IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (A) PERSONS OR ADDRESSEES OUTSIDE OF THE UNITED STATES OR (B) QUALIFIED INSTITUTIONAL BUYERS ("QIB") PURSUANT TO RULE 144A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this page (the "Offering Memorandum"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE FOLLOWING OFFERING MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The following Offering Memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area.

CONFIRMATION OF YOUR REPRESENTATION: IN ORDER TO BE ELIGIBLE TO VIEW THE OFFERING MEMORANDUM, INVESTORS MUST COMPLY WITH THE FOLLOWING PROVISIONS. YOU HAVE BEEN SENT THIS DOCUMENT AT YOUR REQUEST AND ON THE BASIS THAT YOU HAVE CONFIRMED TO CITIGROUP GLOBAL MARKETS INC., STANDARD CHARTERED BANK, AXIS BANK LIMITED SINGAPORE BRANCH, DEUTSCHE BANK AG, SINGAPORE BRANCH, GOLDMAN SACHS (ASIA) L.L.C., HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, J.P. MORGAN SECURITIES PLC AND MUFG SECURITIES EMEA PLC (TOGETHER, THE "INITIAL PURCHASERS") THAT YOU (1) EITHER ARE OUTSIDE THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) OR YOU ARE A QIB PURSUANT TO RULE 144A OF THE SECURITIES ACT AND, TO THE EXTENT THAT YOU PURCHASE THE SECURITIES DESCRIBED IN THE FOLLOWING OFFERING MEMORANDUM, YOU WILL BE DOING SO EITHER IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S OR PURSUANT TO RULE 144A OF THE SECURITIES ACT; AND (2) CONSENT TO DELIVERY OF THE FOLLOWING OFFERING MEMORANDUM AND ANY AMENDMENTS OR SUPPLEMENTS THERETO BY ELECTRONIC TRANSMISSION.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person. If this is not the case, you must return this Offering Memorandum to us immediately. You may not, nor are you authorized to, deliver or disclose the contents of this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of Delhi International Airport Private Limited (the "Company") in such jurisdiction.

The Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Initial Purchasers or any person who controls any of them or any of their respective commissioners, directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

OFFERING MEMORANDUM **CONFIDENTIAL**

US$522,600,000

Delhi International Airport Private Limited

(incorporated with limited liability under the laws of the Republic of India)

6.125% SENIOR SECURED NOTES DUE 2026

Issue price per note: 100%

The Issuer:

- We hold the exclusive right to operate, manage and develop Indira Gandhi International Airport in New Delhi, India — the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by the Airports Authority of India.

The Offering:

- **Notes Offered**: US$522,600,000 aggregate principal amount of 6.125% senior secured notes due October 31, 2026, which we refer to as the "Notes."
- **Use of Proceeds**: We will use the gross proceeds of this offering to retire certain existing debt. See "Use of Proceeds."

The Senior Secured Notes:

- **Maturity**: The Notes will mature on October 31, 2026.
- **Interest Payments**: The Notes will bear interest at a rate of 6.125% per annum. We will pay interest on the Notes semi-annually in cash in arrears on April 30 and October 31 of each year, beginning on April 30, 2017
- **Guarantees**: The Notes initially will not be guaranteed by any of our subsidiaries or joint ventures. The Notes also will not be guaranteed by any of our parent entities, nor will the Notes be guaranteed by the Government of India or any agency thereof.
- **Security**: The Notes will also be secured by first-priority liens, subject to permitted liens, on certain of our assets, subject to certain exceptions, that will from time to time secure our Existing Notes and senior secured credit facilities pursuant to a Memorandum of Hypothecation on a first-priority basis.
- **Change of Control**: Upon the occurrence of a Change of Control Triggering Event (as defined herein), we must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. Prior to any redemption of the Notes, we will be required to obtain the written approval of the Reserve Bank of India (the "RBI") or the designated authorized dealer bank, in accordance with the ECB Guidelines to effect such redemption, and such approval of the RBI may not be granted. See "Risk Factors—Risks Related to the Notes and the Collateral—We may not be able to repurchase the Notes upon a Change of Control Triggering Event or redeem the Notes upon Mandatory Redemption."

For a more detailed description of the Notes, see "Description of the Notes" beginning on page 161.

Investing in the Notes involves risks. In particular, we have in the past not been, and continue not to be, compliant with certain covenants in relation to certain loan agreements and the Trust and Retention Account Agreement, which have resulted in and could result in an event of default under the OMDA and the respective loan agreements and cross-defaults under other indebtedness. These loan agreements will be repaid with the proceeds from the issuance of the Notes and, following such repayment, there will be no creditor party to the Trust and Retention Account Agreement. See "Risk Factors" beginning on page 23.

There is currently no market for the Notes. Approval-in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the offering, the Company or associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), any U.S. state securities laws or the securities laws of any other jurisdiction. The Notes are being offered or sold only to qualified institutional buyers ("QIBs") in accordance with Rule 144A under the Securities Act ("Rule 144A") and outside the U.S. in offshore transactions in accordance with Regulation S under the Securities Act ("Regulation S"). You are hereby notified that the Company may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this offering memorandum, see "Plan of Distribution" and "Transfer Restrictions."

The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India. This offering memorandum has not been and will not be approved or authorized by or filed with, and will not be registered as a prospectus with the Registrar of Companies, the Securities Exchange Board of India, RBI or any other regulator in India, nor have the Initial Purchasers circulated or distributed, nor will they circulate or distribute, this offering memorandum or any material relating thereto, directly or indirectly, to the public or any members of the public in India.

The Notes sold within the United States to QIB pursuant to Rule 144A under the Securities Act will be evidenced by a global note (the "144A Global Notes") in registered form . The Notes sold outside the United States pursuant to Regulation S under the Securities Act will be evidenced by a global note (the "Regulation S Global Notes" and together with the 144A Global Notes, the "Global Notes") in registered form. The Global Notes will be deposited with a custodian for, and registered in the name of, a nominee of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, the records maintained by DTC and their respective accountholders.

Joint Global Coordinators

Citigroup **Standard Chartered Bank**

Joint Lead Managers and Joint Bookrunners

Citigroup Standard Chartered Bank Axis Bank Deutsche Bank Goldman Sachs HSBC J.P. Morgan MUFG

The date of this offering memorandum is October 20, 2016.

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This offering memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time after that date.

IN CONNECTION WITH THIS OFFERING, THE STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE NOTES IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE NOTES. AS A RESULT, THE PRICE OF THE NOTES MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE STABILIZING MANAGER AND NOT FOR OR ON OUR BEHALF.

NOTICE TO INVESTORS

You should rely only on the information contained in this offering memorandum. We have not, and Citigroup Global Markets Inc., Standard Chartered Bank, Axis Bank Limited, Singapore Branch, Deutsche Bank AG, Singapore Branch, Goldman Sachs (Asia) L.L.C., Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and MUFG Securities EMEA plc (the "Initial Purchasers") have not, authorized anyone to provide you with information that is different from that contained in this offering memorandum. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, the Notes only in jurisdictions where offers and sales are permitted. The information contained in this offering memorandum is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or any sale of the Notes. Our business, financial condition, results of operations and prospects may have changed since that date.

We confirm that (i) this offering memorandum contains all information with respect to us referred to in this offering memorandum and the Notes that is material in the context of the issue and offering of the Notes; (ii) the statements contained in this offering memorandum relating to us are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this offering memorandum with regard to us are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to us and the Notes, the omission of which would, in the context of the issue and offering of the Notes, make this offering memorandum, as a whole, misleading in any material respect; and (v) we have made all reasonable inquiries to ascertain such facts and to verify the accuracy of all such information and statements.

U.S. federal, state or foreign securities commissions or regulating authorities have not approved of, disapproved of or recommended the Notes being offered hereby, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense in the United States and may be a criminal offense in other jurisdictions.

This offering memorandum is highly confidential. This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes described in this offering memorandum. This offering memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. We are providing it solely for the purpose of enabling you to consider a purchase of the Notes. You should read this offering memorandum before making a decision whether to purchase the Notes. You must not use this offering memorandum for any other purpose, or disclose any information in this offering memorandum to any other person.

You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under "Transfer Restrictions."

The information contained in this offering memorandum has been provided by us and the other sources identified herein. No representation or warranty, express or implied, is made by the Initial Purchasers, Citicorp International Limited (the "Trustee"), Citibank N.A., London Branch (the "Calculation Agent"), Citibank N.A., London Branch (the "Principal Paying Agent" and the "Registrar," together, the "Agents") or any of their affiliates or advisors as to the accuracy, completeness or sufficiency of the information set forth herein, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise, representation or warranty. To the fullest extent permitted by law, none of the Initial Purchasers, the Trustee, the Agents nor any of their respective affiliates, directors or employees accept any responsibility for the contents of this offering memorandum or for any other statement in connection with the issue and offering of the Notes made or purported to be made by the Initial Purchasers, the Trustee or the Agents or on their behalf. The Initial Purchasers, the Trustee and the Agents accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this offering memorandum or any such statement.

Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our affiliates or the Notes (other than as contained herein) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

Neither the delivery of this offering memorandum nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof.

We are not, and the Initial Purchasers are not, making an offer to sell the Notes in any jurisdiction except where an offer or sale is permitted. The distribution of this offering memorandum and the offering of the Notes may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales. None of us or the Initial Purchasers shall have any responsibility therefor. For a description of the restrictions on offers, sales and resales of the Notes and distribution of this offering memorandum, see "Transfer Restrictions" and "Plan of Distribution."

In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. We are not making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Notes.

We reserve the right to withdraw the offering of the Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Notes.

PRESENTATION OF FINANCIAL INFORMATION

Our fiscal year ends on March 31. Accordingly, references in this offering memorandum to a particular fiscal year are to the year ended March 31 of that year. References to a year other than a "fiscal year" are to the calendar year ended December 31 of that year.

The financial statements presented in this offering memorandum as at and for the fiscal years ended March 31, 2016, 2015 and 2014, have been prepared in accordance with the applicable regulations and accounting principles generally accepted in India ("Indian GAAP"). The financial statements as at and for the period ended June 30, 2016 have been prepared in accordance with recognition and measurement principles in accordance with Indian GAAP, including Accounting Standard 25 "Interim Financial Reporting" and applicable accounting standards issued by the ICAI and other recognized accounting practices and policies in India. These financial statements do not give effect to the adoption of the Indian accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015, applicable to the Company effective April 1, 2016 ("Ind AS — new accounting framework"). The financial statements as at and for the period ended June 30, 2015 have been prepared in accordance with the recognition and measurement principles in accordance with Indian GAAP, including Accounting Standard 25 "Interim Financial Reporting," applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India. Indian GAAP differs in certain respects from International Financial Reporting Standards ("IFRS"). See "Risk Factors—Risks Related to India—Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries" and "Summary of Certain Significant Differences Between Indian GAAP and IFRS."

The provisions of Indian GAAP do not require us to prepare consolidated financial statements for the year ended March 31, 2014. Although such provisions apply to us for the fiscal years ended March 31, 2016 and 2015, we have not included the consolidated financial statements incorporating the results of operation and financial condition of our sole subsidiary and the joint venture entities in this offering memorandum for the fiscal years ended March 31, 2016 and 2015 because we believe the standalone financials provide adequate information to the investors in making their investment decision. Furthermore, the provisions of applicable regulations requiring consolidation of accounts do not apply to our financial statements for the three months ended June 30, 2016 and 2015. Our sole subsidiary is an Unrestricted Subsidiary without any significant operations, assets or liabilities, and our interests in our sole subsidiary and our joint ventures except for Delhi Airport Parking Services Private Limited, which has been considered as current investment, are accounted for in our financial statements as long-term investments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations— Presentation of Financial Information" for further details.

Certain financial information in this offering memorandum has been rounded for convenience and, as a result, the totals of the data presented in this offering memorandum may vary slightly from the actual arithmetic totals of such information.

The financial information in our audited standalone financial statements included elsewhere in this offering memorandum is, unless otherwise stated therein, stated in Indian Rupees in "crore," whereas in the rest of this offering memorandum, financial information is stated in millions of Indian Rupees, unless otherwise specified. One crore is equal to 10 million.

Due to certain regroupings and reclassifications, the amounts of certain line items for the fiscal year ended March 31, 2015 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2016 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015. In this offering memorandum, we have used the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015. Similarly, the amounts of certain line items as of and for the fiscal year ended March 31, 2014 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014. Unless otherwise stated here, in this offering memorandum, we have used the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014. Further, the amounts of certain line items as of and for the three months ended June 30, 2015 as presented in our unaudited standalone condensed interim financial statements as of and for the three months ended June 30, 2016 have been reclassified and regrouped from such amounts as presented in our unaudited standalone condensed interim financial statements as of and for the three months ended June 30, 2015. In this offering memorandum, we have used the amounts of such line items as presented in our unaudited standalone condensed interim financial statements as of and for the three months ended June 30, 2015. For additional information on the regroupings and reclassifications, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Components of Our Income and Expenditures—Revenue" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Components of Our Income and Expenditures—Operating Expenses—Power and Fuel."

We publish our financial statements in Indian Rupees. Unless otherwise stated, all translations in this offering memorandum from Indian Rupees to United States dollars have been made on the basis of the Rs./U.S.$ closing exchange rate as of June 30, 2016 of Rs.67.62 = U.S.$1.00. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupee or the United States dollar amounts referred to herein could have been or could be converted into any other currency, at any particular rate, the above rate or at all. See "Exchange Rate Information."

INDIAN GAAP FINANCIAL MEASURES

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, issued by the Institute of Chartered Accountants of India, we have elected to present earnings before interest, tax, depreciation and amortization ("EBITDA") — but including other income — in this offering memorandum, including in our financial statements appearing within this offering memorandum. EBITDA and the related ratios as presented in this offering memorandum are supplemental measures of our performance and liquidity, and although EBITDA is a widely used financial indicator of a company's ability to service and incur debt, we caution you that EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating activities. See "Summary Financial and Other Data" and "Selected Financial and Other Data" for a reconciliation of EBITDA to profit for the year.

We also have provided earnings before interest and tax expense ("EBIT"), net debt, average net worth, return on average net worth, capital employed and average capital employed in this offering memorandum, none of which are standard measures under Indian GAAP. We have included these non-Indian GAAP financial measures because we believe they are a useful supplement to measure our performance and our ability to generate cash flow from operations to cover debt service. Nevertheless, these non-Indian GAAP financial measures have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, analysis of our financial condition or results of operations, as reported under Indian GAAP. Because of these limitations, all non-Indian GAAP financial measures included in this offering memorandum should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

You should also note that EBITDA as presented in this offering memorandum is calculated differently from Consolidated EBITDA as defined and used in the indenture governing the Notes. For the purpose of calculating EBITDA as presented in this offering memorandum, other income has been included. See "Description of the Notes" for a description of the manner in which Consolidated EBITDA is defined for purposes of the indenture governing the Notes.

MARKET AND INDUSTRY DATA

This offering memorandum contains estimates and projections regarding market and industry data that were obtained from third-party sources, such as market research, consultant surveys, publicly available information, industry publications and surveys, as well as internal company surveys. We believe the information provided or made available by these third-party sources is generally reliable. However, market and industry data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey, interpretation or presentation of market and industry data and management's estimates and projections. In addition, the outcomes of projections are not guaranteed. As a result, you should be aware that market and industry data set forth herein, and estimates, projections and beliefs (i) based on such data and (ii) relating to certain financial and performance metrics presented herein, may not be reliable. See "Risk Factors—Risks Related to India—We cannot guarantee the accuracy of statistical and other information with respect to India, the Indian economy or the airport industry contained in this offering memorandum." Neither we nor the Initial Purchasers have independently verified any of the data from third-party sources nor have we or the Initial Purchasers ascertained the underlying economic assumptions relied upon therein, and neither we nor the Initial Purchasers can guarantee its accuracy or completeness. Similarly, internal company surveys, which we believe to be reliable, are based upon management's knowledge of the industry as of the date of such surveys and have not been verified by any independent sources. Accordingly, neither we nor the Initial Purchasers can guarantee the accuracy or completeness of any such information, and you should not place undue reliance on such information when making your investment decision.

This offering memorandum includes industry data and forecasts that we have obtained from industry publications and surveys, reports of governmental agencies, publicly available corporate information and internal company surveys, as well as from industry reports prepared by CRISIL Research ("CRISIL Research"), ICF SH&E, Inc. ("ICF International") and Knight Frank Indian Pvt. Ltd. ("Knight Frank"). No representation or warranty, express or implied, is made by ICF International or Knight Frank as to the accuracy or completeness of the information set forth in this offering memorandum, and nothing contained in this offering memorandum shall be relied upon as a promise or representation, whether as to the past or future. CRISIL Research does not guarantee the accuracy, adequacy or completeness of the information it has provided for inclusion in this offering memorandum and is not responsible for any errors or omissions or any results obtained from the use of such information, nor is such information to be considered a recommendation to invest nor be construed as expert advice or any form of investment banking under any law or regulation, nor as providing or intending to provide any services in jurisdictions where CRISIL Research does not have the necessary permission or registration to carry out its business activities in such regard. CRISIL Research has no liability whatsoever to any users, transmitters or distributors of such information, and we will be responsible for ensuring compliance, and the consequences of non-compliance, for the use of such information outside India. CRISIL Research operates independently of, and does not have access to information obtained by, nor does the information included in this offering memorandum reflect the views of, the Ratings Division of CRISIL Limited or CRISIL Risk and Infrastructure Solutions Limited, and the information CRISIL Research has provided for inclusion in this offering memorandum may not be published or reproduced in whole or in part without the prior consent of CRISIL Limited. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the information. While reasonable actions have been taken by us to ensure that the information is extracted accurately and in its proper context, neither we nor the Initial Purchasers have independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains "forward-looking statements" that relate to future events, which are, by their nature, subject to significant risks and uncertainties. Forward-looking statements include all statements that do not relate solely to historical or current facts, and you can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "projects" or "anticipates" or similar expressions that concern our strategy, plans or intentions. All statements other than statements of historical or current facts contained in this offering memorandum, including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals, targets, and future developments in the markets where we participate or are seeking to participate, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe our assumptions are reasonable, it is very difficult to predict the impact of known factors, and, of course, it is impossible to anticipate all factors that could affect our actual results.

Some of the important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" and elsewhere in this offering memorandum, including, without limitation, in conjunction with the forward-looking statements included in this offering memorandum. All subsequent forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

While we may elect to update forward-looking statements in the future, we specifically disclaim any obligation to do so, even if our estimates change, and you should not rely on those forward-looking statements as representing our views as of any date subsequent to the date of this offering memorandum.

ENFORCEMENT OF CIVIL LIABILITIES

We are incorporated in India, all of our assets are located in India, and most of our directors and other senior management are residents of India. As a result, it may not be possible for you to effect service of process outside India, including in the United States, upon such persons or us. In addition, you may be unable to enforce judgments obtained against such persons or us in courts outside of India, including in courts in the United States, or such person's other jurisdiction of residence.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"), provides that where a foreign judgment has been rendered by a superior court in any country or territory outside of India which the Government of India has declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, the enforceability of such judgments is subject to the exceptions set forth in Section 13 of the Civil Procedure Code. This section, which is the statutory basis for the recognition of foreign judgments, states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or refusal to recognize the law of India in cases where such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where the judgment has been obtained by fraud; or
- where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code is applicable only to decrees or judgments under which a sum of money is payable not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy or practice in India.

Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. If a judgment of a foreign court is not enforceable under Section 44A of the Civil Procedure Code as described above, it may be enforced in India only by a suit filed upon the judgment, subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. The United Kingdom, Singapore and Hong Kong (among others) have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code. However, the United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Accordingly, a judgment of a court in the United States may be enforced only by filing a fresh suit on the basis of the judgment and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is difficult to predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to delay.

A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the Foreign Exchange Management Act, 1999, as amended ("FEMA"), to repatriate any amount recovered pursuant to such enforcement, and such amount may be subject to income tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of judgment and not on the date of payment.

CERTAIN DEFINITIONS

In this offering memorandum, except where otherwise indicated or where the context otherwise requires, references to:

- "AAI" are to the Airports Authority of India, an Indian government authority established under the Airports Authority of India Act 1994;
- "AERAAT" are to the AERA Appellate Tribunal;
- "AERA" are to The Airports Economic Regulatory Authority of India, an independent regulator established by the Government of India;
- "the Airport" or "our Airport" are to Indira Gandhi International Airport located on the land leased to us from AAI pursuant to the Lease Deed;
- "ATMs" are to air traffic movements, which are all aircraft arrivals and departures to and from an airport;
- "Aviation Policy 2016" are to the Aviation Policy issued by the Government of India on June 15, 2016 introducing various measures aimed at promoting the growth of the Indian civial aviation sector.
- "the Concession" or "our Concession" are to our rights to operate, manage and develop the Airport as provided in the OMDA, the SSA, the SGSA and other related agreements (which, collectively, are referred to as "the Concession Agreements");
- "CAG" are to the Comptroller and Auditor General of India;
- "Common Loan Agreement" are to the Rs.12.1 billion Common Loan Agreement dated March 11, 2013 between the Company and IDFC Limited, Canara Bank, Corporation Bank, and Central Bank of India;
- "CUTE" are to common user terminal equipment;
- "DGCA" are to the Director General of Civil Aviation of India;
- "ECB Facility" are to the facility made available pursuant to the External Commercial Borrowing Facility Agreement dated July 24, 2013, between the Company and IDBI Bank Limited;
- "Escrow Account Agreement" are to the escrow account agreement dated April 28, 2006 between the Company and ICICI Bank Limited;
- "Existing Indenture" are to the indenture dated February 3, 2015, pursuant to which the Existing Notes were issued;
- "Existing Notes" are to US$288,750,000 senior secured notes due 2022 issued by the Company on February 3, 2015;
- "Fraport" are to Fraport AG Frankfurt Airport Services Worldwide;
- "GMR Group" are to GMR Infrastructure Limited and its subsidiaries;
- "GOI" and "Government of India" are to the central government of the Republic of India;
- "Hedging Facility" are to the hedging facility made available pursuant to the agreement dated October 1, 2008 between the Company and ICICI Bank;
- "IATA" are to the International Air Transport Association;
- "Intercreditor Agreement" are to the Amended and Restated Intercreditor Agreement to be entered into between, among others, certain of our existing lenders, Axis Trustee Services Limited as the security trustee and the Trustee on or about the Original Issue Date;
- "Indian Rupees," "Rupees" and "Rs." are to Indian Rupees;
- "KPMG Report" are to a report on the aviation industry globally and in India commissioned by GMR Airports Limited and prepared by KPMG Advisory Services Private Limited in February 2014;

- "Lease Deed" are to the lease deed relating to the land on which the Airport is located dated April 25, 2006 between AAI as the lessor and the Company as the lessee, and includes any subsequent amendments thereto;
- "Master Plan" are to the master plan for the long-term development of the Airport that we prepared and update in consultation with, among others, the Government of India in accordance with the OMDA and the SSA;
- "MoCA" are to the Ministry of Civil Aviation, GOI;
- "MoH" are to the Unattested Memorandum of Hypothecation to be executed by us in favor of the Axis Trustee Services Limited as security trustee on the Original Issue Date;
- "OMDA" are to the Operation, Management and Development Agreement entered into between AAI and us on April 4, 2006;
- "PSF Loan" are to the term loan made available pursuant to the Rs.2.5 billion term loan agreement dated June 29, 2010 between the Company and Corporation Bank;
- "Rupee Facility" are to the facility under the Rupee Facility Agreement dated December 21, 2013 between us and IDFC Limited, as rupee facility agent, and the rupee lenders from time to time party thereto;
- "SGSA" are to the State Government Support Agreement entered into between the Government of the National Capital Territory of Delhi and us on April 26, 2006;
- "SHA" are to the Shareholders Agreement entered into between AAI, GMR Infrastructure Ltd., GMR Energy Ltd., GMR Airports Ltd. (formerly GMR Airports Holding Limited), Fraport AG Frankfurt Services Worldwide, Malaysia Airports (Mauritius) Private Limited, India Development Fund and us on April 4, 2006;
- "Stabilizing Manager" are to Standard Chartered Bank;
- "SSA" are to the State Support Agreement entered into between the Government of India and us on April 26, 2006;
- "Trust and Retention Account Agreement" are to the Amended and Restated Trust and Retention Account Agreement entered into on February 3, 2015, to be further amended on or about the Original Issue Date, with ICICI Bank Limited as the account bank, Axis Trustee Services Limited as the security trustee and the facility agents under certain of our credit facilities then outstanding;
- "we," "us," "our," "DIAL," "our Company" and "the Company" are to Delhi International Airport Private Limited; and
- "Working Capital Facility" means the working capital facility made available pursuant to the Master Working Capital Facility Agreement between the Company and ICICI Bank Limited on July 14, 2006, as amended.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum but does not contain all the information that may be important to you. Before making an investment decision, you should read this entire offering memorandum. This summary is qualified by, and must be read in conjunction with, the more detailed information appearing elsewhere in this offering memorandum. You should also carefully consider the information set forth under the headings "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and accompanying notes thereto appearing elsewhere in this offering memorandum.

INTRODUCTION

We hold the exclusive right to operate, manage and develop Indira Gandhi International Airport — the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by the Airports Authority of India, or AAI. Our core activities include the development, management, maintenance and operation of the Airport and management of commercial and other activities conducted at the Airport. The Airport serves New Delhi and the entire National Capital Region of India, which constitutes the second largest urban agglomeration in the world, according to the United Nations. Servicing 61 airlines flying direct to 124 destinations, including 66 international destinations and 58 domestic destinations as of June 30, 2016, the Airport is emerging as a leading aviation hub in South Asia. The Airport handled more passenger traffic than any other airport in India in the year ended March 31, 2016 and the three months ended June 30, 2016, according to IATA.

Located within the city of New Delhi between the Connaught Place central business district and the key commercial and residential suburb of Gurgaon, the Airport is connected to the surrounding region by several links, including a dedicated high-speed metro line and an eight-lane access road linked to National Highway 8. With no other major international airport serving northern India, we expect to benefit from the projected increase in international and domestic passenger traffic to the region, which is projected to reach 22 million and 45 million, respectively, by fiscal year 2022 according to the KPMG Report. See "Industry" for additional information about the aviation sector in India.

In March 2010, we successfully completed the first phase of our long-term development plan for the Airport, which included construction of a third runway and a new state-of-the-art passenger terminal, at a total capital expense of Rs.125 billion, as recognized by the Airports Economic Regulatory Authority of India, or AERA. The only airport in India with three runways, the Airport currently has the capacity to handle 62 million passengers and 1.5 million metric tons of cargo per year. The Airport's facilities include two cargo terminals and nine passenger terminals, with a total of 321 check-in counters and 84 aerobridges, as well as three A380 compliant boarding gates. The next phase of our long-term development plan, the Phase 3A Expansion, includes, among others, expansion of Terminal 1, construction of a fourth runway and enhancement of airfields and construction of taxiways. Under our management, the Airport has received numerous awards and has been recognized in various rankings in recent years, including the "Best Airport in the World" among 25-40 million passenger size airports in 2015 and 2014 by the Airport Council International, "Best Airport in India and Central Asia in 2015 and 2014," "Best Airport Staff in India/Central Asia" in 2015 by SKYTRAX, "Best Airport in the Country at National Tourism Awards for 2013 and 2014," "Golden Peacock Award for Sustainability in the Aviation Sector for 2015," "Best Emerging Airport — Asia at the Asian Freight, Logistics and Supply Chain Awards," "CIIBE Star Awards: Leaders in Operations Management & Leaders in Customer Management 2015," "CNBC Aawaz — Best Managed Airport Award for 2013, 2014 and 2015" and "Outlook Traveler Awards — Favorite Domestic Airport."

Incorporated in March 2006, we were formed following a competitive bidding process in which a consortium, led by the GMR Group, was awarded an exclusive concession to operate, maintain and develop the Airport. Our Concession has an initial term of 30 years, and we have an option to extend for an additional 30 years to 2066 without a renewal fee, subject to the non-occurrence of a default under the OMDA. The Operation, Management and Development Agreement, or OMDA, that we entered into with AAI governs our rights and obligations under the Concession, while the SSA and SGSA entered into with the Government of India and the Government of the National Capital Territory of Delhi, or GONCT, respectively, provide for certain support services and incentives to us for the development of the Airport, as well as a right of first refusal to match the winning concession bid to develop any new airport within 150 kilometers of the Airport, subject to certain conditions. The Government of India has guaranteed AAI's payment obligations to us of all undisputed transfer payments, which include debt (as defined in the OMDA), subject to certain parameters.

Our Concession also includes the right to commercially develop approximately 230 acres of land at the Airport for certain identified commercial purposes. We have already awarded development rights to third parties for approximately 45 acres of this land for the construction of a hospitality district, with the aim of progressively transforming the Airport into an international-caliber "aerotropolis." Several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree, have been built or are under construction in the hospitality area. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. We expect demand for space and land in our land bank, which is centrally located in the Delhi region, to continue to grow and contribute visible and predictable revenues generated by long-term leases.

Passenger traffic at the Airport has grown substantially under our management, from 16 million passengers in 2006 at the beginning of our Concession, to nearly 48.4 million passengers in fiscal year 2016, a compound annual growth rate ("CAGR")(1)of over 11.5%. Cargo volume has also increased rapidly, from 383,052 metric tons in fiscal year 2006 to 787,168 metric tons in fiscal year 2016. In the three months ended June 30, 2016 and 2015 and fiscal years ended March 31, 2016, 2015 and 2014, total passenger traffic at the Airport was 13.8 million, 11.5 million, 48.4 million, 41.0 million and 36.9 million, respectively, while our total cargo traffic in metric tons was 208,124, 194,698, 787,168, 696,539 and 605,699, respectively, for the same periods. In fiscal year 2016, the Airport handled 365,697 air traffic movements, or ATMs, which are all aircraft arrivals and departures to and from the Airport. Increasing passenger and cargo traffic through the Airport is a key driver of our growth and increased revenue.

For the fiscal year ended March 31, 2016, we had total revenue of Rs.50,159.8 million (US$741.8 million) and EBITDA of Rs.18,863.4 million (US$279.0 million), an increase of 17.2% and 27.2%, respectively, from total revenue of Rs.42,799.2 million and EBITDA of Rs.14,825.3 million for fiscal year ended March 31, 2015. For the three months ended June 30, 2016, we had total revenue of Rs.13,596.2 million (US$201.1 million) and EBITDA of Rs.5,244.8 million (US$77.6 million), an increase of 16.1% and 20.8%, respectively, from total revenue of Rs.11,710.8 million and EBITDA of Rs.4,340.6 million for the three months ended June 30, 2015. See "Selected Financial and Other Data" for details on our calculation of EBITDA.

Our majority shareholder is a subsidiary of the GMR Group, a leading diversified infrastructure group in India with substantial experience in the development and operation of airports, power plants, roads and urban infrastructure. Our other shareholders include AAI, a Government of India enterprise, and Fraport AG Frankfurt Airport Services Worldwide, a leading international airport operator. See "Principal Shareholders" for more information about our shareholders.

Overview of our Sources of Revenues

Our revenue is derived principally from aeronautical operations, which include domestic and international landing fees, domestic and international parking and housing fees, user development fees and common user terminal equipment (CUTE) counter charges and are regulated by AERA under the terms of the OMDA and SSA, and non-aeronautical services, which are derived primarily from commercial and other activities at the Airport and are not regulated. We also earn lease rental revenue from license fees in connection with certain commercial property development activities at the Airport.

Revenue from aeronautical operations was Rs.34,075.8 million, Rs.29,509.2 million and Rs.28,063.5 million in fiscal years 2016, 2015 and 2014, respectively (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014), accounting for 67.9%, 68.9% and 70.1% of our total revenue in those years. Revenue from non-aeronautical operations was Rs.13,599.4 million, Rs.11,463.4 million and Rs.10,233.1 million in fiscal years 2016, 2015 and 2014, respectively (after giving effect to the regrouping described above), accounting for 27.1%, 26.8% and 25.6% of our total

(1) CAGR = (ending value/beginning value)$^{(1/\text{no. of years})}$-1

revenue in those years. Revenue from commercial property development was Rs.941.1 million, Rs.982.4 million and Rs.930.4 million in fiscal years 2016, 2015 and 2014, respectively, accounting for 1.9%, 2.3% and 2.3% of our total revenue in those years. For more information regarding our sources of revenues, see "Business—Our Sources of Revenues."

Overview of our Concession

We have exclusive rights to operate, maintain and develop the Airport for a 30-year period until 2036, with an option to extend the term for an additional 30 years without a renewal fee, if we comply with our obligations under the OMDA. Our rights and the rights and obligations of AAI, the Government of India and other state bodies in respect of the Concession are provided in a series of agreements, including the OMDA and the SSA, executed following the award of the concession in January 2006.

Operation, Management and Development Agreement

We entered into the OMDA in April 2006 with AAI, pursuant to which we were appointed to undertake certain functions relating to the operation, maintenance, development, design, construction, modernization, financing and management of the Airport and to perform certain aeronautical and non-aeronautical services at the Airport. Under the terms of the OMDA, we paid AAI a one-time upfront fee of Rs.1,500 million and agreed to pay AAI an annual fee in monthly installments throughout the term of the Concession equal to 45.99% of the projected pre-tax gross revenue, including all revenue from aeronautical and non-aeronautical services and commercial property development, for each year. The OMDA also places certain restrictions on the transfer of our shares and limits our scope of business to operating, maintaining and developing the Airport, as well as commercially developing the approximately 230 acres of land for specified purposes at the Airport granted to us for the term of the Concession. In addition, it provides a mechanism for AAI and our Lenders (as defined in the OMDA) to replace us with a substitute party if we default under the OMDA or our senior secured credit facilities extended by such Lenders. As of the date of this offering memorandum, we are in compliance with the terms of the OMDA, including the required capital development projects. For more information regarding the OMDA, see "Business—Our Concession—Operation, Management and Development Agreement."

State Support Agreement

We entered into the SSA with the Government of India in April 2006, pursuant to which the Government of India agreed to provide certain support services and incentives to us for the development of the Airport. Specifically, the Government of India has agreed to provide services related to customs, immigration, plant and animal quarantine, health, meteorology and security, in addition to certain aeronautical services, at the Airport during the term of the Concession. The Government of India also has granted us a right of first refusal in the event it initiates a competitive bid for the development and operation of another airport within a radius of 150 kilometers of the Airport, giving us the right to match the most competitive bid received if our initial bid for the new airport is within 10% of such bid. In addition, the Government of India has guaranteed the payment obligations of AAI to us of all undisputed amounts owed to us under the OMDA, subject to certain parameters. For more information regarding the SSA, please see "Business—Our Concession—State Support Agreement."

COMPETITIVE STRENGTHS

We believe our competitive strengths include the following:

Asset of national importance and government support

Our business operations fulfill a number of socio-economic goals that are important to the Indian government, such as employment and infrastructure development, and our operational, development and expansion plans are closely aligned with the government's objectives, including supporting the economic development of India and encouraging the growth of tourism. In addition, 26% of our shares are currently owned by AAI, making the Government of India one of our key shareholders and making us a quasi-sovereign asset. The Government of India has also announced investment plans in infrastructure that should reduce congestion to and from the Airport and further connect the Airport to the surrounding region, including linking Terminal 1 to the Delhi Metro and upgrading the Airport's express metro stations into interchange stations.

On June 15, 2016, the Government of India released the Aviation Policy 2016, introducing various measures to promote the growth of the Indian civil aviation sector. Under its Regional Connectivity Scheme, the MoCA will levy a small charge on domestic flights and will use it to fund a subsidy given to airlines which provide capped airfares for certain under-served regional routes at a target rate of Rs.2,500 per passenger per hour of flight time. The policy also eliminates the existing requirement that airlines must fly domestic routes for at least five years before they fly international routes, so that airlines with at least 20 aircraft can immediately start flying internationally. Going forward, the Government of India will seek to enter into "open sky" air service agreements on a reciprocal basis with member countries of the South Asian Association for Regional Cooperation (SAARC) and countries that are more than 5,000 km away from India.

In line with the national importance of the Airport, which is a regulated asset, the Government of India has guaranteed AAI's payment obligations to us of all transfer payments, which includes Debt (as defined in the OMDA). See "Business—Our Concession—Operation, Management and Development Agreement." In addition, it granted us the Concession for a term of 30 years, which may be renewed for an additional 30 years without a renewal fee, giving us access to long-term, sustainable future cash flows for the length of the Concession. The government also plays a range of other important roles with respect to our business, including through regulatory, supervisory, operational coordination and contractual counterparty roles across many aspects of our airport operations and other activities. For example, we are assisted by the OMDA Implementation Oversight Committee ("OIOC"), which meets bi-annually and is chaired by the Secretary of MoCA. OIOC provides us with a medium to raise and resolve any issues directly at the MoCA level. This committee has met several times since its establishment. We believe that due to the pivotal importance of air travel to the economic development of India, we will benefit from the ongoing support of the Government of India.

In addition, our revenue from aeronautical services, which is generated from fees we collect from airlines and passengers, is set by AERA, an independent regulator established by the Government of India, and based on agreed-upon principles provided in the SSA. Those principles include transparency, economic efficiency and commercial considerations. We also have the right to appeal AERA's tariff rates to a separate appellate tribunal, which provides us with an avenue to address potential concerns. See "Business—Regulatory Bodies—AERA."

Strategically located with a dominant position in an industry with high barriers to entry

The Airport is the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by AAI. The Airport is located within the city of New Delhi, 16 kilometers south of the city center, and is well connected to the rest of the National Capital Region of India via commuter rail. New Delhi, which together with its surrounding suburbs constitutes one of the largest urban conglomerations in the world according to the United Nations, is a major financial, industrial and political center in India. The National Capital Region, and New Delhi in particular, has provided a steady flow of business travelers and cargo through the Airport, which also serves as the gateway to the "golden triangle" of North India comprising the tourist destinations of Agra, Jaipur and Delhi.

Under our Concession, we have leased from AAI a land bank in the vicinity of the Airport of approximately 230 acres, which we have been authorized to develop for certain identified commercial purposes. We have already awarded development rights to third parties for an area of approximately 45 acres of this land for the construction of hotels and mixed-use development, in exchange for which we are entitled to receive upfront deposits and annual license fees at fixed rates, subject to yearly increases. Several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree, have been built or are under construction in this area. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. Given the excellent connectivity to central and south Delhi, as well as Gurgaon and other parts of the National Capital Region from the Airport, we expect demand for space and land in our land bank to continue to grow and contribute to our visible and predictable revenues.

We believe the Airport is a leading aviation hub in India, with no other airport in northern India competing with us for international passenger traffic, and all of South Asia. Air India, the national carrier of India and a member of the Star Alliance, offers the largest number of routes to and from the Airport and is currently using the Airport as its hub. IndiGo, India's largest airline in terms of passengers flown, also uses the Airport as its hub and operating base, while the new airline Vistara named the Airport as its hub in the last fiscal year.

The Airport serves 66 international and 58 domestic destinations and, according to IATA, for the year ended March 31, 2016 and the three months ended June 30, 2016, it ranked number one among all Indian airports in both passenger traffic and cargo handled. In fiscal year 2016, we served a total of nearly 48.4 million passengers, supported approximately 787,168 metric tons of cargo traffic and accounted for 365,696 ATMs. In 2014, the Airport served as gateway to 34% of the international tourists that arrived via air into India according to a 2014 report by the India Ministry of Tourism. In that same year, the Airport registered an 11.1% growth in traffic over the previous year. The Airport has a built-up capacity to cater to 62 million passengers and 1.5 million metric tons of cargo per year, making us well placed to benefit from the passenger and cargo traffic growth projected in the KPMG Report without the need for further expansion in the near term. We believe that the Phase 3A Expansion will ensure that we are prepared for growth in the mid to long term.

We believe our industry is characterized by high barriers to entry inherent to airport construction and operation, especially in New Delhi, where the lack of available land for airport expansion in attractive locations, the need for significant capital investments to develop a new competing facility and the extensive regulatory approvals required to operate in a highly regulated industry are natural barriers to potential new entrants. In addition, even if another airport is planned for construction within a radius of 150 kilometers of the Airport, the Government of India has granted us a right of first refusal for the development and operation of such an airport, whereby we have the right to match the most competitive bid received if our bid is within 10% of such bid.

Diversified operations and sources of revenues

The Airport benefits from a diversified passenger base from various markets, including the Asia Pacific region, the Middle East, the United States and Europe. The Airport serves 61 airlines and most of the major global and regional airlines call on the Airport, with several new airlines added in each of fiscal years 2014, 2015 and 2016 and no single airline accounting for more than 18.3% of our revenue from aeronautical services in fiscal year 2016. We believe that this has contributed to traffic at the Airport being relatively resilient to the effects of seasonality and economic cycles affecting specific regions and tourism traffic. Of the international passengers that came through our airport in fiscal year 2016, 38.1% were from the Asia Pacific region, 18.5% were from the Middle East, 20.5% were from Europe and 17.1% were from North America. Our revenue from non-aeronautical operations are not subject to regulatory control and have risen to Rs.13,599.4 million in fiscal year 2016 from Rs.11,463.4 million and Rs.10,233.1 million in fiscal years 2015 and 2014, respectively. Since the beginning of the Concession period, the amount of cargo handled at the Airport has increased at a compound annual growth rate of 7.4%. International cargo accounted for approximately 62% of cargo traffic in each of fiscal years 2016, 2015 and 2014. Through our joint ventures, we have coordinated with offsite air freight stations in major manufacturing areas around North India to facilitate increased cargo traffic at the Airport. The Airport is the first airport in India to achieve compliance with the International Air Transport Association's e-freight standards through the Airport's cargo community system, which provides end-to-end connectivity for all parties in the air cargo industry. While our revenues from aeronautical and non-aeronautical operations are both tied to passenger traffic, our commercial property development business provides a revenue stream largely delinked from air travel and is set to grow as we prepare to license the additional 185 acres available for development. We believe our diversified sources of revenues and broad customer base help create a solid revenue generation capability.

The markets in which we operate possess robust macroeconomic and demographic indicators

India, the world's largest democracy in terms of population (an estimated 1,336 million, as of May 2016), had an estimated GDP adjusted for purchasing power parity of approximately US$7.9 trillion in 2015 according to the CIA World Factbook. This makes it the third largest economy by GDP in the world after the U.S. and China. According to IMF, India's real GDP grew by approximately 7.2% and 7.3% per annum in the financial year 2014-2015 and financial year 2015-2016, respectively, and according to World Bank, is expected to grow by approximately 7.6% in the financial year 2016-2017. Expansion of India's middle class, coupled with increased disposable incomes due to an expanding economy, are projected to help achieve some of the fastest growth in the world over the next 20 years.

Economic growth and other positive macroeconomic indicators in the country have been reflected in overall growth in passenger traffic in India and in particular in our Airport. According to IATA, India had the fastest domestic passenger growth among the world's largest domestic markets in 2015, including China, the United States and Russia. In fiscal years 2016, 2015 and 2014, passenger traffic in India was 224 million, 190 million and 169 million, respectively, representing a CAGR of 14.9%. At the same time, in fiscal years 2016, 2015 and 2014, passenger traffic in our Airport was 48.4 million, 41.0 million and 36.9 million, respectively, and has experienced a CAGR of 11.8% since the beginning of our Concession in 2006. One of the drivers behind this passenger traffic growth has been tourism, with foreign tourist arrivals having grown at a CAGR of approximately 7% from 1997 to 2013. According to the Ministry of Tourism, tourism in India in terms of foreign tourist arrivals grew by 4.5% in fiscal year 2016 from fiscal year 2015. International passenger traffic in India for fiscal years 2016, 2015 and 2014 was 55 million, 51 million and 47 million, respectively, while international passenger traffic in our Airport was 14.2 million, 13.5 million and 12.7 million, respectively.

Excellent reputation and highly experienced management

Our highly experienced management team has leveraged that experience to make substantial infrastructure and operational improvements at the Airport and greatly improve the Airport's reputation. Our management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance, business development, infrastructure projects and human resources management in airport-related operations. We believe our management team's capabilities and core understanding of our business, as well as the related regulatory environment, enable us to operate efficiently and manage risk effectively. This has allowed us to, among other things, operate the Airport without ever having experienced suspended operations, to construct our new state-of-the-art Terminal 3 in only 37 months, as compared to more than four years for each of Beijing Capital Airport and Kuala Lumpur International Airport, and to handle an increasing number of passengers and air traffic movements, while at the same time maintaining our world-class service standards.

As a result of our management's continued efforts, coupled with that of our partners, our Airport has been recognized by several industry observers and has earned a number of awards, including the following:

- International Safety Award in Distinction Category from the British Safety Council for 2016;
- First prize in the KAIZEN Competition under the Renovative Category in the 26th Kaizen Conference and Competition, organized by Confederation of India Industry (CII) — Institution of Quality in 2016;
- The first Indian airport ranked number one airport in the 25-40 million Passenger Category by Size (in 2014 and 2015), ranked number one in the 25-40 million Passenger Category in Size and Region — Asia Pacific in 2015 and ranked number two in the Best Airport by Region — Asia Pacific in 2015, in each case by Airports Council International;
- "Best Emerging Airport — Asia" at the 2015 Asian Freight Logistics and Supply Chain (AFLAS) Awards;
- Skytrax World Airport Award 2014 for "Best Airport in India/Central Asia" and "Best Airport Staff in India / Central Asia 2015";
- "Golden Peacock National Quality Award 2015" for building a culture of Total Quality at the Airport;

- "International Safety Award 2015" from the British Safety Council with Distinction for the organization's focus and commitment towards providing a safe airport operation;
- "CII — 5S Excellence Sustenance Award 2015";
- "CII — 5S Excellence Awards 2014" — Northern region; Service sector by Confederation of Indian Industries (CII);
- Best Managed Airport Award at CNBC AWAAZ Travel Award, 2013, 2012 and 2011;
- Best Airport in India & Central Asia at World Airport Awards, 2014 and 2012;
- International Cargo Airport of the Year, Region India at STAT Times Awards, 2012;
- Routes Airport Marketing Awards for Asian Region at World Routes Awards 2012 for Excellence in Airport Marketing;
- Emerging Cargo Airport of the Year at STAT Times Awards, 2010; and
- First airport in the world to be certified for Energy Management System Certification (ISO 50001:2011) by British Standards Institution.

We believe our competitive position compared to other world-class airport operators and a continuing reputation for operational excellence within the airport services industry is a significant competitive advantage.

STRATEGIES

We intend to seek to increase revenues and improve efficiencies through the following key measures:

Successfully implement the Phase 3A Expansion

As the passenger traffic at the Airport nears the passenger capacity of the Airport, we will seek to increase passenger capacity through the construction of additional facilities, which we expect will contribute to an increase in both aeronautical and other revenues. Under the terms of the SSA and OMDA, we are required to update and resubmit the Master Plan to the Government of India every ten years or more frequently if justified by traffic growth or other reasons covering the anticipated demands in the next 20 years.

Because of the growth of low cost carriers, higher traffic growth than was previously assumed, changes in flights and passenger demand and other various factors, we recently submitted to MoCA a revised Master Plan consisting of several phases of development. Our next phase of development is set forth in Phase 3A of the Master Plan, which includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of taxiways (the "Phase 3A Expansion"). See "Business—Corporate History and Structure—The Revised Master Plan." Upon completion of the Phase 3A Expansion, we expect passenger capacity of the Airport to increase from 62 million passengers per year to 75 million passengers per year. We currently estimate the total capital expenditures required for the Phase 3A Expansion to be in the range of Rs.40 billion to Rs.70 billion, which will be made between the next three to five years, depending on the formal project specifications. We expect that such capital expenditures will be financed through cash flow from operations, existing surplus cash and the incurrence of additional indebtedness. We will seek to manage our increased leverage and debt-servicing needs by capturing additional revenue through increased passenger traffic, and by preserving our existing cash flow by minimizing disruptions to existing passenger traffic and promptly executing the construction plan for Phase 3A Expansion. We believe that a successful implementation of the Phase 3A Expansion will allow us to capture additional revenue through increased tariff rates, increased passenger traffic, enhanced competitiveness of the Airport as a hub and improved customer satisfaction.

Increase air routes and passenger traffic

A key driver of our revenue growth is related to passenger traffic. We are therefore committed to developing new air routes at our Airport by encouraging new airlines to call on the Airport and existing airline customers to add further routes to and from the Airport. We intend to enhance our market position as a transit point for international flights. The geographic location of Delhi makes it suitable as a hub for international passenger traffic, especially as it provides easy access to and from various major cities in the National Capital Region of India. We have developed a comprehensive route development strategy, backed by our team of experienced professionals, with the goal of developing new routes, attracting new airlines and increasing overall passenger traffic at Delhi. We believe our strategy is yielding results as international routes increased from 58 in fiscal year 2007 to 66 in fiscal year 2016, and two, five and five new airlines began serving the Airport in fiscal years 2014, 2015 and 2016 respectively. Air India, now a member of the Star Alliance, and IndiGo both currently use the Airport as a hub, and Vistara, which commenced operations on January 9, 2015, has also named the Airport as its hub, which should help increase the number of transfer passengers transiting through our Airport. We are working closely with Air India, IndiGo, Vistara, Jet Airways and Spice Jet to align their schedules of departures and arrivals to maximize connection options and minimize connecting times for passengers. We believe that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenues.

Develop the Airport into an international air traffic hub for cargo

Relying on the two cargo terminals at the Airport, including our state-of-the-art greenfield cargo terminal with advanced temperature controlled facilities that we completed during our Concession, we will seek to develop the Airport into an international air traffic hub for cargo in India by pursuing several initiatives, including enhancing our air cargo logistics center to attract new freight forwarders and developing new revenue streams for renting warehouse and commercial cargo space. We will also continue to promote paperless transactions, as evidenced by IATA certifying us as the first e-freight compliant airport in India, and participate in the Air Cargo Forum of India, a national platform for various cargo stakeholders such as freight forwarders, Indian customs authorities, exporters and importers. In addition, we plan to develop air freight stations with higher volume and better operational efficiency and promote the Airport as a trans-shipment hub.

Drive growth in commercial property development and non-aeronautical services revenues

We earn revenue in our commercial property development segment from licensing parcels out of our total land bank of approximately 230 acres. We are currently focused on increasing the percentage contribution from commercial property development and non-aeronautical services to our overall operating revenue. The terms of our Concession also provide us with flexibility and control in developing non-aeronautical services, which are generally not subject to government tariff regulation. These non-aeronautical services, including food and beverage outlets in the Airport, advertising in Airport premises, operation of car parks and our in-house retail operations consisting of the sale of duty-free and non-dutiable goods, are all provided through various partner concessionaires. In addition, non-aeronautical services revenues include those we earn from the leases of commercial space such as offices and airline lounges. Our combined revenue from non-aeronautical operations and commercial property development (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014) have risen to Rs. 14,540.5 million in fiscal year 2016 from Rs. 12,445.8 million and Rs. 11,163.5 million in fiscal years 2015 and 2014, respectively. With our sizable retail space and land bank and increasing consumer purchasing power in India, we believe there are significant opportunities to increase non-aeronautical operations revenue per passenger. We expect to focus on this objective through a range of initiatives, including:

- *Generate revenue from commercial property development*. Under the terms of the OMDA, we have the right to develop approximately 230 acres in the vicinity of the Airport for certain identified commercial purposes. We have awarded development rights to third parties for an area of approximately 45 acres at the Airport for the construction of hotels and mixed-use development, where several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree Premier, have been built or are under construction. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. We expect demand for space and land in our land bank, which is centrally located in the National Capital Region of India, to continue to grow and contribute to our revenues.

- *Create stronger commercial focus*. We are in the process of optimizing our retail and other service offerings. In connection with these initiatives we are seeking to reorganize, reposition and diversify our retail, food and beverage and other commercial offerings in our Airport to maximize customer traffic and visibility and minimize the distance and processing times from retail or other shops to boarding gates. We utilize extensive benchmarking via best practices learned from the leading airports in the world to enhance our optimization process. We are also working with our joint venture ("JV") partners to better differentiate and diversify our offerings in order to target the contrasting needs of full-service and low-cost carrier passengers and widen our overall product and services ranges to enhance passenger experience in our airports. Furthermore, we seek to promote our Airport branding through extensive marketing and communication of our products and services.

- *Enhance retail operations*. Through our joint venture, we operate a full-range duty-free products business in the Airport. We have leveraged expert networks, such as the Boston Consulting Group to study and provide recommendations for enhancing the revenue contribution from these duty-free retail operations by means of targeted marketing, better brand promotion and optimization of the business with (i) nationality-focused marketing initiatives aimed at improving sales from Chinese, Japanese and Russian passengers; (ii) loyalty programs; (iii) in-store promotions; and (iv) customer behavior studies. We also plan to broaden the range of products, in particular electronics, sold at duty-free outlets. For the three months ended June 30, 2016 and for fiscal year 2016, revenue from retail duty-free sales contributed 22.6% and 22.8% of our revenue from non-aeronautical operations.

- *Enhance our business capabilities*. We seek to expand commercial airport operations by supporting better business decision-making methodologies through the improvement of our business intelligence analytics, point-of-sales data analysis, business relationship management and customer relationship management systems. We believe that enhancing our business management capabilities will allow us to leverage the expansion of our commercial operations infrastructure into compounding business growth.

We believe the above steps have resulted in a significant increase in revenue from non-aeronautical operations from the beginning of our Concession and we will continue to implement these strategies. Revenue from non-aeronautical operations in fiscal year 2016 was Rs.13,599.4 million, accounting for 27.1% of our total revenue in the period.

Continue to enhance service levels and passenger satisfaction

Having been named the first Indian airport ranked number one airport in the 25-40 million Passenger Category by Size by Airport Council International for fiscal years 2014 and 2015, we continue to aim to improve service levels and overall passenger satisfaction by working with AAI and regulatory partners to introduce passenger friendly policies. Initiatives in passenger friendly policies include no frisking for transfer passengers, visa on arrival for citizens from more countries, improvement in accuracy and timeliness in reporting of traffic data and improvement of transfer area facilities. These initiatives are expected to reduce waiting times, increase available space for retail activities and reduce our operating costs.

Other initiatives to enhance service levels which we are working with governmental partners to accomplish include improving surface and metro connectivity for passengers, for example by expediting the extension of the Airport Express Metro to Gurgaon and the construction of the metro line between Botanical Garden to Janakpuri, for which we expect to provision land at the Airport. By aligning our airport infrastructure planning with the expected growth in passenger levels, we hope to satisfy the changing needs and expectations of passengers at the Airport. In addition to building a customer-focused organization, we are continually implementing initiatives to develop and train our human capital, including employee engagement and welfare initiatives, to ensure that we have the capabilities to deliver the highest service standards.

Further enhance operational efficiency

In an effort to optimize the operating efficiency of the Airport, we have implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. We intend to continue exploring and implementing similar initiatives in the future in order to improve our operational efficiencies, which we believe are already among the best in the airport industry. Examples of initiatives we have recently implemented that we intend to continue exploring in the future include the following:

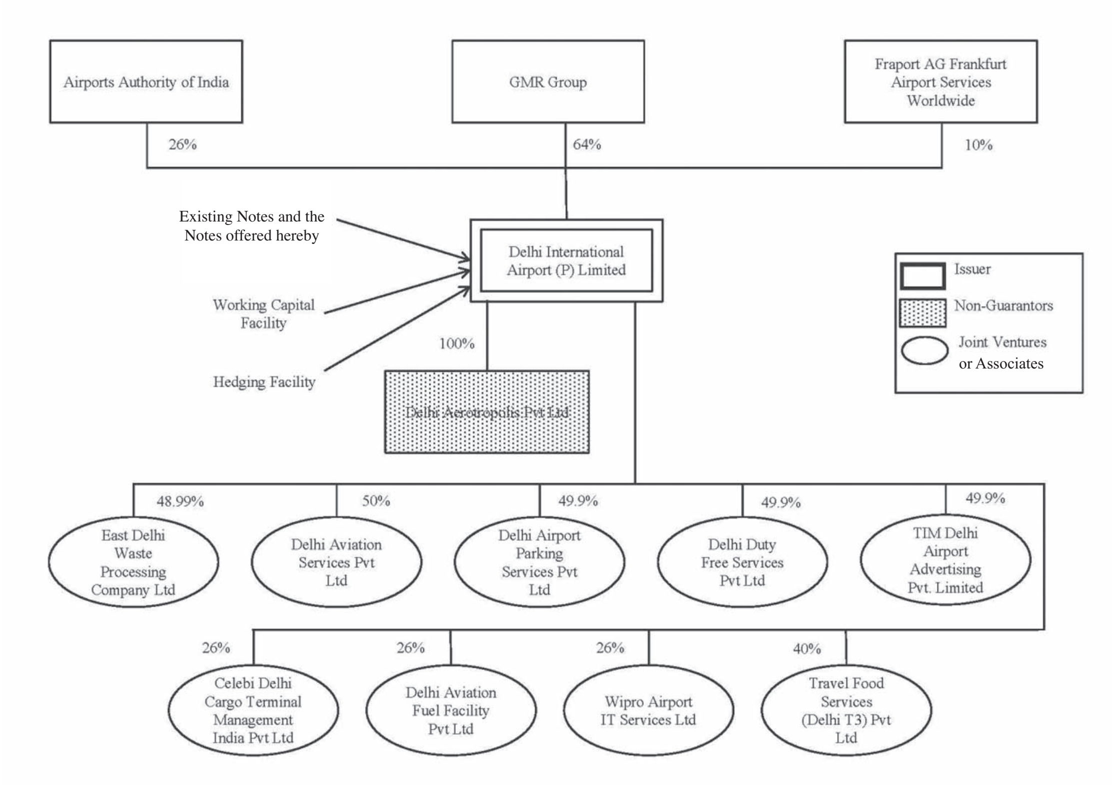
- *Rationalizing energy consumption at the Airport.* The Airport has implemented various energy audits and energy saving measures as part of its environmental sustainability management, and is the first airport in the world to achieve the Energy Management System Certification (ISO 50001:2011) from the British Standards Institution. We received the Excellent Energy Efficient Unit Award 2012 from the Confederation of Indian Industry. We have also successfully registered "Energy efficiency measures at Terminal T3" at UNFCCC in 2013. In addition, we have installed more than 300 rainwater harvesting wells spread across the Airport premises to conserve and sustain water resources. We are accredited by Airport Council International (ACI) for our carbon management at the Airport to "Optimisation Level." We have also installed a 7.18 megawatt solar power plant at the Airport and are the first airport in India that has an on-site mega solar power plant. We will continue analyzing our operations to further reduce costs and enhance efficiency.

- *Improving air traffic movements and on-time performance.* We implemented certain recommendations from an air traffic study we commissioned, which resulted in the increase of maximum ATMs per hour that we are able to handle from 60 in fiscal year 2012 to 75 in fiscal year 2016. We also implemented the Delhi Airport-Collaborative Decision Making program in close cooperation with air traffic control, ground handlers and the airlines, which highly improved our on-time performance. Furthermore, we have installed a Category III instrument landing system, which has contributed to improvements in our air traffic control and on-time performance.

- *Maintaining effective headcount and controlling administrative expenses.* We are continuously assessing efficiency initiatives and targeting these measures to achieve economies of scale through the consolidation of our core corporate functions and administrative expenses. We will continue to analyze our headcount requirements as permitted by our operations in an effort to optimize efficiency without adversely affecting the airport experience.

OUR CORPORATE AND FINANCING STRUCTURE

The chart below sets forth a simplified summary of our corporate and financing structure as of June 30, 2016, after giving effect to the offering of the Notes and the refinancing of the Rupee Facility and the ECB Facility with the proceeds from this offering. The diagram is intended for illustrative purposes only and does not include all legal entities or debt obligations of the legal entities actually presented. For further information, see "Use of Proceeds," "Capitalization" and "Principal Shareholders." For a summary of the material financing arrangements identified in this diagram, see "Description of Material Indebtedness," "Description of the Notes" and "Capitalization."



GENERAL INFORMATION

We were incorporated in India on March 1, 2006 as Delhi International Airport Private Limited. Our registered office is located at New Udaan Bhawan, Opp. Terminal-3, Indira Gandhi International Airport, New Delhi 110 037, India. Our corporate headquarters is located at the same address. Our website is *www.newdelhiairport.in*. Information contained on our website does not constitute part of this offering memorandum.

RECENT DEVELOPMENTS

Legal Proceedings

In an order dated January 22, 2015, the Delhi High Court responded to our petition seeking expeditious disposal of our appeals before the AERA Appellate Tribunal ("AERAAT") in respect to certain of AERA's methodologies, calculations and classifications of various factors used to set the aeronautical tariff structure for the fiscal year 2009-2014 control period. In its order, the Delhi High Court issued directions to MoCA to take steps to appoint the chairperson and members of the AERAAT within four weeks of the date of the order. The Delhi High Court also directed the reconstituted AERAAT to adjudicate our pending appeals within twelve weeks of the date of the order. Further, the Delhi High Court directed that the current aeronautical tariff structure from the first five-year control period continue until the disposal of our appeals by the AERAAT. On April 24, 2015, AERA filed a special leave petition to the Supreme Court of India, seeking interim relief from this order. The

Supreme Court of India heard and disposed of the special leave petition of AERA on May 12, 2016 with directions to AERAAT to expedite and adjudicate the appeals pending before it within three months of its order. Although three months have passed, AERRAT is continuing to hear the matter on a day-to-day basis and has not yet adjudicated the appeals.

In addition, the Delhi High Court observed that the appeals pending before the AERAAT involve substantial issues with respect to the methodology for determination of tariffs and the correctness of certain regulatory principles applied by AERA which would be significant in determining the aeronautical tariffs for our current control period which spans fiscal years 2015 through 2019 and for subsequent control periods. The Delhi High Court directed AERA to not proceed with the implementation of the aeronautical tariff for the second control period, pending a decision on the matters under appeal before the AERAAT. As a result, we have not implemented the aeronautical tariff for the second control period although AERA issued an order dated December 8, 2015 (issued on December 10, 2015) to reduce the aeronautical tariff for the second control period by 89.4% from the current aeronautical tariff structure for the first five-year control period. We have filed an appeal against this order. The proceedings are ongoing and being heard on a daily basis. Any additional tariff would be implemented upon the final result of the appeal.

The aeronautical charges which we applied in the final 22 and one-half months of the first control period were higher than the aeronautical charges for the initial 37 and one-half months of the first control period and resulted in a much higher growth in our revenue from aeronautical charges in fiscal years 2013 and 2014 than the earlier years during the first control period. See "Business—Legal Proceedings." If AERAAT were to rule in favor of us, AERA may appeal such decision of AERAAT to the Supreme Court of India. If an appeal by AERA is upheld, our aeronautical charges would be substantially decreased and we would have to offset the additional aeronautical charges we have earned in the second control period (as a result of applying the charges which we applied in the final 22 and one-half months of the fiscal years 2010-2014 control period) from the aeronautical charges for the future periods.

For further details on the aeronautical tariff structure, see "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services—which comprise a substantial majority of our revenues—are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition—particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Volatility and Unpredictability of Our Results of Operations Due to Regulation and Implementation of Our Aeronautical Charges."

SUMMARY OF THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this offering memorandum. For a detailed description of the Notes, see the section entitled "Description of the Notes." The terms and conditions of the Notes prevail to the extent of any inconsistency with the summary set forth in this section. This summary is not intended to be complete and does not contain all of the information that is important to an investor. Phrases used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Notes."

Issuer	Delhi International Airport Private Limited
Notes	US$522,600,000 aggregate principal amount of 6.125% Senior Secured Notes due 2026.
Maturity Date	October 31, 2026.
Interest	The Notes will bear interest from and including the issue date of the Notes at the rate of 6.125% per annum, payable semi-annually in arrears.
Interest Payment Dates	April 30 and October 31 of each year, commencing April 30, 2017.
Ranking of the Notes	The Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors, if any, on a senior basis, subject to the limitations described under "Description of the Notes—The Subsidiary Guarantees" and in "Risk Factors—Risks Related to the Notes and the Collateral—Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries";
- secured on an equal and ratable basis with all obligations of the Company under the Existing Notes, the Hedging Facility and all future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness by first ranking Liens on the Collateral (as defined under "Description of the Notes—Security") provided by the Company (subject to Permitted Liens and the Intercreditor Agreement);
- effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral over which the Company has created security for the Notes (subject to any priority rights of such obligations pursuant to the applicable law); and
- effectively subordinated to all existing and future obligations of the Company to the extent of the Excluded Collateral (as defined in "Description of the Notes—Security"), the Company's obligations to AAI under the OMDA and certain other future Permitted Indebtedness (as defined in "Description of the Notes—Certain Covenants—Limitation on Indebtedness").

Security	The obligations of the Company under the Notes will be secured by first-priority Liens (subject to Permitted Liens) on certain collateral (the "Collateral"), which shall initially consist of, to the extent permitted under the OMDA: • a first ranking *pari passu* charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors, in each case, to the maximum extent permissible under the OMDA; • a first ranking *pari passu* charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the OMDA; • a first ranking *pari passu* charge on all the operating revenues/ receivables of the Company (excluding dues owed to AAI, airport development fees, the passenger service fees, the marketing fund and any other statutory dues) subject to the provisions of the OMDA and the Escrow Account Agreement; and • a first ranking *pari passu* charge on all the Company's accounts (to the extent permitted under the OMDA) and each of the other accounts required to be created by the Company under the Indenture and the Security Documents and, including in each case, all monies lying credited/deposited into such accounts (excluding accounts being maintained in relation to the airport development fees, the passenger service fees, the marketing fund, the Escrow Account Agreement under the OMDA and all monies required to be credited/deposited into the debt service reserve accounts and major maintenance reserve account under the Trust and Retention Account Agreement for the benefit of other secured lenders).
Use of Proceeds	The gross proceeds from this offering will be US$522.6 million. Company intends to use the gross proceeds of the offering of the Notes to refinance the Rupee Facility and the ECB Facility in accordance with the ECB Guidelines.
Repurchase of Notes upon a Change of Control	Not later than 30 days following a Change of Control Triggering Event, the Company, subject to the ECB Guidelines, will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date. Any redemption of the Notes prior to their stated maturity will require the prior approval of RBI or the designated authorized dealer bank, as the case may be, under the ECB Guidelines. Such approval may not be forthcoming.

Withholding Tax; Additional Amounts	Payments with respect to the Notes will be made without withholding or deduction for taxes imposed by the jurisdictions in which the Company is incorporated or resident for tax purposes, or through which payment is made except as required by law. Where such withholding or deduction is required by law, the Company will make such deduction or withholding and will, subject to certain exceptions, pay such additional amounts as will result in receipt by the Holder of such amounts as would have been received by such Holder had no such withholding or deduction been required. See "Description of the Notes—Additional Amounts."
Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described herein, the Company may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if, as a result of certain changes in tax law, the Company would be required to pay certain additional amounts; *provided* that where the additional amounts are payable as a result of changes affecting Indian taxes, the Notes may be redeemed only in the event that the withholding tax rate exceeds 5%. Any redemption of the Notes prior to their stated maturity will require the prior approval of RBI or the designated authorized dealer bank, as the case may be, under the ECB Guidelines. Such approval may not be forthcoming.
Covenants	The Indenture will limit the ability of Company and the Restricted Subsidiaries to, among other things: • incur additional Indebtedness and issue preferred stock; • make investments or other specified Restricted Payments; • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends and transfer assets or make inter-company loans; • issue or sell Capital Stock of Restricted Subsidiaries; • issue guarantees by Restricted Subsidiaries; • enter into transactions with shareholders or affiliates; • create any Lien; enter into Sale and Leaseback Transactions; • sell assets; • engage in different business activities; and • effect a consolidation or merger. These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes—Certain Covenants."
Selling and Transfer Restrictions	We have not registered the Notes under the Securities Act or any state or other securities laws. The Notes are subject to restrictions on transfer and may only be offered or sold in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Foreign branches or subsidiaries of Indian banks cannot subscribe for or hold the Notes. See "Transfer Restrictions."

Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Upon issue, the Regulation S Global Notes will be initially represented by the Unrestricted Global Certificate and the Rule 144A Notes will initially be represented by the Restricted Global Certificate, each in registered form. On the Original Issue Date, both the Restricted Global Certificate and the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co., as nominee of DTC.
Delivery of the Notes	The Company expects to make delivery of the Notes, against payment in same-day funds, on or about October 31, 2016, which the Company expects will be the seventh business day following the date of this offering memorandum, referred to as T+7. You should note that initial trading of the Notes may be affected by the T+7 settlement. See "Plan of Distribution." The issuance of the Notes will be subject to a number of conditions precedent, including, but not limited to, the execution of the Security Documents and the Trust and Retention Account Agreement in the form as described in this offering memorandum.

Intercreditor Agreement	On the Original Issue Date, the trustees on behalf of the Holders, the holders of the Existing Notes, the lenders (or their representatives or agents) under the Working Capital Facility, ICICI Bank Limited as account bank and as counterparty under the Hedging Facility and the Security Trustee will enter into the Intercreditor Agreement pursuant to which the Security Trustee will act the security trustee for the Holders, the holders of the Existing Notes, the counterparty under the Hedging Facility the lenders under the Working Capital Facility with respect to the Collateral securing the obligations under the Indenture, the Existing Indenture, the Notes, the Existing Notes, the Hedging Facility and the Working Capital Facility. The Intercreditor Agreement will provide, among other things, that (1) the Secured Liabilities will share equal priority and *pro rata* entitlement in and to the Collateral; (2) the Collateral will only be substituted or released and Liens only be granted on the Collateral to the extent permitted under the Debt Documents (as defined herein); and (3) the creditors of Secured Liabilities shall enforce their rights with respect to the Collateral and the Indebtedness secured thereby as described in "Description of the Notes—Security— Enforcement of Security."
Trust and Retention Account Agreement	The Company's cash flow is subject to the terms of the Trust and Retention Account Agreement, which sets out the terms and conditions under which all deposits and withdrawals from the sub-accounts of the Trust and Retention Account may be made. See "Description of Material Indebtedness—Security Agreements—Trust and Retention Account Agreement."
Security Trustee	Axis Trustee Services Limited.
Trustee	Citicorp International Limited.
Paying Agent and Registrar	Citibank, N.A., London Branch.
Calculation Agent	Citibank, N.A., London Branch.
Rule 144A Global Note	ISIN: US246725AB18 CUSIP: 246725 AB1 Common Code: 149768408
Regulation S Global Note	ISIN: USY2R27RAB56 CUSIP: Y2R27R AB5 Common Code: 149768416
Ratings	The Notes are expected to be rated "Ba2" by Moody's Investors Service, Inc. ("Moody's") and "BB" by Standard and Poor's Ratings Group, a division of McGraw-Hill Companies, Inc. ("S&P"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing	Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST.
Governing Law	The Notes, the Indenture and the Subsidiary Guarantees will be governed by and will be construed in accordance with the laws of the State of New York. The Security Documents and the Intercreditor Agreement will be governed by the laws of the Republic of India.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "Risk Factors."

SUMMARY FINANCIAL AND OTHER DATA

You should read the summary financial and other data below, together with the financial statements and related notes thereto appearing elsewhere in this offering memorandum, as well as "Selected Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information including notes included elsewhere in this offering memorandum.

We derived the summary statement of profit and loss data and the summary cash flow statement data for the years ended March 31, 2016, 2015 and 2014 and the summary balance sheet data as of March 31, 2016, 2015 and 2014 from our audited standalone financial statements which are included elsewhere in this offering memorandum and are audited jointly by S.R. Batliboi & Associates LLP and Brahmayya & Co. We derived the summary statement of profit and loss data and the summary cash flow statement data for the three months ended June 30, 2016 and 2015 and the summary balance sheet data as of June 30, 2016 and 2015 from our unaudited standalone condensed interim financial statements which are included elsewhere in this offering memorandum and are reviewed jointly by S.R. Batliboi & Associates LLP and Brahmayya & Co. We have prepared our unaudited standalone condensed interim financial statements on the same basis of recognition and measurement as our audited standalone financial statements. The financial statements as at and for the period ended June 30, 2016, included elsewhere in this offering memorandum, have been prepared in accordance with recognition and measurement principles set forth in Indian GAAP, including Accounting Standard 25 "Interim Financial Reporting" and applicable accounting standards issued by the ICAI and other recognized accounting practices and policies in India. These financial statements do not give effect to the adoption of the Indian accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015, applicable to the Company effective April 1, 2016 ("Ind-AS — new accounting framework"). The results for any interim period are not necessarily indicative of the results that may be expected for the full year. Additionally, our historical results are not necessarily indicative of the results expected for any future period.

Our financial statements have been prepared and presented in accordance with Indian GAAP, which may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors—Risks Related to India—Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries." The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence of Indian GAAP with IFRS, pursuant to which the Company would be required to prepare their annual and interim financial statements under Indian GAAP converged with IFRS, known as Indian Accounting Standards ("Ind-AS"). Ind-AS will be applicable to the Company effective April 1, 2016 ("Ind-AS — new accounting framework"). See "Management's Discussion of Financial Condition and Results of Operation—Transition to Ind-AS" and "Risk Factors—The mandatory adoption of Ind-AS may have a material adverse effect on our reported results of financial condition and results of operations.

	Three months ended June 30,			**Fiscal year ended March 31,**			
	2016		**2015[1]**	**2016**		**2015[2]**	**2014[3]**
	(US$ in millions)	**(unaudited) (Rs. in millions)**		**(US$ in millions)**	**(audited) (Rs. in millions)**		
Statement of Profit and Loss Data:							
Income							
Revenue from operations[4]	195.5	13,220.2	11,535.4	719.0	48,616.3	41,955.0	39,227.0
Other income	5.6	376.0	175.4	22.8	1,543.5	844.2	817.4
Total revenue	**201.1**	**13,596.2**	**11,710.8**	**741.8**	**50,159.8**	**42,799.2**	**40,044.4**
Expenses							
Annual fee to Airports Authority of India	92.5	6,252.9	5,385.8	340.7	23,041.5	19,678.0	18,380.6
Power and fuel[5]	—	—	—	—	—	—	1,062.6
Employee benefits expense	4.4	294.2	290.8	18.5	1,253.4	1,321.2	1,226.5
Other expenses	26.7	1,804.3	1,693.6	103.5	7,001.5	6,974.7	6,057.6
Total expenses	**123.6**	**8,351.4**	**7,370.2**	**462.7**	**31,296.4**	**27,973.9**	**26,727.3**
Earnings before interest, tax, depreciation and amortization (EBITDA) [6]	**77.5**	**5,244.8**	**4,340.6**	**279.0**	**18,863.4**	**14,825.3**	**13,317.1**
Depreciation and amortization expense	24.2	1,638.3	1,556.0	95.7	6,469.6	6,242.8	4,364.4
Finance costs	18.7	1,266.6	1,236.6	84.5	5,712.4	5,561.9	5,648.3
Profit before tax, exceptional and prior period items	**34.6**	**2,339.9**	**1,548.0**	**98.8**	**6,681.4**	**3,020.6**	**3,304.4**
Exceptional items	—	—	—	—	—	741.5	—
Prior period items (net)(Income)/Expenses[7]	—	—	—	—	—	—	(803.9)

	Three months ended June 30,			Fiscal year ended March 31,		
	2016	2015(1)		2016	2015(2)	2014(3)
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)	
Profit before tax (A)	**34.6**	**2,339.9**	**1,548.0**	**98.8**	**6,681.4**	**2,279.1**	**4,108.3**
Current tax	7.4	499.4	271.5	19.1	1,290.7	—	—
Deferred tax charge	1.0	67.9	—	4.0	272.8	—	—
MAT credit entitlement	—	—	(271.5)	—	—	—	—
MAT credit entitlement for earlier years/periods written off	—	—	—	0.4	29.3	—	—
Total tax expense (B)	**8.4**	**567.3**	**—**	**23.5**	**1,592.8**	**—**	**—**
Profit for the year/period (A-B)	**26.2**	**1,772.6**	**1,548.0**	**75.3**	**5,088.6**	**2,279.1**	**4,108.3**

	As at June 30,			As at March 31,		
	2016	2015(1)		2016	2015(2)	2014(3)
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)	
Balance Sheet Data:							
Equity and liabilities							
Shareholders' funds							
Share capital	362.3	24,500.0	24,500.0	362.3	24,500.0	24,500.0	24,500.0
Reserves and surplus	(8.3)	(558.3)	(5,871.5)	(34.5)	(2,330.9)	(7,419.5)	(9,698.6)
Total shareholders' funds	**354.0**	**23,941.7**	**18,628.5**	**327.8**	**22,169.1**	**17,080.5**	**14,801.4**
Non-current liabilities							
Long-term borrowings (secured)	791.9	53,546.2	53,388.3	793.2	53,634.3	54,369.4	56,321.4
Deferred tax liability (net)	5.0	340.9	—	4.0	272.8	—	—
Other long-term liabilities	286.9	19,392.1	19,697.4	288.6	19,509.1	19,989.5	20,788.1
Long-term provisions	4.5	305.7	480.4	5.2	349.0	525.0	707.6
Total non-current liabilities	**1,088.3**	**73,584.9**	**73,566.1**	**1,091.0**	**73,765.2**	**74,883.9**	**77,817.1**
Current liabilities							
Short-term borrowings (secured)	—	—	—	—	—	—	1,251.9
Trade Payables	56.0	3,785.3	4,090.5	57.7	3,903.8	4,256.4	2,986.6
Other current liabilities	205.7	13,912.2	17,361.7	177.7	12,015.6	14,566.3	18,861.3
Short-term provisions	14.2	960.1	682.6	8.5	575.9	424.4	385.1
Total current liabilities	**275.9**	**18,657.6**	**22,134.8**	**243.9**	**16,495.3**	**19,247.1**	**23,484.9**
Total equities and liabilities	**1,718.2**	**116,184.2**	**114,329.4**	**1,662.7**	**112,429.6**	**111,211.5**	**116,103.4**
Assets							
Non-current assets							
Tangible assets	1,170.1	79,120.6	82,678.2	1,183.0	79,995.8	83,556.9	88,338.6
Intangible assets	60.3	4,078.8	4,310.7	61.1	4,129.4	4,335.0	4,471.7
Capital work-in progress	10.5	710.0	535.5	9.4	638.7	506.5	313.3
Non-current investments	20.4	1,380.1	1,380.1	20.4	1,380.1	1,380.1	1,840.9
Loans and advances	14.6	989.0	1,268.9	14.6	985.5	895.3	943.4
Other non-current assets	7.8	526.1	612.2	8.1	546.8	1,700.1	5,515.5
Total non-current assets	**1,283.7**	**86,804.6**	**90,785.6**	**1,296.6**	**87,676.3**	**92,373.9**	**101,423.4**
Current assets							
Current investments	196.7	13,303.9	5,873.0	146.4	9,898.7	2,872.7	1,087.9
Inventories	1.1	75.4	89.2	1.2	81.1	86.5	110.6
Trade receivables	107.8	7,286.7	6,065.7	116.5	7,879.3	6,522.2	7,290.9
Cash and bank balances	78.6	5,311.6	3,874.0	71.6	4,838.8	3,202.7	614.2
Loans and advances	9.9	671.9	813.8	8.8	595.7	623.4	634.2
Other current assets	40.4	2,730.1	6,828.1	21.6	1,459.7	5,530.1	4,942.2
Total current assets	**434.5**	**29,379.6**	**23,543.8**	**366.1**	**24,753.3**	**18,837.6**	**14,680.0**
Total assets	**1,718.2**	**116,184.2**	**114,329.4**	**1,662.7**	**112,429.6**	**111,211.5**	**116,103.4**

	Three months ended June 30,		Fiscal year ended March 31,		
	2016	2015[(1)]	2016	2015[(2)]	2014
	(US$ in millions)	(unaudited) (Rs. in millions)	(US$ in millions)	(audited) (Rs. in millions)	
Cash Flow Statement Data:							
Net cash flow from operating activities	77.7	5,251.2	5,158.1	229.2	15,500.8	15,541.7	9,358.1
Net cash flow used in investing activities	(38.9)	(2,628.3)	(2,668.2)	(40.5)	(2,737.5)	(2,391.2)	(1,083.4)
Net cash flow used in financing activities	(32.4)	(2,193.3)	(2,297.9)	(146.2)	(9,882.9)	(12,565.7)	(10,051.0)

	Three months ended June 30,			Fiscal year ended March 31,			
	2016		2015[(1)]	2016		2015[(2)]	2014[(3)]
Other Financial Data							
Capital expenditures (addition to tangible and intangible assets) (in millions)[(8)]	US$2.0	Rs.134.6	Rs.211.9	US$18.7	Rs.1,266.1	Rs.540.8	Rs.556.9
EBITDA[(6)]/Total revenue	—	38.6%	37.1%	—	37.6%	34.6%	33.3%
Total debt[(9)]/EBITDA[(6)]	—	—	—	—	2.9x	4.0x	4.9x
Profit before tax/Total revenue	—	17.2%	13.2%	—	13.3%	5.3%	10.3%
Ratio of net debt[(10)] to net worth[(11)]	—	1.5x	2.6x	—	1.8x	3.1x	4.3x
Return on average net worth[(12)]	—	—	—	—	25.9%	14.3%	32.2%
Return on average capital employed[(12)(13)]	—	—	—	—	16.1%	11.1%	11.5%

	Three months ended June 30,		Fiscal year ended March 31,		
	2016	2015	2016	2015	2014
Operating Data					
Total passengers (in millions of persons)	13.76	11.45	48.42	40.98	36.87
International passengers (in millions of persons)	3.58	3.29	14.15	13.53	12.68
Domestic passengers (in millions of persons)	10.18	8.16	34.27	27.45	24.19
Total air traffic movements	101,762	87,611	365,696	323,450	313,958
Total cargo (in metric tons)	208,124	194,698	787,168	696,539	605,699

(1) Due to certain regroupings and reclassifications, the amounts of certain line items as of and for the three-month period ended June 30, 2015 as presented in our unaudited standalone condensed interim financial statements as of and for the three-month period ended June 30, 2016 have been reclassified and regrouped from such amounts as presented in our unaudited standalone condensed interim financial statements as of and for the three-month period ended June 30, 2015. The table above uses the amounts of such line items as presented in our unaudited standalone condensed interim financial statements as of and for the three-month period ended June 30, 2015.

(2) Due to certain regroupings and reclassifications, the amounts of certain line items for the fiscal year ended March 31, 2015 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2016 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015. The table above uses the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015.

(3) Due to certain regroupings and reclassifications, the amounts of certain line items as of and for the fiscal year ended March 31, 2014 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014. The table above uses the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014.

(4) A substantial majority of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines and passengers for such services are regulated by AERA in accordance with our Concession Agreements. Any adverse change in AERA's determinations of our aeronautical charges would have a material and adverse effect on our results of operations. See "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services—which comprise a substantial majority of our revenues—are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition—particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services." and "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details.

(5) Power and fuel costs are included in "other expenses" in the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016 and 2015.

(6) As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, issued by the Institute of Chartered Accountants of India, we have elected to present earnings before interest, tax, depreciation and amortization ("EBITDA").

(7) See footnote 45 to our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 for a discussion for the prior period items which affected our profit before tax.

(8) See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital expenditures" for historical information regarding our capital expenditures.

(9) Total debt represents (i) long-term borrowings, (ii) short-term borrowings and (iii) current maturities of long-term borrowings. Below is a calculation of total debt:

	As at June 30,			As at March 31,		
	2016		2015	2016		2015	2014
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)		
Long-term borrowings	791.9	53,546.2	53.388.3	793.2	53,634.3	54,369.4	56,321.4
Short-term borrowings	—	—	—	—	—	—	1,251.9
Current maturities of long-term borrowings	20.3	1,370.0	4,854.2	28.1	1,901.6	4,765.4	7,202.2
Total Debt	**812.2**	**54,916.2**	**58,242.5**	**821.3**	**55,535.9**	**59,134.8**	**64,775.5**

(10) Net debt represents (a) (i) long-term borrowings, (ii) short-term borrowings and (iii) current maturities of long-term borrowings, less (b) (i) cash and bank balances and (ii) current investments. Below is a calculation of net debt:

	As at June 30,			As at March 31,			
	2016		2015	2016		2015	2014
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)		
Long-term borrowings	791.9	53,546.2	53,388.3	793.2	53,634.3	54,369.4	56,321.4
Short-term borrowings	—	—	—	—	—	—	1,251.9
Current maturities of long-term borrowings	20.3	1,370.0	4,854.2	28.1	1,901.6	4,765.4	7,202.2
Less:							
Cash and bank balances	78.6	5,311.6	3,874.0	71.6	4,838.8	3,202.7	614.2
Current investments	196.7	13,303.9	5,873.0	146.4	9,898.7	2,872.7	1,087.9
Net debt	**536.9**	**36,300.7**	**48,495.5**	**603.3**	**40,798.4**	**53,059.4**	**63,073.4**

(11) Net worth represents (i) share capital and (ii) reserves and surplus.

(12) Return on average net worth represents (i) profit for the period divided by (ii) the average net worth for that period. Average net worth for a given period represents the average of the net worth on the (i) first day of the given period and (ii) last day of the given period.

(13) Return on average capital employed represents (i) earnings before interest and tax ("EBIT") divided by (ii) average capital employed.

Below is a reconciliation of EBIT to profit for the period/year.

	Three months ended June 30,			Fiscal year ended March 31,			
	2016		2015	2016		2015	2014
	(US$ in millions)	(Rs. in millions)		(US$ in millions)	(Rs. in millions)		
Earnings before interest and tax (EBIT)	53.3	3,606.5	2,784.6	183.3	12,393.8	8,582.5	8,952.7
Less							
Finance costs	18.7	1,266.6	1,236.6	84.5	5,712.4	5,561.9	5,648.3
Exceptional items	—	—	—	—	—	741.5	—
Prior period items (net) (Income)/Expenses	—	—	—	—	—	—	(803.9)
Current tax	7.4	499.4	271.5	19.1	1,290.7	—	—
Deferred tax charge	1.0	67.9	—	4.0	272.8	—	—
MAT credit entitlement	—	—	(271.5)	—	—	—	—
MAT credit entitlement for earlier years/periods written off	—	—	—	0.4	29.3	—	—
Total tax expense	8.4	567.3	—	23.5	1,592.8	—	—
Profit for the period/year	26.2	1,772.6	1,548.0	75.3	5,088.6	2,279.1	4,108.3

Average capital employed for a given period represents the average of the capital employed for the (i) first day of the given period and (ii) last day of the given period. Capital employed for a period represents (i) net worth, (ii) long-term borrowings, (iii) short-term borrowings, (iv) current maturity of long-term borrowings and (v) deferred tax liabilities (net) for that period.

RISK FACTORS

Investing in the Notes involves significant risk. Prospective purchasers of the Notes should consider carefully all of the information in this offering memorandum, including, in particular, the risk factors discussed below. In addition, other risks and uncertainties not currently known to us or that we currently deem immaterial may also materially and adversely affect our business, financial condition, cash flow and results of operations. If any of the following risks actually occur, our business, results of operations, cash flow, financial condition and prospects could be materially and adversely affected. This could, in turn, affect adversely our ability to make payments on the Notes offered hereby.

Risks Related to Our Business

We may not be able to generate sufficient cash flows to meet our debt service obligations.

We have incurred indebtedness in connection with the development and operation of the Airport. As at June 30, 2016, our total indebtedness, which includes long-term borrowings, current maturities of long-term borrowings and short term borrowings, was Rs.54,916.2 million (US$812.1 million). See "—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our future capital requirements and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport" and "Description of Material Indebtedness."

Under the terms of the SSA and OMDA, we recently submitted to MoCA a revised Master Plan consisting of various phases of development. Our next phase of development, the Phase 3A Expansion, includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of taxiways. We currently estimate the total capital expenditures required for the Phase 3A Expansion to be in the range of Rs.40 billion to Rs.70 billion, which will be made within the next three to five years, depending on the composition of the projects. Most of such capital expenditures will be financed through cash flow from operations, existing surplus cash and the incurrence of additional indebtedness. Although the Indenture will contain a covenant restricting the incurrence of additional indebtedness, it will permit us to incur additional indebtedness for capital expenditure of this nature. As a result, we are expected to become more leveraged in the course of implementing the Phase 3A Expansion, which would result in increased debt-servicing requirements.

Our ability to make scheduled payments on, or to refinance our obligations with respect to, our indebtedness, including the Notes, will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control. It will also depend on the successful implementation of the Phase 3A Expansion, the failure of which could result in disruption to existing passenger traffic, loss of competitiveness of the Airport as a hub and loss of customer satisfaction. Furthermore, it will depend on our revenue, which will depend on various factors including the tariff rates to be set in future control periods. See "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services—which comprise a substantial majority of our revenues—are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition—particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services." We may not generate sufficient cash flow from operations, and future sources of capital may not be available to us in an amount sufficient to enable us to service our indebtedness, including the Notes, or to fund our other liquidity needs.

If we are unable to generate sufficient cash flow and capital resources to satisfy our debt obligations or other liquidity needs, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital, including debt. There is no assurance that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. In the absence of such cash flow and resources, we could face substantial liquidity problems and might be required to dispose of assets (other than Transfer Assets, which we cannot dispose) to meet our debt service and other obligations. Other credit facilities and the Indenture will restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or obtain the proceeds which we could realize from them, and any such proceeds may not be adequate to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms and in a timely manner, or at all, would materially and adversely affect our financial condition and results of operations and the ability to satisfy our obligations under the Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Description of the Notes."

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport including those set forth in Phase 3A of the Master Plan.

We are highly leveraged. As at June 30, 2016, our total indebtedness, which includes long-term borrowings, current maturities of long-term borrowings and short term borrowings, was Rs.54,916.2 million (US$812.1 million).

If certain conditions are met, we are obligated under our Concession Agreements to undertake significant capital expenditures for the construction and development of additional facilities at the Airport, including new terminals and the related facilities necessary to support these terminals, such as roads and security infrastructure. Recently, we submitted to MoCA a revised Master Plan consisting of several phases of development. Our next phase of development, the Phase 3A Expansion, includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of additional taxiways. Additionally, in the past, regulatory bodies have also required us to accelerate the timing of certain capital projects. For example, MoCA instructed us to begin construction in 2013 of a new air traffic control tower, using funds previously borrowed, which originally had been scheduled in the Master Plan for construction in the sub-phase beginning in 2016.

As and when we are required to construct additional infrastructure or other capital projects at the Airport, including pursuant to the Phase 3A Expansion, we will need to raise additional indebtedness, as we will not be able to fund much of these required capital expenditures solely with our operating cash flows. Our substantial leverage could adversely affect our ability to raise this additional indebtedness on acceptable terms or at all. Moreover, any additional indebtedness incurred to fund our required capital expenditures will compound the adverse consequences of our high leverage as described below.

Our high degree of leverage could have additional adverse consequences, including:

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations and capital expenditures;
- limiting our ability to raise additional capital for working capital , debt service and other general corporate requirements;
- increasing our vulnerability to downturns or adverse changes in general economic conditions and adverse changes in the regulations affecting our business;
- making it difficult for us to satisfy our obligations with respect to the Notes and our other indebtedness; and
- exposing us to the risk of increased interest rates, as a portion of our borrowings are at variable rates of interest.

Any difficulties we may encounter, both in raising additional indebtedness to fund our capital expenditures and satisfying our increased debt service requirements, could have a material and adverse effect on our liquidity and results of operations and, possibly, result in the breach of our obligations under the Concession Agreements. In addition, as our existing indebtedness matures, we may need to refinance or secure new debt which may not be available on favorable terms or at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures" for a discussion of our capital commitments for fiscal years 2017, 2018 and 2019.

Under the terms of the OMDA and the SSA, we were required to complete certain mandatory capital projects in connection with the expansion and modernization of the Airport. Our Phase 1A and Phase 1B modernization and development plans, which we successfully completed in 2008 and 2010, respectively, included all the mandatory capital projects that we were required to complete.

The OMDA and the SSA also require us to establish and comply with the Master Plan for the long-term development of the Airport, as well as with certain major development plans. If certain conditions are met, the Master Plan requires the commencement and completion of certain additional expansions and upgrades to the Airport in order to fulfill the saturation phase goal of accommodating 100 million passengers annually by 2036. We are presently upgrading and expanding our Terminal 1D to meet additional traffic demand in compliance with the Master Plan for the long-term development of the Airport. We cannot guarantee that we will be able to fulfill our investment commitments without delay or within the estimated budget for such projects nor that we will be able to obtain the financing necessary to complete such projects. This could limit our ability to expand capacity at the Airport, increase our operating or capital expenses, and adversely affect our business. Such delays or budget overruns could also limit our ability to comply with the Master Plan or any major development plans and/or lead to our breaching the OMDA or the SSA, any of which would have a material adverse effect on our business, financial condition and results of operations.

For a description of our Concession Agreements and the Master Plan, see "Business—Our Concession" and "Business—Corporate History and Structure." Also see "—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport."

We may be required to pay more annual fee to AAI as a result of the mandatory adoption of Ind-AS.

Under the OMDA, we are required to pay AAI an annual fee in monthly installments throughout the term of the Concession equal to 45.99% of our projected pre-tax gross revenue for each given year. Prior to the mandatory adoption of Ind-AS, we have been using Indian GAAP as the basis for calculating the annual fee payable to AAI. As we transition to reporting under Ind-AS, we expect our revenue to notionally increase due to the differences between Ind-AS and Indian GAAP, which would not contribute to an increase in our operating cash flow but may result in an increase in the annual fee payable to AAI. For example, we have so far identified that the application of Ind-AS with respect to service concession arrangement and financial instruments (interest-free security deposits) will result in such a notional increase in our revenue. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Transition to Ind-AS." If AAI determines that Ind-AS should be the basis for calculation of annual fee payable by us, we may have to pay more annual fee to AAI as a result of increased notional revenue due to the adoption of Ind-AS, whereas the future operating cash flows may not reflect the said notional increase in our revenue. If AAI were to make such a determination, we may decide to challenge AAI by initiating a dispute under the OMDA, which could result in a significant commitment of our management's time and resources. Any such impact on the annual fee payable to AAI without an increase in our operating cash flows and any such potential dispute may materially adversely affect our financial condition and results of operations.

The mandatory adoption of Ind-AS may have a material adverse effect on our reported results of financial condition and results of operations.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence of Indian GAAP with IFRS, pursuant to which some companies in India would be required to prepare their annual and interim financial statements under Indian GAAP converged with IFRS, known as Indian Accounting Standards ("Ind-AS"). The Companies (Indian Accounting Standards) Rules, 2015, which specify the new Ind-AS, became applicable to the Company effective on April 1, 2016, and requires us to prepare annual and interim financial statements in accordance with Ind-AS, along with comparable financial statements and results for the previous year. See "Summary of Certain Differences Between Indian GAAP and IFRS" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Transition to Ind-AS."

As there is not yet a significant body of established practice on the implementation and application of Ind-AS, we have not yet determined the impact of the adoption of Ind-AS on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity would not appear materially different, or worse, under Ind-AS than under current Indian GAAP. In addition, as we transition to reporting under Ind-AS, we may encounter difficulties or challenges in the ongoing process of implementing and enhancing our management information systems. Our management may also have to divert its time and other resources in order to successfully and timely implement Ind-AS. Increasing competition for the small number of Ind-AS experienced accounting personnel as more Indian companies begin to prepare Ind-AS financial statements may also hamper or increase the cost of our transition to Ind-AS. There can be no assurance that our adoption of Ind-AS will not adversely affect our reported results of operations or financial condition.

