (March 31, 2017 : 761,522.75) of ₹ 1000 each]	83.03	150.09
HDFC Liquid Fund [Nil (March 31, 2017: 6,25,480.62 units) of ₹ 10 each]	-	200.13
DHFL Mutual Fund [6,680,746.71 units (March 31, 2017 : Nil) of ₹ 100 each]	150.31	-
Invesco Mutual Fund [630,626.71 units (March 31, 2017 : Nil) of ₹ 1000 each]	150.32	-
Kotak Liquid Scheme [413,959.05 units (March 31, 2017 : 577,802.97) of ₹ 1000 each]	145.42	190.13
Reliance Mutual Fund [7,593,237.26 units (March 31, 2017 : 7,728,843.10) of ₹ 1000 each]	77.04	105.31
Sundaram Money Fund Regular – Growth [48,059,856.01 units (March 31, 2017 : 29,264,666.72) of ₹ 10 each]	175.37	100.06
SBI Premier Liquid Fund - Regular Plan -Growth [Nil units (March 31, 2017 : 471,677.90) of ₹ 1000 each]	-	120.07
DSP Mutual Fund [931,807.72 units (March 31, 2017 : 820,156.48) of ₹ 1000 each]	230.53	190.12
LIC Nomura Liqud Fund [287,655.12 units (March 31, 2017 : 170,270.79) of ₹ 1000 each]	90.20	50.03
IDBI Mutual Fund [487,216.23 units (March 31, 2017 : Nil) of ₹ 1000 each]	90.16	-
Investments carried at amortised cost		
Investment in Commercial Papers		
SREI Infrastructure Finance Limited [8000 (March 31, 2017 : 2000) Units of ₹ 500,000 each]	378.27	91.68
	2,584.46	**2,184.38**
Aggregate book value of unquoted investments	**2,584.46**	**2,184.38**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

7. LOANS

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Carried at amortised cost				
Security deposits				
Unsecured, considered good	2.46	1.25	1.58	2.16
(A)	**2.46**	**1.25**	**1.58**	**2.16**
Advances				
Doubtful, to related parties [refer note 35]	2.82	2.82	-	-
Less: provision for doubtful advances	(2.82)	(2.82)	-	-
(B)	**-**	**-**	**-**	**-**
Total (A+B)	**2.46**	**1.25**	**1.58**	**2.16**

8. OTHER FINANCIAL ASSETS

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Derivative Instrument carried at fair value through OCI #				
Cash flow hedge- Call spread option	0.97	-	-	-
Carried at amortised cost				
Interest accrued on fixed deposits and others	-	-	19.18	15.19
Non-trade receivable [net of provision of doubtful debts ₹ 0.46 crores (March 31, 2017 ₹ 1.57 crores)]	-	-	47.39	16.40
Unbilled revenue	-	-	9.11	5.66
Other recoverables from related parties [refer note 33]			17.59	16.56
Margin money deposit * (refer note 13)	0.23	0.22	-	-
Other receivable	-	-	29.83	-
Total other financial assets	**1.20**	**0.22**	**123.10**	**53.81**

#Financial assets at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 811.35 million (₹ 5301.36 Crore) [March 31, 2017 USD 602.60 million (₹ 3,953.06 Crore)] on senior secured foreign currency notes.

* ₹ 0.23 Crore (March 31, 2017: ₹ 0.22 Crore) against License fee to South Delhi Municipal Corporation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

9. OTHER ASSETS

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Capital advances	4.60	4.47	-	-
(A)	**4.60**	**4.47**	**-**	**-**
Advances other than capital advance				
Advance to suppliers	-	-	15.02	19.63
Advance to employees	-	-	-	0.09
Other advances	-	-	0.05	0.07
Less: provision for doubtful advances	-	-	(0.05)	(0.07)
(B)	**-**	**-**	**15.02**	**19.72**
Others				
Prepaid expenses	5.83	5.87	6.52	5.02
Deposit with government authorities including paid under protest [refer note 34 II (e)]	-	-	4.07	4.10
Balance with statutory / government authorities	-	-	14.57	8.14
Advance Tax (net of provision for taxation Nil (March 31, 2017: ₹ 155.78 crores)]	45.85	80.95	-	-
(C)	**51.68**	**86.82**	**25.16**	**17.27**
Total other assets (A+B+C)	**56.28**	**91.29**	**40.18**	**36.99**

10. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	March 31, 2018	March 31, 2017
Current income tax:		
Current Tax	-	238.69
Adjustment of tax relating to earlier years	(4.88)	(1.88)
MAT credit entitlement for earlier yeaers written off		
Deferred tax:		
Relating to origination and reversal of temporary differences	(27.02)	303.69
Income tax expense reported in the statement of profit or loss	(31.90)	540.50
OCI Section		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	(0.27)	0.38
Cash flow Hedge Reserve	(6.53)	-
Income tax charged to OCI	**(6.80)**	**0.38**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Accounting profit before tax	**(84.41)**	**1,075.07**
Tax at the applicable tax rate of 34.94% (March 31, 2017: 34.61%)	**(29.49)**	**372.06**
Assets capitalised in the Income Tax Act in current year but in the books in previous year	(22.13)	-
MAT adjustment	-	238.69
Impact of increment in tax rate	0.98	-
Other adjustments	(1.60)	2.09
Interest on delayed payment by customers (Unrealized)	-	(23.86)
Adjustments on which deferred tax is not created	(13.28)	(52.18)
Adjustment of tax relating to earlier years	(4.88)	(1.88)
Previously unrecognised deferred tax assets, now used to reduce income tax expenses	(11.24)	-
Notional adjustment on which deferred tax is not created		
Tax on other Comprehensive income	6.80	0.38
Deferred tax on undistributed profits	38.58	-
Tax effect of expenses that are not deductible in determining taxable profit:		
Donation paid disallowed	4.74	3.60
Interest on delayed payment of Income Tax	(0.38)	1.60
At the effective income tax rate of 48% (March 31, 2017: 19%)	(31.90)	540.50
Total tax expense reported in the statement of profit and loss	(31.90)	540.50

Deferred tax:

	Balance sheet		Statement of profit or loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liability				
Accelerated depreciation for tax purposes	(972.74)	(1,015.37)	42.63	2.29
Derivative liability-mark to market loss on IRS	-	(4.96)	4.96	(9.92)
On account of upfront fees being amortized using EIR method	(18.25)	(20.93)	2.68	(2.74)
Fair value of investment in mutual fund	(11.71)	(3.44)	(8.27)	(0.87)
Cash Flow Hedge	(0.71)	-	(0.71)	-
Others	(8.37)	-	(8.37)	-
Deferred tax on undistributed profits	(38.58)	-	(38.58)	-
	(1,050.36)	**(1,044.70)**	**(5.66)**	**(11.24)**
Deferred tax asset				
Unabsorbed depreciation	649.27	597.75	51.52	(270.09)
Others Disallowances	42.96	34.37	8.21	25.39
Unrealised forex loss on borrowings	10.06	17.26	(7.20)	17.26
Intangibles (Airport Concession rights)	66.71	69.96	(3.25)	(3.88)
Carry Forward Losses	-	-	-	(85.73)
Other borrowing cost to the extent not amortised	16.34	19.26	(2.92)	(2.76)
Marketing Fund Liablity	-	13.68	(13.68)	27.36
	785.34	**752.28**	**32.68**	**(292.45)**
Net deferred tax assets/(liabilities)	**(265.02)**	**(292.42)**	**(27.02)**	**303.69**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Reconciliations of net deferred tax liabilities / (assets)

	March 31, 2018	March 31, 2017
Opening balance as at beginning of the year	292.04	(11.27)
Tax (expense)/income during the period recognised in profit or loss	(27.02)	303.69
Tax income/(expense) during the period recognised in OCI	6.80	(0.38)
Closing balance as at March 31, 2018	**271.82**	**292.04**

The Holding Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

11. INVENTORIES (valued at lower of cost or net realizable value)

	March 31, 2018	March 31, 2017
Stores and spares	6.39	7.42
	6.39	**7.42**

12. TRADE RECEIVABLES

	Current	
	March 31, 2018	March 31, 2017
Trade receivables		
Related parties (refer note 33)	106.28	66.01
Others	373.20	832.87
	479.48	**898.88**
Break up for security details:		
Trade receivables		
Secured, considered good**	174.67	313.09
Unsecured, considered good	304.81	585.79
Unsecured, considered doubtful	3.23	2.66
	482.71	**901.54**
Less: Allowances for doubtful receivables	(3.23)	(2.66)
	479.48	**898.88**
** Trade receivable to the extent covered by security deposits or bank guarantees are considered as Secured trade receivables.		
Trade receivables includes:-		
Dues from entities in which the Company's non-executive director is a director		
Delhi Duty Free Services Private Limited	16.37	13.17
TIM Delhi Airport Advertising Private Limited	30.37	30.35
GMR Bajoli Holi Hydropower Private Limited	0.50	0.30

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

13 CASH AND CASH EQUIVALENT

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances with Banks				
- On current accounts#	-	-	110.91	44.45
- Deposits with original maturity of less than three months*	-	-	263.56	505.00
Cheques / drafts on hand	-	-	0.48	4.73
Cash on hand	-	-	0.02	0.03
(A)	**-**	**-**	**374.97**	**554.21**
Other bank balances				
– Margin money deposit*	0.23	0.22	-	-
(B)	**0.23**	**0.22**	**-**	**-**
Amount disclosed under other non-current financial assets (refer note 8)	(0.23)	(0.22)	-	-
Total (A+B)	**-**	**-**	**374.97**	**554.21**

Cash and cash equivalents includes balance on current account with banks for ₹ 1.23 crore (March 31, 2017: ₹ 2.34 crore) in respect of Marketing Fund.

*Deposit with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At March 31, 2018, the Company has available ₹ 225.81 crore (March 31, 2017: ₹ 221.54 crore) of undrawn borrowing facilities for future operating activities.

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2018	March 31, 2017
Balances with banks:		
– Margin money deposit	-	-
– Deposits with original maturity of more than three months but less than 12 months#	91.27	46.00
	91.27	**46.00**

Deposits with bank includes ₹ 49.32 crore (March 31, 2017: 46.00 crore) in respect of Marketing Fund.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Break up of financials assets carried at amortised cost and at fair value through profit and loss

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets carried at amortised cost				
Investment in commercial papers (refer note 6.2)	-	-	378.27	91.68
Trade Receivable (refer note 12)	-	-	479.48	898.88
Cash and cash equivalents (refer note 13)	-	-	374.97	554.21
Bank balance other than Cash and cash equivalents (refer note 14)	-	-	91.27	46.00
Loans (refer note 7)	2.46	1.25	1.58	2.16
Other financial assets (refer note 8)	1.20	0.22	123.10	53.81
(A)	**3.66**	**1.47**	**1,448.67**	**1,646.74**
Financial assets caried at Fair value through profit or loss				
Investment in mutual funds (refer note 6.1)	-	-	2,206.19	2,092.70
Investments in Equity Shares (refer note 6.1)	0.01	0.01	-	-
(B)	**0.01**	**0.01**	**2,206.19**	**2,092.70**
Total financial assets (A+B)	**3.67**	**1.48**	**3,654.86**	**3,739.44**

15 EQUITY SHARE CAPITAL

	March 31, 2018	March 31, 2017
Authorised shares (No. in Crores)		
300 (March 31, 2017: 300) equity shares of ₹ 10 each	3,000	3,000
	3,000	**3,000**
Issued, subscribed and fully paid-up shares (No. in Crores)		
245 (March 31, 2017: 245) equity shares of ₹ 10 each fully paid up	2,450	2,450
	2,450	**2,450**

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Equity Shares	March 31, 2018		March 31, 2017	
	No. Crore	(₹ In Crores)	No. Crore	(₹ In Crores)
At the beginning of the year	245	2,450	245	2,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	**245**	**2,450**	**245**	**2,450**

b. Terms/Rights Attached to equity Shares

The Holding Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company the holders of equity shares would be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

c. **Shares held by holding/ intermediate holding company and its subsidiary**

Out of equity shares issued by the Company, shares held by its holding company, intermediate holding company and its subsidiary are as below:

Name of Shareholder	March 31, 2018	March 31, 2017
GMR Infrastructure Limited, the intermediate holding company 100 (March 31, 2017: 100) equity share of ₹ 10 each fully paid up	0.00	0.00
GMR Energy Limited, Subsidiary of the intermediate holding company 100 (March 31, 2017: 100) equity share of ₹ 10 each fully paid up	0.00	0.00
GMR Airports Limited along with Mr. Srinivas Bommidala 1 (March 31, 2017: 1) equity share of ₹ 10 each fully paid up	0.00	0.00
GMR Airports Limited along with Mr Grandhi Kiran Kumar 1 (March 31, 2017: 1) equity share of ₹ 10 each fully paid up	0.00	0.00
GMR Airports Limited, the holding company 156.80 crore (March 31, 2017: 156.80 crore) equity share of ₹ 10 each fully paid up	1,568	1,568

d. **Details of Shareholders holding more than 5% of equity shares in the Company**

Equity Shares	March 31, 2018		March 31, 2017	
	Nunmbers	% holding in Class	Nunmbers	% Holding in Class
Equity shares of ₹ 10 each fully paid				
Airports Authority of India	637,000,000	26%	637,000,000	26%
GMR Airports Limited	1,567,999,798	64%	1,567,999,798	64%
Fraport AG Frankfurt Airport Services Worldwide	245,000,000	10%	245,000,000	10%
	2,449,999,798	**100%**	**2,449,999,798**	**100%**

As per records of the Holding Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal and beneficial ownership of shares as at the balance sheet date.

16 OTHER EQUITY

	March 31, 2018	March 31, 2017
Retained earnings		
Balance as per last financial statements	713.60	109.28
Net profit for the year	44.34	605.05
Re-measurement gains on defined benefit plans	0.50	(0.73)
Payment of dividends	(159.25)	-
Dividend distribution tax	(32.42)	-
Closing balance	**566.77**	**713.60**
Share of OCI of Joint Venture & Associate		
Opening balance	(0.11)	(0.01)
Add:- current year share OCI	(0.16)	(0.10)
Closing Balance	**(0.27)**	**(0.11)**
Other items of Comprehensive Income		
Cash flow hedge reserve		
Balance as per last financial statements	(16.84)	-
Net Movement during the year	12.35	(16.84)
	(4.49)	**(16.84)**
	562.01	**696.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

16.1 Distribution made and proposed on Equity shares:

	March 31, 2018	March 31, 2017
Cash dividends on equity shares declared and paid		
Final dividend on equity shares for the year ended on March 31, 2017: ₹ 0.65 per share	159.25	-
Dividend distribution tax (DDT) on final dividend	32.42	-
	191.67	**-**
Proposed dividends on Equity shares:		
The Board proposed dividend after the balance sheet date:-		
Proposed dividend on equity shares for the year ended on March 31, 2017: ₹ 0.65 per share	-	159.25
Dividend distribution tax (DDT) on proposed dividend	-	32.42
	-	**191.67**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2017. This is subsequently approved in annual general meeting held on September 5, 2017.

16.2 Net dividend remitted in foreign exchange:

Year of remittance (ending on)	March 31, 2018	March 31, 2017
Period to which relates	April 1, 2016 to March 31, 2017	-
Number of non-resident shareholders	1	-
Number of equity shares of nominal value ₹ 10 per share held on which dividend was due	245,000,000	-
Amount remitted in USD (in million)	0.25	
Amount remitted in INR (in crore)	15.93	-

17 BORROWINGS

	Non - Current	
	March 31, 2018	March 31, 2017
Bonds		
6.125% (2022) senior secured foreign currency notes (Note-1)	1,857.93	1,859.25
6.125% (2026) senior secured foreign currency notes (Note-2)	3,391.19	3,402.72
	5,249.12	**5,261.97**

a. 6.125% Senior Secured Foreign Currency Notes (Note-1) of USD 284.35 million (March 31, 2017: USD 283.42 million), principal outstsanding of USD 288.75 million (March 31, 2017: USD 288.75 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Note-1 are due for repayment in February, 2022. The bonds are secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.

b. 6.125% Senior Secured Foreign Currency Notes (Note-2) of USD 519.00 million (March 31, 2017: USD 518.70 million), principal outstsanding of USD 522.60 million (March 31, 2017: USD 522.60 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Note-2 are due for repayment in October 2026. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.

Notes to the Consolidated Financial Statements
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(All amounts in ₹ Crore, except otherwise stated)

c. With respect to note-1 and note-2, the Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Company has complied with the financial covenants prescribed in the financing documents and the Indenture.

18 OTHER FINANCIAL LIABILITIES

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liabilities carried at fair value through OCI *				
Cash flow hedge; Call spread option	-	-	-	42.58
	-	**-**	**-**	**42.58**
Security Deposits from trade concessionaires-others	310.78	270.36	150.24	122.36
Security Deposits from commercial property developers	7.48	7.59	-	-
Earnest money deposits	-	-	2.51	4.50
Capital Creditors	-	-	23.63	49.25
Retention money	3.41	3.51	40.89	37.36
Liability for Voluntary retirement scheme	1.35	16.85	15.47	14.45
Interest accrued but not due on borrowings	-	-	105.33	107.02
Total other financial liabilities at amortised cost	**323.02**	**298.31**	**338.07**	**338.80**
Total other financial liabilities	**323.02**	**298.31**	**338.07**	**338.80**

* Financial liabilities at fair value through OCI

Financial liabilities at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 811.35 million (₹ 5301.36 Crore) [March 31, 2017 USD 602.6 million (₹ 3,953.06 Crore)] on Note-1 and Note-2.

19 DEFERRED REVENUE

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred income on financial liabilities carried at amorized cost	1,600.60	1,780.83	75.75	74.73
Unearned revenue	1.47	0.48	11.67	11.45
	1,602.07	**1,781.31**	**87.42**	**86.18**

Deferred income on financial liabilities carried at amorized cost

	March 31, 2018	March 31, 2017
At April 1	1,855.56	1,825.78
Deferred during the year	63.16	93.45
Reversed during the year	(163.16)	-
Released to the statement of profit and loss	(79.21)	(63.67)
	1,676.35	**1,855.56**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Unearned revenue		
At April 1	11.93	9.04
Deferred during the year	277.93	246.90
Released to the statement of profit and loss	(276.72)	(244.01)
	13.14	**11.93**

Deferred income on financial liabilities carried at amorized cost

Interest free security deposit received from concessionaire and commercial property developers (that are refundable in cash on completion of its term) are carried at amortised cost. Difference between the amortised value and transaction value of the security deposits received has been recognised as deferred revenue.

20 OTHER LIABILITIES

	Non current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Advances				
Advances from commercial property developers	80.19	95.60	48.15	94.74
Advance from customer	16.15	17.35	6.16	5.91
Others				
Marketing fund liability [refer note 41 (h)]	-	-	51.51	53.43
Tax deducted at source/Tax Collected at source payable	-	-	15.20	55.90
Goods & Service tax payable	-	-	1.72	-
Other statutory dues	-	-	1.66	2.79
Other liabilities	-	-	45.77	13.52
	96.34	**112.95**	**170.17**	**226.29**

21 TRADE PAYABLES

	March 31, 2018	March 31, 2017
Trade Payable		
- Micro Enterprises and Small Enterprises	7.35	1.19
- Related parties [refer note 35]	223.99	214.45
- Others	200.08	215.77
	431.42	**431.41**
Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".		
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	7.35	1.19
- Interest thereon	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Related parties payable are payable on demand once they get due.

For explanations on the Company's credit risk management processes, refer to Note 39.

22 PROVISIONS

	Long term		Short term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for leave benefits	-	-	21.18	17.84
Provision for Gratuity (refer note 34)	1.45	1.21	-	-
Provision for superannuation	-	-	0.33	0.29
	1.45	**1.21**	**21.51**	**18.13**

Break up of financial liabilities

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liability carried at amortised cost				
Borrowings (refer note 17)	5,249.12	5,261.97	-	-
Trade Payables (refer note 21)	-	-	412.01	431.41
Other financial liabilities	323.02	298.31	338.07	338.80
Financial liabilities carried at fair value through OCI (refer note 37)				
Cash flow hedge- Call spread option	-	-	-	42.58
	5,572.14	**5,560.28**	**750.08**	**812.79**

23. REVENUE FROM OPERATIONS

	March 31, 2018	March 31, 2017
Sale of services		
Aeronautical (A)	1,705.48	3,939.82
Non - Aeronautical		
Duty free	378.42	342.52
Retail	133.30	99.37
Advertisement	170.98	142.24
Food & Beverages	134.66	111.51
Cargo	206.99	171.23
Ground Handling	124.40	113.18
Parking	25.89	19.23
Land & Space — Rentals	349.33	317.47
Others	274.84	211.72
Total Non -Aeronautical (B)	1,798.81	1,528.47
Other operating revenue		
Revenue from commercial property development (C)	186.02	164.23
TOTAL (A+B+C)	**3,690.31**	**5,632.52**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

24. OTHER INCOME

	March 31, 2018	March 31, 2017
Interest income on financial asset carried at amortised cost		
Bank deposits and others	93.83	52.21
Security deposits given	0.39	0.14
Dividend Income on non-current investments carried at cost	-	-
Other non-operating income		
Gain on sale of financial asset carried at Fair value through profit and loss	-	-
Current investments-Mutual fund	125.03	97.43
Exchange difference (net)	53.26	96.34
Fair value gain on financial instruments (IRS) at fair value through profit or loss	-	6.17
Fair value gain on financial instruments at fair value through profit and loss*	23.57	2.50
Income from Duty credit scrips [refer note 41 (n)]	30.27	-
Miscellaneous income	0.63	0.82
	326.98	**255.61**

* Fair value gain on financial instrument at fair value through profit & loss relates to current investment in mutual funds.

25. EMPLOYEE BENEFITS EXPENSE

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	147.11	115.88
Contribution to provident and other funds [refer note 33(a)]	10.48	8.75
Gratuity expenses [refer note 33 (b)]	3.01	1.24
Staff welfare expenses	4.64	3.60
	165.24	**129.47**

26. DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2018	March 31, 2017
Depreciation on Property, Plant and Equipment (refer note 4)	636.55	628.63
Amortization of Intangible assets (refer note 5)	9.35	9.40
	645.90	**638.03**

27. FINANCE COSTS

	March 31, 2018	March 31, 2017
Interest on borrowings*	346.88	419.56
Call spread option premium	153.65	40.70
Interest expenses on financial liability carried at amortised cost	74.41	49.87
Other interest	1.41	9.99
Other borrowing costs		
- Bank charges	2.80	3.91
- Other cost	-	3.22
	579.15	**527.25**

*Includes reversal of finance charges under finance lease obligation of Nil (March 31, 2017 expenses of: ₹ 7.01 crore) [refer note 34 I]

Notes to the Consolidated Financial Statements

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28. OTHER EXPENSES

	March 31, 2018	March 31, 2017
Utility expenses	112.90	106.54
Repairs and maintenance		
Plant and machinery	108.27	95.20
Buildings	32.35	27.00
IT Systems	35.32	32.08
Others	10.46	9.14
Manpower hire charges	125.97	95.79
Airport Operator fees	171.87	151.05
Security related expenses	23.06	13.61
Information technology and related expenses	-	2.75
Insurance	6.63	7.16
Consumables	12.73	11.30
Professional and consultancy expenses	72.21	47.19
Travelling and conveyance	17.63	16.51
Office maintenance and other expenses	5.38	6.40
Rates and taxes	8.30	8.28
Rent (including lease rentals)	10.57	9.65
Advertising and sales promotion	11.18	11.01
Communication costs	2.09	1.70
Printing and stationery	1.51	0.98
Directors' sitting fees	0.27	0.32
Payment to auditors	1.62	1.89
Provision for Bad debts / Bad Debts Written off	0.31	1.73
Corporate cost allocation	85.02	75.92
Collection charges (Net)	5.28	8.29
Loss on discard of Property, Plant and Equipment	0.08	1.59
Donations	2.42	2.89
CSR expenditure (refer note A below)	11.14	7.51
Marketing expenses	-	39.55
Expenses of commercial property development	49.47	43.13
Miscellaneous expenses	6.49	6.51
	930.53	**842.67**

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crore, except otherwise stated)

A. Details of CSR expenditure:

			March 31, 2018	March 31, 2017
a)	Gross amount required to be spent by the Company during the year		11.70	8.38
(b)	**Amount spent during the year ended on March 31, 2018:**	In cash	Yet to be paid in cash	Total
	i) Construction/acquisition of any asset	-	-	-
	ii) On purposes other than (i) above	9.32	1.82	11.14
b)	Amount spent during the year ended on March 31, 2017:	In cash	Yet to be paid in cash	Total
	i) Construction/acquisition of any asset	-	-	-
	ii) On purposes other than (i) above	7.01	0.50	7.51

29. EXCEPTIONAL ITEMS

	March 31, 2018	March 31, 2017
Loan prepayment charges [refer note 43 (l)]	-	40.80
	-	**40.80**

30. COMPONENTS OF OCI

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2018	**March 31, 2018**
Cash Flow Hedge Reserve	12.35
Share of associate and joint ventures	(0.16)
	12.19

During the year ended March 31, 2017	**March 31, 2017**
Cash Flow Hedge Reserve	(16.84)
Share of associate and joint ventures	(0.10)
	(16.94)

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Profit attributable to equity holders of the company	52.71	605.05
Weighted average number of equity shares used for Computing Earning Per Share (Basic & Diluted)	245.00	245.00
	245.00	**245.00**
Earning Per Share (Basic) (₹)	0.22	2.47
Earning Per Share (Diluted) (₹)	0.22	2.47
Face value per share (₹)	10.00	10.00

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crore, except otherwise stated)

32. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

32.1 Judgements

In the process of applying the Group's accounting policies, management of the Group has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Discounting rate

The Group has considered incremental borrowing rate of Airport sector for measuring deposits, being financial assets and financial liabilities, at amortised cost.

Non applicability of Service Concession Arrangement (SCA)

i. The Holding Company had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives Holding Company an exclusive right to operate, maintain, develop, modernize and manage the Delhi Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA. Under the agreement, AAI has granted exclusive right and authority to undertake some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Aeronautical Services' and 'Non-Aeronautical Services'.For prices, aeronautical services are regulated, while the regulator has no control over determination of prices for Non-Aeronautical Services. The management of the Holding Company conducted detailed analysis to determine applicability of Appendix A of Ind AS 11 and concluded that the same does not apply to the Holding Company. Holding Company's concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from holding Company, AAI and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. The airport premise is being used both for providing regulated services (Aeronautical Services) and for providing non-regulated services (Non-aeronautical Services). Accordingly the management of Holding Company has concluded that SCA does not apply in its entirety to the Holding Company.

ii. Management of Celebi has assessed applicability of Appendix A to Ind AS 11 – "Service Concession Arrangements" to Concessionaire agreement entered into by the Celebi which gives it right to operate, maintain, develop, modernise and manage the existing Cargo Terminal for a period till March 31, 2034. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, Celebi's management has determined that this arrangement meet the criteria for recognition as service concession arrangements.

Development Fund

The Airport Economic Regulatory Authority of India (AERA) had passed an order vide Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011, December 28, 2012 and April 24, 2012 respectively, in respect of levy of Development fee (DF) at Delhi Airport. As per the facts of the matter, Holding Company is collecting tax/levy for the purpose of bridging the funding gap i.e. essentially a viability gap funding made by AERA to meet the project cost. The amount of funding, its securitisation and utilisation is closely monitored by AERA. The DF collected is not in the nature of tariffs or charges to be collected from passengers for the purpose of concession, but a levy or tax that has been collected by Holding Company on behalf of

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AAI and utilised for the expansion and up-gradation of the Airport. Accordingly, the management of Holding Company has concluded that DF is a levy or tax and has been used/ collected under a mechanism for building infrastructure that has been part of concession.

Annual Fee to AAI

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

Management of the Holding Company is of the view that the certain income / credits arising on adoption of Ind-AS was not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent actual receipts from business operations, from any external sources and therefore, these incomes/ credits should not be treated as "Revenue" for calculation of MAF to AAI. Accordingly, the Holding Company, basis above and Legal Opinion, has provided the monthly annual fee to AAI based on Revenue as per the Ind AS financial statements after adjusting such incomes/credits.

Leases: whether an arrangement contains a lease

Lease of Solar power plant

Significant judgement is required to apply lease accounting under Appendix C to Ind AS 17:'Determining whether an arrangement contains a Lease'. In assessing the applicability to arrangements entered into by the Celebi, Celebi's management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to Ind AS 17.

Lease of IT assets

The Holding Company in earlier years, had entered in to an IT service arrangement with WAISL to provide IT services at the Airport on its behalf. As per the agreement, Holding Company pays or receives a variable charge to/from WAISL depending upon the actual billing and subsistence level agreed. WAISL cannot offer such services to any other customer and it is not economically feasible for the WAISL to offer the level of services using any other equipment. Accordingly, although the arrangement is not in the legal form of lease, the Holding Company concluded that the arrangement contains a lease of the IT equipment and other assets. The lease was classified as a finance lease at inception of the arrangement and payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on incremental borrowing rate of interest.

However, in the financial year 2016-17, there is modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly the Holding Company has derecognised the assets and liabilities recognised under finance lease.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

32.2 ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the

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standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

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

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 34.

Provision for planned maintenance

As part of the Celebi's contractual obligation to maintain the cargo terminal to a specified level of serviceability, the Celebi has recognised a provision for planned maintenance in their financial statement. In determining the fair value of the provision, assumption and estimate are made in relation to discount rates, the expected cost to replace the assets, inflation percentage and the expected timing of those costs. The carrying amount of the provision as at March 31, 2018 was ₹ 37.64crores (March 31, 2017: ₹ 30.29 crores). The Celebi has calculated the provision using the discounted cash flow (DCF) method based on the following assumptions:

- Discount rate: 7.25- 8.49% p.a.
- Inflation percentage: 4 % p.a.

Provision for Leave encashment

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

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37, 38 and 39 for further disclosures.