We have in the past not been, and continue not to be, compliant with certain covenants in relation to certain financing agreements, which have resulted and potentially could result in an event of default under the respective financing agreements and cross-defaults under other instruments, thereby accelerating our obligations under our financing agreements.

We enter into financing agreements with various creditors for the financing of our projects and other purposes, which require us to comply with certain covenants. Under each of these financing agreements, in the event of a default, the creditors have the right, among others, to declare all amounts outstanding under such financing agreement immediately due and payable (subject to the expiry of any applicable cure periods), exercise their rights pursuant to cross-default and cross-acceleration provisions under such financing agreement and enforce their rights to any guarantees or security created in their favor.

There are currently, and there have been in the past, breaches of covenants under the Rupee Facility, the ECB Facility and the Trust and Retention Account Agreement.

With respect to our Rupee Facility and our ECB Facility, each of which we plan to repay with the proceeds of the Notes, there are breaches due to investments in our joint venture, Celebi Delhi Cargo Terminal Management India Private Limited. Our investment increased from Rs.187.2 million as at March 31, 2014 to Rs.291.2 million as at September 30, 2014, for an increase of Rs.104 million, due to an investment that we made to maintain our pro rata shareholding following a round of equity fundraising by that joint venture.

With respect to our ECB Facility, which we plan to repay with the proceeds of the Notes, there were breaches due to repayments during fiscal years 2013 to 2015 to certain capital creditors for their work performed in connection with the initial expansion and development of the Airport in the aggregate amount of Rs.5,328.4 million, of which Rs.228.4 million was in excess of the amount permitted to be repaid to capital creditors.

With respect to the Trust and Retention Account Agreement, we are currently not in full compliance with the account-funding and usage requirements of the Trust and Retention Account Agreement. Specifically, we have not strictly followed the waterfall-funding mechanism for certain accounts under the Trust and Retention Account Agreement, including the funding of the dollar debt payment account, rupee debt payment account, rupee debt service reserve account, dollar debt service reserve account and the major maintenance reserve account. On the Original Issue Date, the amended Trust and Retention Account Agreement will not have a major maintenance reserve account and there will not be any creditor party to the Trust and Retention Account Agreement due to the refinancing of the Rupee Facility and the ECB Facility from the proceeds of the offering of the Notes. See "Description of Material Indebtedness—Security Agreements—Trust and Retention Account Agreement."

We previously notified our lenders of these breaches, as we continued to service our outstanding debt obligations on their respective due dates, and none of our lenders declared a default as a result of these breaches.

Under the OMDA, a material default by us under any provisions of the financing documents, except to the extent that the lenders are willing to excuse such default as certified by a written notice to AAI or give us an opportunity to cure it, is an event of default.

In the future, we may face difficulties complying with the covenants under our financing agreements. Any such non-compliance may result in an event of default under those agreements, and our lenders would have the right to, among others, accelerate payment of all amounts outstanding under the relevant financing agreements and declare such amounts immediately due and payable together with accrued and unpaid interest. In addition, any such event of default may trigger cross-default or cross-acceleration clauses under our other financing agreements, including the Indenture, which could result in an event of default under such other financing agreements and simultaneous accelerated repayments of additional material amount of indebtedness. We cannot assure you that our assets or cash flow would be sufficient to fully repay our borrowings or satisfy guarantees or security claims under our outstanding financing agreements if accelerated or that we would be able to refinance or restructure the payments due under those financing agreements. Accordingly, any such action by our creditors could have a material adverse effect on our business, prospects, financial condition and results of operations.

Our operations and the fees we charge for aeronautical services — which comprise a substantial majority of our revenues — are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition — particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services.

A substantial majority of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines and passengers for such services — including, but not limited to, landing charges, user development fees and parking and housing fees — are regulated by AERA in accordance with our Concession Agreements. For the three months ended June 30, 2016 and 2015, and for fiscal years 2016, 2015 and 2014, 68.9%, 68.4%, 67.9%, 68.9% and 70.1% of our total revenue, respectively (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014), were from aeronautical services. AERA determines the rates we charge for aeronautical services through a consultative process involving us and other stakeholders, such as relevant government agencies, airlines and passenger advocacy groups, and we do not have the ability to unilaterally change or increase the aeronautical service fees we charge to airlines or passengers. AERA's rate determinations are based on, among other things, our submissions of forecasts for our operation and maintenance expenses and our revenue from non-aeronautical services and our finance costs, as well as other factors such as public interest and public policy. AERA's rate determinations are for a "control period" of five years and are periodically reexamined. While AERA's determination of rates for aeronautical services is a consultative process, AERA may not agree with our forecasts, and the rates determined by AERA for any control period could be revised downwards. Additionally, we bear the risk for adverse changes in our operation and maintenance expenses, our revenue from non-aeronautical services and our finance costs. Accordingly, if there are unanticipated increases in our operating costs or finance costs, or shortfalls in our non-aeronautical services revenue, AERA may not allow us to make compensatory adjustments in our aeronautical service fees in the next tariff control period. Any adverse change in AERA's determinations of our aeronautical service fees would have a material and adverse effect on our results of operations, cash flow and financial condition.

In addition to the regulation of our aeronautical charges, the effective dates of AERA's rate determinations have had — and will continue to have — a material impact on our results of operations. For example, the aeronautical charges for the first control period spanning fiscal years 2010 through 2014 were not declared effective by AERA until May 15, 2012, at which time, AERA permitted us to recover in-full — over the remaining 22 and one-half months of the control services period — those aeronautical charges we should have earned prior to May 15, 2012 had AERA's rate determination been effective from the beginning of the first control period. As a result of this later-occurring effective date, our revenue from aeronautical services for fiscal years 2013 and 2014 experienced much higher growth than the earlier years during the first control period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Such increases in our revenue due to the amount and timing of AERA's rate determinations may lead to substantial volatility and unpredictability in our results of operations and could make period-on-period comparisons of our results of operations potentially misleading.

In an order dated January 22, 2015, the Delhi High Court responded to our petition seeking expeditious disposal of our appeals before the AERAAT in respect to certain of AERA's methodologies, calculations and classifications of various factors used to set the aeronautical tariff structure for the fiscal year 2009-2014 control period. In its order, the Delhi High Court issued directions to MoCA to take steps to appoint the chairperson and members of the AERAAT within four weeks of the date of the order. The Delhi High Court also directed the reconstituted AERAAT to adjudicate our pending appeals within twelve weeks of the date of the order. Further, the Delhi High Court directed that the current aeronautical tariff structure from the first five-year control period continue until the disposal of our appeals by the AERAAT. On April 24, 2015, AERA filed a special leave petition to the Supreme Court of India, seeking interim relief from this order. The Supreme Court of India heard and disposed of the special leave petition of AERA on May 12, 2016 without any interim relief to AERA and with directions to AERAAT to expedite and adjudicate the appeals pending before it within three months of its order. Although three months have passed, AERAAT is continuing to hear the matter on a day-to-day basis and is yet to adjudicate the appeals.

In addition, the Delhi High Court observed that the appeals pending before the AERAAT involve substantial issues with respect to the methodology for determination of tariffs and the correctness of certain regulatory principles applied by AERA which would be significant in determining the aeronautical tariffs for our current control period which spans fiscal years 2015 through 2019 and for subsequent control periods. The Delhi High Court directed AERA to not proceed with the implementation of the aeronautical tariff for the second control period, pending a decision on the matters under appeal before the AERAAT. As a result, we have not implemented the aeronautical tariff for the second control period although AERA issued an order dated December 8, 2015 (issued on December 10, 2015) to reduce the aeronautical tariff for the second control period by 89.4% from the current aeronautical tariff structure for the first five-year control period. We have filed an appeal against this order. The tariff would be implemented upon the final result of the legal proceeding attached to the order.

The aeronautical charges which we applied in the final 22 and one-half months of the first control period were higher than the aeronautical charges for the initial 37 and one-half months of the first control period and resulted in a much higher growth in our revenue from aeronautical charges in fiscal years 2013 and 2014 than the earlier years during the first control period. See "Business—Legal Proceedings." If AERAAT were to rule in favor of us, AERA may appeal such decision of AERAAT to the Supreme Court of India. If an appeal by AERA is upheld, our aeronautical charges would be substantially decreased and we would have to offset the additional aeronautical charges we have earned in the second control period (as a result of applying the charges which we applied in the final 22 and one-half months of the fiscal years 2009-2014 control period) from the aeronautical charges for the future periods.

The Government of India may impose fines on us and/or terminate the OMDA under certain circumstances.

The OMDA and SSA provide that the Government of India may impose fines and other penalties on us in the event that we breach any of our obligations under these agreements, including by failing to meet certain agreed performance requirements. See "Business—Our Concession—Operation, Management and Development Agreement" for further details. We cannot assure you that we will be able to satisfy our obligations under the OMDA and that the Government of India will not impose any such penalties on us if we do not satisfy our obligations under the OMDA.

The OMDA may be terminated by the Government of India prior to the expiration of the term of the agreement for certain prescribed reasons, including if there is an event of default declared by the "Lenders" (as defined in the OMDA) or a force majeure event causing an interruption to the performance of our obligations beyond a specified period, or if it is determined that it is in the public interest to do so. For example, any un-remedied material default under the primary agreements relating to the Concession, any financing documents, the Master Plan or any major development plans, or any permanent or sustained halt in our operations or any failure to pay the annual fee or any damages resulting from our operations could result in the OMDA being terminated. The OMDA may also be terminated upon an event of default under our term loan facilities or working capital facilities, our insolvency, winding up or liquidation or administration, trust or receivership of all or substantially all of our assets or upon certain violations of Indian laws or regulations. In addition, AAI may assume the operation of the Airport in the event of any emergency, including war, public disturbance or a threat to national security. See "Business—Our Concession—State Support Agreement—Step in Rights" for further details. We cannot assure you that the Government of India will not terminate the OMDA if we are unable to satisfy our obligations thereunder or any of the events described above occur.

In the event of a reversion of the public domain assets that are the subject of our Concession, or "Transfer Assets," AAI is required, and the Government has guaranteed — subject to several conditions — to compensate us by, among other things, making payment of 100% if AAI defaults, or 90% if we default under the OMDA, of the "Debt" related to the Transfer Assets to repay our lenders of certain of our debt that is related to such Transfer Assets and to pay us the fair market value for certain other assets it has the option to acquire. There can be no assurance that we will receive compensation equivalent to the value of our investment in or any additional damages related to our Concession and related assets upon the occurrence of such event. Thus, the loss of our Concession would have a material adverse effect on our business, financial condition and results of operations and may result in the loss of all principal and interest owed to the holders of the Notes.

Furthermore, we are allowed under the OMDA to meet all our financing requirements through suitable debt arrangements, and we are additionally allowed to secure certain debt by creating liens over certain assets in favor of the "Lenders" qualified under the OMDA. "Financing institutions, banks, multilateral funding agencies and similar bodies undertaking lending business" qualify as "Lenders" under the OMDA. There is a possibility that certain classes of holders of the Notes ("Noteholders") may be considered by any government or judicial authority, including AAI, to be not engaged in the business of undertaking the lending business and may not qualify within the definition of "Lenders." Accordingly, the definition of "Lenders" in the OMDA would not include Noteholders that are individuals or certain classes of Noteholders who may otherwise provide financing to us either directly or through an intermediary. The Trustee has no duty to determine, and would not be responsible for any determination of, whether any Noteholders qualify as "Lenders" under the OMDA.

Upon termination of the OMDA as a consequence of a default by us or AAI or in certain prescribed other circumstances, AAI may acquire the Transfer Assets by making certain required payments. See "Business—Our Concession—Operation, Management and Development Agreement" for further details. The payments for such acquisition of the Transfer Assets are calculated to include "Debt." However, any amounts outstanding in relation to the Notes held by Noteholders who do not qualify within the definition of "Lender," such as individuals, may not be included in the calculation of "Debt" under the OMDA for the purpose of making transfer payments by AAI. Any amount advanced by individuals to us would not be considered "Debt" as defined in the OMDA since individuals are not considered "Lenders" as defined in the OMDA. This may adversely impact the amount of funds available to Noteholders from the transfer payments made by AAI upon termination of the OMDA. A court may also take the view that none of the Noteholders qualify as "Lenders" under the OMDA, in which case no funds would be available to Noteholders from the transfer payments made by AAI upon termination of the OMDA.

In addition, "Debt," as defined in the OMDA, means the outstanding principal of debt payable to "Lenders" and does not include, among other things, debt not secured by a first-priority charge and debt on which we have defaulted and which has become payable prior to the date on which AAI terminates our Concession. Accordingly, any amounts representing defaulted interest or other payments due under the Notes (up to and including the entire amount owed on the Notes if the Notes had prior to such time been accelerated following an Event of Default) as of the date of the termination of our Concession, the "Transfer Date" under the OMDA, would not be considered "Debt" for the purposes of the OMDA, and AAI would not be obliged to repay 90% of such amounts. In such event, the funds paid by AAI would not be sufficient to repay Noteholders, and Noteholders would only receive partial or no repayments of amounts owed under the Notes.

For a description of the Concession Agreements, including the obligations — and the limitations thereto — of AAI and the Government of India in the event of a reversion of the public domain assets that are the subject of our Concession, see "Business—Our Concession." Also see "—Risks Related to the Notes and the Collateral—If our Concession is terminated or transferred to another party, the Notes may not be eligible for transfer payments by AAI or repayments made by any party substituting us and assuming our rights and obligations under the Concession."

Our business is subject to extensive and evolving Indian law and regulations.

Our operations, including the scope and extent thereof, are regulated and restricted by the Government of India and the terms of our Concession Agreements. Principal regulators of the Government of India that formulate and implement policies affecting our business include AERA, MoCA, the DGCA and the Bureau of Civil Aviation Security. We also are required to obtain governmental and regulatory approvals with respect to a variety of matters affecting our operations. In addition, new laws or regulations could be implemented that could have a direct or indirect adverse effect on our operations. While we seek to maintain the favorable relations we believe we enjoy with the regulators who oversee our business, there can be no assurance that these regulators will not formulate and implement policies which adversely affect our business. Key areas of our business that are subject to regulatory oversight include the rate-setting process applicable to aeronautical service tariffs, security, health and environmental safety, and labor relations. There can be no assurance that the regulatory agencies overseeing our operations will rule favorably for us or that the laws and regulations governing our business will not be established or change in the future or be applied or interpreted in a way that could have a material adverse effect on our business, financial condition and results of operations.

Our operations require us to obtain and comply with the terms of various approvals, permits and registrations. While certain approvals, permits and registrations are one-time in nature, which remain valid unless or until cancelled, certain other approvals are only valid for stipulated periods of time and require periodic renewals. For example, we are required to obtain, and renew from time to time, the aerodrome licenses issued by the DGCA with respect to the Airport; our combined consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981, and authorizations under the Hazardous Wastes (Management and Handling) Rules 1989. Additionally, we may be required to obtain or renew from time to time, approvals and licenses at the central (including from AAI), state and municipal levels in relation to our commercial property development projects. There can be no assurance that we will be able to obtain or renew such approvals and licenses in time or at all. Furthermore, the environmental approvals are granted to us based on certain assumptions on the number of people using the airports. Such assumptions may not be accurate and if we obtain or renew environmental approvals based on inaccurate assumptions, our business and operations may be materially and adversely affected. In addition, such approvals, permits and registrations contain various conditions and restrictions that we (as well as our contractors, concessionaries and other relevant third parties) are required to comply with. These include the requirement, in certain cases, to maintain registers and to file periodic returns with the appropriate authorities.

Our compliance costs (including penal or remedial costs in the event of any failure to comply) may be substantial. In certain circumstances, such approvals, permits and registrations may also be revoked or suspended by the issuing authorities or by the Government of India or the competent courts or appellate forums on account of our, or our contractors' or relevant third parties', failure to comply with applicable requirements or restrictions. Any failure to obtain, renew or comply with the terms of applicable approvals, permits and registrations could materially and adversely affect our business, financial condition and results of operations, and also result in reputational damage. For further information, see "Indian Regulatory Environment."

AERA determines the rates we charge for aeronautical services through a consultative process involving us and other stakeholders, based on agreed-upon principles provided in the SSA and our submissions of forecasts for our operation and maintenance expenses, revenues from non-aeronautical services and our finance costs, as well as other factors. While AERA's determination of rates for aeronautical services is a consultative process, AERA may not agree with our forecasts and other calculations included in the tariff applications we submit to AERA. For example, we appealed to the AERAAT against AERA's tariff order for the first control period (from April 1, 2009 to March 31, 2014) dated April 20, 2012 since AERA adopted certain percentages and amounts for our cost of equity, regulatory asset base, inflation and other items that were lower than the percentages and amounts we included in our tariff application, which resulted in lower aeronautical charges than in our application. Our appeal, along with the application for stay of determination of tariff for the first control period, was listed before the AERAAT but has not been adjudicated upon. See "Risk Factors — Risks Related to Our Business — Our operations and the fees we charge for aeronautical services — which comprise a substantial majority of our revenues — are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition — particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services."

The rights granted to us under the OMDA and the SSA are our principal assets. Our rights under these agreements may be revoked by the Government of India for certain prescribed reasons, including any event of default on our obligations or any force majeure event. See "Business—Our Concession—Operation, Management and Development Agreement" for further details. If we were to lose our rights, or any portion of them, under the OMDA, the SSA and other Concession-related agreements, such loss could have a material adverse effect on our business, financial conditions and results of operations.

Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and regulatory environment.

Our revenue is closely linked to passenger and cargo traffic volumes and the number of air traffic movements at the Airport. These factors directly determine our revenue from aeronautical services and indirectly determine our revenue from non-aeronautical services. Passenger and cargo traffic volumes and air traffic movements depend in part on many factors beyond our control, including, among others:

- political factors and the regulatory environment, which are both beyond our control;
- macroeconomic events (including changes in fuel prices and currency exchange rates), whether or not affecting the Indian economy or the global economy generally;
- adverse changes in domestic or international regulation or policy;
- increased competition, which may make the Airport less attractive compared to other airports;
- the development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems, the introduction of new transport links or technology, and the increased use of communications technology;
- discontinuance of operations of any airlines, for instance, the discontinuance of operations of Kingfisher Airlines in the past, which led to a reduction in ATMs at the Airport;
- decisions by airlines regarding airfares due to increased airline costs, the number, type and capacity of aircraft, as well as the routes on which particular aircraft are utilized;
- bad weather and other seasonal factors which can impact flights and passenger demand, such as the fog experienced at the Airport during winter, especially during the months of December and January;
- accidents or other security incidents at the Airport or other airports in India; and
- wars, riots, political action, health scares, outbreaks of contagious diseases, disruptions caused by natural disasters, and acts of terrorism or cyber-security threats.

In addition, as the passenger traffic at the Airport nears the passenger capacity of the Airport, increasing our revenue beyond the constraints imposed by the current facilities of the Airport will depend on the successful implementation of the Phase 3A Expansion, which includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of additional taxiways. Implementation of the Phase 3A Expansion will involve complex construction planning, passenger traffic diversion and the incurrence of a significant amount of additional indebtedness. The failure to successfully implement any aspect of the Phase 3A Expansion could result in failure to capture additional revenue from increased passenger traffic or loss of revenue from disruption to current passenger traffic.

Although under the State Support Agreement any decrease in our aeronautical services revenue due to drops in air traffic below that projected in AERA's tariff determinations are required to be compensated for by AERA when determining the tariffs for the subsequent control period, there is no guarantee that AERA would provide such compensation. Any decreases in air traffic to or from the Airport as a result of the above and other factors could have a material adverse effect on our business, financial condition and results of operations.

Our revenue from non-aeronautical services is driven by passenger numbers and expenditures by such passengers at the Airport. Levels of retail revenue may also be affected by changes in the mix of long-and short-haul, transfer, origin and destination of passengers and also the mix of international and domestic passengers. In addition, retail tenant failures, lower retail yields on lease re-negotiations, redevelopments or reconfiguration of retail facilities, reduced competitiveness of the airport retail offering, reduced hand luggage and other carry-on restrictions and reduced shopping time as a result of more rigorous and time consuming security procedures may lead to a temporary or permanent decline in retail concession fees. Other non-aeronautical services revenue could be reduced as a result of a decrease in demand from airport users or airlines leasing check-in counters. Further, airport terminals are periodically renovated and refurbished, and during such periods, we may experience reduced earnings from non-aeronautical services. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

The Government of India could grant new concessions that compete with the Airport.

Governmental authorities could grant additional concessions to operate existing government-managed airports or authorize construction of new airports — any or all of which could compete directly with the Airport. For example, the MoCA has recently granted site clearance to Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) for setting up a greenfield airport near Bhiwadi, District Alwar, Rajasthan, within 150 kilometers of the Airport. Any competition from such other airports could have a material and adverse effect on our business, financial condition and results of operations. Under Indian law, the grant of a concession for a new or existing airport must be made pursuant to a public bidding process. Furthermore, the Aviation Policy 2016 permits development of satellite airports or non-commercial airports within a 150 kilometer radius of existing PPP (public-private partnership) airports, such as the Airport, subject to the provisions of OMDA or any concession agreements.

While, pursuant to the SSA, we have a right until 2036 to match any bid for the construction of any airport within 150 kilometers of the Airport, such right applies only if we bid for the new airport and our bid is within 10% of the most competitive bid. Accordingly, there is no assurance we would be successful in any future public bidding processes, as we do not have an unconditional right of first refusal over any airports to be constructed within proximity to the Airport. Therefore, in the event that a competing concession is offered in a public bidding process, we cannot assure you that we would participate in such a process, or that we would be successful if we were to participate. If we are able to participate and are declared successful in such a public bidding process, we will be required to undertake significant capital expenditures for the construction and development of facilities at the proposed new airport, including new terminals and the related facilities necessary to support these terminals. As and when we are required to construct and develop facilities at the proposed new airport, we will need to raise additional funds, and we cannot assure you that we will be able raise additional funds through the issuance of equity or equity-linked instruments or through debt financing. We cannot assure that market conditions and other factors will permit future project financings, debt or equity, on terms favorable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current Airport and laws that are conducive to our raising capital in this manner. If we are unable to compete effectively with any such new airports, our business, financial condition and results of operations could be materially and adversely affected.

The loss of one or more of our key customers or a reduction in their operations could result in a loss of a significant amount of our revenue.

Air India Group (comprising Air India Limited, Indian Airlines limited, Airline Allied Services Limited and Air India Charters Limited) accounted for 16.2%, 17.5% and 17.0% of our revenue from aeronautical services for the fiscal years ended March 31, 2016, 2015 and 2014, respectively, while IndiGo accounted for 18.3%, 16.6% and 14.6% of our revenue from aeronautical services over the same periods. We expect that these airlines will continue to account for a significant percentage of our revenue in the future. None of our contracts with our airline customers obligate them to use the Airport for a minimum number of flights or passenger numbers. Decisions by, legal disputes with, financial difficulties at, or the failure of, a significant airline customer, or the withdrawal of their landing rights, could lead to a reduction in flights and passenger numbers and/or failure or delay in recovering aeronautical services revenues. If any of our key customers were to reduce their use of the Airport or cease to operate at the Airport, we cannot guarantee that we would be able to derive revenue from other airlines to offset the loss of revenue from these key customers. In addition, as a result of this reliance, the growth of our revenue is effectively constrained by the number of flights operated by our key customers, the number of passengers they service at the Airport and the size of the aircraft used by these airlines. The interests of our key customers may conflict with our interests, and their pricing policies, business strategies, marketing, capital expenditures and other initiatives may result in disputes or cause them to decrease their use of the Airport. If any of these key customers decreases their flights into and out of the Airport or there is a significant reduction in the number of passengers using these airlines or the size of the aircraft that they use, our results of operations could be adversely affected. We cannot assure you that our revenue generated from these key customers will reach or exceed historical levels in any future period. The loss of such customers could also impact our non-aeronautical services revenue, for which, unlike drops in our aeronautical services revenue due to decreases in air traffic below those projected in AERA's tariff orders, the State Support Agreement does not require AERA to compensate for when determining the tariffs for the subsequent control period. Any loss or cancellation of business from, or decreases in the rates we charge for our services to these key customers could materially adversely affect our business, financial condition and results of operations.

We are exposed to certain credit risks and we may be unable to collect on our receivables.

In recent years, many airlines, such as Air India, have reported substantial losses and increased leverage. Our revenues from airlines and other aeronautical services are typically secured by a performance bond or other types of guarantees, but such guarantees may not fully cover the amount owed by an airline at a certain date, which is the case with amounts owed to us by Air India. In the event of insolvency of any of our airline customers, we may be unable to collect any or all amounts invoiced to that airline in respect of passenger charges. For example, we have outstanding trade receivables due from Kingfisher Airlines (which no longer has active flight operations) of Rs. 0.22 million as of June 30, 2016, and we are uncertain of the likelihood of collecting such amounts. We are also party to legal proceedings against Kingfisher Airlines and their officers in connection with the fees that we have not recognized as revenue since October 1, 2012, due to the lack of certainty that we would recover them. See "Business—Legal Proceedings—Criminal Proceedings."

In addition, should any of our principal airline customers refuse to continue to make payments to us, or should they refuse to pay increases in our charges for aeronautical services in future years, our results of operations could be adversely impacted by decreased cash flows from operations.

Our primary exposure to credit risk arises through services provided to Air India Group which remain partially unpaid. As of June 30, 2016, the concentration of credit risk from Air India Group in the form of outstanding receivables was Rs.5,951.5 million. Because we had historically experienced several delays in collecting trade receivables from Air India Group and there was uncertainty as to the timing of ultimate collection of those receivables, from October 2011 to December 2012 we did not recognize the revenues related to Air India Group until after the uncertainty of collection was removed in December 2012 in accordance with paragraph 9.2 of Accounting Standard 9 under the Companies (Accounting Standard) Rules, 2006, as amended. The change in accounting, however, did not resolve the uncertainty of realization from Air India Group. In addition, due to the unpredictable timing of payments from Air India Group, we have experienced significant fluctuations in our collections on receivables. Although we believe such amounts owed to us by Air India Group will be ultimately collectible, our failure to collect any such amounts would have a material adverse effect on our business, financial condition and results of operations.

The interests of the GMR Group, our majority shareholder, may differ from the interests of DIAL or the holders of the Notes.

The GMR Group, primarily through GMR Airports Limited, holds 64% of our shares, and also operates other airports, including Hyderabad's Rajiv Gandhi International Airport, under a concession arrangement similar to our Concession, and Mactan Cebu Airport, through a special purpose company in Philippines with its majority shareholding partner Megawide Construction Corporation. Further, the GMR Group has recently been declared as the preferred bidder for a new airport in Mopa, Goa, India. As a result, the GMR Group, in many instances, is in a position to control our management and operations and to determine generally the outcome of many matters requiring the consent of our board of directors. Furthermore, GMR Airports Limited is contemplating economic opportunities by which it may increase its holdings of our shares, including through the acquisition of our shares of existing shareholders (other than AAI), which would further increase its control over our management and operations. In addition, we rely on the support of the GMR Group for certain managerial and operational assistance. Because the GMR Group manages a portfolio of different projects, the interests of the GMR Group may not coincide with our requirements. Furthermore, we cannot assure you that the GMR Group would act completely in the interest of the holders of the Notes or that possible conflicts of interests would be resolved in favor of the holders of the Notes.

We have entered into, and will continue to enter into, related party transactions, and there can be no assurance that we have achieved as favorable terms as had such transactions not been entered into with related parties.

As permitted under the OMDA, we have entered into transactions with several related parties, including entities controlled by our majority shareholder, the GMR Group. While we believe that all such transactions have been conducted on an arm's-length basis and in accordance with the provisions under the OMDA, there can be no assurance that we have achieved as favorable terms as had such transactions not been entered into with related parties. Furthermore, we will enter into related party transactions in the future. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. These related party transactions include sales and purchases of goods, rendering of services, sales and purchases of fixed assets, payments of dividends, the making and borrowing of loans and capital advances. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations. For further information regarding our related party transactions, see "Certain Related Party Transactions."

AAI acts as our shareholder and indirect competitor, and this may give rise to conflicts of interest.

We may face or suffer potential conflicts of interest arising from the fact that AAI plays multiple roles in our business. While we have entered into several agreements and contracts with AAI in relation to our Concession, including a shareholders agreement governing AAI's equity ownership in DIAL, in some instances AAI may also be regarded as our competitor. For example, in one role AAI holds 26% of the shares in DIAL, and pursuant to the terms of the OMDA, AAI has the right to nominate at least one director to our board of directors even if AAI is no longer one of our shareholders and it also has certain corporate governance rights, including the authority to veto certain reserved matters at the DIAL board and shareholder levels. See "Business—Our Concession—Shareholders Agreement—Board of Directors and Reserved Matters." AAI is responsible for communication navigation and surveillance, and air traffic management services at the Airport, while other governmental agencies are also responsible for providing certain services, such as customs, immigration and security services in respect of aeronautical assets, health, meteorology and quarantine. In another role, however, AAI is an operator of other airports in India under the Ministry of Civil Aviation. Since AAI also has interests in the operations of other airports, certain conflicts of interest (including in terms of actual or perceived public or national interest or policy objectives) may arise, and there can be no assurance that AAI will act in our favor, which may result in loss of our business, restrictions on our operations and materially adversely affect our business, financial condition and results of operations.

Increases in aviation fuel prices could result in airlines increasing their airline ticket prices, which, in turn, could reduce demand for air travel.

Aviation fuel costs represent a significant part of the operating costs of all airlines, including those which use the Airport. Aviation fuel prices have experienced periods of significant increases in the past, due to a number of factors including, but not limited to, macroeconomic conditions, regional hostilities in areas such as the Middle East and oil industry production-limitations, and may be subject to further increases in the future. Such increases in airlines' aviation fuel costs have, in the past, resulted in higher airline ticket prices and, in turn, have decreased demand for air travel. Accordingly, any such future increases in aviation fuel prices could result in further increases in airline ticket prices and decreased demand for travel on airlines which use the Airport, thereby adversely affecting our revenues and results of operations. Moreover, increased aviation fuel prices likely will have a more pronounced and adverse impact on those airlines which use less fuel-efficient airline fleets, a group which could include some of the airlines which use the Airport. Such an impact would, in turn, have a negative effect on our revenues and results of operations.

International and domestic events could have a negative impact on international air travel.

Historically, we have derived a substantial amount of our revenue from aeronautical services, a principal source of which is user development fees. User development fees (including passenger service fees) are payable for each passenger (other than diplomats, infants and transit passengers) arriving at and departing from the Airport. In the fiscal years 2016, 2015 and 2014, revenue from user development fees directly represented 46.1%, 45.7% and 45.1%, respectively, of our total revenue. Catastrophic events involving passenger aircrafts have a negative impact on the aviation industry. Events such as the war in Syria, unrest in Ukraine, international tension on the border between India and Pakistan and on the Korean Peninsula, natural disasters such as the recent floods in Chennai and other parts of Tamil Nadu in November 2015, the volcanic eruptions in Iceland in 2011 and the Indian Ocean earthquake and tsunami in 2004 and public health crises, such as the Ebola outbreak in the western and central regions of Africa, the SARS crisis and the swine flu (H1N1) epidemic may negatively affect the frequency and pattern of air travel worldwide. The effect of such incidents on the aviation industry may include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and reduced passenger traffic due to the subsequent drop in demand for air travel globally. Because our revenue is largely dependent on the level of passenger traffic at the Airport, any general increase of hostilities relating to reprisals against terrorist organizations, outbreaks of health epidemics or other events of international concern (and any negative economic impact from such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could have a material adverse effect on our business, financial condition and results of operations.

Terrorist attacks may have a severe negative impact on the international air travel industry.

As with other airport operators, we are subject to the risk of terrorist attacks. The terrorist attack on the United States on September 11, 2001 had a severe adverse impact on the air travel industry. Significant terror attacks have occurred in the past in India, most recently in Mumbai in 2008 and 2011, as well as in New Delhi in 2011. In the event of a terrorist attack directly on the Airport, airport operations would be disrupted or suspended, resulting in the cancellation or delay of flights during the time necessary to conduct rescue operations, investigate the incident, and repair or rebuild damaged or destroyed facilities. Security measures taken to comply with future security directives or in response to a terrorist attack or threat could reduce passenger and cargo capacity at the Airport due to increased passenger and baggage screening, slower security checkpoints, impose additional limitations on airport capacity for retail space, and increase our operating costs. We may not be able to pass on any additional operating costs we incur as a result of increased security. Any terrorist attacks would likely have a negative impact on the reputation of the Airport and could lead to fewer airlines and passengers using the Airport. In addition, our insurance policies do not cover all losses and liabilities resulting from terrorism, and our future insurance premiums would likely increase. All of the above factors may have a substantially adverse effect on our business, financial condition and results of operations.

Failure in our airport security could have a material adverse effect on us.

Airport security is the responsibility of the government of India. We are responsible, however, for adopting security measures at the Airport necessary to assist the Government of India in protecting the public and maintaining the security of passengers. Under the terms of the OMDA and the SSA, we must provide certain space and facilities necessary for the Government of India to provide its required security measures. Security measures taken by us or the Government of India to comply with future security directives or in response to a terrorist attack or threat could reduce passenger capacity at the Airport due to increased passenger screening and slower security checkpoints. In addition, any failure in any of the security measures at the Airport that results in a serious security breach or a public security scare may result in reputational damage to passenger traffic, which would have a material and adverse effect on our business, financial condition and results of operations.

Our strategy to develop commercial property development projects at the Airport may be unsuccessful.

As part of our Concession, we have the right to develop approximately 230 acres at the Airport available for certain commercial purposes only. We have awarded development rights to third parties for an area of approximately 45 acres at the Airport for the construction of hotels and for mixed-use property development. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. A number of local and national real estate companies also focus on developing projects in the commercial property segment. In particular, in and around the Gurgaon region, close to where the Airport is located, the market for commercial property is extremely competitive. Moreover, the business of commercial property development may be affected by many external factors, such as demand for and supply of commercial property, and the economic, regulatory and political environment. Commercial property development in India is highly regulated at the state and local level, as well as cyclical, which could result in time and cost overruns in the event that the development companies are unable to obtain necessary approvals and permits in time or to negotiate and manage customer contracts such that their cash flows are not disrupted. Additionally, the proximity of some of our land parcels to the Airport (which is considered a high security area) may raise security concerns and require our lessees to comply with more stringent security requirements as compared to commercial property elsewhere, thereby requiring them to incur higher costs to comply with such security requirements, along with the possibility of delays in obtaining security clearances from security agencies, which may adversely affect the demand for our land parcels and adversely affect the revenues we can expect to generate from such land.

In particular, the success of our commercial property developments could be adversely affected by the inability of customers to obtain credit to finance the acquisition of interests in our commercial properties, delays in obtaining requisite approvals (including security clearances), shortages of required construction materials, equipment and labor, labor unrest, or disputes with or insolvency of key contractors resulting in construction delays, or disputes with, or insolvency, of key tenants in our commercial and retail properties. Some of these factors could adversely affect the ability of the lessees to pay their lease rentals to us. Further, we are exposed to risks generally associated with the long-term leasing of real property to third parties, such as a decline in rental market demand, occupancy rates or rent levels, non-payment by tenants or a weakening of the real estate market. Moreover, our commercial property assets are located on or adjacent to the Airport and serve a particular sector of the rental market, thus exposing us to fluctuations in this specific market.

Any of these risks could adversely affect the profitability of our commercial property development activities and, consequently, our business, financial condition and results of operations.

Our results of operations may fluctuate from period to period due to the cyclical and seasonal nature of the air transportation industry.

Since the air transportation industry is vulnerable to economic cycles, the air transportation industry has historically experienced significant financial losses during economic downturns and periods of political and social instability. Any future general reduction in passenger traffic (which may be caused by economic, political and social factors that we cannot control) may adversely affect our financial condition and results of operations. In addition, the industry tends to be seasonal in nature, and we typically experience increased passenger traffic, in particular international passenger traffic, and ATMs in the first and third quarter of each fiscal year as travelers visit northern India during school holidays and the relatively cooler weather, and lower passenger traffic and ATMs in the second and fourth quarters.

A significant part of non-aeronautical operations is conducted by joint ventures that we do not control or may not operate solely for our benefit. We may in the future conduct more of our business through such joint ventures.

We have entered into joint ventures with third parties as part of our business and growth strategy. In our joint ventures we share ownership and management of a company with one or more parties who may not have the same goals, strategies, priorities, or resources that we do. Operating a business as a joint venture often requires additional organizational formalities, as well as time-consuming procedures for sharing information and making decisions. In our joint ventures, we are required to pay more attention to our relationship with our co-owners, and if a co-owner changes, our relationship may be materially and adversely affected. Additionally, our influence over the corporate governance of our joint venture companies may be limited. In addition, the benefits from a successful joint venture are shared among the co-owners, so we do not receive all the benefits from our successful joint ventures. The success of our joint ventures depends significantly on the satisfactory performance by our co-owners of their contractual and other obligations. As we do not control our co-owners, we face the risk that they may not fulfill their obligations. In such a circumstance, we may be required to make additional investments, which could result in reduced profits or, in some cases, significant losses. For a description of our joint ventures, see "Business—Subsidiary, Joint Ventures and Associate."

Investments through joint ventures may involve certain other risks, including the possibility of joint venture partners failing to meet their financial obligations on time or at all. We, along with the other shareholders, have pledged our shares in our three joint ventures to the lenders of such joint ventures. If any of these joint ventures is unable to satisfy its debt service requirements, its lenders may foreclose on our shares in it, which could have a material and adverse effect on our business, financial condition and results of operation. In addition, we may be required to make additional investments in our joint ventures to maintain our equity interest and any failure to make such investments due to a lack of funds or any other reason could significantly dilute our ownership in such joint ventures and have a material and adverse effect on our financial condition and results of operation. Such investments may also run the potential risk of impasses on certain key decisions. Any disputes that may arise between us and our joint venture partners may cause delay in completion, suspension or complete abandonment of a project. In addition, we may, in certain circumstances, be liable for the actions of our joint venture partners, or be limited in our ability to increase our equity interest or divest our equity interest in the joint venture, any of which could materially and adversely affect our business, financial condition and results of operations.

Our revenue and profitability may not increase if we fail in our business strategy.

Our ability to increase our revenue and profitability will depend in part on our business strategy, which consists of increasing our airport users' consumption, developing infrastructure to accommodate expected growth in passenger traffic, and continuing to improve the commercial offerings at the Airport.

Our ability to increase our revenue from commercial activities depends heavily on increasing passenger traffic at the Airport, among other factors. We cannot assure you that we will be successful in implementing our strategy of increasing our revenue from commercial activities. The passenger traffic volume in the Airport depends primarily on factors beyond our control, such as the attractiveness of the commercial, industrial and tourist centers that the Airport serves, as well as economic and political conditions generally. Accordingly, there can be no assurance that the passenger traffic volume in the Airport, and the resulting revenues derived from commercial activities, will increase.

Routing and other operational decisions by airlines or airline alliances can affect traffic volumes and our operations.

Routing, stop-over and connection decisions or the creation or designation of a hub by individual airlines or airline alliances could result in significant shifts in passenger flows. Although Air India, IndiGo and Vistara use the Airport as their hub, there is no assurance that they will continue using it as they currently do. In addition, an airline's decision to use larger or smaller types of aircraft at our airports could result in changes to operational and facility requirements, which may require us, for example, to modify or construct new gate facilities to accommodate new, larger aircraft operated by airlines. We currently have a number of gate facilities at the Airport able to accommodate new, larger aircraft operated by various airlines that utilize the Airport, such as the Airbus A380. However, we may be unable to adapt in time for any future developments in new aircraft that require modifications to our existing facilities. Airline or airline alliance routing and hub designation decisions may affect the revenue we derive from landing charges, parking and housing charges and user development fees or may require us to incur substantial costs in establishing new types of facilities and services. These and other possible activities and operational decisions by airlines or airline alliances could have a material adverse effect on our business, financial condition and results of operations.

Our airport competes with other modes of transport to and from Delhi, as well as other destinations and airports in India and in nearby countries, such as Singapore and Dubai.

The airport business is dependent on passenger and air cargo traffic, which compete with each other and with alternative modes of transportation, particularly transport by highways and rail. In India, although air travel is generally significantly more convenient and comfortable for passengers, the cost of air travel is usually much higher than the cost of travel by highways and rail. Cargo transport by highways and rail are the principal sources of competition to air cargo traffic, particularly in the case of large or heavy loads or goods for which speed is not a priority. In recent years, large investments have been made in the improvement of the rail network and highways in India. This may further intensify the competition for passenger and freight traffic between air transport and transport by highways or rail.

The principal factor affecting our business is the number of passengers that use the Airport. The number of passengers using the Airport is dependent upon the level of business and economic activity in India and elsewhere, and our passenger traffic volume may be adversely affected by economic instability. In addition, our passenger traffic volume may be adversely affected by the attractiveness, affordability and accessibility of competing tourist destinations in South Asia and Southeast Asia, such as Sri Lanka, Thailand, Indonesia and the Philippines. The attractiveness of the destinations served by airlines from the Airport is also likely to be affected by perceptions of travelers as to the safety and political and social stability of India. There can be no assurance that business activity and tourism levels, and therefore the number of passengers using the Airport, will, in the future, match or exceed current levels.

Although we currently do not face significant competition from other airports in northern India, the Airport faces competition from other airports in South Asia and elsewhere, including Mumbai's Chhatrapati Shivaji International Airport, Singapore's Changi Airport, Thailand's Bangkok International Suvarnabhumi Airport, Dubai International Airport and Hong Kong International Airport. Any attempts we make to develop the Airport into a hub for international airlines will involve competition with these airports. Although Air India, IndiGo and Vistara currently use the Airport as their hubs, the Airport's potential to attract other airlines to use it as an aviation hub depends on factors such as connectivity (that is, the number of connecting flights available for arriving airlines), capacity and passenger satisfaction levels. There can be no assurance that the Airport will continue to act as a hub, become a hub for any other international airlines or successfully compete with other airports in India or around Asia. Furthermore, any arrangements with an airline for using the Airport as a hub will likely not be for any definite period and may be terminated at any time. Such an event is likely to have an adverse effect on our revenues and result of operations.

If our Airport is unable to compete effectively with other modes of transport or other airports, as applicable, or the relative costs of air traffic are too high, our business, financial condition and results of operations may be materially and adversely affected.

A change in relations with our labor force could have an adverse impact on our business.

The airport industry in particular has been subject to work stoppages and strikes. Although we believe we currently maintain good relations with our labor force, any conflicts with our employees resulting in strikes or other disruptions could have a negative impact on our business. The Airport experienced at least one labor strike prior to the beginning of our Concession. We cannot assure you that we will be able to prevent our employees from undertaking work stoppages.

Further, India has stringent labor legislation that protects the interests of workers. This legislation sets out detailed procedures for industrial dispute resolution and employee compensation for injury or death sustained in the course of employment and imposes financial and other obligations on the employer in respect of occupational health and safety and in case of lay-offs (and also, in certain circumstances, on the principal employer, where a contractor does not or cannot fulfill its obligations towards its employees). Such labor legislation may restrict our ability to maintain flexible human resource policies or to downsize our operations. If we terminate any of our employment contracts without cause, we may be required by Indian labor law to make severance payments. There are proceedings against us pertaining to the termination of some of our employees. Further, we cannot assure you that we will not have to terminate employees without cause, subjecting us to payments which could, in the aggregate, materially and adversely affect our business, financial condition and results of operations.

We are exposed to risks inherent to the operation of airports.

While the Government of India provides security services at the Airport, we are also obligated to protect the public and to reduce the risk of accidents at the Airport. We must implement measures for the protection of the public, such as hiring private security services, maintaining the Airport's infrastructure and fire safety in public spaces, and providing emergency medical services. We are also obligated to take certain measures related to our aeronautical services, such as maintenance, management and supervision of aeronautical assets, rescue and fire-fighting services for aircraft, measurement of runway friction coefficients, flood control measures and measures to control the threat from birds and other wildlife at the Airport. These obligations could increase our liability to third parties for personal injury or property damage, thereby adversely affecting our business, financial condition and results of operations.

Airports are exposed to the risk of incidents, including accidents, as a result of a number of factors, including extreme weather conditions, movement of large number of passengers, variable aircraft movements, traffic congestion, equipment failure, human error and terrorist activities. These incidents could result in injury or loss of human life, damage to airport infrastructure, short or long term closure of an airport's facilities and damage to the reputation of the Airport and may have an impact on passenger traffic levels, which in turn could have a material adverse effect on our business, financial condition and results of operations.

The operations of the Airport may be affected by actions of third parties, which are beyond our control.

The operation of the Airport is largely dependent on the services of third parties and the Government of India for the rendering of services to passengers and airlines, such as air traffic control, security, electricity, immigration and customs services, plant and animal quarantine services, health services and meteorological services. In addition, we are dependent on third-party providers of certain complementary services such as baggage handling, fuel services, catering and aircraft maintenance and repair. Rail, bus and taxi services at the Airport are also provided by third-party ground transportation providers. Furthermore, one of our shareholders, Fraport, has acted as the operator of the Airport and provided us with essential management and consultancy services since the commencement of our Concession. We are not responsible or liable for, and cannot control the services provided by these third parties. Any disruption in, or adverse consequence resulting from, their services, including a work stoppage or other similar event, could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks related to handling cargo.

The air cargo system at the Airport is a complex, multi-faceted network that handles a vast amount of freight, packages and mail carried aboard passenger and all-cargo aircraft. The air cargo system is vulnerable to security threats, some of which are beyond our control including potential plots to place explosives aboard aircraft, illegal shipments of hazardous materials, criminal activities, such as smuggling and theft and potential hijackings and sabotage by persons with access to aircraft. Although we have put into place several procedural and technology initiatives to enhance air cargo security and deter terrorist and criminal threats, we may be subject to related risks or the reduction of our cargo traffic volume. The occurrence of such events could adversely affect our business, financial condition and result of operations.

We are exposed to the risk of non-performance by our concessionaires and licensees.

We have granted concessions and licenses to third parties and our joint ventures to provide certain services which are necessary for our operations, such as activities relating to commercial air transport, including hangar and aircraft maintenance, fuel distribution, platform services and catering. In the event that our concessionaires or licensees fail to perform their obligations under our agreements with them, we could incur extra costs in replacing them or the services provided by them in order to comply with our obligations.

We may not be able to enter into or renew certain of our revenue generating and other commercial agreements on terms that are acceptable to us, or at all.

We have entered into various revenue generating and other commercial agreements for the purposes of our business at the Airport and are dependent on ongoing commercial relationships with certain third parties. We have formed joint ventures and continue to enter into agreements to form joint ventures or for other commercial or retail business carried out at the Airport. We will seek to renew or replace such agreements as and when they expire. However, if we are unable to renew or replace the contracts on economically beneficial terms, or at all, it could have a material adverse effect on our business, financial condition and results of operations.

The audit report from one of our independent joint auditors in respect of our financial statements as at and for the year ended March 31, 2014, contains a certain qualification.

The audit report from S.R. Batliboi & Associates LLP, one of our independent joint auditors, in respect of our financial statements as at and for the year ended March 31, 2014 was qualified to indicate that, in the opinion of the auditor, certain custom duty credit scrip entitlements could not be netted-off against certain related expenditures and disclosed as prior period items. According to S.R. Batliboi & Associates LLP, such entitlements should have been accounted for as other income as required by “Accounting Standard 12 - Accounting for Government Grants” and, as a result, other income and other expenses should have been Rs.803.9 million higher for fiscal year 2014. For additional information, see the audit report of S.R. Batliboi & Associates LLP and note 43 to our audited standalone financial statements as of and for the year ended March 31, 2014 included elsewhere in this offering memorandum.

Our business is exposed to various operational and systems risks.

Our success depends in part on the efficient and uninterrupted operation of IT systems at the Airport as well as our computer and communications hardware systems. We actively rely on these systems for the management and operation of the Airport, including our safety management, operation of our check-in process, operation of our baggage and cargo tracking and management of passenger and other data. Various agencies of the Government of India that provide services to passengers and airlines at the Airport, such as air traffic control, security, electricity and immigration and customs services, plant and animal quarantine services, health services and meteorological services, also rely on IT systems as well as our computer and communications hardware systems. These systems could be damaged or interrupted by fire, flood, power loss, telecommunications failure, computer viruses, physical or electronic break-ins, and similar events or disruptions. Any of these events could cause system interruptions, delays, malfunctioning and loss of critical data, and could impair or even halt some or all of the operations at the Airport. In addition, our concessionaires’ or licensees’, or the Government of India’s computer systems may be vulnerable to computer viruses, physical or electronic break-ins and other similar disturbances, which could lead to interruptions, delays, loss of data or the inability to operate the Airport.

Our risk management strategies may not be adequate against all possible operational and systems risk we face. While we currently maintain insurance coverage for losses due to business interruption, we cannot assure you that this coverage would be sufficient to cover all of our potential losses. If any of these operational or systems failures were to occur, it could damage our reputation, be expensive to remedy and could have a material adverse effect on our business, financial condition and results of operations.

Our business is also exposed to operational risks such as fraud or unauthorized access by employees, contractors or outsiders, incorrect data provided by third parties, unauthorized transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Further, our risk management strategies might prove to be inadequate, especially if unanticipated circumstances or risks come to pass, in which case we might incur substantial, unexpected losses. Any losses suffered as a result of these and other factors could have a material adverse effect on our business, financial condition and results of operations.

We are subject to foreign exchange risk with respect to our U.S. dollar-denominated debt financing and certain revenue sources.

As at June 30, 2016, we had US$372.7 million of external commercial borrowing denominated in U.S. dollars. We engage in certain hedging transactions, but such transactions may not sufficiently protect us against significant foreign currency fluctuations. The Rupee may appreciate, depreciate or fluctuate significantly against the U.S. dollar or other currencies in the future. An appreciation of the Rupee against the U.S. dollar may increase our required additional financing needs, while a depreciation of the Rupee against the U.S. dollar may increase our repayment costs. Although we earn a portion of our revenue in U.S. dollars, we convert such revenue into Rupees, and therefore we rely, and expect to continue to rely, on foreign exchange markets to meet the majority of our U.S. dollar-repayment costs, and we cannot assure you that we would be able to generate additional revenue sufficient to offset such increased costs. As a result, fluctuations in the value of the Rupee against the U.S. dollar may materially adversely affect our financial condition and results of operations.

Higher interest rates could adversely affect our profitability.

A portion of our outstanding indebtedness will bear interest at floating rates, which will cause our finance costs, including interest on borrowings, to fluctuate with changes in interest rates. Accordingly, our profitability will be affected by changes in U.S. dollar LIBOR and various Indian Rupee benchmark rates, due to the impact such changes have on our interest income and finance costs from interest-bearing financial assets and liabilities. Finance costs accounted for 11.4%, 13.0% and 14.1% (excluding exceptional items) of our total revenue in the years ended March 31, 2016, 2015 and 2014, respectively, and 9.3% and 10.6% of our total revenue in the three months ended June 30, 2016 and 2015, respectively. Floating rates on our outstanding indebtedness may increase in the future and thereby increase our finance costs, which could decrease our margins and have a material adverse effect on our business, financial condition and results of operations.

Our insurance policies may not provide sufficient coverage against all liabilities.

While we seek to insure against all reasonable risks, we can offer no assurance that our insurance policies will cover all of our liabilities and losses in the event of an accident, terrorist attack or other incidents causing damage to our facilities or a third-party or interruption to our business. The insurance market for airport liability coverage generally, and for airport construction in particular, is limited, and a change in coverage policy by the insurance companies involved could reduce our ability to obtain and maintain adequate or cost-effective coverage. Should losses occur, there can be no assurance that such losses will not exceed the pre-established limits on any of our insurance policies. Additionally, we are required under the OMDA to maintain certain types and levels of insurance coverage and our Concession could be subject to termination if we fail to maintain the required coverage. See “Business—Property and Insurance” herein.

We may become subject to legal or regulatory claims or investigations against us.

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

We do not believe that any of the proceedings or claims to which we are currently party will result in costs, charges or liabilities that will have a material adverse effect on our business, financial position and results of operations. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our financial statements. In future periods, if any of these matters are resolved unfavorably to us, we could be subject to cash costs or non-cash charges to earnings and be required to reflect liabilities in our financial statements for which we previously had not made provisions in our financial statements. See “Business—Legal Proceedings.”

In addition, in March 2012, the Comptroller and Auditor General of India (“CAG”) released reports on the implementation of the public-private partnership for the Airport. The reports portrayed certain aspects of the OMDA as being disproportionately favorable to us, such as favorable renewal terms, our right of first refusal for regional airport projects, certain aspects of our usage and development fee structures, and the classification under the OMDA of certain joint ventures as “non-aeronautical” operations. Additionally, in connection with the Comptroller and Auditor General of India’s reports, the Public Accounts Committee (“PAC”) of the Lok Sabha (the lower house of the Parliament of India) released a report in February 2014 about the implementation of the public-private partnership for the Airport. Like the Comptroller and Auditor General of India’s reports, it portrayed certain aspects of the OMDA as being disproportionately favorable to us although the final report of the PAC did not have any adverse observation against us.

While these reports do not make any recommendations specific to the OMDA and our concession, and no specific action has been brought or taken against us, it is possible that further public debate concerning our status due to regulatory pressure may have an adverse impact on our rights under the Concession Agreements and have a material adverse effect on our business, financial condition and results of operations.

Furthermore, in recent past, AAI expressed its intention to have CAG conduct an audit of our revenue, the revenue of our joint ventures and the process of joint venture formation, claiming the right to do so would be pursuant to the provisions in the OMDA. Although AAI has acknowledged that CAG will not conduct an audit on us in its own capacity in response to our protest, AAI has nominated CAG as a representative of AAI in accordance with the provisions of OMDA to inspect the books and records and conduct the audit of our revenue, the revenue of our joint ventures and the process of joint venture formation for various non-aeronautical services. We also opposed this move by AAI and the issue has become a matter of dispute under OMDA. While we and AAI have not yet referred the dispute to an arbitration tribunal in accordance with the provisions of OMDA, an increased oversight through an audit by CAG could affect our operational flexibility and have a material adverse effect on our business, financial condition and results of operations.

We are subject to various environmental laws and regulations, and our failure to comply with environmental and other regulations could seriously harm us.

We and the airlines using the Airport are subject to a variety of laws and regulations relating to, among other things, airports, aircraft, noise limitations and the use, discharge and disposal of waste materials produced by aircraft and inflight catering operations using the Airport. We believe that we are in substantial compliance with currently applicable environmental laws and regulations; however, environmental claims or the failure to comply with present or future regulations could subject us to future liabilities, including the assessment of damages, fines and orders to cease or modify certain construction projects. In addition, new laws or regulations could require us to modify airport operations or incur other expenses that could have a material adverse effect on our business, financial condition and results of operations.

We currently are party to certain environmental disputes related to, among other things, alleged noise pollution. If a substantial number of these disputes were to be decided against us or additional disputes were to arise in connection with environmental matters, we may be subject to fines or may have to invest in modifications to our airport facilities or changes to our operations, which would, in the aggregate, have a material adverse effect on our business, financial condition and results of operations. See "Business—Legal Proceedings—Regulatory Proceedings."

We maintain limited insurance policies that guard against, among other things, losses resulting from environmental harm caused by us. While we believe our insurance coverage is reasonable, we cannot assure you that it would be sufficient to cover all of our potential losses.

Expansion and improvement of the Airport and the building of new airports pursuant to our right of first refusal in the SSA also depend on the receipt of environmental approvals as well as planning, zoning and other approvals granted by municipal, regional and other Indian public authorities. Should environmental regulators adopt a more restrictive regulatory framework for any of these areas, our ability to expand the Airport and meet increased demand could be limited.

In addition, the implementation of environmental regulations imposing taxes on carbon emissions could increase the cost of air travel services to consumers. Such increased prices could reduce demand for air travel and have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks related to tax disputes with certain tax authorities.

We are party to various tax proceedings with certain tax authorities at the central and state-level governments in India, including the service tax and income tax authorities and the Municipal Corporation of Delhi. These proceedings relate to disputes between us and these authorities regarding, among others, (a) the tax treatment applicable to the annual fee payable to AAI, (b) the imposition of service tax on our licensing of certain property and the development fees we collect, (c) the assessment of property taxes, (d) applicability of stamp duty on the agreements executed with the developers of commercial property and (e) our arrangement with MoCA with respect to the use of the security component of passenger service fees for certain Rupee-denominated loans. All of these proceedings are at various stages of adjudication and are currently pending. If unfavorable decisions are rendered in one or more of these proceedings, we could be required to pay substantial amounts and be required to reflect liabilities in our financial statements for which we previously had not made provisions in our financial statements. For certain of these disputes, but not all, we have established provisions only for part of the amounts in dispute, based on the likelihood of success. See "Business—Legal Proceedings—Tax Proceedings" and the notes to our audited standalone financial statements included elsewhere in this offering memorandum.

In the event that a court or regulatory authority deems us to be a "public authority" or "state" under Indian law due to the nature of our business, we may become subject to certain laws and policies applicable to entities owned by the Government of India.

We are involved in certain litigation, pursuant to which, in the event of an adverse judgment, we may become subject to certain laws and policies applicable to public authorities or public sector entities in India.

For instance, the Central Information Commission, in an appeal filed by an individual, Mr. S.P. Rathi, held us to be a "public authority" for purposes of the Right to Information Act, 2005 (the "RTI Act") and, therefore, subject to the provisions under the RTI Act, which requires public authorities to disclose documents and information on applications filed under the RTI Act. We had filed a writ petition in the High Court of Delhi against the Central Information Commission and Mr. Rathi, challenging the Central Information Commission's orders, and the High Court of Delhi has directed the matter to the Central Information Commission for reconsideration, which is pending.

Separately, Flemingo Duty Free Shop Private Limited ("Flemingo") filed a writ petition in 2009 in the High Court of Delhi, against the Union of India, AAI, us and others, challenging the tender process adopted by DIAL and the consequent award of the duty-free license for setting up duty-free outlets at Terminal 3 of the Airport. Flemingo has alleged that we constitute an instrumentality of the "state" within the meaning of the Constitution of India and, therefore, is subject to the writ jurisdiction of Indian appellate courts. While this matter is currently pending adjudication, its outcome may be affected by another legal proceeding in which we have been permitted to participate: namely, an appeal filed by Mumbai International Airport Private Limited ("MIAL"), which is pending adjudication before the Supreme Court. MIAL has filed an appeal, challenging a judgment of the Division Bench of the High Court of Bombay, in a writ petition filed by Flemingo, by which the High Court held MIAL to constitute an instrumentality of the "state" within the meaning of the Constitution of India and quashed the tender awarded by MIAL for running duty-free retail outlets at Mumbai and other Indian airports. We have filed an application for intervention in this case and have sought to implead ourselves as a party in order to put forth our arguments through our legal counsel, although we have not sought to be impleaded as a respondent in the appeal.

In the event of an adverse judgment in any of these proceedings, we may be deemed to be subject to certain other laws and policies in India applicable to "public authorities" or public sector entities in India, for instance the RTI Act, or to entities performing a "public duty," which may diminish our operational flexibility, and have a material adverse impact on our business, financial condition and results of operations.

Our ability to retain, attract and train and retain executives and other qualified employees is critical to our business, results of operations and future growth.

Our business and future growth is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, especially personnel with experience in our industry and our information technology and systems. While the attrition rates for our senior management and key executives are not significant, any of them may choose to terminate his or her employment with us at any time. We cannot assure you that we will be able to retain such persons or find adequate replacements in a timely manner, or at all. The industry relationships and specialized experience that we require can be time-consuming and difficult to acquire and develop. We may require a long period of time to hire and train replacement personnel if and when skilled personnel terminate their employment with us. Our ability to compete effectively depends on our ability to retain and motivate our existing employees and to attract new employees. We may be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in managing employee attrition and attracting the skilled employees that we require. If we do not succeed in retaining or motivating existing employees and attracting appropriately qualified new employees, our business and prospects for growth could be adversely affected.

We have had, and may in the future have, working capital deficits.

We have working capital deficits. A working capital deficit means that our current liabilities exceed our current assets. Current liabilities include those due for payment within one year of the balance sheet date and include a portion of any of our indebtedness and fixed payment obligations. Current assets are assets that are expected to be converted to cash or otherwise utilized within one year of the balance sheet date and, therefore, may be used to pay current liabilities as they become due during that period.

Due to the nature of our business, our current liabilities will generally exceed our current assets. As at March 31, 2015 and 2014, our current liabilities exceeded our current assets by Rs.409.5 million and Rs.8,804.9 million, respectively, although our current assets exceeded current liabilities by Rs.10,722.0 million and Rs.8,258.0 million, respectively, as at June 30, 2016 and March 31, 2016, as a result of our decision to increase investments in mutual funds and fixed deposits on account of a potential change in aeronautical tariff rates. These current liabilities primarily arise from current maturities of long-term borrowings and trade deposits. Indian Rupee loans secured against airport development fees that we collect on behalf of AAI, but which we do not record as revenue, account for the majority of our current maturities of long-term borrowings. See "Business—Our Sources of Revenue—Other Fees We Do Not Earn." Our trade deposits consist primarily of deposits we receive from our aeronautical and non-aeronautical services customers, including certain of our joint ventures. In the past we have relied on our net cash generated from operating activities, cash and bank balances and funds from financing sources to satisfy our current liabilities as they became due. Depending on our capital requirements, market conditions and other factors, we may raise additional funds, which could further increase our working capital deficits. We cannot assure you that we will be able to secure adequate capital to continue our business, and our failure to do so could have a material adverse effect on our business, financial condition and results of operations. See "Risk Factors—Risks Related to our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport."

Our ability to raise capital outside India may be constrained by Indian law, which could adversely affect our financial condition and prospects.

India's policy on external commercial borrowing includes the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, along with the Master Direction — External Commercial Borrowings, Trade Credits Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated January 1, 2016 issued by the RBI, as updated from time to time, which provides guidelines for raising of Indian Rupee denominated external commercial borrowings, in addition to the regulations relating to the end-use of proceeds, creation of security in favor of eligible offshore lenders, maximum interest payable, and repatriation of payments towards such offshore lenders, as notified by the RBI and currently in force (the "ECB Policy"). External commercial borrowing by an eligible borrower is permitted under the automatic route up to certain limits in a year, with the stipulated minimum average maturity, for permissible end-uses. Further, the ECB Policy limits the all-in-cost to a certain level or requires the all-in-cost to be in line with market conditions, depending on the nature of the external commercial borrowing. External commercial borrowing not complying with these requirements is permitted with the prior approval of the RBI, in accordance with the ECB Policy. These limitations on external commercial borrowing could constrain our ability to raise cost-effective funding for implementing asset purchases, servicing or refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our financial condition and prospects.

Risks Related to India

All of our assets and operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India.

All of our assets and employees are located in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government and also their respective policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India. The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. The Government of India has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian aviation industry. The Government of India has in the past, among other things, imposed controls on the price of a broad range of goods and services, restricted the ability of business to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive Indian governments have pursued policies of economic liberalization, including by significantly relaxing restrictions on the private sector and allowing partial privatization of the Airport. Nevertheless, the role of the Indian Central and State governments in the Indian economy as producers, consumers and regulators has remained significant, and there can be no assurance that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. Further, government corruption scandals and protests against privatization, which have occurred in the past, could slow the pace of liberalization and deregulation. A significant change in India's policy of economic liberalization and deregulation could adversely affect business and economic conditions in India generally, and our business in particular, if new restrictions on the private sector are introduced or if existing restrictions are increased.

We are subject to changes in the Government's policy on direct and indirect taxation.

All our revenue is derived from domestic activities. Our profitability is also significantly dependent on the policies of the central and state governments in India relating to various direct and indirect taxes (including sales tax, service tax and income tax), duties and levies (including excise duties and import duties) related to our operation. Any change in policies relating to such taxes or duties could materially adversely affect our business, financial condition and results of operations. Recent changes in such policies include the new standard for computation of taxable income, which may increase our income tax liability.

A prolonged slowdown in economic growth in India or financial instability in other countries could cause our business to suffer.

The current slowdown in the Indian economy could adversely affect our business and its lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The growth rate of India's GDP, which was 9.0% or higher in each of fiscal years 2005 through 2008, moderated to 6.7% during fiscal year 2009 and was 4.8% during fiscal year 2014, 7.3% during fiscal year 2015 and 7.6% during fiscal year 2016, according to the India Planning Commission. The Indian economy continues to sustain high levels of inflation, experiencing the highest levels of inflation of any of the 34 member states of the Organization for Economic Cooperation and Development (the "OECD"), other than Argentina, during the period from 2012 through 2014, according to the OECD. The inflation rate in India was 4.87% in April 2015 and averaged 9.44% from 2012 until 2014, reaching a high of 11.16% in November 2013, according to the Indian Ministry of Statistics and Programme Implementation. Although the Government of India has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. Any increase in inflation in the future, because of increases in prices of commodities such as oil or otherwise, may result in a tightening of monetary policy and affect growth in the Indian economy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could adversely impact our business, financial condition and results of operations. In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, financial condition and results of operations.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business, financial condition and results of operations.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. From May to July 1999, there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear powers. These hostilities and tensions could lead to political or economic instability in India and a possible material adverse effect on our business, financial condition and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past. Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult, and have other consequences that could have an adverse effect on our business, results of operations and financial condition. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Notes. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, as well as in New Delhi in 2011 and bombings in Hyderabad on February 21, 2013. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could materially adversely affect our business, financial condition and results of operations.

Natural calamities and health epidemics and other events outside our control could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods, cyclones, storms and drought in recent years, including the tsunami that struck the coasts of India and other Asian countries in December 2004, the severe flooding in Mumbai in July 2005, and the earthquake that struck India in April 2006, floods in Srinagar and a cyclone in Vishakhapatnam in the second half of 2014 and the floods in Chennai and other parts of Tamil Nadu in November 2015. Any such natural disaster could have a negative effect on the Indian economy and particularly the travel industry. In addition, our facilities are subject to other natural or man-made disasters such as fires, acts of terrorism, failures of utilities and epidemics. If any such event were to occur, our business could be affected as a result of the event itself or our inability to effectively manage the consequences of such event. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries. Since April 2009, there have been outbreaks of swine flu, caused by the H1N1 virus, in certain regions of the world, including India and several other countries in which we operate. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, materially adversely affect our business, financial condition and results of operations.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Notes.

As of the date of this offering memorandum, India's sovereign rating was Baa3 (Moody's), BBB- (S&P) and BBB- (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the terms on which we are able to finance future capital expenditure, or our ability to refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business and financial performance, and the trading price of the Notes.

Investors may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.

The Company is a private company incorporated under the laws of India. Substantially all of its directors and key management personnel reside in India and all of the assets of the Company are located in India. As a result, it may not be possible for investors to effect service of process upon the Company, or such persons outside India, or to enforce judgments obtained against such parties outside India. Recognition and enforcement of foreign judgments are provided for under Section 13 and

Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to such award, and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently come into effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading, and restrictions on directors and key managerial personnel from engaging in forward dealings. We are also required to spend, in each financial year, at least 2% of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on the Company and our directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. Although we are not a listed company, in light of the parent company of our majority shareholder, GMR Infrastructure Limited, being a listed company, we may be required to comply with certain corporate governance requirements applicable to them.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence in this regard. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts, any judicial pronouncements or clarifications issued by the Government of India in the future, we may face regulatory actions or may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come into force. Any increase in our compliance requirements or in our compliance costs may have a material adverse effect on our business, financial condition and results of operations.

Indian accounting principles and audit standards differ from those which prospective investors may be familiar within other countries.

As stated in the report of the independent joint auditors included in this offering memorandum, our financial statements are prepared in accordance with Indian GAAP, and consistently applied during the periods stated, except as provided in such report, and no attempt has been made to reconcile any of the information given in this offering memorandum to any other accounting principles or to base it on any other auditing standards. Indian GAAP differs in certain respects from IFRS, with which investors may be more familiar. See "Summary of Certain Differences Between Indian GAAP and IFRS."

We cannot guarantee the accuracy of statistical and other information with respect to India, the Indian economy or the airport industry contained in this offering memorandum.

Statistical and other information in this offering memorandum relating to India, the Indian economy or the airport industry have been derived from various government publications and obtained in communications with various Indian government agencies that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, each of the Initial Purchasers or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in the section titled "Industry" in this offering memorandum. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or statistics.

Risks Related to the Notes and the Collateral

If our Concession is terminated or transferred to another party, the Notes may not be eligible for transfer payments by AAI or repayments made by any party substituting us and assuming our rights and obligations under the Concession.

AAI has the right to terminate our Concession if we default on certain of our obligations under the OMDA, including any material default under the Indenture or our other debt instruments. Pursuant to the Substitution Agreement, upon notice by AAI of its intention to terminate our Concession, certain "Lenders" (as defined under the Substitution Agreement) have the right to nominate another party as may be acceptable to AAI (the "Selectee") to assume our rights and obligations under the Concession. Such Lenders may also initiate our substitution by the Selectee in certain circumstances, without the issuance by AAI of a notice of intention to terminate, if a "financing event of default" has occurred and has not been cured, remedied or revoked in accordance with the financing documents. Under the terms of the Substitution Agreement, the Selectee, upon substitution, will have a period of 180 days to cure the breach or default existing on the day of such substitution. The Lenders shall be entitled to apportion among themselves the amount due to them as Lenders Dues and any consideration received from the Selectee in connection with a substitution. "Lenders Dues" is defined in the Substitution Agreement with reference to the aggregate of all monies owed to the Lenders. There is uncertainty as to the interpretation and application of various terms of the Substitution Agreement, including the definition of "Lenders," which refers to a schedule of lenders that may not include the Trustee or the Noteholders. The terms of the Notes require that we use commercially reasonable efforts to have the Trustee named as a Lender in the Substitution Agreement though there can be no assurance as to when such amendment or entry into a new Substitution Agreement will occur, if at all.

Accordingly, it is possible that the inclusion of our obligations under the Notes as "Lenders Dues" would be challenged by the Selectee, our existing lenders or lenders agent, AAI or other parties, which would have an adverse impact on the recovery of the outstanding amounts under the Notes from the Selectee pursuant to our substitution.

Among other conditions, if the Lenders do not exercise their right to nominate a Selectee in the circumstances as discussed above, or if the substitute entity nominated is not approved by AAI, then AAI will have the right, but will not be required, to terminate the Concession. Further, if the Selectee upon substitution fails to make payment of the "Lenders Dues" within the stipulated period, then the Lenders will have a right to require AAI to terminate the OMDA. Upon termination of OMDA (as a consequence of our default, AAI defaults or in other prescribed circumstances), AAI will acquire all our rights, titles and interests in the Transfer Assets as recorded in our books by making payment of "transfer payments," which are determined *inter alia* with reference to "Debt" (as defined in the OMDA) that we incurred towards capital expenditure to develop the Transfer Assets at the Airport. "Debt" means the outstanding principal amount payable to "Lenders" (as defined in the OMDA) and does not include, among other things, debt not secured by a first-priority charge and debt on which we have defaulted and which has become payable prior to the Transfer Date (the date on which we transfer possession, and in respect of such assets that are not owned by AAI, ownership and possession, of the Transfer Assets and/or the Non-Transfer Assets, as the case may be, to AAI or its nominee in accordance with the terms of the OMDA, which shall be the date of termination as per the relevant notice of termination issued by us or AAI, as the case may be, or the date of the expiry of the Concession) or the expiration of our Concession, as the case may be. Accordingly, any amounts representing defaulted principal, interest or other unpaid payments on the Notes (up to and including the entire amount owed on the Notes if the Notes had prior to such time been accelerated following an Event of Default), as of the date of termination or expiry, would not be considered "Debt" for the purposes of the OMDA. As a consequence, we may receive a lower amount of transfer payments from AAI, which would have an impact on the amounts that can be collected by the Noteholders upon termination of the OMDA. See "Business—Our Concession—The Operation, Management and Development Agreement."

If we were to lose the right to operate the Concession and the Notes did not qualify as "Lenders Dues" under the Substitution Agreement or as "Debt" under the OMDA, the holders of the Notes would not be entitled to repayment by the Selectee or of the transfer payments by AAI, respectively. In such event, the only secured assets available to repay the Notes would be the Collateral, which is unlikely to be sufficient to satisfy our obligations under the Notes and our obligations to other creditors whose debt is secured *pari passu* by the Collateral. See "—The realizable value of the Collateral is unlikely to be sufficient to satisfy our obligations under the Notes." As our operations pursuant to the Concession constitute substantially all of our business and assets, the remaining assets in respect of which an unsecured claim could be made would likewise be unlikely to satisfy our obligations under the Notes.

Notes held by holders who are not "Lenders" as defined under the OMDA are not eligible for transfer payments by AAI if AAI were to terminate our Concession.

As discussed above, upon termination of our Concession by AAI and in the absence of a Selectee's assumption of our rights and obligations under the Concession, AAI's obligation to pay 90% of the "Debt" we incurred to develop certain assets at the Airport applies only to debt held by "Lenders." "Lenders" is defined in the OMDA to include "financing institutions, banks, multilateral funding agencies and similar bodies undertaking lending business" and their trustees and agents. Notes held by individuals or by entities that do not fall within the definition of "Lenders" under the OMDA would not be considered "Debt" for the purposes of the OMDA and the holders of the Notes would not be eligible to receive the 90% repayment of "Debt" from AAI. We have been advised that hedge funds, mutual funds, pension funds, insurance companies or other financial institutions that invest in primary offerings of debt securities in their ordinary course of business would be considered "Lenders" for the purposes of the OMDA, but it is possible that AAI or the Indian courts may not consider certain of such institutions as "Lenders" under the OMDA and disagree with the view taken by Indian counsels advising on this Offering in this regard, in case of any dispute. Any prospective Noteholder should determine whether it is a "Lender" before investing in the Notes. The Trustee has no duty to determine, and would not be responsible for any determination of, whether any Noteholders qualify as "Lenders" under the OMDA.

Our debt instruments, including our existing credit facilities and the Indenture, impose significant operating and financial restrictions on us.

Our debt instruments, including the Indenture, the Existing Indenture and the agreements governing our term loan and working capital and hedge facilities, impose significant operating and financial restrictions on us. These restrictions limit our ability, among other things, to:

- incur additional debt and issue certain preferred stock;
- repurchase stock, and make other distributions;
- prepay subordinated debt and make investments and other restricted payments;
- create or incur liens or encumbrances;
- create restrictions on our ability to pay dividends or make other payments;
- enter into transactions with affiliates;
- sell assets, consolidate or merge with or into other companies or reorganize; and
- enter into sale and leaseback transactions.

The restrictions contained in these debt instruments, including the Indenture and the agreements governing our term loan and working capital and hedge facilities, could limit our ability to plan for or react to market conditions, meet capital needs or make acquisitions or otherwise restrict our activities or business plans. Our ability to comply with the covenants of our debt instruments may be affected by events beyond our control, and any material deviations of our business performance from our forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. There can be no assurance that such waivers, amendments or alternative financing could be obtained, or if obtained, would be on terms acceptable to us.

Furthermore, any defaults in covenants in our other debt instruments could lead to cross-acceleration under the Indenture, and any defaults in covenants contained in the Indenture may lead to an event of default under the Notes and may lead to cross-defaults under our other debt instruments. No assurance can be given that we will be able to pay any amounts due to Noteholders in the event of any such default, and any default may significantly impair our ability to pay, when due, the interest of and principal on the Notes.

The realizable value of the Collateral is unlikely to be sufficient to satisfy our obligations under the Notes.

The Collateral will consist of a hypothecation of our receivables, insurance contracts, contracts, guarantees, liquidated damages, Concession Agreements (to the extent permitted under the OMDA) and certain accounts, which are unlikely to be sufficient to satisfy our obligations under the Notes. See "Description of the Notes—Security—Collateral." In addition, the OMDA requires that any amounts received by us must flow through a waterfall mechanism, first through the Escrow Account and then through the Trust and Retention Account under the Trust and Retention Account Agreement, which provides for the payment of certain expenses, including construction, operating, maintenance and insurance expenses, in priority to payment on the Notes and our existing debts. Accordingly, this waterfall mechanism will further reduce the value of the Collateral realizable by Noteholders. Further, the Trustee will not be a party to the Trust and Retention Account Agreement, and the Trust and Retention Account Agreement will not be a security document for the benefit of the Noteholders. As such, the Trustee and the Noteholders will have limited rights under the Trust and Retention Account Agreement and will have limited ability to take any action for breaches or defaults under the Trust and Retention Account Agreement. The Trust and Retention Account Agreement may be amended, modified and terminated without the consent of the Noteholders. However, the establishment of any additional account in the Trust and Retention Account Agreement requires the consent of the Trustee if it results in any changes to the waterfall mechanism with respect to the Noteholders.

In addition, the Indenture will permit us to incur under certain circumstances additional debt secured by the Collateral as long as it is equally and ratably secured with the Notes. Further, the ability of the Security Trustee (as defined in the Intercreditor Agreement) to foreclose on the Collateral, upon the occurrence of an event of default or otherwise, will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests in the Collateral, we cannot assure you that the Security Trustee or the Noteholders will be able to enforce any of these security interests.

Certain of our existing secured lenders have been granted, and our future secured lenders may be granted additional security interests over the Excluded Collateral, for which the Noteholders will not receive any security interest. Accordingly, such secured lenders will have priority over claims of the Noteholders with respect to the assets comprising the Excluded Collateral.

Certain of our existing secured lenders have been granted, and our future secured lenders may be granted additional security interests over the Excluded Collateral, which includes, without limitation, a pledge over our shares and all monies required to be credited/deposited into the debt service reserve accounts established for the benefit of our secured lenders. See "Description of the Notes—Security—Excluded Collateral" for details regarding the assets over which our existing secured lenders have been granted, and our future secured lenders may be granted additional security interests, and for which the Noteholders will not receive any security interest. Accordingly, the Notes will be effectively subordinated to any obligations of our existing secured lenders to the extent of the assets comprising the Excluded Collateral. In bankruptcy, the holder of a security interest with respect to any assets comprising the Excluded Collateral would be entitled to have the proceeds of such assets applied to the payment of such holder 's claim before the remaining proceeds, if any, are applied to the claims of the Noteholders.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been registered under, and we are not obligated to register the Securities under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Plan of Distribution" and "Transfer Restrictions." We have not agreed to or otherwise undertaken to register the Notes (including by way of an exchange offer) with the U.S. Securities and Exchange Commission or the securities regulatory authority of any other jurisdiction, and we have no intention of doing so.

We may incur additional indebtedness which could create additional risks or increase the risks described herein.

Subject to restrictions in the Indenture, we may incur additional indebtedness, which could increase the risks associated with our existing indebtedness. If we incur any additional indebtedness that ranks equally and ratably with the Notes, the relevant creditors will be entitled to share ratably with the Noteholders in any proceeds distributed in connection with our insolvency, liquidation, reorganization, dissolution or other winding-up. This may have the effect of reducing the amount of proceeds paid to the Noteholders. Covenants in agreements governing debt that we may incur in the future may also materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. In addition, we could be in default of financial covenants contained in agreements relating to our existing or future debt in the event that our results of operations do not meet any of the terms in the covenants, including the financial thresholds or ratios. A default under one debt instrument may also trigger cross-defaults under other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to repurchase the Notes upon a Change of Control Triggering Event or redeem the Notes upon a Mandatory Redemption.

Upon the occurrence of a Change of Control Triggering Event or a Mandatory Redemption, each as defined in "Description of the Notes," we may be required to repurchase or redeem all or a portion of the Notes. If the maturity date or Change of Control Triggering Event or a Mandatory Redemption occurs at a time when other arrangements prohibit us from repaying or repurchasing the Notes, we would try to obtain waivers of such prohibitions from the lenders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. We may also be required to obtain the prior written approval of the RBI or the authorized dealer bank in accordance with the ECB

Policy, and comply with any conditions that the RBI or such authorized dealer bank may impose in accordance with the ECB Policy at the time of such approval. The RBI and the authorized dealer bank may not provide such approval in a timely manner or at all. Furthermore, any modification or waiver of the terms and conditions of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route for issue of U.S. dollar-denominated bonds under the ECB Guidelines will require prior approval from the RBI in accordance with the ECB Guidelines, and such approval may not be forthcoming.

We cannot assure you that we will have sufficient funds or would be able to arrange financing on terms that are acceptable to us or at all or to obtain waivers of prohibitions from lenders under our other financing arrangements to make the required purchase or redemption. Nor can we assure you that the RBI will provide any required approvals in a timely manner or at all. If we are unable to obtain the waivers or refinance these borrowings or obtain RBI approval, we would be unable to repay or repurchase the Notes. Additionally, in the event of a Mandatory Redemption the relevant changes in law or regulation that rendered payments under the Indenture and the Notes to be unlawful may inhibit our ability to redeem the Notes. Any failure by us to repurchase or redeem Notes upon a Change of Control Triggering Event or a Mandatory Redemption would be an event of default under the Notes and could, in turn, constitute an event of default under our other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods.

It may not be possible for investors to effect service of process or to enforce certain judgments on us.

We are incorporated in India and substantially all of our assets and operations are located in India. In addition, most of our directors reside in India. As a result, it may be difficult for investors to effect service of process on us or our directors outside India or to enforce judgments obtained in non-Indian courts, including judgments predicated upon the civil liability provisions of U.S. or other securities laws.

Judgments of non-Indian courts are not enforceable in Indian courts in the event a judgment has been passed by a court situated in a jurisdiction that is not a reciprocating territory with India. Further, even if the judgment is passed by a non-Indian court in a country that is a reciprocating territory with India, the judgment can only be enforced through an Indian court process and is subject to the specific exceptions provided in the Code of Civil Procedure, 1908. However, a foreign court judgment could be offered and accepted as non-conclusive evidence in a proceeding on the underlying claim in an Indian court as the Indian court may deem appropriate in its sole discretion. A claimant may be required to pursue claims in Indian courts on the basis of Indian law. There is doubt as to whether Indian courts will enter judgments in original actions brought in Indian courts predicated solely upon the civil liability of jurisdictions other than India. As a result, Noteholders would be required to pursue claims against us or our directors in Indian courts. There can be no assurance that the claims or remedies available under Indian law will be the same, or as extensive, as those available in other jurisdictions.

An active trading market for the Notes may not develop and the trading price of the Notes could be materially and adversely affected.

The Notes are a new issue of securities for which there is currently no public trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue such market making activity at any time without notice. We cannot predict whether an active trading market for the Notes will develop or be sustained. If an active trading market were to develop, the Notes could trade at prices that may be lower than their initial offering price. The liquidity of any market for the Notes depends on many factors, including:

- the number of holders of Notes;
- the interest of securities dealers in making a market in the Notes;
- prevailing interest rates and the markets for similar securities;
- general economic conditions; and
- our financial condition, historical financial performance and future prospects.

If an active market for the Notes fails to develop or be sustained, the trading price of the Notes could be materially and adversely affected. Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. However, no assurance can be given that we will be able to maintain such listing or that, if listed, a trading market will develop. We do not intend to apply for listing of the Notes on any securities exchange other than the SGX-ST. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a Noteholder's ability to dispose of the Notes.

The pledge of certain Collateral may in certain circumstances be deemed invalid or voidable.

The pledge of the Collateral securing the Notes may be invalid or voidable under insolvency, bankruptcy, fraudulent transfer, fraudulent preference or similar laws of India and other jurisdictions, if and to the extent applicable. In the event the pledge of the Collateral is invalid or voidable under such laws in India, the relevant time period during which such security is deemed invalid or voidable could be within 6 months of the date of the winding-up petition or, under some circumstances, it could be held invalid or voidable within longer periods. If the pledges of the Collateral were to be voided or set aside for any reason, Noteholders would have only an unsecured claim against us.

Security over the Collateral will not be granted directly to the Noteholders.

Security over the Collateral for our obligations under the Notes and the Indenture will not be granted directly to the Noteholders but will be granted only in favor of the Security Trustee, who will hold such security on behalf of and for the benefit of the Noteholders. As a consequence, Noteholders will not have direct security and may not be entitled to take enforcement action in respect of the security for the Notes, except in accordance with the terms of the Indenture governing the Notes through the Trustee or the Security Trustee, which have agreed to apply any proceeds of enforcement on such security towards such obligations.

It may not be possible for the Trustee to take certain actions.

The Notes, the Indenture and the Security Documents provide for the Trustee or the Security Trustee, as applicable, to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee or the Security Trustee, as applicable, is indemnified to its satisfaction. It may not be possible for the Trustee or the Security Trustee, as applicable, to take certain actions and accordingly in such circumstances the Trustee or the Security Trustee, as applicable, will be unable to take such actions, notwithstanding the provision of an indemnity to it, and it will be for the Noteholders to take such actions directly.

The Notes will initially be held in book-entry form.

The Notes will initially only be issued in global certificated form and held through DTC. Interests in the global notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The nominee of the custodian for DTC will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to the paying agent, which will make payments to DTC. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the custodian for DTC, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, and if you are not a participant in DTC, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the indenture. Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent available via the facilities of DTC, which, in turn, rely on the procedures of the participant through which you hold your book-entry interest. The procedures implemented for such actions may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, owners of book-entry interests will be restricted to acting through DTC via the participant through which you hold your book-entry interest. The procedures to be implemented through DTC may not be adequate to ensure the timely exercise of rights under the Notes. See "Description of the Notes—Book-Entry, Delivery and Form."

The ratings assigned to the Notes may be lowered or withdrawn.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The Notes are expected to be rated "Ba2" by Moody's and "BB" by S&P. The ratings represent the opinions of the ratings agencies and their assessment of our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform Noteholders of any such revision, downgrade or withdrawal. In addition, we cannot assure you that rating agencies other than Moody's and S&P would not rate the Notes differently. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes or the assignment by a rating agency other than Moody's or S&P of a rating of the Notes lower than those provided may adversely affect the market price of the Notes.

Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries.

As of the Original Issue Date, the Company's sole subsidiary will not be a guarantor of the Notes. Under certain of our contractual arrangements, our subsidiary is not able to provide guarantees under the Indenture. Accordingly, the Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments of our current and future non-guarantor subsidiaries. The Indenture permits our non-guarantor subsidiaries to incur indebtedness under certain circumstances. In the event of a bankruptcy, liquidation or reorganization of a non-guarantor subsidiary, the applicable non-guarantor subsidiary will pay the holders of its debt and its trade and other creditors (including specified statutory dues) before it will be able to distribute any of its remaining assets to us.

Any Subsidiary Guarantees, if issued, may be challenged under applicable financial assistance, insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees.

Under OMDA, we have the sole purpose of performing our obligations under that agreement and accordingly, we and our subsidiaries are restricted, except with the previous written consent of AAI, from engaging in any business other than the Airport, including the issuance of guarantees and the provision of financial assistance. Even if any subsidiary of ours in India is permitted by AAI to provide a guarantee or other financial assistance, under bankruptcy laws, fraudulent transfer laws, insolvency or similar laws in India, a guarantee that was granted by the guarantor within six months before the commencement of such guarantor's winding up will be deemed a fraudulent preference of its creditors and be invalid accordingly.

Further, under provisions of the Insolvency and Bankruptcy Code, 2016 (of India) ("Bankruptcy Code") that is yet to be notified and hence not in force at present, a transaction of a corporate debtor (which would include a corporate debtor who is a guarantor), if undervalued, shall be declared void and such transaction can be reversed if deemed so by the liquidator. The Bankruptcy Code also sets out that if during the corporate insolvency resolution process or a liquidation process, it is found that any business of a corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the adjudicating authority may, on the application of the resolution professional, pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate debtor as it may deem fit.

Even if a subsidiary in a jurisdiction other than India, if incorporated, is permitted by AAI to provide a guarantee or other financial assistance, the measure of insolvency for purposes of the foregoing will vary depending on the laws of the applicable jurisdiction. If a court voids a Subsidiary Guarantee, subordinates such guarantee to other indebtedness of the Subsidiary Guarantor, or holds the Subsidiary Guarantee unenforceable for any other reason, holders of the Notes would cease to have a claim against that Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables and specified statutory dues) of such Subsidiary Guarantor, and would solely be unsecured creditors of the Company and any Subsidiary Guarantors whose guarantees have not been voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Notes.

USE OF PROCEEDS

The gross proceeds from this offering will be US$522.6 million.

We intend to use the gross proceeds of the offering of the Notes to refinance the Rupee Facility and the ECB Facility.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian rupees and U.S. dollars. The exchange rates reflect the rates as reported by RBI.

	Period End[(1)]	Average[(1)(2)]	High	Low
Year Ended March 31,				
2012	51.16	47.95	54.24	43.95
2013	54.39	54.45	57.22	50.56
2014	60.10	60.50	68.36	53.74
2015	62.59	61.15	63.75	58.43
2016	66.33	65.46	68.78	62.16

Month	Period End[(1)]	Average[(1)(2)]	High	Low
January 2016	67.88	67.25	68.09	66.18
February 2016	68.62	68.24	68.78	67.64
March 2016	66.33	67.02	68.16	66.33
April 2016	66.52	66.47	66.73	66.24
May 2016	67.20	66.91	67.71	66.27
June 2016	67.62	67.30	68.01	66.63
July 2016	67.03	67.21	67.50	67.91
August 2016	66.98	66.94	67.19	66.74
September 2016	66.66	66.74	67.06	66.36
October 2016 (to October 19, 2016)	66.71	66.69	66.85	66.53

(1) The exchange rate at each period end and the average rate for each period differ from the exchange rates used in the preparation of our financial statements and financial information.

(2) The average rate for each period represents the average of the daily exchange rates for the period.

The exchange rate on October 19, as reported by RBI was Rs.66.71 per US$1.00.

Although certain rupee amounts in this offering memorandum have been translated into U.S. dollars for convenience, this does not mean that the rupee amounts referred to could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. Except as otherwise stated, the Indian rupee amounts in this offering memorandum as of and for the fiscal year ended March 31, 2016 and the three months ended June 30, 2016 were converted to U.S. dollars at the exchange rate of US$1.00 = Rs.67.62, the exchange rate as published by RBI as of June 30, 2016. For comparison purposes, the exchange rate as set forth in the H.10 statistical release certified by the Federal Reserve Bank of New York as of March 31, 2016 was Rs.66.25 per US$1.00 and as of June 30, 2016 was Rs.67.51 per US$1.00.

Indian Exchange Control Restrictions

There are certain restrictions on the conversion of Indian Rupees into foreign currencies, including U.S. dollars. The FEMA regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or specific permission of the RBI.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, indebtedness and capitalization as of June 30, 2016 (i) on an actual basis and (ii) on an as adjusted basis to give effect to the offering of the Notes and the use of proceeds therefrom to refinance the Rupee Facility and the ECB Facility.

You should read this table in conjunction with our financial statements and related Notes thereto appearing elsewhere in this offering memorandum, as well as "Selected Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds."

	As at June 30, 2016			
	Actual		As Adjusted(5)(6)(7)	
	(US$)	(Rs.)	(US$)	(Rs.)
	(in millions)			
Cash and bank balances and other current investments(1)(7)	269.3	18,209.1	265.0	17,688.5
Short-term borrowings	—	—	—	—
Long-term borrowings, including current maturity of long-term borrowings (secured)(2)(7)(3)	812.1	54,916.2	300.2	20,037.9
Notes offered hereby(7)	—	—	522.6	34,878.3
Shareholders' funds(6)	354.1	23,941.7	358.7	23,941.7
Total capitalization(4)	**1,166.2**	**78,857.9**	**1,181.5**	**78,857.9**

Notes:

(1) Other current investments comprise investments in mutual funds and commercial paper.

(2) Includes current maturities of long-term borrowings. Excludes outstanding amounts under the PSF Loan, which had an outstanding balance of Rs.498.8 million as of June 30, 2016. All of our long-term borrowings are secured by liens on our assets. See "Description of Material Indebtedness."

(3) The gross proceeds from the Notes will be used to refinance the Rupee Facility and the ECB Facility.

(4) Total capitalization is the sum of shareholders' funds, long-term borrowings (including current portion of long-term borrowings) and the Notes offered hereby.

(5) Reflects the refinancing of the Rupee Facility and the ECB Facility and the payment of estimated fees and expenses of up to US$7.8 million (Rs.520.6 million at the exchange rate of Rs.66.74 per US$1.00) relating to the offering of the Notes to be paid from our internal resources.

(6) The exchange rate used for the conversion of the Rupee balances into U.S. dollars under the column "As Adjusted" is Rs.66.74 per US$1.00. The exchange rate used for the conversion of the Rupee balances into U.S. dollars under the column "Actual" is Rs.67.62 per US$1.00.

(7) The exchange rate used for conversion of U.S. dollars into Rupee balances under the column "As Adjusted" is Rs.66.74 per US $1.00. The exchange rate used for the conversion of the Rupee balances into U.S. dollars under the column "Actual" is Rs.67.62 per US$1.00.

Except as otherwise disclosed herein, there has been no material change in our capitalization since June 30, 2016.

SELECTED FINANCIAL AND OTHER DATA

You should read the selected financial and other data below, together with the financial statements and related notes thereto appearing elsewhere in this offering memorandum, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information included elsewhere in this offering memorandum.

We derived the selected statement of profit and loss data and the selected cash flow statement data for the years ended March 31, 2016, 2015 and 2014 and the selected balance sheet data as of March 31, 2016, 2015 and 2014 from our audited standalone financial statements which are included elsewhere in this offering memorandum and are audited jointly by S.R. Batliboi & Associates LLP and Brahmayya & Co. We derived the selected statement of profit and loss data and the selected cash flow statement data for the three months ended June 30, 2016 and 2015 and the selected balance sheet data as of June 30, 2016 and 2015 from our unaudited standalone condensed interim financial statements which are included elsewhere in this offering memorandum and are reviewed jointly by S.R. Batliboi & Associates LLP and Brahmayya & Co. We have prepared our unaudited standalone condensed interim financial statements on the same basis of recognition and measurement as our audited standalone financial statements. The financial statements as at and for the period ended June 30, 2016, included elsewhere in this offering memorandum, have been prepared in accordance with recognition and measurement principles set forth in Indian GAAP, including Accounting Standard 25 "Interim Financial Reporting" and applicable accounting standards issued by the ICAI and other recognized accounting practices and policies in India. These financial statements do not give effect to the adoption of the Indian accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015, applicable to the Company effective April 1, 2016 ("Ind-AS — new accounting framework"). The results for any interim period are not necessarily indicative of the results that may be expected for the full year. Additionally, our historical results are not necessarily indicative of the results expected for any future period.

Our financial statements have been prepared and presented in accordance with Indian GAAP, which may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors—Risks Related to India—Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries." The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence of Indian GAAP with IFRS, pursuant to which the Company would be required to prepare their annual and interim financial statements under Indian GAAP converged with IFRS, known as Indian Accounting Standards ("Ind-AS"). Ind-AS will be mandatorily applicable to the Company effective April 1, 2016 ("Ind-AS — new accounting framework"). See "Management's Discussion of Financial Condition and Results of Operation—Transition to Ind-AS" and "Risk Factors—The mandatory adoption of Ind-AS may have a material adverse effect on our reported results of financial condition and results of operations.