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33. RELATED PARTY

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited[1]
Intermediate holding company	GMR Infrastructure Limited
Holding company	GMR Airports Limited
Subsidiary company	Delhi Aerotropolis Private Limited
Associate company(where transactions have taken place)	Delhi Airport Parking Services Private Limited
	Travel Food Services (Delhi Terminal 3) Private Limited
	Delhi Duty Free Services Private Limited
	Celebi Delhi Cargo Terminal Management India Private Limited
	TIM Delhi Airport Advertising Private Limited
Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Chhattisgarh Energy Limited
	GMR Kamalanga Energy Limited
	Kakinada SEZ Limited[2] (formerly known as Kakinada SEZ Private Limited)
	GMR Warora Energy Limited
	GMR Pochanpalli Expressways Limited
	GMR TambaramTindivanam Expressways Limited
	GMR Consulting Services Limited
	GMR Energy Trading Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	GMR Sports Private Limited
	GMR Aero Technic Limited
	GMR TuniAnakapalli Expressways Limited
Joint ventures (where transactions have taken place)	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited
	Wipro Airport IT Services Limited
	GMR Bajoli Holi Hydropower Private Limited[3]
Enterprises in respect of which the company is a joint venture	Airports Authority of India
	Fraport AG Frankfurt Airport Services Worldwide
Associate of member of a Group of which DIAL is a member	GMR Megawide Cebu Airport Corporation
Enterprises where significant influence of Key management Personnel or their relatives exists	GMR Varalaksmi Foundation
Post-employment benefit plan of the entity	DIAL Employee's provident fund trust

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Description of relationship	Name of the related parties
Key Management personnel	Mr. Srinivas Bommidala[4]- Managing Director
	Mr. Grandhi Kiran Kumar - Executive Director
	Mr. K. Narayana Rao - Whole Time Director
	Mr. R.S.S.L.N. Bhaskarudu - Independent Director
	Ms. Kameswari Vissa - Independent Director
	Mr. N.C.Sarabeswaran - Independent Director
	Mr. K.P. Rao - Non- Executive Director
	Mr. Matthias Engler- Non- Executive Director
	Mr. G. Subba Rao – Director
	Mr. S. Suresh - Director (AAI Nominee)
	Mr. A.K. Dutta - Director (AAI Nominee)
	Mr. G.B.S. Raju[4] – Director
	Mr. M. Ramachandran - Independent Director
Key Management personnel of holding company	Mr. G.M. Rao[5]

1. GMR Holdings Private Limited and GMR Projects Private Limited has been amalgamated with GMR Enterprises Private Limited (Transferee Company), pursuant to approval of scheme of amalgamation and arrangements by Hon'ble High Court of Madras vide its order No. 8471/16 dated July 06, 2016 effective from August 10, 2016.
2. Kakinada SEZ Private Limited is converted into a Public Company upon completion of all regulatory compliances. Consequently, the name of the Company has been changed to Kakinada SEZ Limited with effect from October 20, 2016.
3. W.e.f. from September 11, 2017, the Company has entered into a share subscription cum shareholder's agreement for acquisition of 17.33% of shareholding in GMR Bajoli Holi Hydropower Private Limited. The Company holds 20.85% of shareholding in GMR Bajoli Holi Hydropower Private Limited as at March 31, 2018. Pursuant to terms of the agreement, GMR Bajoli Holi Hydropower Private Limited has become a joint venture of the Company.
4. Mr. Srinivas Bommidala ceased to be the Managing Director of the Company w.e.f. end of business hours of March 31, 2018.Appointment of Mr. G.B.S. Raju as Managing Director in place of Mr. Srinivas Bommidala w.e.f. April 01, 2018.
5. W.e.f. April 01, 2018, Mr. G.M. Rao would be Executive Chairman of the company.

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

Balances as at Date	March 31, 2018	March 31, 2017
Investments in subsidiary, associates and Joint Ventures		
Investments in Unquoted Equity Share		
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	52.05	48.59
Delhi Duty Free Services Private Limited	131.59	113.65
Travel Food services (Delhi Terminal 3) Private Limited	4.41	3.69
TIM Delhi Airport Advertising Private Limited	36.90	33.10
Delhi Airport Parking Services Private Limited	48.75	46.13

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Balances as at Date	March 31, 2018	March 31, 2017
Joint Ventures		
Delhi Aviation Services Private Limited	20.28	19.65
Delhi Aviation Fuel Facility Private Limited	53.30	50.84
Wipro Airport IT Services Limited	1.43	3.46
GMR Bajoli Holi Hydropower Private Limited	107.67	-
Trade Receivables (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	0.36	0.47
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	0.07	0.04
Associate Companies		
Delhi Duty Free Services Private Limited	16.37	13.17
TIM Delhi Airport Advertising Private Limited	30.37	30.35
Delhi Airport Parking Services Private Limited	2.69	2.30
Travel Food Services (Delhi Terminal 3) Private Limited	0.86	1.02
Celebi Delhi Cargo Terminal Management India Private Limited	15.57	14.35
Wipro Airport IT Services Limited	37.35	-
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	0.50	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.02	0.18
GMR Consulting Services Limited	-	1.26
GMR Chhattisgarh Energy Limited	-	1.21
GMR Warora Energy Limited	1.46	0.11
GMR Vemagiri Power Generation Limited	0.41	0.90
GMR Bajoli Holi Hydropower Private Limited	-	0.30
GMR Kamalanga Energy Limited	0.23	0.35
GMR Aero Technic Limited	0.03	-
Other Financial Assets - Current		
Unbilled revenue (including Utility recovery not billed)		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	1.16	1.09
Other recoverables		
Joint Ventures		
Delhi Aviation Services Private Limited	0.06	0.13
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Wipro Airport IT Services Limited	8.09	6.27
GMR Bajoli Holi Hydropower Private Limited	0.03	-

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Balances as at Date	March 31, 2018	March 31, 2017
Associate Companies		
Delhi Airport Parking Services Private Limited	0.30	0.08
Travel Food Services (Delhi Terminal 3) Private Limited	0.05	0.17
Celebi Delhi Cargo Terminal Management India Private Limited	0.02	0.19
Delhi Duty Free Services Private Limited	0.06	0.05
TIM Delhi Airport Advertising Private Limited	0.10	0.32
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	6.80	7.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Consulting Services Limited	0.01	-
GMR Warora Energy Limited	0.01	-
Kakinada SEZ Limited	0.10	0.17
GMR Hyderabad International Airport Limited	0.13	0.23
GMR Male International Airport Private Limited	1.37	1.40
GMR Energy Limited	-	0.01
GMR GOA International Airport Limited	0.25	0.25
GMR Energy Trading Limited	0.18	-
GMR Bajoli Holi Hydropower Private Limited	-	0.01
GMR Pochanpalli Expressways Limited	0.01	-
Associate of member of a Group of which DIAL is a member		
GMR Megawide Cebu Airport Corporation	0.07	0.08
Reversal of Unbilled Revenue		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.29
Delhi Airport Parking Services Private Limited	-	0.59
Non- Trade Receivables (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	0.12	0.05
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	3.38	0.71
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Consulting Services Limited	-	0.78
GMR Chhattisgarh Energy Limited	0.02	0.24
GMR Tambaram Tindivanam Expressways Limited	0.01	0.03
GMR Warora Energy Limited	0.23	0.10
GMR Kamalanga Energy Limited	0.22	0.02
GMR Aviation Private Limited	-	0.02
GMR Bajoli Holi Hydropower Private Limited	-	0.03
GMR Vemagiri Power Generation Limited	0.27	0.18

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Balances as at Date	March 31, 2018	March 31, 2017
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.20	0.37
Celebi Delhi Cargo Terminal Management India Private Limited	0.10	0.58
Delhi Airport Parking Services Private Limited	0.33	0.16
TIM Delhi Airport Advertising Private Limited	0.21	0.23
Delhi Duty Free Services Private Limited	1.28	1.20
Joint Ventures		
Delhi Aviation Services Private Limited	0.91	0.74
Wipro Airport IT Services Limited	23.76	-
GMR Bajoli Holi Hydropower Private Limited	0.07	-
Loans - Advances- Non-Current		
Joint Ventures		
Wipro Airport IT Services Limited	2.82	2.82
Provision for Doubtful Advances		
Joint Ventures		
Wipro Airport IT Services Limited	2.82	2.82
Trade payable (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	1.93	11.88
Holding company of DIAL		
GMR Airports Limited	44.43	8.93
Enterprises in respect of which the Holding Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	93.86	79.99
Airports Authority of India	81.72	113.31
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	1.50	2.77
GMR Energy Trading Limited	-	2.33
GMR Airport Developers Limited	0.36	-
GMR Vemagiri Power Generation Limited	0.02	-
GMR Sports Private Limited	0.01	-
GMR Tuni Anakapalli Expressways Limited	0.17	-
Other Financial Liabilities at amortised cost- Non-current		
Liability for Voluntary retirement scheme		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	1.35	16.85
Other Financial Liabilities at amortised cost- Current		
Liability for voluntary retirement scheme		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	15.47	14.45

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Balances as at Date	March 31, 2018	March 31, 2017
Other Financial Liabilities at amortised cost- Current		
Earnest Money Deposit		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Bajoli Holi Hydropower Private Limited	-	0.05
Other Financial Liabilities at amortised cost- Current		
Security Deposits from trade concessionaires		
Associate Companies		
Delhi Duty Free Services Private Limited	1.10	1.19
Celebi Delhi Cargo Terminal Management India Private Limited	0.01	-
Delhi Airport Parking Services Private Limited	0.01	0.01
Joint Ventures		
Delhi Aviation Services Private Limited	0.09	0.06
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.11	-
Other Financial Liabilities at amortised cost- Non Current		
Security Deposits from trade concessionaires		
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	23.09	20.48
Delhi Aviation Services Private Limited	11.49	10.24
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	21.26	17.91
Delhi Airport Parking Services Private Limited	0.77	0.68
Delhi Duty Free Services Private Limited	102.69	89.73
TIM Delhi Airport Advertising Private Limited	9.07	7.91
Travel Food Services (Delhi Terminal 3) Private Limited	2.80	1.44
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.20	-
Deferred Revenue		
Unearned Revenue		
Associate Companies		
TIM Delhi Airport Advertising Private Limited	0.31	0.13
Delhi Airport Parking Services Private Limited	0.01	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.25	-
Delhi Duty Free Services Private Limited	0.16	-
Celebi Delhi Cargo Terminal Management India Private Limited	0.56	-

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Balances as at Date	March 31, 2018	March 31, 2017
Deferred Revenue		
Deferred Income on financial liabilities carried at amortised cost - Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.15	0.15
Delhi Duty Free Services Private Limited	12.99	12.70
Celebi Delhi Cargo Terminal Management India Private Limited	5.51	5.12
TIM Delhi Airport Advertising Private Limited	1.60	1.60
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	0.15
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	6.39	6.30
Delhi Aviation Services Private Limited	1.02	1.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.03	-
Deferred Income on financial liabilities carried at amortised cost - Non-Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	1.86	2.01
Delhi Duty Free Services Private Limited	82.74	93.99
Celebi Delhi Cargo Terminal Management India Private Limited	87.56	86.60
TIM Delhi Airport Advertising Private Limited	17.72	19.49
Travel Food Services (Delhi Terminal 3) Private Limited	3.04	0.39
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	105.49	110.62
Delhi Aviation Services Private Limited	1.38	2.41
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	-	0.09
GMR Aero Technic Limited	0.03	-
Other liabilities-Current		
Advances from customer		
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	0.31	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Tambaram Tindivanam Expressways Limited	0.47	-

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

Transactions During the period	March 31, 2018	March 31, 2017
Non-current investments		
Investment made in Equity Share		
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	-	2.40
Joint Ventures		
GMR Bajoli Holi Hydropower Private Limited	108.33	-
Security Deposits from trade concessionaires		
Security Deposits Received		
Associate Companies		
Delhi Airport Parking Services Private Limited	-	0.29
Celebi Delhi Cargo Terminal Management India Private Limited	7.95	-
Delhi Duty Free Services Private Limited	3.97	0.67
Travel Food Services (Delhi Terminal 3) Private Limited	4.33	-
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	-	10.64
Delhi Aviation Services Private Limited	0.04	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.25	-
Security Deposits Refunded		
Associate Companies		
Delhi Duty Free Services Private Limited	0.12	0.30
Marketing Fund Billed		
Associate Companies		
Delhi Duty Free Services Private Limited	11.21	10.35
Travel Food Services (Delhi Terminal 3) Private Limited	0.86	0.67
Delhi Airport Parking Services Private Limited	0.01	0.01
Marketing Fund Utilised		
Associate Companies		
Delhi Duty Free Services Private Limited	10.87	1.72
TIM Delhi Airport Advertising Private Limited	0.36	0.46
Travel Food Services (Delhi Terminal 3) Private Limited	0.05	0.03
Utilization of advance from commercial property developers		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	2.63	1.76
Raxa Security Services Limited	-	1.15
Post-employment benefit plan of the entity		
Contribution to PF trust		
DIAL Employee's provident fund trust	12.52	10.33

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Transactions During the period	March 31, 2018	March 31, 2017
Dividend Paid		
Holding company of DIAL		
GMR Airports Limited	101.92	-
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	41.41	-
Fraport AG Frankfurt Airport Services Worldwide	15.92	-
Non-aeronautical revenue		
Intermediate holding company		
GMR Infrastructure Limited	2.61	2.43
Joint Venture		
Delhi Aviation Fuel Facility Private Limited	18.43	17.15
Delhi Aviation Services Private Limited	8.22	6.78
Wipro Airport IT Services Limited	45.26	-
GMR Bajoli Holi Hydropower Private Limited	1.69	-
Associate Companies		
TIM Delhi Airport Advertising Private Limited	171.28	142.24
Celebi Delhi Cargo Terminal Management India Private Limited	189.45	151.72
Travel Food Services (Delhi Terminal 3) Private Limited	22.17	16.39
Delhi Duty Free Services Private Limited	363.59	331.91
Delhi Airport Parking Services Private Limited	25.81	18.50
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Aviation Private Limited	0.06	0.05
GMR Chhattisgarh Energy Limited	-	1.05
GMR Consulting Services Limited	-	1.05
GMR Tambaram Tindivanam Expressways Limited	2.60	2.43
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	1.69	1.84
GMR Vemagiri Power Generation Limited	1.69	0.79
GMR Bajoli Holi Hydropower Private Limited	-	0.79
GMR Kamalanga Energy Limited	1.69	0.79
GMR Aero Technic Limited	0.03	-
Non-Aeronautical - Income on Security deposits		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.15	0.21
TIM Delhi Airport Advertising Private Limited	1.63	1.62
Delhi Duty Free Services Private Limited	13.09	12.91
Celebi Delhi Cargo Terminal Management India Private Limited	5.55	5.22
Travel Food Services (Delhi Terminal 3) Private Limited	0.38	0.15
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	4.49	8.69
Delhi Aviation Services Private Limited	1.03	1.03

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Transactions During the period	March 31, 2018	March 31, 2017
Aeronautical Revenue		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.19	0.27
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	0.09	0.11
Interest Income on Financial Assets carried at amortised cost		
Joint Ventures		
Delhi Aviation Services Private Limited	-	0.19
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	2.62	0.97
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Tambaram Tindivanam Expressways Limited	-	0.01
Remuneration to key managerial personnel*		
Short-term employee benefits		
Mr. Grandhi Kiran Kumar	3.94	2.72
Mr. Srinivas Bommidala	3.94	2.72
Mr. K. Narayana Rao	1.60	1.32
*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.		
Annual Fee		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	1,780.88	2,634.84
Finance cost		
Other cost - Interest on Revenue share		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	2.49	4.87
Other Interest		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	-	0.16
Finance Cost- Interest expense on financial liablity carried at amortised cost		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.08	0.12
TIM Delhi Airport Advertising Private Limited	0.99	0.86
Delhi Duty Free Services Private Limited	11.16	9.85
Celebi Delhi Cargo Terminal Management India Private Limited	2.31	1.96
Travel Food Services (Delhi Terminal 3) Private Limited	0.19	0.16

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

Transactions During the period	March 31, 2018	March 31, 2017
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	2.04	2.79
Delhi Aviation Services Private Limited	1.25	1.12
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	2.65	4.16
Reversal of finance cost- Interest on borrowings		
Joint ventures		
Wipro Airport IT Services Limited	-	7.01
CSR activities/Donations		
Enterprises where significant influence of key Management personnel or their relative exists		
GMR Varalakshmi Foundation	5.42	6.14
Consultancy fees paid		
Enterprises in respect of which the Holding Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	-	0.07
Airports Authority of India	-	0.12
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	45.11	40.20
Airport Operator fees		
Enterprises in respect of which the Holding Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	171.87	151.05
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	20.89	37.90
Holding company of DIAL		
GMR Airports Limited	64.12	38.03
Travelling & Conveyance- Chartering Cost		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	4.28	3.67
Meetings and Seminars		
Holding company of DIAL		
GMR Airports Limited	0.20	-
Security related expenses		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	22.47	15.70