	Three months ended June 30,			Fiscal year ended March 31,			
	2016		2015[(1)]	2016		2015[(2)]	2014[(3)]
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)		
Statement of Profit and Loss Data:							
Income							
Revenue from operations[(4)]	195.5	13,220.2	11,535.4	719.0	48,616.3	41,955.0	39,227.0
Other income	5.6	376.0	175.4	22.8	1,543.5	844.2	817.4
Total revenue	**201.1**	**13,596.2**	**11,710.8**	**741.8**	**50,159.8**	**42,799.2**	**40,044.4**
Expenses							
Annual fee to Airports Authority of India	92.5	6,252.9	5,385.8	340.7	23,041.5	19,678.0	18,380.6
Power and fuel[(5)]	—	—	—	—	—	—	1,062.6
Employee benefits expense	4.4	294.2	290.8	18.5	1,253.4	1,321.2	1,226.5
Other expenses	26.7	1,804.3	1,693.6	103.5	7,001.5	6,974.7	6,057.6
Total expenses	**123.6**	**8,351.4**	**7,370.2**	**462.7**	**31,296.4**	**27,973.9**	**26,727.3**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(6)]	77.5	5,244.8	4,340.6	279.0	18,863.4	14,825.3	13,317.1
Depreciation and amortization expense	24.2	1,638.3	1,556.0	95.7	6,469.6	6,242.8	4,364.4
Finance costs	18.7	1,266.6	1,236.6	84.5	5,712.4	5,561.9	5,648.3
Profit before tax, exceptional and prior period items	**34.6**	**2,339.9**	**1,548.0**	**98.8**	**6,681.4**	**3,020.6**	**3,304.4**
Exceptional items	—	—	—	—	—	741.5	—
Prior period items (net)(Income)/Expenses[(7)]	—	—	—	—	—	—	(803.9)
Profit before tax (A)	34.6	2,339.9	1,548.0	98.8	6,681.4	2,279.1	4,108.3
Current tax	7.4	499.4	271.5	19.1	1,290.7	—	—
Deferred tax charge	1.0	67.9	—	4.0	272.8	—	—
MAT credit entitlement	—	—	(271.5)	—	—	—	—
MAT credit entitlement for earlier years/periods written off	—	—	—	0.4	29.3	—	—
Total tax expense (B)	**8.4**	**567.3**	**—**	**23.5**	**1,592.8**	**—**	**—**
Profit for the year/period (A - B)	**26.2**	**1,772.6**	**1,548.0**	**75.3**	**5,088.6**	**2,279.1**	**4,108.3**

	As at June 30,		As at March 31,				
	2016	2015(1)	2016	2015(2)	2014(3)		
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)		
Balance Sheet Data:							
Equity and liabilities							
Shareholders' funds							
Share capital	362.3	24,500.0	24,500.0	362.3	24,500.0	24,500.0	24,500.0
Reserves and surplus	(8.3)	(558.3)	(5,871.5)	(34.5)	(2,330.9)	(7,419.5)	(9,698.6)
Total shareholders' funds	**354.0**	**23,941.7**	**18,628.5**	**327.8**	**22,169.1**	**17,080.5**	**14,801.4**
Non-current liabilities							
Long-term borrowings (secured)	791.9	53,546.2	53,388.3	793.2	53,634.3	54,369.4	56,321.4
Deferred tax liability (net)	5.0	340.9	—	4.0	272.8	—	—
Other long-term liabilities	286.9	19,392.1	19,697.4	288.6	19,509.1	19,989.5	20,788.1
Long-term provisions	4.5	305.7	480.4	5.2	349.0	525.0	707.6
Total non-current liabilities	**1,088.3**	**73,584.9**	**73,566.1**	**1,091.0**	**73,765.2**	**74,883.9**	**77,817.1**
Current liabilities							
Short-term borrowings (secured)	—	—	—	—	—	—	1,251.9
Trade Payables	56.0	3,785.3	4,090.5	57.7	3,903.8	4,256.4	2,986.6
Other current liabilities	205.7	13,912.2	17,361.7	177.7	12,015.6	14,566.3	18,861.3
Short-term provisions	14.2	960.1	682.6	8.5	575.9	424.4	385.1
Total current liabilities	**275.9**	**18,657.6**	**22,134.8**	**243.9**	**16,495.3**	**19,247.1**	**23,484.9**
Total equities and liabilities	**1,718.2**	**116,184.2**	**114,329.4**	**1,662.7**	**112,429.6**	**111,211.5**	**116,103.4**
Assets							
Non-current assets							
Tangible assets	1,170.1	79,120.6	82,678.2	1,183.0	79,995.8	83,556.9	88,338.6
Intangible assets	60.3	4,078.8	4,310.7	61.1	4,129.4	4,335.0	4,471.7
Capital work-in progress	10.5	710.0	535.5	9.4	638.7	506.5	313.3
Non-current investments	20.4	1,380.1	1,380.1	20.4	1,380.1	1,380.1	1,840.9
Loans and advances	14.6	989.0	1,268.9	14.6	985.5	895.3	943.4
Other non-current assets	7.8	526.1	612.2	8.1	546.8	1,700.1	5,515.5
Total non-current assets	**1,283.7**	**86,804.6**	**90,785.6**	**1,296.6**	**87,676.3**	**92,373.9**	**101,423.4**
Current assets							
Current investments	196.7	13,303.9	5,873.0	146.4	9,898.7	2,872.7	1,087.9
Inventories	1.1	75.4	89.2	1.2	81.1	86.5	110.6
Trade receivables	107.8	7,286.7	6,065.7	116.5	7,879.3	6,522.2	7,290.9
Cash and bank balances	78.6	5,311.6	3,874.0	71.6	4,838.8	3,202.7	614.2
Loans and advances	9.9	671.9	813.8	8.8	595.7	623.4	634.2
Other current assets	40.4	2,730.1	6,828.1	21.6	1,459.7	5,530.1	4,942.2
Total current assets	**434.5**	**29,379.6**	**23,543.8**	**366.1**	**24,753.3**	**18,837.6**	**14,680.0**
Total assets	**1,718.2**	**116,184.2**	**114,329.4**	**1,662.7**	**112,429.6**	**111,211.5**	**116,103.4**

	Three months ended June 30,			Fiscal year ended March 31,			
	2016		2015(1)	2016		2015(2)	2014
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)		
Cash Flow Statement Data:							
Net cash flow from operating activities	77.7	5,251.2	5,158.1	229.2	15,500.8	15,541.7	9,358.1
Net cash flow used in investing activities	(38.9)	(2,628.3)	(2,668.2)	(40.5)	(2,737.5)	(2,391.2)	(1,083.4)
Net cash flow used in financing activities	(32.4)	(2,193.3)	(2,297.9)	(146.2)	(9,882.9)	(12,565.7)	(10,051.0)

(1) Due to certain regroupings and reclassifications, the amounts of certain line items as of and for the three-month period ended June 30, 2015 as presented in our unaudited standalone condensed interim financial statements as of and for the three-month period ended June 30, 2016 have been reclassified and regrouped from such amounts as presented in our unaudited standalone condensed interim financial statements as of and for the three-month period ended June 30, 2015. The table above uses the amounts of such line items as presented in our unaudited standalone condensed interim financial statements as of and for the three-month period ended June 30, 2015.

(2) Due to certain regroupings and reclassifications, the amounts of certain line items for the fiscal year ended March 31, 2015 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2016 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015. The table above uses the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015.

(3) Due to certain regroupings and reclassifications, the amounts of certain line items as of and for the fiscal year ended March 31, 2014 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014. The table above uses the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014.

(4) A substantial majority of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines and passengers for such services are regulated by AERA in accordance with our Concession Agreements. Any adverse change in AERA's determinations of our aeronautical charges would have a material and adverse effect on our results of operations. See "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services—which comprise a substantial majority of our revenues—are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition—particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services." and "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details.

(5) Power and fuel costs are included in "other expenses" in the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016 and 2015.

(6) As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, issued by the Institute of Chartered Accountants of India, we have elected to present earnings before interest, tax, depreciation and amortization ("EBITDA").

(7) See footnote 45 to our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 for a discussion for the prior period items which affected our profit before tax.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related Notes thereto appearing elsewhere in this offering memorandum, as well as "Presentation of Financial Information" and "Selected Financial and Other Data." Our financial statements have been prepared and presented in accordance with Indian GAAP, which differs in certain respects from US GAAP and IFRS. See "Risk Factors—Risks Related to India—Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries."

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and "Forward-Looking Statements.The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence of Indian GAAP with IFRS, pursuant to which some companies in India would be required to prepare their annual and interim financial statements under Indian GAAP converged with IFRS, known as Indian Accounting Standards ("Ind-AS"). Ind-AS will be mandatorily applicable to certain companies for periods beginning on or after April 1, 2016. See "—Transition to Ind-AS" and "Risk Factors—The mandatory adoption of Ind-AS may have a material adverse effect on our reported results of financial condition and results of operations."

OVERVIEW

We hold the exclusive right to operate, manage and develop Indira Gandhi International Airport — the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by the Airports Authority of India, or AAI. Our core activities include the development, management, maintenance and operation of the Airport and management of commercial and other activities conducted at the Airport. The Airport serves New Delhi and the entire National Capital Region of India, which constitutes the second largest urban agglomeration in the world, according to the United Nations. Servicing 61 airlines flying direct to 124 destinations, including 66 international destinations and 58 domestic destinations as of June 30, 2016, the Airport is emerging as a leading aviation hub in South Asia. The Airport handled more passenger traffic than any other airport in India in the year ended March 31, 2016 and the three months ended June 30, 2016, according to IATA.

Located within the city of New Delhi between the Connaught Place central business district and the key commercial and residential suburb of Gurgaon, the Airport is connected to the surrounding region by several links, including a dedicated high-speed metro line and an eight-lane access road linked to National Highway 8. With no other major international airport serving northern India, we expect to benefit from the projected increase in international and domestic passenger traffic to the region, which is projected to reach 22 million and 45 million, respectively, by fiscal year 2022 according to the KPMG Report. See "Industry" for additional information about the aviation sector in India.

In March 2010, we successfully completed the first phase of our long-term development plan for the Airport, which included construction of a third runway and a new state-of-the-art passenger terminal, at a total capital expense of Rs.125 billion, as recognized by the Airports Economic Regulatory Authority of India, or AERA. The only airport in India with three runways, the Airport currently has the capacity to handle 62 million passengers and 1.5 million metric tons of cargo per year. The Airport's facilities include two cargo terminals and three passenger terminals, with a total of 321 check-in counters and 84 aerobridges, as well as nine A380 compliant boarding gates. The next phase of our long-term development plan, the Phase 3A Expansion, includes, among others, expansion of Terminal 1, construction of a fourth runway and enhancement of airfields and construction of taxiways. Under our management, the Airport has received numerous awards and has been recognized in various rankings in recent years, including the "Best Airport in the World" among 25-40 million passenger size airports in 2015 and 2014 by the Airport Council International, "Best Airport in India and Central Asia in 2015 and 2014," "Best Airport Staff in India/Central Asia" in 2015 by SKYTRAX, "Best Airport in the Country at National Tourism Awards for 2013 and 2014," "Golden Peacock Award for Sustainability in the Aviation Sector for 2015," "Best Emerging Airport — Asia at the Asian Freight, Logistics and Supply Chain Awards," "CIIBE Star Awards: Leaders in Operations Management & Leaders in Customer Management 2015," "CNBC Aawaz — Best Managed Airport Award for 2013, 2014 and 2015" and "Outlook Traveler Awards — Favorite Domestic Airport."

Incorporated in March 2006, we were formed following a competitive bidding process in which a consortium, led by the GMR Group, was awarded an exclusive concession to operate, maintain and develop the Airport. Our Concession has an initial term of 30 years, and we have an option to extend for an additional 30 years to 2066 without a renewal fee, subject to the non-occurrence of a default under the OMDA. The Operation, Management and Development Agreement, or OMDA, that we entered into with AAI governs our rights and obligations under the Concession, while the SSA and SGSA entered into with the Government of India and the Government of the National Capital Territory of Delhi, or GONCT, respectively, provide for certain support services and incentives to us for the development of the Airport, as well as a right of first refusal to match the winning concession bid to develop any new airport within 150 kilometers of the Airport, subject to certain conditions. The Government of India has guaranteed AAI's payment obligations to us of all undisputed transfer payments, which include debt (as defined in the OMDA), subject to certain parameters.

Our Concession also includes the right to commercially develop approximately 230 acres of land at the Airport for certain identified commercial purposes. We have already awarded development rights to third parties for approximately 45 acres of this land for the construction of a hospitality district, with the aim of progressively transforming the Airport into an international-caliber "aerotropolis." Several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree, have been built or are under construction in the hospitality area. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. We expect demand for space and land in our land bank, which is centrally located in the Delhi region, to continue to grow and contribute visible and predictable revenues generated by long-term leases.

Passenger traffic at the Airport has grown substantially under our management, from 16 million passengers in 2006 at the beginning of our Concession, to nearly 48.4 million passengers in fiscal year 2016, a compound annual growth rate ("CAGR")[2] of over 11.5%. Cargo volume has also increased rapidly, from 383,052 metric tons in fiscal year 2006 to 787,168 metric tons in fiscal year 2016. In the three months ended June 30, 2016 and 2015 and fiscal years ended March 31, 2016, 2015 and 2014, total passenger traffic at the Airport was 13.8 million, 11.5 million, 48.4 million, 41.0 million and 36.9 million, respectively, while our total cargo traffic in metric tons was 208,124, 194,698, 787,168, 696,539 and 605,699, respectively, for the same periods. In fiscal year 2016, the Airport handled 365,696 air traffic movements, or ATMs, which are all aircraft arrivals and departures to and from the Airport. Increasing passenger and cargo traffic through the Airport is a key driver of our growth and increased revenue.

For the fiscal year ended March 31, 2016, we had total revenue of Rs.50,159.8 million (US$741.8 million) and EBITDA of Rs.18,863.4 million (US$279.0 million), an increase of 17.2% and 27.2%, respectively, from total revenue of Rs.42,799.2 million and EBITDA of Rs.14,825.3 million for fiscal year ended March 31, 2015. For the three months ended June 30, 2016, we had total revenue of Rs.13,596.2 million (US$201.1 million) and EBITDA of Rs.5,244.8 million (US$77.6 million), an increase of 16.1% and 20.8%, respectively, from total revenue of Rs.11,710.8 million and EBITDA of Rs.4,340.6 million for the three months ended June 30, 2015. See "Selected Financial and Other Data" for details on our calculation of EBITDA.

Our majority shareholder is a subsidiary of the GMR Group, a leading diversified infrastructure group in India with substantial experience in the development and operation of airports, power plants, roads and urban infrastructure. Our other shareholders include AAI, a Government of India enterprise, and Fraport AG Frankfurt Airport Services Worldwide, a leading international airport operator. See "Principal Shareholders" for more information about our shareholders.

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(2) CAGR = (ending value/beginning value)$^{(1/\text{no. of years})}$-1

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Volatility and Unpredictability of Our Results of Operations Due to Regulation and Implementation of Our Aeronautical Charges

A substantial majority of our revenues are earned from aeronautical services. Accordingly, our results of operations, cash flows and financial condition are significantly affected by the aeronautical charges we may charge, which are regulated by AERA and include landing and parking charges, user development fees and CUTE counter charges. AERA's determinations for our aeronautical charges are for a "control period" of five years, following which AERA may increase or decrease our aeronautical charges for the subsequent five-year control period. When determining our aeronautical charges, AERA takes into account our forecasts for operating costs, depreciation expenses and tax expenses, as well as our revenues from non-aeronautical services and our desired return on capital. In addition, AERA may take into account viewpoints of the airline industry and passenger advocacy bodies. Any adverse change in AERA's determinations for our aeronautical charges likely would have a material and adverse effect on our results of operations. Prior to May 15, 2012, when AERA declared effective charges for the control period for fiscal years 2010 through 2014, we collected aeronautical charges based on the rates existing prior to the beginning of our Concession in 2006, subject to certain step-up increases, which were considerably lower than those for the fiscal years 2010-2014 control period and caused us, in part, to generate losses in our results of operations.

In addition to the regulation of our aeronautical charges, the effective dates of AERA's rate determinations have had, and will continue to have, a material impact on our results of operations. For example, the substantial increase in our aeronautical charges for the control period spanning fiscal years 2010 through 2014 was not declared effective by AERA until May 15, 2012, at which time, AERA permitted us to recover in-full, over the remaining 22 and one-half months of the control period, those aeronautical charges we should have earned prior to May 15, 2012 had AERA's rate determination been effective from the beginning of the control period. As a result of this later-occurring effective date, our revenue from aeronautical operations for fiscal years 2013 and 2014 experienced disproportionate increases of 268.5% and 359.3%, respectively, as compared to fiscal year 2012. Such high growth in our revenue due to the amount and timing of AERA's rate determinations may lead to substantial volatility and unpredictability in our earnings and could make period-on-period comparisons of our results of operations not indicative of the performance of our business and prevailing trends.

We have not implemented the aeronautical tariff for the second control period although AERA issued an order dated December 8, 2015 (issued on December 10, 2015) to reduce the aeronautical tariff for the second control period by 89.4% from the current aeronautical tariff structure for the first five-year control period. We have filed an appeal against this order and the proceedings are ongoing. See "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services—which comprise a substantial majority of our revenues—are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition—particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services." and "Indian Regulatory Environment—Airports Economic Regulatory Authority" for further details.

Economic Conditions in India and Globally

Aggregate passenger traffic at our Airport and, in turn, our results of operations, are linked closely to macroeconomic and political conditions prevailing from time to time in India and globally. As we rely to a significant extent on business- and tourist-passenger traffic, domestic and global economic conditions, risks affecting or reducing air-travel and adverse political conditions have materially and adversely impacted — and likely could impact in the future — passenger traffic in our Airport and, in turn, our revenues and profitability. The air transportation industry is also cyclical and seasonal in nature, with, for example, the Airport typically experiencing higher passenger traffic and ATMs in the first and third quarter of each fiscal year. While passenger traffic at our Airport has increased in the aggregate over the last several years, other than in fiscal year 2013 when, like many airports in the world, it decreased compared to fiscal year 2012, and coincided with the growth of the Indian and global economies, India's GDP recently has contracted as a result of high inflation and domestic political conditions. Though we are unable to determine if these recent conditions in India will adversely affect our results of operations in our current fiscal year, any sustained decrease in India's GDP or lack of improvement in domestic political conditions could have an adverse impact on our business and results of operations going forward. See "Risk Factors—Risks Related to Our Business."

Passenger and Aircraft Traffic and Cargo Volumes

Passenger and aircraft traffic volumes at the Airport impact our revenues from aeronautical and non-aeronautical services. In the fiscal years ended March 31, 2016, 2015 and 2014, total passenger traffic and ATMs at the Airport were 48.4 million, 40.99 million and 36.88 million, respectively, and 365,696, 323,450 and 313,958, respectively. Our aeronautical charges for international flights and passengers generally are higher than those for domestic flights and passengers. A majority of our passenger traffic is domestic passengers and the aggregate number of both domestic and international passengers using our Airport has increased in each of the last three fiscal years. The types of aircraft and flight schedules used by our airline customers also impacts our aeronautical services revenues as a given quantum of passengers can be transported on fewer flights if our airline customers use larger planes that carry more passengers per flight, which results in lower aggregate landing charges, versus if our airline customers were to transport the same number of passengers on smaller planes that can carry fewer passengers per flight. We seek to increase passenger traffic at the Airport by attracting new airline customers to use the Airport and encouraging existing airline customers to increase the number of routes and flights servicing the Airport. In addition, we believe that our non-aeronautical services revenues are positively affected by the increasing number of tourist passengers that travel through our Airport. We believe that tourist passengers tend to arrive at our Airport further in advance of their flights, which contributes to a tendency to spend more money in duty-free and other retail outlets, in turn increasing our non-aeronautical services revenues. We, accordingly, work with our JV partners to offer a greater array of shops, retail outlets and other amenities. Our management has taken account of these tendencies in progressing plans to develop the Airport by working with our joint venture partners to offer an array of restaurants, shops—including duty-free shops—and other amenities. There are several factors which could affect the volume, nature and mix of passenger and aircraft traffic in our Airport, almost all of which are beyond our control. See "Risk Factors—Risks Related to Our Business—Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and environmental factors."

In addition to the revenues we earn as a result of passenger traffic in our Airport, we earn, to a lesser extent, revenue from cargo traffic that we receive through the revenue sharing arrangements with our joint ventures and rent and fees from operators of our cargo facilities. In the fiscal years ended March 31, 2016, 2015 and 2014, total cargo handled at the Airport was 787,168 metric tons, 696,539 metric tons and 605,699 metric tons, respectively. The majority of cargo traffic through our Airport is international: for the fiscal year ended March 31, 2016, approximately 62% of cargo traffic by tonnage through our airport was international cargo. Cargo traffic is principally affected by the level of international and domestic commercial activity. In recent years we have focused on growing our cargo business, including by expanding cargo-handling capacity, with the aim of increasing cargo traffic and related revenues, and though we believe cargo traffic will continue to increase over the long-term, we may experience period-to-period fluctuations that could affect our non-aeronautical services revenues related to cargo traffic. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, cargo revenue accounted for 3.0%, 3.4%, 3.2%, 3.7% and 3.5%, respectively, of our total revenue.

The following tables set forth certain statistical data relating to passenger and cargo traffic and our revenue for the periods indicated.

	Three months ended June 30,		Year ended March 31,		
	2016	2015	2016	2015	2014
Passenger Traffic					
Domestic passengers (in millions of persons)	10.18	8.16	34.27	27.45	24.19
International passengers (in millions of persons)	3.58	3.29	14.15	13.53	12.68
Total passengers (in millions of persons)	13.76	11.45	48.42	40.98	36.87
Revenue from user development fees (in millions of Rs.)[1]	6,476.2	5,343.6	23,134.1	19,538.6	18,056.3
Percentage of total revenue	47.6%	45.6%	46.1%	45.7%	45.1%
Cargo Traffic					
Domestic cargo (in metric tons)	69,477	69,407	295,107	271,763	215,846
International cargo (in metric tons)	138,648	125,291	492,061	424,776	389,853
Total cargo (in metric tons)	208,124	194,698	787,168	696,539	605,699
Revenue from cargo operations (in millions of Rs.)	412.7	398.4	1,597.6	1,573.6	1,407.3
Percentage of total revenue	3.0%	3.4%	3.2%	3.7%	3.5%
Air Traffic Movements	101,762	87,611	365,696	323,450	313,958

(1) We use user development fees as a measure of direct revenue from passenger traffic.

Airports Authority of India Annual Fee

Under the OMDA, we are required to pay AAI an annual fee in monthly installments throughout the term of the Concession equal to 45.99% of our projected pre-tax gross revenue for each given year. If the projected revenue for any given quarter exceeds or falls short of the actual revenue, the annual fee amount we pay to AAI in the succeeding quarter is adjusted accordingly. We are further required to pay AAI interest at the State Bank of India prime lending rate plus 3.0% on any amount of actual revenue that exceeds the corresponding projected revenue if such actual revenue is more than 110% of projected revenue for that period, and we have made certain provisions for AAI interest in the fiscal year ended March 31, 2016 due to our actual revenue exceeding our forecasted revenue by more than 10%. Such interest is included under other interest as a component of finance costs in our statement of profit and loss. For the fiscal year ended March 31, 2016, we incurred Rs.21.0 million in such interest. The annual fee to AAI accounts for our largest operating expense. See "Business—Our Concession—Operation, Management and Development Agreement" for further details. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, the annual fee to AAI constituted 74.9% and 73.1% and 73.6%, 70.3% and 68.8%, respectively, of our total expenses.

Access to and Cost of Funding

Borrowings are an important source of funding for our development and operation of the Airport. As of June 30, 2016, our total indebtedness, which includes long-term borrowings, current maturities of long-term borrowings and short-term borrowings, was Rs.54,916.2 million (US$812.1 million). Because most of our Indian Rupee-denominated loans link the interest rates on such borrowings to various Indian Rupee benchmark lending rates, any increase in such benchmark lending rates will increase our funding costs. We enter into hedging transactions in connection with certain of our U.S. dollar-denominated debt. Our access to capital, including foreign currency-denominated funds, and cost of financing are further affected by restrictions imposed from time to time by the RBI.

If certain conditions are met, we are obligated under our Concession Agreements to undertake significant capital expenditures for the construction and development of additional facilities at the Airport, including new terminals and the related facilities necessary to support these terminals, such as roads and security infrastructure. We will need to raise additional indebtedness, as we will not be able to fund many of these required capital expenditures solely with our operating cash flows. See "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport."

COMPONENTS OF OUR INCOME AND EXPENDITURES

Revenue

We classify our revenue into two primary categories: revenue from operations and other income. Revenue from operations is further divided into three primary categories: (i) revenue from aeronautical operations, (ii) revenue from non-aeronautical operations and (iii) revenue from commercial property development. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014 (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014), our revenue from aeronautical operations were Rs.9,363.3 million and Rs.8,013.5 million and Rs.34,075.8 million, Rs.29,509.2 million and Rs.28,063.5 million, respectively, or 68.9% and 68.4% and 67.9%, 68.9% and 70.1%, respectively, of our total revenue. For the same periods (after giving effect to the regrouping described above), our revenue from non-aeronautical operations were Rs.3,619.6 million, Rs.3,264.0 million, Rs.13,599.4 million, Rs.11,463.4 million and Rs.10,233.1 million, respectively, or 26.6% and 27.9% and 27.1%, 26.8% and 25.6%, respectively, of our total revenue. For the same periods, our revenue from commercial property development operations were Rs.237.3 million, Rs.257.9 million, Rs.941.1 million, Rs.982.4 million and Rs.930.4 million, respectively, or 1.7% and 2.2% and 1.9%, 2.3% and 2.3%, respectively, of our total revenue.

Other income includes interest income, income from current investments and dividend income, liquidated damages, management fees, foreign exchange fluctuation and miscellaneous income. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, our revenue from other income was Rs.376.0 million and Rs.175.4 million, Rs.1,543.5 million, Rs.844.2 million and Rs.817.4 million, respectively. The following table sets forth our revenue from operations and other income as well as the percentage of total revenue from operations and other income they represented for the periods indicated.

	Three months ended June 30,				Years ended March 31,					
	2016		2015		2016		2015		2014	
	(Rs. in millions except percentages)				(Rs. in millions except percentages)					
Revenue from Operations										
Revenue from Aeronautical Operations	9,363.3	68.9%	8,013.5	68.4%	34,075.8	67.9%	29,509.2	68.9%	26,715.4	66.7%
Regrouping: Revenue from fuel farm operations(1)	—	—	—	—	—	—	—	—	1,348.1	3.4%
Total revenue from Aeronautical Operations after Regrouping (A)	9,363.3	68.9%	8,013.5	68.4%	34,075.8	67.9%	29,509.2	68.9%	28,063.5	70.1%
Revenue from Non-Aeronautical Operations	3,619.6	26.6%	3,264.0	27.9%	13,599.4	27.1%	11,463.4	26.8%	11,581.2	29.0%
Regrouping: Revenue from fuel farm operations (1)	—	—	—	—	—	—	—	—	(1,348.1)	(3.4%)
Revenue from Non-Aeronautical Operations after Regrouping (B)	3,619.6	26.6%	3,264.0	27.9%	13,599.4	27.1%	11,463.4	26.8%	10,233.1	25.6%
Other operating income (Commercial Property Development) (C)	237.3	1.7%	257.9	2.2%	941.1	1.9%	982.4	2.3%	930.4	2.3%
Total Revenue from Operations (D)	**13,220.2**	**97.2%**	**11,535.4**	**98.5%**	**48,616.3**	**96.9%**	**41,955.0**	**98.0%**	**39,227.0**	**98.0**
Revenue from Other Income										
Total Other Income (E)	376.0	2.8%	175.4	1.5%	1,543.5	3.1%	844.2	2.0%	817.4	2.0%
Total Revenue (D+E)	**13,596.2**	**100.0%**	**11,710.8**	**100.0%**	**50,159.8**	**100.0%**	**42,799.2**	**100.0%**	**40,044.4**	**100.0%**
Total of Non-Aeronautical Revenue (after Regrouping) and Revenue from Commercial Property Development (B+C)	3,856.9	28.4%	3,521.9	30.1%	14,540.5	29.0%	12,445.8	29.1%	11,163.5	27.9%

(1) Revenue from fuel farm has been regrouped from non-aeronautical operations to aeronautical operations for the fiscal year ended March 31, 2014

Aeronautical Services Revenue

Aeronautical services revenue is primarily derived from the use of our Airport's facilities by aircraft and passengers. We collect aeronautical services revenue in the form of domestic and international landing and parking fees, user development fees from passenger flights (which replaced the passenger service fee (facilitation charge) and are different from the airport development fees that we collect on behalf of AAI but which we do not record as revenue) under the prior tariff period) and Common User Terminal Equipment (CUTE) counter charges. We charge aircraft fees to airlines for landing and parking based on the weight of the aircraft, whether the flight is international or domestic, distance of the flight and taxi and parking times, and we charge domestic and international user development fees on passengers arriving and departing from the Airport.

Under the regulatory system applicable to our aeronautical services revenues, AERA sets the specific prices, in the form of tariffs for five-year "control periods," that we can charge for each of the aeronautical services we provide. See "—Factors Affecting our Results of Operations—Volatility and Unpredictability of Our Results of Operations Due to Regulation and Implementation of Our Aeronautical Charges" for further details.

The following table sets forth our revenue from aeronautical operations as well as the percentage of total revenue from aeronautical operations they represented for the periods indicated (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014).

	Three months ended June 30,				Year ended March 31,					
	2016		2015		2016		2015		2014	
	(millions of Rs. except percentages)									
Revenue from Aeronautical Operations										
Landing & Parking Charges	2,475.3	26.4%	2,291.9	28.6%	9,398.3	27.6%	8,535.8	28.9%	8,549.3	30.5%
User Development Fee	6,476.2	69.2%	5,343.7	66.7%	23,134.1	67.8%	19,538.6	66.2%	18,056.3	64.3%
CUTE Counter Charges	35.0	0.4%	29.8	0.4%	124.9	0.4%	113.0	0.4%	109.8	0.4%
Fuel Farm Charges(1)	376.8	4.0%	348.1	4.3%	1,418.5	4.2%	1321.8	4.5%	1,348.1	4.8%
Total	**9,363.3**	**100%**	**8,013.5**	**100%**	**34,075.8**	**100%**	**29,509.2**	**100%**	**28,063.5**	**100%**

(1) Regrouped from non-aeronautical operations to aeronautical operations for the fiscal year ended March 31, 2014.

Non-aeronautical Services Revenue

Non-aeronautical services revenue principally consists of revenues from our various joint ventures and third-party concessionaires, which include revenue from the operator of our cargo facilities, our food and beverage outlets, duty free and other retail goods and services, our car park facilities and advertising revenues. Revenue earned from our revenue sharing-arrangements with our joint ventures is recognized as non-aeronautical services revenue, while any profits distributed to us by our joint ventures in the form of dividends is recognized as other income. In addition, our non-aeronautical services revenues include those we earn from land rent and leasing, leasing of terminal space, hangar rentals, ground handling services, rent from the transit hotel in Terminal 3, car rental services, automatic teller machines, airline lounge rentals, flight kitchen and forex counters. Our total revenue from non-aeronautical operations during fiscal year 2016 represented 27.1% of our total revenue. From fiscal years 2014 to 2016, our income under this category increased from Rs. 10,233.1 million to Rs. 13,599.4 million, or 32.9%. During the three months ended June 30, 2016, our revenue from non-aeronautical operations totaled Rs.3,619.6 million, constituting 26.6% of our total revenue.

The following table sets forth our revenue from non-aeronautical operations as well as the percentage of total revenue from non-aeronautical operations they represented for the periods indicated (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014).

	Three months ended June 30,				Year ended March 31,					
	2016		2015		2016		2015		2014	
	(millions of Rs. except percentages)									
Revenue from Non-Aeronautical Operations										
Cargo Revenues	412.7	11.4%	398.4	12.2%	1,597.6	11.7%	1,573.6	13.7%	1,407.3	13.8%
Land & Space — Rentals	772.4	21.3%	670.0	20.5%	2,698.3	19.8%	1,957.5	17.1%	1,602.2	15.7%
Fuel Farm Charges(1)	—	—	—	—	—	—	—	—	—	—
Flight Kitchen	122.9	3.4%	109.3	3.3%	476.9	3.5%	402.6	3.5%	354.6	3.5%
Ground Handling	274.0	7.6%	264.8	8.1%	1,087.0	8.0%	850.6	7.4%	630.6	6.2%
Bridge-Mounted Equipment	19.3	0.5%	14.6	0.4%	63.8	0.5%	44.0	0.4%	49.4	0.5%
Advertisement Revenue	276.5	7.6%	248.3	7.6%	1,191.3	8.8%	1,041.7	9.1%	897.0	8.8%
Retail — Duty Free	818.7	22.6%	735.0	22.5%	3,100.5	22.8%	2,638.2	23.0%	2,470.5	24.1%
Retail — Duty Paid	231.8	6.4%	209.4	6.4%	862.0	6.3%	731.1	6.4%	730.8	7.1%
Food & Beverages	262.6	7.3%	213.4	6.5%	874.8	6.4%	745.0	6.5%	683.1	6.7%
Forex Counters	146.3	4.0%	135.8	4.2%	563.6	4.1%	504.0	4.4%	479.8	4.7%
Car Park — MLCP	42.6	1.2%	33.1	1.0%	160.5	1.2%	102.3	0.9%	96.5	0.9%
Telecom Services	20.4	0.6%	19.0	0.6%	79.7	0.6%	75.3	0.7%	75.4	0.7%
Bank/ATM	36.0	1.0%	42.8	1.3%	152.0	1.1%	165.5	1.4%	146.3	1.4%
Car Rentals	52.8	1.5%	54.6	1.7%	205.8	1.5%	201.8	1.8%	171.2	1.7%
Airport Service Charges	65.7	1.8%	56.3	1.7%	226.7	1.7%	197.5	1.7%	192.3	1.9%
Other Services(2)	64.9	1.8%	59.2	2.0%	258.9	2.0%	232.7	2.0%	246.1	2.3%
Total	**3,619.6**	**100%**	**3,264.0**	**100%**	**13,599.4**	**100%**	**11,463.4**	**100%**	**10,233.1**	**100.0%**

(1) Regrouped from non-aeronautical operations to aeronautical operations.

(2) Includes health and spa services, common area maintenance, booking desks for hotel and travel services, kiosk placements and other miscellaneous services.

Revenue from commercial property development

Revenue from our commercial property development business consists of revenue earned from land licensed to several hotels, other hospitality businesses, and retailers in 45 acres out of the total 230-acre area designated for commercial property development at the Airport. Rental rates are fixed through a bidding process and increase at fixed rates, generally at 5.5% per annum, for the initial term of our Concession, and, after the initial term expires, in accordance with the All India Consumer Price Index (Industrial Workers-General). Other commercial property developed in the future at the Airport could be on different terms. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, revenue from commercial property development business (representing other operating income) accounted for 1.7% and 2.2% and 1.9%, 2.3% and 2.3%, respectively, of our total revenue.

For a more detailed description of the components of our revenue from aeronautical services, non-aeronautical services and commercial properties categories, see "Business—Our Sources of Revenue" in this offering memorandum.

Other income

Other income consists primarily of interest received from balances deposited with banks, interest received on delayed payments, management fees, income from current investments and dividends from long-term investments. Profits distributed to us by our joint ventures in the form of dividends is recognized as dividends from long-term investments, while revenue received through our revenue-sharing arrangements with our joint ventures is recognized as non-aeronautical services revenue. Delhi Duty Free Services Private Limited, TIM Delhi Airport Advertising Private Limited and Delhi Aviation Fuel Facility Private Limited distributed dividends to us in the fiscal years 2016, 2015 and 2014. For the three months ended June 30, 2016 and 2015, and the fiscal years ended March 31, 2016, 2015 and 2014, other income constituted 2.8% and 1.5% and 3.1%, 2.0% and 2.0%, respectively, of our total revenue.

Operating Expenses

Our expenses primarily consist of the annual fee paid to AAI, power and fuel expenses, employee benefit expenses, and operating and administrative expenses.

Annual fee to Airports Authority of India

Our largest operating expense is the annual fee we must pay to AAI in accordance with the OMDA. This annual fee is 45.99% of our revenues and is paid on a monthly basis to AAI based on our projected revenue for the year. If the projected revenue for any given quarter exceeds or falls short of the actual revenue, the annual fee amount we pay to AAI in the succeeding quarter is adjusted accordingly, provided that if the actual revenue in any quarter is greater than 110% of the projected revenue for that quarter, the additional amount we pay to AAI is subject to interest. See "Business—Our Concession—Operation, Management and Development Agreement" for further details. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, the annual fee to AAI constituted 74.9% and 73.1% and 73.6%, 70.3% and 68.8%, respectively, of our total expenses.

Power and fuel

Our power and fuel expenses consist primarily of power charges for the electricity necessary to operate the Airport and its facilities as well as fuel consumed by our vehicles, which we recognize net of throughput charges we receive from our joint ventures and other concessionaires for their use of such utilities. Our power and fuel expenses have been included in "other expenses" in the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016 and 2015. The substantial majority of our power and fuel expenses are electricity charges that are affected primarily by changes in the power tariffs established by the relevant utility authorities and expansion of our Airport's operations. For the fiscal year ended March 31, 2014, our power and fuel expenses constituted 4.0% of our total expenses. With the aim of controlling our power expenses we have installed solar panels at the Airport, and we expect this environmentally friendly initiative to help reduce our carbon footprint as well as our power expenses.

Employee benefits expenses

Our employee benefits expenses consist primarily of salaries, wages and bonuses and, to a lesser extent, other costs such as welfare and provident fund payments. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, our employee benefit expenses constituted 3.5% and 3.9% and 4.0%, 4.7% and 4.6%, respectively, of our total expenses.

Other expenses

Our other expenses consist primarily of repairs and maintenance expenses, manpower hire charges, housekeeping expenses, corporate cost allocations and the annual airport operator fee paid to Fraport, which is calculated based on 3% of our gross revenue for the prior fiscal year and accounted for on a monthly accrual basis in the current fiscal year, as well as legal and professional expenses, travelling and conveyancing expenses and office maintenance and other expenses. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016 and 2015, our other expenses also includes power and fuel expenses. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, our other expenses constituted 21.6% and 23.0% and 22.4%, 24.9% and 22.7%, respectively, of our total expenses.

The following table sets forth our total costs as well as the percentage of total costs represented by each category of total costs for the periods indicated.

	Three months ended June 30, (Unaudited)				Year ended March 31,					
	2016		2015		2016		2015		2014	
	(millions of Rs. except percentages)									
Annual fee to AAI[1]	6,252.9	74.9%	5,385.8	73.1%	23,041.5	73.6%	19,678.0	70.3%	18,380.6	68.8%
Power and fuel[2]	—	—	—	—	—	—	—	—	1,062.6	4.0%
Employee benefits expense[1]	294.2	3.5%	290.8	3.9%	1,253.4	4.0%	1,321.2	4.7%	1,226.5	4.5%
Other expenses[1][2]	1,804.3	21.6%	1,693.6	23.0%	7,001.5	22.4%	6,974.7	25.0%	6,057.6	22.7%
Total Expenses (A)[3]	**8,351.4**	**74.2%**	**7,370.2**	**72.5%**	**31,296.4**	**72.0%**	**27,973.9**	**70.3%**	**26,727.3**	**72.7%**
Depreciation & amortization expenses (B)[3]	**1,638.3**	**14.6%**	**1,556.0**	**15.3%**	**6,469.6**	**14.9%**	**6,242.8**	**15.7%**	**4,364.4**	**11.9%**
Finance costs (C)[3]	**1,266.6**	**11.2%**	**1,236.6**	**12.2%**	**5,712.4**	**13.1%**	**5,561.9**	**14.0%**	**5,648.3**	**15.4%**
Total costs (A+B+C)	**11,256.3**	**100%**	**10,162.8**	**100%**	**43,478.4**	**100%**	**39,778.6**	**100%**	**36,740.0**	**100%**

(1) Percentages are of total expenses.

(2) Power and fuel costs are included in "other expenses" in the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016 and 2015.

(3) Percentages are of total costs.

Depreciation and Amortization Expense

Depreciation and amortization expense relates to the depreciation of our tangible assets and amortization of intangible assets. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, depreciation and amortization expense accounted for 14.6% and 15.3% and 14.9%, 15.7% and 11.9%, respectively, of our total costs.

Finance Costs

Our finance costs consist primarily of interest on our borrowings, other interest, bank charges and other borrowing costs, including hedging costs. See "Description of Material Indebtedness" for further details. For the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014, our finance costs constituted 11.2% and 12.2% and 13.1%, 14.0% and 15.4%, respectively, of our total costs.

TRANSITION TO IND-AS

Background

On February 16, 2015, after consultation with the National Advisory Committee on Accounting Standards of the Ministry of Corporate Affairs promulgated the Companies (Indian Accounting Standards) Rules, 2015, which specify the new Indian GAAP converged with IFRS, known as Indian Accounting Standards ("Ind-AS").

Ind-AS will be mandatorily applicable to the following companies for periods beginning on or after April 1, 2016, with comparatives for the period ending March 31, 2016 or thereafter:

1. Companies whose equity or debt securities are listed or are in the process of being listing on any stock exchange in India or outside India and having net worth of Rs.5.0 billion or more.

2. Companies having net worth of Rs.5.0 billion or more other than those covered above.

3. Holding companies, subsidiaries, joint ventures or associates of the companies covered above in 1 and 2.

Accordingly, effective April 1, 2016, we are required to prepare annual and interim financial statements in accordance with Ind-AS, along with comparable financial statements for the previous year ending March 31, 2016.

Key areas of differences

We have so far identified the following key areas where differences between Indian GAAP and Ind-AS are likely to have a material impact on our financial statements:

- Service concession arrangement (Ind-AS 11, Appendix A)
- Financial instruments (interest-free security deposits) (Ind-AS 109)
- Investments in associates and joint ventures (Ind-AS 28)
- Financial instruments — interest rate swaps (Ind-AS 109)

Service concession arrangement

Under Ind-AS 11, Appendix A, our Concession Agreements would be characterized as a "Service Concession Arrangement." Under this characterization, all of our fixed assets would be classified as intangible assets as there is no contractual right for payment at the end of concession period. We would be required to amortize these intangible assets over the remaining period of the initial period of our Concession (i.e., until May 3, 2036).

Any capital expenditures relating to upgrades or expansion of the Airport that give rise to a new asset must be recognized on the balance sheet as an intangible asset for the provision of a separate service and the amount of capital expenditures must be recognized in the statement of profit and loss as both a construction revenue and a construction expense in the year of construction. Under Indian GAAP, such capital expenditures are recognized as fixed assets and depreciated over the period of useful life of the assets.

Furthermore, under Ind-AS, expenditure required on planned major maintenance activity of the infrastructure/asset throughout the term of contract that does not give rise to any new asset (essentially in nature of replacements of existing infrastructure and not in the nature of routine repairs) must be anticipated at the start of the contract and recognized in the profit and loss on straight line basis (at net present values) over the estimated useful life of the infrastructure/asset being replaced. Routine repairs will continue to be recognized as expense, whenever incurred as currently treated under Indian GAAP.

The application of Ind-AS 11, Appendix A will result in a notional increase in revenue without contributing an increase in cash flow. See "—Risks Related to Our Business — We may be required to pay more annual fee to AAI as a result of the mandatory adoption of Ind-AS."

Financial instruments (interest-free security deposits)

Security deposits represent refundable, interest-free security deposits taken from various concessionaires and parties taking land or space pursuant to lease agreements with us.

Under Indian GAAP, the security deposits refundable after 12 months are recorded at transaction value as long-term liability. Under Ind-AS 109, long-term interest-free security deposits will be required to be discounted to present value. The discounted amount will be classified as deferred income using the effective interest rate method and will be recognized as revenue on a straight-line basis over the term of the security deposit agreed with the relevant concessionaire or the initial period of the OMDA (i.e., 30 years), whichever is shorter. Security deposits that we must pay back on demand will not be discounted.

The application of Ind-AS 109 will result in a notional increase in revenue without contributing an increase in cash flow. See "—Risks Related to Our Business — We may be required to pay more annual fee to AAI as a result of the mandatory adoption of Ind-AS."

Investments in associates and joint ventures

At the time of adopting Ind-AS for the first time, we will have the option under Ind-AS 28 to record our investments in joint ventures at fair value as of the date of our transition to Ind-AS. We plan to decide whether to exercise this option closer to the date of implementation. If we decide to exercise this option, the value of investments in joint ventures will change and the resulting differences will be adjusted in our retained earnings.

The application of Ind-AS 28 will not affect our revenue or cash flow.

Financial instruments — interest rate swaps

Under Indian GAAP, we do not record our interest rate swap relating to the ECB Facility as the critical terms of the interest rate swap and those of the ECB Facility are the same and the net impact of the mark-to-market is not considered material. Under Ind-AS 109, we will be required to record interest rate swaps at fair value. The changes in fair value will be recorded in the statement of profit and loss as finance costs or other income.

The application of Ind-AS 109 will not affect our revenue or cash flow.

IMPLICATION ON ANNUAL FEE PAYABLE TO AAI

Under the OMDA, we are required to pay AAI an annual fee in monthly installments throughout the term of the Concession equal to 45.99% of our projected pre-tax gross revenue for each given year. Some of the differences between Ind-AS and Indian GAAP are expected to contribute to a notional increase in revenue without affecting cash flow. Based on our discussions with accounting advisors and legal counsel, we believe that Indian GAAP should continue to be the basis for calculation of annual fee with AAI irrespective of any increase in notional revenue due to adoption of Ind-AS. We have also obtained a legal opinion to this effect. See ""—Risks Related to Our Business — AAI acts as our shareholder and indirect competitor, and this may give rise to conflicts of interest."

PRESENTATION OF FINANCIAL INFORMATION

We have not included our consolidated financial statements in this offering memorandum. Specifically, the results of operation and financial condition of our sole subsidiary and the joint venture entities in which we hold financial interests are not consolidated in the financial statements included in this offering memorandum because the Company does not have any Restricted Subsidiaries. We account for our interests in our sole subsidiary and our joint ventures as long-term investments except for Delhi Airport Parking Services Private Limited, which has been considered as a current investment in such financial statements. Revenue earned from our revenue sharing-arrangements with our joint ventures is recognized as non-aeronautical services revenue, while any profits distributed to us by our joint ventures in the form of dividends is recognized as other income. See "Presentation of Financial Information" on p. iii.

RESULTS OF OPERATIONS

Summary historical results of operations

The following table sets forth a summary of our results of operations and the percentage change of each category from the immediately prior period.

	Three months ended June 30,			Fiscal year ended March 31,			
	2016		2015	2016		2015[(1)]	2014[(2)]
	(US$ in millions)	(unaudited) (Rs. in millions)		(US$ in millions)	(audited) (Rs. in millions)		
Statement of Profit and Loss Data:							
Income							
Revenue from operations[(3)]	195.5	13,220.2	11,535.4	719.0	48,616.3	41,955.0	39,227.0
Other income	5.6	376.0	175.4	22.8	1,543.5	844.2	817.4
Total revenue	**201.1**	**13,596.2**	**11,710.8**	**741.8**	**50,159.8**	**42,799.2**	**40,044.4**
Expenses							
Annual fee to Airports Authority of India	92.5	6,252.9	5,385.8	340.7	23,041.5	19,678.0	18,380.6
Power and fuel[(4)]	—	—	—	—	—	—	1,062.6
Employee benefits expense	4.4	294.2	290.8	18.5	1,253.4	1,321.2	1,226.5
Other expenses	26.7	1,804.3	1,693.6	103.5	7,001.5	6,974.7	6,057.6
Total expenses	**123.6**	**8,351.4**	**7,370.2**	**462.7**	**31,296.4**	**27,973.9**	**26,727.3**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(5)]	**77.5**	**5,244.8**	**4,340.6**	**279.0**	**18,863.4**	**14,825.3**	**13,317.1**
Depreciation and amortization expense	24.2	1,638.3	1,556.0	95.7	6,469.6	6,242.8	4,364.4
Finance costs	18.7	1,266.6	1,236.6	84.5	5,712.4	5,561.9	5,648.3
Profit before tax, exceptional and prior period items	**34.6**	**2,339.9**	**1,548.0**	**98.8**	**6,681.4**	**3,020.6**	**3,304.4**
Exceptional items	—	—	—	—	—	741.5	—
Prior period items (net)(Income)/Expenses[(6)]	—	—	—	—	—	—	(803.9)
Profit before tax (A)	**34.6**	**2,339.9**	**1,548.0**	**98.8**	**6,681.4**	**2,279.1**	**4,108.3**
Current tax	7.4	499.4	271.5	19.1	1,290.7	—	—
Deferred tax charge	1.0	67.9	—	4.0	272.8	—	—
MAT credit entitlement	—	—	(271.5)	—	—	—	—
MAT credit entitlement for earlier years/periods written off	—	—	—	0.4	29.3	—	—
Total tax expense (B)	**8.4**	**567.3**	**—**	**23.5**	**1,592.8**	**—**	**—**
Profit for the year/period (A-B)	**26.2**	**1,772.6**	**1,548.0**	**75.3**	**5,088.6**	**2,279.1**	**4,108.3**

(1) Due to certain regroupings and reclassifications, the amounts of certain line items for the fiscal year ended March 31, 2015 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2016 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015. The table above uses the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015.

(2) Due to certain regroupings and reclassifications, the amounts of certain line items as of and for the fiscal year ended March 31, 2014 as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 have been reclassified and regrouped from such amounts as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014. The table above uses the amounts of such line items as presented in our audited standalone financial statements as of and for the fiscal year ended March 31, 2014.

(3) A substantial majority of our revenues are earned from aeronautical services, and the aeronautical service fees we charge to airlines and passengers for such services are regulated by AERA in accordance with our Concession Agreements. Any adverse change in AERA's determinations of our aeronautical charges would have a material and adverse effect on our results of operations. See "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services — which comprise a substantial majority of our revenues — are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and

likely will continue to affect our future results of operations and financial condition — particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services." and "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details.

(4) Power and fuel costs are included in "other expenses" in the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016 and 2015.

(5) As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, issued by the Institute of Chartered Accountants of India, we have elected to present earnings before interest, tax, depreciation and amortization ("EBITDA"), but including other income. We define EBITDA as profit for the year, excluding (a)(i) total tax expense, (ii) prior period items, (iii) finance costs and (iv) depreciation and amortization, but (b) including other income. EBITDA has certain limitations. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. See the table above for a reconciliation of EBITDA to profit for the year.

(6) See footnote 45 to our audited standalone financial statements as of and for the fiscal year ended March 31, 2015 for a discussion for the prior period items which affected our profit before tax.

Results of Operations

Fiscal three-month period ended June 30, 2016 compared to the fiscal three-month period ended June 30, 2015

Total Revenue

Total revenue was Rs.13,596.2 million for the three months ended June 30, 2016, a 16.1% increase from Rs.11,710.8 million for the three months ended June 30, 2015, as a result of increases in both revenue from aeronautical operations and revenue from non-aeronautical operations.

Revenue from aeronautical operations was Rs.9,363.3 million for the three months ended June 30, 2016, a 16.8% increase from Rs.8,013.5 million for the three months ended June 30, 2015. The increase in our aeronautical services revenue was primarily attributable to an increase of Rs.1,132.6 million, or 21.2%, in user development fee as a result of an increase in passenger traffic by 20.2% from the three months ended June 30, 2015.

Revenue from non-aeronautical operations was Rs.3,619.6 million for the three months ended June 30, 2016, a 10.9% increase from Rs.3,264.0 million for the three months ended June 30, 2015. This increase was primarily due to an increase by Rs.102.4 million, or 15.3%, in land and space rentals revenue as a result of an increase in annual rental rates and new rental space provided in respect of office spaces and retail outlets. It was also due to an increase by Rs.83.6 million, or 11.4%, in retail duty free sales as a result of an increase in international passenger traffic through our Airport and an improved product mix at our duty-free retail outlets.

Other Income

Other income was Rs.376.0 million for the three months ended June 30, 2016, a 114.4% increase from the Rs.175.4 million for the three months ended June 30, 2015, primarily due to an increase in interest income on bank deposit and current investments. This increase was a result of our decision to increase investments in mutual funds and fixed deposits to prepare for a potential future decline in aeronautical tariff rates.

Annual Fee to Airports Authority of India (AAI)

Annual fee to Airports Authority of India (AAI) was Rs.6,252.9 million for the three months ended June 30, 2016, a 16.1% increase from Rs.5,385.8 million for the three months ended June 30, 2015, as a result of an increase in our projected and actual total revenue for the three months ended June 30, 2016. See "Business—Our Concession—Operation, Management and Development Agreement" for further details of how the annual fee to AAI is calculated.

Employee Benefit Expenses

Employee benefit expenses were Rs.294.2 million for the three months ended June 30, 2016, a 1.2% increase from Rs.290.8 million for the three months ended June 30, 2015.

Other Expenses

Other expenses, comprising operating, administrative and other expenses, were Rs.1,804.3 million for the three months ended June 30, 2016, a 6.5% increase from Rs.1,693.6 million for the three months ended June 30, 2015. This increase was primarily due to an increase in airport operator fees and repair and maintenance expenses, partially offset by decrease in information technology and related expenses and utility expenses.

Depreciation and Amortization Expense

Depreciation and amortization expenses were Rs.1,638.3 million for the three months ended June 30, 2016, a 5.3% increase from Rs.1,556.0 million for the three months ended June 30, 2015, primarily due to changes in amortization policy with respect to the fees and costs under the OMDA, which have been recognized and amortized over the initial period of the OMDA as opposed to the initial and extended periods of the OMDA. See "—Critical Accounting Policies— Depreciation and amortization."

Finance Costs

Our finance costs were Rs.1,266.6 million for the three months ended June 30, 2016, a 2.4% increase from the Rs.1,236.6 million for the three months ended June 30, 2015, primarily due to an increase in interest on our borrowings as a result of the strengthening of the U.S. dollar against the Indian rupee.

Tax Expenses

Our tax expenses were Rs.567.3 million for the three months ended June 30, 2016, compared to no tax expenses recorded for the three months ended June 30, 2015, primarily because we fully utilized net loss carry-forwards and were subject to Minimum Alternative Tax (MAT) on our recorded profit before tax for the three months ended June 30, 2016.

Profit for the Period

As a result of the factors described above, we recorded a profit for the period of Rs.1,772.6 million for the three months ended June 30, 2016, a 14.5% increase from Rs.1,548.0 million for the three months ended June 30, 2015.

Fiscal year ended March 31, 2016 compared to fiscal year ended March 31, 2015

Total Revenue

Total revenue was Rs.50,159.8 million for the fiscal year ended March 31, 2016, a 17.2% increase from the Rs.42,799.2 million for the fiscal year ended March 31, 2015, as a result of an increase in both revenue from aeronautical operations and revenue from non-aeronautical operations.

Revenue from aeronautical operations was Rs.34,075.8 million for the fiscal year ended March 31, 2016, a 15.5% increase from Rs.29,509.2 million for the fiscal year ended March 31, 2015. The increase in our aeronautical services revenue was primarily attributable to an increase of Rs.3,595.5 million, or 18.4%, in user development fee as a result of an increase in passenger traffic by 20.9% from the fiscal year ended March 31, 2015.

Revenue from non-aeronautical operations was Rs. 13,599.4 million for the fiscal year ended March 31, 2016, an increase of Rs.2,136.0 million, or 18.6%, from Rs. 11,463.4 million for the fiscal year ended March 31, 2015, primarily due to (i) an increase by Rs.740.7 million, or 37.8%, in land and space rental revenue as a result of an increase in the annual rental rates and (ii) an increase by Rs.462.3 million, or 17.5%, in retail duty-free revenue as a result of an increase in passenger traffic.

Other Income

Other income was Rs.1,543.5 million for the fiscal year ended March 31, 2016, a 82.8% increase from Rs.844.2 million for the fiscal year ended March 31, 2015, primarily due to an increase in interest income on bank deposits, current investments and others, an increase in net gain on sale of current investments and an increase in dividend income from our joint ventures. The increase in interest income on bank deposits and current investments was a result of our decision to increase investments in mutual funds and fixed deposits to prepare for a potential future decline in aeronautical tariff rates.

Annual Fee to Airports Authority of India (AAI)

Annual fee to Airports Authority of India (AAI) was Rs.23,041.5 million for the fiscal year ended March 31, 2016, a 17.1% increase from Rs.19,678.0 million for the fiscal year ended March 31, 2015, as a result of an increase in our projected and actual total revenue for fiscal year 2016. See "Business—Our Concession—Operation, Management and Development Agreement" for further details of how the annual fee to AAI is calculated.

Employee Benefit Expenses

Employee benefit expenses were Rs.1,253.4 million for the fiscal year ended March 31, 2016, a 5.1% decrease from Rs.1,321.2 million for the fiscal year ended March 31, 2015, primarily due to a natural decrease in headcount and a decrease in other post-employment benefit payments as a result of changes in assumptions underlying actuarial valuation regarding the number of employees and annual salary increases.

Other Expenses

Other expenses, comprising operating, administrative and other expenses, were Rs.7,001.5 million for the fiscal year ended March 31, 2016, a 0.4% increase from Rs.6,974.7 million for the fiscal year ended March 31, 2015. This increase was primarily due to increase in utility expenses, repairs and maintenance expenses and airport operator fees, partially offset by decrease in information technology and related expenses.

Depreciation and Amortization Expense

Depreciation and amortization expenses were Rs.6,469.6 million for the fiscal year ended March 31, 2016, a 3.6% increase from Rs.6,242.8 million for the fiscal year ended March 31, 2015, primarily due to changes in amortization policy with respect to the fees and costs under the OMDA, which have been recognized and amortized over the initial period of the OMDA as opposed to the initial and extended periods of the OMDA. See "—Critical Accounting Policies — Depreciation and amortization." Such an increase was also because we adopted component accounting policies relating to the depreciation of fixed assets in the fiscal year ended March 31, 2016.

Finance Costs

Our finance costs were Rs.5,712.4 million for the fiscal year ended March 31, 2016, a 2.7% increase from Rs.5,561.9 million for the fiscal year ended March 31, 2015, primarily due to the additional charge representing the amount of development fee collected from our customers in order to pay the principal and interest on our borrowings under the Common Loan Agreement but which has been disallowed by AERA pursuant to its tariff order dated December 8, 2015. The disallowed portion of the collected development fee represents the borrowings under the Common Loan Agreement which we had not utilized to make capital expenditures. See note 49 to the standalone financial statements for the year ended March 31, 2016 included in this offering memorandum. The borrowings under the Common Loan Agreement were fully repaid on May 27, 2016. The increase in finance costs were partially offset by a decrease in interest expenses due to refinancing of an external borrowing facility with the Existing Notes.

Tax Expenses

We incurred no tax expense for the fiscal year ended March 31, 2015 as a result of net loss carry-forwards that were set-off against our tax liabilities for those periods. We incurred total tax expense of Rs.1,592.8 million for the fiscal year ended March 31, 2016, primarily because we fully utilized net loss carry-forwards and were subject to MAT on our recorded profit before tax in the fiscal year ended March 31, 2016.

Profit for the Year

As a result of the factors described above, we recorded a profit for the year of Rs.5,088.6 million for the fiscal year ended March 31, 2016, a 123.3% increase from Rs.2,279.1 million for the fiscal year ended March 31, 2015.

Fiscal year ended March 31, 2015 compared to fiscal year ended March 31, 2014

Total Revenue

Total revenue was Rs.42,799.2 million for the fiscal year ended March 31, 2015, a 6.9% increase from the Rs.40,044.4 million for the fiscal year ended March 31, 2014, as a result of an increase in both revenue from aeronautical operations and revenue from non-aeronautical operations (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014).

Revenue from aeronautical operations was Rs.29,509.2 million for the fiscal year ended March 31, 2015, a 5.2% increase from Rs.28,063.5 million in the fiscal year ended March 31, 2014 (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014). The increase in our aeronautical services revenue was primarily attributable to an increase of Rs.1,482.3 million, or 8.2%, in user development fee as a result of an increase in passenger traffic by 11.1% from the fiscal year ended March 31, 2014.

Revenue from non-aeronautical operations was Rs. 11,463.4 million for the fiscal year ended March 31, 2015, an increase of Rs.1,230.3 million, or 12.0%, from Rs.10,233.1 million in the fiscal year ended March 31, 2014 (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014), primarily due to (i) an increase by Rs.355.3 million, or 22.2%, in land and space rental revenue as a result of an increase in the annual rental rates, (ii) an increase by Rs.220 million, or 34.9%, in ground handling revenue as a result of the resolution of a dispute with a customer which allowed us to recognize the associated revenue, (iii) an increase by Rs.167.7 million, or 6.8%, in retail duty free revenue due to an increase of passenger traffic through our Airport, and (iv) an increase by Rs.166.3 million, or 11.8%, in cargo revenues due to an increase in tonnage of cargo handled.

Annual Fee to Airports Authority of India (AAI)

Annual fee to Airports Authority of India (AAI) was Rs.19,678.0 million for the fiscal year ended March 31, 2015, a 7.1% increase from the Rs.18,380.6 million recorded for the fiscal year ended March 31, 2014, as a result of an increase in our projected and actual total revenue for fiscal year 2015. See "Business—Our Concession—Operation, Management and Development Agreement" for further details of how the annual fee to AAI is calculated.

Employee Benefit Expenses

Employee benefit expenses were Rs.1,321.2 million for the fiscal year ended March 31, 2015, a 7.7% increase from the Rs.1,226.5 million recorded for the fiscal year ended March 31, 2014, primarily due to an increase in our provident and other funds contribution obligations, an increase in other post-employment benefit payments due to a quarterly actuarial valuation and customary annual salary and wage increases.

Other Expenses

Other expenses, comprising operating, administrative and other expenses, were Rs.6,974.7 million for the fiscal year ended March 31, 2015, a 15.1% increase from the Rs.6,057.6 million for the fiscal year ended March 31, 2014. This increase was primarily due to a 19.8% increase of the airport operator fees and maintenance costs from Rs.1,000.7 million for the fiscal year ended March 31, 2014 to Rs.1,199.0 million for the fiscal year ended March 31, 2015, due to an overall growth in our business in fiscal year 2014. Other expenses also increased due to an increase in allocation from our parent companies of corporate head office cost amounting to Rs.192.0 million and regrouping of power and fuel expenses of Rs.1,123.2 million in other expenses. These increases were partially offset by the decreases in consultancy expenses and rate and taxes expenses, of Rs.114.5 million and Rs.531.8 million, respectively. See "Business—Our Concession—Operation, Management and Development Agreement" for further details about the airport operator fee.

Depreciation and Amortization Expense

Depreciation and amortization expenses were Rs.6,242.8 million for the fiscal year ended March 31, 2015, a 43.0% increase from the Rs.4,364.4 million for the fiscal year ended March 31, 2014, primarily due to our application from April 1, 2014 of the depreciation requirements in Schedule II of the Companies Act, 2013, which requires assets, including buildings on leasehold land and plant and equipment, to be depreciated at a faster rate than previously stipulated.

Finance Costs

Our finance costs were Rs.5,561.9 million for the fiscal year ended March 31, 2015, a 1.5% decrease from the Rs.5,648.3 million recorded for the fiscal year ended March 31, 2014, primarily due to a decrease in interest on our borrowings resulting from the refinancing of certain external corporate borrowings with our Existing Notes.

Tax Expenses

We incurred no tax expenses for the fiscal year ended March 31, 2014 and 2015 as a result of net loss carry-forwards that were set-off against our tax liabilities for those periods.

Profit for the Year

As a result of the factors described above, we recorded a profit for the year of Rs.2,279.1 million during the fiscal year ended March 31, 2015, a 44.5% decrease from the profit for the year of Rs.4,108.3 million recorded during the fiscal year ended March 31, 2014.

LIQUIDITY AND CAPITAL RESOURCES

Our financial condition and liquidity has been and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flow from our operating activities;
- the level of our outstanding indebtedness and the interest that we are obligated to pay on our indebtedness, which together affect our overall finance costs;
- prevailing domestic and international interest rates, which affect our debt service requirements; and
- our investment and capital expenditure commitments under our revised Master Plan consisting of several phases of infrastructure, which will likely require significant additional borrowings in the future.

Our principal cash requirements consist of the following:

- operating and working capital requirements;
- the servicing of our indebtedness; and
- our investment commitments under our investment plan and Master Plan, as well as additional capital expenditures.

Historically, our operations have been funded through cash flow from operations, borrowings under our long-term debt facilities and issuance of debt securities. See "Description of Material Indebtedness." If certain conditions are met, we are obligated under our Concession Agreements to undertake significant capital expenditures for the construction and development of additional facilities at the Airport, including new terminals and the related facilities necessary to support these terminals, such as roads and security infrastructure. We will need to raise additional indebtedness, as we will not be able to fund many of these required capital expenditures solely with our operating cash flows. See "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport." and " Risk Factors—Risks Related to Our Business—Our operations and fees we charge for aeronautical services — which comprise a substantial majority of our revenues — are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition — particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services." As of June 30, 2016 and March 31, 2016, 2015 and 2014, our cash and bank balances totaled Rs.5,311.6 million, Rs.4,838.8 million, Rs.3,202.7 million and Rs.614.2 million, respectively.

Working Capital

Due to the nature of our business, our current liabilities have generally exceeded our current assets. As at March 31, 2015 and 2014, our current liabilities exceeded our current assets by Rs.409.5 million and Rs.8,804.9 million, respectively, although our current assets exceeded current liabilities by Rs.10,722.0 million and Rs.8,258.0 million as at June 30, 2016 and March 31, 2016, respectively, as a result of our decision to increase investments in mutual funds and fixed deposits to prepare for a potential future decline in aeronautical tariff rates. These current liabilities primarily arise from current maturities of long-term borrowings and trade deposits. See "Business—Our Sources of Revenue—Other Fees We Do Not Earn." Our trade deposits consist primarily of deposits we receive from our aeronautical and non-aeronautical service customers, including certain of our joint ventures. We believe that we have adequate working capital for our present requirements, and we expect that if current market conditions prevail, our cash flows from operations, our working capital facility and available cash on hand will be sufficient to fund our operating needs, capital expenditures and debt service obligations for the foreseeable future. We may, however, incur additional indebtedness to finance all or a portion of any capital expenditures. See "Risk Factors—Risks Related to our Business—We have had, and may in the future have, working capital deficits."

Cash Flows from Operating Activities

For the three months ended June 30, 2016, our net cash flows from operating activities were Rs.5,251.2 million, which represented an increase of 1.8% from the Rs.5,158.1 million for the three months ended June 30, 2015. This was primarily a result of an increase in profit before tax for the three months ended June 30, 2016, partially offset by increase in other current assets for the three months ended June 30, 2016 as compared to June 30, 2015.

For the fiscal year 2016, our net cash flows from operating activities were Rs.15,500.8 million, which represented a decrease of 0.3% from Rs.15,541.7 million for fiscal year 2015. This was primarily a result of an increase in direct taxes paid and increase in trade receivables in fiscal year 2016 as compared to fiscal year 2015, partially offset by increase in profit before tax in fiscal year 2016 as compared to fiscal year 2015.

For the fiscal year 2015, our net cash flows from operating activities were Rs.15,541.7 million, which represented an increase of 66.2% from the Rs.9,358.1 million for fiscal year 2014. This was primarily a result of an increase in operating profit before working capital changes by Rs.574.7 million, a decrease in trade receivables by Rs.681.3 million and an increase in trade payables by Rs.1,268.8 million in fiscal year 2015 as compared to fiscal year 2014.

For fiscal year 2014, our net cash flows from operating activities were Rs.9,358.1 million, which primarily consisted of profit before tax and working capital.

Cash Flows from Investing Activities

For the three months ended June 30, 2016, our net cash flows used in investing activities were Rs.2,628.3 million compared to net cash flows used in investing activities of Rs.2,668.2 million for the three months ended June 30, 2015. Our net cash flows used in investing activities remained stable because we rolled over most of our current investments for the three months ended June 30, 2016.

For fiscal year 2016, our net cash flows used in investing activities were Rs.2,737.5 million compared to net cash flows used in investing activities of Rs.2,391.2 million for fiscal year 2015. This increase was primarily due to an increase in the purchase of current investments, partially offset by a decrease in the purchase of fixed assets for the fiscal year ended March 31, 2016 as compared to the fiscal year ended March 31, 2015.

For fiscal year 2015, our net cash flows used in investing activities were Rs.2,391.2 million compared to net cash flows used in investing activities of Rs.1,083.4 million for fiscal year 2014. This increase was primarily due to an increase in the purchase of both current investments and fixed deposits, partially offset by a decrease in the purchase of fixed assets for the fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014.

For fiscal year 2014, our net cash flows used in investing activities were Rs.1,083.4 million, which primarily consisted of purchases of fixed assets and was partially compensated by development fee realized.

Cash Flows from Financing Activities

For the three months ended June 30, 2016, our net cash flows used in financing activities were Rs.2,193.3 million compared to net cash flows used in financing activities of Rs.2,297.9 million for the three months ended June 30, 2015. The decrease in net cash used in financing activities was primarily due to a decrease in the repayment of long-term and short-term borrowings and the lower interest payment for the three months ended June 30, 2016, as compared to the three months ended June 30, 2015.

For fiscal year 2016, our net cash flows used in financing activities were Rs.9,882.9 million compared to net cash flows used in financing activities of Rs.12,565.7 million for fiscal year 2015. The decrease in net cash used in financing activities was primarily due to a decrease in repayment of long-term borrowings and short-term borrowings, partially offset by a decrease in proceeds from long-term borrowings.

For fiscal year 2015, our net cash flows used in financing activities were Rs.12,565.7 million compared to net cash flows used in financing activities of Rs.10,051.0 million for fiscal year 2014. The increase in net cash used in financing activities was primarily due to an increase in repayment of short-term borrowings and an increase in payment of interest, partially offset by a decrease in the repayment of long-term borrowings.

For fiscal year 2014, our net cash flows used in financing activities were Rs.10,051.0 million, which primarily consisted of payments of interest cost.

Contractual Obligations

The following table summarizes our contractual obligations as at June 30, 2016:

	Less than 1 year	1 — 5 years	More than 5 years	Total
	(millions of Rs.)			
Total debt	1,370.0	14,824.0	38,722.3	54,916.2
Total contractual obligations [(1)]	**1,370.0**	**14,824.0**	**38,722.3**	**54,916.2**

(1) All of our purchase obligations are cancellable without penalty, and thus are not included in contractual obligations.

Contingent Liabilities

Other than provisions that we have made in connection with certain legal proceedings, we have no contingent liabilities other than as disclosed in accordance with AS 29 of Indian GAAP in our financial statements included elsewhere in this offering memorandum. See "Business—Legal Proceedings—Provisions" and the notes to our audited standalone financial statements included elsewhere in this offering memorandum.

Capital expenditures

The following table provides historical information regarding our capital expenditures for the three months ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014.

	Three months ended June 30,		Fiscal year ended March 31,		
	2016	2015	2016	2015	2014
	(millions of Rs.)				
Tangible Assets (additions)					
Buildings					
Terminals and associated buildings*	0.6	71.3	261.0	35.5	153.0
Runway & Taxiways					
Runways, taxiways, control towers, aprons and roads*	1.3	—	146.6	70.1	93.9
Utility related infrastructure					
Plant & Machinery (including electrical installations and equipments)*	42.9	22.2	508.0	369.6	190.7
Office equipment	0.5	0.2	5.8	5.9	8.6
Computers and data processing units	53.0	6.6	145.0	22.3	48.0
Furniture & Fittings*	33.6	110.8	188.2	20.7	54.8
Vehicles	—	0.8	0.9	12.2	6.7
Total (A)	**131.9**	**211.9**	**1,255.5**	**536.3**	**555.7**
Intangible Assets (additions)					
Computer Software	2.7	—	10.6	4.5	1.2
Total (B)	**2.7**	**—**	**10.6**	**4.5**	**1.2**
Total (A+B)	**134.6**	**211.9**	**1,266.1**	**540.8**	**556.9**

* Excludes adjustments to capital assets on account of foreign exchange fluctuations.

As of the date of this offering memorandum, our material contracted and budgeted capital expenditures for the next three to five years consists primarily of capital expenditure associated with the Phase 3A Expansion. We currently estimate the total capital expenditures required for the Phase 3A Expansion to be in the range of Rs.40 billion to Rs.70 billion, which will be made between the next 3 to 5 years, depending on the composition of the projects. Most of such capital expenditures will be financed through cash flow from operations, existing surplus cash and the incurrence of additional indebtedness. These capital expenditures and the composition of the Phase 3A Expansion are based on our preliminary estimates and are thus subject to change as a result of detailed design and final bid amounts. They are also subject to consultation with stakeholders and regulatory approvals. See "Business—Corporate History and Structure— The Revised Master Plan." In addition, we are obligated under our Concession Agreements, if certain conditions therein are met, to undertake significant capital expenditures for the construction and development of additional facilities at the Airport, including new terminals and the related facilities necessary to support these terminals, such as roads and security infrastructure. The next primary expansion trigger that will require such capital expenditures is when total passenger traffic at the Airport reaches approximately 59 million passengers per year, which we expect may occur, based on our current estimates, by 2019 or 2020, and potentially would require construction of a new passenger terminal, modifications to Terminal 3 to increase its capacity and improvements to taxiways and aircraft stands.

Additionally, in the past, regulatory bodies have required us to accelerate the timing of certain projects outlined in the Master Plan. For example, MoCA instructed us to begin construction in 2013 of a new air traffic control tower, using funds previously borrowed and to be repaid using additional ADF allocated by AAI, which originally had been scheduled in the Master Plan for construction in the sub-phase beginning in 2016. See "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport."

OFF-BALANCE SHEET TRANSACTIONS

As of June 30, 2016, we did not have any off-balance sheet arrangements, which are assets or debts or financing activities that are not reflected on our balance sheet.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in currency exchange rates. This market risk principally involves the possibility that changes in currency exchange rates will adversely affect the value of our financial assets and liabilities or future cash flows and earnings.

Foreign Currency Exchange Rate Risk

Our principal exchange rate risk involves changes in the value of the Indian Rupee relative to the U.S. dollar. Historically, a portion of our revenues (principally derived from charges imposed on international passengers and cargo traffic and revenue sharing from our duty free joint venture concessionaire) has been denominated and paid in U.S. dollars and a portion of our expenses are in U.S. dollars. In accordance with RBI requirements, all revenue that we receive in U.S. dollars is automatically converted into Indian Rupees following our deposit of such funds into the escrow account we maintain pursuant to the OMDA, which enhances our exposure to fluctuations in the exchange rate between the U.S. dollar and the Indian Rupee. See "Business—Our Concession—Operation, Maintenance and Development Agreement" for further details about the escrow account. For the fiscal year ended March 31, 2016, our revenue from operations (concession fee) from Delhi Duty Free Services Private Limited on account of revenue share was Rs.3,051.3 million, which was 6.3% of our revenue from operations and was denominated in U.S. dollars, while the remainder of our revenue was denominated in Indian Rupees. Our percentage of revenue from operations denominated in U.S. dollars for the three months ended June 30, 2016 was similar to the percentage for the fiscal year ended March 31, 2016. For the fiscal year ended March 31, 2016, 4.2% of our total costs were denominated in foreign currency, and a similar percentage of our total costs were denominated in foreign currency for the three months ended June 30, 2016.

In addition, because we borrow in the international markets to support our operations and investments, we are exposed to market risks from changes in foreign exchange rates and interest rates. As of June 30, 2016, we had an aggregate of Rs.25,202.0 million (US$372.7 million) of debt outstanding representing U.S. dollar-denominated indebtedness. Decreases in the value of the Indian Rupee in the future will increase the cost in Indian Rupees of servicing our U.S. dollar indebtedness, including the Notes offered hereby. A depreciation of the Indian Rupee relative to the U.S. dollar would also result in foreign exchange losses, as the Indian Rupee value of our U.S. dollar-denominated indebtedness would increase. We attempt to manage our exposure to such foreign exchange risks by entering into forward foreign exchange contracts.

Interest Rate Risk

Our business is sensitive to fluctuations in interest rates. Our exposure to changes in interest rates is mainly attributable to our borrowings, especially long-term borrowings. Borrowings at variable rates expose us to cash-flow interest-rate risk. Borrowings at fixed rates expose us to fair-value interest-rate risk. As of June 30, 2016, we had floating-rate borrowings of Rs.18,378.3 million and fixed-rate borrowings of Rs.36,537.9 million.

Seasonality

Our industry tends to be seasonal in nature, and we typically experience increased passenger traffic, in particular international passenger traffic, and ATMs, in the first and third quarter of each fiscal year as travelers visit northern India during school holidays and the relatively cooler weather, and lower passenger traffic and ATMs in the second and fourth quarters. Our business, financial condition and results of operations could be adversely affected by seasonal changes in our passenger traffic and mix.

CRITICAL ACCOUNTING POLICIES

Our financial statements have been prepared in conformity with Indian GAAP. The preparation of our financial statements requires that our management make judgments, estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of each reporting period. Although these estimates are based on our management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. For detailed accounting policies, see our financial statements for the fiscal year ended March 31, 2016 included elsewhere in this offering memorandum.

Beginning with fiscal year 2017, we will be preparing our financial statements in accordance with Ind-AS. For the impact that the transition from Indian GAAP to Ind-AS may have on our financial statements, see "Risk Factors—Risks Related to Our Business—The mandatory adoption of Ind-AS may have a material adverse effect on our reported results of financial condition and results of operations."

Changes in Accounting Policy - Component Accounting

We have adopted component accounting as required under Schedule II to the Companies Act, 2013 from April 1, 2015. We were previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, we have changed the manner of depreciation for its fixed asset. Now, we identifiy and determine cost of each component / part of the asset separately, if the component / part has a cost which is significant to thetotal cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. We have used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., April 1, 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on April 1, 2015, is depreciated overtheir remaining useful lives.

We have also changed our policy on the cost of major components. Earlier we used to charge such cost of components directly to statement of profit and loss. On the application of component accounting, at the time of purchase of any new asset, the major components are identified and depreciated separately over the life of the component.

We consider an accounting policy critical if it (i) requires our management to make judgments and estimates about matters that are inherently uncertain and (ii) is important to an understanding of our financial condition and operating results. We believe the following accounting policies are most critical to our business operations and to an understanding of our financial condition and results of operations, and reflect the more significant judgments and estimates used in the preparation of our financial statements.

You should read the following descriptions of critical accounting policies and estimates in conjunction with our financial statements and related notes thereto appearing elsewhere in this offering memorandum.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us, and the revenue can be reliably measured. The following specific recognition criteria must also be met before we recognize revenue:

Income from Services

Revenue from airport operations — aeronautical and non-aeronautical operation — is recognized on an accrual basis, net of service tax, collection charges and applicable discounts when services are rendered. Aeronautical income includes landing and parking charges for aircraft, user development fees and CUTE counter charges. Non-aeronautical operations — which are conducted through our joint ventures and third-party concessionaires and include our cargo operations — include the granting of rights to use land and space primarily for passenger needs, air traffic services and air transport services. Revenue from commercial property development rights granted to concessionaires is recognized on an accrual basis, as per the terms of each agreement entered into with commercial property concessionaires. Revenue from management fees for support services rendered is recognized on an accrual basis as per the terms of each agreement.

Interest and Dividend Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable except for the interest income received from customers for delayed payments, which is accounted on the basis of reasonable certainty/realization. Dividend income is recognized when our right to receive a dividend is established by the reporting date.

Tangible fixed assets

In accordance with Indian GAAP, tangible fixed assets are stated at cost, net of Central Value Added Tax credit and other duty drawbacks, less accumulated depreciation and impairment losses, if any. The cost consists of the asset's purchase price, associated borrowing costs if capitalization criteria are met, and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Assets under installation or under construction as at the balance sheet date are shown as "Capital work-in-progress" net of Development Fund. Expenditures, including finance charges directly relating to construction activity of such assets, are capitalized.

Subsequent expenditure related to a fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

We adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciate the same over the remaining life of the asset. In accordance with Indian GAAP, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, we do not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation and amortization

Our tangible fixed assets are depreciated using the straight-line method at (i) the rates determined by management's estimate on the useful lives of such assets or (ii) those determined pursuant to the prescribed useful lives under the Schedule II to the Companies Act, 1956.

For the fiscal years 2016 and 2015, we have used the following useful lives prescribed in Schedule II of the Companies Act, 2013, resulting assets to be depreciated at a faster rate than previously stipulated:

Particulars[1]	Management Estimated Lives (Years)	Schedule II Lives (Years)
Buildings on leasehold land	30	30
Runway and taxiways	30	Not prescribed
Plant and equipment	15	15
Office equipment	5	5
Computers		
Servers & networking	6	6
End-user device	3	3
Furniture and fixtures	10	10
Vehicles	8	8

The useful life of assets which are not as prescribed in Schedule II of the Companies Act, 2013 are estimated by the management based on technical evaluation as follows:

Particulars[1]	Management Estimated Lives Based on Technical Evaluation (Years)	Schedule II Lives (Years)
Internal Approach Roads — Other than RCC (Reinforced Cement Concrete)	10	5
Transformers / Power Sub-Stations	15	10
Electric Panels	15	10

(1) Individual assets not exceeding Rs.5,000 are fully depreciated in the year of purchase.

(2) Includes compound wall which is depreciated using a useful life of 10 years.

(3) Includes rehabilitation cost in respect of Runway number 09-27 and 10-28, which is depreciated a useful life of 6 years and 20 years, respectively.

For the fiscal year 2014, we have used the following rates of depreciation on our tangible assets:

Particulars [1]	Management Estimated Rates	Schedule XIV Rates
Buildings on leasehold land[2]	3.34% - 10.00%	3.34%
Runway and taxiways[3]	3.34% - 16.67%	Not prescribed
Plant and equipment	4.75%	4.75%
Office equipment	4.75%	4.75%
Computers	16.21%	16.21%
Furniture and fixtures	6.33%	6.33%
Vehicles	9.50%	9.50%

(1) Individual assets not exceeding Rs.5,000 are fully depreciated in the year of purchase.

(2) Includes compound wall which is depreciated at 10% per annum.

(3) Includes rehabilitation cost in respect of Runway number 09-27 and 10-28, which is depreciated at 16.67% and 5.00% per annum respectively.

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization periods and methods are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits derived from the asset, the amortization method is changed to reflect the changed pattern. Our intangible assets include software, upfront fees paid as airport concessionaire rights and other costs (excluding operations support costs) paid to AAI pursuant to the OMDA. We amortize software over its estimated useful life, not exceeding six years.

As of March 31, 2015, we amortized upfront fee and other costs paid to AAI over the remainder of the initial and extended periods of OMDA: i.e., 60 years. However, in light of the current regulatory and economic conditions, we have revised the estimate for amortizing the upfront fees and other cost paid to AAI over the remainder of the initial period of 30 years of OMDA.

Impairment of tangible and intangible assets

We assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount — which is the higher of the asset's or cash-generating units' (CGU) net selling price 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 groups of assets. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Our management bases its impairment calculations on detailed budgets and forecast calculations which are prepared separately for each of our cash-generating units 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. After impairment, depreciation or amortization is provided on the revised carrying amount of the asset over its remaining useful life.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond our control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. We do not recognize contingent liabilities, but we disclose the existence of any in our financial statements.

Provisions

A provision is recognized when we have a present obligation 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Investments

Investments which are readily realizable 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. Current investments are carried in the financial statements at the lower of cost and fair value, determined on an individual investment basis. Long-term investments are carried at cost. However, provisions for diminution in value are made to recognize a decline other than temporary in the value of our investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Pension and other post-employment benefits

Accounting for the costs of our pension plans and other post-employment benefits is based on actuarial valuations, relying on key estimates for discount rates, expected return on plan assets, future salary increases, employee turnover rates and mortality tables. The discount rate assumptions are based on rates for high-quality fixed-income investments with durations as close as possible to our pension plans. Expected returns on plan assets consider long-term historical returns, allocation of assets and estimates of future long-term investment returns.

India Macroeconomic Overview

India's economy is the seventh largest in the world by nominal GDP and the third largest by purchasing power parity in 2015, according to the World Bank. India's real GDP has grown at an average rate of over 6.7% per annum from fiscal year 2010 to fiscal year 2015, led by increased domestic consumption, infrastructure spending and capital expenditure by corporations. The IMF estimates 7.5 to 7.8% annual growth in GDP for India between fiscal year 2016 and 2021.

Indian Aviation Industry Overview

According to India Brand Equity Foundation ("IBEF"), India has the ninth largest aviation industry in the world. According to the Indian National Transport Development Policy Committee, the Indian aviation market is expected to become the third largest aviation market by 2020. Further, the Aviation Policy 2016 aims for the government to provide an ecosystem for the harmonized growth of various aviation subsectors including airlines, airports, cargo, maintenance repairs and overhaul services, general aviation, aerospace manufacturing and skill development.

Airlines and airports, the most visible segments of the aviation sector, constitute over 75% of the total size of the industry in India, according to KPMG. There are 464 airports and airstrips in India, of which 125 are managed by AAI (not including concession airports such as the Airport). In the last decade, India has seen considerable growth in aviation. According to AAI, passenger throughput grew to 223.6 million and cargo throughput to 2.7 million metric tons in fiscal year 2016, registering 12% and 7% CAGR, respectively, for the period ranging from fiscal years 2006 to 2016. Key drivers for growth in the Indian aviation market include:

- Robust economic growth and structural changes such as the upgrading of smaller airports and commissioning of green field airports will improve air connectivity and provide a boost to domestic traffic growth. A revival in the global economy is also likely to lead to greater traffic flow between India and the rest of the world;
- Favorable demographics with an expanding middle class and growth in disposable incomes as India's middle income population is expected to increase from 160 million in 2011 to 267 million by 2016, according to IBEF;
- Increasing business and leisure travel spending as spending on business travel is estimated to increase to US$36.5 billion in 2025 from US$19.3 billion in 2015, while that on leisure travel is estimated to rise to US$192.8 billion from US$97.2 billion, according to IBEF;
- Development of Indian airports as transit hubs to serve traffic between Europe and the Middle East and East and Southeast Asia;
- The Government of India's initiatives to boost connectivity in remote and inaccessible regions and enhance air traffic in tier II and tier III cities;
- Increase in trade activity driven by improvement in economic growth in India and across the globe is predicted to drive increases in freight traffic. Other growth drivers for freight traffic include:
    - The Government of India's focus on increasing exports and manufacturing as a share of GDP;
    - Upgraded cargo-handling infrastructure at major airports and the increased focus of Indian airlines on cargo operations; and
    - Increased consumption by Indian consumers.

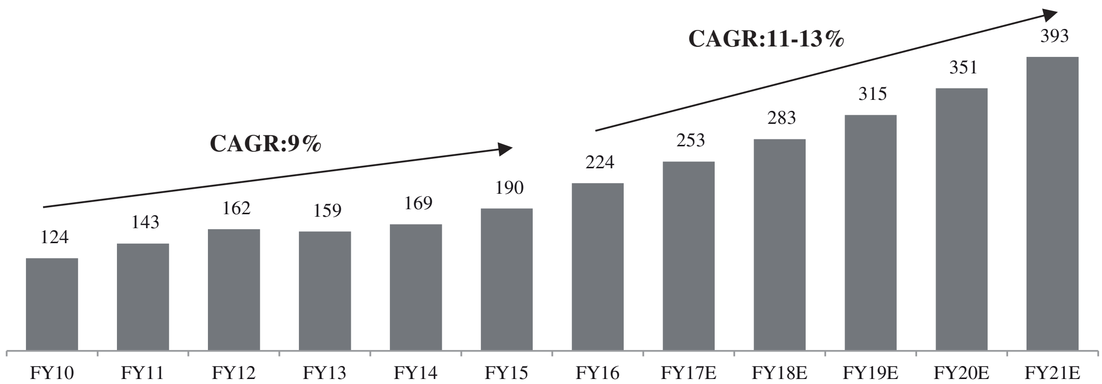
The Government of India announced the Aviation Policy 2016, with the aim of making flying affordable and convenient for the masses along with establishing an integrated eco-system that will lead to significant growth of the sector in the longer term. The policy emphasized the need to enhance regional connectivity by providing fiscal support, infrastructure development and enhancing the ease of doing business through deregulation, simplified procedures and e-governance. The key objectives of the Aviation Policy 2016 include:

- Making India among the global top three nations in terms of domestic and international passenger traffic;
- Increasing domestic ticketing to 300 million (by number of passengers) by 2022 and 500 million (by number of passengers) by 2027;
- Increasing international ticketing to 200 million (by number of passengers) by 2027;
- Increasing cargo volumes to 10 million tonnes by 2027;
- The Government of India launching a regional connectivity scheme in the second quarter of financial year 2017 targeting underserved airports to drive passenger volume with all-inclusive airfares to not exceed Rs.2,500 per passenger, per flight hour on regional connectivity scheme routes; and
- Removing the minimum five years domestic operations requirement for flying on international routes. However, airlines will still have to utilize at least 20 aircrafts or 20% of their total capacity on domestic routes.

Indian Air Traffic Growth Outlook

Passenger air traffic increased at a CAGR of 9% from fiscal year 2010 to fiscal year 2015. It is expected to grow at a CAGR of 11 to 13% from fiscal year 2016 to fiscal year 2021.

Total passengers handled (millions) at Indian airports, fiscal years 2010-2021



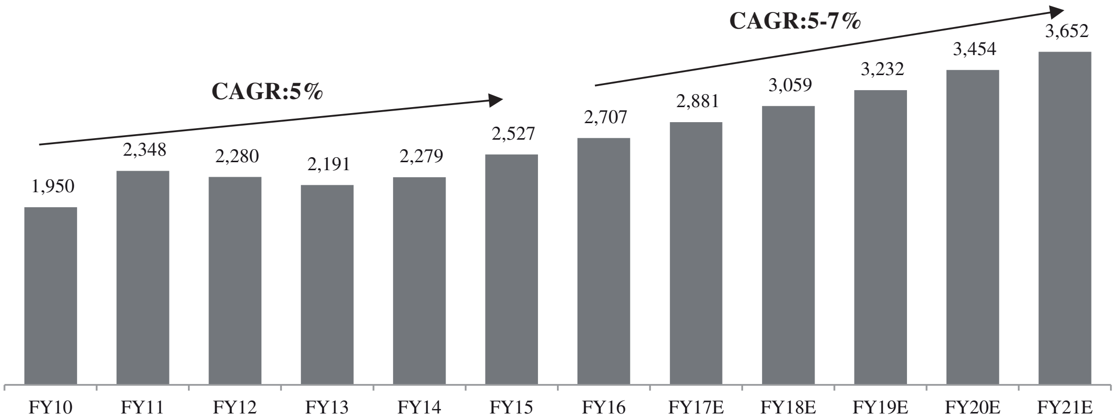
Break-up of overall passenger traffic handled at Indian airports

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E	FY20E	FY21E
International	28.0%	26.0%	25.0%	27.0%	28.0%	27.0%	24.0%	23.0%	23.0%	23.0%	22.0%	22.0%
Domestic	72.0%	74.0%	75.0%	73.0%	72.0%	73.0%	76.0%	77.0%	77.0%	77.0%	78.0%	78.0%

Source: AAI, CRISIL Research

Total freight traffic increased at CAGR of 5% between fiscal years 2010 and 2015. Total freight traffic is expected to increase at a CAGR of 5 to 7% from fiscal years 2016 to 2021.

Growth in overall cargo traffic ('000 metric tons) at Indian airports, fiscal years 2010-2021



Break-up of overall freight traffic handled at Indian airports

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E	FY20E	FY21E
International	64.9%	63.7%	64.4%	64.2%	63.3%	61.1%	61.3%	61.6%	61.6%	61.3%	61.5%	61.3%
Domestic	35.1%	36.3%	35.6%	35.8%	36.7%	38.9%	38.7%	38.4%	38.4%	38.7%	38.5%	38.7%

Source: AAI, CRISIL Research

Delhi Region Overview

The National Capital Territory of Delhi has a population of over 16.7 million inhabitants, according to the 2011 census. According to KPMG, Delhi is the financial, industrial and political center of India. It is also the largest metropolis by size of area and the second largest metropolis by population in India.

According to the Economic Survey of Delhi 2014-15, Delhi has a strong and vibrant economy, with per capita income of Rs.240,849 in fiscal year 2014-2015, which is nearly three times the national average, both at current and constant prices. It is the largest commercial centre in northern India with an estimated net State Domestic Product of US$65 billion in nominal terms in fiscal year 2015.

Delhi's economy has shown tremendous growth during the last decade. This growth has mainly been driven by the service sector followed by the manufacturing sector. One of the key reasons for the high growth of the service sector is Delhi's position as a trading hub in northern India which is due to its better infrastructure compared to other states in the region. Besides trade, other services like real estate, hotels, restaurants, finance, banking, insurance, business services and other service-centered industries have also played an important role in the growth of the service sector.

The availability of world-class infrastructure like the Delhi Metro, clean-energy bus transport and a modern airport has spurred service sector growth and hence the overall economic growth of Delhi. The Indira Gandhi International Airport represents an important gateway for the Indian subcontinent by developing its air transport infrastructure.

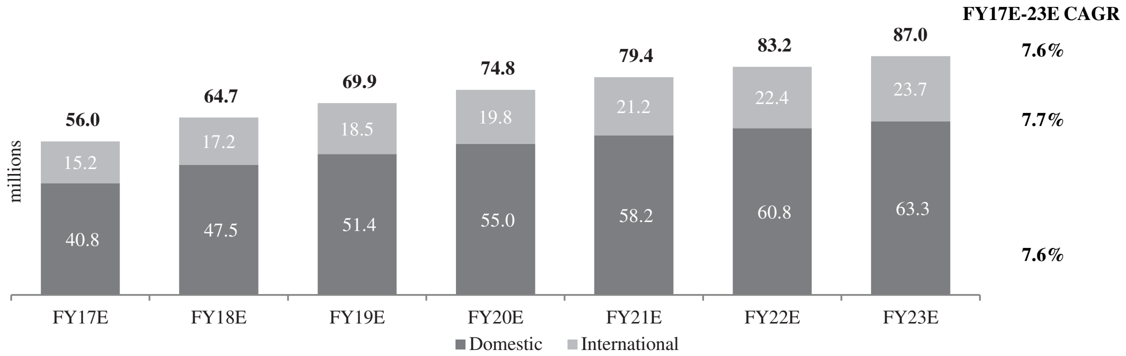
Indira Gandhi International Airport

Ranked at number one in India in terms of both passenger traffic and cargo freight during the fiscal year 2016, according to AAI, the Airport is the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by AAI. Located within the city of New Delhi, the Airport serves the entire National Capital Region of India and is emerging as a leading aviation hub in South Asia. With no other international airport serving northern India, the Airport should benefit from the predicted overall growth in air passenger and freight traffic in northern India.

The Airport handled total traffic of approximately 48 million passengers and 0.8 million metric tons of cargo in fiscal year 2016 and currently has capacity to handle 62 million passengers and 1.5 million metric tons of cargo per year and an ultimate design and scaling capacity to handle 109 million passengers per annum and 2.2 million metric tons of cargo per annum.

ICF International expects passenger traffic at the Airport to grow at a CAGR of 7.6% from fiscal year 2017 to fiscal year 2023 and reach 87 million, with international traffic and domestic traffic growing at CAGRs of 7.7% and 7.6%, respectively.

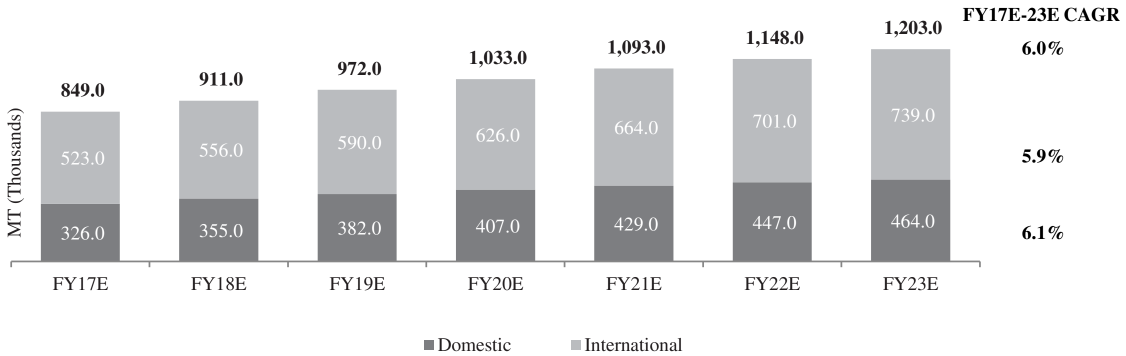
Passenger traffic forecast at DIAL (millions), fiscal years 2017-2023



Source: ICF International

Cargo traffic at the Airport is expected to grow at a CAGR of 6.0% and reach 1,203,000 metric tons by fiscal year 2023, with international cargo and domestic cargo growing at 5.9% and 6.1%, respectively.

Cargo traffic forecast at DIAL (thousands), fiscal years 2017-2023



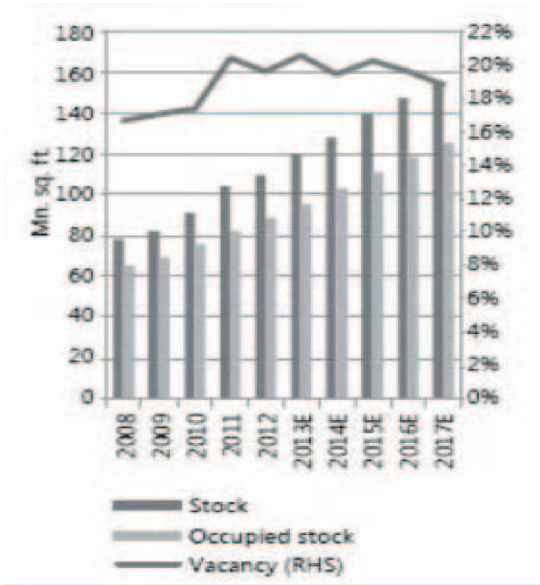
Source: ICF International

NCR Commercial Real Estate Market Overview

The real estate industry is one of the biggest contributors to India's GDP and FDI inflows. The Indian real estate market is expected to be approximately US$180 billion by 2020 from US$94 billion in 2014, according to IBEF. Key drivers for growth in the industry include economic growth, liberalization of government policies, access to bank financing, increasing urbanization and expansion in industrial and commercial activities.

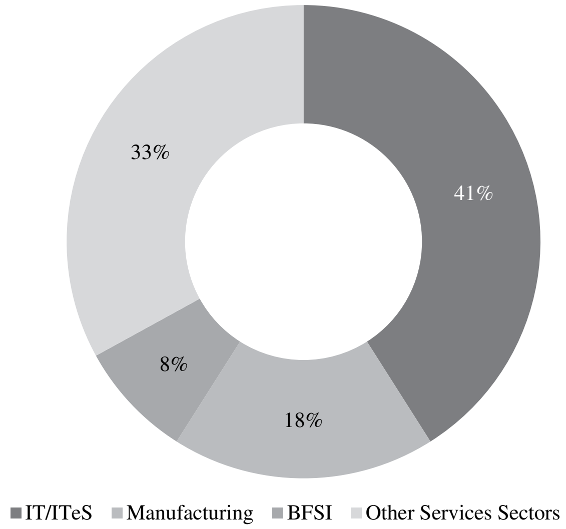
The National Capital Region, one of the main office regions of India, consists in part of Gurgaon, Delhi, Noida, and Greater Noida. While the IT/ITES sector contributes significantly to the National Capital Region office market, manufacturing and other service sectors are also driving strong demand. Behind that demand for commercial real estate in the National Capital Region are a conducive business environment, favorable government policies, lower rentals and larger floor plate availability. The office stock in the National Capital Region stood at 138 million square feet as of the end of December 2015, of which 108 million square feet is occupied stock, resulting in a vacancy level of 22%, according to Knight Frank.

NCR office market analysis



Source: Knight Frank Investment Advisory Report 2013

Industry split of NCR's office space absorption



Source: Knight Frank Investment Advisory Report 2016

OVERVIEW

We hold the exclusive right to operate, manage and develop Indira Gandhi International Airport — the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by the Airports Authority of India, or AAI. Our core activities include the development, management, maintenance and operation of the Airport and management of commercial and other activities conducted at the Airport. The Airport serves New Delhi and the entire National Capital Region of India, which constitutes the second largest urban agglomeration in the world, according to the United Nations. Servicing 61 airlines flying direct to 124 destinations, including 66 international destinations and 58 domestic destinations as of June 30, 2016, the Airport is emerging as a leading aviation hub in South Asia. The Airport handled more passenger traffic than any other airport in India in the year ended March 31, 2016 and the three months ended June 30, 2016, according to IATA.

Located within the city of New Delhi between the Connaught Place central business district and the key commercial and residential suburb of Gurgaon, the Airport is connected to the surrounding region by several links, including a dedicated high-speed metro line and an eight-lane access road linked to National Highway 8. With no other major international airport serving northern India, we expect to benefit from the projected increase in international and domestic passenger traffic to the region, which is projected to reach 22 million and 45 million, respectively, by fiscal year 2022 according to the KPMG Report. See "Industry" for additional information about the aviation sector in India.

In March 2010, we successfully completed the first phase of our long-term development plan for the Airport, which included construction of a third runway and a new state-of-the-art passenger terminal, at a total capital expense of Rs.125 billion, as recognized by the Airports Economic Regulatory Authority of India, or AERA. The only airport in India with three runways, the Airport currently has the capacity to handle 62 million passengers and 1.5 million metric tons of cargo per year. The Airport's facilities include two cargo terminals and three passenger terminals, with a total of 321 check-in counters and 84 aerobridges, as well as nine A380 compliant boarding gates. The next phase of our long-term development plan, the Phase 3A Expansion, includes, among others, expansion of Terminal 1, construction of a fourth runway and enhancement of airfields and construction of taxiways. Under our management, the Airport has received numerous awards and has been recognized in various rankings in recent years, including the "Best Airport in the World" among 25-40 million passenger size airports in 2015 and 2014 by the Airport Council International, "Best Airport in India and Central Asia in 2015 and 2014," "Best Airport Staff in India/Central Asia" in 2015 by SKYTRAX, "Best Airport in the Country at National Tourism Awards for 2013 and 2014," "Golden Peacock Award for Sustainability in the Aviation Sector for 2015," "Best Emerging Airport — Asia at the Asian Freight, Logistics and Supply Chain Awards," "CIIBE Star Awards: Leaders in Operations Management & Leaders in Customer Management 2015," "CNBC Aawaz — Best Managed Airport Award for 2013, 2014 and 2015" and "Outlook Traveler Awards — Favorite Domestic Airport."

Incorporated in March 2006, we were formed following a competitive bidding process in which a consortium, led by the GMR Group, was awarded an exclusive concession to operate, maintain and develop the Airport. Our Concession has an initial term of 30 years, and we have an option to extend for an additional 30 years to 2066 without a renewal fee, subject to the non-occurrence of a default under the OMDA. The Operation, Management and Development Agreement, or OMDA, that we entered into with AAI governs our rights and obligations under the Concession, while the SSA and SGSA entered into with the Government of India and the Government of the National Capital Territory of Delhi, or GONCT, respectively, provide for certain support services and incentives to us for the development of the Airport, as well as a right of first refusal to match the winning concession bid to develop any new airport within 150 kilometers of the Airport, subject to certain conditions. The Government of India has guaranteed AAI's payment obligations to us of all undisputed transfer payments, which include debt (as defined in the OMDA), subject to certain parameters.

Our Concession also includes the right to commercially develop approximately 230 acres of land at the Airport for certain identified commercial purposes. We have already awarded development rights to third parties for approximately 45 acres of this land for the construction of a hospitality district, with the aim of progressively transforming the Airport into an international-caliber "aerotropolis." Several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree, have been built or are under construction in the hospitality area. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. We expect demand for space and land in our land bank, which is centrally located in the Delhi region, to continue to grow and contribute visible and predictable revenues generated by long-term leases.

Passenger traffic at the Airport has grown substantially under our management, from 16 million passengers in 2006 at the beginning of our Concession, to nearly 48.4 million passengers in fiscal year 2016, a compound annual growth rate ("CAGR")[3] of over 11.5%. Cargo volume has also increased rapidly, from 383,052 metric tons in fiscal year 2006 to 787,168 metric tons in fiscal year 2016. In the three months ended June 30, 2016 and 2015 and fiscal years ended March 31, 2016, 2015 and 2014, total passenger traffic at the Airport was 13.8 million, 11.5 million, 48.4 million, 41.0 million and 36.9 million, respectively, while our total cargo traffic in metric tons was 208,124, 194,698, 787,168, 696,539 and 605,699, respectively, for the same periods. In fiscal year 2016, the Airport handled 365,696 air traffic movements, or ATMs, which are all aircraft arrivals and departures to and from the Airport. Increasing passenger and cargo traffic through the Airport is a key driver of our growth and increased revenue.

For the fiscal year ended March 31, 2016, we had total revenue of Rs.50,159.8 million (US$741.8 million) and EBITDA of Rs.18,863.4 million (US$279.0 million), an increase of 17.2% and 27.2%, respectively, from total revenue of Rs.42,799.2 million and EBITDA of Rs.14,825.3 million for fiscal year ended March 31, 2015. For the three months ended June 30, 2016, we had total revenue of Rs.13,596.2 million (US$201.1 million) and EBITDA of Rs.5,244.8 million (US$77.6 million), an increase of 16.1% and 20.8%, respectively, from total revenue of Rs.11,710.8 million and EBITDA of Rs.4,340.6 million for the three months ended June 30, 2015. See "Selected Financial and Other Data" for details on our calculation of EBITDA.

Our majority shareholder is a subsidiary of the GMR Group, a leading diversified infrastructure group in India with substantial experience in the development and operation of airports, power plants, roads and urban infrastructure. Our other shareholders include AAI, a Government of India enterprise, and Fraport AG Frankfurt Airport Services Worldwide, a leading international airport operator. See "Principal Shareholders" for more information about our shareholders.

Overview of our Sources of Revenues

Our revenue is derived principally from aeronautical operations, which include domestic and international landing fees, domestic and international parking and housing fees, user development fees and common user terminal equipment (CUTE) counter charges and are regulated by AERA under the terms of the OMDA and SSA, and non-aeronautical services, which are derived primarily from commercial and other activities at the Airport and are not regulated. We also earn lease rental revenue from license fees in connection with certain commercial property development activities at the Airport.

Revenue from aeronautical operations was Rs.34,075.8 million, Rs.29,509.2 million and Rs.28,063.5 million in fiscal years 2016, 2015 and 2014, respectively (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal years ended March 31, 2014), accounting for 67.9%, 68.9% and 70.1% of our total revenue in those years. Revenue from non-aeronautical operations was Rs.13,599.4 million, Rs.11,463.4 million and Rs. 10,233.1 million in fiscal years 2016, 2015 and 2014, respectively (after giving effect to the regrouping described above), accounting for 27.1%, 26.8% and 25.6% of our total revenue in those years. Revenue from commercial property development was Rs.941.1 million, Rs.982.4 million and Rs.930.4 million in fiscal years 2016, 2015 and 2014, respectively, accounting for 1.9%, 2.3% and 2.3% of our total revenue in those years. For more information regarding our sources of revenues, see "Business—Our Sources of Revenues."

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(3) CAGR = (ending value/beginning value)$^{(1/\text{no. of years})}$-1

Overview of our Concession

We have exclusive rights to operate, maintain and develop the Airport for a 30-year period until 2036, with an option to extend the term for an additional 30 years without a renewal fee, if we comply with our obligations under the OMDA. Our rights and the rights and obligations of AAI, the Government of India and other state bodies in respect of the Concession are provided in a series of agreements, including the OMDA and the SSA, executed following the award of the concession in January 2006.

Operation, Management and Development Agreement

We entered into the OMDA in April 2006 with AAI, pursuant to which we were appointed to undertake certain functions relating to the operation, maintenance, development, design, construction, modernization, financing and management of the Airport and to perform certain aeronautical and non-aeronautical services at the Airport. Under the terms of the OMDA, we paid AAI a one-time upfront fee of Rs.1,500 million and agreed to pay AAI an annual fee in monthly installments throughout the term of the Concession equal to 45.99% of the projected pre-tax gross revenue, including all revenue from aeronautical and non-aeronautical services and commercial property development, for each year. The OMDA also places certain restrictions on the transfer of our shares and limits our scope of business to operating, maintaining and developing the Airport, as well as commercially developing the approximately 230 acres of land for specified purposes at the Airport granted to us for the term of the Concession. In addition, it provides a mechanism for AAI and our Lenders (as defined in the OMDA) to replace us with a substitute party if we default under the OMDA or our senior secured credit facilities extended by such Lenders. As of the date of this offering memorandum, we are in compliance with the terms of the OMDA, including the required capital development projects. For more information regarding the OMDA, see "Business—Our Concession—Operation, Management and Development Agreement."

State Support Agreement

We entered into the SSA with the Government of India in April 2006, pursuant to which the Government of India agreed to provide certain support services and incentives to us for the development of the Airport. Specifically, the Government of India has agreed to provide services related to customs, immigration, plant and animal quarantine, health, meteorology and security, in addition to certain aeronautical services, at the Airport during the term of the Concession. The Government of India also has granted us a right of first refusal in the event it initiates a competitive bid for the development and operation of another airport within a radius of 150 kilometers of the Airport, giving us the right to match the most competitive bid received if our initial bid for the new airport is within 10% of such bid. In addition, the Government of India has guaranteed the payment obligations of AAI to us of all undisputed amounts owed to us under the OMDA, subject to certain parameters. For more information regarding the SSA, please see "Business—Our Concession—State Support Agreement."

COMPETITIVE STRENGTHS

We believe our competitive strengths include the following:

Asset of national importance and government support

Our business operations fulfill a number of socio-economic goals that are important to the Indian government, such as employment and infrastructure development, and our operational, development and expansion plans are closely aligned with the government's objectives, including supporting the economic development of India and encouraging the growth of tourism. In addition, 26% of our shares are currently owned by AAI, making the Government of India one of our key shareholders and making us a quasi-sovereign asset. The Government of India has also announced investment plans in infrastructure that should reduce congestion to and from the Airport and further connect the Airport to the surrounding region, including linking Terminal 1 to the Delhi Metro and upgrading the Airport's express metro stations into interchange stations.

On June 15, 2016, the Government of India released the Aviation Policy 2016, introducing various measures to promote the growth of the Indian civil aviation sector. Under its Regional Connectivity Scheme, the MoCA will levy a small charge on domestic flights and will use it to fund a subsidy given to airlines which provide capped airfares for certain under-served regional routes at a target rate of Rs.2,500 per passenger per hour of flight time. The policy also eliminates the existing requirement that airlines must fly domestic routes for at least five years before they fly international routes, so that airlines with at least 20 aircraft can immediately start flying internationally. Going forward, the Government of India will seek to enter into "open sky" air service agreements on a reciprocal basis with member countries of the South Asian Association for Regional Cooperation (SAARC) and countries that are more than 5,000 km away from India.

In line with the national importance of the Airport, which is a regulated asset, the Government of India has guaranteed AAI's payment obligations to us of all transfer payments, which includes Debt (as defined in the OMDA). See "Business—Our Concession—Operation, Management and Development Agreement." In addition, it granted us the Concession for a term of 30 years, which may be renewed for an additional 30 years without a renewal fee, giving us access to long-term, sustainable future cash flows for the length of the Concession. The government also plays a range of other important roles with respect to our business, including through regulatory, supervisory, operational coordination and contractual counterparty roles across many aspects of our airport operations and other activities. For example, we are assisted by the OMDA Implementation Oversight Committee ("OIOC"), which meets bi-annually and is chaired by the Secretary of MoCA. OIOC provides us with a medium to raise and resolve any issues directly at the MoCA level. This committee has met several times since its establishment. We believe that due to the pivotal importance of air travel to the economic development of India, we will benefit from the ongoing support of the Government of India.

In addition, our revenue from aeronautical services, which is generated from fees we collect from airlines and passengers, is set by AERA, an independent regulator established by the Government of India, and based on agreed-upon principles provided in the SSA. Those principles include transparency, economic efficiency and commercial considerations. We also have the right to appeal AERA's tariff rates to a separate appellate tribunal, which provides us with an avenue to address potential concerns. See "Business—Regulatory Bodies—AERA."

Strategically located with a dominant position in an industry with high barriers to entry

The Airport is the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by AAI. The Airport is located within the city of New Delhi, 16 kilometers south of the city center, and is well connected to the rest of the National Capital Region of India via commuter rail. New Delhi, which together with its surrounding suburbs constitutes one of the largest urban conglomerations in the world according to the United Nations, is a major financial, industrial and political center in India. The National Capital Region, and New Delhi in particular, has provided a steady flow of business travelers and cargo through the Airport, which also serves as the gateway to the "golden triangle" of North India comprising the tourist destinations of Agra, Jaipur and Delhi.

Under our Concession, we have leased from AAI a land bank in the vicinity of the Airport of approximately 230 acres, which we have been authorized to develop for certain identified commercial purposes. We have already awarded development rights to third parties for an area of approximately 45 acres of this land for the construction of hotels and mixed-use development, in exchange for which we are entitled to receive upfront deposits and annual license fees at fixed rates, subject to yearly increases. Several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree, have been built or are under construction in this area. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. Given the excellent connectivity to central and south Delhi, as well as Gurgaon and other parts of the National Capital Region from the Airport, we expect demand for space and land in our land bank to continue to grow and contribute to our visible and predictable revenues.

We believe the Airport is a leading aviation hub in India, with no other airport in northern India competing with us for international passenger traffic, and all of South Asia. Air India, the national carrier of India and a member of the Star Alliance, offers the largest number of routes to and from the Airport and is currently using the Airport as its hub. IndiGo, India's largest airline in terms of passengers flown, also uses the Airport as its hub and operating base, while the new airline Vistara named the Airport as its hub in the last fiscal year.

The Airport serves 66 international and 58 domestic destinations and, according to IATA, for the year ended March 31, 2016 and the three months ended June 30, 2016, it ranked number one among all Indian airports in both passenger traffic and cargo handled. In fiscal year 2016, we served a total of nearly 48.4 million passengers, supported approximately 787,168 metric tons of cargo traffic and accounted for 365,696 ATMs. In 2014, the Airport served as gateway to 34% of the international tourists that arrived via air into India according to a 2014 report by the India Ministry of Tourism. In that same year, the Airport registered an 11.1% growth in traffic over the previous year. The Airport has a built-up capacity to cater to 62 million passengers and 1.5 million metric tons of cargo per year, making us well placed to benefit from the passenger and cargo traffic growth projected in the KPMG Report without the need for further expansion in the near term. We believe that the Phase 3A Expansion will ensure that we are prepared for growth in the long term.

We believe our industry is characterized by high barriers to entry inherent to airport construction and operation, especially in New Delhi, where the lack of available land for airport expansion in attractive locations, the need for significant capital investments to develop a new competing facility and the extensive regulatory approvals required to operate in a highly regulated industry are natural barriers to potential new entrants. In addition, even if another airport is planned for construction within a radius of 150 kilometers of the Airport, the Government of India has granted us a right of first refusal for the development and operation of such an airport, whereby we have the right to match the most competitive bid received if our bid is within 10% of such bid.

Diversified operations and sources of revenues

The Airport benefits from a diversified passenger base from various markets, including the Asia Pacific region, the Middle East, the United States and Europe. The Airport serves 61 airlines and most of the major global and regional airlines call on the Airport, with several new airlines added in each of fiscal years 2014, 2015 and 2016 and no single airline accounting for more than 18.3% of our revenue from aeronautical services in fiscal year 2016. We believe that this has contributed to traffic at the Airport being relatively resilient to the effects of seasonality and economic cycles affecting specific regions and tourism traffic. Of the international passengers that came through our airport in fiscal year 2016, 38.1% were from the Asia Pacific region, 18.5% were from the Middle East, 20.5% were from Europe and 17.1% were from North America. Our revenue from non-aeronautical operations are not subject to regulatory control and have risen to Rs.13,599.4 million in fiscal year 2016 from Rs.11,463.4 million and Rs.10,233.1 million in fiscal years 2015 and 2014, respectively. Since the beginning of the Concession period, the amount of cargo handled at the Airport has increased at a compound annual growth rate of 7.4%. International cargo accounted for approximately 62% of cargo traffic in each of fiscal years 2016, 2015 and 2014. Through our joint ventures, we have coordinated with offsite air freight stations in major manufacturing areas around North India to facilitate increased cargo traffic at the Airport. The Airport is the first airport in India to achieve compliance with the International Air Transport Association's e-freight standards through the Airport's cargo community system, which provides end-to-end connectivity for all parties in the air cargo industry. While our revenues from aeronautical and non-aeronautical operations are both tied to passenger traffic, our commercial property development business provides a revenue stream largely delinked from air travel and is set to grow as we prepare to license the additional 185 acres available for development. We believe our diversified sources of revenues and broad customer base help create a solid revenue generation capability.

The markets in which we operate possess robust macroeconomic and demographic indicators

India, the world's largest democracy in terms of population (an estimated 1,336 million, as of May 2016), had an estimated GDP adjusted for purchasing power parity of approximately US$7.9 trillion in 2015 according to the CIA World Factbook. This makes it the third largest economy by GDP in the world after the U.S. and China. According to IMF, India's real GDP grew by approximately 7.2% and 7.3% per annum in the financial year 2014-2015 and financial year 2015-2016, respectively, and according to World Bank, is expected to grow by approximately 7.6% in the financial year 2016-2017. Expansion of India's middle class, coupled with increased disposable incomes due to an expanding economy, are projected to help achieve some of the fastest growth in the world over the next 20 years.

Economic growth and other positive macroeconomic indicators in the country have been reflected in overall growth in passenger traffic in India and in particular in our Airport. According to IATA, India had the fastest domestic passenger growth among the world's largest domestic markets in 2015, including China, the United States and Russia. In fiscal years 2016, 2015 and 2014, passenger traffic in India was 224 million, 190 million and 169 million, respectively, representing a CAGR of 14.9%. At the same time, in fiscal years 2016, 2015 and 2014, passenger traffic in our Airport was 48.4 million, 41.0 million and 36.9 million, respectively, and has experienced a CAGR of 11.8% since the beginning of our Concession in 2006. One of the drivers behind this passenger traffic growth has been tourism, with foreign tourist arrivals having grown at a CAGR of approximately 7% from 1997 to 2013. According to the Ministry of Tourism, tourism in India in terms of foreign tourist arrivals grew by 4.5% in fiscal year 2016 from fiscal year 2015. International passenger traffic in India for fiscal years 2016, 2015 and 2014 was 55 million, 51 million and 47 million, respectively, while international passenger traffic in our Airport was 14.1 million, 13.5 million and 12.7 million, respectively.

With the growth in tourism projected to continue, passenger traffic in India is expected by the Airport Council International to increase at a CAGR of approximately 8.0% during the period 2012 to 2021 and approximately 7.1% during the period 2012 to 2031. India's relatively low air passenger density of only 72,000 passengers per million urban residents, compared to 283,000 in Indonesia and 282,000 in China (not including Hong Kong or Macau) in 2012, and an average of 0.05 trips abroad each year per Indian citizen, compared to 0.26 per Chinese citizen (not including Hong Kong or Macau) in 2012, are also projected to rise and reach 0.25 per Indian citizen by 2032.

Excellent reputation and highly experienced management

Our highly experienced management team has leveraged that experience to make substantial infrastructure and operational improvements at the Airport and greatly improve the Airport's reputation. Our management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance, business development, infrastructure projects and human resources management in airport-related operations. We believe our management team's capabilities and core understanding of our business, as well as the related regulatory environment, enable us to operate efficiently and manage risk effectively. This has allowed us to, among other things, operate the Airport without ever having experienced suspended operations, to construct our new state-of-the-art Terminal 3 in only 37 months, as compared to more than four years for each of Beijing Capital Airport and Kuala Lumpur International Airport, and to handle an increasing number of passengers and air traffic movements, while at the same time maintaining our world-class service standards.

As a result of our management's continued efforts, coupled with that of our partners, our Airport has been recognized by several industry observers and has earned a number of awards, including the following:

- International Safety Award in Distinction Category from the British Safety Council for 2016;
- First prize in the KAIZEN Competition under the Renovative Category in the 26th Kaizen Conference and Competition, organized by Confederation of India Industry (CII) — Institution of Quality in 2016;
- The first Indian airport ranked number one airport in the 25-40 million Passenger Category by Size (in 2014 and 2015), ranked number one in the 25-40 million Passenger Category in Size and Region — Asia Pacific in 2015 and ranked number two in the Best Airport by Region — Asia Pacific in 2015, in each case by Airports Council International;
- "Best Emerging Airport — Asia" at the 2015 Asian Freight Logistics and Supply Chain (AFLAS) Awards;
- Skytrax World Airport Award 2014 for "Best Airport in India/Central Asia" and "Best Airport Staff in India / Central Asia 2015";
- "Golden Peacock National Quality Award 2015" for building a culture of Total Quality at the Airport;

- "International Safety Award 2015" from the British Safety Council with Distinction for the organization's focus and commitment towards providing a safe airport operation;
- "CII — 5S Excellence Sustenance Award 2015";
- "CII — 5S Excellence Awards 2014" — Northern region; Service sector by Confederation of Indian Industries (CII);
- Best Managed Airport Award at CNBC AWAAZ Travel Award, 2013, 2012 and 2011;
- Best Airport in India & Central Asia at World Airport Awards, 2013 and 2012;
- International Cargo Airport of the Year, Region India at STAT Times Awards, 2012;
- Routes Airport Marketing Awards for Asian Region at World Routes Awards 2012 for Excellence in Airport Marketing;
- Emerging Cargo Airport of the Year at STAT Times Awards, 2010; and
- First airport in the world to be certified for Energy Management System Certification (ISO 50001:2011) by British Standards Institution.

We believe our competitive position compared to other world-class airport operators and a continuing reputation for operational excellence within the airport services industry is a significant competitive advantage.

STRATEGIES

We intend to seek to increase revenues and improve efficiencies through the following key measures:

Successfully implement the Phase 3A Expansion

As the passenger traffic at the Airport nears the passenger capacity of the Airport, we will seek to increase passenger capacity through the construction of additional facilities, which we expect will contribute to an increase in both aeronautical and other revenues. In that connection, under the terms of the SSA and OMDA, we are required to update and resubmit the Master Plan to the government of India every ten years or more frequently if justified by traffic growth or other reasons covering the anticipated demands in the next 20 years.

Because of the growth of low cost carriers, higher traffic growth than was previously assumed, changes in flights and passenger demand and other various factors, we recently submitted to MoCA a revised Master Plan consisting of several phases of development. Our next phase of development is set forth in Phase 3A of the Master Plan, which includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of taxiways (the "Phase 3A Expansion"). See "Business—Corporate History and Structure—The Revised Master Plan." Upon completion of the Phase 3A Expansion, we expect passenger capacity of the Airport to increase from 62 million passengers per year to 75 million passengers per year. We currently estimate the total capital expenditures required for the Phase 3A Expansion to be in the range of Rs.40 billion to Rs.70 billion, which will be made between the next three to five years, depending on the formal project specifications. We expect that such capital expenditures will be financed through cash flow from operations, existing surplus cash and the incurrence of additional indebtedness. We will seek to manage our increased leverage and debt-servicing needs by capturing additional revenue through increased passenger traffic, and by preserving our existing cash flow by minimizing disruptions to existing passenger traffic and promptly executing the construction plan while executing the Phase 3A Expansion. We believe that a successful implementation of the Phase 3A Expansion will allow us to capture additional revenue through increased tariff rates, increased passenger traffic, enhanced competitiveness of the Airport as a hub and improved customer satisfaction.

Increase air routes and passenger traffic

A key driver of our revenue growth is related to passenger traffic. We are therefore committed to developing new air routes at our Airport by encouraging new airlines to call on the Airport and existing airline customers to add further routes to and from the Airport. We intend to enhance our market position as a transit point for international flights. The geographic location of Delhi makes it suitable as a hub for international passenger traffic, especially as it provides easy access to and from various major cities in the National Capital Region of India. We have developed a comprehensive route development strategy, backed by our team of experienced professionals, with the goal of developing new routes, attracting new airlines and increasing overall passenger traffic at Delhi. We believe our strategy is yielding results as international routes increased from 58 in fiscal year 2007 to 66 in fiscal year 2016, and two, five and five new airlines began serving the Airport in fiscal years 2014, 2015 and 2016 respectively. Air India, now a member of the Star Alliance, and IndiGo both currently use the Airport as a hub, and Vistara, which commenced operations on January 9, 2015, has also named the Airport as its hub, which should help increase the number of transfer passengers transiting through our Airport. We are working closely with Air India, IndiGo, Vistara, Jet Airways and Spice Jet to align their schedules of departures and arrivals to maximize connection options and minimize connecting times for passengers. We believe that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenues.

Develop the Airport into an international air traffic hub for cargo

Relying on the two cargo terminals at the Airport, including our state-of-the-art greenfield cargo terminal with advanced temperature controlled facilities that we completed during our Concession, we will seek to develop the Airport into an international air traffic hub for cargo in India by pursuing several initiatives, including enhancing our air cargo logistics center to attract new freight forwarders and developing new revenue streams for renting warehouse and commercial cargo space. We will also continue to promote paperless transactions, as evidenced by IATA certifying us as the first e-freight compliant airport in India, and participate in the Air Cargo Forum of India, a national platform for various cargo stakeholders such as freight forwarders, Indian customs authorities, exporters and importers. In addition, we plan to develop air freight stations with higher volume and better operational efficiency and promote the Airport as a trans-shipment hub.

Drive growth in commercial property development and non-aeronautical services revenues

We earn revenue in our commercial property development segment from licensing parcels out of our total land bank of approximately 230 acres. We are currently focused on increasing the percentage contribution from commercial property development and non-aeronautical services to our overall operating revenue. The terms of our Concession also provide us with flexibility and control in developing non-aeronautical services, which are generally not subject to government tariff regulation. These non-aeronautical services, including food and beverage outlets in the Airport, advertising in Airport premises, operation of car parks and our in-house retail operations consisting of the sale of duty-free and non-dutiable goods, are all provided through various partner concessionaires. In addition, non-aeronautical services revenues include those we earn from the leases of commercial space such as offices and airline lounges. Our combined revenue from non-aeronautical operations and commercial property development (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014) have risen to Rs.14,540.5 million in fiscal year 2016 from Rs.12,445.8 million and Rs.11,163.5 million in fiscal years 2015 and 2014, respectively. With our sizable retail space and land bank and increasing consumer purchasing power in India, we believe there are significant opportunities to increase non-aeronautical operations revenue per passenger. We expect to focus on this objective through a range of initiatives, including:

- *Generate revenue from commercial property development*. Under the terms of the OMDA, we have the right to develop approximately 230 acres in the vicinity of the Airport for certain identified commercial purposes. We have awarded development rights to third parties for an area of approximately 45 acres at the Airport for the construction of hotels and mixed-use development, where several renowned international hotels, including the Hyatt, Novotel, JW Marriott, Holiday Inn, IBIS and Lemon Tree Premier, have been built or are under construction. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. We expect demand for space and land in our land bank, which is centrally located in the National Capital Region of India, to continue to grow and contribute to our revenues.

- *Create stronger commercial focus*. We are in the process of optimizing our retail and other service offerings. In connection with these initiatives we are seeking to reorganize, reposition and diversify our retail, food and beverage and other commercial offerings in our Airport to maximize customer traffic and visibility and minimize the distance and processing times from retail or other shops to boarding gates. We utilize extensive benchmarking via best practices learned from the leading airports in the world to enhance our optimization process. We are also working with our joint venture ("JV") partners to better differentiate and diversify our offerings in order to target the contrasting needs of full-service and low-cost carrier passengers and widen our overall product and services ranges to enhance passenger experience in our airports. Furthermore, we seek to promote our Airport branding through extensive marketing and communication of our products and services.

- *Enhance retail operations*. Through our joint venture, we operate a full-range duty-free products business in the Airport. We have leveraged expert networks, such as the Boston Consulting Group to study and provide recommendations for enhancing the revenue contribution from these duty-free retail operations by means of targeted marketing, better brand promotion and optimization of the business with (i) nationality-focused marketing initiatives aimed at improving sales from Chinese, Japanese and Russian passengers; (ii) loyalty programs; (iii) in-store promotions; and (iv) customer behavior studies. We also plan to broaden the range of products, in particular electronics, sold at duty-free outlets. For the three months ended June 30, 2016 and for fiscal year 2016, revenue from retail duty-free sales contributed 22.6% and 22.8% of our revenue from non-aeronautical operations.

- *Enhance our business capabilities*. We seek to expand commercial airport operations by supporting better business decision-making methodologies through the improvement of our business intelligence analytics, point-of-sales data analysis, business relationship management and customer relationship management systems. We believe that enhancing our business management capabilities will allow us to leverage the expansion of our commercial operations infrastructure into compounding business growth.

We believe the above steps have resulted in a significant increase in revenue from non-aeronautical operations from the beginning of our Concession and we will continue to implement these strategies. Revenue from non-aeronautical operations in fiscal year 2016 was Rs.13,599.4 million, accounting for 27.1% of our total revenue in the period.

Continue to enhance service levels and passenger satisfaction

Having been named the first Indian airport ranked number one airport in the 25-40 million Passenger Category by Size by Airport Council International for fiscal years 2014 and 2015, we continue to aim to improve service levels and overall passenger satisfaction by working with AAI and regulatory partners to introduce passenger friendly policies. Initiatives in passenger friendly policies include no frisking for transfer passengers, visa on arrival for citizens from more countries, improvement in accuracy and timeliness in reporting of traffic data and improvement of transfer area facilities. These initiatives are expected to reduce waiting times, increase available space for retail activities and reduce our operating costs.

Other initiatives to enhance service levels which we are working with governmental partners to accomplish include improving surface and metro connectivity for passengers, for example by expediting the extension of the Airport Express Metro to Gurgaon and the construction of the metro line between Botanical Garden to Janakpuri, for which we expect to provision land at the Airport. By aligning our airport infrastructure planning with the expected growth in passenger levels, we hope to satisfy the changing needs and expectations of passengers at the Airport. In addition to building a customer-focused organization, we are continually implementing initiatives to develop and train our human capital, including employee engagement and welfare initiatives, to ensure that we have the capabilities to deliver the highest service standards.

Further enhance operational efficiency

In an effort to optimize the operating efficiency of the Airport, we have implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. We intend to continue exploring and implementing similar initiatives in the future in order to improve our operational efficiencies, which we believe are already among the best in the airport industry. Examples of initiatives we have recently implemented that we intend to continue exploring in the future include the following:

- *Rationalizing energy consumption at the Airport.* The Airport has implemented various energy audits and energy saving measures as part of its environmental sustainability management, and is the first airport in the world to achieve the Energy Management System Certification (ISO 50001:2011) from the British Standards Institution. We received the Excellent Energy Efficient Unit Award 2012 from the Confederation of Indian Industry. We have also successfully registered "Energy efficiency measures at Terminal T3" at UNFCCC in 2013. In addition, we have installed more than 300 rainwater harvesting wells spread across the Airport premises to conserve and sustain water resources. We are accredited by Airport Council International (ACI) for our carbon management at the Airport to "Optimisation Level." We have also installed a 7.18 megawatt solar power plant at the Airport and are the first airport in India that has an on-site mega solar power plant. We will continue analyzing our operations to further reduce costs and enhance efficiency.
- *Improving air traffic movements and on-time performance.* We implemented certain recommendations from an air traffic study we commissioned, which resulted in the increase of maximum ATMs per hour that we are able to handle from 60 in fiscal year 2012 to 75 in fiscal year 2016. We also implemented the Delhi Airport-Collaborative Decision Making program in close cooperation with air traffic control, ground handlers and the airlines, which highly improved our on-time performance. Furthermore, we have installed a Category III instrument landing system, which has contributed to improvements in our air traffic control and on-time performance.
- *Maintaining effective headcount and controlling administrative expenses.* We are continuously assessing efficiency initiatives and targeting these measures to achieve economies of scale through the consolidation of our core corporate functions and administrative expenses. We will continue to analyze our headcount requirements as permitted by our operations in an effort to optimize efficiency without adversely affecting the airport experience.

CORPORATE HISTORY AND STRUCTURE

Corporate History

In 2003, the Government of India approved the restructuring of the Airport's operations and management along a public private partnership model, with the goal of modernizing and expanding the Airport, which at the time was under the direct operation and management of AAI. Following a competitive bidding process, a consortium led by the GMR Group was awarded the concession to operate, manage and develop the Airport in January 2006. AAI incorporated DIAL as a limited company in India in March 2006 as a special purpose vehicle to act as concessionaire. AAI subsequently transferred 74% of our shares to the winning consortium, which included certain subsidiaries of the GMR Group, Fraport AG Frankfurt Airport Services Worldwide ("Fraport"), Malaysia Airports (Mauritius) Private Limited (a subsidiary of Malaysia Airport Holdings Bhd, ("Malaysia Airports") and India Development Fund. In June 2009, India Development Fund sold to GMR Infrastructure Limited all of its shareholdings in us, which comprised 3.9% of our outstanding shares. On May 22, 2015, Malaysia Airports sold to GMR Airports Limited all of its shareholdings in us, which comprised 10% of our outstanding shares. As a result of these transactions, GMR Airports Limited owns 64% of our outstanding shares.

We took over the operation and management of the Airport on May 3, 2006, following the execution of the OMDA with AAI and the other Concession Agreements. The OMDA, the SSA and the SHA set forth certain restrictions on the scope of our business and the transfer of our shares. Under the OMDA, we are responsible for the operation, maintenance, development, design, construction, upgrade, modernization, financing and management of the Airport, but we are permitted to sub-contract, sub-lease and license out certain functions, such as the provision of non-aeronautical services, which we have done so through our joint ventures and concessionaires, though the terms of the OMDA require us to award major contracts through a competitive bidding process. See "—Our Concession" for further details. In addition to exercising overall management control and supervision of the Airport, we directly perform, among others, the following activities: firefighting, customer service, sales and marketing directed at our airline and cargo customers and various administrative, legal and other tasks required for both the everyday operation and long-term development of the Airport.

Pursuant to the OMDA and the SSA, we prepared a master plan in 2006 for the long-term development of the Airport. The Master Plan prepared in 2006 consisted of two phases. The first phase, which we completed within the required timelines, comprised two development sub-phases. Phase 1A, which we completed in April 2009, consisted of (i) upgrading the international terminal, (ii) building a new "Code F" compliant runway, which is the third runway at the airport and associated taxiways designed to fit new generation aircraft like the Airbus A380 and other wide-bodied aircraft, and (iii) expanding the domestic terminal.

Phase 1B involved construction of a new terminal with 78 aerobridges capable of handling next generation aircraft such as the Airbus A380, new aprons, an upgraded cargo terminal, enhanced ground access, and a multi-level parking structure. We completed construction of the new Terminal 3 in March 2010 in only 37 months. Commercial operation commenced in July 2010 in respect of international operations and November 2010 in respect of domestic operations. As a result of the full completion of Phase 1, which was funded in part through debt financing, the Airport's capacity has increased to 62 million passengers per year.

The Revised Master Plan

Under the terms of the SSA and OMDA, we are required to update and resubmit the Master Plan to the government of India every ten years or more frequently if justified by traffic growth or other reasons covering the anticipated demands in the next 20 years. The previous Master Plan was adopted in 2006 and comprised Phase 1A, which included the refurbishment of Terminal 1 and 2 and the construction of a new runway, and Phase 1B, which included the construction of Terminal 3 and incorporated the previously-planned Phase 2. In light of the growth of low cost carriers, higher traffic growth than was previously assumed, changes in flights and passenger demand and other various factors, we recently submitted to MoCA a revised Master Plan consisting of Phase 3A, Phase 3B and Phase 4, with indicative planning and implementation periods of 2016-2020 for Phase 3A, 2021-2025 for Phase 3B and 2026-2034 for Phase 4. The capital expenditures relating to these phases may fall both inside and outside of these indicative planning and implementation periods.

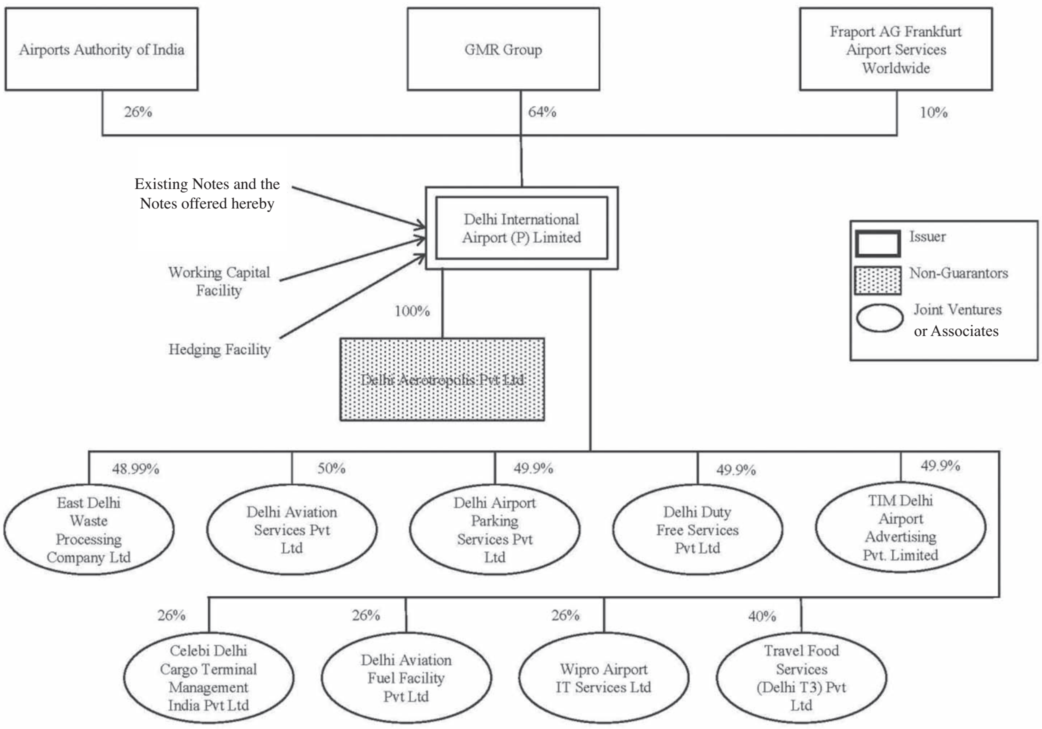
Our next phase of development, the Phase 3A Expansion, includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of taxiways. Upon completion of the Phase 3A Expansion, we expect that the passenger capacity of the Airport will increase from 62 million passengers per year to 75 million passengers per year. Phase 3B includes, among others, the first phase of the development of Terminal 4 for domestic flights with one pier and various airfield developments. Phase 4 includes, among others, the second phase of the development of Terminal 4 and the construction of a new pier. The completion of Phase 3B is expected to increase the passenger capacity of the Airport to 92 million passengers per year and the completion of Phase 4 is expected to increase the passenger capacity of the Airport to 109 million passengers per year.

In connection with the submission of our revised Master Plan, there has been extensive consultation with key stakeholders such as major airlines, IATA, AAI, MoCA and others. For example, we studied the strategies and future plans of major airlines, discussed the highlights of the proposed plan with the stakeholders and revised the plan to reflect their comments.

We currently estimate the total capital expenditures required for the Phase 3A Expansion to be in the range of Rs.40 billion to Rs.70 billion, which will be made within the next three to five years, depending on the composition of the projects. Most of such capital expenditures will be financed through cash flow from operations, existing surplus cash and the incurrence of additional indebtedness. These capital expenditures and the composition of the Phase 3A Expansion are based on our preliminary estimates and are thus subject to change as a result of detailed design and final bid amounts. They are also subject to further consultation with stakeholders and regulatory approvals. We are currently in the process of preparing an estimate through a consultant and will then initiate a stakeholder consultation process, whereby our stakeholders, including various airlines, will provide their input on the necessity of making various capital expenditures, as well as the associated costs and the timeline of spending. In addition, we are continuously working on various initiatives to increase our capacity on terminal and airside, in order to minimize our future capital expenditure needs. Such initiatives include, among others, peak hour demand management, modular expansion, efficiency improvement and technology and security enhancement. As a result of any comments by our stakeholders and regulatory authorities and our efforts to fully utilize our current facilities, the actual amount of the capital expenditures associated with the Phase 3A Expansion and its timeline of spending may be different from our current estimates. See "—Our Concession—Operation, Management and Development Agreement—Master Plan" for further details.

Corporate Structure

The chart below sets forth a simplified summary of our corporate and financing structure as of June 30, 2016 after giving effect to the offering of the Notes and the refinancing of the Rupee Facility and the ECB Facility with the proceeds from the offering. The diagram is intended for illustrative purposes only and does not include all legal entities or debt obligations of the legal entities actually presented. The financial condition and results of operations of Delhi Aerotropolis Pvt Ltd are not consolidated in our standalone financial statements. The financial condition and results of operations of joint ventures are reflected in our financial statements in accordance with the proportionate consolidation method. For further information, see "Use of Proceeds," "Capitalization" and "Principal Shareholders." For a summary of the material financing arrangements identified in this diagram, see "Description of Material Indebtedness," "Description of the Notes" and "Capitalization."



THE AIRPORT

The Airport operates 24 hours daily and it is the busiest and largest airport in India in terms of passenger traffic and passenger capacity, according to data compiled by AAI. Located within the city of New Delhi, just 16 kilometers south of the city center, which together with the surrounding suburbs constitutes the second largest urban agglomeration in the world. With over 23 million people, New

Delhi is a major financial, industrial and political center in India. The Airport serves the entire National Capital Region of India. According to IATA, for the year ended March 31, 2016 and the three months ended June 30, 2016, the Airport ranked number one among all Indian airports in both passenger traffic and cargo handled. In fiscal year 2016, it served a total of nearly 48.4 million passengers, as compared with approximately 41 million, 19 million, 17 million, 15 million and 12 million passengers served by the airports in Mumbai, Bangalore, Kolkata, Chennai and Hyderabad, respectively, according to AAI. The Airport also supported 787,168 metric tons of cargo traffic and accounted for 365,696 ATMs.

The following tables set forth certain statistical data relating to passenger and cargo traffic and our revenue for the periods indicated.

	Three months ended June 30,		Year ended March 31,		
	2016	2015	2016	2015	2014
Passenger Traffic					
Domestic passengers (in millions of persons)	10.18	8.16	34.27	27.45	24.19
International passengers (in millions of persons)	3.58	3.29	14.15	13.53	12.68
Total passengers (in millions of persons)	13.76	11.45	48.42	40.98	36.87
Revenue from user development fees (in millions of Rs.)[(1)]	6,476.2	5,343.6	23,134.1	19,538.6	18,056.3
Percentage of total revenue	47.6%	45.6%	46.1%	45.7%	45.1%
Cargo Traffic					
Domestic cargo (in metric tons)	69,477	69,407	295,107	271,763	215,846
International cargo (in metric tons)	138,647	125,291	492,061	424,776	389,853
Total cargo (in metric tons)	208,124	194,698	787,168	696,539	605,699
Revenue from cargo operations (in millions of Rs.)	412.7	398.4	1,597.6	1,573.6	1,407.3
Percentage of total revenue	3.0%	3.4%	3.2%	3.7%	3.5%
Air Traffic Movements	**101,762**	**87,611**	**365,696**	**323,450**	**313,958**

(1) We use user development fees as a measure of direct revenue from passenger traffic.

International passengers accounted for 29.2% of our total passenger traffic in fiscal year 2016. Since the beginning of our Concession, the number of international passengers using the Airport has increased by nearly 145%. The Asia Pacific region accounted for approximately 38.1% of our international traffic in fiscal year 2016, while the Middle East and Europe accounted for 18.5% and 20.5%, respectively. In accordance with the tariffs set by AERA, we have historically received higher landing charges from airlines for international flights than domestic flights, and collected higher user development fees from international passengers than domestic passengers.

The total number of passengers using the Airport from fiscal year 2010 through fiscal year 2016 was 26.12 million, 29.95 million, 35.88 million, 34.37 million, 36.88 million, 40.99 million and 48.45 million, respectively. From 2009 to 2016, the total number of passengers at the Airport grew at a CAGR of 11%, as compared with a CAGR of 12%, 10%, 9%, 9% and 6% for the airports in Bangalore, Hyderabad, Mumbai, Kolkata and Chennai, respectively, according to AAI. In 2016, the Airport accounted for 22% of the total passengers in India, while the airports serving Mumbai, Bangalore, Chennai, Kolkata, Hyderabad and Cochin accounted for 19%, 8%, 7%, 6%, 6% and 3%, respectively, according to AAI. Airports owned by the Government of India, excluding Kolkata and Chennai, accounted for nearly all of the remainder of total passengers. The airports at Bangalore and Mumbai are owned by GVK Power and Infrastructure Limited and the airport at Hyderabad is also majority-owned by GMR.

In fiscal year 2016, the total number of transfer passengers using the Airport was 9 million, which accounted for approximately 19% of all passenger traffic. Transfer passengers are an indicator of an airport's function as an aviation hub and provide opportunities for us to increase revenues from duty-free, retail and food and beverage services. As transfer passengers do not typically use our check-in counters and certain other facilities which origination and destination passengers use, the costs associated with handling increased numbers of transfer passengers is generally lower than for origination and destination passengers. We believe the Airport's large-scale infrastructure, central location and efficient operational track record positions us well to become the leading aviation hub in South Asia.

The Airport is located on approximately 5,100 acres of land, of which 230 acres is available for commercial property development, out of which 45 acres has already been licensed out. It has three runways, more than any other airport in India, with lengths of 4,430 meters, 3,810 meters and 2,813 meters, an apron area of 947,000 square meters, and handled a maximum of 75 ATMs per hour in fiscal year 2016. The Airport's facilities include three passenger terminals: Terminal 1, which was upgraded and modernized in 2008 as part of our Phase 1A development plan, Terminal 2 and Terminal 3, a state-of-the-art facility completed in March 2010 as part of Phase 1B. Terminal 1 has a total surface area of 37,500 square meters, while Terminal 3, a nine-level building with two 1.2 km piers, has a total surface area of 502,000 square meters. Terminal 2, which is currently unused, is expected to re-open in early 2017 to ease the passenger traffic in Terminal 1 which will undergo renovations in connection with the Phase 3A Expansion. Together, Terminal 1, Terminal 2 and Terminal 3 cater to 62 million passengers per annum, with a total of 321 check-in counters and 84 aerobridges, as well as nine A380-compliant gates. In addition, Terminal 3 has 48 contact stands and 20 remote parking bays. Approximately 30,000 square meters in the passenger terminals is designated retail space for restaurants, cafes, duty-free shops, wellness lounges and other diverse businesses. In terms of baggage capacity, the Airport can process 12,800 bags per hour and has 14 baggage reclaim belts. A centralized airport operation control center oversees and manages the Airport's daily operations, which utilize systems that have received several ISO certifications.

The cargo infrastructure at the Airport includes two cargo terminals, each with an integrated import/export, domestic, perishable and pharmaceutical logistics center, one of which is a state-of-the-art greenfield facility completed during our Concession. They have a total capacity of 1.5 million metric tons per annum, including a perishable cargo capacity of 53,000 metric tons. Since the beginning of the Concession period, the amount of cargo handled at the Airport has increased at the compound annual growth rate of 7.4%. International cargo accounted for approximately 62% of cargo traffic in each of the years ended March 31, 2016, 2015 and 2014. Through our JVs, we have coordinated with offsite air freight stations in major manufacturing areas around North India to facilitate increased cargo traffic at the Airport. The Airport is the first airport in India to achieve compliance with the International Air Transport Association's e-freight standards through the Airport's cargo community system, which provides end-to-end connectivity for all parties in the air cargo industry.

Located within the city of New Delhi between the Connaught Place central business district and the key commercial and residential suburb of Gurgaon, the Airport is connected to the surrounding region by several links, including a dedicated high-speed metro line and an eight-lane access road linked to National Highway 8, a major transportation artery in the National Capital Region. The Airport has a multilevel car park facility for 4,300 cars and surface car parking with a capacity of 2,300 cars.

In fiscal year 2016, regularly-scheduled direct flights departing from the Airport were available to 124 locations, including 66 international destinations and 58 domestic destinations. 61 passenger airlines currently use the Airport, with major global carriers in each of the three major passenger airline alliances, Star Alliance, Sky Team and Oneworld, calling on the Airport. Air India, the national carrier of India and a member of the Star Alliance, offers the largest number of routes to and from the Airport and is currently using the Airport as its hub, as is IndiGo, India's largest airline in terms of passengers flown. Other major airlines utilizing the Airport include Air France, British Airways, Air China, Cathay Pacific, Emirates, Etihad, Gulf Air, Japan Airlines, KLM, Lufthansa, Singapore Airlines, United and Virgin Atlantic, among others, each of which operates daily international flights. Mahan Air and Iran Air, each an Iranian airline, also operate regularly-scheduled international flights to and from the Airport. Domestic routes are served primarily by Air India, Jet Airways, IndiGo, Go Air, Vistara, Air Asia India and Spice Jet. See "—Our Sources of Revenue—Main Aeronautical Services Customers" for more information.

The Airport has received numerous awards and rankings in recent years for its facilities and management, including the "Best Airport in the World" among 25-40 million passenger size airports in 2015 and 2014 by the Airport Council International, "Best Airport in India and Central Asia" and "Best Airport Staff in India/Central Asia" in 2015 by SKYTRAX. CNBC AWAAZ Travel named the Airport the "Best Managed Airport in India" in each of 2013 and 2012. The Airport's cargo operations were recognized by STAT Trade Times as the best cargo airport of the year in India in 2012 and best emerging cargo airport of the year in 2010. Based on the Airport's 88% on-time-performance results for departures in 2013, Flightstats ranked the Airport second among all major international airports for on-time-performance. In 2013-2012, the Airport was awarded an "International Safety Award" by the British Safety Council, and it was the world's first airport to achieve the "ISO22301:2012 Certification" for business continuity management systems. See "—Awards" for further details.

OUR SOURCES OF REVENUE

We generate revenues from the provision of aeronautical and non-aeronautical services and commercial property development at the Airport. Revenue from aeronautical services, which primarily include user development fees, landing charges, airplane parking and housing charges and CUTE counter charges, are regulated by AERA under the terms of the SSA. Non-aeronautical services, which include food and beverage, duty-free shops, retail, fuel farm and related services, cargo, car park, information technology, rentals, flight kitchen, ground handling, foreign exchange counters, advertisement, and our commercial property development division, generate revenue that, while taken into account in setting tariffs, is generally not regulated by the Government of India.

Aeronautical Services

Under the current tariff structure applicable to the Airport, our aeronautical services are classified under user development fees, landing charges, and parking and housing charges. All aeronautical charges are assessed and paid to us in Indian Rupees, except for user development fees from international passengers who purchase airline tickets in a foreign currency, which are paid to us in U.S. dollars. CUTE counter charges are also defined as aeronautical services revenue under the OMDA and regulated by AERA. When determining our aeronautical charges, AERA takes into account our forecasts for operating costs, depreciation expenses and tax expenses, as well as our revenues from non-aeronautical services and our desired return on capital. In addition, AERA may take into account viewpoints from government agencies, the airline industry and passenger advocacy groups as well as other public policy considerations. AERA's determinations for our aeronautical charges are for a "control period" of five years, following which AERA may increase or decrease our aeronautical charges for the subsequent five-year control period. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" and "—Our Concession—State Support Agreement" for further details about the regulation of aeronautical services.

We are currently operating in the control period spanning fiscal years 2015 through 2019. The Delhi High Court directed that the current aeronautical tariff structure from the first five-year control period continue until the disposal of our appeals by the AERAAT. AERAAT is currently hearing the matter. See "Risk Factors — Risks Related to Our Business — Our operations and the fees we charge for aeronautical services — which comprise a substantial majority of our revenues — are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition — particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services."

In the fiscal years 2009-2014 tariff structure, AERA allowed us a 16% return on equity and, in accordance with the OMDA and SSA, reduced our target aeronautical services revenues by an amount equal to 30% of our projected gross revenue from non-aeronautical services, excluding revenue from commercial property development. As mentioned above, we have appealed certain aspects of that tariff structure to the AERA Appellate Tribunal, including the return on equity, return on deposits and hypothetical regulatory asset base; our appeal is currently pending. See "Risk Factors—Risks Related to Our Business—Our operations and the fees we charge for aeronautical services—which comprise a substantial majority of our revenues—are regulated by the Government of India, through AERA, and the terms of our Concession Agreements. Accordingly, government regulations and the terms of our Concession Agreements have materially affected our historic results of operations and financial condition, and will continue to affect our future results of operations and financial condition—particularly for fiscal years 2017 through 2019, which could be materially and adversely affected by the to-be-announced rate determinations for our aeronautical services" and "—Legal Proceedings—Regulatory Proceedings."

User development fees are charged to each arriving and departing passenger. These fees vary depending on whether the passenger's flight is international or domestic, arriving or departing and long, medium or short haul and if the passenger is transferring to another flight. Landing charges are assessed on airlines for each flight that lands at the Airport and vary depending on whether the flight is international or domestic and the weight of the aircraft. Parking and housing charges are also assessed on airlines and are calculated based on the weight of the aircraft and the duration of the aircraft's stay at the Airport. We collect CUTE counter charges from airlines for each departing flight at different rates depending on whether the flight is international or domestic.

We invoice the airlines operating at the Airport on a bi-monthly basis for aeronautical charges, including the user development fees which they collect directly from passengers and transfer to us. The airlines provide us with bank guarantees, security deposits or both to cover certain amounts of the aeronautical charges they owe us. In certain circumstances, we may require airlines to pay us in cash prior to the departure of each flight all aeronautical charges owed to us for such flight. See "Risk Factors—Risks Related to Our Business—We are exposed to certain credit risks and we may be unable to collect on our receivables." Under the prior tariff structure, AAI required us to offer discounts on aeronautical charges under certain circumstances, and in the future we may offer similar discounts to some or all airlines operating at the Airport from time to time.

Revenues from aeronautical operations (after giving effect to the regrouping of fuel farm revenue into aeronautical operations from non-aeronautical operations with respect to the fiscal year ended March 31, 2014) were Rs.9,363.3 million and Rs.8,013.5 million, Rs.34,075.8 million, Rs.29,509.2 million and Rs.28,063.5 million in the three months ended June 30, 2016 and 2015 and fiscal years 2016, 2015 and 2014, respectively, accounting for 68.9%, 68.4%, 67.9%, 68.9% and 70.1% of our total revenue in those periods. The table below sets forth the amount of revenue from each type of aeronautical service for the given period, other than aviation fueling throughput charges.

	Three months ended June 30,				Year ended March 31,					
	2016		2015		2016		2015		2014	
	(millions of Rs. except percentages)									
Revenue from Aeronautical Operations										
Landing & Parking Charges	2,475.3	26.4%	2,291.9	28.6%	9,398.3	27.6%	8,535.8	28.9%	8,549.3	30.5%
User Development Fee	6,476.2	69.2%	5,343.7	66.7%	2,3134.1	67.8%	19,538.6	66.2%	18,056.3	64.3%
CUTE Counter Charges	35.0	0.4%	29.8	0.4%	124.9	0.4%	113.0	0.4%	109.8	0.4%
Fuel Farm Charges[1]	376.8	4.0%	348.1	4.3%	1,418.5	4.2%	1,321.8	4.5%	1,348.1	4.8%
Total	**9,363.3**	**100%**	**8,013.5**	**100%**	**34,075.8**	**100%**	**29,509.2**	**100%**	**28,063.5**	**100%**

(1) Regrouped from non-aeronautical operations to aeronautical operations for year ended March 31, 2014.

Non-aeronautical Services

Revenue from our non-aeronautical services comprises revenue share from our various joint ventures and third-party concessionaires and includes revenues from cargo (such as landing and parking charges), advertisement, car parking, food and beverage, fuel farm and related services, duty-free and other retail goods and services. In addition, our non-aeronautical services revenues include those we earn from land rent and leasing, leasing of terminal space, hangar rent, ground handling services, rent from the transit hotel in Terminal 3, car rental services, automatic teller machines, lounges rent, flight kitchen and forex counters. None of our non-aeronautical service is subject to tariff structures set by AERA, although 30% of our revenue from non-aeronautical service is included among the building blocks used by AERA in determining our aeronautical charges. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further details. Although ground and cargo handling charges are typically considered aeronautical services and are listed as such in the AERA Act, the OMDA classifies them as non-aeronautical services. These charges are determined bilaterally between our various joint ventures and the third-party concessionaires.

We have granted concessions and licenses to our joint ventures or third parties to provide most of the non-aeronautical services available at the Airport. Joint ventures in which we own interests ranging from 26% to 50% conduct duty-free, cargo-handling, advertising, food and beverage, retail, car-parking and information-technology services, among others. See "—Subsidiary, Joint Ventures and Associates" and "Related Party Transactions" for more information about our joint ventures. The fee structures under the concession and licensing arrangements with our joint ventures and third-party operators are based on a revenue-sharing model and fluctuate according to their revenue, subject to minimum monthly guarantees that each joint venture and third-party operator must pay us. Through our equity investments in our joint ventures, we also receive dividend income from our joint ventures, in addition to revenue sharing under their respective concession or licensing arrangements. Most of our joint-venture agreements include rights of first refusal and standard termination provisions, and we may be required to contribute additional capital in certain circumstances to maintain our current shareholding percentages. Unlike the revenue sharing model under our concession and licensing arrangements, the rental fees we collect from the leasing of terminal space, hangar rent, ground-handling services, car-rental services and automatic teller machines and lounges rent are fixed. All of our revenue from non-aeronautical services is in Indian Rupees, except for revenue sharing from duty-free sales, which are paid to us in U.S. dollars.

We have adopted several initiatives focused on increasing our revenue from this segment. For example, we have expanded and reconfigured the commercial space available in the Airport's terminals and also redirected the flow of passengers through the Airport so as to increase passengers' exposure to the duty-free, retail and other services available at the Airport. Similarly, we and our joint ventures have entered into sub-concessions with established, internationally recognized businesses, such as Starbucks, McDonalds, KFC and the Coffee Bean & Tea Leaf, in order to improve the quality, selection, and recognition of food and beverage and retail offerings available to passengers.

Revenue from non-aeronautical operations were Rs.3,619.6 million, Rs.3,264.0 million, Rs. 13,599.4 million, Rs. 11,463.4 million and Rs.10,233.1 million in the three months ended June 30, 2016 and 2015 and in fiscal years 2016, 2015 and 2014, respectively, accounting for 26.6%, 27.9%, 27.1%, 26.8% and 25.6% of our total revenue in those periods. The table below sets forth the amount of revenue from certain types of our non-aeronautical services for the given period.

	Three months ended June 30,				Year ended March 31,					
	2016		2015		2016		2015		2014	
	(millions of Rs. except percentages)									
Revenue from Non-Aeronautical Operations										
Cargo Revenues	412.7	11.4%	398.4	12.2%	1,597.6	11.7%	1,573.6	13.7%	1,407.3	13.8%
Land & Space — Rentals	772.4	21.3%	670.0	20.5%	2,698.3	19.8%	1,957.5	17.1%	1,602.2	15.7%
Fuel Farm Charges(1)	—	—	—	—	—	—	—	—	—	—
Flight Kitchen	122.9	3.4%	109.3	3.3%	476.9	3.5%	402.6	3.5%	354.6	3.5%
Ground Handling	274.0	7.6%	264.8	8.1%	1,087.0	8.0%	850.6	7.4%	630.6	6.2%
Bridge-Mounted Equipment	19.3	0.5%	14.6	0.4%	63.8	0.5%	44.0	0.4%	49.4	0.5%
Advertisement Revenue	276.5	7.6%	248.3	7.6%	1,191.3	8.8%	1,041.7	9.1%	897.0	8.8%
Retail — Duty Free	818.7	22.6%	735.0	22.5%	3,100.5	22.8%	2,638.2	23.0%	2,470.5	24.1%
Retail — Duty Paid	231.8	6.4%	209.4	6.4%	862.0	6.3%	731.1	6.4%	730.8	7.1%
Food & Beverages	262.6	7.3%	213.4	6.5%	874.8	6.4%	745.0	6.5%	683.1	6.7%
Forex Counters	146.3	4.0%	135.8	4.2%	563.6	4.1%	504.0	4.4%	479.8	4.7%
Car Park — MLCP	42.6	1.2%	33.1	1.0%	160.5	1.2%	102.3	0.9%	96.5	0.9%
Telecom Services	20.4	0.6%	19.0	0.6%	79.7	0.6%	75.3	0.7%	75.4	0.7%
Bank/ATM	36.0	1.0%	42.8	1.3%	152.0	1.1%	165.5	1.4%	146.3	1.4%
Car Rentals	52.8	1.5%	54.6	1.7%	205.8	1.5%	201.8	1.8%	171.2	1.7%
Airport Service Charges	65.7	1.8%	56.3	1.7%	226.7	1.7%	197.5	1.7%	192.3	1.9%
Other Services(2)	64.9	1.8%	59.2	2.0%	258.9	2.0%	232.7	2.0%	246.1	2.3%
Total	**3,619.6**	**100%**	**3,264.0**	**100%**	**13,599.4**	**100%**	**11,463.4**	**100%**	**10,233.1**	**100.0%**

(1) Regrouped from non-aeronautical operations to aeronautical operations for the fiscal year ended March 31, 2014.

(2) Includes health and spa services, common area maintenance, booking desks for hotel and travel services, kiosk placements and other miscellaneous services.

Commercial Property Development

Revenues from commercial property development are not regulated by AERA and include earnings from fixed license fees from developers who are developing commercial properties at the Airport. Under the terms of the OMDA, we are entitled to commercially develop up to 5% of the demised premises as per the Lease Deed, which represents approximately 230 acres of land area at the Airport, for services related to the airport, including for passengers and other airport users. Under our Master Plan, we have identified areas for developing a commercial hub at the Airport composed primarily of office and hospitality space.

Commercial property development at the Airport is being undertaken in phases. In the first phase, we have licensed various third-party developers to construct a 45 acre hospitality district, with the aim of progressively transforming the Airport into an international caliber aerotropolis. This hospitality district will have a variety of hotels, hotel apartments and associated commercial space. Hotels under the brands JW Marriott, Lemon Tree Premier, Red Fox, Holiday Inn, Novotel, Pullman, IBIS, Roseate House and commercial space under the Worldmark brand have already been constructed and commenced operations. Furthermore, we are currently in the process of awarding development rights to third parties for an additional approximately 23 acres at the Airport for an integrated retail development project. Under the terms of the licenses we have granted to developers, they may sub-license the facilities they construct to hotel operators, property managers or others, provided that the developers retain overall liability for the facilities. The initial term of each license coincides with the term of our Concession, with potential extension for an additional 30 years. We are entitled to receive upfront deposits and annual license fees at pre-determined rates, subject to yearly increases. A developer to whom we have licensed land for development of a hotel has been delinquent in paying us certain deposits and license fees, and we are currently in a legal dispute with them. See "—Legal Proceedings—Criminal Proceedings" for further details.

Revenue from commercial property development was Rs.941.1 million, Rs.982.4 million and Rs.930.4 million, or 1.9%, 2.3% and 2.3% of our total revenue, in fiscal years 2016, 2015 and 2014, respectively.

Other Fees We Do Not Earn

Until April 30, 2016, on behalf of AAI, we collected from airlines certain other fees that AERA and AAI require to be levied on each departing passenger at the Airport. These fees included an airport development fee ("ADF") to partially meet capital expenditures incurred in our Phase 1 upgrade and expansion of the Airport completed in 2010. We deposited all ADF amounts into AAI's account pursuant to an arrangement with AAI and AAI releases the ADF amounts to us at agreed intervals towards the loans raised by us against the receivables of such amounts.

Pursuant to MoCA guidelines, we collect certain passenger service fees ("PSF") and use them as collateral for repaying the debt used to purchase designated security equipment and service of private security guards. See "Business—Legal Proceedings—Regulatory Proceedings" for details about our dispute with MoCA regarding the PSF.

We do not recognize as revenue or otherwise record in our financial statements any ADF amounts that we collect on behalf of AAI or the PSF amounts. See "Risk Factors—Risks Related to Our Business—We are subject to risks related to tax disputes with certain tax authorities."

Main Aeronautical Services Customers

Air India, IndiGo and Jet Airways collectively operate the majority of the flights at the Airport.

During the three-month period ended June 30, 2016, the amount of revenue recognized by us from Air India Group was Rs.1,679.6 million (US$24.8 million), of which Rs.1,575.1 million (US$23.3 million) corresponded to aeronautical services, representing 12.4% of our total revenue for the period. During the same period, the amount of revenue recognized by us from IndiGo totaled Rs.1,993.1 million (US$29.5 million), of which Rs.1,928.4 million (US$28.5 million) corresponded to aeronautical services, representing 14.7% of our total revenue for the period, and the amount of revenue recognized by us from Jet Airways and its subsidiaries during such period totaled Rs.1,183.2 million (US$17.5 million), of which Rs.1,112.5 million (US$16.5 million) corresponded to aeronautical services, representing 8.7% of our total revenue for the period.

In fiscal year 2016, the amount of revenue recognized by us from Air India Group totaled Rs.5,914.3 million (US$87.5 million), of which Rs.5,526.2 million (US$81.7 million) corresponded to aeronautical services, representing 11.8% of our total revenue for the year. The amount of revenue recognized by us from IndiGo in fiscal year 2016 totaled Rs.6,412.2 million (US$94.8 million), of which Rs.6,245.6 million (US$92.4 million) corresponded to aeronautical services, representing 12.8% of our total revenue for the year, and the amount of revenue recognized by us from Jet Airways and its subsidiaries during such period totaled Rs.4,474.4 million (US$66.2 million), of which Rs.4,156.4 million (US$61.5 million) corresponded to aeronautical services, representing 8.9% of our total revenue for the year.

The following table sets forth our main aeronautical services customers for the three-month periods ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014 based on the percentage of revenue from aeronautical services recognized by us during those periods, classifying fuel farm charges in aeronautical revenue for all periods for the purpose of comparability.

	Three months ended June 30,		Year ended March 31,		
	2016	2015	2016	2015	2014
			(percentages)		
Main Aeronautical Services Customers					
Interglobe Aviation Ltd	20.6%	18.6%	18.3%	16.6%	14.6%
Air India Group	16.8%	16.6%	16.2%	17.5%	17.0%
Jet Group	11.9%	12.3%	12.2%	11.8%	11.9%
Spicejet Limited	5.0%	5.1%	5.2%	6.9%	8.8%
Go Airlines India Ltd	4.6%	4.9%	4.5%	4.6%	4.3%
Emirates	3.5%	3.9%	3.9%	4.0%	3.7%
Indian Oil Sky Tanki	3.3%	3.6%	3.4%	3.7%	3.9%
Lufthansa German Airlines	2.0%	2.4%	2.3%	2.3%	2.5%
Etihad Airways	1.9%	2.1%	2.1%	1.6%	0.8%
Singapore Airlines Limited	1.6%	2.0%	1.9%	2.1%	2.0%
Cathay Pacific Airways Limited	1.6%	1.8%	1.8%	1.8%	1.7%
Thai International Airways	1.7%	1.7%	1.7%	1.6%	1.7%
Tata Sia Airlines Limited	2.8%	1.7%	2.0%	0.2%	0.0%
Others	22.7%	23.3%	24.4%	25.4%	27.1%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

(1) See "Risk Factors—Risks Related to Our Business—We are exposed to certain credit risks and we may be unable to collect on our receivables."

In the past we have experienced delays in collecting amounts invoiced to Air India Group. As of June 30, 2016, the concentration of credit risk from Air India Group in the form of outstanding receivables was Rs.5,951.5 million. Kingfisher Airlines (which no longer has active flight operations) has outstanding receivables, for which we have made provisions. Although the outstanding receivables from Kingfisher Airlines are not significant, we are uncertain of the likelihood of collecting these amounts owed. See "Risk Factors—Risks Related to Our Business—We are exposed to certain credit risks and we may be unable to collect on our receivables."

Main Non-Aeronautical Services Customers

As of June 30, 2016, our three largest customers that provide non-aeronautical services were Delhi Duty Free Services Private Limited ("Delhi Duty Free"), which operates our duty-free stores and is a joint venture in which we own 49.9%, Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo"), which provides cargo services and is a joint venture in which we own 26.0%, and TIM Delhi Airport Advertising Private Limited ("TIMDAA"), which provides advertising services at the Airport.

During the three-month period ended June 30, 2016, the amount of revenue recognized by us from Delhi Duty Free, Celebi Delhi Cargo and TIMDAA was Rs.821.3 million (US$12.1 million), Rs.381.6 million (US$5.6 million) and Rs.280.6 million (US$4.1 million), respectively, representing 6.0%, 2.8% and 2.1%, respectively, of our total revenue for the period. In fiscal year 2016, the amount of revenue recognized by us from Delhi Duty Free, Celebi Delhi Cargo and TIMDAA were Rs.3,337.5 million (US$48.6 million), Rs.1,380.5 million (US$20.4 million) and Rs.1,276.8 million (US$18.9 million), respectively, representing 6.7%, 2.8% and 2.5%, respectively, of our total revenue for the year.

The following table sets forth our main non-aeronautical services customers for the three-month periods ended June 30, 2016 and 2015 and the fiscal years ended March 31, 2016, 2015 and 2014 based on the percentage of revenue from operations-non-aeronautical services recognized by us during those periods, removing fuel farm charges from non-aeronautical revenue for all periods for the purpose of comparability.

	Principal Activities at the Airport	Three months ended June 30,		Year ended March 31,		
		2016	2015	2016	2015	2014
		(percentages)				
Main Non-Aeronautical Services Customers						
Delhi Duty Free Services Pvt. Ltd.	Duty Free	22.7%	22.5%	22.9%	23.0%	24.1%
Celebi Delhi Cargo Terminal	Commercial Cargo	10.5%	10.1%	10.1%	12.1%	11.7%
Tim Delhi Airport Advertisement Pvt. Ltd.	Advertisement	7.8%	7.6%	8.8%	9.1%	8.7%
Delhi Cargo Service Center	Commercial Cargo	3.8%	3.3%	3.4%	2.8%	2.6%
Thomas Cook (I) Limited	Foreign Exchange	3.4%	3.4%	3.3%	3.7%	3.9%
Jet Group	Passenger Service	2.0%	3.7%	2.3%	1.3%	1.4%
Air India Group	Passenger Service	2.9%	3.2%	2.9%	3.3%	3.2%
Bird Worldwide Flight Services	Ground Handling	1.5%	2.3%	2.0%	2.0%	1.5%
Cambata Aviation Pvt Ltd.	Ground Handling	1.2%	1.5%	1.9%	1.5%	1.5%
Travel Food Services Pvt. Ltd.	Food & Beverages	1.1%	1.4%	1.3%	1.2%	1.2%
Others	Others	43.2%	40.9%	41.1%	40.0%	40.1%
Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Of our main customers listed above, Delhi Duty Free, Celebi Delhi Cargo, TIM Delhi Airport Advertising are our joint ventures which pay us a share of their revenues based on a revenue-sharing model, while any dividends we may receive from them are recorded as other income in our financial statements.

OUR CONCESSION

Our exclusive rights to operate, maintain and develop the Airport and the rights and obligations of AAI, the Government of India and other state bodies in respect of the Concession are provided in a series of agreements executed in April and May of 2006. In addition to the OMDA, which is the main Concession Agreement, the other primary Concession Agreements include the SSA and SHA, among others. The following summaries set forth certain key terms of these agreements.

Operation, Management and Development Agreement

We entered into the OMDA in April 2006 with AAI, pursuant to which we were appointed to undertake certain functions relating to the operation, maintenance, development, design, construction, modernization, finance and management of the Airport, as well as certain aeronautical and non-aeronautical services at the Airport, as more fully described below. Specifically, the OMDA provides that AAI recognizes our exclusive rights to:

- develop, finance, design, construct, modernize, operate, maintain, use and regulate the use by third parties of the Airport;
- enjoy complete and uninterrupted possession and control of the land and existing assets of the Airport for the purpose of providing aeronautical services and non-aeronautical services;
- determine, demand, collect, retain and appropriate charges from the users of the Airport in accordance with the OMDA; and
- contract or sub-contract with third parties to undertake functions on our behalf and sub-lease or license the land and facilities leased to us in accordance with the OMDA.

Master Plan

In the OMDA, we undertook to submit to AAI and the Ministry of Civil Aviation a master plan for the development of the Airport over a 20-year time horizon. We initially prepared and submitted the Master Plan to the government of India in 2006.

We engaged UK-based Mott MacDonald Limited as our lead technical advisor for the initial preparation of the Master Plan and major development plans. The Master Plan was developed with particular emphasis on maximizing the lifespan of the airport system, ensuring optimal utilization of the available airport land resources and existing facilities and balancing airside and landside demand and capacity in each phase of development.

The Master Plan prepared in 2006 consisted of two phases. The first phase, which we completed within the required timelines, comprised two development sub-phases. Phase 1A, which we completed in April 2009, consisted of (i) upgrading the international terminal, (ii) building a new "Code F" compliant runway, which is the third runway at the airport, and associated taxiways designed to fit new generation aircraft such as the Airbus A380 and other wide-bodied aircraft, and (iii) expanding the domestic terminal.

Phase 1B involved construction of a new terminal with 78 aerobridges capable of handling next generation aircraft such as the Airbus A380, new aprons, an upgraded cargo terminal, enhanced ground access, and a multi-level parking structure. We completed construction of the new Terminal 3 in March 2010 and commercial operation commenced in July 2010 in respect of international operations and November 2010 in respect of domestic operations. As a result of the full completion of Phase 1, which had a total capital expense of Rs.125.0 billion (US$2.1 billion), as recognized by AERA, the Airport's capacity has increased to 62 million passengers per year.

In light of the growth of low cost carriers, higher traffic growth than was previously assumed, changes in flights and passenger demand and other various factors, we recently submitted to MoCA a revised Master Plan consisting of Phase 3A, Phase 3B and Phase 4, with indicative planning and implementation periods of 2016-2020 for Phase 3A, 2021-2025 for Phase 3B and 2026-2034 for Phase 4. The capital expenditures relating to these phases may fall both inside and outside of these indicative planning and implementation periods.

Our next phase of development, the Phase 3A Expansion, includes, among others, (i) expansion of Terminal 1; (ii) construction of a fourth runway and (iii) enhancement of airfields and construction of taxiways. Upon completion of the Phase 3A Expansion, we expect that the passenger capacity of the Airport will increase from 62 million passengers per year to 75 million passengers per year. Phase 3B includes, among others, the first phase of the development of Terminal 4 for domestic flights with one pier and various airfield developments. Phase 4 includes, among others, the second phase of the development of Terminal 4 and the construction of a new pier. The completion of Phase 3B is expected to increase the passenger capacity of the Airport to 92 million passengers per year and the completion of Phase 4 is expected to increase the passenger capacity of the Airport to 109 million passengers per year.

In connection with the submission of our revised Master Plan, there has been extensive consultation with key stakeholders such as major airlines, IATA, AAI, MoCA and others. For example, we studied the strategies and future plans of major airlines, discussed the highlights of the proposed plan with the stakeholders and revised the plan to reflect their comments.

We will update and revise the Master Plan throughout the term of the Concession as necessary to reflect changes in traffic levels and the air transportation industry. In the past, regulatory bodies have required us to accelerate the timing of certain projects outlined in the Master Plan. For example, MoCA instructed us to begin construction in 2013 of a new air traffic control tower, using funds previously borrowed and to be repaid using additional ADF allocated by AAI, which originally had been scheduled in the Master Plan for construction in the sub-phase beginning in 2016. If we are required to construct additional infrastructure at the Airport, we will need to raise additional indebtedness, as we will not be able to fund much of these required capital expenditures solely with our operating cash flows, and such additional indebtedness incurred to fund our required capital expenditures will compound the adverse consequences of our high leverage. In addition, our maintenance costs may exceed our projections, thereby causing budgetary shortfalls that require additional incurrence of indebtedness. Moreover, our stakeholders may require us to incur additional, unanticipated capital expenditures based on their interpretation of the OMDA. For instance, the Government of India or AAI may require us to improve or expand certain infrastructure, such as the facilities supporting the security services that they provide at the Airport. See "Risk Factors—Risks Related to Our Business—Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations and prevent us from meeting our obligations under our Concession Agreements, particularly our obligations to construct and develop additional facilities at the Airport."

Term

The term of the OMDA is 30 years beginning on May 3, 2006. We have the right to extend the term for an additional 30 years on the same terms and conditions by giving written notice to AAI during the six-month period ending May 3, 2031, provided that there has been no DIAL Event of Default (as defined below) in the five-year period prior to our giving notice of extension. Upon our exercise of the right of extension, however, if a DIAL Event of Default or any other default occurs before May 3, 2036, triggering the levy of liquidated damages, then our right of extension will lapse unless otherwise agreed by AAI.

Property

Pursuant to the OMDA, we entered into a lease deed with AAI in April 2006, and a supplementary lease deed in August 2009 (together, the "Lease Deed"), under which, in exchange for a nominal annual rent, AAI leased to us, for the term of the Concession, approximately 5,100 acres of land constituting all the land underlying the Airport, along with the buildings and other immovable assets at the Airport and up to 230 acres which can be used for commercial property development. Certain parcels already leased to third parties under existing leases and certain carved-out parcels and buildings were initially not leased to us but may be transferred to us under certain circumstances. The Lease Deed provides us with the right to construct, erect, renovate, repair, alter, or otherwise deal with the leased property in accordance with the OMDA. We are required to notify AAI of any unplanned material damage, destruction or impairment of the leased property. The OMDA provides for our right to sub-lease or license any part of the leased property for a period not to exceed the term of the Concession and requires us to inform AAI of any such sub-lessor or licensee and their respective shareholders.

Indemnification

In the OMDA, we have agreed to indemnify AAI against all claims made against it arising out of or in connection with, among others, our use and occupation of the Airport and the provision of all services that we and our contractors and sub-contractors provide at the Airport. AAI has also agreed to indemnify us against claims related to certain narrowly-defined legacy matters arising out of actions or inactions during the period prior to the Concession, so long as the aggregate liability exceeds Rs.100 million (and each claim exceeds Rs.10 million).

Service Standards and Airport Operator

Under the OMDA, we have agreed to adopt certain standards for the Airport regarding design, construction, operation, maintenance, renewal, improvement, development, management, service quality and systems as outlined in the schedules to the OMDA. These standards incorporate guidelines and manuals developed by the International Civil Aviation Organization, the International Air Transport Association and other international and domestic bodies. We were also required to achieve and maintain ISO9001:2000 certifications for all facilities at the Airport relating to aeronautical services. We timely achieved such certifications and have maintained them since. In connection with monitoring our compliance with these standards, AAI has the right to inspect at any time, but with reasonable prior notification, any part of the Airport or any assets at the Airport.

Pursuant to the OMDA, we entered into an airport operator agreement (the "Airport Operator Agreement") in May 2006 with Fraport, one of our shareholders. Pursuant to the Airport Operator Agreement, the airport operator assists us with, among others, (a) the operation and maintenance of the aeronautical and non-aeronautical assets at the Airport, (b) the operation and maintenance of the terminals at the Airport, including the passenger facilities, (c) the maintenance and operation of the airport utilities, and (d) compliance with applicable safety requirements. Fraport is also required to provide us with certain management and consultancy services, with the ultimate intention of developing know-how at the Airport, as well as utilize the resources and expertise of GMR. In exchange for the services provided, Fraport is entitled to the payment of certain secondment, consultancy and performance fees, as well as additional fees upon the achievement of specified milestones. The annual performance fee payable to Fraport is 3% of our gross revenue for the previous year, subject to increase when the business plan is outperformed.

The Airport Operator Agreement terminates automatically upon the termination of the OMDA. It is also subject to termination beginning in 2014 if an alternate airport operator is appointed in accordance with the terms of the OMDA subject to approval by AAI. The Airport Operator Agreement provides that if we are appointed as the alternate airport operator, we will enter into a technical airport advisory services agreement with Fraport for a minimum term of eight years. In the future, if Fraport was not acting as the airport operator, we would no longer be required to pay Fraport an annual performance fee of 3% of our gross revenue for the previous year, but may be required to pay them a fee pursuant to any technical airport advisory services agreement we enter into with them.

Penalties

We are subject to monetary penalties if we fail to maintain certain objective and subjective service and development standards.

Support and Services Provided by AAI

Pursuant to the OMDA, we entered into a CNS/ATM Facilities and Services Agreement (the "CNS/ATM Agreement") in April 2006 with AAI. Under the terms of the CNS/ATM Agreement, AAI is required to provide communication, navigation and surveillance and air traffic management services at the Airport for the term of the OMDA. AAI must provide such services in accordance with certain international standards, including those issued by the International Civil Aviation Organization, in exchange for the right to collect route navigation facilities charges and terminal navigational landing charges directly from airlines operating at the Airport. In turn, we have agreed to maintain the runway, taxiway, surrounding areas, and the airfield lighting system, ensure that the approach and take-off areas as well as other sensitive and critical areas (as identified by AAI) are clear of obstructions, provide rescue and fire crews, prevent animal and bird nuisances, prepare for various emergencies such as fires and bomb threats and to support AAI by providing utilities and space as well as by executing AAI's orders with respect to AAI equipment or certain airport operations.

Support from the Government of the National Capital Territory of Delhi

Pursuant to the OMDA, we entered into a state government support agreement (the "SGSA") in April 2006 with the Government of the National Capital Territory of Delhi (the "GONCT").Under the terms of the SGSA, the GONCT agreed to use its best endeavors to, among others, (a) clear land required for the provision of aeronautical services at the Airport of any squatters occupying such land, provided that the costs for relocation of squatters are borne by us, (b) make available additional land necessary for the provision of aeronautical services at the Airport and we undertake to purchase such land, (c) upgrade, modernize and maintain existing access roads to and from the Airport, namely

National Highway 8, as well as make reasonable endeavors to develop additional modes of public transport to and from the Airport, (d) provide sufficient utility services to the Airport, (e) maintain cleanliness in the area surrounding the Airport and prevent any interference from animals or birds in such areas, and (f) provide us with all consents, licenses, approvals, permits and other authorizations or permissions required from GONCT under applicable law that we properly apply for in order to perform our obligations under the OMDA.

Maintenance of Insurance

The OMDA requires us to maintain a property insurance policy for airports in respect of "all risks" customarily covered by such policies throughout the term of the Concession. We are also required to maintain business interruption insurance in order to indemnify AAI and worker's compensation insurance for death or personal injury, in addition to a general casualty insurance policy. See "—Property and Insurance—Insurance" for further details about our insurance policies.

Fees to AAI and Escrow Account

In consideration for AAI granting us the Concession, we paid AAI a one-time upfront fee of Rs.1,500 million in May 2006. The OMDA requires us to pay AAI an annual fee in monthly installments throughout the term of the Concession equal to 45.99% of the projected revenue for each given year. Revenue is defined in the OMDA as all of our pre-tax gross revenue excluding, among others, (a) payments received by us for the provision of utilities up to the amount we paid any third-party utility service providers, (b) insurance proceeds except insurance indemnification for loss of revenue, (c) amounts that accrue to us from the sale of any capital assets, (d) payments collected by us for or on behalf of any governmental authority and (e) certain amounts for bad debts written off. The projected revenue for each year is the amount we set out in the business plan that we are required to submit to AAI and periodically update. If the projected revenue for any given quarter exceeds or falls short of the actual revenue as per our quarterly financial statements approved by our Board, the annual fee amount we pay to AAI in the succeeding quarter is adjusted accordingly. We are further required to pay AAI interest at the SBI prime lending rate plus 3.0% on any amount of actual revenue that exceeds the corresponding projected revenue by 110%. AAI has certain inspection rights to review our books, records and other materials for purposes of verifying any information, including the calculation of revenue, that we provide to AAI under the OMDA. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results of Operations—Volatility and Unpredictability of Our Results of Operations Due to Regulation and Implementation of Our Aeronautical Charges."

Pursuant to the OMDA, we entered into an escrow account agreement (the "Escrow Account Agreement") on April 28, 2006 with ICICI Bank Limited, as the escrow bank, and AAI providing for the opening of an escrow account (the "Escrow Account") with certain sub-accounts for receivables, proceeds, statutory dues, AAI fees and surplus. The Escrow Account Agreement requires us to deposit all cash flows and cash realizations accruing from or in relation to the Airport from any source, including, among others, from borrowings and equity injections, into the Escrow Account immediately upon receipt of such funds. Following each deposit, the escrow bank transfers the required amounts into each sub-account based on the following cash-flow priorities:(a) statutory dues, which are the our monthly tax liability; (b) AAI fees, which include the fee payable each month and other amounts due to AAI; and (c) surplus. Under the Escrow Account Agreement, we have discretion to direct the escrow bank to make withdrawals from the surplus account, while the statutory dues and AAI fees accounts are restricted for payments only to satisfy tax liabilities and AAI fees, respectively, and pursuant to the Trust and Retention Account Agreement, the Trust and Retention Account is funded from the surplus. The Trust and Retention Account Agreement also prohibits any co-mingling of cash flows with our shareholders.

Financing Arrangements and Security

Under the terms of the OMDA, we may not assign the OMDA or pledge as security our interests in the OMDA or any of the other Concession Agreements. Nor may we create any encumbrances over the Transfer Assets or the underlying land at the Airport. However, in order to secure borrowings for use in connection with the Airport, we may create encumbrances over the Non-Transfer Assets (other than underlying land), subject to certain limitations, such as land usage restrictions. We also have created, pursuant to the OMDA, a mortgage over the Transfer Assets in favor of AAI to secure our payments due to AAI under the OMDA.

We are allowed under the OMDA to create a charge over revenues deposited in the Escrow Account for the benefit of AAI and any Lenders (as defined in the OMDA) in order to secure borrowings for use in connection with the Airport, and we have created such a charge under certain of our existing financing arrangements. The OMDA also provides that our shareholders may pledge our shares in favor of our Lenders to secure borrowings, provided that upon the enforcement of such pledges, the Lenders transfer the shares to a third-party approved by AAI. Our shareholders have pledged our shares to the Lenders under certain of our existing financing arrangements. See "Description of Material Indebtedness" for further details.

Applicable Law and Disputes

The OMDA is governed by and construed in accordance with the laws of India. The parties to the OMDA agreed to use their reasonable endeavors to settle any disputes amicably, with any unresolved disputes to be referred to arbitration by a tribunal of three arbitrators, one appointed by each of AAI and us, respectively, and the third chosen by the other two, under the Indian Arbitration and Conciliation Act, 1996. New Delhi will be the venue of any arbitration, and the substantive laws of India will be the governing law.

Our Sole Purpose

Under the terms of the OMDA, we are prohibited from becoming directly or indirectly engaged, concerned or interested in any business other than operating, maintaining and developing the Airport, except with the prior written consent of AAI, pursuant to the right of first refusal provided in the SSA to develop a second airport or as otherwise provided in the OMDA, such as for the development of our commercial property division. See "—State Support Agreement" for details about the right of first refusal.

Our Ownership Structure

The OMDA places certain restrictions on the transfer, pledge and dealing in our equity shares. Beginning in the eighth year of the Concession period, our initial shareholders other than AAI (the "Non-AAI Shareholders") are allowed to transfer shares more freely, provided that following any transfer each shareholder beneficially own no less than 10% of our shares and that the initial Non-AAI Shareholders collectively own no less than 26% of our shares. Other transfers may be permitted subject to certain requirements, including the prior written permission of AAI and relevant security and probity clearance procedures.

Under the terms of the OMDA, the aggregate foreign shareholding of our total issued and paid up capital may not exceed 49% at any time during the term of the Concession. Foreign shareholding is defined to include direct shareholdings of our shares by a foreign entity not incorporated, formed or domiciled in India and indirect shareholdings in our shares by such a foreign entity through an entity incorporated, formed or domiciled in India that is not publicly listed.

Force Majeure

Under the terms of the OMDA, if we or AAI are unable to perform our respective obligations under the OMDA due to a force majeure event, we or AAI, as applicable, are entitled to suspend or excuse such performance. Any party claiming a force majeure event must give notice to the other party and take steps to mitigate the effects of such an event. Force majeure is defined in the OMDA as any event or circumstance that (a) materially and adversely affects the performance of an obligation; (b) is beyond the reasonable control of the affected party; (c) could not have been prevented or reasonably overcome with the exercise of good industry practice or reasonable skill and care; and (d) does not result from the negligence or misconduct of the affected party or the failure of such party to perform its obligations under the OMDA; and (e) renders the affected party unable to perform its obligations under the OMDA. The OMDA lists certain events and circumstances as potentially constituting a force majeure if they occurred within, or affected, India, such as war, invasion, revolution, riot, terrorism, natural disasters, epidemic, plague and aircraft accident or breakdown, among others, and specifies that a strike by the general employees at the Airport, excluding certain employees engaged in air traffic control, security and communication, navigation and surveillance, constitutes a force majeure event.

Events of Default

Summarized below are the primary events or circumstances, to the extent not caused by a default of AAI or a force majeure, that, among others, constitute our events of default under the OMDA if not cured within various stipulated cure periods (each a "DIAL Event of Default"):

- any material breach by us of our obligations under the OMDA;
- a breach of any representation or warranty given by us in the OMDA which materially adversely affects AAI's ability to perform its obligations under the OMDA;
- a suspension by us of the performance of our obligations under the OMDA or more than two interruptions of service at the Airport in any 24-month period that lead to AAI taking temporary control of the Airport;
- any failure by us to operate and maintain the Airport in accordance with applicable laws and to certain service standards;
- any material default by us under our financing arrangements unless such default is cured or waived;
- any failure by us to maintain required insurance;
- any failure by us to adhere or comply with the Master Plan or any Major Development Plan, or any violation or breach thereof;
- a transfer of shares or voting rights by any of our shareholders in breach of the restrictions in the OMDA; and
- a court orders us to be wound up; we file a petition for voluntary winding up; an execution or restraint is levied on our assets; or a provisional, administrator, trustee or receiver of the whole or substantially whole of our undertaking is appointed by a court of competent jurisdiction.

Summarized below are the primary events or circumstances, to the extent not caused by a default on our part or a force majeure, that, among others, constitute events of default of AAI under the OMDA following various cure periods (each an "AAI Event of Default"):

- any breach by AAI of its obligations under the OMDA if such breach causes a material adverse effect;
- a breach of any representation or warranty by AAI which materially adversely affects our ability to perform our obligations under the OMDA; and
- a suspension by AAI of the performance of the obligations under the OMDA.