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for the year ended March 31, 2018

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Transactions During the period	March 31, 2018	March 31, 2017
Information technology and related expenses		
Joint Ventures		
Wipro Airport IT Services Limited	-	2.75
Repair and Maintenance - IT System		
Joint Ventures		
Wipro Airport IT Services Limited	0.19	0.08
Utility Expenses		
Electricity charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Trading Limited	31.83	3.32
Electricity charges recovered		
Intermediate holding company		
GMR Infrastructure Limited	0.12	0.12
Joint Ventures		
Delhi Aviation Services Private Limited	12.87	12.10
GMR Bajoli Holi Hydropower Private Limited	0.16	-
Associate Companies		
Delhi Airport Parking Services Private Limited	1.86	1.76
Celebi Delhi Cargo Terminal Management India Private Limited	10.94	14.61
TIM Delhi Airport Advertising Private Limited	3.28	3.23
Travel Food Services (Delhi Terminal 3) Private Limited	3.12	3.15
Delhi Duty Free Services Private Limited	1.97	2.51
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	0.01
GMR Chhattisgarh Energy Limited	-	0.18
GMR Warora Energy Limited	0.27	0.28
GMR Tambaram Tindivanam Expressways Limited	0.12	0.12
GMR Consulting Services Limited	-	0.33
GMR Bajoli Holi Hydropower Private Limited	-	0.02
GMR Vemagiri Power Generation Limited	0.29	0.16
GMR Kamalanga Energy Limited	0.18	0.02
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	17.07	15.93
Water charges recovered		
Joint Ventures		
Delhi Aviation Services Private Limited	0.11	0.11
GMR Bajoli Holi Hydropower Private Limited	0.02	-

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for the year ended March 31, 2018

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Transactions During the period	March 31, 2018	March 31, 2017
Associate Companies		
Delhi Airport Parking Services Private Limited	0.41	0.43
Travel Food Services (Delhi Terminal 3) Private Limited	0.39	0.35
Celebi Delhi Cargo Terminal Management India Private Limited	1.27	1.18
Delhi Duty Free Services Private Limited	0.02	0.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Chhattisgarh Energy Limited	-	0.01
GMR Bajoli Holi Hydropower Private Limited	-	0.01
GMR Warora Energy Limited	0.01	0.01
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	-	0.61
Water charges recoverable written off		
Enterprises in respect of which the Holding Company is a joint venture		
Airport Authority of India	-	0.99
Directors' sitting fees		
Key management personnel		
Mr.R.S.S.L.N. Bhaskarudu	0.06	0.06
Ms. Kameswari Vissa	0.05	0.05
Mr. K.P. Rao	-	0.02
Mr. N.C. Sarabeswaran	0.05	0.05
Mr. G. Subba Rao	0.03	0.03
Mr. G.B.S. Raju	0.01	0.01
Mr. Matthias Engler	-	0.02
Mr. S. Suresh	0.01	0.02
Mr. A.K. Dutta	0.01	0.01
Mr. M. Ramachandran	0.05	0.02
Key Management personnel of holding company		
Mr. G.M. Rao	0.01	0.01
Recovery of Collection Charges		
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India	3.07	-
Expenses incurred by Holding Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	0.02	0.01
Holding company of DIAL		
GMR Airports Limited	4.74	6.19

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(All amounts in ₹ Crore, except otherwise stated)

Transactions During the period	March 31, 2018	March 31, 2017
Enterprises in respect of which the Holding Company is a joint venture		
Airports Authority of India		
Joint Ventures		
Delhi Aviation Services Private Limited	0.60	0.46
Wipro Airport IT Services Limited	20.14	-
GMR Bajoli Holi Hydropower Private Limited	0.01	-
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	0.54	0.43
TIM Delhi Airport Advertising Private Limited	0.64	0.61
Delhi Airport Parking Services Private Limited	0.57	0.54
Travel Food Services (Delhi Terminal 3) Private Limited	0.45	0.42
Delhi Duty Free Services Private Limited	0.35	0.31
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.01	0.03
GMR Tuni Anakapalli Expressways Limited	0.02	0.01
GMR Pochanpalli Expressways Limited	0.04	0.01
GMR Bajoli Holi Hydropower Private Limited	-	0.01
GMR Consulting Services Limited	0.01	-
Raxa Security Services Limited	0.30	1.07
Kakinada SEZ Limited	0.08	0.10
GMR Hyderabad International Airport Limited	-	0.14
GMR Energy Trading Limited	0.02	0.01
Expenses incurred by related parties on behalf of Holding Company		
Intermediate Holding company		
GMR Infrastructure Limited	0.02	-
Holding company of DIAL		
GMR Airports Limited	0.18	0.47
Associate Companies		
Travel Food Services (Delhi Terminal 3) Private Limited	0.10	0.06
Associate of member of a Group of which DIAL is a member		
GMR Megawide Cebu Airport Corporation	-	0.07
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	-	0.04
GMR Sports Private Limited	-	0.01

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

34. RETIREMENT AND OTHER EMPLOYEE BENEFIT:-

Employee Benefit:-

a) Defined benefit plans

During the year ended March 31, 2018, the Holding Company has recognised ₹ 10.48 crore (March 31, 2017: ₹ 8.75 crore) as an expenses and included in Employee benefits expense as under the following defined contribution plans.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
benefits (Employer's contribution to):		
Provident and other fund#	7.02	5.62
Superannuation fund*	3.46	3.13
Total	**10.48**	**8.75**

#Net of amount transferred to Capital work-in-progress ('CWIP') & CPD ₹ 0.11 Crore (March 31, 2017: ₹ 0.11 Crore)

*Net of amount transferred to CWIP & CPD ₹ 0.08 Crore (March 31, 2017: ₹ 0.07 Crore).

The Holding Company makes contribution towards provident fund which is administered by the trustees. The rules of the Holding Company's provident fund administered by a trust, require that if the board of the trustees are unable to pay interest at the rate declared by the government under para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Holding Company making interest shortfall a defined benefit plan. Accordingly, the Holding Company has obtained actuarial valuation and based on the below provided assumption there is no cumulative deficiency at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

As per the requirement of Ind AS 19 of the Institute of Chartered Accountants of India, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is no cumulative short-fall which has been provided in the financial statements.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Plan assets at the year end, at fair value	111.59	94.27
Present value of benefit obligation at year end	111.59	94.27
Net (liability) recognized in the balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.60%	7.10%
Fund rate	9.30%	9.50%
PFO rate	8.55% for the next one year	8.60% for the next one year
Withdrawal rate	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08) (modified)Ult *	Indian Assured Lives Mortality (2006-08) (modified)Ult *

*As published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

(b) Gratuity expense

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

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2018:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	1.51	1.31
Past Service Cost	1.53	-
Net Interest Cost	(0.03)	(0.07)
Total	**3.01**	**1.24**

Amount recognised in Other Comprehensive Income for the year ended March 31, 2018:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain)/loss due to DBO experience	0.08	(0.39)
Actuarial gain due to DBO financial assumptions changes	(0.59)	(0.69)
Actuarial gainarising during period	(0.51)	(1.08)
Return on plan assets greater than discount rate	(0.26)	(0.03)
Actuarial gains recognized in OCI	(0.77)	(1.11)

Balance Sheet

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	(16.39)	(12.78)
Fair value of plan assets	14.94	11.57
Benefit liability	(1.45)	(1.21)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	12.78	10.66
Interest cost	0.87	0.78
Current service cost	1.51	1.31
Past Service Cost	1.53	-
Acquisition cost	1.10	0.24
Benefits paid (including transfer)	(0.89)	(1.29)
Actuarial (gain)/ losses on obligation-experience	(0.51)	1.08
Closing defined benefit obligation	16.39	12.78

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	11.57	11.02
Acquisition Adjustment	0.92	-
Interest income on plan assets	0.90	0.85
Contributions by employer	2.18	1.02
Benefits paid (including transfer)	(0.89)	(1.29)
Return on plan assets greater/ (lesser) than discount rate	0.26	(0.03)
Closing fair value of plan assets	14.94	11.57

The Holding Company expects to contribute ₹ 2.18 crore to gratuity fund during the year ended on March 31, 2019 (March 31, 2018: ₹ 1.01 crore).

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	March 31, 2018 (%)	March 31, 2017 (%)
Investments with insurer managed funds	100	100

Experience adjustments for the current and previous years are as follows:

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	(16.39)	(12.78)
Plan assets	14.94	11.57
Funded status	(1.45)	(1.21)
Experience gain adjustment on plan liabilities	(0.51)	(1.08)
Experience gain adjustment on plan assets	(0.26)	(0.03)
Actuarial gain due to change in assumptions	-	-

The principal assumptions used in determining gratuity obligation for the Holding Company's plans are shown below:

Particulars	March 31, 2018	March 31, 2017
Discount rate (in %)	7.60%	7.10%
Salary Escalation (in %)	6.00%	6.00%
Expected rate of return on assets	7.60%	7.80%
Attrition rate (in %)	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

	March 31, 2018	March 31, 2017
Assumptions	Discount rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	(1.17)	(0.97)
Impact on defined benefit obligation due to decrease	1.34	1.12

	March 31, 2018	March 31, 2017
Assumptions	Future Salary Increase	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	1.26	0.91
Impact on defined benefit obligation due to decrease	(1.15)	(0.85)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

	March 31, 2018	March 31, 2017
Assumptions	Attrition rate	
Sensitivity Level	1%	1%
Impact on defined benefit obligation due to increase	0.14	0.12
Impact on defined benefit obligation due to decrease	(0.16)	(0.14)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2017:10 years).

34. COMMITMENTS AND CONTINGENCIES

I. Leases

Operating lease: Company as lessee

The Holding Company has taken office and residential space, information technology equipment under operating lease arrangements. Office premises are obtained on operating lease for terms ranging from 0-5 years and are renewable upon agreement of both the Holding Company and the lessor. There are no sub leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017
Minimum Lease payment for the year (excluding taxes)	10.57	9.65
Minimum Lease Payments:		
Within one year	2.69	2.78
After one year but not more than five years	2.18	4.73
More than five years	-	-
Total future payments	4.87	7.51

II. Contingent liabilities not provided for:

Particulars	March 31, 2018	March 31, 2017
(i) In respect of Income tax matters *	64.29	67.95
(ii) In respect of Indirect tax matters [refer note (e) & (f) below and other matters*]	190.42	190.68
(iii) Claim against the Holding Company not acknowledged as debt [refer (d) below and other matters*]	41.47	41.47
(iv) In respect of other matters [refer (a) below]	15.72	7.86

*pertaining to various cases not included below

The Holding Company has provided guarantee to an unrelated party for the performance in a contract. No liability is expected to arise.

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

a) During the year ended March 31, 2017, the Delhi Cantonment Board (DCB) has raised provisional invoice demanding property tax of ₹ 9.01 crore in respect of vacant land at IGI Airport for the Financial Year 2016-17.

The airport area majorly consists of vacant land area which cannot be commercially let out by the Holding Company because of operational safety, aircraft landing & take off and navigational requirements as per standards laid down by International Civil Aviation Organization (ICAO). However, based on same computation method as used for payment

Notes to the Consolidated Financial Statements

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of property tax to South Delhi Municipal Corporation ('SDMC'), the Holding Company has made payment of ₹ 1.15 crore towards property tax for financial year 2016-17 and requested DCB to withdraw its demand.

The Holding Company has also paid ₹ 1.15 crore for financial year 2017-18 based on same computation as of previous financial year. During the year ended March 31, 2018, DCB has raised provisional invoice on November 23, 2017 demanding property tax of ₹ 9.01 crore for the Financial Year 2017-18 along with arrears of ₹ 7.86 crore for 2016-17. Accordingly, The Holding Company has disclosed remaining amount of ₹ 15.72 crore in respect of FY 2016-17 and FY 2017-18 as contingent liability.

The Holding Company has obtained a legal opinion; wherein it has been opined that liability w.r.t. earlier years cannot be ruled out. As DCB has not raised any demand for earlier years, and the Holding Company's application for adopting the same computation method as considered by SDMC, while arriving at the demand for the financial year 2016-17, is pending / under consideration by DCB, the amount of liability for earlier years is unascertainable; and therefore no provision has been considered necessary by the Holding Company against such demand in these consolidated financial statements.

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

The Holding Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Holding Company and the matter is now listed for hearing on July 28, 2018. Based on an internal assessment and aforesaid order of the Hon'ble Delhi High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these consolidated 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 Holding Company had incurred ₹ 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till March 31, 2018 (March 31, 2017: ₹ 296.90 crore) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Holding Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble Delhi High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on July 13, 2018.

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 Holding Company towards capital expenditure and interest thereon amounting to ₹ 295.58 crores and ₹ 368.19 crores respectively, subject to the order of the Hon'ble High court of Delhi.

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Based on an internal assessment, the management of the Holding Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court and pending further orders, the Holding Company has charged ₹ 79.38 crore from April 1, 2014 till March 31, 2018 (March 31, 2017: ₹ 58.41 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes ₹ 20.97 crore during the year ended March 31, 2018 (March 31, 2017: ₹ 22.79 crore).

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

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

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

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

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

Arbitration tribunal in its hearing dated October 5, 2017 has passed the order framing the issues after hearing the contention of both the parties. The tribunal has ordered and recorded that the present case does not demand leading of oral evidence and the parties may be permitted to rely on any document on record for arguments and posted the matter for final arguments.The next date of hearing is yet to be notified by the Tribunal.

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

e) The Director General of Central Excise Intelligence, New Delhi had issued a Show Cause Notice F. NO.

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(All amounts in ₹ Crore, except otherwise stated)

574/CE/41/2014/Inv./PT.II/11327 dated October 10, 2014 on the Holding Company, proposing a demand of service tax of ₹ 59.91 crore (excluding interest and penalty) considering Advance Development Costs ('ADC')collected by the Holding Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'.

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

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

However, based on an internal assessment and legal opinions obtained by the Holding Company in this regard, its 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 the Holding Company from the Commercial Property Developers.

The Holding Company has filed appeal before CESTAT, New Delhi on August 02, 2016 by depositing ₹ 4.07 crore against the order dated May 02, 2016, the same has been shown under other loan and advances as Deposit with Government Authorities including paid under protest. The date of hearing is yet to be notified by the Tribunal.

The Holding Company has disclosed the amount of penalty of ₹ 54.31 crore as contingent liability.

Further, the management of the Holding Company is of the view that no adjustments are required to be made to these financial statements.

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

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

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

However, based on an internal assessment and legal views obtained by Holding Company in this regard, the management is of the view that service tax is not leviable on DF, as the DF is a statutory levy and is meant to bridge financing gap funding for the airport project. The collection of DF from passengers is not in lieu of provision of any service to them. Further, there is no service provider and service recipient relationship between the Holding Company and the passengers paying DF. Service tax liability, if any arises on DF, shall be decided by AERA, keeping in view the final pronouncement of the matter.

The Holding Company has filed appeal against the order before CESTAT, New Delhi on October 10, 2016 and; has disclosed the amount of penalty of ₹ 131.89 crore as contingent liability. The date of hearing is yet to be notified by the Tribunal.

Further, the management of the Holding Company is of the view that no adjustments are required to be made to these consolidated financial statements.

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

IV. Capital and Other Commitments:

i. Capital Commitments:

At March 31, 2018, the Holding Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of ₹ 4.01 crore (March 31, 2017: ₹ 4.96 crore)] ₹ 154.99 crore (March 31, 2017: ₹ 138.92 crore).

ii. Other Commitments:

i. As per the terms of OMDA, the Holding Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Holding 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. In respect of its equity investment in East Delhi Waste Processing Company Private Limited, the Holding Company along with SELCO International Limited has to maintain minimum 51% shareholding for a period of 2 years from the commissioning of the project and thereafter minimum 26% shareholding for next 10 years. The project has been commissioned with effect from April 01, 2017.

iii. As per the terms of Airport Operator Agreement, the Holding Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.

iv. In case of Holding Company, 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. FY 2016-17. Pursuant to above, the Holding Company had made Ind AS adjustments amounting to ₹ 184.79 crore as on March 31, 2016 and included 1/5th of the same i.e. ₹ 36.96 crore while computing book profit for FY 2016-17 and FY 2017-18 and paid MAT accordingly. The remaining amount of ₹ 110.87 crore will be adjusted in the three subsequent years while computing book profit for MAT.

v. During previous year, the Holding Company had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2026) of USD 522.60 mn, which is repayable in October 2026. Under this option, the Holding Company has purchased a call option for USD 522.60 mn at a strike price of ₹ 66.85/USD and written a call option for USD 522.60 mn at a strike price of ₹ 101.86/USD at October 31, 2026. As per terms of the agreements, the Holding Company is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), which is payable on quarterly basis. The Holding Company has paid ₹ 140.73 crore towards premium till March 31, 2018 and remaining balance of ₹ 1,100.57 crore is payable as at March 31, 2018 (March 31, 2017:₹ 1,226.34 crore).

vi. During the previous year, the Holding Company had entered into "Call spread Option" with various banks for hedging the repayment of part of 6.125% Senior secured notes (2022) of USD 80 million (out of USD 288.75 million), which is repayable in February 2022. Under this option, the Holding Company has purchased a call option for USD 80.00 million at a strike price of ₹ 68.00/USD and written a call option for USD 80 million ata strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, the Holding Company is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable on quarterly basis. The Holding Company has paid ₹ 18.46 crore towards premium till March 31, 2018 and remaining balance of ₹ 75.87 crore is payable as at March 31, 2018 (March 31, 2017: ₹ 94.33 crore).

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Further during the current year, theHolding Company has purchased a call option for remaining USD 208.75 million at a strike price of ₹ 63.80/USD and written a call option for USD 208.75 million ata strike price of ₹ 85.00/USD at February, 2022.As per terms of the agreements, the Holding Company is required to pay premium of ₹ 198.34 crore (starting from January 2018 to January 2022), payable on quarterly basis. The Holding Company has paid ₹ 0.26 crore towards premium till March 31, 2018 and remaining balance of ₹ 198.08 crore is payable as at March 31, 2018 (March 31, 2017: Nil).

With respect to Subsidiary, Joint ventures and associates:

vii. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited.As per the agreement, DIAL is committed to pay annually, premium fees to WAISL or receive from WAISL a concession fee, determined and mutually agreed on the basis of estimated receivable and subsistence level (as defined in the said MSA further amended vide addendum number 17, dated April 5, 2018). During year ended March 31, 2018, the Holding Company accounted for ₹ 45.26 crore towards such concession fee from WAISL and this is included in revenue from operations (March 31, 2017: ₹ 2.75 crore as premium fee and was included in other expenses).This agreement was further amended vide addendum number 17, dated April 5, 2018, in which Antariksh Softtech Private Limitedhas also become the party to the agreement.

Also in case of delay in collection of dues from customers by WAISL, the Holding Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. Till March 31, 2018, the Holding Company has funded ₹ 11.02 Crore (March 31, 2017: ₹ 11.09 crore) towards shortfall in collection from customers.

viii. In respect of its equity investment in WAISL, the Holding Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.

ix. The Holding Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.

x. The Holding Company has committed to provide financial support to Delhi Aerotropolis Private Limited (Subsidiary Company) in proportion to its shareholding to meet the liabilities of Delhi Aerotropolis Private Limited (Subsidiary Company), as and when required.

xi. The following investments have been pledged by the Holding Company towards borrowings by these companies:

Company Name	March 31, 2018		March 31, 2017	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Delhi Duty Free Services Private Limited	11,976,000	119,760,000	11,976,000	119,760,000
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

xii. In respect of the Holding Company's investment in Joint Venture ('JV') entities and Associate Companies, other JV/ associate partners have the first right of refusal in case, any of the JV/ associate partners intend to sell its

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stake subject to other terms and conditions of respective JV/ associate agreements.

xiii. In respect of its equity investment in GMR Bajoli Holi Hydropower Private Limited ('Bajoli Holi'), the Holding 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 Holding Company has invested ₹ 108.33 crore as Share Capital.

36. SEGMENT INFORMATION

The Holding Company has only one reportable business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these consolidated financial statements relate to the Holding Company's single business segment.

Major customers: Revenue from one customer of the Holding Company is approximately ₹ 376.68 crore of the Holding Company's total revenues (March 31, 2017: Revenue from two customers of the Holding Company is approximately ₹ 1,473.48 crore of the Holding Company's total revenues).

37. FAIR VALUES

The carrying amount of all financial assets and liabilities (except for investment of mutual funds and certain assets and liabilities, i.e. "Instruments carried at fair value") appearing in these consolidated financial statements is reasonable approximation of fair values. Such investments carried at fair value are disclosed below:

Particulars	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Investment in mutual fund	2,206.19	2,092.72	2,206.19	2,092.72
Derivative asset effective hedges	0.97	-	0.97	-
Total	**2,207.16**	**2,092.72**	**2,207.16**	**2,092.72**
Financial liabilities				
Derivative liability effective hedges	-	42.58	-	42.58
Total	**-**	**42.58**	**-**	**42.58**

Assumption used in estimating the fair values:

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

The Holding Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. 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 March 31, 2018, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

38. FAIR HIERARCHY

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

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Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2018:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment in mutual fund	March 31, 2018	2,206.19	2,206.19	-	-
Cash flow hedges-Call spread option	March 31, 2018	0.97	-	0.97	-
Total		**2,207.16**	**2,206.19**	**0.97**	**-**

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2017:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment in mutual fund	March 31, 2017	2,092.70	2,092.70	-	-
Liability measured at fair value					
Cash flow hedges-Call spread option	March 31, 2017	42.58	-	42.58	-

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

39. RISK MANAGEMENT

Financial risk management objectives and policies

The Holding Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Holding Company's operations and to provide guarantees to support its operations. The Holding Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Holding Company also enters into derivative transactions.

The Holding Company is exposed to market risk, credit risk and liquidity risk. The Holding Company's senior management oversees the management of these risks. The Holding Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Holding Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management team that have the appropriate skills, experience and supervision. It is the Holding Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017:

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2018.

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The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 34.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at March 31, 2018 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Holding Company is not exposed to risk of changes in market interest rates as the borrowings of the Holding Company are at fixed rate of interest.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Holding Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from banks.

Cash flow hedges

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

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

Company Name	March 31, 2018		March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency call spread options designated as hedging instruments	0.97	-	-	(42.58)

As at March 31, 2018, for call spread options of USD 602.60 million, the USD spot rate is below the USD call option strike price and hence not covered in hedge relationship in respect of hedge instruments. However, prospective testing is done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

For call spread options of ₹ 208.75 million, taken during the year, the USD spot rate is above the USD call option strike price. Accordingly, an amount of ₹ 33.82 crores has been released from Cash flow hedge reserve to Statement of Profit and Loss to neutralize the impact of Foreign exchange loss included in Statement of Profit and Loss.

As on March 31, 2017, the USD spot rate was below the USD call option strike price and hence not covered in hedge relationship in respect of hedge instruments. However, prospective testing was done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. There was no re-classification to profit or loss during the previous year for gains or losses included in Statement of Profit and Loss.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Holding Company's profit before tax is due to changes in the fair value of liabilities including non-designated foreign currency derivatives. The impact on the Holding Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and Interest rate swap. The Holding Company's exposure to foreign currency changes for all other currencies is not material.

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	March 31, 2018	March 31, 2017
	Impact on profit before tax	
USD Sensitivity		
INR/USD- Increase by 5%	(6.53)	(73.83)
INR/USD- decrease by 5%	6.53	73.83
EURO Sensitivity		
INR/EURO- Increase by 5%	(0.13)	(0.14)
INR/EURO- decrease by 5%	0.13	0.14
GBP Sensitivity		
INR/GBP Increase by 5%	(0.16)	-
INR/GBP- decrease by 5%	0.16	-

Liquidity risk

The Holding Company monitors its risk of a shortage of funds on a regular basis. The Holding Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. None of the Holding Company's debt will mature in less than one year at March 31, 2018 (March 31, 2017: Nil) based on the carrying value of borrowings reflected in the financial statements. The Holding Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Holding Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2018						
Borrowings	-	-	-	1,886.69	3,414.67	5,301.36
Trade payables	-	431.42	-	-	-	431.42
Other financial liabilities	119.63	142.26	76.82	186.13	2,124.70	2,647.54
Total	**119.63**	**573.68**	**76.82**	**2,072.82**	**5,539.37**	**8,382.32**
As at March 31, 2017						
Borrowings	-	-	-	1,894.20	3,428.26	5,322.46
Trade and other payables	-	431.44	-	-	-	431.44
Other financial liabilities	61.94	202.06	81.83	179.53	2,300.85	2,826.21
Total	**61.94**	**633.50**	**81.83**	**2,073.73**	**5,729.11**	**8,580.11**

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Holding Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables- Customer credit risk is managed by the Holding Company subject to the Holding Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the Holding Company's treasury department in accordance with the Holding Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Holding Company's senior management on regular

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basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Holding Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts of Trade Receivables.

Collateral

As at March 31, 2018 the security provided by the Holding Company to bond holders and working capital facilities is as below;

(i) A first ranking pari passu charge/ assignment of all insurance policies, contractors' guarantees and liquidated damages to the maximum extent permissible under the OMDA and the Escrow Account Agreement;

(ii) A first ranking pari passu charge/assignment of all the rights; titles, permits, approvals and interests of the Borrower in, to and in respect of the Project Documents, in accordance with and to the maximum extent permitted under the OMDA and the Escrow Account Agreement;

(iii) A first ranking pari passu charge on all the revenues / receivables of the Borrower (excluding dues to the Authority) subject to the provisions of the Escrow Account Agreement and the OMDA.

40. CAPITAL MANAGEMENT

For the purpose of the Holding Company and its subsidiary's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders. The primary objective of the Holding Company and its subsidiary's capital management is to maximise the shareholder value.

The Holding Company and its subsidiary's manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Holding Company and its subsidiary's may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Holding Company and its subsidiary's monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The Holding Company and its subsidiary's policy is to keep the gearing ratio below 80%, which is reviewed at end of each financial year.

	March 31, 2018	March 31, 2017
Borrowings	5,249.12	5,261.97
Total debts (A)	**5,249.12**	**5,261.97**
Share Capital	2,450.00	2,450.00
Other Equity	562.01	696.65
Total Equity (B)	**3,012.01**	**3,146.65**
Total equity and total debt (C=A+B)	**8,261.13**	**8,408.62**
Gearing ratio (%) (A/C)	63.54%	62.58%

In order to achieve this overall objective, the Holding Company and its subsidiary's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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41. INVESTMENTS IN ASSOCIATES

The Holding Company has investment in TIMDAA, CELEBI, TFS, DDFSPL and DASPL as associates.

1) Carrying Value of Investments in associates

Particulars	March 31, 2018	March 31, 2017
Carrying Value of Investment in associates	273.69	245.16
Share of Profit for the year in associates	82.91	60.16
Share of OCI for the year in associates	(0.15)	(0.10)

The following table illustrates the summarized financial information of the Holding Company's investment in TIMDAA:

Particulars	March 31, 2018	March 31, 2017
Current Assets	103.51	88.16
Non -Current Assets	62.45	56.05
Current Liabilities	(81.22)	(72.51)
Non-Current Liabilities	(10.80)	(5.37)
Equity	73.94	66.33
Proportion of the Holding Company's Ownership	49.90%	49.90%
Carrying amount of the investment	36.90	33.10

Particulars	March 31, 2018	March 31, 2017
Revenue	311.35	253.85
Depreciation & amortization	(6.24)	(5.40)
Finance Cost	(2.92)	(2.27)
Employee benefit	(19.71)	(12.63)
Other Expense	(233.43)	(189.42)
Profit before tax	49.05	44.13
Current Tax	(18.90)	(17.18)
Deferred Tax charge	0.89	1.34
Profit for the year	31.04	28.29
Consolidation Adjustments	(3.95)	(3.74)
Profit for the year for consolidation	27.09	24.56
Other comprehensive income of the year	(0.08)	(0.07)
Proportion of the Holding Company's ownership	49.90%	49.90%
Holding Company's share of profit for the year	13.52	12.25
Holding Company's share of OCI for the year	(0.04)	(0.04)

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The following table illustrates the summarized financial information of the Holding Company's investment in Celebi:

Particulars	March 31, 2018	March 31, 2017
Current Assets	96.01	78.84
Non -Current Assets	331.73	330.66
Current Liabilities	(116.95)	(125.78)
Non-Current Liabilities	(110.58)	(96.85)
Equity	200.21	186.87
Proportion of the Holding Company's ownership	26.00%	26.00%
Carrying amount of the investment	52.05	48.59

Particulars	March 31, 2018	March 31, 2017
Revenue	461.24	359.35
Cost of Raw Material and Components Consumed	(80.09)	(63.89)
Depreciation & amortization	(18.98)	(14.06)
Finance Cost	(12.54)	(12.82)
Employee benefit	(54.36)	(37.47)
Other Expense	(263.67)	(215.62)
Profit before tax	31.60	15.49
Current Tax	(14.50)	(5.80)
Adjustment of tax relating to earlier years	0.87	-
Deferred Tax charge	2.17	0.56
MAT tax Credit	-	
Profit for the year	20.14	10.25
Consolidation Adjustments	(1.06)	0.09
Profit for the year for consolidation	19.08	10.34
Other comprehensive income of the year	(0.13)	(0.05)
Proportion of the Holding Company's ownership	26.00%	26.00%
Holding Company's share of profit for the year	4.96	2.69
Holding Company's share of OCI for the year	(0.03)	(0.01)

The following table illustrates the summarized financial information of the Holding Company's investment in TFS:

Particulars	March 31, 2018	March 31, 2017
Current Assets	6.48	12.37
Non -Current Assets	30.90	13.38
Current Liabilities	(14.93)	(13.82)
Non-Current Liabilities	(11.43)	(2.69)
Equity$	11.02	9.24
Proportion of the Holding Company's ownership	40.00%	40.00%
Carrying amount of the investment	4.41	3.69

$ During the year 2016-17, the Holding Company has invested ₹ 2.40 Crores additionally in equity share capital of TFS

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Particulars	March 31, 2018	March 31, 2017
Revenue	67.57	49.57
Cost of Raw Material and Components Consumed	(16.53)	(11.97)
Depreciation & amortization	(1.80)	(1.73)
Finance Cost	(0.73)	(1.12)
Employee benefit	(14.32)	(10.17)
Other Expense	(31.08)	(25.29)
Profit before tax	3.11	(0.71)
Current Tax	(0.95)	(0.44)
Deferred Tax charge	(0.38)	0.71
Profit for the year	1.78	(0.42)
Consolidation Adjustments	-	-
Profit for the year for consolidation	1.78	(0.42)
Other comprehensive income of the year	(0.00)	(0.00)
Proportion of the Holding Company's ownership	40.00%	40.00%
Holding Company's share of profit for the year	0.71	(0.17)
Holding Company's share of OCI for the year	(0.00)	(0.00)