Termination and Substitution under the OMDA and the Substitution Agreement

If an AAI Event of Default occurs, we have the right to notify AAI of such event and require them to remedy it within six months, failing which we may submit to AAI a notice of our intention to terminate the OMDA and, 30 days following the submission of such notice, issue them a notice of termination. In the event we exercise our right to terminate the OMDA, AAI will acquire all our rights, title and interests in the Transfer Assets by making payment of 100% of the Debt (as defined below) related to the Transfer Assets and 120% of the subscribed and paid-up value of the equity share capital related to the Transfer Assets within six months of our transfer to them of the Transfer Assets, and exercise its rights, or forgo such rights to acquire all our rights, title and interests in the Non-Transfer Assets in exchange for payment of fair market value of such assets. "Debt" is defined in the OMDA to include the outstanding principal payable to "Lenders," as of the date of termination of the OMDA, in respect of financial assistance secured by a first charge provided by such Lenders for the financing of capital expenditures for the development and upgrading of the Transfer Assets. The definition explicitly excludes, among others, debt not secured by a first-priority charge and debt on which we have defaulted and which has become payable prior to the Transfer Date or expiry of our Concession, working capital facilities relating to the Transfer Assets and any other financial assistance of any kind relating to the Non-Transfer Assets. "Lenders" are defined by the OMDA as the financing institutions, banks, multilateral funding agencies and similar bodies involved in the lending business, or their trustees or agents, who have agreed to guarantee or provide financing to us to assist us in meeting the costs of all or any part of development of the Transfer Assets.

Pursuant to the OMDA, we entered into a substitution agreement (the "Substitution Agreement") in July 2016 with AAI and Axis Bank Limited as lender's agent for the Lenders under our financing arrangements. Read together, the OMDA and the Substitution Agreement govern the process by which we may be substituted as a party to the OMDA and have our rights under the OMDA terminated. If a DIAL Event of Default occurs (as defined above), AAI has the right to issue a notice of its intention to terminate the OMDA with a copy of such notice to the Lenders' Agent. The Lenders, acting through the Lenders' Agent, would have the right to nominate a third-party for the purposes of substitution immediately upon issue of the notice of intention to terminate the OMDA by AAI. The Lenders also have the right to nominate a third-party for the purposes of substitution if a Financing Event of Default is not cured, remedied, or revoked within 60 days of delivery of a Lenders' notice of default. A "Financing Event of Default" is defined as a default in payment by us to any or all Lenders under the Financing Documents of two quarterly installments or six monthly installments of principal, interest, or other amounts, or any other event of default under, or breach of the terms of, the Financing Documents that the Lenders' agent determines to be a major or material breach which may seriously affect our ability to continue to make required payments under any of the Financing Documents.

Once a notice to terminate has been furnished to AAI, or we have failed to cure within 60 days of the Lenders notifying AAI of a Financing Event of Default, the Lenders have the right to nominate a suitable entity to replace us and perform our obligations under the OMDA. The Lenders must notify AAI of their intent to exercise their right of substitution within 60 days of the issuance of the notice of default by the Lenders or the notice of intention to terminate by AAI, respectively, as the case maybe. Our current lenders, along with the Trustee under the Notes, will agree in the Intercreditor Agreement to engage in a consultative process among the lenders regarding any decision to exercise their right of substitution. The criteria for nomination of suitable entity includes its ability to execute all duties under the OMDA, to perform under the financing arrangements so as to provide security and comfort to the Lenders, the ability to pay all fees due to AAI—and agree to pay such fees—and to pass selection criteria involving matters of security, probity, technical capabilities, and scrutiny by the Government of India. In the event that a suitable substitute is chosen and approved by AAI according to criteria set out in the Substitution Agreement and the OMDA, the rights, approvals and clearances granted to us by AAI would be granted to the substitute, and all relevant contracts, including but not limited to the CNS-ATM Agreement, the Lease Deed, the State Support Agreement, the OMDA, the State Government Support Agreement and the contracts necessary for the proper operation of the Airport, would be novated in the substitute's favor. If no suitable substitute could be found, or the Lenders fail to nominate a suitable substitute, or such substitute has been unable to cure any breaches that led to the original notice of termination, then AAI shall have the right, but shall not be required, to terminate the OMDA. In the event AAI exercises the right to terminate the OMDA, it would then acquire all our rights, title and interests in the Transfer Assets (as defined below) by making payment of 90% of the Debt in respect of the Transfer Assets as recorded in our books within six months of our transfer to them of the Transfer Assets. AAI could also elect to acquire all our rights, title and interests in the Non-Transfer Assets in exchange for payment of the discounted fair value, which is the lower of the recorded book value and the net present value, of such assets. See "Description of Material Indebtedness" for details about our existing financing arrangements. See also "Risk Factors—Risks Related to the Notes and the Collateral—If our Concession is terminated or transferred to another party, the Notes may not be eligible for transfer payments by AAI or repayments made by any party substituting us and assuming our rights and obligations under the Concession" for further details on how such limitations may impact the rights of Noteholders.

If a force majeure event continues for more than 365 days, both AAI and we have the right to terminate the OMDA by issue of a notice of termination, following which AAI is required under the OMDA to acquire all our rights, title and interests in the Transfer Assets by making payment of 100% of the Debt related to the Transfer Assets as recorded in our books within six months of our transfer to them of the Transfer Assets, and exercise its rights, or forgo such rights, to acquire all our rights, title and interests in the Non-Transfer Assets in exchange for payment of the discounted fair value of such assets.

Following the expiration or termination of the OMDA, we are obliged to transfer to AAI, clear of encumbrances and with good title, all the assets, land, property and structures at the Airport necessary or required for the performance of aeronautical services (the "Aeronautical Assets"), as well as certain assets, land, property and structures not defined as Aeronautical Assets in the OMDA, such as airline lounges, cargo terminals, hangers and observation terraces, among others (together with the Aeronautical Assets, the "Transfer Assets"). AAI also has an option to acquire from us, clear of encumbrances and with good title, certain other assets, land, property and structures at the Airport, including business centers, logistic centers, duty free and general retail shops, hotels, restaurants and bars, vehicle parking areas and warehouses, among others (the "Non-Transfer Assets").

If the term of the Concession is not extended by 30 years and there is no DIAL Event of Default, AAI or its nominee is required to acquire all our rights, title and interests in the Transfer Assets by making payment of 120% of the subscribed and paid-up value of our equity share capital related to the Transfer Assets and 100% of the "Debt" related to the Transfer Assets, as determined by independent valuer(s) appointed in accordance with the terms of the OMDA and exercise its rights, or forgo such rights, to acquire all our rights, title and interests in the Non-Transfer Assets in exchange for payment of the net present value of such assets. "Net present value" with respect to any asset, means the discounted value as estimated on the date of valuation of the free cash flows (reflecting the then prevailing market value of the underlying land as on the valuation date) expected to be generated by the said asset from the valuation date for the economic life or life of such asset as intended under the Master Plan, whichever is lower, assuming no residual value of the asset at the end of such economic life.

If the term of the Concession is extended, at the end of the additional 30-year period, AAI or its nominee will acquire all of our rights, title and interests in the Transfer Assets by making payment of 100% of the "Debt" related to the Transfer Assets and exercise its rights, or forgo such rights, to acquire all our rights, title and interests in the Non-Transfer Assets in exchange for payment of the net present value of such assets.

State Support Agreement

Pursuant to the OMDA, we entered into the SSA in April 2006 with the President of India, acting through the Secretary of the Ministry of Civil Aviation of the Government of India. The SSA supplements the OMDA with additional details and procedures regarding, among others, the determination of aeronautical charges and passenger service fees, review of the Master Plan and any major development plans, the right of first refusal to build a second airport within 150 kilometers of the Airport and a guarantee from the Government of India to pay undisputed dues owed to us by AAI. The effective period of the SSA is co-terminus with the OMDA, and it has the same applicable law and dispute resolution clauses as the OMDA

Airport Economic Regulatory Authority and Tariffs

Pursuant to the SSA, the Government of India established AERA in May 2009 as the economic regulatory authority responsible for the regulation of aeronautical tariffs and other matters for certain airports in India, including the Airport. See "Indian Regulatory Environment—The Airports Economic Regulatory Authority of India Act, 2008" for further information about AERA.

Under the terms of the SSA, the Government of India has agreed that AERA will set the aeronautical tariffs to be applied at the Airport based on certain principles, including, among others, transparency, consistency, economic efficiency, independence, consultation, pricing responsibility and considerations of incentives and our need to achieve a reasonable return on investment. In June 2011, at AERA's request, we submitted our initial tariff proposal under the Concession, which included higher tariffs to reflect the increased capital expenditures associated with the Phase 1 upgrade and expansion of the Airport. AERA then published a consultation paper in January 2012 based on the tariff-setting principles laid out in the SSA. After conducting a public hearing and accepting responses from other agencies, AERA issued a final tariff order in April 2012.

As provided in the SSA, the primary components to be used by AERA in setting the aeronautical tariffs at the Airport are returns on the asset base, weighted average cost of capital, operation and maintenance costs, depreciation, taxes and 30% of the gross revenue generated from non-aeronautical services and assets. Through considering those factors, AERA determines the net present value of our target aeronautical services revenue for each control period, which equals the net present value of our projected aeronautical services revenue according to the relevant traffic forecasts and aeronautical services rates over the same period, and then sets the tariffs based on that target. The formula AERA uses to calculate our target revenue is presented below.

$$TR = RB \text{ X } WACC + OM + D + T - S$$

Where:

TR	=	Target revenue.
RB	=	Regulatory base pertaining to both investments made for the performance of reserved activities and to aeronautical assets owned by us, including capital expenditure, but excluding capital work in progress to the extent that they are not capitalized in fixed assets. Working capital is not included in the regulatory base. Furthermore, any penalties or liquidated damages levied under the provisions of the OMDA would not be allowed to be capitalized in the regulatory base. The fee we paid up front to AAI prior to the commencement of operations is also excluded from the regulatory base.
WACC	=	Nominal post-tax weighted average cost of capital, calculated using the marginal rate of corporate tax.
OM	=	Operation and maintenance cost pertaining to aeronautical services. Any penalties or liquidated damages levied under the provisions of the OMDA would not be counted as part of operation and maintenance cost.
D	=	Depreciation calculated in the manner as prescribed in Schedule XIV of the Indian Companies Act, 1956. In the event, the depreciation rates for certain assets are not available in that Act, then the depreciation rates as provided in the Income Tax Act for such assets as converted to the straight line method from the written-down value method will be considered. In the event, such rates are not available in either of the Acts then depreciation rates as per generally accepted Indian accounting standards may be considered.
T	=	Corporate taxes on earnings pertaining to aeronautical services.
S	=	30% of the gross revenue generated by us from the revenue share assets. The costs associated with these revenues are not included in calculating aeronautical charges.

Government of India Services

Under the terms of the SSA, the Government of India agreed to provide, or cause to provide, services related to customs, immigration, plant and animal quarantine, health, meteorology and security, in addition to aeronautical services, at the Airport during the Concession period. We, in turn, agreed to provide the necessary operational space, at no cost, and back office space, at 50% of the applicable commercial rent, at the Airport in order for Government of India to perform such services, as well as the required security systems and equipment. The SSA also allows the Government of India to require us to undertake and provide any services otherwise designated for it to perform, other than air traffic control and air navigation services, on terms and conditions reasonably acceptable to the GOI and us.

Right of First Refusal

The SSA grants us a right of first refusal to develop and manage a second airport within a 150 kilometer radius of the Airport if the Government of India desires to develop such an airport. Our right of first refusal for the new airport may be exercised by participating in a competitive bidding process in which, if we are not initially the successful bidder, we have the right to match the competitive bid received, if our bid is within 10% of such bid. The right expires in 2036 and may not be exercised if we are in material default under any Concession Agreement.

Review of Master Plan and Major Development Plan

Under the terms of the SSA and OMDA, we are required to update and resubmit the Master Plan to the Government of India every ten years, but in practice we may update the Master Plan and submit it to AAI on a more frequent basis. We are also required to prepare major development plans, which, like the Master Plan, should be completed in full consultation with relevant stakeholders, for any project expected to have a capital cost of more than Rs.1,000 million and submit such plans to the Government of India for review. The SSA provides the applicable timelines for the Government of India's review of the Master Plan and any major development plans. With respect to the Master Plan, we are required to incorporate reasonable input from the Government of India. See "—Master Plan."

Step in Rights

The SSA and OMDA provides that if the Government of India declares an emergency, AAI has the right to temporarily assume control of the Airport, in whole or in part, or to instruct us to manage the Airport in accordance with its directions during an emergency. AAI is required to return the Airport back to our control generally within seven days of the cessation of any such emergency, and we must reimburse and indemnify AAI for any costs and expenses incurred during such step in period, subject to offset by all aeronautical and non-aeronautical charges collected by AAI on our behalf during that time.

Indian Defense Forces and Military Activities

Under the terms of the SSA, we agreed that the Indian Defense Forces have the right to use the Airport and all its facilities free of charge and without any restrictions. The SSA specifies that other than in emergencies, our obligations to accommodate the Indian Defense Forces in respect of, among others, airspace allocation and closure and runway usage is subject to mutual consultation between the Government of India and us.

GOI Guarantee

Pursuant to the SSA, the President of India, acting through the Secretary of the Ministry of Civil Aviation executed a deed of guarantee (the "Guarantee") in April 2006, in favor of us. Under the terms of the Guarantee, if following the expiration or termination of the OMDA, AAI fails to pay into the Escrow Account the applicable amounts for the Transfer Assets and Non-Transfer Assets, if any, within six months of our transferring such assets to AAI, the Government of India agrees to pay the undisputed amounts plus interest at the SBI prime rate, subject to monetary caps and other limitations.

Clearances and Coordination

As with the GONCT in the SGSA, the Government of India agreed to provide us with all consents, licenses, approvals, permits and other authorizations or permissions required from GOI under applicable law that we properly apply for in order to perform our obligations under the OMDA. To facilitate interaction and coordination between the Government of India and us, the SSA provides for the establishment of (a) a joint coordination committee consisting of representatives from AAI, us and the various departments responsible for customs, immigration, plant and animal quarantine, health, meteorological and security at the Airport and (b) an airport coordination committee consisting of representatives from the Government of India, AAI, the Delhi government and us.

Change in Law

Under the terms of the SSA, if a change in law occurs that results in, among others, an increase in our costs or reduction in our after-tax returns in connection with our development or operation of aeronautical services and assets greater than Rs.100 million in any year, we may propose amendments to the OMDA intended to restore us to our financial position prior to such change in law. The Government of India is required to use reasonable efforts to ensure AAI agrees to our amendments, barring which it, following our issuance of a written notice, is obligated to pay us compensation to restore us to our financial position prior to such change in law. Conversely, if a change in law occurs that results in, among others, a decrease in our costs or increase in our after-tax returns in connection with our development or operation of aeronautical services and assets greater than Rs.100 million in any year, we must pay to the Government of India an amount as would restore us to our financial position prior to such change in law. No amendments to the OMDA or compensation payments to or from the Government of India are allowed in connection with changes in law that impact our development or operation of non-aeronautical services and assets. Change in law is broadly defined to include, among others, (a) the enactment of any new Indian law, (b) the amendment, modification or repeal of any existing Indian law, (c) a change in interpretation, application or enforcement of any Indian law by the Supreme Court of India and (d) a change in the terms and conditions, or imposition of new terms and conditions, applicable to any outstanding consents, licenses, approvals, permits and other authorizations or permissions.

Shareholders Agreement

Pursuant to the OMDA, we entered into a SHA in April 2006 with AAI and our other initial shareholders, namely, GMR Infrastructure Ltd., GMR Energy Ltd., GMR Airports Limited (formerly GMR Airports Holdings Limited), Fraport, Malaysia Airports (Mauritius) Private Limited and India Development Fund, providing for the terms and conditions that govern their respective rights as our shareholders and their respective responsibilities regarding our management.

Future Capitalization and AAI's Option

Under the terms of the SHA, the Non-AAI Shareholders are required under certain circumstances to contribute additional capital pro rata, or as otherwise agreed, beyond their initial subscriptions in our share capital. In the event of such additional capital calls, AAI has the option to participate and maintain its shareholding percentage in our shares. If it does not participate, our other shareholders are obligated to increase their shareholdings accordingly, subject to the restriction on foreign ownership not exceeding 49% following such transfer, and contribute the requisite amount of additional capital.

Rights of First Refusal

In the event any of the Non-AAI Shareholders decides to sell any or all of our shares that it holds, it is required under the SHA to first offer them to the other Non-AAI Shareholders, which may purchase any or all of such shares, subject to the restriction on foreign ownership not exceeding 49% following such transfer. If the other Non-AAI Shareholders do not purchase all the offered shares, AAI has the option to purchase no less than all the remaining shares at the same price and on the same terms and conditions offered to the other Non-AAI Shareholders. The selling shareholder may offer shares to outside investors only if AAI does not exercise its option to purchase, and any such sale must not be on terms and conditions more favorable than those offered to AAI.

In the event AAI decides to sell any or all of our shares that it holds, it is required to first offer them to the Non-AAI Shareholders, which may individually or collectively purchase no less than all such shares, subject to the restriction on foreign ownership not exceeding 49% following such transfer. AAI may offer shares to outside investors only if the Non-AAI Shareholders do not exercise their options to purchase, and any such sale must not be on terms and conditions more favorable than those offered to the Non-AAI Shareholders.

Board of Directors and Reserved Matters

Under the terms of the SHA, each shareholder has the right to nominate such number of directors as is proportionate to its shareholding. AAI has the additional right to nominate at least one director irrespective of AAI's shareholding, even if AAI ceases to hold any of our shares. The minimum quorum necessary for a meeting of the board of directors is two directors, with at least one being a director nominated by AAI and at least one being a director nominated by a Non-AAI Shareholder. As long as AAI holds at least 10% of our shares, no decision or resolution by the board of directors or the shareholders in respect of the following reserved matters may be taken unless approved by AAI:(a) any change in our business, including any cessation of any kind of business; (b) any change of rights of any class or classes of shares, either directly or indirectly; (c) any sale, transfer, lease, license or disposal of all or a substantial part of its business, undertaking or assets whether by a single transaction or series of transactions, subject to a 10% of net fixed asset threshold; (d) the commencement of any action to wind up or dissolve us, including the passing of any resolution to liquidate us; and (e) for reserved shareholder matters, any shareholder resolution requiring the consent of not less than 75% of the shareholders voting, that is, a special resolutions, under the provisions of the Companies Act.

Miscellaneous

The SHA reiterates certain restrictions on the transfer and holding of our shares, including to or by foreign investors, provided in the OMDA. See "—Operation, Management and Development Agreement—Our Ownership Structure" for further details. The applicable law and dispute resolution provisions in the SHA are also consistent with those in the OMDA, with specific performance additionally available. See "—Operation, Management and Development Agreement—Applicable Law and Disputes" for further details.

LEGAL PROCEEDINGS

General

We are involved in certain legal proceedings from time to time that are incidental to the normal conduct of our business and the nature of our Concession. The material proceedings are described below and are currently pending at various stages of adjudication.

Regulatory Proceedings

Aeronautical Tariff Proceedings

In an order dated January 22, 2015, the Delhi High Court responded to our petition seeking expeditious disposal of our appeals before the AERAAT in respect to certain of AERA's methodologies, calculations and classifications of various factors used to set the aeronautical tariff structure for the fiscal year 2009-2014 control period. The tariff structure set by AERA included a 16% return on equity, as opposed to the 24% we had requested, no return on refundable security deposits from lessees, as opposed to the 24% return we had requested, and a hypothetical regulatory asset base valuation of Rs.4,670 million, as opposed to the Rs.11,190 million valuation we had requested. AERA also took account for changes in the consumer price index when considering various regulatory components of the tariff, such as operating expenses, capital expenditure and non-aeronaucical income, rather than accounting for its as an allowance for inflation over and above the target revenue, which we believe is the proper treatment under the terms of the SSA. Furthermore, AERA chose to adjust for corporate tax as actually paid, rather than accounting for it when considering various regulatory components of the tariff, as we had requested.

In its order, the Delhi High Court issued directions to MoCA to take steps to appoint the chairperson and members of the AERAAT within four weeks of the date of the order. The Delhi High Court also directed the reconstituted AERAAT to adjudicate our pending appeals within twelve weeks of the date of the order. Further, the Delhi High Court directed that the current aeronautical tariff structure from the first five-year control period continue until the disposal of our appeals by the AERAAT. On April 24, 2015, AERA filed a special leave petition to the Supreme Court of India, seeking interim relief from this order. The Supreme Court of India heard and disposed of the special leave petition of AERA on May 12, 2016 with directions to AERAAT to expedite and adjudicate the appeals pending before it within three months of its order. Although three months have passed, AERRAT is continuing to hear the matter on a day-to-day basis and is yet to adjudicate the appeals.

In addition, the Delhi High Court observed that the appeals pending before the AERAAT involve substantial issues with respect to the methodology for determination of tariffs and the correctness of certain regulatory principles applied by AERA which would be significant in determining the aeronautical tariffs for our current control period which spans fiscal years 2015 through 2019. The

Delhi High Court directed AERA to not proceed with the implementation of the aeronautical tariff for the second control period, pending a decision on the matters under appeal before the AERAAT. As a result, we have not implemented the aeronautical tariff for the second control period although AERA issued an order dated December 8, 2015 (issued on December 10, 2015) to reduce the aeronautical tariff for the second control period by 89.4% from the current aeronautical tariff structure for the first five-year control period (as opposed to the 42.6% reduction we had requested). We have filed an appeal against this order. The proceedings are ongoing and being heard on a daily basis. Any additional tariff would be implemented upon the final result of the appeal.

The aeronautical charges which we applied in the final 22 and one-half months of the first control period were higher than the aeronautical charges for the initial 37 and one-half months of the first control period and resulted in a much higher growth in our revenue from aeronautical charges in fiscal years 2013 and 2014 than the earlier years during the first control period. If AERAAT were to rule in favor of us, AERA may appeal such decision of AERAAT to the Supreme Court of India. If an appeal by AERA is upheld, our aeronautical charges would be substantially decreased and we would have to offset the additional aeronautical charges we have earned in the second control period (as a result of applying the charges which we applied in the final 22 and one-half months of the fiscal years 2009-2014 control period) from the aeronautical charges for the future periods.

We are also a respondent, along with AERA, in several cases brought by airlines seeking reductions in the aeronautical tariffs set by AERA in the first five-year control period. We believe that if these cases are decided against us, any such reduction in tariffs would not be applied retroactively.

AERAAT is hearing all appeals in an attempt to dispose of them expeditiously.

Passenger Service Fee Proceeding

We are also challenging in the Delhi High Court certain orders and letters issued by MoCA regarding the utilization of certain passenger service fees collected as collateral for repaying the debt used to purchase designated security equipment and service of private security guards, which collectively involve amounts totaling Rs.3,213.8 million as of June 30, 2016. Pursuant to prior orders and circulars issued by MoCA, we use the passenger service fees as collateral for the PSF Loan, which as of June 30, 2016 had an outstanding amount of Rs.498.8 million. See "—Our Sources of Revenue—Other Fees We Do Not Earn" and "Description of Material Indebtedness." Though we have not made a provision in our financial statements, if the Court were to rule in favor of MoCA, we will be required to make a refund of the amount utilized under the PSF Loan into the passenger service fee account and reflect the PSF Loan as a liability in our financial statements.

"Public Authority" Proceedings

We are also party to several proceedings questioning whether we are "public authority" or "state" under Indian law due to the nature of our business. See "Risk Factors—Risks Related to Our Business—In the event that a court or regulatory authority deems us to be a "public authority" or "state" under Indian law due to the nature of our business, we may become subject to certain laws and policies applicable to entities owned by the Government of India."

"Normative Matter" Proceedings

Pursuant to its order dated June 6, 2016, AERA decided to adopt a normative approach to building blocks towards the capital cost for terminal building, runway, taxiway and apron. Pending finalization of the norms, AERA tentatively fixed the ceiling cost per square meter (subject to a higher cost being justified) for evaluating the capital cost to be incurred by airport operators for the purpose of tariff determination. We and other major airport operators of Hyderabad, Mumbai and Bengaluru filed individual appeals challenging AERA's normative approach order. We have also challenged the jurisdiction of AERA to issue such order under the AERA Act and, claimed that AERA is in violation of natural justice that the norms are not applicable to airports under public-private-partnership concessions and that the benchmark adopted by AERA based on a single airport is grossly arbitrary. The appeal is listed for hearing before the AERAAT on October 17, 2016.

Civil Proceedings

Two cases have been filed against AAI, listing us as one of the respondents, regarding the determination of the fair market value of the land at the Airport against the award declared by the local land acquisition collector, wherein the petitioners are seeking enhanced compensation. Some cases have also been filed against us seeking remedial measures against alleged noise pollution caused by aircraft landing and taking off at one of the runways at the Airport. The matter is now pending before National Green Tribunal for consideration and disposal.

We have invoked arbitration under provisions of OMDA against AAI's demand of payment of annual fee of Rs.412.1 million towards the usage of custom duty scripts aggregating Rs.896.04 million under the import export policy 2006-2010 of Government of India while AAI is contesting that it should not be a matter of dispute to be settled through arbitration. We have approached the Delhi High Court for appointing an arbitrator on behalf of AAI. The matter is pending before the Delhi High Court.

As a consequence of our termination by us of project agreements with Silver Resort Hotel India Private Limited, Silver Resort Hotel India Private Limited has initiated arbitration proceedings seeking damages for the termination. The stay application of Silver Resort Hotel India Private Limited against the termination has been dismissed by the arbitration tribunal.

Criminal Proceedings

We have filed several criminal complaints against certain debtors for issuing us checks that were dishonored, and are seeking recovery of (i) an aggregate of Rs.345 million from Kingfisher Airlines and certain of its officials and (ii) an aggregate of Rs.680.8 million from Silver Resort Hotel India Private Limited and certain of its officials. Summons have been issued to Kingfisher Airlines and Silver Resort Hotel India Private Limited under the arbitration proceedings.

Tax Proceedings

Six tax proceedings have been initiated against us which relate to, among other things: (i) imposition of service tax of approximately Rs.1,318.9 million and penalty of approximately Rs.1,318.9 million on the development fees collected by us; (ii) treating the security component of passenger service fees amounting to Rs.770.7 million as our income under the Income Tax Act, 1961 (the "I.T. Act"), disallowance as a deduction under the I.T. Act of Rs.1,955.0 million in relation to payment made to AAI with respect to treating them as capital in nature, disallowance of repairs and maintenance expenses of Rs.240.0 million treating the same as capital expenditure and disallowance of Rs.8.5 million under Section 14A of the I.T. Act for assessment year 2007-2008; (iii) treating the security component of passenger service fees amounting to Rs.807.3 million as DIAL's income under the I.T. Act, disallowance of Rs.77.2 million as a provision made on account of non-deduction of tax under Section 40(a)(ia) of the I.T. Act, disallowance of repairs and maintenance expenses of Rs.111.4 million treating the same as capital expenditure, disallowance of club expenses of Rs.3.4 million and disallowance of Rs.23.7 million under Section 14A of the I.T. Act for assessment year 2008-2009; (iv) treating the security component of passenger service fees amounting to Rs.409.2 million as income of DIAL under the I.T. Act, disallowance of Rs.1.1 million as a provision on account of non-deduction of tax under Section 40(a)(ia) of the I.T. Act, disallowance of repairs and maintenance expenses of Rs.141.6 million treating the same as capital expenditure, disallowance of club expenses of Rs.0.3 million and disallowance of Rs.23.3 million under Section 14A of the I.T. Act for assessment year 2009-2010 on the ground that we earned exempt income; (v) not allowing loss on the security component of passenger service fees amounting to Rs.155.1 million under the I.T. Act, disallowance of repairs and maintenance expenses of Rs.79.5 million treating the same as capital expenditure, disallowance of club expenses of Rs.0.2 million, disallowance of Rs.1.4 million as a provision made on account of non-deduction of tax under Section 40(a)(ia) of the I.T. Act and disallowance of Rs.100.7 million under Section 14A of the I.T. Act for assessment year 2010-2011; and (vi) imposition of service tax of approximately Rs.543.1 million and penalty of approximately Rs.543.1 million on the advance development costs collected by us. Our appeals relating to points (ii) to (v) above are pending at the Income Tax Appellate Tribunal, Delhi.

In addition to the above proceedings, pursuant to the search operation under Section 132 of the I.T. Act, our assessment has been completed under Section 143(3) and Section 153A of the I.T. Act for assessment year 2007-2008 to assessment year 2013-2014. The following disallowances have been made: (i) for assessment year 2007-2008: disallowance of Rs.1.2 million on account of non-deduction of tax under Section 40(a)(ia) of the I.T. Act on director sitting fees, disallowance of Rs.27.4 million on account of non-deduction of tax on charges collected by airlines, non-grant of credit for tax refund and self-assessment for Rs.218.6 million and short grant of interest for an amount of Rs.108.0 million; (ii) for assessment year 2008-2009, disallowance of Rs.41.2 million on account of non-deduction of tax on charges collected by airlines and erroneous addition of Rs.456.0 million by treating the duty credit entitlement under SFIS accrued as grant related to revenue; (iii) for assessment year 2009-2010, disallowance of Rs.35.2 million on account of non-deduction of tax on charges collected by airlines, addition of Rs. 223.5 million by treating the duty credit entitlement under SFIS accrued as grant related to revenue and withdrawal of relief of Rs.93.2 million, being the amount of depreciation and repair and maintenance expenditure allowed in the earlier assessment order of assessment year 2007-2008 and assessment year 2008-2009; (iv) for assessment year 2010-2011, disallowance of Rs.51.3 million on account of non-deduction of tax on charges collected by airlines, addition of Rs.107.3 million by treating the duty credit entitlement under SFIS accrued as grant related to revenue, non-grant of credit for advance tax paid of Rs.3.5 million and the tax refund of Rs.5.4 million not actually received by DIAL, which was claimed by the tax authority as granted; (v) for assessment year 2011-2012, inclusion of loss of Rs.85.4 million suffered in PSF (security component), disallowance of Rs.215.6 million under Section 14A of the I.T. Act and disallowance of director sitting fees of Rs.0.8 million under Section 40(a)(ia) of the I.T. Act, disallowance of Rs.52.2 million of collection charges retained by the airlines and addition of Rs.132.1 million by treating the duty credit entitlement under SFIS accrued as grant related to revenue; (vi) for assessment year 2012-2013, inclusion of loss of Rs.391.4 million suffered in PSF (security component), disallowance of Rs.53.3 million of collection charges retained by the airlines, deduction of the amount of duty free entitlement under SFIS of Rs.86.4 million considering the same as grant related to revenue, addition of revenue of Rs.690.4 million from National Aviation Company Limited (Air India) on an accrual basis, disallowance of Rs.204.5 million under Section 14A of the I.T. Act, disallowance of director sitting fees of Rs. 1.06 million on account of non-deduction of tax under Section 40(a)(ia) of the I.T. Act; and (vii) for assessment year 2013-2014, disallowance of Rs.45.4 million of collection charges retained by the airlines and disallowance of Rs.153.0 million under Section 14A of the I.T. Act. These matters are pending with Commissioner of Income Tax (Appeals).

A survey under Section 133A of the I.T. Act was carried out at our premises by the income tax authorities. The income tax department has sought certain information pursuant to its letter dated July 18, 2016. The management is in the process of providing such information to the income tax department. The management believes that we are in compliance with all the applicable provisions of the I.T. Act and does not expect any additional tax liability on account of the survey operations.

In addition, we have initiated several cases which relate to, among other things: (i) two cases relating to eligibility of the consignments that we imported for development of the Airport for benefit under the Project Import Regulations, 1986, entitlement of bills of entries for assessment under the Customs Tariff Act, 1975, and our entitlement to refunds of excess duty paid on such bill of entries involving an aggregate refund of Rs.48.4 million, (ii) the unit area system for assessment of properties for the purposes of property tax as introduced by the Delhi Municipal Corporation (Amendment) Act, 2003 and demand notices by the Municipal Corporation of Delhi and South Delhi Municipal Corporation, directing us to file voluntary returns (Currently, the demand of approximately Rs 6.45 million is under challenge before Delhi High Court and if the courts were to rule in favor of South Delhi Municipal Corporation, we would have to pay the entire demand with interest), and (iii) a challenge to a letter dated March 28, 2007 issued to us by AAI informing us that the annual fee payable under the OMDA is subject to service tax pursuant to the introduction of service tax for "renting of immovable property" with effect from June 1, 2007 and the order dated March 26, 2014 passed by the Commissioner (Adjudication) of Service Tax, I.P. Estate, New Delhi raising service tax demand on AAI for approximately Rs.2,880 million, plus penalty and interest on the revenue share received by AAI from us for each of the fiscal years from 2006-2007 to 2011-2012.

We have received seven show cause cum demand notices from various tax authorities involving aggregate claims of approximately Rs.694.9 million, primarily relating to service tax towards license fee, utility fee, fee for provision of airport services, SFIS, disallowance of Central Value Added Tax credit benefits under the Central Value Added Tax Credit Rules, 2004, and a penalty under the Customs Act, 1962 and contravention of the Handling of Cargo in Custom Areas Regulations, 2009 and the penalty action under Section 36A(8) of Delhi Value Added Tax Act, 2004.

Stamp Duty Proceedings

We have filed a writ petition before the Delhi High Court challenging a show cause notice issued by the Collector of Stamps, Government of National Capital Territory of Delhi (the "Collector").The Collector has alleged an evasion of payment of stamp duty on development agreements executed by us with various developers in connection with the hospitality district at the Airport that purports to have caused a significant loss of revenue to the government. Under the development agreements, the developers are liable to bear the cost of any stamp duties.

Provisions

As of June 30, 2016, we had provisions of Rs.818.7 million (net of self assessment tax paid of Rs.40.8 million), excluding self-assessment tax paid in earlier years, appearing in relation to the dispute over property tax.

PROPERTY AND INSURANCE

Real and Personal Property

Pursuant to the OMDA and the Lease Deed, AAI has leased to us all the land underlying the Airport, along with the buildings and other immovable assets at the Airport and approximately 230 acres available for commercial property development. We have the right to sub-lease or license any part of the leased property for a period not to exceed the term of the Concession. Following the expiration or termination of the OMDA, we are obliged to transfer to AAI, clear of encumbrances and with good title, all the assets, land, property and structures at the Airport that constitute Transfer Assets, while AAI has an option to acquire from us, clear of encumbrances and with good title, certain other assets, land, property and structures that constitute Non-Transfer Assets. See "—Our Concession—Operation, Maintenance and Development Agreement" for further details.

Insurance

Under the terms of the OMDA, we are required to maintain a property insurance policy in respect of "all risks" customarily covered by such policies for airports throughout the term of the Concession. We are also required to maintain business interruption insurance in order to indemnify AAI and worker's compensation insurance for death or personal injury, in addition to a general casualty insurance policy.

We maintain an industrial "all-risk" insurance policy, which includes coverage for material damage at the Airport, along with business interruption coverage. Our industrial all risk insurance policy is on a reinstatement value basis and contains separate terrorism coverage. We also have an airport operator's liability policy. We maintain a term insurance and a personal accident insurance for our employees.

AWARDS

Among the numerous awards and rankings the Airport has received in recent years, the Airport was awarded (i) the Best Airport in the World in the capacity band of 25-40 million passengers category, (ii) Best Emerging Airport — Asia at the 2015 Asian Freight Logistics and Supply Chain (AFLAS) Awards; (iii) Best Airport in India and Central Asia and Best Airport Staff in India and Central Asia in the Skytrax World Airport Awards; (iv) Golden Peacock National Quality Awards 2015 for building a culture of Total Quality at the Airport; (v) International Safety Award 2015 by the British Safety Council; and (vi) CII — 5S Excellence Sustenance Award 2015; (vii) CII — 5S Excellence Awards 2014 — Northern region. Based on the Airport's 88% on-time-performance results for departures in 2013, Flightstats ranked the Airport second among all major international airports for on-time-performance. In 2012-2013, the Airport was (i) ranked the 4th Best Airport Globally and the 2nd Best in the World in the capacity band of 25-40 million passengers category by the Airport Council International; (ii) the world's first airport to achieve the "ISO 22301:2012 Certification" for business continuity management systems; (iii) awarded an "International Safety Award" by the British Safety Council; and (iv) rated as the Best Airport in India and Central Asia in the 2014 Skytrax World Airport Awards held at the Passenger Terminal EXPO in Barcelona, Spain on March 26, 2014. CNBC AWAAZ Travel named the Airport the "Best Managed Airport" in each of 2013 and 2012, while the Airport's cargo operations were recognized by STAT Trade Times as the emerging cargo airport of the year in India in 2012.

EMPLOYEES

As of June 30, 2016, we employed 1,233 employees, of which 1,064 worked on activities such as firefighting, security, and customer services; 69 performed commercial activities such as sales and marketing; and 100 worked in finance, administration, human resources, legal department and other activities.

The following table provides information in respect of the number of our employees as of June 30, 2016 and March 31, 2016, 2015 and 2014:

	June 30, 2016		March 31,					
			2016		2015		2014	
	Employees	% of employees	Employees	% of employees	Employees	% of employees	Employees	% of employees
Firefighting, security, and customer services	1,064	86	1,057	87	979	68	1,078	75%
Sales and marketing	69	5	67	5	70	5	72	5%
Finance, administration, human resources, legal and others	100	8	97	8	389	27	284	20%
Total	1,233	100%	1,221	100%	1,438	100	1,434	100%

SUBSIDIARY, JOINT VENTURES AND ASSOCIATES

The following table sets forth our subsidiary, joint ventures and associates as of June 30, 2016:

Name of Company	DIAL equity shareholding	Classification	Other partners	Nature of business	Description
Delhi Aviation Services Private Limited	50.0%	Joint venture	Celebi Ground Handling Delhi Pvt. Ltd., Bird Worldwide Flight Services (India) Pvt. Ltd., Cambata Aviation Pvt. Ltd.	Bridge mounted equipment services	Manage the operations of the bridge mounted equipment; ground power unit; pre-conditioned air unit and supply of potable water to aircrafts at Terminal 3.
Celebi Delhi Cargo Terminal Management India Private Limited	26.0%	Joint venture	Celebi Hava Servisi As.	Cargo handling	Design, finance, develop, construct, operate, maintain and manage the brownfield cargo terminal.
Retail and Food & Beverage					
Delhi Duty Free Services Private Limited	49.9%	Joint venture	Yalorvin Ltd., GMR Airports Limited.	Duty free shops	Develop, operate, maintain and manage duty free outlets as the single largest duty free retail operator in India.
Travel Food Services (Delhi T-3) Private Limited	40.0%	Joint venture	Travel Food Services (Delhi) Pvt. Ltd., Travel Food Services Pvt. Ltd.	Food and beverages	Travel retail chain, focusing on food & beverage services across India with operations at Terminal 3.

Name of Company	DIAL equity shareholding	Classification	Other partners	Nature of business	Description
Others					
Delhi Aerotropolis Private Limited	100.0%	Subsidiary	Not applicable	Dormant	Dormant.
East Delhi Waste Processing Company Limited	48.99%	Associate	IL&FS Renewable Energy Ltd. and Selco International Ltd.	Waste management	Processing and disposal of municipal solid waste.
Delhi Aviation Fuel Facility Private Limited	26.0%	Joint venture	Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd.	Fuel farm	Provide design, engineering, construction/procurement and testing facility including onsite facility, existing facility, offsite facility and a hydrant system, to finance and commission the facility, and remedy any defects.
Delhi Airport Parking Services Private Limited	49.9%	Joint venture	Tenaga Parking Services (India) Pvt. Ltd., GMR Infrastructure (Singapore) Pte. Ltd.	Car parking	Provide car parking management, visitor entry tickets and left luggage services.
Wipro Airport IT Services Private Limited	26.0%	Joint venture	Wipro Ltd.	IT systems	Undertake finance, operation, maintenance, management, upgrades and modernization of resources comprising IT services.
TIM Delhi Airport Advertising Private Limited	49.9%	Joint venture	Times Innovative Media Ltd.	Advertising	Develop, operate, maintain, market and manage the in-terminal and outdoor advertising sites and display of advertisement; acquire, install and maintain master antenna television and wall clocks and display of brand logos.

As part of our business plan and strategy, we in the future may enter into new joint venture agreements or arrangements as well as amend, modify or replace such new and/or our existing joint venture agreements or arrangements.

INDIAN REGULATORY ENVIRONMENT

The following is a brief overview of certain laws and regulations that are relevant to our business. The information set out below has been obtained from various sources available in the public domain, including various legislation and rules and regulations promulgated by regulatory bodies and local authorities.

The overview below is based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. It is not exhaustive and should not be a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to our business.

AVIATION SECTOR

The Government of India has formulated various regulations which specifically apply to companies operating in the aviation sector. The AAI Act, the Aircraft Act, AERA Act, and various rules, regulations and orders made pursuant thereto govern the aviation sector in India. The oversight over the aviation sector in India is distributed among the MoCA, the DGCA, the BCAS, AAI, and AERA. The Ministry of Defence undertakes airspace protection in coordination with AAI.

There are three categories of airports in India:

(i) International airports from which international flights can operate;

(ii) Domestic airports from which only domestic flights can operate; and

(iii) Customs airports from which imported goods can be unloaded or goods can be exported.

The AAI manages all airports in India other than certain private airports which are managed by private operators either independently or along with the AAI and certain military airports that are managed by the Ministry of Defence. The AAI also administers the use of terminal building facilities at military airports by civilian aircraft, while air traffic control ("ATC") and scheduled clearances at these airports are the responsibility of the defense authorities.

The civil aviation sector in India is also broadly governed by two policies: the Domestic Air Transport Policy and the Policy on Airport Infrastructure, which includes the Greenfield Airports Policy.

APPLICABLE LEGISLATION, INTERNATIONAL CONVENTIONS AND SECTORAL POLICY

The Airports Authority of India Act, 1994

The AAI Act was enacted for the constitution of AAI and for the transfer and vesting of the undertakings of the International Airports Authority of India and the National Airports Authority of India to and in AAI for the better administration and cohesive management of airports and civil enclaves.

The AAI Act applies to all airports from where air transport services are operated or are intended to be operated (other than airports and airfields belonging to, or subject to the control of, any armed force of India), all civil enclaves (which are areas allotted at airports belonging to any armed force of India, for use by persons availing of any air transport services from such airports or for the handling of baggage or cargo by such service, and include land with any building and structure or such areas); all aeronautical communication stations; and all training stations, establishments and workshops relating to air transport services.

The AAI Act was amended in 2003 to extend its application to private airports (which are airports owned, developed or managed by any person or agency other than AAI or any State Government; or any person or agency jointly with AAI or any State Government or both where the share of such person or agency as the case may be in the assets of the private airport is more than fifty percent). The provisions of the AAI Act apply to private airports, including the Company, insofar as they relate to, inter alia, providing air traffic service, eviction of unauthorized occupants, and compliance with certain directions of AAI issued in view of the security interests of India or the security of an aircraft.

The 2003 Amendment to the AAI Act also permits AAI, in the public interest or in the interest of better management of airports, to lease the airport premises with prior approval of the Central Government to carry out some of AAI's functions under the AAI Act.

With the enactment of AERA Act in 2008, the AAI Act was further amended to empower AAI to levy and collect from the embarking passengers at airports, the development fees. The development fees are levied for the purpose of funding or financing the cost of upgrade, expansion or development of the airport at which the fee is collected; establishment or development of a new airport in lieu of the airport at which the fee is collected; or investment in the equity in respect of shares to be subscribed by AAI in companies engaged in establishing, owning, developing, operating or maintaining a private airport in lieu of the airport at which the fee is collected or advancement of loans to such companies or other persons engaged in such activities.

In pursuance of the powers conferred by the AAI Act, various rules and regulations have been framed, including the Airports Authority of India (Management of Airports) Regulations, 2003; the Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations, 2007; the Airports Authority of India (Storage and Processing of Cargo, Courier and Express Goods and Postal Mail) Regulations, 2003; and the Airports Authority of India (Major Airports) Development Fees Rules, 2011.

The Aircraft Act, 1934

The Aircraft Act makes provisions for the control of the manufacture, possession, use, operation, sale, import and export of aircrafts. It empowers the Central Government to make rules, inter alia, with respect to the regulation of the air transport services and the prohibition of the use of aircraft in such services except under the authority of and in accordance with a license authorizing the establishment of the service; the economic regulation of the civil aviation and air transport services (other than those to which AERA Act applies); and registration and marking of the aircraft. The Act also empowers the Central Government to make rules as may be necessary to give effect to the Chicago Convention on International Civil Aviation, 1944 (the "Chicago Convention"). The licensing, inspection and regulation of aerodromes is also provided for under the Aircraft Act.

The Aircraft Act has been amended from time to time in view of developments in technology, communication, navigation, surveillance, air traffic management standards laid down by the ICAO for safety and security of the civil aviation; and to give effect to the various provisions of the Chicago Convention.

Pursuant to the powers conferred by the Aircraft Act, the Central Government has promulgated the Aircraft Rules, 1937 (the "Aircraft Rules") which, inter alia, stipulate that no aerodrome will be used as a regular place for landing and departure by a scheduled air transport service or for a series of landing and departures by any aircraft carrying passengers or cargo for hire or reward unless it has been licensed.

The other rules framed pursuant to the Aircraft Act include the Aircraft (Public Health) Rules, 1954; the Aircraft (Demolition of Obstructions Caused by Building and Trees, etc.) Rules, 1994; the Aircraft (Carriage of Dangerous Goods) Rules, 2003; the Aircraft (Security) Rules, 2011; and the Aircraft (Investigation of Accidents and Incidents) Rules, 2012.

The Airports Economic Regulatory Authority of India Act, 2008

The AERA Act has been enacted to provide for the establishment of AERA to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports. AERA was established on May 12, 2009 and is the economic regulator of the airport infrastructure sector and air navigation services in India.

The AERA Act applies to all airports from where air transport services are operated or are intended to be operated (other than airports and airfields belonging to, or subject to the control of, the armed forces and paramilitary forces of India); all private airports and leased airports; all civil enclaves; and all major airports (which are airports which have, or are designated to have, annual passenger throughput in excess of one and a half million or any other airport as the Central Government may decide).

Tariffs for the aeronautical services at major airports is to be determined by AERA after taking into consideration the capital expenditure incurred and timely investment in improvement of airport facilities; the service provided, its quality and other relevant factors; the cost for improving efficiency; economic and viable operations of major airports; revenue received from services other than the aeronautical services; the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise; and any other factor which may be relevant for the purposes of the AERA Act.

Pursuant to the SSA and the AERA Act, AERA follows a hybrid-till model for determining the aeronautical tariffs for the Airport. In a hybrid-till model, a percentage share of non-aeronautical services revenues are used to subsidize the aeronautical services revenues of an airport — 30% of non-aeronautical services revenues in the case of the Airport. The main building blocks used when determining the tariff are:

- returns on the asset base;
- weighted average cost of capital;
- depreciation;
- operating and maintenance costs;
- taxes; and
- 30% of the gross revenue generated from non-aeronautical assets and assets required for provision of aeronautical related services arising at the Airport.

Other key factors in determining the aeronautical tariffs are the forecasted passenger traffic and ATMs levels over the relevant period and the capital expenditures made in developing the applicable asset base.

The tariff is determined by AERA for a period of five years, but it may be amended according to the public interest from time to time. The AERA Act provides for different tariff structures to be determined for different airports based on considerations specified therein.

Further, under the Aircraft Rules, the airport licensee is entitled to collect the passenger service fees from embarking passengers and to levy and collect user development fees at all major airport at the rates determined by AERA.

The Airports Economic Regulatory Authority Appellate Tribunal (the "AERA Appellate Tribunal") was established under the AERA Act to adjudicate disputes between two or more service providers or between a service provider and a group of consumers, and to hear and dispose of appeals against any direction, decision or order of AERA under the AERA Act.

In pursuance of the powers conferred by the AERA Act, AERA has issued various orders and guidelines, including the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011, and the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011.

The Carriage by Air Act, 1972: enacted to give effect to the convention for the unification of certain rules relating to international carriage by air signed at Warsaw on October 12, 1929 (the "Warsaw Convention") and the Hague Protocol signed on September 28, 1955, and to make provision for applying the rules contained in the Warsaw Convention, as amended from time to time, to non-international carriage by air. The said Act was amended by the Carriage by Air (Amendment) Act, 2009 to give effect to the Montreal Convention signed on the May 28, 1999.

Tokyo Convention Act, 1975: a convention on offences and certain other acts committed on board an aircraft was signed on September 14, 1963 at Tokyo (the "Tokyo Convention"). In order to enable India to accede to the Tokyo Convention the Tokyo Convention Act, 1975 was enacted by the Indian Parliament.

The Suppression of Unlawful Acts against Safety of Civil Aviation Act, 1982: a statute giving effect to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (Montreal Convention) signed at Montreal on September 23, 1971 and acceded to by India. The Montreal Convention regulates the law relating to unlawful acts that jeopardize the safety of persons and property, seriously affect the operation of air services, and undermine the confidence of the people of the world in the safety of civil aviation.

Other legislations relevant to the aviation sector include the Anti-Hijacking Act, 1982 and the Convention on International Civil Aviation, 1944 (Chicago Convention).

Airport Infrastructure Policy

The MoCA introduced a policy on airport infrastructure in August 2011 (the "Airport Infrastructure Policy 2011"), which consolidated the Airport Infrastructure Policy 1997 and the policy for Greenfield Airports and guidelines framed thereunder in 2008. The Airport Infrastructure Policy 2011 relates to the use and development of airport infrastructure.

The Airport Infrastructure Policy 2011 deals with issues such as capacity enhancement, augmentation of the existing facilities, reclassification of airports, safety and security of aircraft operations through the introduction of state-of-art air traffic, security and related services, and encourages transparency and clarity in the decision-making processes of Central Government and its public sector units.

The Airport Infrastructure Policy 2011 also envisages the setting up of an independent statutory body called the Airport Approval Commission. This body would assist the Central Government in examining the new airport proposals, and submit its recommendations on aspects such as the requirements of a greenfield airport, the appropriateness of the site for the new airport and whether the new airport project should be undertaken in the public sector, private sector or as a mixed development.

On June 15, 2016, the Government of India released the Aviation Policy 2016, introducing various measures aimed at promoting the growth of the Indian civil aviation sector.

REGULATORY BODIES

Domestic aviation in India is jointly regulated by several Government departments and regulators, including the MoCA and its attached office, the Bureau of Civil Aviation Security ("BCAS") — which is the central agency for aviation security; the DGCA (an attached office of the MoCA) — which is responsible for the regulation of air transport services in India and for the enforcement of civil air regulations, air safety and airworthiness standards; AAI — which is responsible for the infrastructure in respect of airports; and AERA.

MoCA

The Ministry of Civil Aviation (MoCA) is responsible for formulation of national policies and programs for the development and regulation of the civil aviation sector in the country. It is responsible for the administration of the Aircraft Act, the Aircraft Rules, and various other legislations pertaining to the civil aviation sector in India.

The MoCA has issued a policy on Regional and Remote Area Connectivity dated March 4, 2014, which aims to regulate and promote better air transportation services in regional and remote locations in India by providing incentives such as exemptions from landing and parking charges, waivers of electricity charges, etc.

The MoCA has also issued "Policy Guidelines on Air Freight Stations" dated October 28, 2014 to develop air freight stations in order to de-congest airports by shifting cargo and custom related activities outside airport areas and promote international air cargo operations in remote regions of the country.

National Civil Aviation Policy, 2016

With an aim to develop and improve airports, cargo sectors, maintenance, repair and overhaul facilities, and helicopter aviation, and to rationalize the cost of ATF, enhance regional connectivity, modernize the Air Navigation Services ("ANS") and introduce overall institutional reforms in the civil aviation space, the MoCA released the National Civil Aviation Policy, 2016 (the "Aviation Policy

2016") on June 15, 2016. The Aviation Policy 2016 introduces various measures aimed at promoting the growth of the Indian civil aviation sector. Under its Regional Connectivity Scheme, the MoCA will levy a small charge on domestic flights and will use it to fund a subsidy given to airlines which provide capped airfares for certain under-served regional routes at a target rate of Rs.2,500 per passenger per hour of flying time. The MoCA also proposes to revive old airstrips and airports as "no-frills airports" at an indicative cost of Rs.500 million to Rs.1 billion and provides incentives for investing in maintenance, repair and overhauls. The Aviation Policy 2016 also provides for Viability Gap Funding (VGF) to airline operators to fly to regional locations. The policy also eliminates the existing requirement that airlines must fly domestic routes for at least five years before they fly international routes and thus, now airlines with at least 20 aircraft can immediately start flying internationally. Going forward, the Government of India will seek to enter into "open sky" air service agreements on a reciprocal basis with member countries of the South Asian Association for Regional Cooperation (SAARC) and countries that are more than 5,000 km away from India. The policy also envisages the framework for a new ground handling policy. Moreover, the policy requires that the tariff at all future airports be calculated on a hybrid-till model, under which a percentage share of non-aeronautical services revenues are used to subsidize the aeronautical services revenues of an airport.

Directorate General of Civil Aviation

The Directorate General of Civil Aviation is the principal regulatory body in the field of civil aviation in India and functions under the supervision of the Ministry of Civil Aviation. The DGCA, among other things, promulgates, implements and monitors standards relating to the operations and airworthiness of an aircraft, the licensing of personnel such as flight crew, cabin crew, flight dispatchers and aircraft maintenance engineers, the licensing of air transport operations, the licensing of civil aerodromes, the investigation of minor accidents, etc. The detailed terms and conditions of these standards, including, without limitation, the authorities involved, the application processes and the requirements of renewal, are prescribed by the Aircraft Act, the Aircraft Rules, the Civil Aviation Requirements ("CAR") and the Air Transport Advisory Circulars ("ATAC").

The primary responsibilities of the Directorate General of Civil Aviation include:

- registration of civil aircraft;
- formulation of standards of airworthiness for civil aircraft registered in India and grant of certificates of airworthiness to such aircraft;
- licensing of pilots, aircraft maintenance engineers and flight engineers;
- licensing of air traffic controllers;
- certification of aerodromes and communication navigation and surveillance / air traffic management facilities;
- granting air operator's certificates to Indian carriers and regulation of air transport services operating to/from/within/over India by Indian and foreign operators, including clearance of scheduled and non-scheduled flights of such operators;
- conducting investigation into incidents and serious incidents involving aircraft up to 2250 kg AUW;
- carrying out amendments to the Aircraft Act, the Aircraft Rules and the civil aviation requirements ("Civil Aviation Requirements") in compliance with the amendments to ICAO annexes, and initiating proposals for amendments to any other act or for the passing of new acts in order to give effect to international conventions;
- rendering advice to the Central Government on matters relating to air transport, including bilateral air services agreements, and to act as an overall regulatory and developmental body for civil aviation in the country; and
- co-ordination at the national level for the flexible use of air space by civil and military air traffic agencies and interaction with ICAO for the provision of more air routes for civil use through Indian air space.

Pursuant to the provisions of the Aircraft Act and the Aircraft Rules, the DGCA has issued various Civil Aviation Requirements in relation to the minimum operational requirements of an airport, air safety, the airworthiness of aircraft, air transport and flight crew.

The Company is required to comply with the provisions of the Civil Aviation Requirements as it is in the business of developing and maintaining the Airport.

BCAS

BCAS is the regulator for civil aviation security in India. It lays down and ensures compliance with standards and measures in respect of the security of civil flights at international and domestic airports in India and the security of Indian aircraft operators at foreign airports and the pre-embarkation security and anti-sabotage measures for civil flights. BCAS is also responsible for the development, implementation and maintenance of the National Civil Aviation Security Programme.

The primary responsibilities of BCAS include:

- Laying down aviation security standards in accordance with Annex 17 to the Chicago Convention for airport operators and their security agencies responsible for implementing aviation security measures.
- Monitoring the implementation of security rules and regulations and carrying out surveys of security needs.
- Ensuring that the persons implementing security controls are appropriately trained and that they possess all competencies required to perform their duties.
- Planning and coordinating aviation security matters.
- Conducting checks to test the professional efficiency and alertness of security staff including mock exercises to test efficacy of contingency plans and operational preparedness of the various agencies.

AERA

AERA regulates tariffs and other aeronautical charges and monitors the performance standards of airports. It aims to foster healthy competition among all major airports (government owned, public private partnership based and private). It encourages investment in airport facilities, protects the reasonable interests of users, and promotes the operation of efficient, economic and viable airports.

The statutory functions of the AERA as described in the AERA Act include:

- Determining the tariff for aeronautical services, taking into consideration various factors, including the amount and timeliness of capital expenditure incurred to improve airport facilities, the type and quality of service provided and other relevant factors.
- Determining the amount of the development fees for major airports.
- Determining the amount of the passengers' service fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934.
- Monitoring the set Performance Standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authorized entity on its behalf.

AERA performs such other functions relating to tariffs as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of the AERA Act.

OTHER RELEVANT REGULATIONS

Environmental

Environmental regulations in India require compliance by the airports with the existing environmental policy(s) and standards, including maintenance of noise levels at the airports within the prescribed regulatory standards. The key national environmental agencies are the Ministry of Environment and Forests, which is responsible for policy formulation, planning and coordination of all issues related to environmental protection, and the Central Pollution Control Board, which is the enforcing body at the national level. The Central Pollution Control Board also coordinates the activities of State Pollution Control Boards, establishes environmental standards, and plans and executes nationwide programs for prevention, control and abatement of pollution.

Under the Environment (Protection) Act, 1986, the regulations on environmental impact assessment were released by the MoEF on September 14, 2006 (the "Environmental Impact Assessment Notification 2006"), in which the Central Government directed that construction of new projects (including airports) or activities or the expansion or modernization of existing projects or activities listed in the schedule of the Environmental Impact Assessment Notification 2006 will be undertaken only after the prior environmental clearance (as the project may require) from the Central Government or from the State or Union Territory Level Environment Impact Assessment Authority, constituted by the Central Government in consultation with the State Government or Union Territory Administration under the Environment (Protection) Act, 1986.

The Water (Prevention and Control of Pollution) Act, 1974 provides for the constitution of the Central Pollution Control Board (the "CPCB") and the State Pollution Control Boards (the "SPCB"). The primary functions of the CPCB include advising the Central Government on any matter concerning the prevention and control of water pollution, coordinating activities of the State Boards and resolving disputes among them. The Air (Prevention and Control of Pollution) Act, 1981 has brought all matters relating to air pollution within the ambit of the CPCB and SPCBs. The CPCB and SPCBs lay down the regulatory standards for controlling air and water pollution from time to time.

With respect to the noise pollution the MoEF has issued the Noise Pollution (Regulation and Control) Rules, 2000 in exercise of its powers under the Environment (Protection) Act, 1986. The rules provide for standards in respect of noise levels for different area/zones as specified in the rules. The noise levels in any area will not exceed the specified levels, and the CPCB and SPCBs are entrusted with the responsibility of devising effective measures for the prevention, control and abatement of noise pollution. The DGCA has, through its various environment circulars issued from time to time, has mandated adoption of several measures by the airlines, airport service providers and airports to ensure protection of the environment. Provided below are brief details of some of the key circulars:

The DGCA, through environment Circular 1 of 2010, issued on June 1, 2010 and subsequently revised on June 14, 2011, has provided guidance for the restricted use of APU/GPU/PCA by airports to reduce its impact on the environment. Additionally, the DGCA, pursuant to environment Circular 2 of 2010, issued on July 14, 2010 and subsequently revised on July 14, 2011, has set forth certain conditions to reduce or minimize aircraft noise through an established noise management program. The circular lays down guidelines to be followed while carrying out ground run-ups at all domestic and international airports in the country.

The DGCA, through environment Circular 1 of 2011, dated February 15, 2011, has prescribed limits for noise levels at the Airport. Aircraft operators are directed not to undertake any activity that exceeds the maximum permissible noise limits as contained in the circular. Additionally, the DGCA, through circular 3 of 2011, dated August 10, 2011, as part of overall noise reduction program, has prescribed additional instructions for restricted usage of thrust reverser.

The DGCA, through environment Circular 2 of 2013, dated June 13, 2013, has established a comprehensive approach to address aviation related climate change challenges as well as to ensure that organizations establish necessary organizational structures to effectively address environmental issues. This circular also encourages airlines and airport operators to track their carbon footprint on an annual basis and to prepare a multipronged strategy to comply with the relevant regulations and policies. Further, through environment Circulars 3 and 4 of 2013, dated June 13, 2013 and July 4, 2013, the DGCA has provided for the management of aviation noise and monitoring of local air quality at Indian airports.

Foreign Exchange Management Act, 1999

The objective of the Foreign Exchange Management Act, 1999 (the "FEMA") is to facilitate external trade, payments and promotion of orderly development and maintenance of foreign exchange market in India. RBI is responsible for administration of the FEMA.

Indian companies are allowed to take on external commercial borrowings ("ECB"), including commercial-bank loans, buyers' credit, suppliers' credit, and to raise loans overseas through secured instruments under the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange)

Regulations, 2000, read with the Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated January 1, 2016 issued by the RBI as modified from time to time , wherein the guidelines for raising of Indian rupee denominated ECBs have been set out (the "ECB Guidelines"). This offering of the Notes is authorized under the automatic route of the RBI in accordance with and pursuant to the provisions of the ECB Guidelines.

Under the Ministry of Commerce's Consolidated FDI Policy (effective from June 7, 2016), as modified from time to time, 100% foreign direct investment is allowed for greenfield and existing airport projects; however, foreign direct investment above 74% in an existing airport project requires prior approval of the Central Government.

Employment Legislation

The employment of workers in the Company is regulated by a wide variety of generally applicable labor laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and the Miscellaneous Provisions Act, 1952.

MANAGEMENT

Our Board of Directors is responsible and has general powers for the management and conduct of our business. The following sets forth certain information with respect to our directors and other senior management.

Directors

Our board of directors consists of the following directors.

Name	Age	Title
G. M. Rao	67	Chairman
Srinivas Bommidala	53	Managing Director
Grandhi Kiran Kumar	41	Executive Director
K. Narayana Rao	61	Whole Time Director
G. B. S. Raju	42	Director
G. Subba Rao	64	Director
Gargi Kaul	55	Director
A. K. Dutta	58	Director
S. Suresh	56	Director
Denitza Weismantel	41	Director
Suresh Goyal	48	Director
R. S. S. L. N. Bhaskarudu	76	Independent Director
N. C. Sarabeswaran	72	Independent Director
V. Siva Kameswari	52	Independent Director
Dr. M. Ramachandran	66	Independent Director

Other than those interests and relationships disclosed in "Principal Shareholders" and "Related Party Transactions," no conflicts of interest exist between the private interests of the management team and the interests of the Company.

A description of the business experience and present employment of each of our directors is provided below.

G. M. Rao was appointed as Chairman to the Board of Directors of DIAL in April 2006. He is the founder and Executive Chairman of the GMR Group. Prior to founding the GMR Group, he was a director on the board of Vysya Bank Limited for several years. It was around this time that India's rapidly growing economy and the government's liberalization policies attracted his interest in infrastructure development. He recognized the tremendous opportunities in this sector and resolved to transform the GMR Group into a powerhouse in the area of infrastructure development in India. Under his leadership, the GMR Group has adopted a culture of professional-entrepreneurship where enterprise, speed and team excellence are critical ingredients.

He obtained a Bachelor's degree in Mechanical Engineering from Andhra University. He was conferred with the honorary doctor of laws by York University, Toronto, Canada in 2011, the honorary doctor of letters by the Andhra University, India in 2010 and honorary doctor of letters by the Jawaharlal Nehru Technological University, Hyderabad, India in 2005. He received the award for the "First Generation Entrepreneur of the Year" from CNBC TV18 in 2009. In the same year, he received the Infrastructure Person of the Year award at the Infrastructure Journal Award Ceremony held in London. He was also chosen as the "Entrepreneur of the Year" at the Economic Times Awards for Corporate Excellence 2006-07, apart from numerous other awards and public recognition throughout his career.

Srinivas Bommidala was appointed as Managing Director of DIAL in April 2006. He is also the Chairman of the Airports business at GMR and a member of the Share Allotment, Transfer and Grievance Committee of DIAL. He entered his family tobacco export business in 1982, subsequently led the diversification into new businesses such as aerated water bottling plants, etc. and was also in charge of international marketing and management of the organization. Subsequently, he led the team as the managing director of GMR Power Corporation Private Limited (GPCL) for setting up the first independent power project, the world's largest diesel engine power plant under one roof situated at

Chennai. As the Managing Director of Vemagiri Power Generation Limited, he led the implementation of the gas based power project in Vemagiri, Andhra Pradesh. He has over 30 years of experience in the infrastructure, agriculture, fast moving consumer goods and services sectors. Mr. Bommidala served as the first managing director of DIAL and successfully handled the transition process in the initial years of the Concession. Prior to his current position, he held various senior positions in the GMR Group, including Managing Director of GMR Power Corporation Limited. Mr. Bommidala is the son-in-law of Mr. G. M. Rao.

He obtained a Bachelor's degree in Commerce from Nagarjuna University. He holds directorships in various GMR Group Companies.

Grandhi Kiran Kumar was appointed as Executive Director of DIAL in April 2006. He is a member of the Share Allotment, Transfer and Grievance Committee of DIAL. He has also headed GMR Group's finance function and shared services, highways, Construction, SEZs and allied businesses (excluding Airports SEZ) and Sports divisions. Prior to his current position, he spearheaded the successful development of Rajiv Gandhi International Airport in Hyderabad and was instrumental in taking forward the public-private partnership project the Airport. Under his stewardship, the GMR Group won the bid to develop the Sabiha Gokcen International Airport at Istanbul, Turkey. Mr. Kumar is the younger son of Mr. G. M. Rao.

He obtained a Bachelor's degree in Commerce from Osmania University. Among other directorships and positions, Mr. Kiran Kumar currently holds the positions of Chairman of the GMR Group's Group Finance, Corporate Strategy and GMR Sports divisions, and Managing Director of GMR Infrastructure Ltd.

K. Narayana Rao was appointed as Whole Time Director of DIAL in April 2007. He is also a member of the Share Allotment, Transfer and Grievance Committee and Corporate Social Responsibility Committee of DIAL. Mr. Rao has more than 36 years of experience at TATA Steel, Raasi Group, Coramandal Fertilizers, Spectrum Powers and the GMR Group. He was Managing Director of GMR Industries Limited, which deals in sugar, co-generation of power, distillery, ferroalloys and jute units. He is currently a member in the Managing Committee of ASSOCHAM, FICCI, Indian Sugar Mills Association, South India Sugar Mills Association and AP Distillery Association.

Mr. K. Narayana Rao is qualified as a Chartered Accountant, Cost Accountant, Company Secretary and Management Accountant. He obtained a Bachelor's degree in Commerce from Andhra University.

G. B. S. Raju was appointed to the Board of Directors of DIAL as a Director in April 2006. He is also one of the Group Directors of GMR Infrastructure Limited, and a member of the Group Holding Board. He was the managing director of GMR Energy Limited. Under his guidance, the GMR Energy barge-mounted power plant was established in record time, well ahead of schedule. He also served as leader of corporate services including fund raising initiatives, spearheaded the GMR Group's foray into international business, and as Group CFO. Mr. G. B. S. Raju is the elder son of Mr. G. M. Rao.

He obtained a Bachelor's degree in Commerce from Vivekananda College, University of Madras, Chennai. Mr. Raju also currently holds the position of Chairman of Energy Business at the GMR Group.

G. Subba Rao was appointed to the Board of Directors of DIAL as a Director in April 2006. He is also Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of Share Allotment, Transfer and Grievance Committee and the Member of Corporate Social Responsibility Committee of DIAL. He previously served as CEO of the Hydro Division for over six years. He has more than 39 years of experience at senior levels in public and private sector banks and the GMR Group in India. He was also the Board Secretary of a nationalized bank before joining the GMR Group. He is currently CEO of Corporate Affairs and holds directorships in nine group companies. He obtained a Bachelor's degree in Commerce from Sri Venkateswara University and is a qualified Chartered Accountant with the Institute of Chartered Accounts of India.

Gargi Kaul was appointed to the Board of Directors of DIAL as a Director in July 2015. She is also a member of the Nomination & Remuneration Committee of DIAL. Ms. Kaul is an officer of the Indian audit accounts service and has worked in Central Government Office in various capacities. She also worked as Principal Accountant General in Bhubaneshwar, Odisha before joining the Ministry of Civil Aviation on March 23, 2015 as joint secretary and financial adviser. She is also a board member of Air India Ltd and Pawan Hans Ltd. She obtained a Bachelor's degree from Bhopal University and a Master's degree in M. Phil from Delhi University.

A. K. Dutta was appointed to the Board of Directors of DIAL as Director in April 2016. He is a board member of AAI and is Member (Air Navigation Services). Prior to his appointment as Member (Air Navigation Services), he served at AAI in various capacities, including as Executive Director (Air Traffic Management), as General Manager Air Traffic Services, as Senior Instructor in the Civil Aviation Training College (CATC), as Air Traffic Controller in International ATC Centres and as Aerodrome Incharge at major airports.

Prior to joining AAI, he served in the Indian Metrological Department (IMD) for five years.

S. Suresh was appointed to the Board of Directors of DIAL as a Director in November 2012. He is also a member of the Audit Committee and Share Allotment, Transfer and Grievance Committee. He has more than 32 years of experience working in the Ministry of Defense, NTPC, Bharat Wagons & Engineering (a subsidiary of Bharat Bhari Udyog Nigam Ltd) and AAI. Mr. Suresh joined AAI in 1993 as a Senior Manager (F&A) at Hyderabad airport and was instrumental in setting up the first self-accounting unit at the station. He was promoted as Deputy Director (F&A) in 1997 and was posted as in-charge of Finance in the Northern Region. He took over as the first General Manager (F&A) of the North Eastern Region in 2003 at Guwahati, and was promoted as Executive Director (F&A) in 2011. He is currently a Member (Finance) of the Board of AAI.

He obtained a Bachelor's degree in Commerce from Sagar University (MP). S. Suresh is an Associate Member of the Institute of Cost and Works Accountants of India and has a Post Graduate Diploma in Computer Applications from LNB Institute of Management at Patna.

Denitza Weismantel was appointed to the Board of Directors of DIAL as Director in April 2016. She is also a member of the Audit Committee, Nomination and Remuneration Committee and Share Allotment, Transfer and Grievance Committee. She joined Fraport as Project Director in the Global Investments & Management team in January 2015. Prior to joining Fraport, Ms. Weismantel worked in a boutique consultancy. Between 2000 and 2010, she worked in the Transactions Practice of PricewaterhouseCoopers, leading corporate valuation, transactions management and strategy projects in different countries and industries. Denitza Weismantel holds degrees in business administration from the University in Frankfurt and in banking and finance from the University of Wales, Bangor.

Suresh Goyal was appointed to the Board of Directors of DIAL as a Director in May 2012. He is currently the Managing Director and Chief Executive Officer of SBI Macquarie Infrastructure Fund, which is one of the largest infrastructure funds in India. Prior to joining SBI Macquarie, he was with Leighton International, Lazard and HSBC. He obtained a Bachelor's degree in Engineering from Indore University and a Master's degree in Management from the Indian Institute of Management, Lucknow.

R. S. S. L. N. Bhaskarudu was appointed to the Board of Directors of DIAL as an independent Director on March 2009. He is also a member of the Audit Committee, Nomination and Remuneration Committee and the Chairman of the Corporate Social Responsibility Committee of DIAL. He is currently on the board of directors of Rajiv Gandhi International Airport in Hyderabad. He served more than 21 years at Bharat Heavy Electricals Limited ("BHEL"). During his tenure at BHEL, Mr. Bhaskarudu was involved in the development and production of turbine generator sets, including auxiliaries, all over the country. He worked for over 16 years with Maruti Udyog Limited from its inception, and served as the Managing Director. He has also served as a Member and Chairman of the Public Enterprises Selection Board of the Government of India. He obtained a Bachelor's degree (first class with honors) in Electrical Engineering from the College of Engineering, Andhra University.

N. C. Sarabeswaran was appointed to the Board of Directors of DIAL as an independent Director in July 2014. He is a member of the Audit Committee and Nomination and Remuneration Committee of DIAL. He is a Chartered Accountant and the founding partner of M/s Jagannathan & Sarabeswaran, Chartered Accountants, an audit firm with more than 40 years of experience. He is currently an Advisory Board member of a U.S. and Australian private equity fund, and a Director and Member of the Audit committee of the largest micro finance company in Tamil Nadu. He was previously Nominee Director of Reserve Bank of India, Professional and Independent Director on the Board of Vysya Bank Limited for 13 years, and the former President of the Indo-Australian Chamber of Commerce headquartered in Chennai. He is also chairman of the audit committee and Corporate Governance committees of GMR Infrastructure Limited. He obtained a Bachelor's degree in Science from Madras University. He is a Fellow Member of the Institute of Chartered Accountants of India.

Vissa Siva Kameswari was appointed to the Board of Directors of DIAL as an Independent Director in March 2015. She is also a member of the Audit Committee and Nomination & Remuneration Committee of DIAL. Ms. Kameswari previously was the head of acquisitions and integration in the information technology sector of Mastek Limited. She also worked as a partner with Amrop International and was responsible for cross border searches for leadership positions from 2006 to 2007. Ms Kameswari was the head of the business improvement, strategy and information technology group for the RPG Group from June 2004 to March 2006. She has also worked as Executive Director at KPMG Consulting from 1996 to 2003 and A.F. Ferguson & Co from 1993 to 1996; Ms. Kameswari worked in the Corporate Budgets and Consolidation department at Ashok Leyland from 1989 to 1993. Ms. Kameswari obtained a Bachelor's degree in commerce from Andhra University and is a qualified Chartered Accountant with the Institute of Chartered Accounts of India.

Dr. M. Ramachandran was appointed to the Board of Directors of DIAL as an independent director on October 13, 2016. He is also a member of the Audit Committee and the Nomination and Remuneration Committee. He is a retired officer of Indian Administrative Service and has held various positions in the State Government and Central Government of India such as Private Secretary to Union Minister of State in the Ministries of Industries, Finance, Commerce, Internal Security, and Power, Principal Secretary to Chief Minister of Uttaranchal, Joint Secretary, Ministry of Shipping, Secretary, Ministry of Urban Development in Government of India as well as the position as Chairman of the Metro Rail Corporation of Delhi, Bangalore, Kolkata and Chennai. Dr. M. Ramachandran holds a post-graduate degree in Economics from University of Kerala and a Master of Philosophy in Economic Planning from University of Glasgow. He has a Ph.D. in Project Planning from University of Lucknow.

Audit Committee

The Company established its audit committee (the "Audit Committee") in June 2006 with written terms of reference as per the requirements of the Companies Act and other regulations as applicable from time to time. The primary duties of the Audit Committee are to review our financial results and recommend them to the Board for approval and oversee, review and supervise our financial reporting process and internal control systems, approve the related party transactions and other terms of reference as prescribed under the Companies Act, 2013. The Audit Committee has six members comprising Mr. G. Subba Rao as Chairman along with Mr. R. S. S. L. N. Bhaskarudu, Mr. S. Suresh, Ms. Denitza Weismantel, Mr. N. C. Sarabeswaran, Dr. M. Ramachandran and Ms. V. Siva Kameswari as members.

Nomination and Remuneration Committee

The Company has established a remuneration committee in April 2007 and later renamed it as a nomination and remuneration committee (the "Nomination and Remuneration Committee") in May 2014 with written terms of reference as per the requirements of the Companies Act and other regulations as applicable from time to time. The primary duties of the Committee are to assist the board of directors in selecting individuals qualified to become our directors and executive officer, in determining the composition of the board and its committees and reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. The Nomination and Remuneration Committee has six members comprising Mr. G. Subba Rao, Ms. Gargi Kaul, Ms. Denitza Weismantel, Mr. N.C. Sarabeswaran, Mr. R.S.S.L.N. Bhaskarudu, Dr. M. Ramachandran and Ms. V. Siva Kameswari.

Share Allotment, Transfer and Grievance Committee

The Company established its share allotment committee in April 2006 and later renamed it the "Share Allotment, Transfer and Grievance Committee" in May 2009 with written terms of reference as per the requirements of the Companies Act and other regulations as applicable from time to time. The primary duties of the Share Allotment, Transfer and Grievance Committee are to allot, transfer and return shares and adjust any share application amounts. The Share Allotment, Transfer and Grievance Committee has six members comprising of Mr. G. Subba Rao, Mr. S. Suresh, Mr. Grandhi Kiran Kumar, Mr. Srinivas Bommidala, Mr. K. Narayana Rao and Ms. Denitza Weismantel.

Corporate Social Responsibility Committee

The Company has established a corporate social responsibility committee ("CSR Committee") in May 2014 with written terms of reference as per the requirements of the Companies Act, 2013. The primary duty of the CSR Committee is to recommend and monitor the corporate social responsibility policy and expenditures of the Company on corporate social responsibility issues. The CSR Committee has three members comprising Mr. R. S. S. L. N. Bhaskarudu as Chairman, Mr. G. Subba Rao and Mr. K. Narayana Rao as Members. The Chief Operating Officer, Chief Human Resource Officer and CSR Head are the Permanent Invitees to the CSR Committee.

Senior Management

The table below sets forth certain information regarding the other members of our senior management.

Name	Age	Title
I. Prabhakara Rao	57	CEO
G.R.K. Babu	56	CFO
Douglas Webster	54	COO
Sujit Kumar Nag	61	CPEO
Pradeep Panicker	48	Commercial (Aero)
Shyam Sunder	45	Commercial (non-Aero)
Subir Hazra	48	SPG
Ranjit Narayan	62	Security
Anil Dhawan	71	CPD
Yuvraj Mehta	44	Corp. Comm.
Sushil Joshi	52	HR & FMS
Dinesh Bhrusundi	57	QSD
Jeewan Khulbe	44	Head-IT
Ajay Kharbanda	47	Head-Legal

I. Prabhakara Rao has been the Chief Executive Officer of DIAL since 2011. Prior to that he has been the Chief Development Officer at DIAL responsible for revamping the erstwhile domestic and international terminals and building a new international and domestic terminal. He obtained a Master's degree in Industrial Engineering from Andhra University with first class honors.

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

Douglas Webster has been the Chief Operating Officer of DIAL since March 2016. He has over 33 years of experience between the airlines sector and the airport sector. Prior to joining DIAL, he was Deputy Director of Broward County Aviation Department, USA, and was responsible for managing the day-to-day operations of Fort Lauderdale-Hollywood International Airport (FLL). He also served as

Director of Administration and Strategic Planning, as Director of Terminal Transition Planning-DTW Medfield Project and as Director of Staffing and Analysis — Ground Operations. He holds a Bachelor's degree in business administration/airport administration from the University of North Dakota.

Sujit Kumar Nag has been the CPEO of DIAL. Prior to that he was Associate Vice President at DIAL responsible for Mechanical, Electrical & Plumbing for domestic and international terminals. He has 28 years of experience working with DESEIN India, Danya Trading Corporation, ABB, Bechtel and Reliance Energy. Prior to joining DIAL, he worked as General Manager-Operations at AREVA (Alstom). He obtained a Bachelor's degree in Electrical Engineering from MA College of Technology.

Pradeep Panicker has been the Executive Vice President, Chief Commercial Officer of the Aeronautical business of DIAL, and also head of Commercial Property Development at DIAL. He has over 25 years of experience in various fields. Prior to joining GMR Group in 2004, he worked with Price Waterhouse Coopers, IDBI, L&T, Feedback Ventures (P) Ltd., Mumbai SEZ Development Company and others. In his current role he is responsible for airline marketing, aero related, cargo, land and space development and revenue management. He was part of the successful business development team that won the bid for our Concession and a key member of the takeover and transition team. After the takeover of the Airport by DIAL, he also represented joint ventures in various domestic and international forums on the strategy and benefits of the public—private partnership model in India. He is actively involved in the formation of the Association of Private Airports Operators in India, which will be a forum for discussing various issues with the MoCA and AAI. He obtained a post-graduate diploma in Merchant Banking and Financial Services from the Institute of Chartered Financial Analysts and is a qualified Chartered Accountant and Cost and Works Accountant.

Mr. Panicker is the co-founder and President of the Air Cargo Forum India, a non-profit national air cargo trade forum that works within the progressive liberalized policies of the government for the rapid growth of the Indian industry in the global market through a sustainable air cargo growth in the country. He is also on the board of three joint venture companies, Celebi Delhi Cargo Terminal Management India Pvt. Ltd., Delhi Aviation Services Pvt. Ltd. and Delhi Fuel Facility Pvt. Ltd.

Shyam Sunder has been the Chief Commercial Officer of the non-aeronautical business of DIAL since April 2014. He has over 23 years of leadership experience across a variety of industries such as medical equipment, telecom infrastructure, office automation, consumer electronics and retail. His core strengths are in the areas of building sustainable business ecosystems, marketing, brand building and business development. Prior to joining DIAL, Shyam was with Microsoft India where he served as Director of Retail Business. He has also worked with other companies including Nokia India, Canon India and Larsen & Toubro Ltd. He obtained a Bachelor's degree in Electronics and Communication from the University of Mysore.

Subir Hazra has been the Associate Vice President of SPG of DIAL since January 2010. Prior to that he joined DIAL as the General Manager and was based out of the corporate office at Bengaluru. He obtained a Bachelor's degree in Mining Engineering from Benghal Engineering College.

Ranjit Narayan has been the Executive Director of Security for DIAL since 2013. Prior to that he had joined DIAL as the Head of Security & Vigilance. Prior to joining DIAL, Mr. Narayan was the Special Commissioner of Police (Crime) Delhi. He also served in the Intelligence Bureau and the Special Protection Group in different ranks. He obtained a Master's degree in Arts from St. Stephens College, Delhi University.

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

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

Sushil Joshi has been the Chief Human Resource Officer of DIAL since April 2014. He has 27 years of multi-sector HR leadership experience with market leading and Fortune 500 companies including Tata Motors, Nokia, Eicher Goodearth, Lupin Labs, Amway India, Bennett Coleman and Birlas. He obtained a Master's degree in Personnel Management from Symbiosis Institute of Business Management (SIBM — Pune), University of Poona.

Dinesh Bhrusundi has been the Chief Quality Officer and Associate Vice President of QSD of 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. He obtained a Bachelor's degree in Engineering from Nagpur University and a Master's degree in Public Administration from Nagpur University.

Jeewan Khulbe has been the Head-IT of DIAL since 2008. He has over 21 years of experience in the field of information technology and communications. Prior to joining DIAL, he worked with American Express as lead network Engineer. He joined DIAL in January 2008 as Associate General Manager Information Technology. He obtained a Bachelor's of Engineering from the Gorakhpur University.

Ajay Kharbanda has been the Head of Legal of DIAL since August 2012. He started his career with Shriram Industrial Enterprise Ltd. and has worked for HFCL Satellite Communications and other major companies. From 2009 to 2012, he worked for Frankfinn Aviation Services as its Vice President of Legal and Company Secretary. He obtained his fellow membership to the Institute of Company Secretaries of India (ICSI) in 1993, following which he obtained his LLB from his LLB from Law Centre-I, Delhi University in 1995 and also obtained a one year post graduate diploma in Intellectual Properties and International Trade Laws from Amity Law School, Delhi.

PRINCIPAL SHAREHOLDERS

The following table sets forth our shareholding as of the date of this offering memorandum.

Name of Shareholder	Number of Equity Shares	Percentage Shareholding[1]
GMR Airports Limited	1,567,999,800	64%
GMR Infrastructure Limited	100	—
GMR Energy Limited	100	—
Airports Authority of India	637,000,000	26%
Fraport AG Frankfurt Airport Services Worldwide	245,000,000	10%
Total	2,450,000,000	100%

(1) Percentages less than 1% are not shown.

GMR Group

GMR Airports Limited and GMR Energy Limited are direct subsidiaries of GMR Infrastructure Limited, which is controlled by GMR Enterprises Private Limited and constitutes part of the GMR Group. GMR Infrastructure Limited is publicly listed on the Bombay Stock Exchange and the National Stock Exchange of India. Our Chairman, Mr. G. M. Rao, founded the GMR Group in 1978 and has developed it into a leading, diversified infrastructure group in India, with substantial experience in the development and operation of airports, power plants, roads and urban infrastructure. The Airport Sector of the GMR Group is responsible for managing the GMR Group's airport investments and is headed by Mr. Sidharath Kapur, who has over 29 years of experience in various sectors such as airports, oil and gas, infrastructure, banking and financial services. In addition to its investment in DIAL, the GMR Group is also the leading partner in the joint venture that is developing, operating and maintaining the Rajiv Gandhi International Airport in Hyderabad, India and a member of the consortium that was awarded in April 2014 the project for the rehabilitation, expansion and operation of the Mactan-Cebu International Airport in the Philippines for a 25-year concession period.

GMR Airports Limited is contemplating economic opportunities by which it may increase its holdings of our shares, including the acquisition of the shares of existing shareholders (other than AAI). See "Risk Factors—Risks Related to Our Business—The interests of the GMR Group, our majority shareholder, may differ from the interests of DIAL or the holders of the Notes." Pursuant to a share purchase agreement dated October 30, 2015, GMR Airports Limited has agreed to purchase 10% of our shares from Fraport. The long stop date for the satisfaction of all conditions precedent to closing of such share transfer (including, among others, the approval from AAI as required under the OMDA and the SHA) is December 31, 2016.

Airports Authority of India

See "Indian Regulatory Environment—The Airports Authority of India Act, 1994" for a description of the legal background of AAI. For information about certain corporate governance rights granted to AAI under the SHA, see "Business—Our Concession—Shareholders Agreement."

Fraport AG Frankfurt Airport Services Worldwide

Founded in 1924, Fraport is the owner and operator of Frankfurt Airport, Germany's biggest airport. Fraport has operations at 12 airports outside of Germany and was contracted to operate the Airport for a minimum term of eight years under the Airport Operator Agreement. See "Business—Our Concession—Operation, Management and Development Agreement" for a description of the Airport Operator Agreement. It is publicly listed on the Frankfurt Stock Exchange.

Shareholders Agreement

Pursuant to the OMDA, we entered into a SHA in April 2006 with AAI and our other initial shareholders, namely, GMR Infrastructure Ltd., GMR Energy Ltd., GMR Airports Limited (formerly GMR Airports Holdings Limited), Fraport, Malaysia Airports (Mauritius) Private Limited (which has subsequently sold its shareholdings in us to GMR Infrastructure Ltd.) and India Development Fund, providing for the terms and conditions that govern their respective rights as our shareholders and their respective responsibilities regarding our management. See "Business—Shareholders Agreement" for a description of the SHA.

CERTAIN RELATED PARTY TRANSACTIONS

The following discussion describes certain material transactions we have with related parties. Our related parties include our joint ventures, our directors, other senior management, our shareholders and their affiliates.

We have undertaken in the past, and will undertake in the future, transactions with our joint ventures and other entities in the GMR Group, as well as with AAI and Fraport, both of which are our shareholders. We routinely enter into transactions with these related parties in the ordinary course of our business. All such transactions are entered into in accordance with the relevant terms of the OMDA and other Concession Agreements.

Joint Ventures

We engage in transactions with our joint ventures in which we hold between 26% and 50% interests. In addition to the concession fees and any applicable interest from delayed payments the joint ventures pay us under our revenue sharing arrangements, we also receive fees from the joint ventures for space rental, as well as fees for associated electric and water utility costs. Our agreements with the joint ventures additionally include provisions for them to pay us security deposits. Under our arrangement with Wipro Airport IT Services Pvt Ltd, we have agreed to compensate them for certain shortfalls in revenues they receive from airlines and other customers they serve at the Airport. Information technology and related expenses amounted to Rs.3.0 million, Rs.181.4 million, Rs.530.0 million and Rs.519.3 million in the three months ended June 30, 2016 and in fiscal years 2016, 2015 and 2014, respectively.

We also receive fees from our joint ventures for services we provide or arrange on their behalf, including information technology, maintenance, security screening and marketing services. We have purchased information technology-related assets from our joint ventures, as well as sold them such assets, all on an arms-length basis. Certain joint ventures reimburse us for employee expenses in connection with our employees assigned to work in such joint ventures, and we also receive separate management fees for our management of certain joint ventures. Furthermore, in our capacity as a shareholder in our joint ventures, at times we have contributed additional capital to some joint ventures, and may receive dividend payouts from our joint ventures.

GMR Group

We engage in transactions with other entities in the GMR Group, including our direct and indirect holding companies, primarily for services they provide or arrange on our behalf, including information technology, administrative, security and transportation and chartering services, and for the leasing of rental space. We also pay employee-related expenses to other entities in the GMR Group in relation to employees temporarily assigned to us or transferred from us. From time to time, we reimburse other GMR Group entities for common services rendered to all GMR Group entities, such as consulting services, on a cost allocation basis. In fiscal year 2012 we received an interest-bearing loan from GMR Airports Limited which we repaid in full in fiscal year 2013.

Airports Authority of India

In addition to the annual fee that we pay to AAI in monthly installments pursuant to the OMDA and any interest owed when our actual revenues exceed our projected revenues by 110%, we enter into transactions with AAI primarily for the renting of office space at the Airport, for which we receive fees from AAI for space rental, as well as fees for associated electric and water utility costs.

Fraport

In addition to the airport operator fee that we pay annually to Fraport pursuant to the Airport Operator Agreement, we have paid Fraport certain milestone achievement payments as provided in the Airport Operator Agreement. We paid the last such payment required under the Airport Operator Agreement in fiscal year 2015.

The following table summarizes related party transactions identified in accordance with Accounting Standard 18 ”Related Party Disclosures” and balances with our joint ventures, other entities in the GMR Group, AAI and Fraport, as well as our directors, included in our unaudited standalone condensed interim financial statements as of and for the three months ended June 30, 2016. For further information regarding our related party transactions, please refer to footnote 3.7 of our unaudited standalone condensed interim financial statements as of and for the three months ended June 30, 2016, footnote 31 of our audited financial statements as of and for the fiscal year ended March 31, 2016, footnote 33 of our audited financial statements as of and for the fiscal year ended March 31, 2015 and footnote 32 of our audited standalone financial statements as of and for the fiscal year ended March 31, 2014, in each case, included elsewhere in this offering memorandum.

	Joint ventures[(1)]	GMR Group[(2)]	AAI	Fraport	Directors[(3)]
			(millions of Rs.)		
Investments in Equity Share-Non Current	1,378.98	1.1	—	—	—
Investments in Equity Share-Current	406.35	—	—	—	—
Trade Receivables	45.86	44.48	0.30	—	—
Other Current Assets	475.72	9.14	24.44	—	—
Advances recoverable in cash or in kind	108.00	17.36	68.00	—	—
Trade payable	0.65	265.72	476.62	376.49	—
Long-term Provision	28.20	—	305.74	—	—
Short-term Provision	—	—	174.64	—	—
Current Liabilities	331.53	—	—	—	—
Deposits from Trade Concessionaires-Non-Current	2,758.07	—	—	—	—
Deposits from Trade Concessionaires-Current	3,219.45	1.06	—	—	—
Transactions-PL					
Deposits from trade concessionaires-Received	109.11	—	—	—	—
Deposits from trade concessionaires-Refunded	0.28	—	—	—	—
Employee Benefits for Key Management Personnel	—	—	—	—	15.60
Revenue share paid	—	—	6,252.90	—	—
CSR activities	—	—	—	—	—
Interest Received	0.10	—	—	—	—
Consultancy Fees	—	—	—	—	—
Manpower hire charges	—	92.32	—	—	—
Airport Operator fees	—	—	—	376.20	—
Expenses incurred by Company on behalf of related parties	5.80	13.90	—	—	—
Expenses incurred by related parties on behalf of Company	0.06	1.55	—	—	—
Corporate Cost Allocation	—	161.60	—	—	—
Chartering Cost	—	17.05	—	—	—
Security related expenses	—	26.26	—	—	—
Information technology and related expenses	2.98	—	—	—	—
Repair and Maintenance - IT System	1.42	—	—	—	—
Rent (including lease rentals)	—	—	—	—	—
Director sitting fees	—	—	0.10	—	—
Electricity charges recovered	102.90	4.27	41.56	—	—
Water charges recovered	5.56	—	1.54	—	—
Space Rental and Land Licence fee	118.10	24.60	—	—	—
Concession fees received	1,493.14	—	—	—	—
Airport Service, Common Area Maintenance, Screening and Other Charges	16.91	3.15	—	—	—
Aeronautical Income	—	0.59	0.41	—	—
Income from Non-current Investments-Dividend Income	—	—	—	—	—
Marketing Fund Billed	27.27	—	—	—	—
Marketing Fund Utilised	7.76	—	—	—	—
CPD Infra Deposit Utilisation	—	12.51	—	—	—

(1) Includes the following jointly controlled entities (where transactions have taken place): Delhi Aviation Services Private Limited, Delhi Aviation Fuel Facility Private Limited, Wipro Airport IT Services Limited, Delhi Airport Parking Services Private Limited, Delhi Duty Free Services Private Limited, Celebi Delhi Cargo Terminal Management India Private Limited, Travel Food Services (Delhi Terminal 3) Private Limited and TIM Delhi Airport advertising Private Limited.

(2) Includes the ultimate holding company (GMR Holdings Private Limited), intermediate holding company (GMR Infrastructure Limited), holding company (GMR Airports Limited), subsidiary company (Delhi Aerotropolis Private Limited), associate company (East Delhi Waste Processing Company Private Limited) and the following fellow subsidiaries (including subsidiary companies of the ultimate holding company) (where transactions have taken place): GMR Badrinath Hydro Power Generation Private Limited, GMR Airports Limited, GMR Hyderabad International Airport Limited, GMR Male International Airport Private Limited, GMR Airport Developers Limited, GMR Krishnagiri SEZ Limited, GMR Corporate Affairs Private Limited, GMR Aviation Private Limited, GADL International Limited, Raxa Security Services Limited, GMR Chhattisgarh Energy Limited, GMR Kamalanga Energy Limited, Kakinada SEZ Private Limited, GMR Sports Private Limited, GMR Kishangarh Udaipur Ahmedabad Expressways Limited, Gateways for India Airports Private Limited, GMR Energy Limited, GMR Warora Energy Limited, GMR Power Corporation Limited, GMR Infrastructure (Singapore) Pte Limited, GMR Bajoli Holi Hydropower Private Limited, GMR Aerospace Engineering Limited, GMR Consulting Services Private Limited, GMR Varalakshmi Foundation and GMR Tambaram Tinidivanam Expressways Private Limited.

(3) Includes Mr. Srinivas Bommidala (Managing Director), Mr. Kiran Kumar Grandhi (Executive Director) and Mr. K. Narayana Rao (Whole Time Director).

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following is a summary of certain provisions of the instruments evidencing our material indebtedness as of the date of this offering memorandum and after giving effect to the use of proceeds from the offering of the Notes as described under "Use of Proceeds."

SENIOR SECURED NOTES

6.125% Senior Secured Notes due 2022

On February 3, 2015, the Company issued US$288.8 million 6.125% Senior Secured Notes due 2022 (the "Existing Notes"), in an offering that was not subject to the registration requirements of the Securities Act. The Existing Notes are governed by an indenture entered into by the Company, as issuer and Citicorp International Limited, as trustee.

The Existing Notes are general secured, senior obligations of the Company and rank at least pari passu with all other unsecured, unsubordinated obligations of the Company, secured on an equal and ratable basis with all obligations of the Company under all future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness by first ranking Liens on the Collateral, effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral pledged by the Company securing the Existing Notes and effectively subordinated to all existing and future obligations of the Company to the extent of the Excluded Collateral.