The following table illustrates the summarized financial information of the Holding Company's investment in DDFSPL:

Particulars	March 31, 2018	March 31, 2017
Current Assets	219.79	170.40
Non -Current Assets	288.80	280.53
Current Liabilities	(172.58)	(113.35)
Non-Current Liabilities	(72.31)	(109.82)
Equity	263.70	227.76
Proportion of the Holding Company's ownership	49.90%	49.90%
Carrying amount of the investment	131.59	113.65

Particulars	March 31, 2018	March 31, 2017
Revenue	1135.78	1,020.93
Cost of Raw Material and Components Consumed	(426.80)	(353.08)
Cost of materials consumed	24.88	(11.50)
Depreciation & amortization	(20.09)	(19.73)
Finance Cost	(11.12)	(16.05)
Employee benefit	(34.05)	(30.74)
Other Expense	(482.32)	(441.75)
Profit before tax	186.28	148.79
Current Tax	(60.80)	(54.31)
Deferred Tax charge	(1.39)	(3.79)
Profit for the year	124.09	90.69
Consolidation Adjustments	(22.20)	(9.08)
Profit for the year for consolidation	101.89	81.61
Other comprehensive income of the year	0.05	(0.01)
Proportion of the Holding Company's ownership	49.90%	49.90%
Holding Company's share of profit for the year	50.84	40.72
Holding Company's share of OCI for the year	0.02	(0.00)

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(All amounts in ₹ Crore, except otherwise stated)

The following table illustrates the summarized financial information of the Holding Company's investment in DAPSPL*:

Particulars	March 31, 2018	March 31, 2017
Current Assets	22.83	27.31
Non -Current Assets	201.62	197.03
Current Liabilities	(30.15)	(21.44)
Non-Current Liabilities	(96.60)	(110.46)
Equity	97.70	92.44
Proportion of the Holding Company's ownership	49.90%	49.90%
Carrying amount of the investment	48.75	46.13

Particulars	March 31, 2018	March 31, 2017
Revenue	125.79	92.25
Depreciation & amortization	(16.65)	(14.23)
Finance Cost	(9.20)	(14.69)
Employee benefit	(10.63)	(7.73)
Other Expense	(49.24)	(38.49)
Profit before tax and exceptional items	40.07	17.11
Exceptional items	-	-
Profit before tax	40.07	17.11
Current Tax	(8.49)	(3.61)
Adjustment of tax relating to earlier years	-	-
Deferred Tax charge	(6.84)	6.93
MAT tax credit	5.22	3.62
Profit for the year	29.96	10.18
Consolidation Adjustments	(4.14)	(0.83)
Profit for the year for consolidation	25.82	9.35
Other comprehensive income of the year	(0.19)	(0.09)
Proportion of the Holding Company's ownership	49.90%	49.90%
Holding Company's share of profit for the year	12.88	4.67
Holding Company's share of OCI for the year	(0.10)	(0.05)

* As at March 31, 2017, Holding Company's management has assessed that the investment does not meet the criteria for classification as held for sale as per Ind AS 105 as sales is not highly probable i.e. it is not expected to qualify for recognition as a completed sale within one year from the reporting date. Such change in classification does not have any impact for the period including the prior period presented.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crore, except otherwise stated)

2) Commitments and Contingencies of associates

I. Leases

Finance lease: Associates as lessee

Particulars	CELEBI				TIMDAA			
	March 31, 2018		March 31, 2017		March 31, 2018		March 31, 2017	
	Minimum payment	Present value of MLP	Minimum payments	Present value of MLP	Minimum payment	Present value of MLP	Minimum payments	Present value of MLP
Within one year	1.65	1.58	1.68	1.60	0.02	0.02	0.06	0.05
After one year but not more than five years	6.50	4.97	6.55	5.00	-	-	0.01	0.01
More than five years	18.32	7.15	20.06	7.50	-	-	-	-
Total minimum lease payments	26.47	13.70	28.29	14.10	0.02	0.02	0.07	0.06
Less: amounts representing finance charges	12.77		(14.19)	-	-	-	-	-
Present value of minimum lease payments	13.70	13.70	14.10	14.10	0.02	0.02	0.07	0.06

CELEBI has entered into an arrangement for solar power purchase with GMR Solar Energy Private Limited. As per the agreement, CELEBI pays fixed tariff as per the terms of the agreement to GMR Solar Energy Private Limited. GMR solar energy cannot offer such services to any other customer and it is not economically feasible for the GMR solar energy to offer the level of services using any other equipment. Accordingly, although the arrangement is not in the legal form of lease, the CELEBI concluded that the arrangement contains a lease of the solar power plant. The lease was classified as a finance lease at inception of the arrangement, payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on implicit rate.

TIMDAA has finance lease for motor vehicle. These lease have no renewal option included in the contract. The term of such lease arrangement is for 3 years. There are no restrictions imposed by lease agreements. There are no sub leases.

Operating lease: Associates as lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	CELEBI		TIMDAA	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Minimum Lease payment for the year (excluding taxes)	30.08	27.38	171.60	143.31
Minimum Lease Payments:				
Within one year	32.17	29.93	49.68	47.43
After one year but not more than five years	151.99	143.89	-	-
More than five years	724.22	765.78	-	-
Total future payments	**908.38**	**938.30**	**49.68**	**47.43**

For CELEBI, Cargo terminal has been obtained on operating lease. Lease rent is payable at predetermined rate. Lease term is for initial period of 24 years and 4 months. There is escalation of 7.5% at start of each financial year during the term of lease.

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crore, except otherwise stated)

TIMDAA has entered into operating lease agreement for space for advertisement sites and office premises. These leases have an average life of one to twenty years with no renewal option included in the contract.

II. Contingent Liabilities

Celebi:-

a) As on March 31, 2018, Celebi has ₹ 0.74 crores (as on March 31, 2017 ₹ 0.74 crores) of claims not acknowledged as debts from third parties.

b) Celebi has imported equipment worth of ₹ 47.28 crores as on March 31, 2017 through Export Promotion Capital Goods Scheme (EPCG) license obtained from the Customs Department. As per the EPCG license the customs duty on all the imported equipment has been levied at a lower rate of 3%.

As per the EPCG authorization terms, Celebi has an obligation of export earning equivalent to eight times of the differential duty amount which will be earned through over a period of eight years. As on March 31, 2018, total duty saved on account of concessional rate of duty is ₹ 6.75 Crores. CELEBI believes to have met the export obligations, pending assessment / confirmation from assessing officer.

c) During the year ended March 31, 2016, Celebi received an order under Section 263 of the Income-tax Act, 1961 pertaining to the assessment year 2011-12 wherein the Principal Commissioner of Income Tax (PCIT) has set aside the assessment order passed by the Assessing Officer (AO) under Section 143(3) of the Income-tax Act, 1961 challenging certain deductions claimed by Celebi and allowed by the AO and directed AO for a fresh assessment. Based on the directions of PCIT, AO reassessed the income under Section 143(3) read with Section 263 during the current year and disallowed certain deductions and expenses that were allowed in original order of AO under Section 143(3) and raised a demand of ₹ 13.65 Crores. Celebi has filed an appeal with ITAT for order passed under Section 263 and also an appeal before CIT (Appeals) for order under Section 143(3) read with Section 263. Based on the original assessment order under Section 143(3) issued by the AO, Celebi had during earlier years written back tax provision for an amount of ₹ 9.73 Crores and recognised interest income of ₹ 2.21 Crores on account of refund of taxes.

Celebi also received order under Section 263 of the Income-tax Act, 1961 pertaining to assessment year 2012-13 wherein the PCIT has set aside the assessment order passed by the AO under Section 143(3) of the Income-tax Act, 1961 challenging certain deductions claimed by the Celebi and allowed by the AO. Based on earlier assessment order passed by the AO under Section 143(3) of the Income-tax Act, 1961, for assessment year 2012-13, Celebi had written back an amount of ₹ 1.38 Crores during the earlier years, with respect to allow ability of the deductions that are now being challenged by the PCIT for the assessment year 2012-13 through order issued under Section 263. Celebi is in process of filing appeal with ITAT for order passed under section 263.

Celebi's management is confident that no liability will devolve on the Celebi for the disallowances of expenses and deductions relating to assessment years 2011-12 and 2012-13 being challenged by AO and PCIT, accordingly no provision has been made in these consolidated special purpose financial statements.

Further, the Celebi had received assessment orders during the year ended March 31, 2017 for the assessment years 2013-14 and 2014-15 disallowing expenses aggregating to ₹ 0.25 crore and ₹ 0.28 crore respectively. Management is confident that no liability will devolve on the Celebi for the disallowances of expenses relating to assessment years 2013-14 and 2014-15, accordingly no provision has been made.

Notes to the Consolidated Financial Statements

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TIMDAA:-

There are demand from Indian income tax authorities for payment of tax of ₹ 0.9 crores up to completion of the tax assessment for A.Y 14-15. The matter is pending before the commissioner of Income tax (Appeal) Delhi. The management believes that the ultimate outcome of these proceedings will not have material adverse effect on the TIMDAA's financial positions (March 31, 2017: Nil)

TFS:-

d) The claims of ₹ 1.39 crore (March 31, 2017: ₹ 1.39 crore) have been made by a few capital vendors in relation to work carried out by them during the earlier years for construction of food outlets at the Airport. TFS has disputed these claims in the past. TFS is either in legal proceedings or in arbitration proceedings with the vendors depending on the facts of the claims. However, based on technical assessment supported by the legal confirmation, TFS has assessed the amount payable to these vendors. Accordingly, TFS has recorded a payable of ₹0.95 crores (March 31, 2017 ₹ 0.95 crores) in their financial statements under the head payable for property, plant & equipment. For the balance amount of claims, TFS, based on legal advice, is confident that the extent of claims made by the vendor is not sustainable and therefore untenable.

e) TFS received a Sales tax/ VAT demand on account of disallowance of input tax credit of ₹ 0.04 crore (March 31, 2017: ₹ 0.04 crore) from sales tax/VAT authorities.

f) TFS received an income tax notice mainly on account of disallowances of royalty expenses by the Income Tax department of ₹ 0.21 crore. The matter is pending with Commissioners of Income Tax (Appeals).

DDFSPL:-

g) DDFSPL had demand on account of transfer pricing and corporate tax under litigation for A/Y 2012-13, pending with Commissioner of Income Tax (Appeals) as on March 31, 2017 amounting to ₹ 0.09 crore. The DDFSPL has received a favourable order from Commissioner of Income Tax (Appeals) during current financial year.

DAPSPL:-

h) In respect of DAPSPL Penalty for compounding under section 177 and 178 of the Companies Act, 2013 has been levied during the year on DAPSPL amounting to ₹ 0.10 crores (March 31, 2017 : ₹ 0.05 crore).

i) In respect of DAPSPL, Service tax demand for the FY 2012-13 as on March 31, 2018 amounts to ₹ 0.71 crore.

III. Financial guarantees by associates:

In case of TIMDAA, irrevocable and unconditional Bank Guarantee of ₹ 7.50 Crores given to the Holding Company towards service tax liability, if any, in respect of the License Fee and is valid up to March 30, 2019.

Other irrevocable and unconditional bank guarantee of ₹ 0.15 crore given to South Delhi Municipal Corporation valid up to January 23, 2023 and of ₹ 0.03 crore and of ₹ 0.15 crore given to Wipro Airport IT services valid up to June 28, 2018 and March 27, 2019 respectively.

Notes to the Consolidated Financial Statements

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IV. **Capital and Other Commitments of associates:**

a) **Capital Commitments:**

The capital commitments of associates are as below:

Particulars	TIMDAA		CELEBI		TFS		DDFSPL		DAPSPL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital Commitments	0.46	0.87	-	4.33	2.54	1.07	17.14	11.97	1.50	1.19

b) **Other Commitments:**

i. DAPSPL has entered into a Concessionaire Agreement with the Holding Company which gives DAPSPL an exclusive right to develop, operate, maintain, modernize and manage the vehicle parking and existing cargo terminal on revenue share model for a period of 25 years from the date of its operation. The revenue sharing will be as per the percentage prescribed in the concessionaire agreement for the respective years.

3) **Other Commitments of Associates:**

a. In TIMDAA, the company has entered into memorandum of understanding with South Delhi Municipal Corporation (SDMC) on February 23, 2018 in which company has entered to pay charges equivalent to 25% of revenue to SDMC for each of the outdoor advertisement as approved by SDMC. Revenue for current year includes ₹ 73.07 crores (gross revenue ₹ 74.59 crores) from outdoor advertisement sites permitted by SDMC

4) **Dividend received from Associates**

The Holding Company has accounted the dividend income as below:

Name of the entity	During the year ended	
	March 31, 2018	March 31, 2017
TIMDAA	9.68	9.22
DDFSPL	32.93	23.56
CELEBI	1.46	-
DAPSPL	10.16	2.03

42. INVESTMENTS IN JOINT VENTURES

The Holding Company's investments in WAISL, DAFFPL, DASPL and GBHHPL are classified as joint ventures.

1) **Carrying Value of Investments of joint ventures**

Particulars	March 31, 2018	March 31, 2017
Carrying Value of Investment in joint ventures	182.67	73.95
Share of Profit for the year in joint ventures	13.94	10.32
Share of OCI for the year in joint ventures	(0.01)	(0.00)

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The following table illustrates the summarized financial information of the Holding Company's investment in WAISL:

Particulars	March 31, 2018	March 31, 2017
Current Assets, including cash and cash equivalents ₹ 7.95 crore (March 31, 2017: ₹6.26 crores)	57.56	50.88
Non -Current Assets	28.84	53.42
Current Liabilities, including borrowings of ₹ Nil (March 31, 2017 ₹ Nil) , Income tax Liabilities ₹ 3.82crore (March 31, 2017 : ₹ 28.75 crores) and statutory liabilities of ₹ 0.57 crore (March 31, 2017 : ₹ 0.36 crore)	(74.13)	(83.44)
Non-Current Liabilities, including borrowings ₹ Nil (March 31, 2017 ₹0.21 crore) and deferred tax liabilities ₹ Nil crore (March 31, 2017 ₹ Nil)	(6.79)	(7.58)
Equity	5.48	13.30
Proportion of the Holding Company's ownership	26.00%	26.00%
Carrying amount of the investment	1.43	3.46

Particulars	March 31, 2018	March 31, 2017
Revenue, including interest income ₹ 0.53 crore (March 31, 2017: ₹ 5.24 crore)	57.70	56.16
Cost of Services Received	(52.49)	(46.59)
Depreciation & amortization	(1.70)	(0.87)
Finance Cost, including interest expense ₹ 0.17 crore (March 31, 2017: ₹0.83 crore)	(0.17)	(0.83)
Employee benefit	(1.03)	(1.02)
Other Expense	(2.01)	(0.97)
Profit before tax	0.30	5.88
Current Tax	(11.22)	(26.13)
Adjustment of tax relating to earlier years	(0.16)	-
Deferred Tax charge	3.27	24.09
Profit for the year	(7.81)	3.84
Profit for the year for consolidation	(7.81)	3.84
other comprehensive income of the year	0.00	(0.01)
Proportion of the Holding Company's ownership	26.00%	26.00%
Holding Company's share of profit for the year	(2.03)	1.00
Holding Company's share of OCI for the year	(0.00)	(0.00)

The following table illustrates the summarized financial information of DAFFPL:

Particulars	March 31, 2018	March 31, 2017
Current Assets, including cash and cash equivalents ₹ 0.06 crore (March 31, 2017 : ₹ 0.01 crore)	3.81	5.85
Non -Current Assets	313.45	328.67
Current Liabilities, including borrowings ₹ 7.47 crore (March 31, 2016 : ₹ 18.83 crore)	(31.75)	(39.08)
Non-Current Liabilities including borrowings ₹ 55.94 crore (March 31, 2017 ₹ 73.82 crore) and deferred tax liabilities ₹ 20.75 crore (March 31, 2017 ₹ 25.95 crore)	(80.53)	(99.91)
Equity	204.98	195.53
Proportion of the Holding Company's ownership	26.00%	26.00%
Carrying amount of the investment	53.30	50.84

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Particulars	March 31, 2018	March 31, 2017
Revenue, including interest income of ₹3.08 crore (March 31, 2017: ₹ 2.82crore)	143.64	120.85
Depreciation & amortization	(26.72)	(27.13)
Finance Cost, including interest expenses ₹ 7.87 crore (March 31, 2017: ₹ 10.18 crore)	(7.87)	(10.18)
Employee benefit	(1.18)	(1.23)
Other Expense	(30.92)	(21.45)
Profit before tax	76.95	60.86
Current Tax	(33.25)	(24.49)
Adjustment of tax relating to earlier years	0.07	-
Deferred Tax charge	5.18	1.97
Profit for the year	48.95	38.34
Consolidation Adjustments	(6.68)	(11.02)
Profit for the year for consolidation	42.27	27.32
other comprehensive income of the year	(0.03)	0.01
Proportion of the Holding Company's ownership	26.00%	26.00%
Holding Company's share of profit for the year	10.99	7.10
Holding Company's share of OCI for the year	(0.01)	0.00

The following table illustrates the summarized financial information of the Holding Company's investment in DASPL:

Particulars	March 31, 2018	March 31, 2017
Current Assets, including cash and cash equivalents ₹ 2.17 (March 31, 2017 : ₹ Nil crore)	31.09	33.32
Non -Current Assets	31.38	39.13
Current Liabilities, including borrowings ₹ Nil crore (March 31, 2016 : ₹ 2.18 crore)	(15.43)	(17.78)
Non-Current Liabilities including borrowings ₹ 2.19 crore (March 31, 2017 ₹ 10.97 crore) and deferred tax liabilities ₹ 4.22 crore (March 31, 2017 ₹4.36 crore)	(6.49)	(15.39)
Equity	40.55	39.30
Proportion of the Holding Company's ownership	50.00%	50.00%
Carrying amount of the investment	20.28	19.65

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Particulars	March 31, 2018	March 31, 2017
Revenue, including interest income of ₹ 1.29 crore (March 31, 2017: ₹ 4.97 Crore)	63.01	51.67
Cost of Raw Material and Components Consumed	(3.73)	(3.54)
Depreciation & amortization	(8.33)	(8.20)
Finance Cost, including interest expenses ₹ 1.60 crore (March 31, 2017: ₹3.29 crore)	(1.63)	(3.33)
Employee benefit	(0.47)	(0.39)
Other Expense	(31.40)	(27.69)
Profit before tax	17.45	8.52
Current Tax	(4.23)	(1.39)
Adjustment of tax relating to earlier years	-	(0.48)
MAT credit entitlement for earlier years written off	(2.95)	(2.65)
Deferred Tax charge	3.04	0.99
MAT tax credit	-	0.49
Profit for the year	13.31	5.46
Consolidation Adjustments	(2.04)	(1.02)
Profit for the year for consolidation	11.27	4.44
other comprehensive income of the year	(0.01)	(0.01)
Proportion of the Holding Company's ownership	50.00%	50.00%
Holding Company's share of profit for the year	5.64	2.22
Holding Company's share of OCI for the year	(0.00)	(0.00)

The following table illustrates the summarized financial information of the Holding Company's investment in GBHHPL:

Particulars	March 31, 2018	March 31, 2017
Current Assets, including cash and cash equivalents ₹ 12.49	187.33	-
Non -Current Assets	1576.44	-
Current Liabilities, including borrowings ₹ Nil crore (March 31, 2016 : ₹ 2.18 crore)	(76.67)	-
Non-Current Liabilities including borrowings ₹ 2.19 crore (March 31, 2017 ₹ 10.97 crore) and deferred tax liabilities ₹ 4.22 crore (March 31, 2017 ₹4.36 crore)	(1069.83)	-
Equity	617.27	-
Less: Equity component of financial instruments	(112.59)	-
Equity for Holding Company's share	504.68	-
Proportion of the Holding Company's ownership	20.85%	-
Share of equity	105.23	-
Add: Amount paid on account of goodwill	2.44	-
Carrying amount of the investment	107.67	-

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Particulars	March 31, 2018	March 31, 2017
Other Expense	(3.58)	-
Profit before tax	(3.58)	-
Deferred Tax charge	0.41	-
Profit for the year for consolidation	(3.17)	-
Other comprehensive income of the year	-	-
Proportion of the Holding Company's ownership	20.85%	-
Holding Company's share of profit for the year	(0.66)	-
Holding Company's share of OCI for the year	-	-

2) **Commitments and Contingencies of joint ventures**

I. **Leases**

Operating lease: Joint Venture as lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

	DAFFPL	
Particulars	**March 31, 2018**	**March 31, 2017**
Minimum Lease payment for the year (excluding taxes)	18.52	17.23
Minimum Lease Payments:		
Within one year	19.81	18.52
After one year but not more than five years	95.28	88.63
More than five years	546.68	573.14
Total future payments	661.77	680.29

In case of DAFFPL, lease rent, termed as License Fees in Concession & Operating Agreement (C&OA) is being paid at the predetermined rate to Holding Company in respect of land taken on lease for 25 years with an escalation clause of 7.5% every year during the term of lease.

II. **Contingent Liabilities**

a) During the year 2015-16, WAISL had received a demand order for interest of ₹ 0.67 crore (as on March 31, 2017: ₹ 0.67 crore) computed on availment of 100% cenvat credit on capital goods in the first year of purchase itself during the financial years 2010 – 2011 and 2011 – 2012. The service tax department had contended that WAISL should have availed cenvat credit of 50% in the first year and balance 50% in the second year of purchase/ transfer of capital assets from Delhi International Airport Private Limited (DIAL). WAISL had filed an appeal against the said order and believes that the outcome in respect of the matter will be in favour and accordingly, no provision has been considered in this regard.

b) DAFFPL has received during the year demand cum show cause notices amounting to ₹ 0.17 crore from the Service Tax Authority stating the wrong availment of Cenvat Credit by the DAFFPL for the period F.Y. 2010-11 to F.Y. 2014-15. DAFFPL has submitted an appeal against the order in appellate tribunal for which the company has also deposited under protest the duty amount of ₹0.01 crore. The matter is sub-judice with the Authority.

c) In GBHHPL, there are certain pending legal cases amounting to ₹ 6.14 crore.

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d) In GBHHPL, the company has certain claims which were not acknowledged as debts which are as follows :

Parties	Court	Litigation Details	Financial Impact
GBHHPL vs. Rajinder Kumar and GBHHPL vs. Pritam Chand	District Court, Chamba	This matter related to the recovery of advance amount given at the time of private sale by way of agreement to sell. Since the respondents have got full price for their land through land acquisition compensation, we have filed recovery suit to recover that advance amount.	Not Quantifiable
State of Himachal Pradesh vs. GBHHPL	High Court of Himachal Pradesh	Case has been filed against GBHHPL challenging the order dated June 19,2012, wherein it was held that the notification dated November 30, 2009 (namely the New Hydro Power Policy, 2008) imposing 1% additional free power, would apply prospectively and not retrospectively.	Project IRR Decreases from 13.72% to 13.60% Total Revenue (FY 19) Decrease by 4 CR PAT(FY19) Decreased by 3.2 Cr
Mr. Mangani Ram and Vinod Kumar Vs UoI	Supreme Court	Petitioners have challenged the grant of environmental clearance, approval for diversion of Forest Land, shifting of project site from right to the left bank of river Ravi. Petitioners have challenged order in W.P. No. 2083/2012, W.P. 9980/2012 as public interest litigation. Review petition No. 4009-10/2013 was filed by the petitioners which were dismissed.	Not Quantifiable
Kenar Singh and 13 others vs. State of Himachal Pradesh Collector, Land Acquisition Officer		Regarding the increase in compensation to be paid for land acquired having a financial impact amounting to ₹ 7.14 crore (₹ 1 crore already paid)	₹ 7.14 crore (₹ 1 crore already paid)

III. Guarantees other than financial guarantees by joint ventures:-

In GBHHPL, the company has provided bank guarantee amounting to ₹ 13.91 crore.

IV. Financial guarantees by joint ventures

The Joint Ventures have not provided any financial guarantee other than performance guarantee on its own behalf, to any party.

V. Capital and Other Commitments of joint ventures:-

a) Capital Commitments of joint venture:

The capital commitment of joint ventures is as below:

Particulars	DAFFPL		WAISL		GHBBPL	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Capital Commitments	2.20	5.53	145.42	161.63	1017.73	-

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b) Other Commitments of joint ventures:

i. DAFFPL is required to pay annual license fees to DIAL, an amount of ₹ 18.52 crores has been accounted for in respect of current year. The license fee is to be increased by 7.5% pa during the term of leases

ii. DASPL has entered into a Concessionaire Agreement with Holding Company which gives the DASPL an exclusive right for managing the operations of bridge mounted equipment and supply of potable water at Indira Gandhi International Airport- Terminal 3. The revenue sharing will be as per the percentage prescribed in the concessionaire agreement for the respective years.

3) Other Disclosures of joint ventures:

a) DAFFPL charges Fuel Infrastructure Charges (FIC) from its customers which was at ₹ 755 per KL till December 31, 2017. Airport Economic Regulatory Authority (AERA) had passed an order dated December 12, 2017 reducing the FIC to RS 609 per KL with effect from January 1, 2018. The company has filed an appeal against the said order with Telecom Disputes Settlement & Appellate Tribunal (TDSAT). TDSAT has admitted the appeal and passed an interim stay order against the AERA order and has allowed DAFFPL to continue to charge ₹ 755 per KL. However as per the stay order TDSAT has allowed appropriation of ₹ 609 per KL only and the balance ₹ 146 per KL to be kept in a separate account pending final order. From January 1, 2018 to March 31, 2018, invoice has been raised for differential amount of ₹ 146 per KL amounting to total of ₹ 8.83 crores, out of which ₹ 3.78 crores has been received and ₹ 5.04 crores incl of GST has not been received. A provision of the amount has been created against the FD for ₹ 3.79 crores, the amount received from debtors and provision has been created against the debtors of ₹ 5.04 crores, the amount which has not been received.

As per the requirement of TDSAT order the differential amount received has been kept separately in Fixed Deposit amounting to ₹ 4 crores.

b) On April 5, 2018 WAISPL has executed Addendum 2 to Joint Venture Agreement with Delhi International Airport Limited formerly known as Delhi International Airport Private limited, Antriksh Softtech Private Limited and Wipro Limited, whereby Wipro Limited has sold 3,150,000 shares, equivalent to 63% of its shareholding in the company to Antriksh Private Limited for a consideration of ₹ 3.15 crores.

4) Dividend received from Joint Ventures

The Holding Company has accounted the dividend income as below:

	During the year ended	
Particulars	**March 31, 2018**	**March 31, 2017**
DASPL	5.00	2.50
DAFFPL	8.53	14.07

43. OTHER DISCLOSURES

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

(i) The Holding Company had accrued Development Fee (DF) amounting to ₹ 350 crore during the year 2012-13, earmarked for construction of Air Traffic Control (ATC) tower; currently work is under progress as at March 31, 2018. DF amounting to ₹ 350 crore (March 31, 2017: ₹ 350 crore) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2018.

The total expenditure incurred on construction of ATC tower is ₹ 398.62 crore till March 31, 2018 which exceeds the earmarked DF of ₹ 350 crore, as the construction got delayed due to security reasons and additional requirements from time to time.

As per the approval in DIAL Board Meeting held on May 11, 2017, the Holding Company has written a letter to AAI for reimbursement of additional expense. However, pending acceptance by AAI, additional amount of ₹ 48.62 crore is shown under Capital Work in Progress (CWIP) as at March 31, 2018 (March 31, 2017: ₹ 43.07 crores)

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(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 ₹ 200 to ₹ 100 and from ₹ 1,300 to ₹ 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. Further, AERA has issued order No.47/2015-16 dated January 25, 2016, restricting 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 Holding Company has a receivable of ₹262.36 crore as at March 31, 2018 (March 31, 2017: ₹ 567.47 crores) (including unbilled revenue) 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 year, Air India Limited has made a bullet payment of ₹ 173 crores; in addition to payment received through Airport Enhancement and Financing Service Agreement ('Financing Service Agreement') with International Air Transport Association ('IATA'). In view of latest payment received, continuing Financing Service Agreement with IATA for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Holding Company considers its dues from Air India as good and fully recoverable.

c) Particulars of un-hedged and un-discounted foreign currency exposure as at the Balance sheet date are as under:

Particulars	March 31, 2018			March 31, 2017		
	Amount (₹ In Crore)	Currency	Foreign Currency in Crore	Amount (₹ In Crore)	Currency	Foreign Currency in Crore
Other current Financial Liabilities	33.36	USD	0.51	107.02	USD	1.62
Trade Payable	2.66	EUR	0.03	2.64	EUR	0.04
	3.15	GBP	0.03	0.17	GBP	0.00
	0.04	SGD	0.00	0.03	SGD	0.00
	-	MYR	-	0.01	MYR	0.00
	116.51	USD	1.78	15.70	USD	0.25
Borrowings	-	USD	-	1,369.40	USD	20.88
Trade Receivable	16.37	USD	0.25	13.17	USD	0.20
Non-Trade Receivables	1.19	USD	0.02	1.06	USD	0.02
Advance to suppliers	1.44	USD	0.02	1.46	USD	0.02

Closing exchange rates in ₹ :

Currency	March 31, 2018	March 31, 2017
EUR	80.81	69.29
GBP	92.28	80.90
SGD	49.82	46.41
MYR	-	14.65
USD	65.34	65.60

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d) Additional information :

i) Earnings in foreign currency for the Holding Company (On accrual basis, excluding service tax/GST)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Non-Aeronautical Services (Revenue from concessionaires)	356.51	325.10
Aeronautical Services (Revenue from airlines)	192.18	782.02
Total	**548.69**	**1,107.12**

ii) CIF value of imports of the Holding Company (On accrual basis)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Import of capital goods	12.83	13.27
Import of stores and spares	2.65	4.05
Total	**15.48**	**17.32**

iii) Expenditure in foreign currency of the Holding Company (On accrual basis)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings (including exceptional items)	336.43	253.89
Professional and consultancy expenses	9.63	1.44
Finance costs	4.12	26.63
Other expenses	17.27	13.27
Travelling and Conveyance	0.02	1.27
Total	**367.47**	**296.50**

iv) Consumption of stores and spares during the year of the Holding Company:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	%	Amount	%	Amount
Imported	10.39	2.41	15.99	4.15
Indigenous	89.61	20.79	84.01	21.79
Total	**100**	**23.20**	**100**	**25.94**

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

f) These consolidated financial statements of the Holding Company do not include billing to airlines for DF by the Holding Company. As per the Management, DIAL's responsibility is restricted only to the billing on behalf of Airports Authority of India (AAI) in accordance with provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.

g) The Holding Company has received advance development costs of ₹ 680.14 crore (March 31, 2017: ₹ 660.06 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Holding Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions

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and specifications in the agreement. Further, the Holding Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Holding Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2018, the Holding Company has incurred development expenditure of ₹ 519.19 crore (March 31, 2017: ₹ 469.72 crore) which has been adjusted against the aforesaid ADC. During the year ended March 31, 2018, in case of Silver Resort Hotel India Private Limited, the Holding Company has transferred ₹ 32.61 crore (including unspent ADC of ₹ 12.57 crore) refundable to Silver Resort Hotel India Private Limited to 'Advances from customer', basis the Hon'ble high court order. Remaining ADC of amount ₹ of ₹ 128.30 crore (March 31, 2017: ₹ 190.34 crore) is disclosed under other liabilities.

h) The Holding Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Holding Company. As at March 31, 2018, the Holding Company has billed ₹ 116.62 crore (March 31, 2017: ₹ 92.48 crore) towards such Marketing Fund and has incurred expenditure amounting to ₹ 65.11 crore (March 31, 2017: ₹ 39.05 crore) (net of income on temporary investments) till March 31, 2018 from the amount so collected. The balance amount of ₹ 51.51 crore pending utilization as at March 31, 2018 (March 31, 2017 : ₹ 53.43 crore); as marketing fund billing and utilization was not forming part of marketing fund) against such sales promotion activities is included under "Other current liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.