If an event treated as a change of control of the Company occurs, then subject to certain conditions, the Company will make an offer to each holder of the Existing Notes to repurchase such holder's Existing Notes, at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The Existing Indenture contains customary events of default, including, without limitation, payment defaults, covenant defaults, certain cross-defaults and cross-acceleration provisions with respect to other debt, certain events of bankruptcy and insolvency, and judgment defaults.

The Existing Indenture contains covenants for the benefit of the holders of the Existing Notes that, among other things, limit the ability of the Company and its Restricted Subsidiaries to:

- incur additional indebtedness;
- impair the security interests in the collateral;
- enter into sale and leaseback transactions;
- enter into guarantees issued by the restricted subsidiaries; and
- create certain liens securing indebtedness;

These limitations are, however, subject to a number of important qualifications and exceptions.

TERM LOAN FACILITIES

PSF Loan

On June 29, 2010, we entered into a Rs.2.5 billion term loan agreement with Corporation Bank (the "PSF Loan"). The PSF Loan proceeds were used to partly finance the cost of purchasing security equipment and upgrades to the existing security infrastructure of Terminal 3 at the Airport. As of June 30, 2016, the outstanding balance under the PSF Loan was Rs.498.8 million (US$7.4 million). The PSF Loan matures in June 2017.

Interest

The PSF Loan bears interest at 1.5% above the Corporation Bank Bench Mark Advance Rate (as defined in the PSF Loan), which was 11.15% and 11.15% for the fiscal year 2016 and the three months ended June 30, 2016, respectively. Pursuant to orders and circulars issued by MoCA, we use the passenger services fees, or PSF, that we collect from airlines to make interest and principal payments on the PSF Loan. We may voluntarily prepay the amounts outstanding under the PSF Loan. See "Business—Our Sources of Revenue—Other Fees We Do Not Earn" for further details about the PSF.

Collateral

The amounts outstanding under the PSF Loan are currently secured by a first charge on the surplus account of the escrow account into which the PSF is deposited. The PSF Loan will also be secured by a first charge on the security equipment purchased with the proceeds of the PSF Loan following the receipt of permission from the Ministry of Civil Aviation.

See "Business—Legal Proceedings—Regulatory Proceedings" for details about our dispute with MoCA regarding the PSF.

WORKING CAPITAL FACILITY

Working Capital Facility Agreement

On July 14, 2006, we entered into an approximately Rs.890 million Master Working Capital Facility Agreement (the "Working Capital Facility") with ICICI Bank Limited, which has been amended pursuant to various agreements. Under an agreement dated March 21, 2014, the available amount increased to Rs.4.49 billion, comprising Rs.4.0 billion in available cash credit and Rs.0.49 billion in bank guarantees. Under the terms of our agreement dated October 20, 2015, the terms of the facilities were extended to July 8, 2016. The proceeds from the Working Capital Facility are used to fund working capital requirements of the Airport. As of June 30, 2016, there was no short-term borrowing under the facility. The Working Capital Facility matured on July 8, 2016 and is in the process of being renewed. We continue to utilize the Working Capital Facility pursuant to its previous terms as set forth below.

Interest

The Working Capital Facility bears interest at the benchmark ICICI bank base rate plus a corresponding margin per annum.

Collateral

The amounts outstanding under the Working Capital Facility are secured by:

- assignment of all our insurance policies, guarantees issued by contractors and liquidated damages permissible under the Concession Agreements;
- assignment of all our rights, titles, permits, approvals and interests in, to and in respect of the Concession Agreements;
- first ranking charge on all our revenues and receivables, other than dues payable to AAI, subject to the provisions of the Concession Agreements;
- first ranking pari passu charge and assignment on all our accounts (to the extent permitted under the OMDA) and each of the other accounts required to be created by the Borrower under any transaction document, including with limitation, the Trust and Retention Account Agreement and, including in each case, all monies lying, credited or deposited into such accounts (excluding accounts being maintained in relation to our ADF loan and PSF loan);
- pledge of 51% of the DIAL shares held by the GMR Group and Fraport AG until such time as cumulatively 30% of loans under the ECB Facility and the Rupee Facility are outstanding, and thereafter, 26% of the DIAL shares by the GMR Group and Fraport till the final settlement date; and
- each on a *pari passu* basis with the ECB Facility and the Rupee Facility.

Covenants

Pursuant to the facility agreement, we are subject to compliance with restrictive covenants, including, among other things, restrictions on our ability to pay dividends, effect a reorganization, amalgamation or merger, and raise capital by disposing of assets.

Hedging Facility

In accordance with RBI requirements, all revenue that we receive in U.S. dollars is automatically converted into Indian Rupees following our deposit of such funds into the escrow account we maintain pursuant to the OMDA, which enhances our exposure to fluctuations in the exchange rate between the U.S. dollar and the Indian Rupee. Pursuant to an agreement that we entered into with ICICI Bank on October 1, 2008, as modified from time to time, we enter into forward contracts to purchase U.S. dollars that we will use to service our U.S. dollar-denominated obligations.

Share Pledges

We have pledged the shares we hold in our joint venture entities Delhi Duty Free Services Private Limited, Delhi Airport Parking Services Private Limited and Travel Food Services (Delhi Terminal 3) Private Limited for the purpose of securing the borrowings of these respective entities. As of June 30, 2016, the book value of Delhi Duty Free Services Private Limited, Delhi Airport Parking Services Private Limited and Travel Food Services (Delhi Terminal 3) Private Limited was Rs.119.8 million, Rs.188.5 million and Rs.9.6 million, respectively.

SECURITY AGREEMENTS

Trust and Retention Account Agreement

On February 3, 2015, we entered into the Trust and Retention Account Agreement with ICICI Bank Limited as account bank, Axis Bank Limited as security trustee and the facility agents under the Existing Notes and certain of our credit facilities then outstanding. Pursuant to the Trust and Retention Account Agreement, we declared a trust for the benefit of the holders of the Existing Notes, certain of our lenders, including the lenders under the Working Capital Facility, over a Trust and Retention Account (the “Trust and Retention Account”) at the account bank with the following sub-accounts: Revenue; Construction; Operation and Maintenance; Rupee Debt Payment; Dollar Debt Payment; Rupee Debt Service Reserve; Dollar Debt Service Reserve; Major Maintenance Reserve; Liquidated Damages; Withholding; and Distribution.

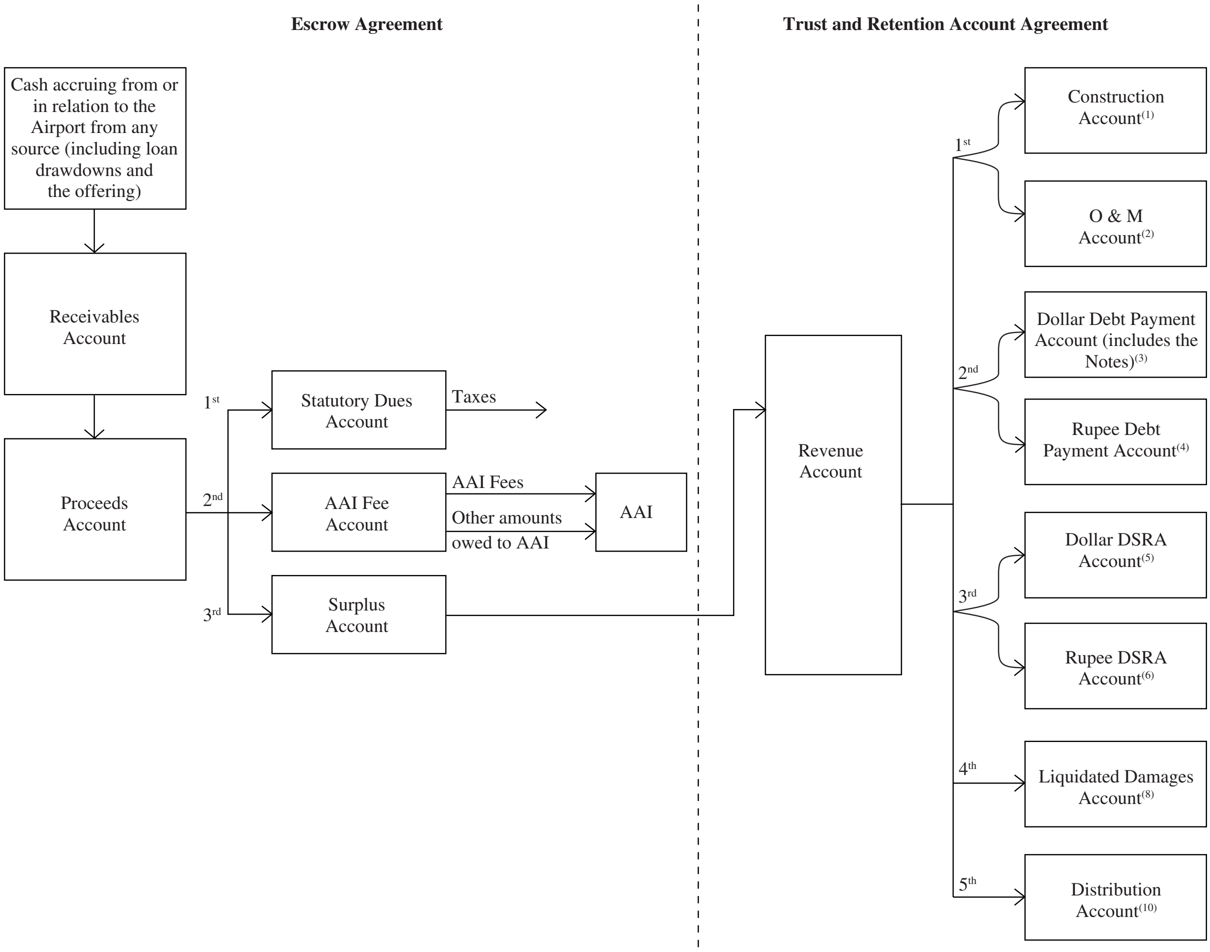
Cash Flow Priority

The Trust and Retention Account Agreement provides the terms and conditions under which all deposits and withdrawals from the sub-accounts in the Trust and Retention Account may be made. All amounts in the Surplus sub-account in the Escrow Account maintained pursuant to the Escrow Account Agreement are deposited into the Revenue sub-account in the Trust and Retention Account and applied to the other sub-accounts in accordance with the applicable cash flow priority. See “Business—Our Concession—Operation, Management and Development Agreement” for further details on the Escrow Account.

As of the date of this offering memorandum, we are not, and in the past we have not been, in compliance with certain covenants under the Trust and Retention Account Agreement. See “Risk Factors—Risks Related to Our Business—We have in the past not been, and continue not to be, compliant with certain covenants in relation to certain loan agreements and the Trust and Retention Account Agreement, which have resulted and potentially could result in an event of default under the respective loan agreements and cross-defaults under other instruments, thereby accelerating our obligations under our debt facilities.”

On or about the Original Issue Date, we will enter into an amended and restated Trust and Retention Account Agreement with ICICI Bank Limited as the account bank, Axis Trustee Services Limited as the security trustee and the facility agents under certain of our credit facilities. It is expected that the existing breaches under the Trust and Retention Account Agreement will remain outstanding and will be continuing under the amended and restated Trust and Retention Account Agreement. See “Description of the Notes—Security—Trust and Retention Account Agreement” for further details.

The diagram below illustrates the cash-flow sequencing under the terms of the Escrow Account Agreement and the Trust and Retention Account Agreement on or about the Original Issue Date.



(1) Construction Account: Used to pay construction related costs, liabilities and expenses incurred, or to be incurred, in connection with the expansion and upgradation of the Airport as specified in the Master Plan.

(2) Operation and Maintenance Account: Used to pay operation and maintenance costs. This includes payments to the Airport operator, staff and employee payments and costs, amounts payable for utilities, statutory dues, amounts payable under the Working Capital Facility Agreement, insurance costs and operating supplies, consumables and replacements, administrative and consulting services and all other amounts payable during the operating phase of the Concession, excluding debt service amounts.

(3) Dollar Debt Payment Account: Used to pay U.S. Dollar-denominated debt and hedging termination costs. If there are insufficient funds to meet payment on any given date, funds are transferred from the Dollar Debt Service Reserve Account (as described below), with respect to the existing loans only.

(4) Rupee Debt Payment Account: Used to pay Rupee-denominated debt. If there are insufficient funds to meet payment on any given date, funds are transferred from the Rupee Debt Service Reserve Account (as described below).

(5) Dollar Debt Service Reserve Account: Covers deficiencies in the Dollar Debt Payment Account. Noteholders will have no rights with respect to this account.

(6) Rupee Debt Service Reserve Account: Covers deficiencies in the Rupee Debt Payment Account. Noteholders will have no rights with respect to this account.

(7) Liquidated Damages Account: Used to hold and pay proceeds from liquidated damages payable under the project documents, and also towards completion of the work in relation to which they such payments were received.

(8) Distribution Account: Subject to certain conditions, can be used to make restricted payments such as dividends, share redemptions, investments or retirements and prepayments of subordinated indebtedness. Payments of such will be required to meet the Restricted Payments covenant in the Indenture, as well as related covenants in our outstanding loans, including, but not limited to, minimum debt service coverage ratios and maximum debt to equity ratios. See "Description of Notes—Certain Covenants—Limitations on Restricted Payments."

Memoranda of Hypothecation

On May 30, 2008, we executed an Unattested Memorandum of Hypothecation in favor of Axis Bank Limited as security trustee for certain working capital lenders and certain other lenders and banks, and on March 21, 2014 we executed an Unattested Memorandum of Hypothecation, in favor of ICICI Bank in connection with the increase in the amounts available under the Working Capital Facility (collectively, the "Working Capital MoH"). The Working Capital MoH creates a charge by way of hypothecation to secure the working capital facilities then outstanding over all of our rights, titles, interests, benefits, claims and demands in, to, under or in respect of each of the following to the maximum extent permitted under the OMDA and the Escrow Account Agreement:

- Concession Agreements and related governmental authorizations;
- contractor guarantees;
- insurance contracts;
- liquidated damages;
- Trust and Retention Account and the monies, securities, investments and other properties credited to, or required to be credited into, such account; and
- Surplus sub-account in the Escrow Account and the monies, securities, investments and other properties credited to, or required to be credited into, such sub-account

(collectively, the "MoH Security").

The collateral listed above is charged in favor of the security trustee for the benefit of the applicable lenders on a *pari passu* basis. Pursuant to the Working Capital MoH, we are also subject to compliance with restrictive covenants, including, among other things, restrictions on our ability to create security interests in, or dispose of, the collateral.

On December 21, 2013, we executed an Unattested Memorandum of Hypothecation (the "Credit Facilities MoH"), which has been amended by various memoranda, in favor of Axis Bank Limited as security trustee. The Credit Facilities MoH creates a charge by way of hypothecation to secure certain additional U.S. Dollar and Rupee-denominated credit facilities over all of our rights, titles, interests, benefits, claims and demands in, to, under or in respect of the MoH Security to the maximum extent permitted under the OMDA and the Escrow Account Agreement.

The MoH Security charged in favor of the security trustee under the Credit Facilities MoH is for the benefit of the applicable lenders on a *pari passu* basis. Pursuant to the Credit Facilities MoH, we are also subject to compliance with restrictive covenants, including, among other things, restrictions on our ability to create security interests in, or dispose of, the collateral.

On February 3, 2015, we executed an Unattested Memorandum of Hypothecation (the "Existing Notes MoH") in favor of Axis Bank Limited as security trustee. The Existing Notes MoH creates a charge by way of hypothecation to secure the Existing Notes over all of our rights, titles, interests, benefits, claims and demands in, to, under or in respect of the MoH Security (subject to certain exceptions as specified in the Existing Notes MoH) to the maximum extent permitted under the OMDA and the Escrow Account Agreement.

The MoH Security (subject to certain exceptions as specified in the Existing Notes MoH) charged in favor of the security trustee under the Existing Notes MoH is for the benefit of the applicable lenders on a *pari passu* basis. Pursuant to the Existing Notes MoH, we are also subject to compliance with restrictive covenants, including, among other things, restrictions on our ability to create security interests in, or dispose of, the collateral.

On or about the Original Issue Date, we will execute an unattested memorandum of hypothecation in favor of Axis Trustee Services Limited as security trustee for the benefit of the holders of the Notes. See "Description of the Notes—Security—Memorandum of Hypothecation" for further details.

Security Trustee Agreement

On December 21, 2013, we entered into an Amended and Restated Security Trustee Agreement (the "First Amended and Restated STA") with Axis Bank Limited and the lenders under certain of our U.S. Dollar and Rupee-denominated credit facilities then outstanding, including the Working Capital Facility. In addition to appointing the security trustee to act on the behalf of all the applicable lenders under the Trust and Retention Account Agreement, Existing MoH and other security agreements and to hold the security created under such agreements for the benefit of the lenders, the First Amended and Restated STA provides, among other things, that upon written instructions from the facility agents under each credit facility, the security trustee may enforce the security and take whatever actions are required to exercise its rights and enforce its duties and obligations under the security agreements.

On February 3, 2015, we entered into an amended and restated security trustee agreement with Axis Bank Limited as security trustee and the lenders under certain of our U.S. Dollar and Rupee-denominated credit facilities then outstanding, including the lenders under the Working Capital Facility, and the trustee of the holders of the Existing Notes. See "Description of the Notes—Security—Security Trustee Agreement" for further details. The trust in favor of the existing lenders under the security trustee agreement was extended for the benefit of the trustee on behalf of the holders of the Existing Notes.

On or about the Original Issue Date, we will enter into an amended and restated security trustee agreement with Axis Trustee Services Limited, which is an affiliate of Axis Bank Limited that will be substituted for Axis Bank Limited as security trustee under the amended and restated agreement, the trustee on behalf of the holders of the Existing Notes and the lenders under the Working Capital Facility, and the Trustee. See "Description of the Notes—Security—Security Trustee Agreement" for further details. The trust in favor of the holders of the Existing Notes and existing lenders under the security trustee agreement will be extended for the benefit of the Trustee on behalf of the holders of the Notes.

Intercreditor Agreement

On the Original Issue Date, the Trustee (on behalf of the Holders), the creditors (or their representatives, agents or trustees) under the Existing Senior Debt and the Security Trustee will enter into an intercreditor agreement (as amended, waived, restated, replaced and/or supplemented from time to time, the "Intercreditor Agreement") pursuant to which the Security Trustee will agree to act as the collateral agent for the Holders, the creditors under the Existing Senior Debt with respect to the Collateral securing the obligations under the Indenture, the Notes and the Existing Senior Debt. Under the terms of the Indenture, the Trustee will be permitted to enter into amendments to the Intercreditor Agreement that are necessary for holders of any Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness incurred after the date thereof or their representative or agent to become party to and subject to the terms of the Intercreditor Agreement. The holders or their representative, agent or trustee of Permitted Pari Passu Secured Indebtedness, together with the Trustee and the trustee/agents under the Existing Senior Debt are referred to herein as the "Creditor Representatives" and the obligations under the Indenture, the Notes, the Existing Senior Debt and the Permitted Pari Passu Secured Indebtedness (if any) are herein referred to as the "Secured Liabilities."

The Intercreditor Agreement provides, among other things, that (1) the Secured Liabilities will share equal priority and *pro rata* entitlement in and to the Collateral; (2) the Collateral will only be substituted or released and Liens only be granted on the Collateral to the extent permitted under the Debt Documents; and (3) the creditors of Secured Liabilities shall enforce their rights with respect to the Collateral and the Indebtedness secured thereby as described in "— Enforcement of Security" below.

Immediately prior to or simultaneously with the Incurrence of any Permitted Refinancing Indebtedness, Permitted Pari Passu Secured Indebtedness or Hedging Obligations permitted under paragraph 2(e) under "— Certain Covenants — Limitation on Indebtedness", the Company will procure that the creditors or holders of such Permitted Refinancing Indebtedness, Permitted Pari Passu Secured Indebtedness or Hedging Obligations (or their Creditor Representative) will execute and deliver a supplement or amendment to the Intercreditor Agreement or an accession agreement to become parties to the Intercreditor Agreement. The Trustee and/or the Security Trustee, as the case may be, will be permitted and authorized, without the consent of any Holder, to enter into any such supplement, amendment or accession agreement and take any other action necessary to permit the creation and registration of Liens on the Collateral or the Excluded Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph and the terms of the Indenture.

By accepting the Notes, each Holder shall be deemed to have consented to the execution of the Intercreditor Agreement and any amendments or modifications thereto permitted under the Indenture.

Enforcement of Security

The Security Trustee, subject to the Intercreditor Agreement and the Security Trustee Agreement, will hold such Liens over the Collateral granted pursuant to the Security Documents with sole authority as directed by the Creditor Representatives to exercise remedies under the Security Documents. The Security Trustee will be required to act as secured party on behalf of the creditors under the Debt Documents and the applicable Security Documents, to follow the instructions provided to it by one or more of the Creditor Representatives under the Debt Documents (including the Indenture), the Security Documents and/or the Intercreditor Agreement and to carry out certain other duties. The Trustee will give instructions to the Security Trustee only in accordance with instructions it receives from the Holders under the Indenture.

The Intercreditor Agreement will provide that the Security Trustee will enforce against the Collateral (upon the passage of prescribed consultation periods) in accordance with a written instruction by any Creditor Representative (pursuant to an enforcement trigger event under the respective Debt Documents (excluding documents relating to Hedging Obligations) and the applicable Security Documents).

Furthermore, the Intercreditor Agreement will provide that, subject to the rights of any creditor with prior security or any preferential claim under applicable laws, the proceeds of enforcement against any Collateral under the Security Documents will be applied as follows:

First, in payment of all taxes due and payable and of all statutory dues owed to AAI pursuant to the provisions of the OMDA and the Escrow Account Agreement; and

Second, in or towards payment of all outgoings, costs, charges, expenses, indemnity payments and liabilities (and all interest thereon as provided in the Debt Documents) incurred by or on behalf of the Security Trustee and/or the Creditor Representatives and any receiver, attorney or agent in connection with carrying out its duties and exercising its powers and discretion under the Debt Documents and any remuneration owing to it or to any of the Security Trustee or the Creditor Representatives; and

Third, in or towards payment to the balance of the costs and expenses of any holder of Secured Liabilities in connection with the enforcement action; and

Fourth, in or towards payment to:

(A) each Creditor Representative (or to the, working capital lender, in respect of a working capital facility agreement) for application towards the balance of the outstanding amounts to the holders of Secured Liabilities under the relevant Debt Documents without any preference or priority and in proportion to their respective outstanding amounts; and

(B) the hedging banks, for application towards the balance of Senior Indebtedness outstanding to Hedging Obligations; and

Fifth, in payment of the surplus (if any) from the proceeds of an enforcement action to the Company.

The Intercreditor Agreement will also provide that any amounts received by the creditors under the Existing Senior Debt pursuant to termination payments received by the Company under the OMDA (read with the applicable provisions of the Substitution Agreement) will be shared with the Holders in the manner set out above.

The Security Trustee's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Security Trustee's Liens on the Collateral. Neither the Trustee, the Security Trustee nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any Collateral securing the Secured Liabilities, for the legality, enforceability, effectiveness or sufficiency of the Security Documents or the Intercreditor Agreement, for the creation, perfection, continuation, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so.

This section, "— Enforcement of Security," shall be subject to any amendments to the Security Documents or the Indenture to permit the creation of Liens on the Collateral to secure Permitted Refinancing Indebtedness and Permitted Pari Passu Secured Indebtedness.

Substitution Agreement

The Intercreditor Agreement will provide that the appointment of a Selectee pursuant to the Substitution Agreement will be subject to the approval of the creditors holding more than 66.67% of the commitments and indebtedness (the "Majority Relevant Creditors"). If an enforcing creditor proposes to exercise the substitution rights under the Substitution Agreement, then a creditor may request consultation with the enforcing creditor by delivering a consultation notice within 10 days of the transmission of the enforcement proposal. If the Majority Relevant Creditors do not approve the nomination of a Selectee by the enforcing creditor during the initial 30-day consultation period, then the enforcing creditor would not be able to exercise the substitution rights under the Substitution Agreement. Until such time the Trustee is recognized under the Substitution Agreement, the trustee for the Existing Notes will fully cooperate with the Majority Relevant Creditors to commence and complete the substitution process under the Substitution Agreement or to preserve or protect the rights and interest of the holders of the Notes and the trustee for the Existing Notes agree and undertake to give any necessary instructions to the Security Trustee and take all other steps as necessary to effect such substitution rights as agreed upon by the Majority Relevant Creditors. The provisions of the Intercreditor Agreement will be binding on the trustee for the Existing Notes as regards the exercise of the power under the Substitution Agreement to nominate a Selectee until such time the Trustee is recognized under the Substitution Agreement.

DESCRIPTION OF THE NOTES

For purposes of this "Description of the Notes," the term "**Company**" refers only to Delhi International Airport Private Limited, and any successor obligor in respect of the Notes, and not to any of its subsidiaries. Each Subsidiary of the Company which guarantees the Notes is referred to as a "**Subsidiary Guarantor**," and each such guarantee is referred to as a "**Subsidiary Guarantee**."

The Notes are to be issued under an indenture (the "**Indenture**"), to be dated as of the Original Issue Date, among the Company, Citicorp International Limited, as trustee (the "**Trustee**") and Citibank N.A., London Branch as principal paying agent (the "**Principal Paying Agent**") and registrar (the "**Registrar**").

The following is a summary of certain provisions of the Indenture, the Notes, the Subsidiary Guarantees, the Security Documents (as defined below), the Trust and Retention Account Agreement and the Intercreditor Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees, the Security Documents, the Trust and Retention Account Agreement and the Intercreditor Agreement. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture, the Security Documents, the Trust and Retention Account Agreement and the Intercreditor Agreement will be available on or after the Original Issue Date at the corporate trust office of the Trustee at 39th Floor, Champion Tower, Three Garden Road, 3 Garden Road, Central, Hong Kong.

Brief Description of the Notes

The Notes will be:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law);
- guaranteed by the Future Subsidiary Guarantors on a senior basis, subject to the limitations described below under "— The Subsidiary Guarantees" and in "Risk Factors — Risks Related to the Notes and the Collateral — Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries."
- secured on an equal and ratable basis with all obligations of the Company under the Existing Senior Debt and all future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness by first ranking Liens on the Collateral (as defined below under the Caption "— Security") provided by the Company (subject to Permitted Liens and the Intercreditor Agreement);
- effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral over which the Company has created security for the Notes (subject to any priority rights of such obligations pursuant to applicable law); and
- effectively subordinated to all existing and future obligations of the Company to the extent that is it secured by assets other than the Collateral (including the Excluded Collateral (as defined below under the Caption "— Security"), to the extent of the value of such assets), and effectively subordinated to the Company's obligations to AAI under the OMDA and certain other future Permitted Indebtedness (as defined below under the Caption "Certain Covenants — Limitation on Indebtedness").

The Notes will mature on October 31, 2026, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the "**Additional Notes**"), subject to certain limitations described under "— Further Issues." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the

Notes" include any Additional Notes that are actually issued. The Notes will bear interest at 6.125% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on April 30 and October 31 of each year (each an "**Interest Payment Date**"), commencing April 30, 2017.

Interest on the Notes will be paid to Holders of record at the close of business on April 15 or October 16 immediately preceding an Interest Payment Date (each, a "**Record Date**"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day in the relevant place of payment, then payment of principal, premium or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

All payments on the Notes will be made by the Company at the office or agency of the Company maintained for that purpose in London, the United Kingdom or where the Paying Agent is located (which initially will be the corporate trust administration office of the Trustee, currently located at 39th Floor, Champion Tower, Three Garden Road, 3 Garden Road, Central, Hong Kong), and the Notes may be presented for registration of transfer or exchange at such office or agency; provided that, at the option of the Company, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register maintained by the Note Registrar or by wire transfer. Interest payable on the Notes held through DTC will be available to DTC participants on the Business Day following payment thereof.

The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

The Subsidiary Guarantees

As of the Original Issue Date the Company's only Subsidiary will not Guarantee the Notes and will be designated as an "**Unrestricted Subsidiary**." Under applicable Indian law currently in effect and certain of our contractual arrangements, our Subsidiaries may not be able to provide guarantees under the Indenture. As such, the Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments of our current and future non-guarantor Subsidiaries. In the event of a bankruptcy, liquidation or reorganization of a non-guarantor Subsidiary, the applicable non-guarantor Subsidiary will pay the holders of its debt and its trade and other creditors (including specified statutory dues) before it will be able to distribute any of its remaining assets to us. See "Risk Factors — Risks Related to the Notes and the Collateral — Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries."

The Company has agreed that it will cause each of its Restricted Subsidiaries not to grant any guarantee for the benefit of any creditors to the Company, without in any such case at the same time securing guarantees by such Restricted Subsidiary for the benefit of Holders of the Notes.

Any future Restricted Subsidiary that Guarantees the Notes after the Original Issue Date is referred to as a "**Future Subsidiary Guarantor**" and, upon execution of the applicable supplemental indenture to the Indenture, will be a "**Subsidiary Guarantor**."

The Subsidiary Guarantee of each Subsidiary Guarantor will be:

- a general obligation of such Subsidiary Guarantor;
- effectively subordinated to all existing and future secured obligations of such Subsidiary Guarantor, to the extent of the collateral securing such obligations;
- senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and

- at least *pari passu* in right of payment with all other unsecured, unsubordinated obligations of such Subsidiary Guarantor (subject to any priority rights of such Indebtedness pursuant to applicable law).

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors will jointly and severally Guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. The Subsidiary Guarantors will (1) agree that their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be Guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other indebtedness (including Guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee could be reduced to zero.

The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors — Risks Related to the Notes and the Collateral — Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries" and "Risk Factors — Risks Related to the Notes and the Collateral — Any Subsidiary Guarantees, if issued, may be challenged under applicable financial assistance, insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees."

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "— Defeasance — Defeasance and Discharge";
- upon the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture; or
- upon the sale or merger of a Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants under "— Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "— Certain Covenants — Limitation on Asset Sales" and "— Consolidation, Merger and Sale of Assets") resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture.

Under the circumstances described below under "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its future Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company's Unrestricted Subsidiaries will not Guarantee the Notes.

Security

Collateral

The obligations of the Company under the Notes will be secured by first-priority Liens (subject to Permitted Liens) on certain collateral (the "**Collateral**"), which shall initially consist of, to the extent permitted under the OMDA:

(i) a first ranking *pari passu* charge of all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors, in each case, to the maximum extent permissible under the OMDA;

(ii) a first ranking *pari passu* charge of all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements to the maximum extent permitted under the Project Agreements and the OMDA;

(iii) a first ranking *pari passu* charge on all the operating revenues/receivables of the Company (excluding dues owed to AAI, airport development fees, the passenger service fees, the marketing fund and any other statutory dues) subject to the provisions of the OMDA and the Escrow Account Agreement; and

(iv) a first ranking *pari passu* charge on all the Company's accounts (to the extent permitted under the OMDA) and each of the other accounts required to be created by the Company pursuant to the Security Documents and, including in each case, all monies lying credited/deposited into such accounts (excluding accounts being maintained in relation to the airport development fees, the passenger service fees, the marketing fund and Escrow Account Agreement under the OMDA and all monies required to be credited/deposited into the debt service reserve accounts and major maintenance reserve account under the Trust and Retention Account Agreement held for the benefit of other secured creditors).

The security interest on the initial Collateral will be created under an unattested Memorandum of Hypothecation, which will be entered into by the Company in favor of Axis Trustee Services Limited, who will act as collateral agent and security trustee on behalf of, among others, the Noteholders and the Trustee (the "**Security Trustee**"). The security created by the Security Documents over the Collateral is subject to the Intercreditor Agreement. The Memorandum of Hypothecation, the Security Trustee Agreement, the other documents necessary to perfect the security interest in the Collateral and the Intercreditor Agreement are referred to herein as the "**Security Documents**." The Company has agreed to cause its creditors or its representatives to execute the Security Documents and the Trust and Retention Account Agreement in the form as described in this offering memorandum and such execution will be a condition precedent to the issuance of the Notes. The Company has agreed that all necessary filings to perfect the security interest over the initial Collateral will be filed within 30 days of the Original Issue Date.

Pursuant to the Intercreditor Agreement, the Collateral will be shared on a *pari passu* basis by the Holders and the holders of certain other secured indebtedness including the creditors under the Existing Senior Debt and creditors under any future Permitted Pari Passu Secured Indebtedness and Permitted Refinancing Indebtedness. The lenders under the Rupee Facility Agreement and the ECB Facility Agreement, each of which is to be repaid within 30 days of the Original Issue Date, will continue to be secured by the Collateral and have rights under the Trust and Retention Account Agreement until such repayment. See "Use of Proceeds." Accordingly, in the event of a default on the Notes or the other secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of such secured indebtedness in proportion to the outstanding amounts of each class of such secured indebtedness. The proceeds realizable from the Collateral securing the Notes (as reduced by the obligations owed to other secured creditors under the Security Trustee Agreement and the Intercreditor Agreement) is unlikely to be sufficient to satisfy the Company's obligations under the Notes, and the Collateral securing the Notes may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and other Permitted Pari Passu Secured Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral could be sold in a timely manner or at all. See "— Release of Security" and "Risk Factors — Risks Related to the Notes and the Collateral — The realizable value of the Collateral is unlikely to be sufficient to satisfy our obligations under the Notes."

Excluded Collateral

Under the terms of the OMDA, the Company is required to create and maintain a first mortgage on all the Transfer Assets (defined below) in favor of AAI as security for payment of amounts due from the Company to AAI under the OMDA. The Company is also prohibited from encumbering or providing a security interest over land held under the Lease Deed.

In addition, certain other creditors have been granted additional security interests over certain additional assets of the Company. The creditors under the Existing Senior Debt (excluding the Existing Notes (except with respect to the right of substitution in accordance with the Substitution Agreement)) have been granted a security interest over the following:

- a pledge over the shares in the Company;
- right of substitution in accordance with the Substitution Agreement;
- all monies required to be credited/deposited into debt service reserve accounts established for the benefit of the creditors under the Existing Senior Debt (excluding the Existing Notes); and
- all monies required to be credited/deposited into the major maintenance reserve account under the Trust and Retention Account Agreement. See "Description of Material Indebtedness — Security Agreements — Trust and Retention Account Agreement."

Certain other banks and financial institutions have provided loans to the Company securitizing the receivables of airport development fees and passenger service fees. These creditors have been granted a security over the following:

- receipt/receivable of certain airport development fees from AAI as authorized by AERA;
- receipt/receivable of passenger service fees (security component), collected by the Company per embarking passenger as per the provisions of the State Support Agreement; and
- security equipment purchased with the proceeds of the PSF Loan following the receipt of permission from the Ministry of Civil Aviation.

All of the foregoing assets are referred to herein as the "**Excluded Collateral**." The Holders will not receive any security interest in the Excluded Collateral, which may also be used as security for the benefit of other creditors of the Company in the future. See "Risk Factors — Risks Related to the Notes and the Collateral — Certain of our existing secured creditors have been granted additional security interests over the Excluded Collateral, for which the Noteholders will not receive any security interest. Accordingly, such secured creditors will have priority over claims of the Noteholders with respect to the assets comprising the Excluded Collateral."

In addition, as of the date of this offering memorandum, the Company is not permitted to encumber its rights or benefits under the Project Documents, including the OMDA and the Substitution Agreement. As a result, such documents will not initially be encumbered in favor of the Trustee and the Holders; *provided* that the Company will enter into all necessary documentation to create security in favor of the Holders in the event that this restriction changes or in the event that the Project Documents are encumbered in favor of any other person in accordance with the covenant described under "Certain Covenants — Limitation on Liens."

Permitted Pari Passu Secured Indebtedness

The Company may create Liens on the Collateral *pari passu* with the Lien for the benefit of the Holders and the creditors under the Existing Senior Debt (if Indebtedness remains outstanding thereunder) to secure certain future Senior Indebtedness of the Company (including Additional Notes) *provided* that the Company was permitted to Incur such Indebtedness, and such Indebtedness was Incurred, either under clause (1), (2)(a), 2(e) or (2)(f) and any Permitted Refinancing Indebtedness of such indebtedness Incurred under clause 2(d) under the covenant described under "— Limitation on Indebtedness" (such Indebtedness of the Company including Additional Notes (if applicable), "**Permitted Pari Passu Secured Indebtedness**"). As a condition to creating Liens on the Collateral under such Permitted Pari Passu Secured Indebtedness, (1) the holders of such Indebtedness (or their representative or agent), other than with respect to Additional Notes, become party to the existing or an amended and restated Intercreditor Agreement and the other Security Documents; (2) the agreements in respect of such Indebtedness comply with the terms of the Indenture, the Security Documents and the Trust and Retention Account Agreement; (3) the Company delivers to the Trustee and the Security Trustee an Opinion of Counsel and Officer's Certificate with respect to corporate and collateral matters in connection with the Security Documents, in form and substance as set forth in the Security Documents; and (4) such Indebtedness is only issued (i) for consideration solely comprising cash (other than with respect to Indebtedness incurred under (2)(f) under the covenant described under "— Limitation on Indebtedness"), (ii) in exchange for other Senior Indebtedness under clause (2)(d) under the covenant described under "— Limitation on Indebtedness" which is, secured by a first priority lien (subject to Permitted Liens and the Intercreditor Agreement) on the Collateral and with the same priority of payment on enforcement as such Senior Indebtedness, or (iii) in exchange for Sponsor Bridge Financing. The Trustee and/or the Security Trustee, as the case may be, will be permitted and authorized, without the consent of any Holder, to enter into any amendments to the Security Documents or the Indenture, the Security Trustee Agreement and the Intercreditor Agreement and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph and the terms of the Indenture.

Except for certain Permitted Liens (including the Liens on the Collateral securing the Existing Senior Debt, Permitted Refinancing Indebtedness and Permitted Pari Passu Secured Indebtedness), the Company and its Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder of the Notes then outstanding.

Trust and Retention Account Agreement

On or about the Original Issue Date, the Company has agreed to enter into an amended and restated trust and retention account agreement between, amongst others, the Company, the Security Trustee (acting on behalf of the creditors (or their representatives, agents or trustees)) under the Existing Senior Debt (excluding the Existing Notes) and the account bank named thereunder. The Trust Retention and Account Agreement sets forth the cash flow priority for all deposits and withdrawals from the Company's bank accounts. See "Description of Material Indebtedness — Security Agreements — Trust and Retention Account Agreement."

The Trustee is not a party to the Trust and Retention Account Agreement and the Trustee and the Holders have limited rights under such agreement. The Trust and Retention Account Agreement is not a Security Document under the Indenture. As such, the Trust and Retention Account Agreement may be terminated and the terms of the Trust and Retention Account Agreement may be amended, modified or waived and the Account Bank may be replaced without the consent of the Trustee or the Holders, other than such changes that would impact the priority of payments with respect to the Notes.

Security Trustee Agreement

On or about the Original Issue Date, the Company has agreed to enter into an amended and restated security trustee agreement between, amongst others, the Company, the Trustee (on behalf of the Holders), the various other creditors (or their representatives, agents or trustees) under the Existing Senior Debt and the Security Trustee, pursuant to which the Company, the creditors (or their representatives, agents or trustees) and the Trustee will appoint the Security Trustee to act as collateral agent and security trustee with respect to the Collateral and certain of the Excluded Collateral and the Security Trustee will agree to act in such capacity. See "Description of Material Indebtedness — Security Agreements — Security Trustee Agreement." The trust in favor of the existing creditors (or their representatives, agents or trustees) under the security trustee agreement will be extended for the benefit of the Trustee (on behalf of the Holders) under the terms of the amended and restated security trustee agreement.

Intercreditor Agreement

On the Original Issue Date, the Trustee (on behalf of the Holders), the creditors (or their representatives, agents or trustees) under the Existing Senior Debt and the Security Trustee will enter into an intercreditor agreement (as amended, waived, restated, replaced and/or supplemented from time to time, the "**Intercreditor Agreement**") pursuant to which the Security Trustee will agree to act as the collateral agent for the Holders and the creditors under the Existing Senior Debt with respect to the Collateral securing the obligations under the Indenture, the Notes and the Existing Senior Debt. See "Description of Material Indebtedness — Security Agreements — Intercreditor Agreement."

Release of Security

The security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes; and
- upon certain dispositions of the Collateral in compliance with the covenants described under "— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries" or "— Limitation on Asset Sales" or in accordance with the provision described under "— Consolidation, Merger and Sale of Assets."

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of any Subsidiary Guarantees and the Collateral) in all respects (or in all respects except for the issue date, issue price and the date and/or amount of the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a "**Further Issue**") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes and the provision of the Collateral to secure the Additional Notes will then be permitted under the "Limitation on Indebtedness" covenant described below and the other provisions of the Indenture; *provided further* that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes must be fungible with the original Notes for U.S. federal income tax purposes.

In addition, the issuance of any Additional Notes by the Company will also be subject to the following conditions:

(1) all obligations with respect to the Additional Notes shall be secured and guaranteed under the Indenture, the Subsidiary Guarantees and the Security Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(2) the Company shall have delivered to the Trustee an Officer's Certificate, in form and substance satisfactory to the Trustee, confirming that the issuance of the Additional Notes complies with the Indenture; and

(3) the Company shall have delivered to the Trustee one or more Opinions of Counsel, in form reasonably satisfactory to the Trustee, confirming, among other things, that the issuance of the Additional Notes complies with the Indenture, that the issuance of the Additional Notes does not conflict with applicable law and that, to the extent applicable, after giving effect to the issuance of the Additional Notes and any transactions related thereto, the Liens created under the Security Documents, as amended, extended, renewed, restated, supplemented or otherwise modified or replaced pursuant to such transaction, are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening or preference period, in equity or law, that such Liens were not otherwise subject to immediately prior to the issuance of such Additional Notes and such amendment, extension, renewal, restatement, supplement, modification or replacement.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event the Company will make an Offer to Purchase all outstanding Notes (a "**Change of Control Offer**") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date (as defined in clause (2) of the definition of "**Offer to Purchase**").

The Company will agree in the Indenture that, following a Change of Control, it will timely repay all Indebtedness or obtain consents as necessary under or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit the repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Future debt of the Company may also (1) prohibit the Company from purchasing Notes in the event of a Change of Control Triggering Event; (2) provide that a Change of Control Triggering Event is a default; or (3) require repurchase of such debt upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on the Company. The Company's ability to pay cash to the Holders following the occurrence of a Change of Control Triggering Event may be limited by the Company's and the Subsidiary Guarantors' then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors — Risks Related to the Notes and the Collateral — We may not be able to repurchase the Notes upon a Change of Control Triggering Event."

The Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third-party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control Triggering Event at the time of making of the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the sale of "all or substantially all" the assets of the Company. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require the Company to repurchase such Holder's Notes as a result of a sale of less than all the assets of the Company to another person or group may be uncertain and will depend upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Any redemption of the Notes prior to their stated maturity may require the prior approval of the RBI or the designated authorized dealer bank, as the case may be, under applicable RBI guidelines, and such approval may not be forthcoming.

Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls

The Company will be required to redeem all outstanding Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the Mandatory Redemption Date (defined below), if, at any time, it will become unlawful for the Company to perform any payment obligations under the Indenture or the Notes as a result of any change in, or amendment to, the laws (or any regulations, directions or rulings notified or issued thereunder) of a Government of the Republic of India and such payment restrictions cannot be avoided by the taking of reasonable measures by the Company (the "**Mandatory Redemption**").

Within 10 days of such change or amendment giving rise to the Mandatory Redemption being announced by the relevant authority, the Company will be required to provide notice to the Trustee, an Opinion of Counsel stating that such change or amendment referred to in the prior paragraph will make payments by the Company under the Indenture or the Notes unlawful, and an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such payment restrictions cannot be avoided by the Company taking reasonable measures and setting forth the proposed date, which shall not be more than 30 days after the date of such notice, on which the redemption shall occur (the "**Mandatory Redemption Date**").

The Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Any redemption of the Notes prior to their stated maturity may require the prior approval of the RBI or the designated authorized dealer bank, as the case may be, under applicable RBI guidelines, and such approval may not be forthcoming.

No Mandatory Redemption or Sinking Fund; Open Market Purchases

Other than as described under "— Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls," there will be no mandatory redemption or sinking fund payments for the Notes. The Company and its Affiliates may, at their discretion, at any time from time to time purchase the Notes in the open market or otherwise; *provided* that the Company may not resell Notes that it has repurchased in the open market or otherwise to any person that is not an affiliate of the Company under Rule 144 of the Securities Act.

Additional Amounts

All payments by or on behalf of the Company, a Surviving Person or a Subsidiary Guarantor of principal of, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under "— Consolidation, Merger and Sale of Assets") or an applicable Subsidiary Guarantor is organized or resident for tax purposes or any political subdivision or taxing authority thereof or therein (each, as applicable, a "**Relevant Taxing Jurisdiction**") or any jurisdiction through which payment is made or any political subdivision or taxing authority thereof or therein (together with the Relevant Taxing Jurisdictions, the "**Relevant Jurisdictions**"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holder of each Note or the Subsidiary Guarantees, as the case may be, of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(1) for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the Holder or beneficial owner of such Note or Subsidiary Guarantee, as the case may be, and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period; or

(iii) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person or any Subsidiary Guarantor addressed to the Holder to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any withholding or deduction that is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive amending, supplementing or replacing such Directive, or any law implementing or complying with, or introduced in order to conform to, such Directives;

(d) any withholding or deduction pursuant to Section 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any amended or successor versions of such Sections) ("FATCA"), any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection with FATCA, or any law, regulations or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement;

(e) any tax, duty, assessment or other governmental charge to the extent such tax, duty, assessment or other governmental charge results from the presentation of the Note (where presentation is required) for payment and the payment can be made without such withholding or deduction by the presentation of the Note for payment elsewhere; or

(f) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b), (c), (d) and (e); or

(2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

The Company will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Company will upon request, make reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from the Relevant Jurisdiction imposing such taxes. Upon request, the Company will furnish to Holders, within 60 days after the date the payment of any taxes so deducted or withheld is due pursuant to applicable law, either certified copies of tax receipts evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company will be obligated to pay Additional Amounts with respect to such payment, the Company will deliver to the Trustee an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the Holders on such payment date.

In addition, the Company will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Jurisdiction in respect of the creation, issue, offering, execution or enforcement of the Notes, or any documentation with respect thereto.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under any Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, affecting taxation; or

(2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective or, in the case of an official position, is announced (i) except as described in (ii) below, on or after the Original Issue Date, or (ii) with respect to any Future Subsidiary Guarantor or Surviving Person whose Relevant Taxing Jurisdiction has not been a Relevant Taxing Jurisdiction immediately before the date such Future Subsidiary Guarantor or Surviving Person became a Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due, *provided further* that where any such requirement to pay Additional Amounts is due to taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Company or the Surviving Person shall be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction in respect of which Additional Amounts are required is in excess of 5% (plus applicable surcharge and cess).

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, taking reasonable measures; and

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness

(1) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), *provided* that the Company and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, after giving pro forma effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing, and (y) the Fixed Charge Coverage Ratio would not be less than 2.0 to 1.0 with respect to any Incurrence of Indebtedness on or prior to March 31, 2018 and 2.5 to 1.0 with respect to any Incurrence of Indebtedness thereafter.

(2) Notwithstanding the foregoing, the Company and any Restricted Subsidiary may Incur, to the extent provided below, each and all of the following ("**Permitted Indebtedness**"):

(a) Indebtedness under Credit Facilities Incurred by the Company or a Subsidiary Guarantor to fund capital expenditure for modifications, additions and improvements to the Airport that are (x) necessary to perform its obligations under the Master Plan or (y) required under the Project Agreements (any capital expenditure for such modifications, additions and improvements, "**Required Capital Expenditure**"), *provided* that immediately after giving effect to the Incurrence of such Indebtedness no Default under clause (2) under the covenant described under "Events of Default" or Event of Default has occurred and is continuing or will result from such incurrence, that the Indebtedness to be Incurred is limited to such amount that is required to fund the Required Capital Expenditure and that, prior to such Incurrence, the Company delivers the following to the Trustee:

(i) in the case of any Required Capital Expenditure in excess of US$5 million, a certificate from the Independent Engineer confirming that (x) the proposed project, including the necessary modifications, additions and improvements to the Airport, is required by the Master Plan or the Project Agreements, and (y) setting out, in reasonable detail, the Required Capital Expenditure relating to such modifications, additions and improvements;

(ii) the Company certifies in an Officer's Certificate that the Company or the Subsidiary Guarantor, as applicable, does not have the funds available to it to make such Required Capital Expenditure and continue to operate its business with a sufficient level of liquidity; and

(iii) the Company certifies in an Officer's Certificate that the Indebtedness Incurred under this clause (2)(a) is permitted under the Company's Senior Indebtedness outstanding at such time or that the creditors under such Senior Indebtedness have provided the requisite approvals for the Incurrence of such Indebtedness.

(b) Indebtedness under the Notes (excluding any Additional Notes) and each Subsidiary Guarantee;

(c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date, excluding Indebtedness outstanding under the Existing Working Capital Facility (which shall be deemed to be incurred under paragraph 2(f));

(d) Indebtedness ("**Permitted Refinancing Indebtedness**") of the Company or any Restricted Subsidiary issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness repaid substantially concurrently with, but in any case before, the Incurrence of such Permitted Refinancing Indebtedness) Incurred under paragraph (1), (2)(a), 2(b), (2)(c) (excluding the Rupee Facility Agreement and the ECB Facility Agreement), (2)(f) or (2)(g) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided* that the Indebtedness to be refinanced is fully and irrevocably repaid no later than 30 days after the Incurrence of the Permitted Refinancing Indebtedness; and *provided further* that (i) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or any Subsidiary Guarantee shall only be permitted under this paragraph (2)(d) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or any Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee, as the case may be, (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or any Subsidiary Guarantee, other than Sponsor Bridge Financing, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee, as the case may be or (C) in the case that Sponsor Bridge Financing is refinanced, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued is expressly made *pari passu* with, or subordinate in right of payment to, the Notes; and (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the earlier of the final maturity date of the Notes and the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to either the remaining Average Life of the Indebtedness to be refinanced or 180 days after the final maturity date of the Notes; and (iii) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this paragraph by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor; and (iv) in no event may unsecured Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause with secured Indebtedness (other than (x) for the purposes of repaying the Notes in full or (y) for the purposes of refinancing Sponsor Bridge Financing, which may be secured to the extent of Indebtedness Incurred under paragraphs (1) and (2)(a) above);

(e) Indebtedness Incurred by the Company or any Subsidiary Guarantor pursuant to Hedging Obligations designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation (or to reverse or amend or terminate any such agreements previously made for such purposes);

(f) Indebtedness Incurred by the Company or any Subsidiary Guarantor with a maturity of one year or less for working capital in an aggregate principal amount at any one time outstanding (together with refinancings thereof) of all Indebtedness Incurred under this paragraph (2)(f) not to exceed US$80 million (or the Dollar Equivalent thereof) on or prior to February 3, 2018 and US$100 million (or the Dollar Equivalent thereof) thereafter;

(g) (i) Indebtedness Incurred by a Restricted Subsidiary or (ii) Indebtedness of any Person acquired by or merged into the Company or any of its Restricted Subsidiaries and it becomes a Restricted Subsidiary of such Person or such Restricted Subsidiary; *provided* that such Indebtedness is not incurred in contemplation of such acquisition or merger; *provided further* that the aggregate principal amount at any one time outstanding when aggregated with the principal amount of all Indebtedness Incurred under this paragraph (2)(g) by a Restricted Subsidiary (which shall include Indebtedness of any Person acquired by or merged into any Restricted Subsidiary) (together with refinancings thereof) shall not to exceed US$40 million (or the Dollar Equivalent thereof);

(h) the Guarantee by the Company or any of its Subsidiary Guarantors of Indebtedness of the Company or any Subsidiary Guarantor permitted to be incurred by this covenant;

(i) Indebtedness of the Company or any Subsidiary Guarantor owed to the Company or any Subsidiary Guarantor; *provided* that (i) any event which results in (x) any Subsidiary Guarantor to which such Indebtedness is owed ceasing to be a Subsidiary Guarantor or (y) any subsequent transfer of such Indebtedness (other than to the Company or any Subsidiary Guarantor) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (i) and (ii) if the Company is the obligor under such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes;

(j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently, except in the case of daylight overdrafts, drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that this Indebtedness is extinguished within five Business Days;

(k) Indebtedness of the Company or any Restricted Subsidiary in respect of workers' compensation claims and claims arising under similar legislation, or in connection with self-insurance or similar requirements, in each case in the ordinary course of business;

(l) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, or other similar obligations, in each case Incurred or assumed in connection with the disposition of any business, assets of the Company or of a Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of any of the Company's or a Restricted Subsidiary's business or assets for the purpose of financing an acquisition; *provided*, *however*, that the maximum assumable liability in respect of all this Indebtedness shall at no time exceed the gross proceeds actually received by the Company and/or the relevant Restricted Subsidiary in connection with the disposition; and

(m) obligations with respect to trade letters of credit, performance and surety bonds and completion guarantees provided by the Company or any of its Restricted Subsidiaries securing obligations, entered into in the ordinary course of business, to the extent the letters of credit, bonds or guarantees are not drawn upon or, if and to the extent drawn upon is honored in accordance with its terms and, if to be reimbursed, is reimbursed no later than 30 days following receipt of a demand for reimbursement following payment on the letter of credit, bond or guarantee.

For purposes of determining compliance with this "Limitation on Indebtedness" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Permitted Indebtedness or is permitted to be Incurred pursuant to paragraph (1) of this covenant, the Company may, in its sole discretion, classify, and from time to time may reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types, *provided*, *however* that the Company shall not be permitted to reclassify any portion of Indebtedness incurred under paragraph (2)(a) as Indebtedness Incurred under any other provision and shall not be permitted to reclassify any Indebtedness Incurred under any provision other than paragraph (2)(a) as Indebtedness Incurred under paragraph (2)(a).

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such

Indebtedness was incurred (or first committed, in the case of revolving credit debt); *provided*, that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "**Restricted Payments**"):

(1) declare or pay any dividend or make any distribution on or with respect to the Company's or any of the Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable solely in shares of Capital Stock of the Company (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary or any direct or indirect parent of the Company (including options, warrants or other rights to acquire such shares of Capital Stock) held by any Persons other than the Company or any Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other voluntary or optional acquisition or retirement for value, of Subordinated Indebtedness (excluding any intercompany Indebtedness between the Company and any Restricted Subsidiary or among the Restricted Subsidiaries and Sponsor Bridge Financing repaid using Permitted Refinancing Indebtedness); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(b) the Company could not Incur at least US$1.00 of Indebtedness under the Fixed Charge Coverage Ratio described in the first paragraph under "— Limitation on Indebtedness"; or

(c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and the Restricted Subsidiaries after the Original Issue Date, shall exceed the sum of:

(i) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on January 1, 2015 and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner and which may be internal financial statements) are available and have been provided to the Trustee at the time of such Restricted Payment; plus

(ii) 100% of the aggregate Net Cash Proceeds received by the Company after February 3, 2015 as a capital contribution to its common equity by, or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary, including any such Net Cash Proceeds received upon (A) the conversion by a Person who is not a Subsidiary of the Company of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital

Stock of the Company (other than Disqualified Stock), in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company or any Restricted Subsidiary; plus

(iii) the amount by which Indebtedness of the Company is reduced on the Company's balance sheet upon the conversion or exchange subsequent to February 3, 2015 of any Indebtedness of the Company convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); *provided*, *however*, that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company from the Incurrence of such Indebtedness; plus

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after February 3, 2015 in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after February 3, 2015, (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after February 3, 2015 of an obligation of another Person, (C) to the extent that an Investment made after February 3, 2015 is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, or (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after February 3, 2015 in any such Person and treated as a Restricted Payment.

The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend or irrevocable redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary, to the holders of such Restricted Subsidiary's Capital Stock, majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company, on a pro rata basis or on a basis more favorable to the Company;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or such Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(4) so long as no Default or Event of Default has occurred and is continuing the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any preferred stock of a Restricted Subsidiary issued on or after the date of the Indenture that was permitted to be issued pursuant to the first paragraph of the covenant described under "— Limitation on Indebtedness";

(5) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(6) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Disqualified Stock of the Company or preferred stock of a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Company or preferred stock of a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be incurred pursuant to the covenant described under "Limitation on Indebtedness" and that in each case constitutes Permitted Refinancing Indebtedness;

(7) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(8) a Permitted Investment under clause (1) of the definition thereof in the Capital Stock of a Restricted Subsidiary held by a minority shareholder which Investment increases the proportion of the Capital Stock of such Restricted Subsidiary held, directly or indirectly, by the Company;

(9) cash Investments in Unrestricted Subsidiaries or JV Companies, when taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the lesser of US$100 million and the amount of Qualified Concessionaire Deposits held by the Company at the time of such Investment;

(10) following an Initial Public Offering by the Company, the payment of dividends by the Company not to exceed US$5 million in any fiscal year;

(11) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiaries (or options, warrants or other rights to acquire such Capital Stock) held by any future, current or former officer, director or employee of the Company or any direct or indirect parent entities or Restricted Subsidiaries (or any such Person's assigns, estates or heirs) pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar plans or other contractual arrangements or agreements; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed US$1.0 million (or the Dollar Equivalent thereof) in any fiscal year;

(12) (i) the repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or other rights in respect thereof if such Capital Stock represents all or a portion of the exercise price thereof and (ii) repurchases of Capital Stock deemed to occur upon the withholding of a portion of the Capital Stock granted or awarded to a director, employee or consultant to pay for the taxes payable by such director, employee or consultant upon such grant or award; and

(13) Restricted Payments by the Company or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

provided that, in the case of clauses (2), (3) and (4) of this paragraph, no Event of Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein. Each Restricted Payment made pursuant to clauses (1), (9) and (10) of this paragraph shall be included in calculating whether the conditions of clause (c) of the first paragraph of this "— Limitation on Restricted Payments" covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities (other than cash) that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of any assets (including securities) other than cash in a Restricted Payment or a series of related Restricted

Payments must be based upon an opinion or an appraisal issued by an appraisal or investment banking firm of recognized standing if the Fair Market Value exceeds US$10 million (or the Dollar Equivalent thereof) and such determination must be contained in a Board Resolution set forth in an Officer's Certificate that is provided to the Trustee.

Not later than the date of making any Restricted Payment in excess of US$10 million (or the Dollar Equivalent thereof) (other than Restricted Payments set forth in clause (7) of the second paragraph of this covenant), the Company will deliver to the Trustee an Officer's Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "— Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) Except as provided in paragraph (2) below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(c) make loans or advances to the Company or any other Restricted Subsidiary; or

(d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary;

provided that it being understood that (i) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any of its Restricted Subsidiaries to other Indebtedness incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and/or any of its Restricted Subsidiaries to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:

(a) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Subsidiary Guarantees, the Indenture, the Security Documents or the Facility Agreements, or any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(b) existing under or by reason of applicable law, rule, regulation or order;

(c) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(d) that otherwise would be prohibited by the provision described in clause (1) of this covenant if they arise, or are agreed to, in the ordinary course of business and (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the "— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "— Limitation on Indebtedness" and "— Limitation on Asset Sales" covenants;

(f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness permitted under the "— Limitation on Indebtedness" covenant if, as determined by the Board of Directors, the encumbrances or restrictions (i) are customary for such type of agreement and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company or the Subsidiary Guarantors to make required payments on the Notes or any Subsidiary Guarantee;

(g) existing under or by reason of purchase money obligations for property acquired in connection with the Permitted Business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (1)(d) above and are incurred in accordance with the "— Limitation on Indebtedness" covenant;

(h) existing under or by reason of customary non-assignment provisions in contracts and licenses entered into in connection with the Permitted Business;

(i) existing under or by reason of provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale and leaseback agreements, stock sale agreements and other similar agreements entered into with the approval of the Company's Board of Directors, if the encumbrances or restrictions would not, at the time agreed to, be expected to materially adversely affect the ability of the Company and any Subsidiary Guarantors to make required payments on the Notes;

(j) existing under or by reason of restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(k) existing under or by reason of customary restrictions imposed on the transfer of, or in licenses related to, copyrights, patents or other intellectual property and contained in agreements entered into in the ordinary course of business; or

(l) existing under or by reason of Permitted Refinancing Indebtedness; *provided* that the encumbrances and restrictions contained in the agreements governing that Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the debt being refinanced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including in each case options, warrants or other rights to purchase shares of such Capital Stock) except:

(1) to the Company or a Wholly Owned Restricted Subsidiary;

(2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;

(3) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); provided that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale, to the extent required, in accordance with the "— Limitation on Asset Sales" covenant; and

(4) the issuance or sale of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "Limitation on Restricted Payments" covenant if made on the date of such issuance or sale and provided that the Company complies with the "— Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to provide any guarantee for any Indebtedness ("**Guaranteed Indebtedness**") of the Company or any other Restricted Subsidiary unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full.

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (B) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (or service of related transactions or arrangements) (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5.0% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an "**Affiliate Transaction**"), involving aggregate payments or consideration in excess of US$500,000 or the Dollar Equivalent thereof, unless:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; *provided* that, if no disinterested member of the Board of Directors exists with respect to any Affiliate Transaction, the transaction may be approved by a majority of the members of the Board of Directors if the requirements of clause (b) below are met with respect to such Affiliate Transaction as if it involved aggregate consideration in excess of $10 million; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause 2(a) above, an opinion as to the fairness to the Company or such Restricted Subsidiary, as the case may be, of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing or an Independent Engineer.

The foregoing limitation does not limit, and shall not apply to:

(1) any employment or compensation agreement (whether based in cash or securities), officer or director indemnification agreement, severance or termination agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries and payments pursuant thereto and any transactions pursuant to stock option plans, stock ownership plans and employee benefit plans or similar arrangements approved by the Board of Directors in each case in the ordinary course of business;

(2) the payment of reasonable and customary fees and reimbursement of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(3) transactions between or among the Company and any Wholly Owned Restricted Subsidiary or between or among Wholly Owned Restricted Subsidiaries which are entered into in the ordinary course of business and approved by the majority of the Board of Directors;

(4) any Restricted Payment of the type described in clause (1) or (2) of the first paragraph of the covenant described above under "— Limitation on Restricted Payments" if permitted by that covenant;

(5) any sale of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock) or any contribution of capital to the Company that is permitted under "— Limitation on Indebtedness";

(6) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Company or any of its Restricted Subsidiaries; *provided* that such agreement was not entered into in contemplation of such acquisition or merger;

(7) any purchases by the Company's Affiliates of Indebtedness or Disqualified Stock of the Company or any of its Restricted Subsidiaries where at least 90% of such Indebtedness or Disqualified Stock is purchased by Persons who are not Affiliates of the Company;

(8) transactions contemplated pursuant to agreements or arrangements in effect on the Original Issue Date and described in this offering memorandum, or any amendment or modification or replacement thereof that is not materially more disadvantageous to the Company than the agreement or arrangement in effect on the Original Issue Date; and

(9) transactions permitted by, and complying with, the covenant described under "— Consolidation, Merger and Sale of Assets."

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to any transaction between or among the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary; *provided* that none of the minority shareholders or minority partners of or in such non-Wholly Owned Restricted Subsidiary is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary) and the requirement of clause (2)(b) of the first paragraph of this covenant shall not apply to transactions with concessionaires, licensees, customers, clients, suppliers, vendors or purchasers or sellers of goods or services, derivatives, insurance or Hedging Obligations or lessors or lessees or providers of employees or other labor or property, including, in each case, the Permitted Holders, in the ordinary course of business.

Limitation on Liens

The Company will not, and the Company will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien (other than Permitted Liens) of any nature whatsoever on any of its assets or properties of any kind (other than the Collateral and the Excluded Collateral), whether owned at the Original Issue Date or thereafter acquired, unless the Notes are (or, in respect of any Lien on any Subsidiary Guarantor's property or assets, any Subsidiary Guarantee of such Restricted Subsidiary is) equally and ratably secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company or a Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

(1) the Company or such Restricted Subsidiary could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described under "— Limitation on Indebtedness" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under "— Limitation on Liens," in which case, the corresponding Indebtedness will be deemed Incurred and the corresponding Lien will be deemed incurred pursuant to those provisions;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(3) the transfer of assets in that Sale and Leaseback Transaction is not prohibited by the covenant described below under "— Limitation on Asset Sales."

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and

(2) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets (as defined below); *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US$25 million (or the Dollar Equivalent thereof), the

Company shall deliver to the Trustee an opinion of fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing or Independent Engineer. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary, as the case may be, from or indemnifies them against further liability; and

(b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 90 days of closing, converted by the Company or such Restricted Subsidiary, as the case may be, into cash, to the extent of the cash received in that conversion.

(3) Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company or the applicable Restricted Subsidiary, as the case may be, may apply such Net Cash Proceeds:

(a) if and to the extent the Asset Sale relates to Collateral:

(i) to permanently repay any Senior Indebtedness secured by the Collateral (including the Notes) (and if any such Senior Indebtedness is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto), in each case owing to a Person other than the Company or a Restricted Subsidiary, *provided* that to the extent no Senior Indebtedness (other than the Notes) remains outstanding, the Company or the applicable Restricted Subsidiary, as the case may be, may apply such Net Cash Proceeds to make an Offer to Purchase to all Holders in accordance with the procedures set forth in clause (4) below (subject to applicable RBI guidelines and to the extent permitted under the OMDA), at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, and purchase any Notes tendered (and not validly withdrawn) in connection therewith; or

(ii) make capital expenditures or acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or properties or assets (other than current assets) that are used or will be used in the Permitted Business, acquire all or substantially all of the assets of or the Capital Stock of, a Person, or a line of business, the primary business of which is a Permitted Business, or any combination of the foregoing, in each case ("Replacement Assets"); and

(b) if and to the extent the Asset Sale does not relate to Collateral:

(i) permanently repay any Senior Indebtedness (and if any such Indebtedness is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto), in each case owing to a Person other than Company or a Restricted Subsidiary;

(ii) acquire Replacement Assets; or

(iii) fund the operating requirements of the Company;

provided that, pending the application of Net Cash Proceeds in accordance with clauses (a) or (b) of this paragraph, such Net Cash Proceeds may be temporarily invested only in cash or Temporary Cash Investments or be used to temporarily reduce revolving credit Indebtedness.

(4) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (3) will constitute "**Excess Proceeds**." Excess Proceeds of less than US$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When

accumulated Excess Proceeds exceed US$10.0 million (or the Dollar Equivalent thereof), subject to applicable RBI guidelines and to the extent permitted under the OMDA, within ten (10) Business Days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

(a) accumulated Excess Proceeds, multiplied by

(b) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and (i) to the extent the Asset Sale relates to Collateral, all Indebtedness under the Existing Senior Debt and any Permitted Pari Passu Secured Indebtedness; and (ii) to the extent the Asset Sales does not relate to Collateral, all Senior Indebtedness, in any such case similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes to be purchased on a pro rata basis. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses.

Use of Proceeds

The Company will not use the net proceeds from the sale of the Notes issued and sold on the Original Issue Date, in any amount, for any purpose other than (1) as specified under "Use of Proceeds" in this offering memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in cash or Temporary Cash Investments. Without limiting the generality of the foregoing, the Company will cause full payment and discharge of all Indebtedness under the ECB Facility Agreement and Rupee Facility Agreement prior to the date that is 30 days after the Original Issue Date.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified Stock or Preferred Stock of a Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified Stock or Preferred Stock or Indebtedness could not be Incurred under the covenant described under "— Limitation on Indebtedness" or such Lien would violate the covenant described under "— Limitation on Liens"; (3) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary (other than Restricted Subsidiaries concurrently designated to be Unrestricted Subsidiaries in accordance with this covenant), and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; (4) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company or any other Restricted Subsidiary; and (5) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under "— Limitation on Restricted Payments."

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted

Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under "— Limitation on Indebtedness"; (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation, which Liens will be deemed to have been incurred by such newly designated Restricted Subsidiary as a result of such designation, would be permitted to be incurred by the covenant described under "— Limitation on Liens"; (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (5) if permitted under applicable law, such Restricted Subsidiary will upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary will become a Subsidiary Guarantor.

All designations must be evidenced by a Board Resolution delivered to the Trustee certifying compliance with the preceding provisions.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect substantially all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Business, including the Project Agreements; (2) comply with the terms of the Project Agreements and not take any action or omit to take any action that could give rise to the right of any party to terminate the relevant Project Agreement or, in the case of the OMDA, to permit substitution of the Company by another person under the OMDA, the Substitution Agreement or other agreement; (3) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (4) comply with all laws, regulations, orders, judgments and decrees of any governmental body.

Anti-Layering

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Subsidiary Guarantees on substantially identical terms. No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness by virtue of being unsecured, or by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness or as a result of Indebtedness having a junior priority with respect to the same collateral or being secured by different collateral.

Substitution Agreement

The Company will use its commercially reasonable efforts to ensure that AAI, the Company and the Security Trustee enter into a new or an amended Substitution Agreement that includes the Trustee, on behalf of Holders of the Notes, as a Lender (as defined in the Substitution Agreement) enjoying the benefits thereunder, as soon as reasonably practicable following the Original Issue Date.

Suspension of Certain Covenants

If on any date following the date of the Indenture, the Notes have a rating of Investment Grade from two of the Rating Agencies and no Default has occurred and is continuing, then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from both of the Rating Agencies (such period, the "**Suspension Period**"), the provisions of the Indenture summarized under the following captions will be suspended:

(1) "— Certain Covenants — Limitation on Indebtedness";

(2) "— Certain Covenants — Limitation on Restricted Payments";

(3) "— Certain Covenants — Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(4) "— Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries";

(5) "— Certain Covenants — Limitation on Issuances of Guarantees by Restricted Subsidiaries";

(6) "— Certain Covenants — Limitation on Sale and Leaseback Transactions";

(7) "— Certain Covenants — Limitation on Asset Sales;" and

(8) clauses (3) of the first and second paragraph of the covenant summarized under "— Consolidation, Merger of Sale or Assets."

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries" or the definition of "Unrestricted Subsidiary."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Period ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Period, and following reinstatement (1) the calculations under the covenant summarized under "— Certain Covenants — Limitation on Restricted Payments" will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2)(c) of the covenant summarized under "— Certain Covenants — Limitation on Indebtedness." Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at to the amount in effect at the beginning of the Suspension Period.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Provision of Financial Statements and Reports

So long as any of the Notes remain outstanding, the Company will provide to the Trustee and furnish to the Holders the following reports, in the English language:

(1) within 90 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Original Issue Date, the following information: (a) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete footnotes to such financial statements and the audit report of a member firm of an internationally recognized firm of independent accountants on the financial statements; and (b) an operating and financial review of the audited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material recent developments, material commitments and contingencies and critical accounting policies;

(2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending September 30, 2016, quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and in each case the comparable prior year period(s), together with condensed footnote disclosure, reviewed by a member firm of an internationally recognized firm of independent accountants together with the review report thereon; and (b) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material recent developments, material commitments and contingencies and critical accounting policies since the most recent report; and

(3) promptly after the occurrence of (i) any Material Acquisition or Disposition or restructuring or (ii) any other material event not in the ordinary course of business, that the Company or Restricted Subsidiary announces publicly, a report containing a description of such event.

The financial statements required to be delivered by paragraphs (1) and (2) above may be prepared on an unconsolidated basis for any periods where, on the last day of such period, the Company had no Restricted Subsidiary; *provided* that the financial statements for the comparable prior period(s) shall be presented on the same basis as the most recently ended period. In addition, so long as any Note remains outstanding, the Company will provide to the Trustee (a) within 90 days after the close of each fiscal year, an Officer's Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, together with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculations and arithmetic computations made, *provided* that the Company will not be required to provide such auditor certification if its external auditors refuse to provide such certification as a result of any policy of such external auditors prohibiting such certification if in such case the Company delivers such certification from an alternative member firm of an internationally recognized firm of independent accountants with such Officer's Certificate; and (b) as soon as possible and in any event within 10 days after the Company or any Subsidiary Guarantor becomes aware or should reasonably become aware of the occurrence of a Default, an Officer's Certificate setting forth the details of the Default, and the action which the Company and the Subsidiary Guarantors propose to take with respect thereto.

All historical financial statements shall be prepared in accordance with GAAP and on a consistent basis for the periods presented; *provided* that the reports set forth in clauses (1) and (2) above may, in the event of a change in applicable GAAP, present earlier periods on the basis of GAAP that applied to such periods.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of this covenant shall include a summary presentation, either on the face of the financial statements or in the footnotes thereto or in the operating and financial review of the financial statements of the revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense of such Unrestricted Subsidiaries.

Events of Default

The following events will be defined as "**Events of Default**" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest (including Additional Amounts) on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(3) default in the performance or breach of the provisions of the covenants described under "— Consolidation, Merger and Sale of Assets," "— Certain Covenants — Limitation on Liens," "— Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls," or the failure by the Company to make or consummate an Offer to Purchase in the manner described under "— Repurchase of Notes upon a Change of Control Triggering Event" or "— Certain Covenants — Limitation on Asset Sales";

(4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US$25.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that results in such Indebtedness being due and payable prior to its Stated Maturity through the actions of the holders thereof or otherwise and/or (b) a default in payment of principal of, or interest or premium on, or any other amounts in respect of, such Indebtedness when the same becomes due and payable;

(6) one or more final judgments or orders for the payment of money are rendered against the Company or any Restricted Subsidiary and are not paid or discharged, and there is a period of 90 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons (other than judgments or orders covered by indemnities provided by, or insurance policies issued by, reputable companies) to exceed US$25.0 million (or the Dollar Equivalent thereof) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, or for any substantial part of the property and assets of the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary, under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(8) the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together as of the latest audited consolidated financial statements for the Company, would constitute a Significant Subsidiary or for all or substantially all of the property and assets of such entity or entities or (c) effects any general assignment for the benefit of creditors;

(9) any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee is determined to be unenforceable or invalid or will for any reason cease to be in full force and effect;

(10) any default by the Company or any Subsidiary Guarantor in the performance of any of its obligations under the Security Documents that adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or that adversely affects the condition or value of the Collateral;

(11) the Company or any Subsidiary Guarantor denies or disaffirms its obligations under any Security Document or, other than in accordance with the Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect;

(12) a moratorium is agreed or declared in respect of any Indebtedness of the Company or any Subsidiary Guarantor or any governmental authority shall take any action to condemn, seize, nationalize or appropriate all or a substantial part of the assets of the Company or any Subsidiary Guarantor or all or a substantial part of the Capital Stock of the Company or any Subsidiary Guarantor, the Notes or any Subsidiary Guarantee, or the Company or any Subsidiary Guarantor shall be prevented from exercising normal control over all or a substantial part of its property, other than pursuant to a temporary requisition of the airport in an emergency, under the terms of the OMDA;

(13) any default in the operation under the Trust and Retention Account Agreement, other than the defaults described in the offering memorandum; or

(14) the Company's rights under the OMDA are terminated.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written direction of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may, or shall upon the written instruction of Holders of at least 25% in aggregate principal amount of the outstanding Notes, instruct the Security Trustee to foreclose on the Collateral in accordance with the terms of the Security Documents and the Intercreditor Agreement and take such further action on behalf of the Holders with respect to the Collateral in accordance with such written instruction, the Security Documents and the Intercreditor Agreement.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification is assured to it.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within (x) 60 days after receipt of the written request pursuant to clause (2) above or (y) 60 days after the receipt of the offer of indemnity pursuant to clause (3) above, whichever occurs later; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium, if any, or interest on, such Note or any payment under any Subsidiary Guarantee, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Officers of the Company must certify to the Trustee in writing, on or before a date not more than 90 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and the Restricted Subsidiaries and the Company's and the Restricted Subsidiaries' performance under the Indenture and that the Company and each Subsidiary Guarantor have fulfilled all of their respective obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See "— Provision of Financial Statements and Reports."

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) unless each of the following conditions is satisfied:

(1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Company consolidated or merged, or that acquired or leased such property and assets (the "**Surviving Person**") shall be a corporation organized and validly existing under the laws of India and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes and the Security Documents, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture and the Notes shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the proviso of paragraph (1) of the covenant described under "— Certain Covenants — Limitation on Indebtedness"; *provided* that this clause (3) shall not apply to any such consolidation, merger, sale, conveyance, transfer, lease or other disposition with, into or to a Restricted Subsidiary;

(5) the Company shall deliver to the Trustee (x) an Officer's Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

(6) each Subsidiary Guarantor shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person, as the case may be, in accordance with the Notes and the Indenture; and

(7) no Rating Decline shall have occurred.

No Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Subsidiary Guarantor and its Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor), unless each of the following conditions is met:

(1) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Subsidiary Guarantor consolidated or merged, or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction in accordance with the Indenture;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US$1.00 of Indebtedness under the proviso of paragraph (1) of the covenant described under "— Certain Covenants — Limitation on Indebtedness"; *provided* that this clause (4) shall not apply to any such consolidation, merger, sale, conveyance, transfer, lease or other disposition with, into or to a Restricted Subsidiary;

(5) the Company shall deliver to the Trustee (x) an Officer's Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to any sale or other disposition that complies with the "Limitation on Asset Sales" covenant or any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with the provisions described under "— The Subsidiary Guarantees — Release of the Subsidiary Guarantees."

The foregoing provisions would not necessarily afford Holders protection in the event of highly leveraged or other transactions involving the Company or the Subsidiary Guarantors that may adversely affect Holders.

No Payments for Consents

The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes or any Subsidiary Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment. Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange or tender offer, the Company and any Restricted Subsidiary may exclude (i) Holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined under the Securities Act, and (ii) Holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company or any Restricted Subsidiary to comply with the registration requirements or other similar requirements under any securities laws of such jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(1) the Company (a) has deposited with the Trustee, in trust, cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture and an Opinion of Counsel to the effect that the Holders have a valid, perfected, exclusive Lien over such trust;

(2) the Company has delivered to the Trustee an Opinion of Counsel from a law firm of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;

(3) the Company shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others;

(4) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of the Restricted Subsidiaries is a party or by which the Company or any of the Restricted Subsidiaries is bound;

(5) the Company shall have delivered to the Trustee an Opinion of Counsel from a law firm of recognized international standing with respect to U.S. tax matters to the effect that the Holders of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred, and, such Opinion of Counsel must be based on a ruling of the U.S. Internal Revenue Service or a change in applicable U.S. federal income tax law.

In the case of either discharge or defeasance of the Notes, each of the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture will further provide that the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4) and (7) under the first paragraph and (3), (4) and (6) under the second paragraph under "— Consolidation, Merger and Sale of Assets" and all the covenants described herein under "— Certain Covenants," other than as described under "— Certain Covenants — Government Approvals and Licenses; Compliance with Law" and "— Certain Covenants — Anti-Layering," and clause (3) under "Events of Default" with respect to such clauses (3), (4) and (6) under the first paragraph and (3), (4) and (6) under the second paragraph under "— Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, clause (4) under "— Events of Default" with respect to such other covenants and clauses (5), (6), (7) and (8) under "— Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee, in trust, of cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, and the satisfaction of the provisions described in clause (2) and (5) of the preceding paragraph; provided that the Opinion of Counsel with respect to U.S. tax matters need not be based on a ruling of the U.S. Internal Revenue Service or a change in applicable U.S. federal income tax law.

Defeasance and Certain Other Events of Default

In the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of cash in U.S. dollars and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company and the Subsidiary Guarantors will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any other Security Document may be amended, without the consent of any Holder:

(1) to cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, Subsidiary Guarantees, the Intercreditor Agreement or any Security Document;

(2) to comply with the provisions described under "— Consolidation, Merger and Sale of Assets";

(3) to evidence and provide for the acceptance of appointment by a successor Trustee or a successor Security Trustee;

(4) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(5) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(6) to effect any changes to the Indenture in a manner necessary to comply with the procedures of the relevant clearing system;

(7) to add any Subsidiary Guarantor or any Subsidiary Guarantee or release any Subsidiary Guarantor from any Subsidiary Guarantee as provided or permitted by the terms of the Indenture;

(8) to release any Liens on the Collateral as provided or permitted by the terms of the Indenture;

(9) to conform the text of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement or any other Security Document to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any other Security Document;

(10) to add additional collateral to secure the Notes and any Subsidiary Guarantee and any other Indebtedness permitted to be secured by such additional collateral;

(11) to enter into any amendments or modifications to the Security Documents (including the Intercreditor Agreement), and take any other action, in any such case necessary to permit or for the purposes of permitting the creation, registration, perfection and maintenance of Liens on any Collateral, the Excluded Collateral or any other assets of the Company or its subsidiaries in accordance with the Indenture; or

(12) to make any other change that would provide additional rights or benefits to the Trustee or that does not materially and adversely affect the rights of any Holder.

Amendments With Consent of Holders

Amendments of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any Security Document may be made by the Company, the Subsidiary Guarantors and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Company and the Subsidiary Guarantors with any provision of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement and any Security Document; *provided*, *however*, that no such modification, amendment or waiver may, without the consent of each Holder affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the place, currency or time of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or any Subsidiary Guarantee;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(8) release any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in the Indenture;

(9) release any Collateral, except as provided in the Indenture or the Security Documents;

(10) amend, change or modify any Subsidiary Guarantee in a manner that adversely affects the Holders;

(11) amend, change or modify any provision of any Security Document or the Indenture relating to any Collateral, in a manner that adversely affects the Holders, except in accordance with the provisions of the Indenture;

(12) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from an Asset Sale or change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from an Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from an Asset Sale;

(13) change the redemption date or the redemption price of the Notes from that stated under "— Redemption for Taxation Reasons";

(14) amend, change or modify the obligation of the Company or any Subsidiary Guarantor to pay Additional Amounts;

(15) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes or any Subsidiary Guarantee in a manner which adversely affects the Holders; or

(16) amend, change or modify any obligation of the Company described under "— Redemption of Notes Upon Certain Changes in Capital or Currency Exchange Controls."

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any Subsidiary Guarantor or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under relevant laws.

Concerning the Trustee and the Paying Agent

Citicorp International Limited is to be appointed as Trustee under the Indenture, and Citibank, N.A., London Branch is to be appointed as registrar and paying agent under the Indenture (the "**Paying Agent**") with regard to the Notes. Except during the continuance of a Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and the Notes (as the case may be), and no implied covenant or obligation shall be read into the Indenture or the Notes (as the case may be) against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will be required to use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the Notes or the Subsidiary Guarantees (as the case may be) as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Pursuant to the terms of the Indenture, the Notes or the Subsidiary Guarantees (as the case may be), the Company and the Subsidiary Guarantors will reimburse the Trustee for all properly incurred expenses.

If the Company maintains a paying agent in a European Union member state, then it will ensure that it maintains a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive amending, supplementing or replacing such Directive or any law implementing or complying with, or introduced in order to conform to, such Directive.

Book-Entry; Delivery and Form

The certificates representing the Notes will be issued in fully registered form without interest coupons. Notes sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Regulation S Global Note") and will be deposited with Citibank, N.A., London Branch, as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Restricted Global Note;" and together with the Regulation S Global Notes, the "Global Notes") and will be deposited with Citibank, N.A., London Branch, as custodian for, and registered in the name of a nominee of, DTC.

Each Global Note (and any Notes issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in a Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such system. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer, any of the Guarantors, the Trustee, the Registrar nor the Principal Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected through DTC, in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving beneficial interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositaries for Clearstream or Euroclear. Because of time zone differences, the securities account of a Euroclear participant or Clearstream participant purchasing a beneficial interest in a global note from a participant will be credited during the securities settlement processing day immediately following the DTC settlement date and such credit of any transactions in beneficial interests in such global note settled during such processing will be reported to the relevant Euroclear participant or Clearstream participant on such Business Day. Cash received in Euroclear or Clearstream as a result of sales of beneficial interests in a global note by or through a Euroclear participant or Clearstream participant to a participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

The Issuer expects that DTC will take any action permitted to be taken by a Holder (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC will exchange the applicable Global Note for Certificated Notes, which it will distribute to its participants and which may be legended as set forth under the heading "Transfer Restrictions."

Information Concerning DTC

We understand as follows with respect to DTC:

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "**Participants**") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "**Indirect Participants**"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Although the foregoing sets out the procedures of DTC in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of DTC, it is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Trustee or any of their respective agents will have responsibility for the performance of DTC or its participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Information Concerning Euroclear and Clearstream

We understand as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Trustee or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid (if intended for the Company, any Subsidiary Guarantor or the Trustee) addressed to the Company, such Subsidiary Guarantor or the

Trustee, as the case may be, at the corporate trust office of the Trustee and, if intended for any Holder, addressed to such Holder at such Holder's last address as it appears in the Note register (or otherwise delivered to such Holders in accordance with applicable DTC, Euroclear or Clearstream procedures).

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of the relevant clearing system. Any such notice shall be deemed to have been delivered on the day such notice is delivered to the relevant clearing system or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each Subsidiary Guarantor will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint National Corporate Research, Ltd. for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, each of the Subsidiary Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. The Security Documents relating to the Collateral will be governed by the laws of the Republic of India.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"**AAI**" means The Airports Authority of India, an Indian government authority established under the Airports Authority of India Act 1994, and its successors and assigns under the OMDA.

"**Acquired Indebtedness**" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"**AERA**" means The Airports Economic Regulatory Authority of India.

"**Aeronautical Assets**" means those assets, which are necessary or required for the performance of aeronautical services at the Airport and such other assets as the Company procures or in accordance with the Project Agreements (or otherwise on the written directions of the Government of India or AAI) for or in relation to the provision of services such as customs, immigration, security at the Airport (in respect of Aeronautical Assets and related services only, and specifically excluding areas removed from the vicinity of Aeronautical Assets), health, meteorology, plant and animal quarantine, communications, navigation, surveillance, air traffic management, and other statutory or sovereign functions under any applicable laws, and shall specifically include all land, property and structures thereon acquired or leased during the term of the OMDA in relation to such Aeronautical Assets.

"**Affiliate**" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse, child or step child, parent or step parent, brother, sister, step brother or step sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. When used in the covenant described under "Limitation on Transactions with Shareholders and Affiliates," an Affiliate of the Company shall not include the Government of India or Persons controlled by or under common control with the Government of India.

"**Airport**" means the Indira Gandhi International Airport located on the land leased by the Company from AAI pursuant to the Lease Deed.

"**Airport Operator Agreement**" means the airport operator agreement with respect to the Airport between the Company and Fraport AG Frankfurt Airport Services Worldwide, dated May 1, 2006, as amended from time to time.

"**Asset Acquisition**" means (1) an investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any Restricted Subsidiary; or (2) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

"**Asset Disposition**" means the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any Restricted Subsidiary.

"**Asset Sale**" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock of a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; *provided* that "Asset Sale" shall not include:

(1) sales or other dispositions of inventory, receivables and other assets in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made by the covenant described under "— Certain Covenants — Limitation on Restricted Payments";

(3) sales, transfers or other dispositions of assets or issuances or sales of Capital Stock of the Company or any Restricted Subsidiary with a Fair Market Value not in excess of US$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(4) any sale, conveyance, transfer or other disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Restricted Subsidiary which is otherwise permitted under the Indenture;

(5) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or the Restricted Subsidiaries;

(6) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Lien permitted by the Indenture;

(7) a transaction governed by the covenant described under "— Consolidation, Merger and Sale of Assets" or "— Repurchase of Notes Upon a Change of Control Triggering Event";

(8) the sale or other disposition of cash or Temporary Cash Investments;

(9) the lease, license, assignment or sublease of any real or personal property in connection with the Permitted Business;

(10) any transfer, termination, unwinding or other disposition of Hedging Obligations in accordance with the terms thereof;

(11) Sale and Leaseback Transactions with respect to any property or assets within 180 days of the acquisition of such property or assets;

(12) any surrender, expiration or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(13) licenses, sub-licences, grants, leases and sub-leases (as lessee, sublessee, lessor, sublessor, licensee, sublicensee, licensor, sublicensor or grantee) of software, patents, trademarks, know-how or any other intellectual property, general intangibles or other property (including real or tangible property) in the ordinary course of business;

(14) transfers resulting from any casualty or condemnation of property; or

(15) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements.

"**Attributable Indebtedness**" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"**Average Life**" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"**Board of Directors**" means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company and, to the extent permitted under the OMDA, any committee of such board duly authorized to take the action purported to be taken by such committee.

"**Board Resolution**" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"**Business Day**" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Hong Kong or New Delhi (or in any other place in which payments on the Notes are to be made) are authorized or required by law or governmental regulation to close.

"**Capitalized Lease**" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

"**Capitalized Lease Obligations**" means the discounted present value of the rental obligations under a Capitalized Lease.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"**Change of Control**" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" within the meaning Section 13(d) of the Exchange Act, other than to one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, other than any such transaction where holders of a majority of the Voting Stock of the Company, immediately prior to such transaction, hold securities of the surviving or transferee Person, immediately after such transaction, that represent at least a majority of the Voting Stock of such surviving or transferee Person and in substantially the same proportion as before such transaction;

(3) (a)(i) the Permitted Holders are the beneficial owners (as such term is used in Rule 13d-3 of the Exchange Act) of less than 26% of the total voting power of the Voting Stock of the Company or (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), is or becomes the "beneficial owner," directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders; and (b) the Permitted Holders cease to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of Voting Stock, by contract or otherwise; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Company.

"**Change of Control Triggering Event**" means the occurrence of a Change of Control and, in the case of paragraph (3) of the definition of Change of Control, a Rating Decline.

"**Clearstream**" means Clearstream Banking, *société anonyme*, Luxembourg.

"**CNS-ATM Agreement**" means the agreement for the provision of communications, navigation, surveillance and air traffic movement facilities and services between AAI and the Company, dated April 25, 2006, as amended from time to time.

"**Commodity Hedging Agreement**" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to manage the costs of commodities or to protect against fluctuations in commodity prices.

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and includes, without limitation, all series and classes of such common stock or ordinary shares.

"**Consolidated EBITDA**" means, with respect to any Person for any period, Consolidated Net Income of such Person for such period, plus (or, with respect to a gain, minus), to the extent such amount was deducted (or, in the case of a gain, included) in calculating such Consolidated Net Income:

(1) Consolidated Fixed Charges;

(2) provision for taxes based on income, profits or capital, including, without limitation, state, franchise, property and similar taxes and withholding taxes (including penalties and interest related to such taxes or arising from tax examinations);

(3) depreciation expense, amortization expense and all other non-cash items (including the amortization of intangible assets, deferred financing fees and amortization of unrecognized prior service costs) reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period);

(4) any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) included in non-operating income and any foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Company and its Restricted Subsidiaries;

(5) any losses attributable to termination of employee pension plans and other post-employment benefits;

(6) any gains or losses arising from the acquisition of any securities or extinguishment, repurchase, cancellation or assignment of Indebtedness;

(7) any unrealized gains or loss in respect of Hedging Obligations or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(8) all proceeds actually received of business interruption insurance policies to the extent the related loss is not otherwise added back pursuant to this definition and to the extent that such reimbursement is not otherwise reflected in Consolidated Net Income; and

(9) expenses incurred by the Company or any Subsidiary to the extent reimbursed by a third-party and to the extent that such reimbursement is not otherwise reflected in Consolidated Net Income,

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in conformity with GAAP; *provided* that (i) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of the Restricted Subsidiaries; and (ii) notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary, that is not a Subsidiary Guarantor, of a Person will be added to the Consolidated Net Income to compute Consolidated EBITDA of such person.

"**Consolidated Fixed Charges**" means, with respect to any Person for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of such Person or any of its Restricted Subsidiaries, except for dividends payable in the Company's Capital Stock (other than Disqualified Stock).

"**Consolidated Interest Expense**" means, with respect to any Person for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of such Person and its Restricted Subsidiaries, plus, to the extent not included therein, and to the extent incurred, accrued or payable during such period by such Person and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is Guaranteed by, or secured by a Lien on any asset of, such Person or any of its Restricted Subsidiaries and (7) any capitalized interest; *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

"**Consolidated Net Income**" means, with respect to any Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that, subject to the exclusion contained in clause (5) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below);

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of the Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of the Restricted Subsidiaries;

(3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other constitutive document or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains realized on the sale or other disposition of (a) any property or asset of the Company or any Restricted Subsidiary that is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Company or a Restricted Subsidiary realized on sales of Capital Stock of the Company or of any Restricted Subsidiary);

(6) any translation gains and losses due solely to fluctuations in currency values and related tax effects;

(7) any extraordinary or exceptional gains or losses, charges or expenses;

(8) non-cash expenses attributable to movements in the mark-to-market valuation of Hedging Obligations; and

(9) amortization of or charges or expenses relating to deferred financing fees, debt issuance costs, commissions, fees and expenses, expensing of any bridge, commitment or other financing fees.

"**Consolidated Net Worth**" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly, semi-annual or annual consolidated balance sheet of the Company and the Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of the Restricted Subsidiaries, each item to be determined in conformity with GAAP.

"**Credit Facilities**" means, with respect to the Company or any of its Restricted Subsidiaries, one or more debt facilities or other financing arrangements (excluding working capital facilities but including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, supplemental or refinancing facility, arrangement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (*provided* that such increase in borrowings or issuances is permitted under "Limitation on Indebtedness") or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or other holders.

"**Currency Hedging Agreement**" means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, commodity option agreement or any other similar agreement or arrangement which may consist of one or more of the foregoing agreements, designed to manage, or protect against, fluctuations in currency prices currencies and currency risk.

"**Debt Documents**" means, collectively, the Indenture, the Notes, the Subsidiary Guarantees, the documents evidencing the Existing Senior Debt and any related guarantees and the documents evidencing any Permitted Refinancing Indebtedness or Permitted Pari Passu Secured Indebtedness.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the date that is 183 days after the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the date that is 183 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such

Capital Stock than the provisions contained in the "— Limitation on Asset Sales" and "— Repurchase of Notes upon a Change of Control Triggering Event" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of such Notes as are required to be repurchased pursuant to the covenants described under "— Certain Covenants — Limitation on Asset Sales" and "— Repurchase of Notes upon a Change of Control Triggering Event."

"**DTC**" means the Depository Trust Company and its successors.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

"**ECB Facility Agreement**" means the US$108,000,000 ECB loan facility agreement, dated July 24, 2013, between the Company and IDBI Bank Limited.

"**Equity Offering**" means any underwritten public offering of Common Stock of the Company after the Original Issue Date to any Person other than to an Affiliate of Company or any Permitted Holder; *provided* that the aggregate gross cash proceeds received by the Company from such transaction will be no less than US$20 million (or the Dollar Equivalent thereof).

"**Escrow Account Agreement**" means the escrow account agreement between ICICI Bank Limited, the Company and AAI, dated April 28, 2006, as amended from time to time.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Excluded Collateral**" means (1) with respect to the assets granted as security under the Existing Senior Debt (excluding the Existing Notes (except with respect to the right of substitution in accordance with the Substitution Agreement)), (a) a pledge over the shares in the Company, (b) right of substitution in accordance with the Substitution Agreement; (c) all monies required to be credited/deposited into debt service reserve accounts established for the benefit of the creditors under the Existing Senior Debt (excluding the Existing Notes) and (d) all monies required to be credited/deposited into the major maintenance reserve account under the Trust and Retention Account Agreement; and (2) with respect to the assets granted as security under other loan agreements, (a) receipt/receivable of certain airport development fees from AAI as authorized by AERA, (b) receipt/receivable of passenger service fees (security component), collected by the Company per embarking passenger as per the provisions of the State Support Agreement, and (c) security equipment purchased with the proceeds of certain of such loans.