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

Description	Incomes forming part of	For the year ended March 31, 2018	For the year ended March 31, 2017
Construction income from commercial property developers	Other operating income	49.47	43.13
Discounting on fair valuation of deposits taken from commercial property developers	Other operating income	26.67	25.91
Discounting on fair valuation of deposits taken from concessionaires	Sale of services – Non Aeronautical	52.54	37.75
Discounting on fair valuation of deposits given	Other income	0.39	0.14
Unrealised foreign exchange difference on borrowings	Other income	53.26	96.34
Reversal of Fair value of financial instruments Interest Rate Swap on actual settlement	Other income	-	6.17

j) The Comptroller and Auditor General of India (CAG) had conducted the performance audit of PPP (Public Private Partnership) project of AAI at Delhi Airport for the period 2006 to 2012. CAG has presented its report before Rajya Sabha on August 17, 2012 wherein they have made certain observations on the Holding Company. The Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Loksabha vide its Ninety fourth report in February 2014.

The Management of the Holding Company is of the view that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

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k) As per the transfer pricing rules prescribed under the Income tax act, 1961, the Holding Company is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The Holding Company's management does not anticipate any material adjustment with regard to the transactions during year ended March 31, 2018.

l) During the previous year ended March 31, 2017, the Holding Company had refinanced its existing external commercial borrowings of USD 83.92 million and rupee term loans of ₹ 2,928.20 crore outstanding as at October 20, 2016; by issuance of 6.125% senior secured notes (2026) of USD 522.60 million. As a result of such refinancing, the Holding Company had incurred the following costs:

The prepayment charges of ₹ 40.80 crore had been paid to various erstwhile lenders on prepayment of existing external commercial borrowings and rupee term loans outstanding as on the date of repayment / prepayment.

The above amount of ₹ 40.80 crore had been disclosed as "Exceptional Items" in the consolidated statement of profit and loss.

In addition to above, Interest Rate Swap (IRS) which was outstanding on the existing external commercial borrowings was cancelled, resulting in breakage cost of ₹ 8.17 crore, had been adjusted from fair valuation loss of IRS' provided in earlier years and had been disclosed under 'other income' in the consolidated statement of profit and loss.

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

The Arbitral Award was passed by the Hon'ble Arbitral Tribunal which was received by the Holding Company on September 08, 2017. The favorable award passed in majority by Tribunal granting ₹ 115.89 crores award to DIAL and directing it to settle the award against security deposits of ₹ 192.88 crores lying with the Holding Company and pay the balance ₹ 76.99 crores to the Developer. However, one of the arbitrators has passed the dissenting order granting award in favor of Developer amounting to ₹ 416.86 crores. Dissenting award granted by one of the arbitrators is not enforceable / binding on the parties, being the minority order /dissenting opinion.

Accordingly, DIAL has deposited payment of ₹76.13 crore (net of recovery of arbitration cost of ₹ 0.86 crore) in the Hon'ble High Court of Delhi as per arbitration award.

Further, both the parties have their respective rights to challenge the Arbitral Award before the Hon'ble High court of Delhi as per Section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), within 90 days from the date of receipt of award order. Consequently, Silver resort has filed an appeal against the arbitration award before the Hon'ble High court. The matter was heard for arguments on April 26, 2018 and the judgment was pronounced on May 8, 2018 in favor of DIAL.

Further to the above order, the Developer has preferred an appeal before Double Bench of Delhi High Court which was heard on July 4, 2018 and the matter is now restricted for the question of non- payment of interest on the security deposit by DIAL to Developer; the next hearing is scheduled on October 08, 2018. Accordingly, the Holding Company has accounted for the remaining amount of deposit i.e. ₹ 116.75 crore, as per the arbitration award

n) A survey under section 133A of the Income Tax Act, 1961 was carried out at the premises of the Holding Company by the Income Tax authorities on June 22 -23, 2016. The Income Tax department has sought information vide its letter dated July 18, 2016. The management has provided all the information as asked by the department. The management of the Holding Company believes that it has complied with all the applicable provisions of the Income Tax Act,

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1961 and does not expect any additional tax liability on account of survey operations.

o) 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 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 Holding Company has received SEIS scrips of ₹ 31.14 crore, having validity till September 30, 2019. The Holding Company has so far utilized ₹ 0.44 crore out of these scrips. Considering the major expansion plans at the IGI airport, the Holding Company is evaluating various options for utilization of these Scrips. The Holding Company has accounted the amount utilized and remaining scrips of ₹ 30.70 crore at fair value of ₹ 29.83 crore (97% of face value of the scrips) as "Other Incomes" in the consolidated statement of Profit and Loss.

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; which is presently under litigation with respect to Annual Fee payable towards AAI/ on the same.

Further, based on the legal opinion obtained, the Government Grants are not part of "Revenue" under OMDA. Accordingly, the Holding Company's management believes that, no Annual Fee is payable as per the provisions of OMDA, and has not been provided in the consolidated financial statements.

p) As per notification number G.S.R.308(E) dated March 30, 2017, the Ministry of Corporate Affairs the central government have made amendment to schedule III of Companies Act 2013, requiring every Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016.

During the previous year, the Group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 08, 2016	19,696,000	4,640,600	**24,336,600**
(+) permitted receipts	1,262,000	227,768,993	**229,030,993**
(+) Receipts from non- permitted transactions	139,500	-	**139,500**
(-) Permitted payment	-	(94,488,583)	**(102,771,083)**
(-) Amount deposited in Banks	(21,092,500)	(123,384,650)	**(124,665,650)**
Closing cash in hand as on December 30, 2016*	5,000	14,536,360	**26,070,360**

In Respect of Holding Company

(Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 08, 2016	1,289,000	16,460	**1,305,460**
(+) Permitted receipts#	1,262,000	1,487,519	**2,749,519**
(-) Permitted payments	-	(340,287)	**(340,287)**
(-) Amount deposited in Banks	(2,546,000)	(1,071,576)	**(3,617,576)**
Closing cash in hand as on December 30, 2016*	5,000	92,116	**97,116**

includes SBNs of ₹ 518,500 received by the Holding Company through Lost and Found section at airport terminals.

includes SBNs of ₹ 203,000 received by the Holding Company through non-scheduled airlines.

*₹ 5000 of SBN's as on December 30, 2016 were stale which could not be deposited in bank and accordingly written off later during the previous year.

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Celebi Delhi Cargo Terminal Management India Private Limited (Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 08, 2016	417,000	23,511	440,511
(+) permitted receipts		5,218,937	5,218,937
(+) Receipts from non-permitted transactions	139,500		139,500
(-) Permitted payment	-	(160,955)	(160,955)
(-) Amount deposited in Banks	(556,500)	(4,921,636)	(5,478,136)
Closing cash in hand as on December 30, 2016	-	159,857	159,857

Travel Food Services (Delhi Terminal 3) Private Limited (Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 08, 2016	1,789,500	76,166	1,865,666
(+) Permitted receipts	-	29,609,123	29,609,123
(-)Permitted payments	-	(1,654,970)	(1,654,970)
(-) Amount deposited in Banks	(1,789,500)	(25,917,209)	(27,706,709)
Closing cash in hand as on December 30, 2016	-	2,113,110	2,113,110

Delhi Duty Free Services Private Limited (Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 08, 2016	8,282,500	635,058	8,917,558
(+) Permitted receipts	-	96,739,640	96,739,640
(-)Permitted payments/ Amount deposited in bank	-	(90,729,965)	(90,729,965)
(-) Amount deposited in Banks	(8,282,500)	-	(8,282,500)
Closing cash in hand as on December 30, 2016		6,644,733	6,644,733

Delhi Airport Parking Services Private Limited (Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on November 08, 2016	7,918,000	3,889,465	11,807,465
(+) Permitted receipts	Nil	94,713,774	94,713,774
(-)Permitted payments	Nil	1,601,866	1,601,866
(-) Amount deposited in Banks	7,918,000	91,474,229	99,392,229
Closing cash in hand as on December 30, 2016	Nil	5,527,144	5,527,144

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44. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013.

S No.	Name of the entity	% of shareholding	March 31, 2018							
			Net Assets		Share in Profit and Loss		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
			As % consolidated net assets	Amount	As % consolidated Profit and Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Holding Company									
1	DIAL	100	84.84	2,555.69	(118.44)	(52.51)	101.27	12.85	(69.54)	(39.66)
	Subsidiary (Indian)									
1	DAPL	100	-	(0.06)	-	-	-	-	-	-
	Associates (Indian)									
1	TIMDAA	49.90	1.23	36.90	30.50	13.52	(0.32)	(0.04)	23.65	13.48
2	DAPSPL	49.90	1.62	48.75	29.05	12.88	(0.79)	(0.10)	22.41	12.78
3	TFS	40.00	0.15	4.41	1.60	0.71	-	-	1.24	0.71
4	DDFSPL	49.90	4.37	131.59	114.66	50.84	0.16	0.02	89.18	50.86
5	CELEBI	26.00	1.73	52.05	11.19	4.96	(0.24)	(0.03)	8.64	4.93
	Joint Ventures (Indian)									
1	DASPL	50.00	0.67	20.28	12.72	5.64	-	-	9.89	5.64
2	DAFFPL	26.00	1.77	53.30	24.79	10.99	(0.08)	(0.01)	19.25	10.98
3	WAISL	26.00	0.05	1.43	(4.58)	(2.03)	-	-	(3.56)	(2.03)
4	GBHHPL	20.85	3.57	107.67	(1.49)	(0.66)	-	-	(1.16)	(0.66)
	Total		**100.00**	**3,012.01**	**100.00**	**44.34**	**100.00**	**12.69**	**100.00**	**57.03**

S No.	Name of the entity	% of shareholding	March 31, 2017							
			Net Assets		Share in Profit and Loss		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
			As % consolidated net assets	Amount	As % consolidated Profit and Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Holding Company									
1	DIAL		89.86	2,827.60	88.36	534.57	99.41	(17.57)	88.02	517.00
	Subsidiary (Indian)									
1	DAPL	100	(0.00)	(0.06)	-	-	-	-	-	-
	Associates (Indian)									
1	TIMDAA	49.90	1.05	33.10	2.03	12.25	0.21	(0.04)	2.08	12.21
2	DAPSPL	49.90	1.47	46.13	0.77	4.67	0.26	(0.05)	0.78	4.62
3	TFS	40.00	0.12	3.69	(0.03)	(0.17)	-	(0.00)	(0.03)	(0.17)
4	DDFSPL	49.90	3.61	113.65	6.73	40.72	0.03	(0.00)	6.93	40.72
5	CELEBI	26.00	1.54	48.59	0.44	2.69	0.08	(0.01)	0.46	2.68
	Joint Ventures (Indian)									
1	DASPL	50.00	0.62	19.65	0.37	2.22	0.02	(0.00)	0.38	2.22
2	DAFFPL	26.00	1.62	50.84	1.17	7.10	(0.02)	0.00	1.21	7.10
3	WAISL	26.00	0.11	3.46	0.16	1.00	0.01	(0.00)	0.17	1.00
	Total		**100.00**	**3,146.65**	**100.00**	**605.05**	**100.00**	**(17.67)**	**100.00**	**587.38**

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45. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115- Revenue from Contracts with Customers

Ind AS 115 'Revenue from Contracts with Customers' was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group for the annual period beginning on or after April 1, 2018 and permits two possible methods of transition:

(i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

(ii) Retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Subsequent to the financial year ended March 31, 2018, the Group has applied the modified retrospective approach and accordingly, the application of Ind AS 115 has impacted the Holding Company's accounting for advance from customers with consequential impact on deferred taxes and debited the retained earnings at April 1, 2018 by ₹ 5.02 crore (net of tax).

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any major impact on the Group as the Group has no major deductible temporary differences or assets that are in the scope of the amendments.

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Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

46 Audited figures as at and for the year ended March 31, 2017 were audited by another firm along with M/s S.R. Batliboi & Associates LLP.

47 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 Group.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership no: 094941

Place : New Delhi
Date : July 24, 2018

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

per Hitesh Kumar P
Partner
Membership no: 233734

Place : New Delhi
Date : July 24, 2018

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

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

G Radha Krishna Babu
Chief Financial Officer

Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 24, 2018

Glossary

ACI	Airports Council International
DIAL	Delhi International Airport Limited
ATM	Air Traffic Movement
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
PAT	Profit After Tax
DIAL	Delhi International Airport Limited
AAI	Airports Authority of India
IGIA	Indira Gandhi International Airport
MPPA	Million Passengers per Annum
ASQ	Airport Service Quality
CUSS	Common-use Self-Service
ISO	International Organisation for Standardisation
ATF	Air Turbine Fuel
AERA	Airports Economic Regulatory Authority
MRO	Maintenance, Repair and Overhaul
OMDA	Operations, Management and Development Agreement
VUCA	Volatility, Uncertainty, Complexity, Ambiguity
3R	Reduce-Reuse-Recycle
GMRVF	GMR Varalakshmi Foundation
UDF	User Development Fees
CUTE	Common Use Terminal Equipment
CPD	Commercial Property Development
CIP	Continuous Improvement Plans
DEUA	Delhi Extended Urban Agglomeration
NCAER	National Council of Applied Economic Research
GPCL	GMR Power Corporation Private Limited

SEZ	Special Economic Zone
FEGP	Fixed Electrical Group Power
CSR	Corporate Social Responsibility
IGBC	Indian Green Building Council
ICAI	Institute of Cost Accountants of India
AFLAS	Asian Freight, Logistics and Supply Chain
IMF	International Monetary Fund
WEO	World Economic Outlook
CSO	Central Statistics Office
CIS	Commonwealth of Independent States
RE	Revised Estimates
AE	Advanced Estimates
GST	Goods and Services Tax
ICAO	International Civil Aviation Organisation
NCR	National Capital Region
AF	Annual Fee
MAT	Minimum Alternate Tax
PPP	Public Private Partnership
BLIPs	Bottom Line Improvement Plan
CIP	Continuous Improvement Plan
AOP	Annual Operating Plan
CBA	Cost Benefit Analysis
P-Q-S	Proactive Approach, Quality Consciousness, Stakeholder Engagement
GBEM	GMR Business Excellence Model
KAM	Key Account Management
OTP	On Time Performance
CUPPS	Common Use Passenger Processing Systems
BRS	Baggage Reconciliation System
BGR	Boarding Gate Reader

Notes

Notes

DELHI INDIRA GANDHI INTERNATIONAL AIRPORT | GMR

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