"**Existing Hedging Facility**" means hedging arrangements with IDBI Bank Limited and ICICI Bank Limited in effect on the Original Issue Date, as amended from time to time.

"**Existing Notes**" means the 6.125% Senior Secured Notes due 2022 issued by the Company pursuant to an indenture dated February 3, 2015, as amended from time to time.

"**Existing Senior Debt**" means the Existing Notes, the Existing Working Capital Facility; and the Existing Hedging Facility.

"**Existing Working Capital Facility**" means the master facility agreement, dated July 14, 2006, between the Company and ICICI Bank Limited, as amended through amendment agreements dated April 26, 2007, November 19, 2007, July 29, 2008, July 13, 2009, August 31, 2010, January 23, 2012, February 25, 2013, January 30, 2014, March 21, 2014 and May 7, 2015, as amended and/or restated from time to time.

"**Fair Market Value**" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"**Fixed Charge Coverage Ratio**" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) (the "**Four Quarter Period**") to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

(1) *pro forma* effect shall be given to any Indebtedness Incurred, repaid or redeemed during the period (the "**Reference Period**") commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness;

(2) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate will be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Hedging Agreement applicable to such Indebtedness if such Interest Rate Hedging Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(3) *pro forma* effect will be given to the creation, designation or redesignation of Restricted Subsidiaries and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(4) *pro forma* effect will be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(5) *pro forma* effect will be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (4) or (5) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such *pro forma* calculation will be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"**GAAP**" means generally accepted accounting principles in India as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis. At any time after the date of the Indenture, the Company may elect to apply IFRS for all purposes of the Indenture, in lieu of Indian GAAP, and, upon any such election, references herein to GAAP will be thereafter construed to mean IFRS, as in effect from time to time.

"**Global Certificates**" means the Restricted Global Certificates and the Unrestricted Global Certificates.

"**Guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Hedging Agreement.

"**Holder**" means the Person in whose name a Note is registered in the Note register.

"**IFRS**" means the International Financial Reporting Standards.

"**Incur**" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock (to the extent provided for when the Indebtedness or Preferred Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"**Indebtedness**" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person (other than Indebtedness of a JV Company that is secured by the Company or a Restricted Subsidiary solely with the Capital Stock in such JV Company held by the Company or Restricted Subsidiary); *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations;

(9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends; and

(10) any Preferred Stock issued by (a) such Person, if such Person is a Restricted Subsidiary or (b) any Restricted Subsidiary of such Person, valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

For the avoidance of doubt, Capital Stock with respect to which there is a mandatory put option granted to a Person that obligates the Company or any Restricted Subsidiary to repurchase the Capital Stock of any Restricted Subsidiary or any other Person shall be deemed to be Indebtedness.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided*

(1) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(2) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(3) that the amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if the Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation terminated at that time due to default by such Person.

For the avoidance of doubt, none of the following will constitute Indebtedness (i) obligations in respect of taxes, workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, (ii) obligations arising from the endorsement of negotiable instruments in the ordinary course of business and (iii) deposits and advance payments received in connection with the Permitted Business.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any asset or property to be used in the ordinary course of business by the Company or any Restricted Subsidiary in the Permitted Business (including any such purchase through the acquisition of Capital Stock of any Person that owns such asset or property, which will, upon such acquisition, become a Restricted Subsidiary), the term "Indebtedness" will not include post-closing payment obligations of the Company or such Restricted Subsidiary to which the seller may become entitled to the extent the amount of such payment is determined by a final closing balance sheet, final reserve assessment or a similar report or document or such payment depends on the performance of such asset or property after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment obligation is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 180 days thereafter.

"**Independent Engineer**" means an independent engineer of recognized standing and qualification with respect to the development of the Airport, as selected by the Company.

"**Initial Public Offering**" means an Equity Offering following which there is a Public Market and, as a result of which, the Common Stock of the Company in such offering is listed on an internationally recognized stock exchange or traded on an internationally recognized stock market.

"**Intercreditor Agreement**" means the amended and restated intercreditor agreement entered into between Axis Trustee Services Limited, ICICI Bank Limited and Citicorp International Limited, dated the Original Issue Date, as may be further amended from time to time.

"**Interest Rate Hedging Agreement**" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to manage the interest component of financing cost or to protect against fluctuations in interest rates.

"**Investment**" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or

(4) any Guarantee of any obligation of another Person.

For the purposes of the provisions of the covenants described under "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries" and "— Certain Covenants — Limitation on Restricted Payments": (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the Company's direct or indirect proportionate interest in the assets (net of the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary calculated as of the time of such designation, and (2) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"**Investment Grade**" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P and/or Moody's, as the case may be.

"**JV Company**" means any Person in which the Company or a Restricted Subsidiary owns more than 10% and less than 50% of the Voting Stock, directly or indirectly, and has the right to participate in the management of such Person.

"**Lease Deed**" means the lease deed relating to the land on which the Airport is located dated April 25, 2006 between AAI as the lessor and the Company as the lessee, and includes any subsequent amendments thereto.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"**Master Plan**" means the master plan for the development of the Airport which sets out the plans for the staged developments of the Airport, covering aeronautical and non-aeronautical services for a 20 year time period, as described in this offering memorandum and as such master plan may be amended and supplemented from time to time in accordance with the OMDA and the State Support Agreement.

"**Material Acquisitions or Dispositions**" means any transaction that would require the preparation of *pro forma* financial information pursuant to Rule 11-01(a) or (b) of Regulation S-X promulgated under the Securities Act, assuming that such Rule were applicable to the Company.

"**Memorandum of Hypothecation**" means the memorandum of hypothecation entered into between the Company and Axis Trustee Services Limited in favor of the Holders and the Trustee, dated the Original Issue Date.

"**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"**Net Cash Proceeds**" means:

(1) with respect to any Asset Sale (other than the issuance or sale of Capital Stock), the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

    (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

    (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and the Restricted Subsidiaries, taken as a whole;

(c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

(d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP;

(e) all distributions and other payments required to be made to minority interest holders in Subsidiaries or JV Companies as a result of such Asset Sale or the distribution of proceeds from such Asset Sale made by a Subsidiary or a JV Company; and

(f) payments made to AAI relating to such Asset Sale, if any, solely to the extent required and actually paid under the revenue sharing arrangements with AAI set forth in the OMDA; and

(2) with respect to any Asset Sale consisting of the issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Non-Aeronautical Assets**" means all assets required or necessary for the performance of non-aeronautical services at the Airport as listed in the OMDA.

"**Offer to Purchase**" means an offer to purchase Notes by the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

(1) the provision in the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "**Offer to Purchase Payment Date**");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or any amount in excess thereof which is an integral multiple of US$1,000.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Company for payment on the Offer to Purchase Payment Date. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officer's Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders of Notes so accepted payment of an amount equal to the purchase price, and upon receipt of written order of the Company signed by an Officer the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or any amount in excess thereof which is an integral multiple of US$1,000. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"**Officer**" means an officer or director of the Company or, in the case of a Restricted Subsidiary, one of the directors or officers of such Restricted Subsidiary.

"**Officer's Certificate**" means a certificate signed by an Officer.

"**OMDA**" means the Operation, Management and Development Agreement dated April 4, 2006 between the Company and AAI, as amended from time to time.

"**Opinion of Counsel**" means a written opinion from legal counsel (including local counsel for jurisdictions other than the State of New York with respect to agreements or documents governed by any law other than the State of New York) which opinion is reasonably acceptable to the Trustee and where applicable that meets any specific requirements set out in the Indenture; *provided* that legal counsel shall be entitled to rely on certificates of the Company and any Subsidiary of the Company as to matters of fact.

"**Original Issue Date**" means the date on which the Notes are initially issued under the Indenture.

"**Permitted Business**" means any business contemplated by the OMDA and any other business reasonably related or ancillary thereto.

"**Permitted Holders**" means GMR Airports Limited and any of its Affiliates (other than an Affiliate as defined in clause (2) of the definition of Affiliate).

"**Permitted Investment**" means:

(1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or will be merged or consolidated with or into, or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) cash or Temporary Cash Investments;

(3) payroll, travel and similar advances made in the ordinary course of business to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) any Investment pursuant to a Hedging Obligation designed solely to protect the Company or any Subsidiary Guarantor against fluctuations in commodity prices, interest rates or foreign currency exchange rates;

(5) Investments consisting of consideration received in connection with an Asset Sale and made in compliance with, the covenant described under "— Certain Covenants — Limitation on Asset Sales";

(6) loans or advances to vendors, contractors, suppliers, distributors or service providers, including advance payments for equipment and machinery made to the manufacturer or supplier thereof, of the Company or any Restricted Subsidiary in the ordinary course of business and dischargeable in accordance with customary trade terms;

(7) Investments in existence on the Original Issue Date in the Company's JV Companies and Unrestricted Subsidiary, and any Investment consisting of an extension of the term or renewal of any Investment existing on, or made pursuant to a binding commitment existing on the Original Issue Date, in each case where such investments are described in this offering memorandum;

(8) any Investments received in compromise, resolution or satisfaction of (a) obligations of trade creditors or customers that were incurred in connection with the Permitted Business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (b) litigation, arbitration or other disputes with Persons who are not Affiliates;

(9) loans or advances to employees made in the ordinary course of business in an aggregate principal amount not to exceed US$5 million (or the Dollar Equivalent thereof) at any one time outstanding;

(10) repurchases of the Notes;

(11) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(12) Investments consisting of endorsement of negotiable instruments and documents in the ordinary course of business;

(13) notes payable, receivables, trade credits or other current assets owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(14) (i) pledges or deposits made in the ordinary course of business to secure payment of utility contracts or (ii) Investments consisting of earnest money deposits or escrowed money required in connection with any acquisition, joint venture or acquisition of assets not otherwise prohibited by the Indenture or the Security Documents;

(15) an acquisition of assets used in a Permitted Business or Capital Stock in a Person engaged in a Permitted Business by the Company or a Subsidiary for consideration to the extent such consideration consists solely of Common Stock of the Company; and

(16) any Guarantee Incurred under clause (2)(h) of the covenant described under "Certain Covenants — Limitation on Indebtedness."

"**Permitted Liens**" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure (i) the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, completion guarantees, surety and appeal bonds, government contracts, performance and return-of-money bonds; (ii) reimbursement obligations with respect to letters of credit, performance and surety bonds and completion guarantees and other obligations of a similar nature; (iii) liability for premiums to insurance carriers; (iv) posted cash as collateral for guarantees (in each case, incurred in the ordinary course of business and exclusive of obligations for the payment of borrowed money); and (v) performance under the bank guarantee facility availed for maintaining debt service reserve accounts under the Trust and Retention Account Agreement;

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and the Restricted Subsidiaries, taken as a whole;

(5) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person (i) becomes a Restricted Subsidiary or (ii) is merged with or into or consolidated with the Company or any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets of such Person (if such Person becomes a Restricted Subsidiary) or the property or assets acquired by the Company or such Restricted Subsidiary (if such Person is merged with or into or consolidated with the Company or such Restricted Subsidiary); *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary; *provided further* that such Liens shall not include Liens incurred under paragraph (25) of this definition;

(6) Liens in favor of the Company or any Subsidiary Guarantor;

(7) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that do not give rise to an Event of Default;

(8) Liens securing reimbursement obligations with respect to letters of credit, performance and surety bonds and completion guarantees that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(9) Liens existing on the Original Issue Date;

(10) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under paragraph (2)(d) of the covenant described under "— Certain Covenants — Limitation on Indebtedness," *provided* that in the case of Indebtedness described under paragraphs (2)(d)(i)(A) and (2)(d)(i)(B), such Liens do not (i) extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced and the Excluded Collateral; and (ii) rank higher in priority than the Liens on such property or assets securing the secured Indebtedness being refinanced, whether by priority of such Lien or the priority of payment on enforcement of such Lien;

(11) Liens securing Hedging Obligations permitted to be Incurred under paragraph (2)(e) of the covenant described under "— Certain Covenants — Limitation on Indebtedness," *provided* that (i) Indebtedness relating to any such Hedging Obligation is, and is permitted under the covenant described under "— Certain Covenants — Limitation on Liens" to be, secured by a Lien on the same property securing such Hedging Obligation or (ii) such Liens are encumbering customary initial deposits or margin deposits or are otherwise within the general parameters customary in the industry and incurred in the ordinary course of business;

(12) Liens on the Collateral securing the Notes (including any Additional Notes issued in accordance with the Indenture) and the Rupee Notes;

(13) Liens securing Attributable Indebtedness that is permitted to be Incurred under the Indenture;

(14) leases and licenses of intellectual property that do not materially interfere with the ordinary course of business of the Company and the Restricted Subsidiaries, taken as a whole;

(15) Liens securing Permitted Pari Passu Secured Indebtedness;

(16) Liens on deposits securing trade letters of credit (and reimbursement obligations relating thereto) incurred in the ordinary course;

(17) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, leases, sewers, electric lines, gas lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(18) security provided, or caused to be provided in the ordinary course of business (and not in connection with the borrowing of money or the obtaining of credit) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Company and its Restricted Subsidiaries;

(19) Liens incurred or pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits;

(20) Liens arising out of conditional sale, title retention consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business in accordance with past practice;

(21) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by the Company granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, netting arrangements or sweep accounts; *provided* that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (directly or indirectly) the repayment of any Indebtedness;

(22) Liens (unless such Liens are non-consensual) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(23) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(24) Liens (unless such Liens are non-consensual) on equipment of the Company or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure obligations of such Unrestricted Subsidiary;

(26) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture and the OMDA; and

(27) Liens in connection with any disposition of Capital Stock of a Restricted Subsidiary pursuant to Indian regulatory or shareholding requirements, including, without limitation, the ability to enter into put or call arrangements with third parties.

"**Permitted Pari Passu Secured Indebtedness**" means Senior Indebtedness Incurred pursuant to paragraphs (1), (2)(a), 2(d), 2(e) and (2)(f) of "— Certain Covenants — Limitation on Indebtedness" and Permitted Refinancing Indebtedness thereof.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Preferred Stock**" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Project Agreements**" means the following agreements: the OMDA; the State Support Agreement; the Shareholders Agreement; the CNS-ATM Agreement; the Airport Operator Agreement; the State Government Support Agreement; the Lease Deed; the Substitution Agreement; and the Escrow Account Agreement.

"**Public Market**" means, upon the consummation of an Equity Offering, either (i) 20% or more of the total issued and outstanding Common Stock of the Company or (ii) Common Stock of the Company with a market value in excess of US$100 million (or the Dollar Equivalent thereof), has been distributed to investors other than Affiliates of the Company or any Permitted Holders.

"**Qualified Concessionaire Deposits**" means deposits held by the Company received from Persons to which the Company has granted a concession pursuant to the rights granted to the Company under the OMDA where the terms of such deposit require repayment no earlier than the date that is six months after the final maturity date of the Notes.

"**Rating Agencies**" means S&P and Moody's; *provided* that if either or both of S&P and Moody's shall not make a rating of the Notes publicly available, one or more nationally recognized statistical rating organizations (as defined in Section 3(a)(62) under the Exchange Act), as the case may be, selected by the Company, which shall be substituted for S&P and/or Moody's, as the case may be.

"**Rating Category**" means (1) with respect to S&P, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (3) the equivalent of any such category of S&P or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means in connection with actions contemplated under "— Consolidation, Merger and Sale of Assets" and "— Repurchase of Notes Upon a Change of Control Triggering Event," that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"**Rating Decline**" means in connection with actions contemplated under "— Consolidation, Merger and Sale of Assets" and "— Repurchase of Notes Upon a Change of Control Triggering Event," the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(1) in the event the Notes are rated by two of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by either of such two Rating Agencies shall be below Investment Grade;

(2) in the event the Notes are rated by one, and only one, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(3) in the event the Notes are rated below Investment Grade by all of the Rating Agencies (or the sole Rating Agency) on the Rating Date, the rating of the Notes by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"**Restricted Subsidiary**" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"**Rupee Facility Agreement**" means the Rs.30.4 billion rupee facility, dated December 21, 2013, between the Company and IDFC Limited, IIFCL and ICICI Bank Limited, as amended from time to time.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security Document**" means all security agreements, pledge agreements, assignments, mortgages, deeds of trust, security trustee or collateral agency agreements, control agreements or other grants or transfers of security executed and delivered by the Company and any Subsidiary Guarantor creating (or purporting to create) a Lien upon the Collateral in favor of the Security Trustee for the benefit of the Holders and the Trustee, including, without limitation, the Memorandum of Hypothecation, the Security Trustee Agreement and the Intercreditor Agreement.

"**Security Trustee Agreement**" means the third amended and restated security trustee agreement between the Company, Axis Trustee Services Limited, Citicorp International Limited and ICICI Bank Limited, dated the Original Issue Date.

"**Senior Indebtedness**" of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes or (b) in respect of any Subsidiary Guarantor, its Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) Trade Payables or (3) Indebtedness Incurred in violation of the Indenture.

"**Shareholders Agreement**" means the shareholders agreement between AAI, the Company, GMR Infrastructure Ltd., GMR Energy Ltd., GVL Investments Pvt. Ltd., Fraport AG Frankfurt Services Worldwide, Malaysia Airports (Mauritius) Private Limited and India Development Fund, dated April 4, 2006.

"**Significant Subsidiary**" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated under the Securities Act, as such regulation is in effect on the Original Issue Date.

"**Sponsor Bridge Financing**" means any Indebtedness of the Company that is (i) Incurred pursuant to clause (1) or (2)(a) under the covenant described under "— Limitation on Indebtedness"; (ii) provided by GMR Infrastructure Limited or one of its Subsidiaries as Subordinated Indebtedness; (iii) approved by all of the creditors under the Company's existing Indebtedness at the time such Sponsor Bridge Financing is Incurred; and (iv) used to fund Required Capital Expenditure.

"**State Government Support Agreement**" means the state government support agreement in relation to the modernizing and upgrading of Indira Gandhi International Airport, Delhi, between the Government of National Capital Territory of Delhi and the Company, dated April 26, 2006.

"**State Support Agreement**" means a support agreement dated April 26, 2006 and entered into between the Company and the Government of India, acting through the Secretary of the Ministry of Aviation pursuant to the OMDA.

"**Stated Maturity**" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means any Indebtedness of the Company or any Subsidiary Guarantor that is contractually subordinated or junior in right of payment to the Notes or to any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"**Subsidiary Guarantee**" means any Guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

"**Subsidiary Guarantor**" means any Restricted Subsidiary that Guarantees the obligations of the Company under the Indenture and the Notes; *provided* that "Subsidiary Guarantor" does not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

"**Substitution Agreement**" means the substitution agreement dated July 6, 2016 between the Company, AAI and Axis Bank Limited, as the lenders agent, as amended from time to time.

"**Temporary Cash Investment**" means any of the following:

(1) direct obligations of the United States of America, Hong Kong, Singapore, a member state of the European Union or the Republic of India, or, in each case, any agency of either of the foregoing or obligations fully and unconditionally Guaranteed by such country or any agency of the foregoing, in each case maturing within one year;

(2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank, trust company or other financial institution that is organized under the laws of the United States of America or the Republic of India or any other bank, trust company or financial institution which is authorized to carry on business in India and which bank, trust company or financial institution (x) has capital, surplus and undivided profits aggregating in excess of US$100.0 million (or the Dollar Equivalent thereof) and (y) has outstanding debt which is rated "A" or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) under the Exchange Act);

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than one year after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or India or any other bank, trust company or financial institution which is authorized to carry on business in India with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities with maturities of one year or less from the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;

(6) any money market fund that has at least 95.0% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and

(7) demand or time deposit accounts, certificates of deposit and money market deposits, bankers acceptances, in each case, in the ordinary course of business and with maturities not exceeding one year from the date of acquisition, with any lender party to a credit facility with the Company or any Restricted Subsidiary or, solely in the ordinary course of business of the Company or the relevant Restricted Subsidiary, with a commercial bank having capital and surplus in excess of $100 million (or the Dollar Equivalent thereof) and located in the jurisdiction where the Company or such Restricted Subsidiary is conducting business.

"**Trade Payables**" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and, unless the amount payable under such indebtedness or obligation is being contested or disputed or withheld or retained by such Person in good faith, payable within 180 days.

"**Transaction Date**" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"**Transfer Assets**" means Aeronautical Assets and Non-Aeronautical Assets.

"**Trust and Retention Account Agreement**" means the fourth trust and retention account agreement, dated the Original Issue Date, among the Company, the Security Trustee and ICICI as the account bank thereunder, as the same may be amended from time to time.

"**Unrestricted Subsidiary**" means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture and (2) any Subsidiary of an Unrestricted Subsidiary.

"**U.S. Government Obligations**" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"**Wholly Owned**" means, with respect to any Restricted Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by the Company or one or more Wholly Owned Subsidiaries of the Company.

TAXATION

The information below does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Neither these statements nor any other statements in this offering memorandum are to be regarded as advice on the tax position of any holder or beneficial owner of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposition of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this offering memorandum does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of Notes.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by our Company. The summary is based on existing Indian taxation law and practice in force at the date of this offering memorandum and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes. This summary does not purport to provide tax advice to any entity.

Taxation of Interest

The Income Tax Act, 1961 (the "Income Tax Act") is the law relating to taxation of income in India. Under the Income Tax Act, interest income payable by issuers of securities to non-resident investors is generally subject to Indian tax if the issuance proceeds are used in a business carried on by the issuer in India. Non-resident investors must pay tax on the interest at the rate of 5% under Section 115A of the Income Tax Act (plus applicable surcharge, education cess and secondary and higher education cess) on interest paid on the Notes through India subject to and in accordance with the relevant conditions of the Income Tax Act.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the government of India has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "**Tax Treaty**") and the provisions of such treaty, which provide for the taxation in India of income by way of interest at a rate lower than that stated above, are fulfilled. The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in the section titled "— *Withholding Tax*" below.

A non-resident investor is obligated to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the Income Tax Act. The non-resident Noteholders shall be obligated to provide all necessary information and documents, as may be required by our Company.

Withholding Tax

Interest payable on the foreign currency-denominated Notes to non-residents is subject to a withholding tax in India at the rate of 20% (plus various cess) subject to any applicable treaty. However, pursuant to Section 194LC of the Income Tax Act, the Notes will be subject to a reduced withholding tax rate of 5% of the interest payable (plus various cess) subject to fulfilment of the relevant conditions prescribed. This is subject to any lower rate of tax provided by an applicable Tax Treaty.

Pursuant to the terms and conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case, pursuant to Condition 8, our Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by our Company outside India or otherwise), our Company may be required to apply annually for an exemption from withholding tax under section 195(2) of the Income Tax Act.

Taxation of gains arising on disposal

Any gains arising to a non-resident investor from a disposal of the Notes held (or be deemed as held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor will not generally be chargeable to income tax in India from a disposal of the Notes held as a capital asset if the Notes are regarded as being situated outside India. The issue as to where securities such as the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being situated in India as the Company is incorporated in and a resident in India. If the Indian tax authorities treat the Notes as being situated in India, upon disposal of the Notes:

(i) a non-resident investor who has held the Notes for a period of more than 36 months (long term capital asset) immediately preceding the date of their disposal, would be liable to pay capital gains tax at the rate of 10% of the capital gains (plus applicable surcharge, education cess and secondary and higher education cess), in accordance with the provisions of the Income Tax Act. These rates are subject to any lower rate provided for by an applicable Tax Treaty;

(ii) a non-resident investor who has held the Notes for a period of 36 months or less would be liable to pay capital gains tax at the rate of up to 40% of capital gains (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor (i.e. company, individual, trust, etc.) and his taxable income in India, subject to any lower rate provided for by an applicable Tax Treaty; and

(iii) any income arising to a non-resident investor from the transfer of the Notes held as stock-in-trade would be considered as business income. Business income would be subject to income tax in India only to the extent it is attributable to a "business connection in India" or, where a Tax Treaty is applicable, to a "permanent establishment" of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such gains at the rate of up to 40% (plus applicable surcharge, education cess and secondary and higher education cess) depending on the legal status of the non resident investor and his taxable income in India, subject to any lower rate provided for by a Tax Treaty.

If applicable under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10% (plus applicable surcharge, education cess and secondary and higher education cess) and short-term capital gains at 30% or 40% (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the recipient of income, subject to any lower rate provided for by a Tax Treaty. Tax payable shall be computed in such manner as prescribed in this regard under the Income Tax Act. For the purpose of tax withholding, the non-resident Noteholders shall be obligated to provide Permanent Account Number allotted by the tax authorities and all prescribed information or documents, including a tax residency certificate (issued by the tax authorities of the country in which the investor is resident) for claiming the Tax Treaty benefits.

Potential investors should, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty would be payable if the Notes were brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable state stamp act and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

United States Taxation

This section summarizes certain U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of the Notes to U.S. Holders (as defined below). This summary does not provide a complete analysis of all potential tax considerations. The information provided below is based on U.S. federal income tax law, including the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, all as of the date hereof and subject to change, possibly with retroactive effect. There can be no assurances that the Internal Revenue Service (the "IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of acquiring, holding or disposing of the Notes. The summary generally applies only to holders that purchase Notes in the initial offering at their issue price (which is the first price at which a substantial amount of the Notes is sold for money to the public not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and that hold the Notes as "capital assets" (generally, property held for investment).

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of the holder's circumstances (for example, persons subject to the alternative minimum tax or U.S. Holders (as defined below) whose "functional currency" is not the U.S. dollar). Also, it is not intended to be applicable to all categories of holders, some of which may be subject to special rules (such as dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, banks, thrifts, regulated investment companies, insurance companies, tax-exempt organizations, former citizens or residents of the United States, persons holding Notes as part of a hedging, conversion or integrated transaction or straddle, or persons deemed to sell Notes under the constructive sale provisions of the Code). Finally, the summary does not describe the effect of U.S. federal estate and gift tax laws, and the effect of any applicable state, local or non-U.S. tax laws.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that for U.S. federal income tax purposes is (1) an individual who is a citizen or resident of the United States, (2) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, organized under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust if it (a) is subject to the primary supervision of a U.S. court and all substantial decisions of which are within the control of one or more U.S. persons or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership or any entity treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its independent tax advisor as to its tax consequences.

Investors considering the purchase of Notes should consult their own tax advisors with respect to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules or under the laws of any state, local or non-U.S. jurisdictions or under any applicable tax treaty.

Certain Contingent Payments

In certain circumstances, we may be obligated to make payments of amounts in excess of the principal amount of the Notes if we repurchase all or any part of the Notes upon the occurrence of a "Change of Control Triggering Event," as described above under "Description of the Notes—Repurchase of Notes Upon a Change of Control Triggering Event" in this offering memorandum or in excess of stated interest as described under "Description of the Notes—Additional Amounts." Our obligation to pay such excess amounts may cause the IRS to take the position that the Notes are "contingent payment debt instruments" for U.S. federal income tax purposes. If the IRS is successful in such an assertion, the timing and amount of income included and the character of gain recognized with respect to the Notes may be different from the consequences described herein. Notwithstanding this possibility, we do not believe that the Notes are contingent payment debt instruments, and consequently, we do not intend to treat the Notes as contingent payment debt instruments for U.S. federal income tax purposes. Such determination by us is binding on all holders unless a holder discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which a Note was acquired. Our determination, however, is not binding on the IRS, and the IRS could challenge this determination. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

Payments of Interest

It is anticipated that the Notes will be issued with less than a *de minimis* amount (as set forth in the applicable Treasury regulations) of original issue discount ("OID"). In such case, interest paid on the Notes generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S. holder's regular method of tax accounting for U.S. federal income tax purposes).

The amount of interest taxable as ordinary income will include amounts withheld in respect of Indian taxes and any Additional Amounts paid in respect thereof. Interest income earned with respect to the Notes will constitute foreign-source income for U.S. federal income tax purposes and will generally be considered "passive category income," which may be relevant in calculating a U.S. Holder's foreign tax credit limitation. Subject to applicable limitations, some of which vary depending upon a U.S. Holder's particular circumstances, Indian income taxes withheld from interest payments on the Notes generally will be creditable against a U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex and a U.S. Holder should consult its tax adviser regarding the availability of foreign tax credits under a holder's particular circumstances.

Sale, Exchange or Retirement of the Notes

Upon the sale, exchange or retirement of the Notes, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized (not including any amounts attributable to accrued and unpaid interest, which will be taxed as described under "Payments of Interests" above) and the U.S. Holder's tax basis in the Notes. A U.S. Holder's tax basis in the Notes generally will be equal to the U.S. dollar cost of the Notes.

Any such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the Notes have been held for more than one year at the time of its sale or exchange. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

Any gain or loss realized on the sale, exchange or retirement generally will be treated as U.S. source gain or loss, as the case may be. If, as described above under "Indian Taxation — Taxation of gains arising on disposal," Indian tax were to be imposed on any gain from the sale, exchange or retirement of the Notes, a U.S. Holder may only be able to claim a U.S. foreign tax credit for the amount of Indian tax imposed on the sale, exchange or retirement of such Notes to the extent such U.S. Holder has other income from non-U.S. sources. A U.S. Holder is urged to consult its tax advisors regarding the U.S. federal income tax consequences if Indian tax is imposed on the sale, exchange or retirement of the Notes, including the availability of the foreign tax credit under a holder's particular circumstances.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments on the Notes and the proceeds from a sale, exchange or retirement of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if such U.S. Holder fails to (i) provide its taxpayer identification number and comply with certain certification procedures or (ii) otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax and the amount of any backup withholding will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle a U.S. Holder to a refund; provided that the required information is furnished to the IRS in a timely manner.

Information Reporting for Foreign Financial Assets

Certain individuals that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 on the last day of the taxable year (or US$75,000 at any time during the taxable year) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by certain foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons (such as the Notes), (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. U.S. Holders that are individuals are urged to consult their tax advisers regarding the application of this reporting requirement to their ownership of the Notes.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US$125,000 and US$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income will generally include its gross interest income and its net gains from the disposition of the Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. Holders that that is an individual, estate or trust is urged to consult its tax advisers regarding the applicability of the Medicare tax to its income and gains in respect of an investment in the Notes.

PLAN OF DISTRIBUTION

Each of the Initial Purchasers has, pursuant to the Purchase Agreement to be dated the date of this offering memorandum (the "Purchase Agreement"), severally agreed, subject to the provisions of the Purchase Agreement, to purchase, and we have agreed to sell to each such Initial Purchaser, the principal amount of the Notes set forth opposite the name of such Initial Purchaser:

Initial Purchasers	Principal Amount of Notes
Citigroup Global Markets Inc.	US$163,312,000
Standard Chartered Bank	US$163,312,000
Axis Bank Limited, Singapore Branch	US$9,146,000
Deutsche Bank AG, Singapore Branch	US$37,366,000
Goldman Sachs (Asia) L.L.C.	US$37,366,000
The Hongkong and Shanghai Banking Corporation Limited	US$37,366,000
J.P. Morgan Securities plc	US$37,366,000
MUFG Securities EMEA plc	US$37,366,000
Total	**US$522,600,000**

The Initial Purchasers initially propose to offer the Notes at the issue prices listed on the cover page of this offering memorandum. We will be paying a combined management and underwriting commission to the Initial Purchasers and will reimburse the Initial Purchasers in respect of certain of their expenses. We have also agreed to indemnify the Initial Purchasers against certain liabilities incurred in connection with the issue of the Notes. The Purchase Agreement may be terminated in certain circumstances prior to payment of the issue price to us.

The Initial Purchasers and some of their respective affiliates have, from time to time, performed, and may in the future perform certain commercial banking, investment banking and advisory and other banking services for us and our respective affiliates for which they have received or will receive customary fees and expenses. The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve our securities and other financial instruments, including the Notes. The Initial Purchasers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or our other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Notes are a new issue of securities for which there currently is no market. The Initial Purchasers have advised the Company that they intend to make a market in the Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes, and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes.

The Initial Purchasers and/or their respective affiliates may purchase the Notes for their own account and enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps and/or our other securities or those of our associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this offering memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). As a result of such transactions, an Initial Purchaser or its affiliates may hold long or short positions relating to the Notes.

Each Initial Purchaser and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Company or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Initial Purchaser and its affiliates may, from time to time after completion of the offering of the Notes, engage in other transactions with, and perform services for, the Company or its affiliates in the ordinary course of their business. Each Initial Purchaser or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisors. While each Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause an Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering will be deemed to be made by the Initial Purchasers or such affiliate on behalf of us in such jurisdiction.

Selling Restrictions

Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any Notes which are the subject of the offering contemplated by this offering memorandum may not be made in that Relevant Member State other than: (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Initial Purchasers; or (c) in any other communications falling within Article 3(2) of the Prospective Directive, provided that no such offer of Notes shall require the us or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each Initial Purchaser has represented, warranted and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and (ii) it has complied, and will comply with, all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

India

The Notes may not be subscribed for or held by banks incorporated in India, including any offshore branch or subsidiary of such bank. This offering memorandum has not been, nor will it be, registered, produced or published as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement letter or other offering material in respect of any private placement under the Companies Act, 2013 or any other applicable Indian laws) with any Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, and the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document, whether as a principal or agent nor have the Initial Purchasers circulated or distributed, nor will they circulate or distribute, the offering memorandum or any other offering document or material relating to the Notes, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India. The Notes have not been offered or sold, and will not be offered or sold, in India in circumstances which would constitute an offer of securities (whether to the public or by way of private placement) within the meaning of the Companies Act, 2013 or any other applicable Indian laws for the time being in force.

Hong Kong

The Notes may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and no person has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "FIEL") and may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other relevant laws and regulations of Japan.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

The Initial Purchasers, through their affiliates, acting as selling agents where applicable, propose to offer the Notes in offshore transactions in reliance on Regulation S and in accordance with applicable law and propose to offer the Notes to qualified institutional buyers in the United States pursuant to Rule 144A. Except as permitted under the purchase agreement, the Notes will not be offered, sold or delivered within the United States. Any offer or sale of the Notes in the United States in reliance on Rule 144A will be made by broker-dealer affiliates who are registered as such under the Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only to (1) qualified institutional buyers" (as defined in Rule 144A of the Securities Act) ("QIBs") in compliance with Rule 144A, or (2) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Each purchaser of the Notes, by accepting the delivery of this Offering Memorandum, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

1. it is not an "affiliate" (as defined in Rule 144A under the Securities Act) of us, it is not acting on behalf of us, is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account (A)(i) is a "qualified institutional buyer" as defined in Rule 144A and (ii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A, or (B) is outside the United States and is purchasing the Notes in an offshore transaction pursuant to Regulation S;

2. it acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except as set forth below;

3. it agrees that if it should resell or otherwise transfer the Notes, it will do so only: (a)(i) to the Company or any subsidiary thereof; (ii) inside the United States to a QIB in compliance with Rule l44A; (iii) outside the United States in an offshore transaction in compliance with Rule 904 under the Securities Act; (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or (b) if such purchaser is a subsequent investor of an interest in the Rule 144A Global Note, as set forth in (a) above and, in addition, pursuant to any other available exemption from the registration requirements under the Securities Act (provided that as a condition to the registration of transfer of any Notes otherwise than as described in (a)(i), (a)(ii) or (a)(iii) above or (c) below, the Company, the Trustee or any Transfer Agent may, in circumstances that any of them deems appropriate, require evidence as to compliance with any such exemption); or (c) pursuant to an effective registration statement under the Securities Act;

4. it agrees that it will inform each person to whom it transfers the Notes of any restrictions on transfer of such Notes;

5. it understands that if it is a purchaser outside the United States, the Notes will be represented by the Regulation S Global Note and that transfers thereto are restricted as described under "Description of the Notes—Book-Entry, Delivery and Form." If it is a QIB, it understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Note. Before any interest in the Rule 144A Global Note may be offered, sold, charged or otherwise transferred to a person who is not a QIB, the transferee will be required to provide each of the Trustee and the Transfer Agent with a written certification (the form of which certification can be obtained from the Trustee) as to compliance with the transfer restriction referred to above;

6. it acknowledges that none of the Company, the Initial Purchasers or any person representing the Company or the Initial Purchasers has made any representation with respect to the Company or the offer or sale of any of the Notes, other than by the Company with respect to the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Securities. It acknowledges that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of this Offering Memorandum. It agrees that it has had access to such financial and other information concerning us, the Indenture and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Company and the Initial Purchasers;

7. it understands that each Note will bear a legend substantially to the following effect unless otherwise agreed to by the Company and the holder thereof (unless such Note has been sold pursuant to a registration statement that has been declared effective under the Securities Act):

   "THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(d) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN, WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRANSFER AGENT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRANSFER AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS."

8. it acknowledges that the Company, the Initial Purchasers, the Transfer Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgments, representations or warranties deemed to have been made by it by its purchase of Notes are no longer accurate, it shall promptly notify the Company, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

9. it understands that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder and under "Plan of Distribution." Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Shearman & Sterling as to matters of New York law and by K Law as to matters of Indian law. Certain legal matters will be passed upon for the Initial Purchasers by Milbank, Tweed, Hadley & McCloy LLP as to matters of New York law and by Cyril Amarchand Mangaldas as to matters of Indian law.

INDEPENDENT JOINT AUDITORS

Our audited standalone financial statements as of and for the fiscal years ended March 31, 2016, 2015 and 2014 included in this offering memorandum have been audited jointly by S.R. Batliboi & Associates LLP, Chartered Accountants, and Brahmayya & Co., Chartered Accountants, each independent auditors, in accordance with the Standards on Auditing as issued by the Institute of Chartered Accountants of India as stated in their reports included elsewhere in this offering memorandum. Our unaudited standalone condensed interim financial statements as of and for the three month periods ended June 30, 2016 and 2015 have been reviewed jointly by S.R. Batliboi & Associates LLP, Chartered Accountants, and Brahmayya & Co., Chartered Accountants, in accordance with the Standard on Review Engagements (SRE) 2410 and "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India as stated in their reports included elsewhere in this offering memorandum.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The financial statements presented in this offering memorandum as at and for the fiscal years ended March 31, 2016, 2015 and 2014, have been prepared in accordance with the applicable regulations and accounting principles generally accepted in India ("Indian GAAP"). The financial statements as at and for the period ended June 30, 2016 have been prepared in accordance with recognition and measurement principles in accordance with Indian GAAP, including Accounting Standard 25 "Interim Financial Reporting" and applicable accounting standards issued by the ICAI and other recognized accounting practices and policies in India. These financial statements do not give effect to the adoption of the Indian accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015, applicable to the Company effective April 1, 2016 ("Ind AS — new accounting framework"). The financial statements as at and for the period ended June 30, 2015 have been prepared in accordance with the recognition and measurement principles in accordance with Indian GAAP, including Accounting Standard 25 "Interim Financial Reporting," applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India.

The following summarizes certain general differences between Indian GAAP and IFRS that could have a significant impact on the financial position and operations of the Company if its financial statements were prepared under IFRS. Such differences involve methods for measuring amounts in the audited standalone financial statements and the unaudited standalone condensed interim financial statements, as well as additional disclosures required by IFRS. The summary below should not be considered exhaustive, as no attempt has been made by the Company to quantify the differences between Indian GAAP and IFRS, and therefore no impact assessment of Indian GAAP to IFRS has been undertaken by the Company. Had any such quantification or impact assessment been undertaken, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below.

Prospective investors should consult their own professional advisors for an understanding of the principal differences between Indian GAAP and IFRS and how these differences might affect the audited standalone financial statements and the unaudited standalone condensed interim financial statements beginning on page F-2 of this Offering Memorandum.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced an implementation road map for the convergence of Indian GAAP with IFRS, pursuant to which some companies in India fulfilling the criteria as mentioned in the roadmap would be required to prepare their annual and interim financial statements under Indian GAAP converged with IFRS, known as Indian Accounting Standards ("Ind-AS"). Ind-AS will be mandatorily applicable to certain companies for periods beginning on or after April 1, 2016. See "Management's Discussion and Analysis of Financial Condition and Results of Operations— Transition to Ind-AS"

Summary of Certain Differences

Topic	IFRS	Topic	Indian GAAP
IAS 1, Presentation of Financial Statements — Components of financial statements	IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content. As per IFRS, a complete set of financials comprises: (a) a statement of financial position; (b) a statement of comprehensive income/ a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income; (c) statement of cash flow; (d) statement of changes in equity; (e) notes including summary of accounting policies and explanatory notes; (f) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A—40D.	AS 1, Disclosure of Accounting Policies	The requirements for the presentation of financial statements are set out in Schedule III to the Companies Act, 2013 and the Accounting Standards notified under Companies (Accounting Standards) Amendment Rules (together with the Companies Act, collectively referred to as "Indian GAAP") issued by Ministry of Corporate Affairs. The components of financial statements are (a) balance sheet (b) statement of profit and loss (c) cash flow statement (d) explanatory notes including a summary of accounting policies.

Topic	IFRS	Topic	Indian GAAP
IAS 1, Presentation of Financial Statements — Fair presentation	Fair presentation as per IFRS means faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition of criteria for assets, liabilities, income and expenses set out in the framework. If management concludes that compliance with requirements of a Standard or Interpretation is misleading and that it would conflict with the objective set out in the framework, then in extremely rare circumstances, it may depart from the Standard or the Interpretation. If there is departure from any Interpretation or Standard, a disclosure has to be given stating reasons for departure and why application of the Standard or the Interpretation would have been misleading and the financial impact of applying the standard are required to be disclosed.	AS 1, Disclosure of Accounting Policies	True and fair presentation means compliance with the applicable requirements of the Companies Act, application of the qualitative characteristics of the Accounting Standards Framework. Indian GAAP prohibits departures from the principles of Accounting Standards or the Companies Act unless permitted by another regulatory framework; for example, the Insurance Regulatory and Development Authority.

Topic	IFRS	Topic	Indian GAAP
IAS 1, Presentation of Financial Statements — Presentation of income statement	An analysis of expenses is presented using a classification based on either the nature of expenses or their function whichever provides information that is reliable and more relevant. If presented by function, specific disclosures by nature are provided in the notes. Profit or loss attributable to minority interests and equity holders of the parent are disclosed in the statement of comprehensive income/income statement (if presented separately) as allocations of profit or loss for the period.		Schedule III to the Companies Act, 2013 permits only an analysis of expense by nature. Profit and loss attributable to minority interest and to owner of parent in the statement of profit and loss shall be presented as allocation for the period.
IAS 1, Presentation of Financial Statements — Statement of changes in equity	A statement of changes in equity is presented showing: a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately.	AS 1, Disclosure of Accounting Policies	A statement of changes in equity is not required. Movements in share capital, retained earnings and other reserves are presented in the Schedules to Financial Statements.

Topic	IFRS	Topic	Indian GAAP
	c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, the reconciliation between the opening and closing balances separately disclosing each change.		
IAS 1, Presentation of Financial Statements — Extraordinary items	IFRS prohibits the presentation of any items of income or expense as extraordinary.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Extraordinary items are to be disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.
IAS 2, Inventories—Deferred settlement terms	Difference between the purchase price of inventories for normal credit terms and the amount paid for deferred settlement terms is recognized as interest expense.	AS 2, Valuation of Inventories	AS 2 does not deal with the Inventories which are purchased on deferred settlement terms. The cost of inventories generally will be the purchase price for deferred credit terms unless the contract states interest is payable for deferred terms.

Topic	IFRS	Topic	Indian GAAP
IAS 2, Inventories — Reversal of write-down	A new assessment of net realizable value is required to be made in each subsequent period. Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in the net realizable value because of changes in economic circumstances.	AS 2, Valuation of Inventories	No specific guidance in AS 2. However reversals may be permitted as AS 5, Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies requires this to be disclosed as a separate line item in the statement of profit or loss.
IAS 3, Cash Flow Statement — Bank overdrafts	Included if they are repayable on demand and form an integral part of an entity's cash management. Usually, these bank balances often fluctuate from being positive to overdrawn. In such cases, bank overdrafts form a part of cash and cash equivalents.	AS 3, Cash Flow Statements	Bank overdrafts are considered to be financing activities.
IAS 3, Cash Flow Statement — Cash flows from extraordinary items	As presentation of items as extraordinary is not permitted in accordance with IAS 1, cash flow statement does not reflect any items of cash flow as extraordinary.	AS 3, Cash Flow Statements	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and separately disclosed.
IAS 3, Cash Flow Statement — Interest and dividend	May be classified as operating, investing or financing activities in a manner consistent from period to period.	AS 3, Cash Flow Statements	Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.

Topic	IFRS	Topic	Indian GAAP
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors — Changes in accounting policies	A change in accounting policy resulting from the initial application of IFRS shall be accounted in accordance with the specific transitional provisions (if any). Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. Retrospectively applying a new accounting policy or correcting a prior period error requires distinguishing information that (a) provides evidence of circumstances that existed on the date(s) as at which the transaction, other event or condition occurred, and (b) would have been available when the financial statements for that prior period were approved for issue from other information. When retrospective application or retrospective restatement would require making a significant estimation for which it is impossible to distinguish these two types of information, it is impracticable to apply the new accounting policy or correct the prior period error retrospectively.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Changes in accounting policies are not applied retrospectively. The cumulative impact arising from such change is made in the financial statements in the period of change. If the impact of the change is not ascertainable, this should be disclosed.

Topic	IFRS	Topic	Indian GAAP
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors — Errors	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance of assets, liabilities and equity.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Material prior year errors are included in determination of profit or loss in the period in which the error is discovered and are separately presented in the profit and loss, so that the impact can be perceived.
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors — New accounting pronouncements	New accounting pronouncements that have been issued but are not effective on the date the statements of financial position are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed. When retrospective application is required by paragraph 19(a) or (b), a change in accounting policy shall be applied retrospectively except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Not required to be disclosed.

Topic	IFRS	Topic	Indian GAAP
	When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of equity for that period. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable. Prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.		

Topic	IFRS	Topic	Indian GAAP
	When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable. When it is impracticable to determine the amount of an error for all prior periods, the entity shall restate the comparative information prospectively from the earliest date practicable. It therefore disregards the portion of the cumulative restatement of assets, liabilities and equity arising before that date.		

Topic	IFRS	Topic	Indian GAAP
	Corrections of errors are distinguished from changes in accounting estimates. Accounting estimates by their nature are approximations that may need revision as additional information becomes known.		
IAS 12, Income Taxes — Recognition of deferred tax liabilities	Deferred income taxes are recognized for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit.	AS-22, Accounting for Taxes on Income	Deferred income taxes are recognized for all timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.
IAS 12, Income Taxes — Recognition of deferred tax assets	A Deferred tax asset is recognized for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilized.	AS-22, Accounting for Taxes on Income	A Deferred tax asset for unused tax losses and unabsorbed depreciation is recognized only to the extent that there is virtual certainty supported by evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. A Deferred tax asset for all other unused credits is recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Topic	IFRS	Topic	Indian GAAP
IAS 12, Income Taxes — recognition of taxes on items recognized in other comprehensive income or directly in equity	Current tax and deferred tax is recognized outside profit or loss if the tax relates to items that are recognized, in the same or a different period, outside profit or loss. Therefore the tax on items recognized in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	AS-22, Accounting for Taxes on Income	No specific guidance is given in AS 22. However, an announcement made by the Institute of Chartered Accountants of India (the "ICAI") requires any expense charged directly to the reserves and/or securities premium account to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.
IAS 12, Income Taxes — Investments in subsidiaries, branches and associates, and interests in joint ventures	Deferred tax liability for all taxable temporary differences are recognized 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 timing of the reversal of the temporary difference, and (b) it is probable that the temporary difference will not reverse in the foreseeable future.	AS-22, Accounting for Taxes on Income	No deferred tax liability is recognized.

Topic	IFRS	Topic	Indian GAAP
IAS 12, Income Taxes — Deferred tax on business combinations	If the potential benefit of the acquiree's income tax loss, carry forward or other deferred tax assets did not satisfy the criteria in IFRS 3 for separate recognition when the business combination is initially accounted for, and is subsequently realized, goodwill is reduced to record pre-acquisition deferred tax assets which are recognized within 12 months of the acquisition date as a result of new information on facts and circumstances that existed on the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefit is recognized in profit or loss. All other deferred tax benefits are recognized in profit or loss.	AS-22, Accounting for Taxes on Income	Unrecognized tax assets of the acquirer which satisfy the recognition criteria by the first annual balance sheet date subsequent to an amalgamation (merger) in the nature of purchase are recognized as an asset with a corresponding effect to goodwill. If the recognition criteria are not satisfied by the first annual balance sheet date, any subsequent recognition of deferred tax assets are credited to the statement of profit and loss.
IAS 12, Income Taxes — deferred tax on unrealized intra-group profits	Deferred tax is to be recognized on unrealized intra-group profits at the buyer's rate.	AS-22, Accounting for Taxes on Income	No adjustments for deferred tax are made on consolidation. It merely aggregates the separate financial statements of each group entity.
IAS 17, Leases — interest in leasehold land	Interests in leasehold land are recognized as operating lease (i.e., prepayment) unless the leasehold interest is accounted for as investment property in accordance with IAS 40 and the fair value model is adopted. Land leases are classified into finance lease or operating lease based on the classification criteria.	AS 19, Leases	Land lease is not covered by AS 19. However, as per ICAI's EAC opinion, long term land leases are classified as fixed assets and amortised over the lease period.

Topic	IFRS	Topic	Indian GAAP
IAS 17, Leases — initial direct costs of lessors for assets under a finance lease	For finance leases other than those involving manufacturer or dealer lessors, initial direct costs are included in the measurement of the finance lease receivable and reduce the amount of income recognized over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognized as expense when selling profit is recognized.	AS 19, Leases	Initial direct costs are either recognized immediately in the statement of profit and loss or allocated against the finance income over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognized as expense at the inception of the lease.
IAS 17, Leases — initial direct costs of lessors for assets under operating leases	Initial direct costs incurred by lessors are added to the carrying amount of the leased asset and recognized as expense over the lease term on the same basis as lease income.	AS 19, Leases	Initial direct costs incurred by lessors are either deferred and allocated to income over the lease term in proportion to the recognition of rent income, or are recognized as an expense in the statement of profit and loss in the period in which they are incurred.
IFRIC 4 — Determining whether an arrangement contains a lease	An arrangement that does not take the legal form of a lease but fulfillment of which is dependent on the use of specific assets and which conveys the right to use the assets is accounted for as a lease in accordance with lAS 17.	AS 19, Leases	AS 19 has no such requirement.

Topic	IFRS	Topic	Indian GAAP
SIC 15 — Lease incentives	The lessor and lessee recognize lease incentives as an increase or reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from use of the leased asset.	AS 19, Leases	AS 19 has no specific guidance.
SIC 27 — Evaluating the Substance of transactions involving the legal form of a lease	If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction.	AS 19, Leases	AS 19 has no specific guidance.
IAS 18, Revenues — definition	Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value-added taxes are excluded from revenues.	AS 9, Revenue Recognition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of an entity's ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is presented as under: Turnover Rs.100 Less: Excise Duty Rs.15 Turnover (Net) Rs.85

Topic	IFRS	Topic	Indian GAAP
IAS 18, Revenues — measurement	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method.	AS 9, Revenue Recognition	Revenue is recognized at the nominal amount of consideration receivable.
IAS 18, Revenues — exchange transactions	When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, revenue is not recognized. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. The revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. The difference between the fair value and the nominal amount of the consideration is recognized as interest revenue.	AS 9, Revenue Recognition	AS 9 has no specific guidance.

Topic	IFRS	Topic	Indian GAAP
IAS 18, Revenues — interest	Interest income is recognized using the effective interest method.	AS 9, Revenue Recognition	Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
IAS 18, Revenues — Dividend recognition out in separate financial statements	Dividends shall be recognized when the shareholder's right to receive payment is established.	AS 9, Revenue Recognition	Dividend income declared out of post-acquisition profits should be recognized in the statement of profit and loss. Dividend declared out of pre-acquisition profits will go to reduce the cost of investment.
IAS 19, Employee Benefits — Actuarial valuation	Detailed actuarial valuation to determine the present value of defined benefit obligation and the fair value of plan assets are performed with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would have been determined at the end of the reporting period. IAS 19 does not define sufficient regularity.	AS 15, Employee Benefits	Similar to IFRS, except that detailed actuarial valuation to determine present value of the benefit obligation is carried out at least once every three years and fair value of plan assets are determined at each balance sheet date.
IAS 19, Employee Benefits — Discount rate	Market yields at the reporting period on high quality corporate bonds are used as discount rates. In countries where there are no deep markets for such bonds, market yields on government bonds are used.	AS 15, Employee Benefits	Market yields at the balance sheet date on government bonds are used as discount rates.
IAS 19, Employee Benefits — Actuarial gains and losses	Actuarial gains and losses forms part of re-measurement of net defined benefit liability (asset) and recognized in other comprehensive income.	AS 15, Employee Benefits	Actuarial gains and losses should be recognized immediately in the statement of profit or loss as income or expense.

Topic	IFRS	Topic	Indian GAAP
IAS 19, Employee Benefits — Interest expense (income) on defined benefit plans	Interest expense/(income) is determined by applying the discount rate as specified above on net defined benefit liability/ (asset) and recognized in profit or loss. Net defined benefit liability/ (asset) is the present value of the defined benefit obligation less the fair value of plan assets (if any). The difference between the return on plan assets and amounts considered in net interest is included in the re- measurement of the net defined benefit liability/ (asset) and recognized in other comprehensive income.	AS 15, Employee Benefits	Interest expense and expected return on plan are to be computed separately. Interest expense is determined by applying the discount rate as specified above on defined benefit obligation and recognized in profit or loss. The expected return on plan assets is computed based on market expectation and recognized in the statement of profit or loss. The difference between the expected return on plan assets and the actual return on plan assets is an actuarial gain or loss and recognized in profit or loss.
IAS 19, Employee Benefits —	Plan administration costs which relate to costs of managing plan assets form part of remeasurements and are charged to other comprehensive income. Administration costs other than the costs of managing plan assets are charged to profit or loss.	AS 15, Employee Benefits	Plan administration costs are either charged to profit or loss or they are included in determining the defined benefit obligation/ asset.

Topic	IFRS	Topic	Indian GAAP
IAS 20, Government Grants — recognition	Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that: (a) the entity will comply with the conditions attaching to them; and (b) the grants will be received. Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate. Government grants are not directly credited to shareholders' interests. Government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized in profit or loss for the period in which it becomes receivable.	AS 12, Accounting for Government Grants	Government grants towards total capital investments where no repayment is ordinarily expected are credited directly to shareholders' interest. Grants related to revenue are recognized in the Statement of profit or loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to non-depreciable assets are credited to capital reserve. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of Profit or loss in proportion to depreciation, or deducted from the cost of the asset.

Topic	IFRS	Topic	Indian GAAP
IAS 20, Government Grants — non-monetary assets	The asset and the grant may be accounted at fair value. Alternatively, these can be accounted at nominal value.	AS 12, Accounting for Government Grants	If the asset is given by the government at a discounted price, the asset and the grant is accounted at the discounted purchase price. All other non-monetary grants are accounted at nominal values.
IAS 21, Effects of Changes in Foreign Exchange Rates — functional and presentation currency	Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	AS 11, The Effects of Changes in foreign Exchange Rates	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.

Topic	IFRS	Topic	Indian GAAP
IAS 21, Effects of Changes in Foreign Exchange Rates — exchange differences	Exchange differences arising on translation or settlement of foreign currency monetary items are recognized in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss.	AS 11, The Effects of Changes in foreign Exchange Rates	Similar to IFRS. However, as per the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Indian Government on March 31, 2009, exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset and, in other cases, can be accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term asset/liability by recognition as income or expense in each of such periods.
IAS 21, Effects of Changes in Foreign Exchange Rates — change in functional currency	Change in functional currency is applied prospectively.	AS 11, The Effects of Changes in foreign Exchange Rates	Change in reporting currency is not dealt with in the Indian Accounting Standard (AS 11), though reason for change is required to be disclosed.

Topic	IFRS	Topic	Indian GAAP
IAS 21, Effects of Changes in Foreign Exchange Rates — translation in consolidated financial statements	Assets and liabilities should be translated from functional to presentation currency at the closing rate at the date of statement of financial position; income and expenses at average rate for the period; exchange differences are recognized as a separate component of equity and recycled to income statement on disposal of investment/operation.	AS 11, The Effects of Changes in foreign Exchange Rates	Translation of financial statements to the reporting currency of the parent depends on the classification of that operation as integral or non-integral. Integral Operation: monetary assets are translated at closing rate; non-monetary items are translated at historical rate if they are valued at cost and if they are valued on another other valuation basis, at the exchange rates that existed when the values were determined. Income and expense items are translated at average rate. Exchange differences are taken to statement of Profit or loss. For non-integral operations, the closing rate method should be followed i.e., assets and liabilities are translated at closing rate while Profit and Loss items are translated at actual/average rates. The resulting exchange difference is taken to reserve and is recycled to statement of profit or loss on the disposal of the non-integral foreign operation.

Topic	IFRS	Topic	Indian GAAP
IAS 24, Related Party Disclosures, identification	Related party includes post-employment benefit plans for the benefit of employees of the reporting entity or any entity that is a related party of the reporting entity.	AS 18, Related Party Disclosure	"Related party", with reference to a company, means— (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager is a member or director; (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act, provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

Topic	IFRS	Topic	Indian GAAP
			(viii) any company which is— (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; and (ix) such other person as may be prescribed; Post-employment benefit plans are not included as related parties.
IAS 27, Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements	Accounted either at cost less impairment loss or fair value in accordance with IAS 39.	AS 13, Accounting for Investments	Investments are accounted at cost less impairment loss.
IAS 28, Investments in Associates and Joint Ventures — Separate financial statements of the investor	Accounted either at cost less impairment loss or fair value in accordance with IAS 39.	AS 13, Accounting for Investments	Accounted at cost less impairment loss.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Potential voting rights	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	Potential voting rights are not considered in assessing significant influence.

Topic	IFRS	Topic	Indian GAAP
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Goodwill	Negative goodwill is excluded from the carrying amount of investment and is included as income in determination of the investor's share of associate's profit or loss.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	Negative goodwill (Capital Reserve) is included in the carrying amount of investment in the associate but is disclosed separately.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Reporting date	The difference between the reporting date of the associate and that of the parent shall be no more than three months.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	The maximum difference between the reporting date of the associate and that of the parent is not specified.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Uniform accounting policies	Associate's accounting policies should be uniform with the investor's for the purposes of equity accounting, and for transactions and events in similar circumstances, unless it is impracticable to do so.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	Similar to IFRS, the fact and a brief description of the differences should be disclosed, except if it is impracticable.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Disposals	On disposal resulting in loss of significant influence, the remaining investment is remeasured at fair value, with gain or loss recognized in profit or loss.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	A23 give no specific guidance.
IAS 32, Financial Instruments: Presentation — classification of convertible debts	Convertible debts are split into liability and equity components at issuance.		Convertible debts are classified as debt based on their legal form and any interest expense is recognized based on the coupon rate.
IAS 33, Earnings Per Share — Extraordinary items	Since IAS 1 prohibits presentation of any item as extra ordinary, no consideration is given to such items for calculating Earnings Per Share ("EPS").	AS 20, Earnings Per Share	EPS with and without extraordinary items is to be presented.

Topic	IFRS	Topic	Indian GAAP
IAS 36, Impairment of Assets — reversal of impairment loss for goodwill	Impairment loss recognized for goodwill is prohibited from reversal in a subsequent period.	AS 28, Impairment of Assets	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.
IAS 37, Provisions, Contingent liabilities and Contingent Assets — Recognition of provisions	A provision is recognized when an entity has a present obligation (legal or constructive) as a result of a past event.	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Provisions are not recognized based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.
IAS 37, Provisions, Contingent Liabilities and Contingent Assets — discounting	Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted.	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Discounting of liabilities is not permitted and provisions are carried at their full values, except in case of decommissioning, restoration and similar liabilities that are recognized as cost of property, plant and equipment. The discount rate (or rates) should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted.

Topic	IFRS	Topic	Indian GAAP
			Periodic unwinding of discount should be recognized in the statement of profit and loss.
IAS 37, Provisions, Contingent Liabilities and Contingent Assets — contingent assets	Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Contingent assets are not disclosed in the financial statements.
IAS 38, Intangible assets — measurement	An intangible asset shall be measured initially at cost. After initial recognition, an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Fair value shall be measured by reference to an active market.	AS 26, Intangible Assets	Measured only at cost.
IAS 38, Intangible assets — useful life	Useful life may be finite or indefinite.	AS 26, Intangible Assets	Useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.
IAS 39, Financial Instruments: Recognition and Measurement — general recognition principle	All financial assets and financial liabilities are recognized in the statement of financial position when these meet the definition and recognition criteria of a financial instrument. A financial instrument is a contract to that give rise to a financial asset of one entity and a financial liability or equity in another entity.		There is no definition of financial instrument. Currently, derivatives are recognized in the balance sheet except for certain forward contracts within the scope of AS 11.

Topic	IFRS	Topic	Indian GAAP
IAS 39, Financial Instruments: Recognition and Measurement — investments, loans and receivables	Financial instruments are classified as at fair value through Profit and Loss, held-to-maturity, loans and receivable and available-for-sale. Financial instruments are classified as held for trading if these are acquired principally for the purpose of selling and are part of a portfolio that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Held-to-maturity investments are investments with fixed or determinable payments and fixed maturity for which an entity has positive intent and ability to hold to maturity. Held to maturity investments are measured at amortized cost using effective interest method. Loans and receivables have fixed or determinable payments that are not quoted in active market. Loans and receivables are measured at amortized cost using the effective interest method.	AS 13, Accounting for Investments	Investments are classified as long-term or current. Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments are carried at lower of cost and fair value. Loans and receivables are measured at cost less valuation allowance.

Topic	IFRS	Topic	Indian GAAP
	Available-for-sale investments are those that do not qualify as at fair value through profit or loss, held-to-maturity investments or loans and receivables. Changes in fair value of available-for-sale investments are recognized as part of equity and recycled to statement of profit or loss on disposal of investments. Unquoted investments whose fair values cannot be reliably measured are measured at cost.		
IAS 39, Financial Instruments: Recognition and Measurement — impairment	Impairment is recognized if, and only if, • there is an objective evidence of impairment as a result of one or more events that occurredafter the initial recognition of the asset (referred to as “loss event”), and • the loss has an impact on the estimated cash flows that can be reliably estimated. Impairment losses recognized in profit or loss for equity investments classified as ‘available for sale’ cannot be reversed through profit or loss.		An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as: • past experience • actual financial position and • cash flows of the debtors Impairment losses recognized in profit or loss for equity investments are reversed through profit or loss.

Topic	IFRS	Topic	Indian GAAP
IAS 39, Financial Instruments: Recognition and Measurement — derivatives and embedded derivatives	Derivatives and embedded derivatives are measured at fair values.		Currently there is no equivalent standard on derivatives except for certain forward exchange contracts within the scope of AS 11, and ICAI announcement for losses in respect of all outstanding derivative contracts not covered by AS 11.
IAS 39, Financial Instruments: Recognition and Measurement — derivatives and hedge accounting	Hedge accounting (recognizing the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable, and actually effective. IAS 39 provides for three types of hedges: • fair value hedge: if an entity hedges a change in fair value of a recognized asset or liability or firm commitment, the change in fair values of both the hedging instrument and the hedged item are recognized in profit or loss when they occur;		Currently there is no equivalent standard on hedge accounting except in the case of forward exchange contracts within the scope of AS 11 and an announcement made by the ICAI on March 29, 2008 and applicable to financial statements for the period ending March 31, 2008 or thereafter requires an entity to provide for losses in respect of all outstanding derivative contracts not covered by AS 11 by marking them to market at the balance sheet date.

Topic	IFRS	Topic	Indian GAAP
	• cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognized asset or liability or a highly probable forecast transaction, then the change in fair value of the hedging instrument is recognized in other comprehensive income until such time as those future cash flows occur. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss in the period of such change; and • hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge.		
IAS 39, Financial Instruments: Recognition and Measurement —changes in value of financial liabilities due to changes in credit risk	In determining the fair value of the financial liabilities designated at FVTPL upon initial recognition, any change in fair value due to changes in the entity's own credit risk are recognized.		No specific guidance is given.

Topic	IFRS	Topic	Indian GAAP
IAS 40, Investment Property —measurement	Investment properties can be measured using the cost or the fair value model, with changes in fair value recognized in the statement of profit and loss.		There is no specific standard dealing with investment properties. At present, it is covered by AS 13 — Accounting for Investments. They are classified as long-term investments and measured at cost less impairment.
IFRS 2, Share based payments —recognition	Goods and services in a share-based transaction are recognized when goods are received or as services are rendered. A corresponding increase in equity is recognized if goods and services were received in an equity settled share based payment transaction, or a liability if these were acquired in cash settled share transaction.		There is no equivalent standard. However the ICAI has issued a guidance note on "Accounting for Employee Share based Payments" which calls for the same treatment in accordance with the Share Based Employee Benefits Regulation, 2014.
IFRS 2, Share based payments — measurement	For equity settled share based transactions with non-employees, goods and services received and the corresponding increase in equity is measured at the fair value of the goods and services received. If the fair value of the goods and services cannot be estimated reliably, then the value is measured with reference to the fair value of the equity instruments granted. In case of equity settled transactions with employees and others providing similar services, fair value of the equity instrument should be used.		Both the guidance note and the SEBI Guidelines permit the use of either the intrinsic value method or the fair value method for determining the costs of benefits arising from employee share based compensation plans. The guidance note recommends the use of fair value of the instruments granted.

Topic	IFRS	Topic	Indian GAAP
IFRS 3, Business Combinations — cost allocations	All business combinations, other than those between entities under common control, are accounted for by applying the purchase method. An acquirer is identified for all business combinations, which is that entity that obtains control of the other combining entity. As at the acquisition date of the business combination, each identifiable asset and liability are recorded at the acquisition date fair value. Pooling of interests method to record business combinations within the scope of IFRS 3 is prohibited.	AS 14, Accounting for Amalgamations	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree at their fair values or at book values. Amalgamations in the nature of merger are accounted for in a manner consistent with the pooling of interest method. Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition.
IFRS 3, Business Combinations — goodwill	Goodwill is not amortized but tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.	AS 14, Accounting for Amalgamations	Any excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognized in the transferee's financial statements as goodwill arising on amalgamation. Goodwill arising on amalgamations in the nature of purchase is amortized over a period not exceeding five years.

Topic	IFRS	Topic	Indian GAAP
			There is no specific guidance on goodwill arising on acquisition of a subsidiary. In practice such goodwill is not amortized but tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.
IFRS 3, Business Combinations — bargain purchase	If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the fair value and the cost of net assets acquired is reassessed and any excess remaining is recognized immediately in the statement of profit and loss.	AS 14, Accounting for Amalgamations	If the amount of the consideration is lower than the value of the net assets acquired, the difference is recognized as capital reserve, a component of shareholder's reserve.
IFRS 3, Business Combinations — acquisition related costs	The acquirer is required to recognize acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.		No specific guidance is given.
IFRS 3, Business Combinations — non-controlling interest	At the date of acquisition, an entity may elect to measure, on a transaction by transaction basis, the non-controlling interest at (a) fair value or (b) the non-controlling interest's proportionate share of the fair value of the identifiable net assets of the acquire.	AS 14, Accounting for Amalgamations	At the time of acquisition, minority interests in the net assets consist of the amount of equity attributable to minorities at the date on which investment in the acquiree is made.

Topic	IFRS	Topic	Indian GAAP
IFRS 3, Business Combinations — business combinations achieve in stages	For business combinations achieved in stages, if the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously held interest is remeasured at acquisition date fair value and any resulting gain or loss is recognized in profit or loss.	AS 21, Consolidated Financial Statements	If two or more investments are made over a period of time, the equity of the subsidiary at the date of investment is generally determined on a step-by step basis; however, if small investments are made over a period of time and then an investment is made that results in control, the date of the latest investment, may be considered as the date of investment.
IFRS 5, Non-current assets held for sale — recognition and measurement	In order for non-current assets to be disposed of to be classified as held for sale, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell.		There is no standard dealing with non-current assets held for sale, though AS 10 deals with assets held for disposal Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the statement of profit and loss.
IFRS 5, Non-current assets held for sale — discontinued operations	An operation is classified as discontinued when it has either been disposed of or is classified as held for sale.	AS 24, Discontinuing Operations	An operation is classified as discontinuing at the earlier of (a) a binding sale agreement for sale of the operation; and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.

Topic	IFRS	Topic	Indian GAAP
IFRS 6, Exploration for and evaluation of mineral resources	Exploration and evaluation assets are measured at cost or revaluation less accumulated amortization and impairment loss. An entity determines the policy specifying which expenditures are recognized as exploration and evaluation assets.		There is no equivalent standard. However, there is a Guidance Note on Accounting for Oil and Gas Producing Activities. As per this note, there are two alternative methods for acquisition, exploration and development costs, viz. the Successful Efforts Method or the Full Cost Method. The Guidance Note recommends the former one. AS 28, Impairment of Assets is applicable irrespective of the method of accounting used.
IFRS 8, Operating Segments — determination of segments	An operating segment is a component of any entity: (a) that engages in business activities from which it may earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.	AS 17, Segment Reporting	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

Topic	IFRS	Topic	Indian GAAP
IFRS 8, Operating Segments — measurement	An entity shall report separately information about each operating segment that: (a) has been identified in accordance with paragraphs 5—10 or results from aggregating two or more of those segments in accordance with paragraph 12, and (b) exceeds the quantitative thresholds in paragraph 13. Paragraphs 14—19 specify other situations in which separate information about an operating segment shall be reported. Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. These definitions require reconciliation of segment performance measures and segment assets and liabilities with the corresponding amounts reported in the financial statements.	AS 17, Segment Reporting	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined.
IFRS 8, Operating Segments — entity-wide disclosures	Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries.	AS 17, Segment Reporting	Disclosures are required based on classification of segment as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting segments.

Topic	IFRS	Topic	Indian GAAP
	Information on major customers including total revenues from each major customer is disclosed if revenue from each customer is 10% or more of total segment revenues.		
IFRS 10 Consolidated Financial Statements — Scope	Required for all parent entities unless specific exemptions in IFRS 10 apply. A parent need not prepare consolidated financial statements only if all the following conditions are met: • the entity is itself a wholly owned subsidiary or a partially owned subsidiary and its other owners have not objected to the entity not presenting consolidated financial statements; • the entity's debt or equity instruments are not traded in a public market; • the entity is not in a process of filing its financial statements for the purposes of issuing any class of instruments in a public market; and • the ultimate or any intermediate parent of the entity produces consolidated financial statements available for public use that comply with IFRSs.	AS 21, Consolidated Financial Statements	Indian GAAP does not specify entities that are required to present consolidated financial statements. The accounting standard is required to be followed if consolidated financial statements are presented in accordance with the provisions of Schedule III of the Companies Act, 2013, provided that in case a company covered under sub-section (3) of section 129 which is not required to prepare consolidated financial statements under the accounting standards, it shall be sufficient if the company complies with provisions on consolidated financial statements provided in Schedule III of the Companies Act, 2013. The Securities Exchange Board of India (Indian Market Regulator) requires entities whose equity shares or debt are listed or to be listed to present consolidated financial statements.

Topic	IFRS	Topic	Indian GAAP
IFRS 10 Consolidated Financial Statements — definition of Control	An investor controls an investee if and only if the investor has all the following: (a) power over the investee (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns	AS 21, Consolidated Financial Statements	Control is: (a) The ownership, directly or indirectly through a subsidiary (or subsidiaries) of more than one-half of the voting power of an enterprise; or (b) Control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities.
IFRS 10 Consolidated Financial Statements — Potential voting rights	The existence and effect of substantive potential voting rights, including potential voting rights held by another entity, are considered when assessing control.	AS 21, Consolidated Financial Statements	Potential voting rights are not considered in assessing control.
IFRS 10 Consolidated Financial Statements — Exclusion of subsidiaries, associates and joint ventures	If the acquisition of a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is included in the consolidation but is accounted for under that standard.	AS 21, Consolidated Financial Statements	A subsidiary is excluded from consolidation, if it was acquired with intent to dispose of it within twelve months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.
IFRS 10 Consolidated Financial Statements — Reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.	AS 21, Consolidated Financial Statements	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.

Topic	IFRS	Topic	Indian GAAP
IFRS 10 Consolidated Financial Statements — Uniform accounting policies	Consolidated financial statements are prepared using uniform accounting policies for transactions and other events under similar circumstances. No exception is provided.	AS 21, Consolidated Financial Statements	The requirements of AS 21 are similar to those of IFRS except if it is impracticable to use uniform accounting policies, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different accounting policies have been applied.
IFRS 10 Consolidated Financial Statements — Non-controlling interests	Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.	AS 21, Consolidated Financial Statements	Minority interests are presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders.
IFRS 10 Consolidated Financial Statements — Allocation of losses to non-controlling interests	Total comprehensive income/net income or loss, if presented separately is allocated to owners of the parent and the non-controlling interest even though this results in non-controlling interest having a deficit balance.	AS 21, Consolidated Financial Statements	Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against minority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.

Topic	IFRS	Topic	Indian GAAP
IFRS 10 Consolidated Financial Statements — Disposals	Partial disposal of subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognized. Partial disposal of subsidiary resulting in loss of control triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognized as gain or loss in profit or loss.	AS 21, Consolidated Financial Statements	AS 21 has no specific guidance.
IFRS 11, Joint Arrangements — Form	A joint arrangement is either a joint operation or a joint venture. Such classification of joint arrangement depends upon the rights and obligations of the parties to the arrangement and disregards the legal structure. The accounting for joint ventures in the consolidated financial statements is guided by IAS 28, Investments in Associates and Joint Ventures	AS 27, Financial reporting of interests in joint venture	AS 27 recognizes three forms of joint venture namely: a) jointly controlled operations, b) jointly controlled assets and c) jointly controlled entities
IFRS 11, Joint Arrangements — Applicability	Proportionate consolidation for joint operations and equity accounting is required for joint ventures consolidated financial statements.	AS 27, Financial Reporting of Interests in Joint Ventures	Equity accounting for all types of joint ventures is required.

Topic	IFRS	Topic	Indian GAAP
IFRS 12, Disclosure of Interests in Other Entities	IFRS 12 sets out the disclosures required for entities adopting IFRS 10, Consolidated Financial Statements and IFRS 11, Joint Arrangements. It requires entities to disclose information that helps users to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements (JAs) and unconsolidated structured entities.		No specific guidance is given. However, AS 21 Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial reporting of interests in joint venture require certain disclosures to be made.
IFRS 13, Fair Value Measurement	IFRS 13 establishes a single source of guidance for all fair value measurements. It provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS.		There is no equivalent standard in IGAAP.
IFRS 13, Fair Value Measurement — Fair Value definition	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	AS 11, The Effects of Changes in foreign Exchange Rates	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
IFRS 13, Fair Value Measurement — Fair value hierarchy	IFRS 13 establishes a fair value hierarchy that categorizes all the financial assets and financial liabilities into three categories (level 1, level 2 and level 3) based on the inputs to valuation techniques used to measure fair value of the financial asset or financial liability.		No specific guidance is given.

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes, including without limitation, consents and approvals of the RBI. The issue of the Notes and the entering into of the Indenture governing the Notes have been authorized by a resolution of our board of directors dated August 24, 2016.

Litigation

Except as disclosed in this offering memorandum, there are no legal or arbitration proceedings against or affecting us or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Notes.

No Material Adverse Change

Except as disclosed in this offering memorandum, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since June 30, 2016 that is material in the context of the issue of the Notes.

Documents Available

For so long as any of the Notes are outstanding, copies of the Indenture governing the Notes may be inspected free of charge during normal business hours on any weekday (except public holidays) at the specified offices of the Paying Agent.

For so long as any of the Notes are outstanding, copies of our published audited standalone financial statements for the last two financial years, if any, may be obtained during normal business hours on any weekday (except public holidays) at the specified offices of the Paying Agent.

Clearing System and Settlement

The Notes have been accepted for clearance through the facilities of DTC. The following table sets forth certain trading information with respect to the Notes:

	Rule 144A Global Notes	Regulation S Global Notes
CUSIP	246725 AB1	Y2R27R AB5
ISIN	US246725AB18	USY2R27RAB56
Common Code	149768408	149768416

Only Notes evidenced by Global Notes have been accepted for clearance through DTC.

Listing of the Notes

Approval-in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST takes no responsibility for the correctness of any statements made on opinions or reports contained in this offering memorandum. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes or us. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

INDEX TO THE FINANCIAL STATEMENTS

S.R. BATLIBOI & ASSOCIATES LLP	**Brahmayya & Co.**
Chartered Accountants	Chartered Accountants
3rd & 6th Floor, Worldmark 1	10/2, Khivraj Mansion
IGI Airport Hospitality District, Aerocity	Kasturba Road
New Delhi 110037. India	Bengaluru 560 001. India

Report on Review of Condensed Interim Financial Information

To
The Board of Directors of Delhi International Airport Private Limited

Introduction

1. We have reviewed the accompanying Standalone Unaudited Condensed interim balance sheet of Delhi International Airport Private Limited ('the Company') as at June 30, 2016, the related Standalone Unaudited Condensed interim statement of profit and loss and the cash flow statement for the three months period then ended along with explanatory notes thereon ('Standalone Unaudited Condensed Interim Financial Statements'). Management is responsible for the preparation and presentation of these Standalone Unaudited Condensed Interim Financial Statements in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting', and applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies in India. These Standalone Unaudited Condensed Interim Financial Statements have been approved by the Board of Directors of the Company, and have been prepared by the management solely for submission to the trustees and bond holders of 6.125% Senior Secured Notes issued by the Company, for the proposed bond issue by the Company and for internal use by management of the Company. Our responsibility is to express a conclusion on these Standalone Unaudited Condensed Interim Financial Statements based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard re quires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that these Standalone Unaudited Condensed Interim Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' and applicable accounting standards issued by Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies in India.

Other Matters

4. The accompanying Standalone Unaudited Condensed Interim Financial Statements and this report have been prepared solely for the purpose stated in paragraph 1 of this report, and accordingly, this should not be used, referred to or distributed for any other purpose without our prior written consent.

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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership No.: 094941

Place: New Delhi
Date : July 20, 2016

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

/s/ G Srinivas
per G Srinivas
Partner
Membership No.: 86761

Place: New Delhi
Date : July 20, 2016

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Balance Sheet as at June 30, 2016
(All amounts in Rupees Crores, except otherwise stated)

	June 30, 2016 (Reviewed)	March 31, 2016 (Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	2,450.00	2,450.00
Reserves and surplus:		
(Deficit) in statement of profit and loss	(55.83)	(233.09)
	2,394.17	**2,216.91**
Non-current liabilities		
Long-term borrowings (Secured)	5,354.62	5,363.43
Deferred tax liability (net)	34.09	27.28
Other long-term liabilities	1,939.21	1,950.91
Long-term provisions	30.57	34.90
	7,358.49	**7,376.52**
Current liabilities		
Trade payables		
-Total outstanding dues of micro, small and medium enterprises	0.41	0.67
-Total outstanding dues of creditors other than micro, small and medium enterprises	378.12	389.71
Other current liabilities	1,391.22	1,201.56
Short-term provisions	96.01	57.59
	1,865.76	**1,649.53**
TOTAL	**11,618.42**	**11,242.96**
Assets		
Non-current assets		
Fixed assets		
Tangible assets	7,912.06	7,999.58
Intangible assets	407.88	412.94
Capital work-in-progress	71.00	63.87
Non-current investments	138.01	138.01
Loans and advances	98.90	98.55
Other non-current assets	52.61	54.68
	8,680.46	**8,767.63**
Current assets		
Current investments	1,330.39	989.87
Inventories	7.54	8.11
Trade receivables	728.67	787.93
Cash and bank balances	531.16	483.88
Loans and advances	67.19	59.57
Other current assets	273.01	145.97
	2,937.96	**2,475.33**
TOTAL	**11,618.42**	**11,242.96**

Explanatory notes annexed

The accompanying notes are an integral part of these Standalone Unaudited Condensed Interim Financials Statements and have been taken on record by the board of directors vide their meeting dated July 20, 2016.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place : New Delhi
Date : July 20, 2016

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : July 20, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

Place : New Delhi
Date : July 20, 2016

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 20, 2016

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Statement of Profit and Loss for the three months period ended June 30, 2016
(All amounts in Rupees Crores, except otherwise stated)

	For the Period ended June 30, 2016 (Reviewed)	For the Period ended June 30, 2015 (Reviewed)
Particulars		
Income		
Revenue from operations:		
Sale of services	1,298.29	1,127.75
Other operating income	23.73	25.79
Other income	37.60	17.54
Total Revenue (i)	**1,359.62**	**1,171.08**
Expenses		
Annual fee to Airports Authority of India (AAI)	625.29	538.58
Employee benefits expense	29.42	29.08
Other expenses	180.43	169.36
Total Expenses (ii)	**835.14**	**737.02**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]	**524.48**	**434.06**
Depreciation of tangible assets	158.50	153.18
Amortization of intangible assets	5.33	2.42
Finance costs	126.66	123.66
Profit before tax	**233.99**	**154.80**
Tax expenses		
Current tax	49.94	27.15
Deferred tax charge	6.79	-
MAT credit entitlement	-	(27.15)
Total tax expense	**56.73**	**-**
Profit for the period	**177.26**	**154.80**
Earning per equity share [nominal value of share Rs. 10 (June 30, 2015: Rs. 10)]		
Basic and Diluted (In Rupees)	0.72	0.63
Computed on basis of total profit for the period		

Explanatory notes annexed

The accompanying notes are an integral part of these Standalone Unaudited Condensed Interim Financials Statements and have been taken on record by the board of directors vide their meeting dated July 20, 2016.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place : New Delhi
Date : July 20, 2016

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : July 20, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

Place : New Delhi
Date : July 20, 2016

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 20, 2016

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Cash Flow Statement for the three months period ended June 30, 2016
(All amounts in Rupees Crores, except otherwise stated)

	For the Period ended June 30, 2016 (Reviewed)	For the Period ended June 30, 2015 (Reviewed)
Cash flow from operating activities		
Profit before tax	233.99	154.80
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	163.83	155.60
Provision for Bad debts / Bad Debts Written off	-	(0.46)
Interest income on deposits/current investment	(9.85)	(4.42)
Exchange differences unrealised (net)	0.29	(0.17)
Net Gain on sale of current investments	(27.35)	(9.22)
Other borrowing costs including amortisation	3.75	3.37
Interest on Borrowings	121.83	119.56
Other interest	0.38	-
Operating profit before working capital changes	**486.87**	**419.06**
Movements in working capital :		
Decrease in trade payables	(12.14)	(16.42)
Decrease in other long term liabilities	(11.74)	(28.18)
Increase in other current liabilities	233.36	248.50
Increase in trade receivables	59.26	45.65
(Increase) / Decrease in inventories	0.57	(0.27)
Decrease in other current assets	(209.30)	(130.92)
Decrease in long term loans and advances	0.11	0.36
Decrease in short term loans and advances	(7.62)	(17.10)
Increase/ (Decrease) in short-term provisions	0.39	(1.18)
Cash generated from operations	**539.76**	**519.50**
Direct taxes paid (net)	(14.64)	(3.69)
Net cash flow from operating activities (A)	**525.12**	**515.81**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(37.96)	(38.33)
Development fee (DF) realised	83.99	106.37
Purchase of current investments	(3,049.27)	(2,710.36)
Proceeds from sale/maturity of current investments	2,736.10	2,419.56
Interest received	8.63	3.86
Increase in margin money deposit	(1.12)	(0.57)
Deposits with original maturity of more than three months	(3.20)	(47.35)
Net cash flow used in investing activities (B)	**(262.83)**	**(266.82)**
Cash flows from financing activities		
Repayment of long-term borrowings	(117.07)	(132.37)
Other borrowing costs paid	(2.18)	(1.21)
Collection of interest on DF loans from airlines	0.87	14.37
Interest paid	(100.95)	(110.58)
Net cash flow used in financing activities (C)	**(219.33)**	**(229.79)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**42.96**	**19.20**
Cash and cash equivalents at the beginning of the period	407.74	119.70
Cash and cash equivalents at the end of the period	**450.70**	**138.90**
Components of cash and cash equivalents		
Cash on hand	0.16	0.20
Cheques/ drafts on hand	3.48	6.92
With banks		
- on current account	67.06	124.40
- on deposit account	380.00	7.38
Total cash and cash equivalents	**450.70**	**138.90**

Explanatory notes annexed

The accompanying notes are an integral part of these Standalone Unaudited Condensed Interim Financials Statements and have been taken on record by the board of directors vide their meeting dated July 20, 2016.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place : New Delhi
Date : July 20, 2016

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : July 20, 2016

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

/s/ Srinivas Bommidala	*/s/ K. Narayana Rao*
Srinivas Bommidala	**K. Narayana Rao**
Managing Director	Whole Time Director
DIN-00061464	DIN-00016262
/s/ Radhakrishnababu G.	*/s/ Saurabh Jain*
Radhakrishnababu G.	**Saurabh Jain**
Chief Financial Officer	Company Secretary
Place : New Delhi	Place : New Delhi
Date : July 20, 2016	Date : July 20, 2016

Corporate Information

Delhi International Airport Private Limited ('DIAL' or 'the Company') is a deemed Public Company domiciled in India and was incorporated on March 1, 2006 under the provisions of the erstwhile Companies Act, 1956, replaced with Companies Act 2013 with effect from April 1,2014 for 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.

1. Basis of preparation

The Unaudited Condensed Interim Financial Statements of the Company for the three months period ended June 30, 2016 have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 25 'Interim Financial Reporting and Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies. The Unaudited Condensed Interim Financial Statements have been prepared under the historical cost convention on an accrual basis.

The Company has followed the same accounting policies in preparation of Unaudited Condensed Interim Financial Statements as those followed in preparation of the annual financial statements as at the year ended March 31, 2016.

2. Explanatory Notes

3.1 Going concern

a) The Company's accumulated losses as at June 30, 2016 of Rs. 55.83 crore (As at March 31, 2016: Rs. 233.09 crore) have resulted in part erosion in net worth of the Company as at June 30, 2016. However, the Company has earned a net profit of Rs. 177.26 crore during the three months ended June 30, 2016 (June 30, 2015: Rs.154.80 crore) and has also met all its obligations as on June 30, 2016.

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

However, earlier DIAL had filed a writ petition before the Hon'ble Delhi High Court seeking extension of existing tariff as allowed vide AERA order no. 03/2012-13 issued on April 24, 2012 till disposal of DIAL's appeal pending before AERAAT. Subsequently, Hon'ble Delhi High Court vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012, shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT. The tariff matters have been listed for hearing by AERAAT on July 21, 2016.

(All amounts in Rupees Crore, except otherwise stated)

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

Earlier, AERA has also filed a Special Leave Petition (SLP) dated April 24, 2015 in Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble Delhi High Court dated January 22, 2015. AERA has also filed an application before Hon'ble Supreme Court seeking directions for the implementation of its tariff order for second control period. The pleadings of the parties are complete and Hon'ble Supreme Court has disposed off SLP on May 12, 2016 with directions to AERAAT to dispose of the Tariff Appeals within three months from receipt of this order.

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

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

3.2 Depreciation

a) **Tangible Assets**

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

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

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

b) On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, interalia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, continues to depreciate these assets over their estimated useful lives of 30 years as determined by the management based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.

c) **Intangible Assets**

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

The Company amortises, upfront fee and other costs paid to AAI referred to above over the initial period of OMDA which is 30 years.

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

3.3 The Company has a receivable of Rs. 595.15 crore as at June 30, 2016 (March 31, 2016: Rs. 516.37 crore) [including unbilled revenue of Rs. 41.01 crore (March 31, 2016: Rs. 13.15 crore) and net off advances of Rs. 15.30 crore (March 31, 2016: Rs. Nil)] from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing "Airport Enhancement and Financing Service Agreement" with The International Air Transport Association (IATA) for recovery of dues from Air India, the Company considers its dues from Air India as good and fully recoverable.

3.4 Contingent liabilities not provided for:

(Rs. in crore)

	Particulars	**As at June 30, 2016**	**As at March 31, 2016**
(i)	In respect of Income tax matters	**68.41**	68.41
(ii)	In respect of Indirect tax matters [refer note (f) & (g) below]	**190.42**	3.99
(iii)	Claim against the Company not acknowledged as debt [Refer (e) below]	**41.47**	41.47
(iv)	In respect of other matters [Refer note below]	**Nil**	Nil

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

a) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 105.18 crore on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount of Rs. 30.66 crore under protest till June 30, 2016 (March 31, 2016: Rs. 30.66 crore). SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, from 2013-14 the Company has started paying property tax and the same has been charged to Statement of profit and loss of respective years/ periods.

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

   The Company had provided Rs. 60.96 crore till June 30, 2016 (March 31, 2016: Rs. 60.96 crore). Further, interest of Rs 24.99 crore had also been provided till June 30, 2016 (March 31, 2016: Rs. 24.99 crore), making the total provision of Rs 81.87 crore (March 31, 2016: Rs. 81.87 crore) [net of self-assessment tax paid of Rs. 4.08 crore in earlier years]. The Company is still contesting on the tax and interest demand. The matter is pending with the Hon'ble High Court of Delhi and is now listed for hearing on November 28, 2016.

b) The Airports Authority of India (AAI) had claimed service tax on the monthly annual fee (MAF) payable to them considering the same as rental from immovable property w.e.f. June 1, 2007. The Company has disputed the grounds of the levy under relevant provisions of the OMDA and based on a legal opinion obtained in this regard, is of the view that transaction between AAI and DIAL is neither a franchisee agreement nor a Renting of Immovable Property, which are specified taxable services under Section 65(105) of Service Tax Act. The Company has filed a writ petition with Hon'ble High Court of Delhi and was heard on November 17, 2015 and judgment has been reserved. Based on an internal assessment and legal opinion obtained, the management is of the view that no adjustments are required to be made to these Unaudited Condensed Interim Financial Statements.

c) The Ministry of Civil Aviation (MoCA) issued a Circular No. AV 13028/001/2009-AS dated January 8, 2010 giving fresh guidelines regarding the expenditure which could be met out of the PSF (SC) and subsequently clarified by MoCA vide order dated April 16, 2010. Based on the said circular, the Company is not debiting such security expenditure to PSF (SC) escrow account. Further, vide circular No. AV 13024/43/2003-SS (AD) dated May 17, 2012, it was further directed that any such expenditure already debited was required to be credited back to PSF(SC) account. However, security expenditure amounting to Rs. 24.48 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 August 03, 2016. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these Unaudited Condensed Interim Financial Statements.

d) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by DIAL (the Airport Operator) in a fiduciary capacity. The Company had incurred Rs. 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till June 30, 2016 (March 31, 2016: Rs. 296.90 crore) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on August 03, 2016.

Based on an internal assessment, the management of the Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court and pending further orders, the Company has charged Rs. 41.75 crore from April 1, 2014 till June 30, 2016 (March 31, 2016: Rs.35.62 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of Profit and Loss which includes Rs. 6.13 crore during the three months ended June 30, 2016 (June 30, 2015: Rs 1.09 crore).

e) The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. As at June 30, 2016 the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 crore (March 31, 2016: Rs.89.60 crore) in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).

The Company was of the view that such credit entitlements constitute capital grant and thus, was recording fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips. However, the Expert Advisory Committee ('EAC') of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to revenue under Accounting Standard 12 – Accounting for Government Grants.

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

However, Airport Authority of India ('AAI') has expressed different view on this and argued that amount utilized under SFIS should be treated as revenue and accordingly revenue share on amount of Rs 89.60 crore is payable to AAI. Enforcing their view, AAI has written letter to ICICI bank on July 06, 2015 instructing bank to remit Rs. 41.21 crore from Receivable Escrow Account of the Company as revenue share to AAI's bank account as per terms of the escrow agreement. The Company has disputed the contention of AAI and accordingly written to ICICI Bank not to remit the amount as per the provisions of the escrow agreement.

Further, the Company had also 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. Now Company has issued a notice to AAI invoking arbitration under article 15.2 of OMDA where Company has nominated its arbitrator and asked AAI to nominate its arbitrator so that further proceedings of arbitration can commence. In the meanwhile Company's petition before Hon'ble Delhi High Court is now listed for hearing on October 04, 2016.

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.

Further, the management does not anticipate any further utilization for eligible imports.

f) The Director General of Central Excise Intelligence, New Delhi has issued a Show Cause Notice F. NO. 574/CE/41/2014/Inv./PT.II/11327 dated October 10, 2014 on the Company, proposing a demand of service tax of Rs. 59.91 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 Rs. 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. Any service tax liability on ADC, if arises, shall be adjusted from Advance Development Costs collected by Company from the Commercial Property Developers. The Company is in process of filing appeal against the order dated May 02, 2016; and has disclosed the amount of penalty of Rs. 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 Unaudited Condensed Interim Financial Statements.

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

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

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

However, based on an internal assessment 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 provision of any service to them. Further, there is no service provider and service recipient relationship between the Company and the passengers paying DF. Any service tax liability on DF, if arises, shall be decided by AERA, keeping in view the final pronouncement of the matter.

The Company is in process of filing appeal against the order and has disclosed the amount of penalty of Rs. 131.89 crore as contingent liability.

Further, the management of the Company is of the view that no adjustments are required to be made to these Unaudited Condensed Interim Financial Statements.

3.5 Capital and Other Commitments

Capital Commitments:

At June 30, 2016, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 89.04 crore (March 31, 2016: Rs. 94.63 crore).

Other Commitments:

i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.

ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.

iii. The Company has taken Interest Rate Swap ('IRS') of USD 90.23 millions, fixing LIBOR at 1.94% p.a. (on notional amount payable semi-annually and receive USD 6 months LIBOR semi-annually), which are effective from June 30, 2015 and maturity date is June 29, 2018.

With respect to jointly controlled entities & subsidiary company:

iv. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the three months ended June 30, 2016, the Company accounted for Rs. 0.30 crore (June 30, 2015: Rs. 7.62 crore) towards such short fall of subsistence level over receivables of WAISL and are included in "Other Expenses".

Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. The Company has funded Rs. 10.61 crore till June 30, 2016 (March 31, 2016: Rs. 10.03 crore) towards shortfall in collection from customers.

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

vi. In respect of its equity investment in WAISL, the Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.

vii. The Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.

viii. The Company has committed to provide financial support to Delhi Aerotropolis Private Limited (Subsidiary Company) in proportion to its shareholding to meet the liabilities of Delhi Aerotropolis Private Limited (Subsidiary Company), as and when required.

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

Company Name	As at June 30, 2016		As at March 31,2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
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	**960,000**	**9,600,000**	960,000	9,600,000

x. In respect of the Company's investment in Joint Venture ('JV') entities, other JV partners have the first right of refusal in case any of the JV partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

With respect to Associate Company:

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

3.6 Leases:

Assets taken on operating Lease (Rs. in crore)

Particulars	Three months period ended June 30, 2016	Three months period ended June 30, 2015
Lease payment for the three months period (excluding taxes)	2.38	2.22
	2.38	**2.22**
	As at June 30, 2016	**As at March 31, 2016**
Minimum Lease Payments:		
Not later than one year	2.73	3.43
Later than one year but not later than five years	6.00	6.62
Later than five years	-	-
Total	**8.73**	**10.05**

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

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3.7 Related party transactions:

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
I	Ultimate holding company	GMR Holdings Private Limited
	Intermediate holding company	GMR Infrastructure Limited
	Holding company	GMR Airports Limited
II	Subsidiary company	Delhi Aerotropolis Private Limited
III	Associate company	East Delhi Waste Processing Company Limited
IV	Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
		GMR 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 Private Limited
		GMR Warora Energy Limited (formerly known as EMCO Energy Limited)
		GMR Tambaram Tinidivanam Expressways Private Limited
		GMR Consulting Services Private Limited
		GMR Aerospace Engineering Limited
		GMR Infrastructure (Singapore) Pte Limited
		GMR Tuni Anakapalli Expressways Limited
V	Jointly controlled entities (where transactions have taken place)	Delhi Aviation Services Private Limited
		Delhi Aviation Fuel Facility Private Limited
		Wipro Airport IT Services Limited
		Delhi Airport Parking Services Private Limited
		Travel Food Services (Delhi Terminal 3) Private Limited
		Delhi Duty Free Services Private Limited
		Celebi Delhi Cargo Terminal Management India Private Limited
		TIM Delhi Airport Advertising Private Limited
VI	Enterprises in respect of which the company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide
VII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Grandhi Kiran Kumar - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

(All amounts in Rupees Crore, except otherwise stated)

3.7 (b) (i) Summary of balances with the related parties is as follows:

Balances as at Date	As At June 30, 2016	As At March 31, 2016
Non-Current Investments		
Investments in Equity Share		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.10	0.10
Associate companies		
East Delhi Waste Processing Company Limited	0.01	0.01
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	12.50	12.50
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
Delhi Duty Free Services Private Limited	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	3.20	3.20
TIM Delhi Airport Advertising Private Limited	9.22	9.22
Current Investment		
Investments in Equity Share		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	40.64	40.64
Trade Receivables		
Intermediate holding company		
GMR Infrastructure Limited	1.98	1.28
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.03	-
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	-	12.86
TIM Delhi Airport Advertising Private Limited	0.04	21.76
Delhi Airport Parking Services Private Limited	0.01	1.94
Travel Food Services (Delhi Terminal 3) Private Limited	4.54	5.25
Celebi Delhi Cargo Terminal Management India Private Limited	-	11.92
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.20	0.14
GMR Consulting Services Pvt. Ltd.	1.90	1.30
GMR Warora Energy Limited	0.37	0.37
Other Current Assets		
Unbilled revenue including Utility recovery not billed		
Intermediate holding company		
GMR Infrastructure Limited	0.01	-
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	1.66	1.02

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2016	As At March 31, 2016
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	1.58	-
TIM Delhi Airport Advertising Private Limited	15.55	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	-
Delhi Duty Free Services Private Limited	15.15	-
Delhi Aviation Services Private Limited	1.96	-
Celebi Delhi Cargo Terminal Management India Private Limited	12.39	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	-
GMR Chhattisgarh Energy Limited	0.04	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.01	-
GMR Consulting Services Pvt. Ltd.	0.09	-
GMR Warora Energy Limited	0.06	-
Other Current Assets		
Non- Trade Receivables (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	0.06	0.03
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.78	1.37
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Consulting Services Pvt. Ltd.	0.51	0.41
GMR Chhattisgarh Energy Limited	0.09	0.02
GMR Tambaram Tinidivanam Expressways Private Limited	0.02	0.02
GMR Warora Energy Limited	0.01	0.03
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	0.73
Celebi Delhi Cargo Terminal Management India Private Limited	-	1.26
Delhi Airport Parking Services Private Limited	-	0.17
Delhi Aviation Services Private Limited	-	1.66
TIM Delhi Airport Advertising Private Limited	0.01	0.21
Delhi Duty Free Services Private Limited	-	1.25
Advances recoverable in cash or in kind		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.07	0.07
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.11	0.13
Delhi Airport Parking Services Private Limited	0.13	0.35
Travel Food Services (Delhi Terminal 3) Private Limited	0.10	0.12
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.15	0.08
Delhi Duty Free Services Private Limited	0.08	0.09

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2016	As At March 31, 2016
TIM Delhi Airport Advertising Private Limited	0.14	0.26
Wipro Airport IT Services Limited	7.13	4.62
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	6.80	6.80
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Kamalanga Energy Limited	-	0.05
Kakinada SEZ Private Limited	0.09	0.07
GMR Hyderabad International Airport Limited	-	0.12
GMR Male International Airport Private Limited	1.46	1.40
GMR Aerospace Engineering Limited	0.11	0.11
GMR Airport Developers Limited	-	0.07
GMR Infrastructure (Singapore) Pte Limited	-	0.21
GMR Tuni Anakapalli Expressways Limited	0.01	-
Advances recoverable in cash or in kind		
Non-Current		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	2.82	2.82
Trade payable (including marketing fund)		
Intermediate holding company		
GMR Infrastructure Limited	9.08	7.71
Holding company		
GMR Airports Limited	16.53	10.23
Enterprises in respect of which the company is a joint venture		
Fraport AG Frankfurt Airport services Worldwide	37.65	68.35
Airports Authority of India	47.66	63.46
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.27	0.00
Raxa Security Services Limited	0.65	0.57
GMR Hyderabad International Airport Limited	0.04	-
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	0.07	0.14
Delhi Duty Free Services Private Limited	-	0.97
Long-term Provision		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	30.57	34.90
Jointly Controlled Entities		
Wipro Airport IT Services Limited	2.82	2.82

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	**As At June 30, 2016**	**As At March 31, 2016**
Short-term Provision		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	17.46	17.61
Current Liabilities		
Unearned Revenue		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	20.22	-
Delhi Aviation Fuel Facility Private Limited	12.87	-
TIM Delhi Airport Advertising Private Limited	0.06	0.08
-		
Other Long Term Liabilites		
Deposits from Trade Concessionaires		
Non-Current		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	234.72	234.75
Travel Food Services (Delhi Terminal 3) Private Limited	2.19	2.19
Delhi Airport Parking Services Private Limited	3.42	3.14
TIM Delhi Airport Advertising Private Limited	35.47	35.47
Deposits from Trade Concessionaires		
Current		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	137.55	137.55
Delhi Aviation Fuel Facility Private Limited	169.29	158.66
Delhi Aviation Services Private Limited	15.10	15.10
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.11	0.11

(This space has been intentionally left blank)

(All amounts in Rupees Crore, except otherwise stated)

3.7(b) (ii) Summary of transaction with the related parties is as follows:

Transactions During the period	For the Three month ended June 30, 2016	For the Three month ended June 30, 2015
Deposits from trade concessionaires		
Security Deposits Received		
Jointly Controlled Entities		
Delhi Aviation Fuel Facility Private Limited	10.63	-
Delhi Airport Parking Services Private Limited	0.29	-
Celebi Delhi Cargo Terminal Management India Private Limited	-	9.63
Deposits from trade concessionaires		
Deposits Refunded		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	0.03	0.19
Key Managerial Remuneration paid/ payable		
Employee Benefits for Key Management Personnel		
Mr. Grandhi Kiran Kumar	0.68	0.56
Mr. Srinivas Bommidala	0.68	0.56
Mr. K. Narayana Rao	0.20	0.21
Revenue share paid		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	625.29	538.58
Interest Received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	-	0.40
Delhi Duty Free Services Private Limited	-	0.15
Delhi Aviation Services Private Limited	0.01	-
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	9.23	8.60
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	37.62	32.09
Expenses incurred by Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	-	0.01
Holding company		
GMR Airports Limited	1.08	0.04

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2016	For the Three month ended June 30, 2015
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	0.09	0.08
TIM Delhi Airport Advertising Private Limited	0.13	0.12
Delhi Aviation Services Private Limited	0.08	0.09
Delhi Airport Parking Services Private Limited	0.12	0.11
Travel Food Services (Delhi Terminal 3) Private Limited	0.09	0.08
Delhi Duty Free Services Private Limited	0.07	0.06
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.01	0.02
GMR Aviation Private Limited		
GMR Male International Airport Private Limited	0.02	-
GMR Hyderabad International Airport Limited	0.00	-
Raxa Security Services Limited	0.26	0.25
Kakinada SEZ Private Limited	0.01	-
GMR Kamalanga Energy Limited	-	0.03
GMR Tuni Anakapalli Expressways Limited	0.01	-
Expenses incurred by related parties on behalf of Company		
Holding company		
GMR Airports Limited	-	0.65
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	0.15	-
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	9.03	7.85
Holding company		
GMR Airports Limited	7.13	3.42
Services Received		
Chartering Cost :		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	1.70	1.27
Security related expenses:		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	2.63	3.54
Information technology and related expenses:		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	0.30	7.62

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2016	For the Three month ended June 30, 2015
Repair and Maintenance - IT System		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	0.14	0.09
Director sitting fees		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.01	-
Electricity charges recovered		
Intermediate holding company		
GMR Infrastructure Limited	0.03	-
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	3.57	2.37
Delhi Airport Parking Services Private Limited	0.44	0.44
Celebi Delhi Cargo Terminal Management India Private Limited	4.15	4.08
TIM Delhi Airport Advertising Private Limited	0.74	0.74
Travel Food Services (Delhi Terminal 3) Private Limited	0.78	0.84
Delhi Duty Free Services Private Limited	0.61	0.68
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	-	0.34
GMR Chhattisgarh Energy Limited	0.09	-
GMR Warora Energy Limited	0.10	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.03	-
GMR Consulting Services Pvt. Ltd.	0.18	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	4.16	3.45
Water charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.03	0.03
Delhi Airport Parking Services Private Limited	0.10	0.12
Travel Food Services (Delhi Terminal 3) Private Limited	0.10	0.11
Celebi Delhi Cargo Terminal Management India Private Limited	0.32	0.23
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	-	0.04
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.15	-
Space Rental & Land Licence fee.		
Intermediate holding company		
GMR Infrastructure Limited	0.52	-
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	0.37	0.38

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	**For the Three month ended June 30, 2016**	**For the Three month ended June 30, 2015**
Delhi Aviation Fuel Facility Private Limited	4.27	3.98
Celebi Delhi Cargo Terminal Management India Private Limited	6.71	6.23
Delhi Duty Free Services Private Limited	0.42	0.45
Delhi Aviation Services Private Limited	0.04	0.02
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Energy Limited	-	0.98
GMR Aviation Private Limited	0.01	0.01
GMR Chhattisgarh Energy Limited	0.47	0.16
GMR Consulting Services Pvt. Ltd.	0.47	0.16
GMR Tambaram Tinidivanam Expressways Private Limited	0.52	-
GMR Warora Energy Limited	0.47	0.16
Concession fees received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	4.28	3.32
TIM Delhi Airport Advertising Private Limited	27.65	24.41
Delhi Aviation Services Private Limited	1.93	1.46
Delhi Duty Free Services Private Limited	80.53	72.09
Celebi Delhi Cargo Terminal Management India Private Limited	31.44	26.54
Travel Food Services (Delhi Terminal 3) Private Limited	3.48	3.94
Airport Service, Common Area Maintenance , Screening & Other Charges		
Intermediate holding company		
GMR Infrastructure Limited	0.08	-
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	0.63
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.26
TIM Delhi Airport Advertising Private Limited	0.04	-
Delhi Duty Free Services Private Limited	1.18	1.06
Delhi Airport Parking Services Private Limited	0.00	0.01
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Consulting Services Pvt. Ltd.	0.05	-
GMR Chhattisgarh Energy Limited	0.05	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.08	-
GMR Warora Energy Limited	0.05	-
Aeronautical Income		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.06	0.05
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.04	0.02

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	**For the Three month ended June 30, 2016**	**For the Three month ended June 30, 2015**
Marketing Fund Billed		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	2.57	1.45
Travel Food Services (Delhi Terminal 3) Private Limited	0.16	0.12
Marketing Fund Utilised		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	0.74	-
TIM Delhi Airport Advertising Private Limited	0.03	0.18
CPD Infra Deposit utilization		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.45	0.32
Raxa Security Services Limited	0.80	0.46

(This space has been intentionally left blank)

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

(a) The Company had accrued DF amounting to Rs. 350 Crore during the year 2012-13 earmarked for construction of Air Traffic Control (ATC) tower, currently which is under progress as at June 30, 2016. DF amounting to Rs. 346.66 crore (March 31, 2016: Rs. 345.85 Crore) has been adjusted against the expenditure on construction of ATC tower incurred till June 30, 2016 and balance DF amounting to Rs. 3.34 crore (March 31, 2016: Rs. 4.15 crore), pending utilization, has been disclosed under Other current liabilities.

(b) While calculating such additional DF amount:

i) In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalised DF collection charges aggregating to Rs. 27.74 crore till June 30, 2016 (March 2016 : Rs. 27.07 crore) from the DF grant.

ii) The Airport Economic Regulatory Authority of India (AERA) has passed an order vide Order No 03/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. 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 (April 30, 2016) to reconcile and close the account, and to arrive at the over recovery / under recovery of ADF, which will be accounted for on final reconciliation of ADF by AAI. However, DIAL has collected the DF receivable in full and settled the DF loan on May 28, 2016.

3.9 The Company has received advance development costs of Rs. 653.13 crore (March 31, 2016: Rs. 653.13 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement.

As at June 30, 2016, the Company has incurred development expenditure of Rs. 444.18 crore (March 31, 2016: Rs. 433.71 crore) which has been adjusted against the aforesaid advance and balance amount of Rs. 208.95 crore is disclosed under other long term liabilities and current liabilities.

3.10 The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such Marketing Fund are being audited by one of the joint statutory auditors. The Company is collecting Marketing Fund since 2012-2013 and total billing (including accrual) till June 30, 2016 is Rs. 76.14 crore (March 31, 2016: Rs. 71.04 crore) towards such Marketing Fund and has incurred expenditure amounting to Rs. 34.34 crore (net of income on temporary investments) (March 31, 2016: Rs. 31.50 crore) from the amount so collected. The balance amount of Rs. 41.81 crore as at June 30, 2016 (March 31, 2016: Rs. 39.54 crore) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.

3.11 The Company has only one business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these Unaudited Condensed Interim Financial Statements relate to the Company's single business segment, disclosures under Accounting Standard (AS) 17 – Segment Reporting are not reported upon separately.

3.12 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 certain information vide its letter dated July 18, 2016, which the management is in the process of providing to 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.

3.13 The Comptroller and Auditor General of India (CAG) had conducted the performance audit of PPP (Public Private Partnership) project of AAI at Delhi Airport for the period 2006 to 2012. CAG had presented its report before Rajya Sabha on August 17, 2012, wherein they had made certain observations on the Company. The Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Lok Sabha vide its Ninety fourth report in February 2014.

The management of the Company is of the view that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

3.14 Airport Economic Regulatory Authority ("AERA") had passed the tariff order No. 40/2015-16 dated December 8, 2015 (issued on December 10, 2015) wherein Authority had decided to adjust DF of Rs. 3,241.37 crore out of allowed DF of Rs. 3,415.35 crore based on the actual expenditure spent towards project. The authority had decided to adjust the balance amount of DF of Rs. 173.98 crore as on March 31, 2014 on utilization basis as and when it is incurred. However, the Company availed Rs.3,415.35 crore of

Loan based on the DF Orders and DF collected from passengers is used for payment of interest and principal till June 30, 2016. Accordingly, the differential interest i.e. paid by the Company on DF Loans and considered on actual spent amounting to Rs. 48.06 crore (March 31, 2016: Rs. 47.90 crore) is required to be absorbed by DIAL. Accordingly, during the three months ended June 30, 2016 interest expense of Rs. 0.16 crore (March 31, 2016: Rs. 47.90 crore) has been provided in the books of accounts.

Further, the Company had incurred a sum of Rs. 17.29 crore towards interest from December 2011 to February 2012 which was not allowed by AERA and accordingly interest expense of Rs. 17.29 crore had also been provided in the books of accounts during previous year ended March 31, 2016.

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

3.16 Previous period / year figures have been regrouped and re-classified wherever necessary to conform to those of current period.

As per our report of even date

For S R BATLIBOI & ASSOCIATES LLP
ICAI Firm Reg. No.: 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
Per Yogesh Midha
Partner
Membership No. 94941
Place: New Delhi
Date: July 20, 2016

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

/s/ G. Srinivas
Per G. Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: July 20, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN – 00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN – 00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place: New Delhi
Date: July 20, 2016

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View Corporate Tower - B
Sector – 42, Sector Road
Gurgaon 122 002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001. India

Report on Review of Interim Financial Information

To
The Board of Directors of Delhi International Airport Private Limited

Introduction

1. We have reviewed the accompanying standalone unaudited condensed interim balance sheet of Delhi International Airport Private Limited ('the Company') as at June 30, 2015, the related standalone unaudited condensed interim statement of profit and loss and the cash flow statement for the three months period then ended along with explanatory notes thereon ('Standalone Unaudited Condensed Interim Financial Statements'). Management is responsible for the preparation and presentation of these Unaudited Condensed Interim Financial Statements in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' [applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] and other recognized accounting practices and policies generally accepted in India and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to express a conclusion on these Standalone Unaudited Condensed Interim Financial Statements based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in audit. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that these Standalone Unaudited Condensed Interim Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' [applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] and other recognized accounting practices and policies generally accepted in India.

Other Matters

4. The accompanying Standalone Unaudited Condensed Interim Financial Statements have been prepared solely in connection with the requirement of the Company to submit Standalone Unaudited Condensed Interim Financial Statements to the trustees and bond holders of 6.125% Senior Secured Notes. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership No.: 094941

Place: New Delhi
Date : July 23, 2015

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

/s/ G Srinivas
per G Srinivas
Partner
Membership No.: 86761

Place: New Delhi
Date : July 23, 2015

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Balance Sheet as at June 30, 2015
(All amounts in Rupees Crores, except otherwise stated)

	June 30, 2015 (Reviewed)	March 31, 2015 (Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	2,450.00	2,450.00
Reserves and surplus:		
Deficit in statement of profit and loss	(587.15)	(741.95)
	1,862.85	**1,708.05**
Non-current liabilities		
Long-term borrowings (Secured)	5,338.83	5,436.94
Other long-term liabilities	1,969.74	1,998.95
Long-term provisions	48.04	52.50
	7,356.61	**7,488.39**
Current liabilities		
Trade Payables	409.05	425.64
Other current liabilities	1,736.17	1,456.63
Short-term provisions	68.26	42.44
	2,213.48	**1,924.71**
TOTAL	**11,432.94**	**11,121.15**
Assets		
Non-current assets		
Fixed assets		
Tangible assets	8,267.82	8,355.69
Intangible assets	431.07	433.50
Capital work-in-progress	53.55	50.65
Non-current investments	138.01	138.01
Loans and advances	126.89	89.53
Other non-current assets	61.22	170.01
	9,078.56	**9,237.39**
Current assets		
Current investments	587.30	287.27
Inventories	8.92	8.65
Trade receivables	606.57	652.22
Cash and bank balances	387.40	320.27
Loans and advances	81.38	64.28
Other current assets	682.81	551.07
	2,354.38	**1,883.76**
TOTAL	**11,432.94**	**11,121.15**

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

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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place of Signature : New Delhi
Date : July 23, 2015

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place of Signature : New Delhi
Date : July 23, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 23, 2015

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Statement of Profit and Loss for the three months period ended June 30, 2015
(All amounts in Rupees Crores, except otherwise stated)

		For the Period ended June 30, 2015 (Reviewed)	For the Period ended June 30, 2014 (Audited)
Particulars			
Income			
Revenue from operations :			
Sale of services		1,127.75	971.63
Other operating income		25.79	24.49
Other income		17.54	9.33
Total revenue (i)		**1,171.08**	**1,005.45**
Expenses			
Annual fee to Airports Authority of India (AAI)		538.58	462.41
Employee benefits expense		29.08	31.41
Other expenses		169.36	161.86
Total Expenses (ii)		**737.02**	**655.68**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		**434.06**	**349.77**
Depreciation of tangible assets		153.18	152.15
Amortization of intangible assets		2.42	3.97
Finance costs		123.66	131.40
Profit before tax		**154.80**	**62.25**
Tax expenses			
Current tax	27.15		-
MAT credit entitlement	(27.15)		-
Total tax expense		**-**	**-**
Profit for the period		**154.80**	**62.25**
Earning per equity share [nominal value of share Rs. 10 (June 30, 2014: Rs. 10)]			
Basic and Diluted (In Rupees)		0.63	0.25
Computed on basis of total profit for the period			

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

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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place of Signature : New Delhi
Date : July 23, 2015

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place of Signature : New Delhi
Date : July 23, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 23, 2015

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Cash Flow Statement for the three months period ended June 30, 2015
(All amounts in Rupees Crores, except otherwise stated)

	For the Period ended June 30, 2015 (Reviewed)	For the Period ended June 30, 2014 (Reviewed)
Cash flow from operating activities		
Profit before tax	154.80	62.25
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	155.60	156.12
Provision for Bad debts / Bad Debts Written off	(0.46)	1.41
Interest income on deposits	(4.42)	(2.06)
Exchange differences (net)	(0.17)	-
Income from current investments	(9.22)	(3.23)
Dividend Income on long term investments	-	(3.99)
Other borrowing costs including amortisation	3.37	2.99
Provision for diminution in value of assets	-	1.35
Interest on Borrowings	119.56	127.86
Operating profit before working capital changes	**419.06**	**342.70**
Movements in working capital :		
Decrease in trade payables	(16.42)	(8.33)
Decrease in other long term liabilities	(28.18)	(7.02)
Increase in other current liabilities	248.50	158.02
Decrease in trade receivables	45.65	58.17
(Increase) / Decrease in inventories	(0.27)	1.08
Increase in other current assets	(130.92)	(136.20)
Decrease / (Increase) in long term loans and advances	0.36	(0.44)
(Increase) / Decrease in short term loans and advances	(17.10)	3.51
Increase in short-term provisions	(1.18)	1.33
Cash generated from operations	**519.50**	**412.82**
Direct taxes (paid) / refund received (net)	(3.69)	(3.26)
Net cash flow from operating activities (A)	**515.81**	**409.56**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(38.33)	(90.17)
Development fee (DF) realised	106.37	132.55
Purchase of Non-current investments	-	(2.60)
Purchase of current investments	(2,710.36)	(1,159.81)
Proceeds from sale/maturity of current investments	2,419.56	1,056.93
Dividend Income	-	3.99
Interest received	3.86	2.08
Increase in margin money deposit	(0.57)	(0.02)
Investments in bank deposits (having original maturity of more than three months)	(47.35)	-
Net cash flow used in investing activities (B)	**(266.82)**	**(57.05)**
Cash flows from financing activities		
Repayment of long-term borrowings	(132.37)	(140.64)
Repayment of short-term borrowings	-	(122.55)
Other borrowing costs paid	(1.21)	(1.17)
Collection of interest on DF loans from airlines	14.37	24.80
Interest paid	(110.58)	(125.05)
Net cash flow used in financing activities (C)	**(229.79)**	**(364.61)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**19.20**	**(12.10)**
Cash and cash equivalents at the beginning of the period	119.70	61.22
Cash and cash equivalents at the end of the period	**138.90**	**49.12**
Components of cash and cash equivalents		
Cash on hand	0.20	0.30
Cheques/ drafts on hand	6.92	8.17
With banks		
- on current account	124.40	35.65
- on deposit account	7.38	5.00
Total cash and cash equivalents	**138.90**	**49.12**

Explanatory notes annexed

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under sectiont 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014).
2. The above cash flow statement has been compiled from and is based on the Standalone Condensed Interim Balance Sheet as at June 30, 2015 and the related Standalone Condensed Interim Statement of Profit and Loss for the three months period ended on that date.
3. Cash and cash equivalents include Rs. 9.37 Crores (June 30, 2014: Rs. 21.16 Crores), pertaining to Marketing Fund, to be used for sales promotional activities.

4. Previous period figures have been regrouped and reclassified to confirm to those of the current period.

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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place of Signature : New Delhi
Date : July 23, 2015

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place of Signature : New Delhi
Date : July 23, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : July 23, 2015

1. Corporate Information

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

2. Basis of preparation

The Unaudited Condensed Interim Financial Statements of Delhi International Airport Private Limited ('the Company' or 'DIAL') for the three months period ended June 30, 2015 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25 'Interim Financial Reporting' notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014, issued by the Ministry of Corporate Affairs and other recognized accounting practices and policies in India. The Unaudited Condensed Interim Financial Statements have been prepared under the historical cost convention on an accrual basis.

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

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

In view of above, the Company, based on technical review, has assessed the components except in case of Runways, Taxiways and Apron which is pending issuance of final notification by Airport Economic Regulatory Authority (AERA). The net impact of componentization based on the preliminary review has resulted in additional depreciation and accordingly an amount of Rs. 3.15 crores has been provided for in the books during the quarter ended June 30, 2015.

3. Explanatory Notes

3.1 Going concern

a) The Company's accumulated losses as at June 30, 2015 of Rs. 587.15 crores (As at March 31, 2015: Rs. 741.95 crores) have resulted in part erosion in net worth of the Company as at June 30, 2015. However, the Company has earned a net profit of Rs. 154.80 crores during the three months period ended June 30, 2015 (June 30, 2014: Rs. 62.25 crores) and has also met all its obligations as on June 30, 2015.

b) The Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first five year control period (i.e. 2009 - 2014). The first five year control period referred to above ended on March 31, 2014. Pending determination of the final Aeronautical tariff (s) for the second control period i.e. from 2014 to 2019, AERA vide its order 13/2014-15 dated October 14, 2014, had extended the operation of tariff order issued on April 24, 2012 up to January 31, 2015 or until the final determination of the tariff for the second control period (i.e. 2014 - 2019), whichever is earlier.

In addition, DIAL had also filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order 03/2012-13 issued on April 24, 2012 following the extension granted by AERA vide its order 04/2014-15 dated May 2, 2014 till disposal of DIAL's appeal pending with AERAAT. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 dated April 20, 2012 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Further, AERA had issued the consultation paper on January 28, 2015 for determination of Aeronautical tariff in respect of IGI Airport, Delhi for the second control period (i.e. 2014 - 2019). The consultation paper suggests that tariff for aeronautical revenue to be reduced by 78.24% of the existing tariff (i.e. tariff as compared to the first control period). The Company had filed its reply to AERA w.r.t. the consultation paper on April 10, 2015.

However, in view of Hon'ble High Court of Delhi judgment dated January 22, 2015, AERA vide its public notice no. 16/2014-15 dated January 29, 2015 extended the tariff till the disposal of the appeals pending against the First Control period tariff order, by AERAAT. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement for the Second control period w.e.f. April 1, 2014.

Further, AERA has filed a Special Leave Petition (SLP) dated April 24, 2015 in Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble High Court of Delhi dated January 22, 2015. The matter was heard by bench of Hon'ble Supreme Court of India on July 20, 2015. The Hon'ble Court then issued notice to all and directed the matter to be placed before it in three weeks.

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

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3.2 Depreciation

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

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

b) On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, interalia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, continues to depreciate these assets over their estimated useful lives of 30 years as determined by the management based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.

3.3 The Company has a receivable (including unbilled revenue) of Rs. 442.57 crores as at June 30, 2015 (March 31, 2015: Rs. 405.57 crores) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing "Airport Enhancement and Financing Service Agreement" with The International Air Transport Association for recovery of dues from Air India, the Company considers its dues from Air India as good and fully recoverable.

3.4 Contingent liabilities not provided for:

(Rs. in crores)

	Particulars	As at June 30, 2015	As at March 31, 2015
(i)	In respect of Income tax matters*	91.47	91.47
(ii)	In respect of Indirect tax matters	3.98	3.98
(iii)	Claim against the Company not acknowledged as debt [Refer (e) below]	41.47	41.47

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

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

a) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 105.18 crores on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount of Rs. 16.98 crores (in addition to Rs.13.68 crores earlier paid under protest against these demands). SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, from 2013-14 the Company has started paying property tax and the same has been charged to Statement of profit and loss of respective years/ periods.

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

   The Company had provided Rs 60.96 crores till June 30, 2015 (March 31, 2015: Rs. 60.96 crores) [including Rs. 57.75 crores provided till March 31, 2014]. Further, interest of Rs 24.99 crores has also been provided till June 30, 2015 (March 31, 2015: Rs. 24.99 crores), making the total provision of Rs 81.87 crores (March 31, 2015: Rs. 81.87 crores) [net of self-assessment tax paid of Rs. 4.08 crores in earlier years]. The Company is still contesting on the tax and interest demand. The matter is pending with the Hon'ble High Court of Delhi and is now listed for hearing on September 17, 2015.

b) The Airports Authority of India(AAI) had claimed service tax on the monthly annual fee (MAF) payable to them considering the same as rental from immovable property w.e.f. June 1, 2007. The Company has disputed the grounds of the levy under relevant provisions of the OMDA and based on a legal opinion obtained in this regard, is of the view that transaction between AAI and DIAL is neither a franchisee agreement nor a Renting of Immovable Property, which are specified taxable services under Section 65(105) of Service Tax Act. The Company has filed a writ petition with Hon'ble High Court of Delhi and is listed for hearing on August 13, 2015. Based on an internal assessment and legal opinion obtained, the management is of the view that no adjustments are required to be made to these Unaudited Condensed Interim Financial Statements.

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

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on August 26, 2015. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these Unaudited Condensed Interim Financial Statements.

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

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on August 26, 2015.

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 expenditure incurred on repair and maintenance of security equipment amounting to Rs. 1.09 crores during the three months ended June 30, 2015 (June 30, 2014 : Rs. 4.22 crores) to these the Statement of Profit and Loss.

e) The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. As at March 31, 2014, the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 crores in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).

The Company was of the view that such credit entitlements constitute capital grant and thus, was recording fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips. However, the Expert Advisory Committee of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to revenue under Accounting Standard 12 – Accounting for Government Grants.

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

However, AAI has expressed different view on this and argued that amount utilized under SFIS should be treated as revenue and accordingly revenue share on amount of Rs 89.60 crores is payable to AAI. Enforcing their view, AAI has written letter to ICICI bank on July 06, 2015 instructing bank to remit Rs. 41.21 crores from Receivable Escrow Account of the Company as revenue share to AAI's bank account as per terms of the escrow agreement. The company has disputed the contention of AAI and accordingly written to ICICI Bank not to remit the amount as per the provisions of the escrow agreement.

Further, the Company has also filed a writ petition against the AAI's letter in Hon'ble High Court of Delhi on July 10, 2015 disputing the demand and the letter unilaterally issued by AAI and prayed for quashing of demand by AAI. The matter was heard on July 20, 2015 and AAI has agreed in Hon'ble Court that it will not take any coercive action against the Company till the matter is adjudicated by the Court. The matter is now listed for hearing on July 27, 2015.

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

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

3.5 Capital and Other Commitments

Capital Commitments:

At June 30, 2015, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 62.59 crores (March 31, 2015: Rs. 77.29 crores).

Other Commitments:

i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.

ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.

iii. The Company has taken (Interest Rate Swap) IRS of USD 90.23 million, fixing LIBOR at 1.94% p.a. (on notional amount payable semiannually and receive USD 6 months LIBOR, semi-annually), which are effective from June 30, 2015 and maturity date is June 29, 2018.

With respect to Jointly controlled entities:

iv. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the three months ended June 30, 2015, the Company accounted for Rs. 7.62 crores (June 30, 2014: Rs. 13.21 crores) towards such short fall of subsistence level over receivables of WAISL and are included in "Other Expenses".

Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. The Company has funded Rs. 10.21 crores till June 30, 2015 (March 31, 2015: Rs. 9.62 crores) towards shortfall in collection from customers.

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

vi. In respect of its equity investment in WAISL, the Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.

vii. The Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.

viii. In respect of the Company's investment in Joint Venture ('JV') entities, other JV partners have the first right of refusal in case any of the JV partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

With respect to Associate Company:

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

3.6 Leases:

Assets taken on operating Lease

(Rs. in crores)

Particulars	**Three months period ended June 30, 2015**	**Three months period ended June 30, 2014**
Lease payment for the three months period (excluding taxes)	2.22	1.68
	2.22	**1.68**
	As at June 30, 2015	**As at March 31, 2015**
Minimum Lease Payments:		
Not later than one year	4.83	5.28
Later than one year but not later than five years	7.28	8.41
Later than five years	-	-
Total	**12.11**	**13.69**

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

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3.7 Related party transactions:

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
I	Ultimate holding company	GMR Holdings Private Limited
	Intermediate holding company	GMR Infrastructure Limited
	Holding company	GMR Airports Limited
II	Subsidiary company	Delhi Aerotropolis Private Limited
III	Associate company	East Delhi Waste Processing Company Limited
IV	Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
		GMR Badrinath Hydro Power Generation Private Limited
		GMR Hyderabad International Airport Limited
		GMR Male International Airport Private Limited
		GMR Airport Developers Limited
		GMR Krishnagiri SEZ Limited
		GMR Aviation Private Limited
		Raxa Security Services Limited
		GMR Chhattisgarh Energy Limited
		GMR Kamalanga Energy Limited
		Kakinada SEZ Private Limited
		EMCO Energy Limited
		GMR Power Corporation Limited
		GMR Kishangarh Udaipur Ahmedabad Expressways Limited
		GMR Consulting Services Private Limited
		GMR Aerospace Engineering Limited
		GMR Infrastructure (Singapore) Pte Limited (GISPL)
V	Jointly controlled entities (where transactions have taken place)	Delhi Aviation Services Private Limited
		Delhi Aviation Fuel Facility Private Limited
		Wipro Airport IT Services Limited
		Delhi Airport Parking Services Private Limited
		Travel Food Services (Delhi Terminal 3) Private Limited
		Delhi Duty Free Services Private Limited
		Devyani Food Street Private Limited[1]
		Celebi Delhi Cargo Terminal Management India Private Limited
		Delhi Cargo Service Center Private Limited[2]
		TIM Delhi Airport Advertising Private Limited

VI	Enterprises in respect of which the company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide
VIII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Grandhi Kiran Kumar - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

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

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

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(All amounts in Rupees Crores, except otherwise stated)

3.7(b) (i) Summary of balances with the above related parties is as follows:

Balances on date	As At June 30, 2015	As At March 31, 2015
Non-Current Investments		
Investments in Equity Share		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.10	0.10
Associate companies		
East Delhi Waste Processing Company Limited	0.01	0.01
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	12.50	12.50
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
Delhi Duty Free Services Private Limited	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	3.20	3.20
TIM Delhi Airport Advertising Private Limited	9.22	9.22
Current Investment		
Investments in Equity Share		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	40.64	40.64
Trade Receivables		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.04	0.04
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	-	12.31
TIM Delhi Airport Advertising Private Limited	-	0.04
Delhi Aviation Services Private Limited	-	0.41
Delhi Airport Parking Services Private Limited	-	1.02
Travel Food Services (Delhi Terminal 3) Private Limited	6.70	6.64
Celebi Delhi Cargo Terminal Management India Private Limited	-	9.71
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.07	0.03
GMR Energy Limited	2.12	1.02
GMR Badrinath Hydro Power Generation Private Limited	-	0.61
Other Current Assets		
Unbilled revenue		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	1.40	0.66

(All amounts in Rupees Crores, except otherwise stated)

Balances on date	As At June 30, 2015	As At March 31, 2015
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	1.19	0.04
TIM Delhi Airport Advertising Private Limited	14.27	18.18
Delhi Duty Free Services Private Limited	12.21	2.17
Delhi Aviation Services Private Limited	1.45	0.01
Delhi Cargo Service Center Private Limited	-	0.03
Celebi Delhi Cargo Terminal Management India Private Limited	9.99	0.08
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	-
GMR Chhattisgarh Energy Limited	0.21	-
GMR Consulting Services Pvt. Ltd.	0.22	-
EMCO Energy Limited	0.22	-
Other Current Assets		
Reversal of Unbilled revenue		
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.15	0.79
Other Current Assets		
Non- Trade Receivables		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	1.13	2.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	0.90	0.65
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.04	0.33
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.98
Delhi Airport Parking Services Private Limited	0.06	0.16
Delhi Aviation Services Private Limited	-	0.47
TIM Delhi Airport Advertising Private Limited	-	2.14
Delhi Duty Free Services Private Limited	-	4.87
Advances recoverable in cash or in kind		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.07	0.07
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.03	0.07
Delhi Airport Parking Services Private Limited	0.04	0.17
Travel Food Services (Delhi Terminal 3) Private Limited	0.06	0.06
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.03	0.06
Delhi Duty Free Services Private Limited	0.02	0.05
TIM Delhi Airport Advertising Private Limited	0.22	0.09
Wipro Airport IT Services Limited	5.62	0.70

(All amounts in Rupees Crores, except otherwise stated)

Balances on date	As At June 30, 2015	As At March 31, 2015
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	7.80	7.80
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Kamalanga Energy Limited	0.04	0.01
Kakinada SEZ Private Limited	0.09	0.07
GMR Male International Airport Private Limited	1.14	1.14
GMR Aerospace Engineering Limited	0.16	0.16
GMR Power Corporation Limited	0.01	0.01
GMR Airport Developers Limited	0.02	-
GMR Infrastructure (Singapore) Pte Limited	-	2.33
Advances recoverable in cash or in kind		
Non-Current		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	2.82	2.82
Trade payable		
Intermediate holding company		
GMR Infrastructure Limited	8.11	3.98
Holding company		
GMR Airports Limited	4.22	7.20
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport services Worldwide	32.09	55.01
Airports Authority of India	65.94	50.42
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.00	0.45
Raxa Security Services Limited	0.41	0.47
GMR Airport Developers Limited	-	0.12
GMR Hyderabad International Airport Limited	0.02	0.02
Long-term Provision		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	48.04	52.50
Short-term Provision		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	18.11	18.26
Current Liabilities		
Unearned Revenue		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	18.82	-
Delhi Aviation Fuel Facility Private Limited	11.98	-
TIM Delhi Airport Advertising Private Limited	0.08	0.05

(All amounts in Rupees Crores, except otherwise stated)

Balances on date	**As At June 30, 2015**	**As At March 31, 2015**
Other Long Term Liabilities		
Deposits from Trade Concessionaires		
Non-Current		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	234.72	234.72
Travel Food Services (Delhi Terminal 3) Private Limited	1.55	1.55
Delhi Airport Parking Services Private Limited	3.00	3.00
TIM Delhi Airport Advertising Private Limited	35.47	35.47
Deposits from Trade Concessionaires		
Current		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	137.56	127.93
Delhi Aviation Fuel Facility Private Limited	158.66	158.66
Delhi Airport Parking Services Private Limited	0.13	0.13
Delhi Duty Free Services Private Limited	0.14	0.33
Delhi Aviation Services Private Limited	15.03	15.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.11	0.11

3.7 (b) (ii) Summary of transaction with the above related parties is as follows:

Transactions during the period	**For the Three month ended June 30, 2015**	**For the Three month ended June 30, 2014**
Share Application Money Paid		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	2.60
Non-current investments		
Investment made in Equity Share		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	2.60
Deposits from trade concessionaires		
Security Deposits Received		
Jointly Controlled Entities		
Delhi Aviation Fuel Facility Private Limited	-	2.28
Celebi Delhi Cargo Terminal Management India Private Limited	9.63	-
Delhi Duty Free Services Private Limited	-	0.03

(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	**For the Three month ended June 30, 2015**	**For the Three month ended June 30, 2014**
Deposits from trade concessionaires		
Deposits Refunded		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	0.19	-
Key Managerial Remuneration paid/ payable		
Employee Benefits for Key Management Personnel		
Mr. Grandhi Kiran Kumar	0.56	0.53
Mr. Srinivas Bommidala	0.56	0.53
Mr. K. Narayana Rao	0.21	0.18
Revenue share paid		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	538.58	462.41
Interest Received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	0.40	-
Delhi Duty Free Services Private Limited	0.15	-
Delhi Aviation Fuel Facility Private Limited	-	0.82
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	8.60	7.78
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	32.09	29.98
Expenses incurred by the Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	0.01	0.01
Holding company		
GMR Airports Limited	0.04	0.39
Jointly Controlled Entities		
Devyani Food Street Private Limited	-	0.03
Celebi Delhi Cargo Terminal Management India Private Limited	0.08	0.07
TIM Delhi Airport Advertising Private Limited	0.12	0.05
Delhi Aviation Services Private Limited	0.09	0.08
Delhi Airport Parking Services Private Limited	0.11	0.10

(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	**For the Three month ended June 30, 2015**	**For the Three month ended June 30, 2014**
Travel Food Services (Delhi Terminal 3) Private Limited	0.08	0.08
Delhi Duty Free Services Private Limited	0.06	0.09
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.02	0.12
GMR Male International Airport Private Limited	-	0.03
GMR Hyderabad International Airport Limited	-	0.07
Raxa Security Services Limited	0.25	0.23
GMR Kamalanga Energy Limited	0.03	-
Expenses incurred by related parties on behalf of Company		
Holding company		
GMR Airports Limited	0.65	-
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	-	0.03
GMR Krishnagiri SEZ Limited	-	0.01
GMR Kishangarh Udaipur Ahmedabad Expressways Limited	-	0.05
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	7.85	6.84
Holding company		
GMR Airports Limited	3.42	2.58
Services Received		
Chartering Cost :		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	1.27	0.30
Security related expenses:		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	3.54	3.00
Information technology and related expenses:		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	7.62	13.21
Repair and Maintenance - IT System		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	0.09	0.53

(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Rent – Office		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	-	0.04
Electricity charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	2.37	1.69
Delhi Airport Parking Services Private Limited	0.44	0.41
Delhi Cargo Service Center Private Limited	-	1.06
Celebi Delhi Cargo Terminal Management India Private Limited	4.08	3.86
TIM Delhi Airport Advertising Private Limited	0.74	0.68
Travel Food Services (Delhi Terminal 3) Private Limited	0.84	0.72
Delhi Duty Free Services Private Limited	0.68	0.57
Devyani Food Street Private Limited	-	0.59
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	0.34	-
GMR Badrinath Hydro Power Generation Private Limited	-	0.03
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	3.45	3.04
Water charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.03	0.02
Delhi Airport Parking Services Private Limited	0.12	0.10
Devyani Food Street Private Limited	-	0.07
Travel Food Services (Delhi Terminal 3) Private Limited	0.11	0.09
Delhi Cargo Service Center Private Limited	-	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.23	0.23
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	0.04	-
Space Rental ,Land Licence fee, Common area Maintenance (CAM)		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	0.38	0.36
Delhi Cargo Service Center Private Limited	-	5.79
Delhi Aviation Fuel Facility Private Limited	3.98	3.73
Celebi Delhi Cargo Terminal Management India Private Limited	6.23	5.81
Delhi Duty Free Services Private Limited	0.45	0.24
Delhi Aviation Services Private Limited	0.02	0.02

(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Badrinath Hydro Power Generation Private Limited	-	0.41
GMR Energy Limited	0.98	-
GMR Aviation Private Limited	0.01	0.04
GMR Chhattisgarh Energy Limited	0.16	-
GMR Consulting Services Pvt. Ltd.	0.16	-
EMCO Energy Limited	0.16	-
Concession fees received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	3.32	2.33
TIM Delhi Airport Advertising Private Limited	24.41	19.65
Delhi Aviation Services Private Limited	1.46	1.17
Delhi Cargo Service Center Private Limited	-	5.62
Delhi Duty Free Services Private Limited	72.09	59.23
Devyani Food Street Private Limited	-	2.51
Celebi Delhi Cargo Terminal Management India Private Limited	26.54	27.12
Travel Food Services (Delhi Terminal 3) Private Limited	3.94	3.06
Airport Service, Common Area Maintenance , Screening & Other Charges		
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.63	0.27
Devyani Food Street Private Limited	-	0.25
Celebi Delhi Cargo Terminal Management India Private Limited	0.26	0.29
Delhi Duty Free Services Private Limited	1.06	0.89
Delhi Airport Parking Services Private Limited	0.01	0.02
Delhi Aviation Services Private Limited	-	0.01
Aeronautical Income		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.05	0.09
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.02	0.01
Income from Non current Investments-		
Dividend Income		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	-	3.99

Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Marketing Fund Billed		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	1.45	1.20
Travel Food Services (Delhi Terminal 3) Private Limited	0.12	-

(This space has been intentionally left blank)

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

(a) The Company had accrued Development Fund (DF) amounting to Rs. 350 crores during the year 2012-13 earmarked for construction of Air Traffic Control (ATC) tower, currently which is under progress as at June 30, 2015. DF amounting to Rs. 311.84 crores (March 31, 2015: Rs. 308.83 crores) has been adjusted against the expenditure on construction of ATC tower incurred till June 30, 2015 and balance DF amounting to Rs. 38.16 crores (March 31, 2015 : Rs. 41.17 crores), pending utilization, has been disclosed under Other current liabilities.

(b) While calculating such additional DF amount:

i) In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalised DF collection charges aggregating to Rs. 23.06 crores till June 30, 2015 (As on March 31, 2015 : Rs. 22.06 crores) from the DF grant.

ii) The Airport Economic Regulatory Authority of India (AERA) has passed an order vide Order No 03/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport . As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016.

3.9 The Company has received advance development costs of Rs. 653.13crores (March 31, 2015: Rs. 653.13 crores) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at June 30, 2015, the Company has incurred development expenditure of Rs. 399.85 crores (March 31, 2015: Rs. 383.87 crores) which has been adjusted against the aforesaid advance and balance amount is disclosed under other long term liabilities and current liabilities.

3.10 The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such Marketing Fund are being audited by one of the joint statutory auditors. The Company is collecting Marketing Fund since 2012-2013 and total billing till June 30, 2015 is Rs. 54.86 crores (March 31, 2015: Rs. 51.86 crores) towards such Marketing Fund and has incurred expenditure amounting to Rs. 26.91 crores (net of income on temporary investments) (March 31, 2015: Rs. 26.27 crores) from the amount so collected. The balance amount of Rs. 27.95 crores as at June 30, 2015 (March 31, 2015: Rs. 25.59 crores) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.

3.11 These Unaudited Condensed Interim Financial Statements do not include Accounts for Passenger Service Fee - Security Component [PSF- (SC)] of the Company 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.

3.12 These Unaudited Condensed Interim Financial Statements do not include billing to airlines for DF by the Company, as the management believes that the 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.

3.13 During the quarter ended June 30, 2015, GMR Airports Limited (Holding Company of DIAL) has bought an additional stake of 10% in DIAL from Malaysia Airports (Mauritius) Private Limited on May 25, 2015. Consequent to this, GMR Airports Limited shareholding in DIAL has increased to 64% and Malaysia Airports (Mauritius) Private Limited shareholding in DIAL has reduced to NIL.

3.14 The Company has only one business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these Unaudited Condensed Interim Financial Statements relate to the Company's single business segment, disclosures under Accounting Standard (AS) 17 – Segment Reporting are not reported upon separately.

3.15 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 of the Company does not anticipate any material adjustment with regard to the transactions involved during the three months period June 30, 2015.

3.16 The Institute of Chartered Accountants of India (ICAI) has issued a Guidance Note on "Accounting for Rate Regulated Activities" which deals with the effects on an entity's financial statements that provides goods/services, whose prices are subject to cost-of-service regulation, for accounting periods beginning on or after April 01, 2015. The Company is prima facie of the view that, this Guidance Note is not applicable to the Company. However, the Company is in the process of evaluating its applicability. Accordingly, no adjustments have been made to these financial results on account of this Guidance Note.

3.17 The Comptroller and Auditor General of India (CAG) had conducted the performance audit of PPP (Public Private Partnership) project of AAI at Delhi Airport for the period 2006 to 2012. CAG had presented its report before Rajya Sabha on August 17, 2012, wherein they had made certain observations on the Company. The Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Lok Sabha vide its Thirty fourth report in February 2014.

The management of the Company is of the view that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

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

3.19 Previous period / year figures have been regrouped and re-classified wherever necessary to conform to those of current period.

As per our report of even date

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

/s/ Yogesh Midha
Per Yogesh Midha
Partner
Membership No. 94941
Place: New Delhi
Date: July 23, 2015

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

/s/ G. Srinivas
Per G. Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: July 23, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN – 00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN – 00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place: New Delhi
Date: July 23, 2015

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

INDEPENDENT AUDITOR'S REPORT

To the Members of Delhi International Airport Private Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Delhi International Airport Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2016, its profit, and its cash flows for the year ended on that date.

S.R.BATLIBOI & ASSOCIATES LLP	**Brahmayya & Co.**
Chartered Accountants	Chartered Accountants
Golf View corporate Tower-B	10/2, Khivraj Mansion
Sector-42, Sector Road	Kasturba Road
Gurgaon- 122002, Haryana, India	Bengaluru 560 001, India

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 financial statements – Refer Note 35 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   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	**For Brahmayya & Co.,**
ICAI Firm Registration Number: 101049W/E300004	**Firm Registration Number: 000515S**
Chartered Accountants	Chartered Accountants
/s/ Yogesh Midha	*/s/ G Srinivas*
per Yogesh Midha	**per G Srinivas**
Partner	**Partner**
Membership Number: 94941	Membership Number: 86761
Place: Gurgaon	Place: New Delhi
Date: April 28, 2016	Date : April 28, 2016

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

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 have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed, which were not material, have been properly dealt with in the books of accounts during the previous year.

(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 and hence not commented upon.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to aeronautical services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, excise duty, custom duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in case of payment of service tax and advance income tax in few cases.

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(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 (Rs. in Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Taxability of Passenger Service Fee (Security Component), Disallowance on account of capital expenditure, Disallowance of payment of gratuity, Disallowance under section 40(a)(ia) of the Act, Disallowance of club expenses, Disallowance under Section 14A of the Act, Issue of SFIS Duty Credit Scrips.	3.66	Assessment Year: 2008-09	Commissioner of Income Tax (CIT) Appeals.
Income Tax Act, 1961	Taxability of Passenger Service Fee (Security Component), Disallowance on account of capital expenditure, Disallowance under Section 14A of the Act Disallowance of club expenses, Disallowance under section 40(a)(ia) on issue related non deduction of TDS, Issue of SFIS Duty Credit Scrips.	0.43	Assessment Year: 2009-10	Commissioner of Income Tax (CIT) Appeals.
Income Tax Act, 1961	Tax Deducted at Source/Tax Collected at Source.	0.03	Various Years	Deputy Commissioner of Income Tax ((New Delhi).
Finance Act 1994	Service tax on Development Fees (DF) receipt.	275.64	March 2009 to September 2013.	Commissioner, Service tax.
Finance Act 1994	i) Non payment of Service tax under reverse charge mechanism for the alleged ‘Management or Business Consultants’. ii) Wrong and Excess Utilization of CENVAT credit iii) Non Payment of Service Tax on License Fees / lease rentals.	35.44	Financial year 2006-07 to 2009-10	Commissioner, Service tax, New Delhi
Finance Act 1994	Non-payment of Service Tax on License Fees / lease rentals.	7.74	Financial year 2011-12 (Apr – June’2010)	Commissioner of Service Tax, New Delhi.
Finance Act 1994	Wrong availment of service tax on the payment made towards employee’s medical insurance.	0.11	Financial year 2011-12.	Additional Commissioner of Service Tax, New Delhi.

Name of the statute	Nature of Dues	Amount (Rs. in Crores)	Period to which amount relates	Forum where dispute is pending
Finance Act 1994	i) Service tax on the supply of electricity and water ii) Denial of CENVAT on Central Industrial Security Force (CISF) related expenses.	25.22	Financial year: 2009 -10 to 2012-13	Commissioner of Service tax
Finance Act 1994	Non-payment of service tax on Advance Development Costs ('ADC').	59.91	Financial year: 2010-11 to 2011-12	Commissioner of Service Tax
Finance Act 1994	Service tax -non charging of ST by DIAL.	0.22	Financial year 2007-08	Additional Commissioner of Service Tax, New Delhi.

* 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 Rs. 50.17 crores.

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and bank. The Company did not have any outstanding dues in respect of debenture holders during the year .

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised. The Company has not raised any funds by way of initial public offer or further public offer or debt instruments.

(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) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(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) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. (Refer note 31of the financial statements)

(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.

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership Number: 94941
Place: Gurgaon
Date: April 28, 2016

For Brahmayya & Co.,
Firm Registration Number: 000515S
Chartered Accountants

/s/ G Srinivas
per G Srinivas
Partner
Membership Number: 86761
Place: New Delhi
Date : April 28, 2016

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
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ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DELHI INTERNATIONAL AIRPORT PRIVATE LIMITED LIMTED

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

To the Members of Delhi International Airport Private Limited

We have audited the internal financial controls over financial reporting of Delhi International Airport Private Limited("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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, both 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.

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

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, 2016 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.

Explanatory paragraph

We also have audited, 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, the standalone financial statements of Delhi International Airport Private Limited, which comprise the Balance Sheet as at March 31, 2016 and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 28, 2016 expressed unqualified opinion.

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

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership Number: 94941
Place: Gurgaon
Date: April 28, 2016

For Brahmayya & Co.,
Firm Registration Number: 000515S
Chartered Accountants

/s/ G Srinivas
per G Srinivas
Partner
Membership Number: 86761
Place: New Delhi
Date : April 28, 2016

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Balance Sheet as at March 31, 2016
(All amounts in Rupees Crores, except otherwise stated)

	Notes	March 31, 2016	March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	4	**2,450.00**	2,450.00
Reserves and surplus:	5		
Deficit in statement of profit and loss		**(233.09)**	(741.95)
		2,216.91	1,708.05
Non-current liabilities			
Long-term borrowings (Secured)	6	**5,363.43**	5,436.94
Deferred tax liability (net)	7	**27.28**	-
Other long-term liabilities	8	**1,950.91**	1,998.95
Long-term provisions	9	**34.90**	52.50
		7,376.52	7,488.39
Current liabilities			
Trade payables	10		
Total outstanding dues of micro, small and medium enterprises		**0.67**	1.02
Total outstanding dues of creditors other than micro small and medium enterprises		**389.71**	424.62
Other current liabilities	11	**1,201.56**	1,456.63
Short-term provisions	9	**57.59**	42.44
		1,649.53	1,924.71
TOTAL		**11,242.96**	11,121.15
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	**7,999.58**	8,355.69
Intangible assets	13	**412.94**	433.50
Capital work-in-progress		**63.87**	50.65
Non-current investments	14	**138.01**	138.01
Loans and advances	15	**98.55**	89.53
Other non-current assets	16	**54.68**	170.01
		8,767.63	9,237.39
Current assets			
Current investments	17	**989.87**	287.27
Inventories	18	**8.11**	8.65
Trade receivables	19	**787.93**	652.22
Cash and bank balances	20	**483.88**	320.27
Loans and advances	15	**59.57**	62.34
Other current assets	16	**145.97**	553.01
		2,475.33	1,883.76
TOTAL		**11,242.96**	11,121.15
Summary of significant accounting policies	3		

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

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place : Gurgaon
Date : April 28, 2016

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : April 28, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

Place : New Delhi
Date : April 28, 2016

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : April 28, 2016

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Statement of Profit and Loss for the year ended March 31, 2016
(All amounts in Rupees Crores, except otherwise stated)

Particulars	Notes	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Income			
Revenue from operations	21	**4,861.63**	4,195.50
Other income	22	**154.35**	84.42
Total Revenue (i)		**5,015.98**	4,279.92
Expenses			
Annual fee to Airports Authority of India (AAI)		**2,304.15**	1,967.80
Employee benefits expense	23	**125.34**	132.12
Other expenses	24	**700.15**	697.47
Total Expenses (ii)		**3,129.64**	2,797.39
Earnings before interest, tax, depreciation and amortization and exception items (EBITDA) [(i) - (ii)]		**1,886.34**	1,482.53
Depreciation and amortization expenses	25	**646.96**	624.28
Finance costs	26	**571.24**	556.19
Profit before tax and exceptional items		**668.14**	302.06
Exceptional items (net)	27	**-**	74.15
Profit before tax		**668.14**	227.91
Tax expenses			
Current Tax		**129.07**	-
Deferred Tax charge		**27.28**	
MAT credit entitlement for earlier years written off		**2.93**	-
Total tax expense		**159.28**	-
Profit for the period		**508.86**	227.91
Earning per equity share [nominal value of share Rs. 10 (March 31, 2015: Rs. 10)]			
Basic and Diluted (In Rupees)	28	**2.08**	0.93
Computed on basis of total profit for the year			
Summary of significant accounting policies	3		

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

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place : Gurgaon
Date : April 28, 2016

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : April 28, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : April 28, 2016

Place : New Delhi
Date : April 28, 2016

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Cash Flow Statement for the year ended March 31, 2016
(All amounts in Rupees Crores, except otherwise stated)

	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit before tax	**668.14**	227.91
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	**646.96**	624.28
Provision for Bad debts / Bad Debts Written off	**0.03**	9.01
Provision for Doubtful advances / Advances Written off	**0.43**	0.20
Interest income on deposits/current investment	**(27.11)**	(5.52)
Exchange differences unrealised (net)	**0.84**	(0.18)
Net Gain on sale of current investments	**(47.99)**	(20.47)
Income from sale of non-current investment (Refer note no. 27)	**-**	(17.68)
Profit on Sale of Fixed Assets	**(0.05)**	(0.28)
Dividend Income on long term investments	**(35.52)**	(19.31)
Other borrowing costs including amortisation	**14.17**	27.15
Loss on discard of fixed assets	**0.18**	2.18
Breakage cost of Interest Rate Swap (IRS) (Refer note no. 27)	**-**	91.83
Interest on Borrowings	**486.55**	499.38
Other interest	**68.10**	-
Operating profit before working capital changes	**1,774.73**	1,418.50
Movements in working capital :		
(Decrease) / Increase in trade payables	**(35.75)**	126.88
Decrease in other long term liabilities	**(39.62)**	(73.27)
Increase in other current liabilities	**62.04**	42.87
(Increase) / Decrease in trade receivables	**(136.10)**	68.13
Decrease in inventories	**0.54**	2.41
Decrease / (Increase) in other current assets	**38.26**	(30.32)
Decrease / (Increase) in long term loans and advances	**(0.29)**	3.40
Decrease in short term loans and advances	**2.76**	1.08
Increase in short-term provisions	**0.52**	4.40
Cash generated from operations	**1,667.09**	1,564.08
Direct taxes paid (net)	**(117.01)**	(9.91)
Net cash flow from operating activities (A)	**1,550.08**	1,554.17
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	**(216.40)**	(355.67)
Development fee (DF) realised	**413.37**	384.39
Proceeds from sale of fixed assets	**0.05**	0.55
Proceeds from sale of non-current investments	**-**	33.52
Purchase of non-current investments	**-**	(2.60)
Purchase of current investments	**(12,145.62)**	(6,921.96)
Proceeds from sale/maturity of current investments	**11,491.01**	6,804.58
Dividend Income	**35.52**	19.31
Interest received	**23.89**	(0.87)
Decrease in margin money deposit	**(11.45)**	(30.64)
Redemption / (Investments) in margin money deposits with original maturity of more than three months	**135.88**	(169.73)
Net cash flow used in investing activities (B)	**(273.75)**	(239.12)
Cash flows from financing activities		
Proceeds from long-term borrowings	**-**	1,778.78
Repayment of long-term borrowings	**(497.22)**	(2,283.19)
Repayment of short-term borrowings	**-**	(125.19)
Other borrowing costs paid	**(5.40)**	(52.06)
Collection of interest on DF loans from airlines	**39.15**	83.58
Interest paid	**(524.82)**	(658.49)
Net cash flow used in financing activities (C)	**(988.29)**	(1,256.57)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**288.04**	58.48
Cash and cash equivalents at the beginning of the period	**119.70**	61.22
Cash and cash equivalents at the end of the period	**407.74**	119.70
Components of cash and cash equivalents		
Cash on hand	**0.11**	0.14
Cheques/ drafts on hand	**15.78**	5.28
With banks		
- on current account	**41.85**	76.17
- on deposit account	**350.00**	38.11
Total cash and cash equivalents	**407.74**	119.70

Explanatory notes annexed

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under sectiont 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014).
2. The above cash flow statement has been compiled from and is based on the Standalone Balance Sheet as at March 31, 2016 and the related Standalone Profit and Loss for the year ended on that date.
3. Cash and cash equivalents include Rs. 2.31 crores (March 31, 2015: Rs. 5.75 crores), pertaining to Marketing Fund, to be used for sales promotional activities.
4. Previous period figures have been regrouped and reclassified to confirm to those of the current period.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership no: 94941
Place : Gurgaon
Date : April 28, 2016

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : April 28, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : April 28, 2016

Place : New Delhi
Date : April 28, 2016

1. Corporate Information

Delhi International Airport Private Limited ('DIAL' or 'the Company') is a deemed Public Company domiciled in India and was incorporated on March 1, 2006 under the provisions of the Companies Act, 1956, for 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 financial statements of the Company for the year ended March 31, 2016 have been prepared by the Company in accordance with generally accepted accounting principles in India, mandatory accounting standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year except for change in accounting policy as explained in note 3 (i).

Going concern

(i) The Company's accumulated losses as at March 31, 2016 of Rs. 233.09 crores (March 31, 2015: Rs. 741.95 crores) have resulted in part erosion of net worth of the Company as at the year end. However, the Company has earned profit of Rs.508.86 crores and Rs. 227.91 crores during the year ended March 31, 2016 and March 31, 2015 respectively and has met all its obligations as at March 31, 2016.

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

However, earlier DIAL had filed a writ petition before the Hon'ble Delhi High Court seeking extension of existing tariff as allowed vide AERA order no. 03/2012-13 issued on April 24, 2012 till disposal of DIAL's appeal pending before AERAAT. Subsequently, Hon'ble Delhi High Court vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012, shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT. The tariff matters have been listed for hearing by AERAAT on May 02, 2016.

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

Further, AERA has also filed a Special Leave Petition (SLP) dated April 24, 2015 in Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble Delhi High Court dated January 22, 2015. AERA has also filed an application before Hon'ble Supreme Court seeking directions for the implementation of its tariff order for second control period. The pleadings of the parties are complete and now listed for arguments on SLP and applications in due course. Tentative date of listing is May 09, 2016.

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

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

3. Statement of significant accounting policies

(i) Change in accounting policy

Component Accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from April 1, 2015. The Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Now, the Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., April 1, 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on April 1, 2015, is depreciated over their remaining useful lives.

The Company has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier Company used to charge such cost directly to statement of profit and loss. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/ overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/ overhaul is derecognized.

The Company, based on technical review, has assessed the components except in case of Runways and Taxiways which is pending issuance of final notification by Airport Economic Regulatory Authority (AERA).

Had the Company continued to use the earlier policy of depreciating fixed asset, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by Rs. 14.59 crores. Profit before tax for the current period would have been higher by Rs. 14.59 crores and fixed asset would have been higher by Rs. 14.59 crores.

On the date of component accounting becoming applicable, i.e., April 1, 2015, there was no component having zero remaining useful life.

(ii) Change in accounting estimate

Amortization of Intangible Assets

Upto March 31, 2015, the Company amortised upfront fee and other costs paid to Airport Authotity of India ('AAI') over the initial and extended periods of OMDA i.e. 60 years.

However, the Company, considering the prevalent regulatory and economic conditions, have revisited and revised the estimate for amortisting the upfront fees and other cost paid to AAI over the initial period of 30 years of OMDA prospectively.

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

Amortization for the current period would have been lower by Rs. 11.93 crores. Profit before tax for the current period would have been higher by Rs. 11.93 crores and intangible assets would have been higher by Rs. 11.93 crores.

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Tangible fixed assets are stated at cost, net of cenvat credit and other duty drawbacks less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated

(All amounts in Rupees Crores, except otherwise stated)

August 9, 2012 exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Collection charges on development fund (DF) are added to the fixed assets and are being depreciated over the remaining useful life of the asset.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation on tangible fixed assets

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

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

Also refer note 3(i) of the significant accounting policies.

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

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, interalia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, continues to depreciate these assets over their estimated useful lives of 30 years as determined by the management based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.

d. 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.

The amortisation period and the amortisation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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

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

e. Impairment of tangible and intangible 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 net selling price 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 groups of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for individual assets. These budgets and forecast calculations are generally covering 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.

After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Leases

Where the Company is lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given under operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the

Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of profit and loss.

g. Government grants

Grants and subsidies including airport development fee from the Government or any regulatory authority are recognized when there is reasonable assurance that the grant / subsidy will be received / utilized and the Company will comply with the conditions attached to them.

In case of grants related to an asset, the grant amount (net of direct amount incurred to earn aforesaid grant) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Capital Work In Progress (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.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

h. Investments

Investments, which are readily realizable 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.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize 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 Statement of profit and loss.

i. 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 current procurement price in the ordinary course of business.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Income from Services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax, collection charges and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), landing and parking of aircraft, fuel farm, operation and maintenance of passenger boarding and other allied services. Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

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

Revenue from Management fees for support services rendered is recognized on accrual basis as per the terms of the agreement.

Interest

Revenue 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.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Claims

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

k. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l. Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

(iv) Forward Exchange Contracts not intended for trading or speculations purposes

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

m. Retirement and other employee benefits:

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company contributes a portion of contribution to DIAL Employees Provident Fund Trust (the Trust). The 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 actuarially determined and accounted by the Company as provident fund cost.

Retirement benefits in the form of Superannuation Fund and Employees 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. There are no other obligations other than the contribution payable to the respective trusts.

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

Short term compensated absences including sick leave are provided for based on estimates. Long term compensated absences including sick leave are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are recognised in full, in the year in which they occur, in the Statement of profit and loss.

n. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and 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 recognizes 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 recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, 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.

o. 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.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

q. Provisions

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

s. Corporate Social Responsibility (‘CSR’)

The Company has opted to charge its Corporate Social Responsibility (CSR) expenditure to the Statement of Profit & Loss Account.

t. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u. Derivative Instruments

As per the announcement made by ICAI, accounting for derivative contracts, other than those covered under Accounting Standards 11 ‘The Effect of Changes in Foreign Exchange Rates’, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the statement of profit and loss. Net gains are ignored.

v. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 issued by the Institute of Chartered Accountants of India, the Company has elected to present earnings interest, tax, depreciation and amortization and exceptional items (EBITDA), but including other income, as a separate line item on the face of the Statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense.

4 Share capital

	March 31, 2016	March 31, 2015
Authorised shares (No. in crores)		
300 (March 31, 2015: 300) equity shares of Rs. 10 each	**3,000.00**	3,000.00
Issued, subscribed and fully paid-up shares (No. in crores)		
245 (March 31, 2015: 245) equity shares of Rs.10 each fully paid up	**2,450.00**	2,450.00
Total issued, subscribed and fully paid-up share capital	**2,450.00**	2,450.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year
Equity Shares

	March 31, 2016		March 31, 2015	
	No. Crores	(Rs. in Crores)	No. Crores	(Rs. in Crores)
At the beginning of the year	**245**	**2,450.00**	245	2,450.00
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**245**	**2,450.00**	245	2,450.00

b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

(c) Shares held by holding/ intermediate holding company and its subsidiaries
Out of equity shares issued by the Company, shares held by its holding company, intermediate holding company and its subsidiaries are as below:

	March 31, 2016	March 31, 2015
GMR Infrastructure Limited, the intermediate holding company		
100 (March 31, 2015: 100) equity shares of Rs.10 each fully paid up	**0.00**	0.00
GMR Energy Limited, Subsidiary of the intermediate holding company		
100 (March 31, 2015: 100) equity shares of Rs.10 each fully paid up	**0.00**	0.00
GMR Airports Limited, the holding company		
156.80 Crores (March 31, 2015: 132.30 Crores) equity shares of Rs.10 each fully paid up	**1,568.00**	1,323.00

(d) Details of shareholders holding more than 5% shares in the Company [Refer note 48]

	March 31, 2016		March 31, 2015	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs. 10 each fully paid				
Airports Authority of India	**63,70,00,000**	**26%**	63,70,00,000	26%
GMR Airports Limited	**1,56,79,99,800**	**64%**	1,32,29,99,800	54%
Malaysia Airports (Mauritius) Private Limited	**-**	**0%**	24,50,00,000	10%
Fraport AG Frankfurt Airport Services Worldwide	**24,50,00,000**	**10%**	24,50,00,000	10%
Total	**2,44,99,99,800**	**100%**	2,44,99,99,800	100%

As per records of the Company, including its register of shareholders/ members, the above shareholding represent legal ownership of shares as at balance sheet date.

5 Reserves and surplus

	March 31, 2016	March 31, 2015
Deficit in the statement of profit and loss		
Balance as per last financial statements	**(741.95)**	(969.86)
Profit for the year	**508.86**	227.91
Net deficit in the statement of profit and loss	**(233.09)**	(741.95)
Total reserves and surplus	**(233.09)**	(741.95)

6 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loans				
Indian rupee loan from banks (secured)	**2,120.03**	1,109.44	**50.34**	2.86
Indian rupee loan from financial institution (secured)	**772.00**	1,854.94	**22.00**	4.73
Foreign currency loan from banks (secured)	**543.42**	562.64	**33.82**	12.75
Indian rupee loan against Development fees ('DF') receipts from Banks (secured)	**-**	89.06	**84.00**	456.20
6.125% senior secured foreign currency notes	**1,927.98**	1,820.86	**-**	-
	5,363.43	5,436.94	**190.16**	476.54
The above amount includes				
Secured borrowings	**5,363.43**	5,436.94	**190.16**	476.54
Amount disclosed under the head “other current liabilities” (note 11)	**-**	-	**(190.16)**	(476.54)
Net amount	**5,363.43**	5,436.94	**-**	-

a. Rupee Term Loan (RTL) of Rs. 2,170.37 crores (March 31, 2015: Rs.1,112.30 crores) from Banks carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.65% to 11.75% p.a. (March 31, 2015: 11.50% to 11.75% per annum). The loan of Rs. 1109.44 crores is repayable in 48 quarterly unequal installments as per repayment schedule from June 2016 and ending on March, 2028.The loan of Rs. 1060.93 crores (March 31, 2015: Rs. 1063.67 crores); which was reclassed from Indian Rupee Loan from Financial Institutions (secured) in March 31, 2015 to Indian Rupee loan from Bank (secured) in March 31, 2016, is repayable in 48 quarterly installments from June 2016 to March 2028.

b. Rupee Term Loan (RTL) of Rs. 794 crores (March 31, 2015: Rs.1,859.67 crores) from financial institutions carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.50% to 10.70% p.a. (March 31,2015: 10.70% to 11.50% p.a). The loan is repayable in 32 quarterly unequal installments as per repayment schedule starting from June 2016 and ending on September, 2023.

c. Foreign currency term loan of USD 86.45 million (March 31, 2015 : USD 91.24 million) carries interest at 6 months LIBOR plus agreed spread of 480 bps. The loan is repayable in 18 unequal half yearly installments from June, 2016 and will end on December, 2024.

d. The above loans are secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, Debt Service Reserve, Major maintaince reserve, 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.The loans are further secured by the pledge of requisite shares held by consortium of GMR Airports Limited and Fraport AG Frankfurt Airport Services Worldwide (shareholders of the company).

e. 6.125% Senior Secured Foreign Currency Notes (Notes) of USD 288.75 million (March 31,2015:USD 288.75 million) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in February, 2022. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.

f. Indian Rupee Loan against Development Fees ('DF') receipts from banks and financial institutions carries interest at fixed rate of Interest of 11.95% p.a. (March 31, 2015: 11.50% per annum). The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement. The aforesaid loan is secured by pari passu first charge on DF receipts by the company

7 Deferred tax liability (net)

	March 31, 2016	March 31, 2015
Deferred tax liabilities		
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting.	**(1,063.68)**	1,001.58
	(1,063.68)	1,001.58
Deferred tax assets		
Unabsorbed depreciation	**867.84**	890.86
Others Disallowances	**8.98**	8.37
Intangibles (Airport Concession rights)	**73.84**	77.73
Carry Forward Losses	**85.74**	24.62
	1,036.40	1,001.58
Net deferred tax liability*	**27.28**	-

* The Company had timing differences between accounting and tax records which required accounting for deferred tax assets. Since, there was no evidence of virtual certainty of profit as required by AS 22 "Accounting for Taxes on Income", the Management had decided not to recognize deferred tax assets over and above the deferred tax liability as at March 31, 2015.

8 Other long-term liabilities

	March 31, 2016	March 31, 2015
Security Deposits (unsecured)		
Security Deposits from trade concessionaires	**322.26**	299.45
Security Deposits from commercial property developers	**1,471.51**	1,471.51
Advances from commercial property developers (Refer note 44)	**121.77**	175.85
Unearned revenue	**0.56**	1.41
Retention money - Non-trade	**2.46**	3.38
Capital Creditors	**7.50**	15.00
Advance from customers	**24.85**	32.35
	1,950.91	1,998.95

9 Provisions

	Long-term		**Short-term**	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Provision for employee benefits				
Provision for leave benefits	**-**	-	**15.17**	14.29
Provision for Superannuation	**-**	-	**0.27**	-
Provision for gratuity [Refer note 36(c)]	**-**	-	**-**	0.61
	-	-	**15.44**	14.90
Other provision				
Provision for taxation	**-**	-	**24.54**	9.27
Provision for wealth tax	**-**	-	**-**	0.01
Provision for Airports Authority of India -				
- Voluntary retirement scheme cost	**34.90**	52.50	**17.61**	18.26
	34.90	52.50	**42.15**	27.54
	34.90	52.50	**57.59**	42.44

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(All amounts in Rupees in Crores, except otherwise stated)

10 Trade payable

	March 31, 2016	March 31, 2015
Trade payable [Refer note 39]		
Total outstanding dues of micro, small and medium enterprises	**0.67**	1.02
Total outstanding dues of creditors other than micro, small and medium enterprises	**389.71**	424.62
	390.38	425.64

11 Other current liabilities

	March 31, 2016	March 31, 2015
Other liabilities		
Current maturities of long-term borrowings (Refer note 6)	**190.16**	476.54
Interest accrued but not due on borrowings	**28.86**	25.07
Capital creditors	**38.41**	38.32
Advance from customers	**7.01**	15.81
Advances from commercial property developers (Refer note 44)	**97.65**	93.41
Earnest money deposits	**3.90**	3.53
Unearned revenue	**8.48**	9.25
Retention money :		
Trade	**9.25**	10.22
Non-trade	**31.14**	28.73
Service tax payable	**0.60**	1.61
Withholding tax payable	**43.25**	33.85
Other statutory dues	**3.36**	3.22
Other liabilities	**19.21**	16.22
Marketing Fund Liability (Refer note 45)	**39.54**	25.59
Security Deposits from trade concessionaires	**676.59**	634.09
Development Fee Accrued (to the extent of not utilized) [Refer note 29 (a)]	**4.15**	41.17
	1,201.56	1,456.63

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12 Tangible assets

	Buildings	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
Cost											
At March 31, 2014	4,946.79	-	-	-	2,168.39	3,080.95	35.18	61.14	170.41	28.51	10,491.37
Reclassification (refer note (b) below)	(606.87)	394.19	925.46	210.98	(20.77)	(874.40)	(14.56)	(14.66)	0.07	-	(0.56)
Additions	3.55	-	12.24	-	7.01	24.72	0.59	2.23	2.07	1.22	53.63
Disposals	(0.18)	-	-	-	-	(1.11)	(0.21)	(0.41)	(1.28)	(0.36)	(3.55)
Adjustments (refer note (a) below)	(24.47)	-	-	-	-	-	-	-	-	-	(24.47)
AS - 11 adjustments (refer note (c) below)	48.94	2.17	7.65	2.24	11.40	25.67	-	-	1.49	-	99.56
Development fund (Collection Charges) [Refer note 29 (b) (i)]	2.39	0.11	0.37	0.11	0.56	1.26	-	-	0.07	-	4.87
At March 31, 2015	4,370.15	396.47	945.72	213.33	2,166.59	2,257.09	21.00	48.30	172.83	29.37	10,620.85
Reclassification (refer note (b) below)	14.60	-	22.27	-	-	(17.97)	-	-	-	(18.90)	-
Additions	26.10	-	7.82	0.74	13.92	42.98	0.58	14.50	18.82	0.09	125.55
Disposals	-	-	-	-	-	(0.31)	-	-	-	(0.33)	(0.64)
Adjustments	(0.36)	-	-	(0.57)	-	(0.09)	-	-	-	-	(1.02)
AS - 11 adjustments (refer note (c) below)	68.76	3.04	10.75	3.15	16.01	36.07	-	-	2.09	-	139.88
Development fund (Collection Charges) [Refer note 29 (b) (i)]	2.46	0.11	0.39	0.11	0.57	1.29	-	-	0.08	-	5.01
At March 31, 2016	**4,481.71**	**399.62**	**986.95**	**216.76**	**2,197.09**	**2,319.06**	**21.58**	**62.80**	**193.82**	**10.23**	**10,889.62**
Depreciation											
At March 31, 2014	624.81	-	-	-	363.48	557.71	9.30	43.57	44.87	13.77	1,657.51
Reclassification (refer note (b) below)	(82.35)	60.79	200.90	24.59	3.65	(190.17)	(3.70)	(13.32)	(0.87)	-	(0.48)
Charge for the year	143.12	13.17	109.70	30.39	93.19	171.17	13.87	8.79	20.66	6.02	610.08
Disposals	(0.18)	-	-	-	-	(0.30)	(0.09)	(0.15)	(0.87)	(0.36)	(1.95)
At March 31, 2015	685.40	73.96	310.60	54.98	460.32	538.41	19.38	38.89	63.79	19.43	2,265.16
Reclassification (refer note (b) below)	3.69	-	4.97	-	-	6.02	-	-	-	(14.68)	-
Charge for the year	150.07	13.36	118.17	31.53	93.60	187.25	0.87	5.38	22.37	2.74	625.34
Disposals	-	-	-	-	-	(0.13)	-	-	-	(0.33)	(0.46)
At March 31, 2016	**839.16**	**87.32**	**433.74**	**86.51**	**553.92**	**731.55**	**20.25**	**44.27**	**86.16**	**7.16**	**2,890.04**
Net Block											
At March 31, 2015	3,684.75	322.51	635.12	158.35	1,706.27	1,718.68	1.62	9.41	109.04	9.94	8,355.69
At March 31, 2016	**3,642.55**	**312.30**	**553.21**	**130.25**	**1,643.17**	**1,587.51**	**1.33**	**18.53**	**107.66**	**3.07**	**7,999.58**

a. Rs. Nil (March 31, 2015: Rs. 24.47 Crores) adjusted towards reduction in liability during final settlement with the vendor in respect to Terminal 3 capitalized on provisional basis by the Company during the financial year ended March 31, 2011.
b. Pursuant to the Schedule II of the Companies Act, 2013, the Company has reclassified some of its assets to new categories.
c. Relates to capitalisation of foreign exchange fluctuations on long term borrowings in accordance with AS-11 read with MCA circular.
d. Buildings include space given on operating lease:
Gross block Rs. 210.09 Crores (31st March 2015: Rs. 208.55 Crores),
Depreciation charge for the year Rs. 6.99 Crores (31st March 2015: Rs. 6.74 Crores),
Accumulated depreciation Rs. 40.17 Crores (31st March 2015: Rs. 33.18 Crores),
Net book value Rs. 169.92 Crores (31st March 2015: Rs. 175.37 Crores)

13 Intangible assets

Rs. in Crores

	Airport concessionaire rights	Computer software	Total
Cost			
At March 31, 2014	490.52	38.56	529.08
Reclassification#	-	0.56	0.56
Additions	-	0.45	0.45
At March 31, 2015	490.52	39.57	530.09
Additions	-	1.06	1.06
At March 31, 2016	**490.52**	**40.63**	**531.15**
Amortisation			
At March 31, 2014	51.48	30.43	81.91
Reclassification #	-	0.48	0.48
Charge for the year	8.57	5.63	14.20
At March 31, 2015	60.05	36.54	96.59
Charge for the year	20.50	1.12	21.62
At March 31, 2016	**80.55**	**37.66**	**118.21**
Net Block			
At March 31, 2015	430.47	3.03	433.50
At March 31, 2016	**409.97**	**2.97**	**412.94**

#Pursuant to the Schedule II of the Companies Act 2013, the Company has reclassified some of its assets to new categories.

14 Non-current investments

	March 31, 2016	March 31, 2015
Trade investments (valued at cost unless stated otherwise)		
Investments in equity shares (Un-quoted)		
Investment in subsidiaries		
Delhi Aerotropolis Private Limited	**0.10**	0.10
100,000 shares of Rs 10 each (March 2015 : 100,000 shares of Rs 10 each)		
Investment in associate		
East Delhi Waste Processing Company Private Limited	**0.01**	0.01
7,839 shares of Rs 10 each (March 2015 :7,839 shares of Rs 10 each)		
Investment in joint ventures		
Delhi Aviation Services Private Limited	**12.50**	12.50
12,500,000 shares of Rs. 10 each (March 2015 : 12,500,000 shares of Rs. 10 each)		
Celebi Delhi Cargo Terminal Management India Private Limited	**29.12**	29.12
2,91,20,000 shares of Rs. 10 each (March 2015 : 2,91,20,000 shares of Rs. 10 each)		
Delhi Aviation Fuel Facility Private Limited	**42.64**	42.64
42,640,000 shares of Rs. 10 each (March 2015 : 42,640,000 shares of Rs. 10 each)		
Wipro Airport IT Services Limited	**1.30**	1.30
1,300,000 shares of Rs. 10 each (March 2015 : 1,300,000 shares of Rs. 10 each)		
Delhi Duty Free Services Private Limited	**39.92**	39.92
39,920,000 shares of Rs. 10 each (March 2015 : 39,920,000 shares of Rs. 10 each)		
Travel Food services (Delhi Terminal 3) Private Limited	**3.20**	3.20
3,200,000 shares of Rs. 10 each (March 2015 : 3,200,000 shares of Rs. 10 each)		
TIM Delhi Airport Advertising Private Limited		
9,222,505 shares of Rs. 10 each (March 2015 : 9,222,505 shares of Rs. 10 each)	**9.22**	9.22
	138.01	138.01
Aggregate amount of non current un-quoted investments	**138.01**	138.01

15 Loans and advances

		Non-current		Current	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Capital advances					
Unsecured, considered good		**10.93**	2.26	**-**	-
	(A)	**10.93**	2.26	**-**	-
Security deposit					
Unsecured, considered good		**7.02**	6.69	**1.73**	1.91
	(B)	**7.02**	6.69	**1.73**	1.91
Loan and advances to related parties					
Unsecured, considered good [Refer note 31 (b)]		**-**	-	**14.72**	13.19
Doubtful		**2.82**	2.82	**-**	-
		2.82	2.82		
Less: provision for doubtful advances		**(2.82)**	(2.82)	**-**	-
	(C)	**-**	-	**14.72**	13.19
Advances recoverable in cash or kind					
Unsecured considered good		**-**	-	**5.71**	7.40
Doubtful		**0.45**	0.65	**-**	-
		0.45	0.65	**5.71**	7.40
Less: provision for doubtful advances		**(0.45)**	(0.65)	**-**	-
	(D)	**-**	-	**5.71**	7.40
Other loans and advances					
Unsecured, considered good					
Advance income-tax (net of provision for taxation Rs. 93.80 crores : March 31, 2015 Nil)		**80.12**	76.90	**-**	-
MAT credit entitlement		**-**	2.93	**-**	-
CENVAT Receivable (Net)		**-**	-	**1.26**	3.46
Gratuity fund balance (Net) [Refer note 36 (c)]		**-**	-	**0.36**	-
Prepaid Expenses		**0.48**	0.75	**5.13**	5.72
Deposit with government authorities including paid under protest [Refer note 35(a)]		**-**	-	**30.66**	30.66
	(E)	**80.60**	80.58	**37.41**	39.84
Total (A+B+C+D+E)		**98.55**	89.53	**59.57**	62.34

16 Other assets

	Non-current		Current	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Others				
Interest accrued on fixed deposits & others	**-**	-	**9.63**	6.42
Development fund receivable [Refer note 29]	**-**	106.35	**83.99**	456.20
Non-trade receivable				
Net of Provision of Doubtful Debts Rs. 1.23 Crores (March 31, 2015 : Rs. 3.40 Crores)	**-**	-	**17.67**	27.10
Unbilled revenue	**-**	-	**25.72**	54.55
Other borrowing cost to the extent not amortised	**54.68**	63.66	**8.96**	8.74
Total	**54.68**	170.01	**145.97**	553.01

17 Current investments

		March 31, 2016	March 31, 2015
Trade investments (valued at cost unless otherwise stated)			
Unquoted investments			
Investment in joint ventures			
Investments in equity shares			
Delhi Airport Parking Services Private Limited#		**40.64**	40.64
40,638,560 shares of Rs 10 each (March 2015 : 40,638,560 shares of Rs 10 each)			
	(A)	**40.64**	40.64
Other Current investments (valued at lower of cost and fair value, unless otherwise stated)			
Unquoted investments			
ICICI Prudential Liquid Regular Plan Growth		**233.10**	25.40
[10,534,675.60 units (March 2015 :1,230,627.04) Units of Rs. 100 each]			
Baroda Pioneer Liquid Fund - Plan A - Growth		**-**	40.00
[NIL Units (March 2015 : 250,204.70) Units of Rs. 1000 each]			
Axis Liquid Fund Growth		**132.88**	89.46
[797,658.28 units (March 2015 :578,845.39) Units of Rs. 1000 each]			
Birla Sunlife Cash Plus- Inst.- Growth		**56.87**	-
[2,359,115.02 (March 2015 : Nil) Units of Rs. 100 each]			
IDFC Cash Fund Growth Regular Plan		**10.00**	44.03
[54,713.55 units (March 2015 :259,782.04) Units of Rs. 1000 each]			
HDFC Liquid Fund		**112.03**	-
[381,494.63 units (March 2015 : Nil) Units of Rs. 1000 each]			
Kotak Liquid Scheme		**62.60**	-
[204,511.87 units (March 2015 : Nil) Units of Rs. 1000 each]			
Sundaram Money Fund Regular – Growth		**39.90**	11.70
[12,525,663.49 units (March 2015 : 3,974,724.83) Units of Rs. 1000 each]			
SBI Premier Liquid Fund - REGULAR PLAN -Growth		**194.57**	20.00
[823,193.45 (March 2015 : 91,131.37) Units of Rs. 1000 each]			
DSP Mutual Fund		**33.27**	-
[155,806.74 (March 2015 : Nil) Units of Rs. 1000 each]			
Tata Liquid Fund Plan A - Growth		**-**	16.04
[NIL Units (March 2015 : 62,345.08) Units of Rs. 1000 each]			
Commercial Papers			
SREI Infrastructure Finance Limited		**74.01**	-
[1500 units (March 2015 : Nil) Units of Rs. 500000 each]			
	(B)	**949.23**	246.63
	Total (A+B)	**989.87**	287.27
Aggregate amount of other current investments [Market value Rs. 956.71 Crores (March 31, 2015 : Rs. 247.03 Crores)]		**956.71**	247.03

The company has proposed to divest its interest in Delhi Airport Parking Services Private Limited; hence the investment has been classified as current investments.

18 Inventories (valued at lower of cost and net realizable value)

	March 31, 2016	March 31, 2015
Stores and spares	**8.11**	8.65
	8.11	8.65

19 Trade receivables

		Non-current		Current	
		March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Secured, considered good		**-**	-	**55.81**	105.42
Unsecured, considered good		**-**	-	**321.85**	218.80
Unsecured, considered, doubtful		**1.38**	8.03	**-**	-
		1.38	8.03	**377.66**	324.22
Provision for doubtful trade receivables		**(1.38)**	(8.03)	**-**	-
	(A)	**-**	-	**377.66**	324.22
Other receivables					
Secured, considered good		**-**	-	**209.44**	143.14
Unsecured, considered good		**-**	-	**200.83**	184.86
	(B)	**-**	-	**410.27**	328.00
Total (A+B)		**-**	-	**787.93**	652.22

Trade receivable to the extent covered by security deposits or bank guarantees are considered as secured trade receivables.

20 Cash and bank balances

		Non-current		Current	
		March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Cash and cash equivalents					
Balances with banks:					
– On current accounts #		**-**	-	**41.85**	76.17
– Deposits with original maturity of less than three months		**-**	-	**350.00**	38.11
Cheques / drafts on hand		**-**	-	**15.78**	5.28
Cash on hand		**-**	-	**0.11**	0.14
	(A)	**-**	-	**407.74**	119.70
Other bank balances					
– Margin money deposit*		**-**	-	**42.29**	30.84
– Deposits with original maturity of more than 3 month but less than 12 months #		**-**	-	**33.85**	169.73
	(B)	**-**	-	**76.14**	200.57
Total (A+B)		**-**	-	**483.88**	320.27

* Rs. 42.09 Crores (March 31,2015: Rs. 30.62 Crores) against Debt Service Reserve Account (DSRA) as per financing agreement.
Rs 0.20 Crores (March 31,2015: Rs. 0.22 Crores) against License fee to South Delhi Municipal Corporation.
Cash and cash equivalents includes balance on current account for Rs. 2.31 crores (March 31, 2015:Rs. 5.75 crores) and other bank balances includes Rs. 33.85 crores (March 31, 2015: Rs. 18.73 crores) for deposits in respect of Marketing Fund.

21 Revenue from operations

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Revenue from operations		
Sale of services		
Aeronautical	**3,407.58**	2,950.92
Non - Aeronautical*	**1,359.94**	1,146.34
Other operating income		
Income from commercial property development	**94.11**	98.24
	4,861.63	4,195.50

*Non-Aeronautical income is net off of reversal of revenue amounting to Rs NIL (March 31, 2015:Rs. 5.69 crores) of earlier years.

22 Other income

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Interest income on :		
- Bank Deposit	**26.86**	5.52
- Current Investment	**0.25**	-
- Others	**43.47**	25.24
Net Gain on sale of current investments	**47.99**	20.47
Dividend Income on long term investments	**35.52**	19.31
Exchange differences (net)	**-**	0.81
Management Fees	**-**	11.55
Miscellaneous income	**0.22**	1.24
Profit on Sale of Fixed Assets	**0.05**	0.28
	154.35	84.42

23 Employee benefits expense

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Salaries, wages and bonus	**111.32**	113.30
Operation support cost	**-**	2.77
Contribution to provident and other funds	**8.39**	8.55
Gratuity expense [Refer note 36 (c)]	**1.22**	2.88
Staff welfare expenses	**4.41**	4.62
	125.34	132.12

24 Other expenses

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Operating :		
Utility expenses	**121.66**	112.32
Repairs and maintenance		
Plant and machinery	**83.82**	78.34
Buildings	**32.78**	22.92
IT Systems	**28.95**	21.45
Others	**6.00**	4.49
Manpower hire charges	**85.58**	78.21
Airport operator fee	**128.68**	119.90
Security related expenses	**9.89**	9.50
Information technology and related expenses	**18.14**	53.00
Insurance	**9.15**	10.51
Consumables	**8.85**	7.87
Administration and others :		
Professional and consultancy expenses	**48.76**	50.27
Travelling and conveyance	**14.15**	13.93
Office maintenance and other expenses	**4.33**	6.56
Rates and taxes	**8.32**	11.38
Rent (including lease rentals)	**9.68**	7.41
Advertising and sales promotion	**8.09**	12.26
Communication costs	**1.62**	1.87
Printing and stationery	**1.33**	1.19
Directors' sitting fees	**0.26**	0.15
Payment to auditor (Refer note B below)	**2.16**	1.11
Provision for Bad debts / Bad Debts Written off	**0.03**	9.01
Provision for Doubtful advances / Advances Written off	**0.43**	0.20
Exchange difference (net)	**0.86**	-
Corporate cost allocation	**54.20**	54.20
Loss on discard of fixed assets	**0.18**	2.18
Donations	**1.51**	1.15
CSR expenditure (refer note A below)	**4.21**	-
Miscellaneous expenses	**6.53**	6.09
	700.15	697.47

A Details of CSR expenditure*

			For the Year ended March 31, 2016	For the Year ended March 31, 2015
(a) Gross amount required to be spent by the Company during the year			**4.63**	-
(b) Amount spent during the year ending on 31st March, 2016:	**In cash**	**Yet to be paid in cash**	**Total**	
i) Construction/acquisition of any asset	**0.44**	-	**0.44**	
ii) On purposes other than (i) above	**3.62**	**0.15**	**3.77**	

***CSR contribution become applicable to the company during current financial year.**

B Payment to auditors

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
As auditors:		
Audit fee	**0.51**	0.45
Tax audit fee	**0.07**	0.08
Other services *	**-**	-
In other capacity:	**-**	-
Taxation matters	**-**	-
Other services (including certification fees)	**1.35**	0.40
Reimbursement of expenses	**0.23**	0.18
	2.16	1.11

* Professional fees of Rs NIL (March 31, 2015: RS 0.90 Crores) in connection with 6.125% of senior secured foriegn currency notes are amortised over the period of secured notes.

25 Depreciation and amortization expense

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Depreciation of tangible assets	**625.34**	610.08
Amortization of intangible assets	**21.62**	14.20
	646.96	624.28

26 Finance costs

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Interest on Borrowings	**486.55**	499.38
Other interest	**68.10**	25.01
Bank charges	**2.42**	4.65
Other borrowing costs including amortisation	**14.17**	27.15
	571.24	556.19

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
27 Exceptional items (Refer note 50)		
Income from sale of non-current investment	**-**	(17.68)
Breakage cost of Interest Rate Swap (IRS)	**-**	91.83
	-	74.15

28 Earning per share (EPS)

The following reflects the Profit and share data used in the basic and diluted EPS computations:

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Total operations for the year		
Profit for the year for calculation of Basic EPS and Diluted EPS	**508.86**	227.91
Weighted average number of equity shares in calculating basic and diluted EPS (in crores)	**245**	245

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

(a) The Company had accrued DF amounting to Rs. 350 Crores during the year 2012-13 earmarked for construction of Air Traffic Control (ATC) tower, currently which is under progress as at March 31, 2016. DF amounting to Rs. 345.85 Crores (March 31, 2015 : Rs. 308.83 Crores) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2016 and balance DF amounting to Rs. 4.15 Crores (March 31, 2015 : Rs. 41.17 Crores), pending utilization, has been disclosed under Other current liabilities.

(b) While calculating such additional DF amount:

i) In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalised DF collection charges aggregating to Rs. 27.07 Crores till March 31, 2016 (As on March 2015 : Rs. 22.06 Crores) from the DF grant.

ii) The Airport Economic Regulatory Authority of India (AERA) has passed an order vide Order No 03/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. 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 (April 30, 2016) to reconcile and close the account, and to arrive at the over recovery / under recovery of ADF, which will be accounted for on final reconcialtion of ADF by AAI.

30. The Company has a receivable of Rs. 516.37 crores as at March 31, 2016 (March 31, 2015: Rs. 405.57 crores) [including unbilled revenue of Rs. 13.15 crores (March 31, 2015: Rs. 27.76 crores)] from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as ‘Air India’. In view of continuing “Airport Enhancement and Financing Service Agreement” with The International Air Transport Association for recovery of dues from Air India, the Company considers its dues from Air India as good and fully recoverable.

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31. Related party transactions:

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
I	Ultimate holding Company	GMR Holdings Private Limited
	Intermediate holding Company	GMR Infrastructure Limited
	Holding Company	GMR Airports Limited
II	Subsidiary Company	Delhi Aerotropolis Private Limited
III	Associate Company	East Delhi Waste Processing Company Limited
IV	Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding Company) (where transactions have taken place)	GMR Energy Limited
		GMR Badrinath Hydro Power Generation Private Limited
		GMR Hyderabad International Airport Limited
		GMR Male International Airport Private Limited
		GMR Airport Developers Limited
		GMR Krishnagiri SEZ Limited
		GMR Aviation Private Limited
		Raxa Security Services Limited
		GMR Chhattisgarh Energy Limited
		GMR Kamalanga Energy Limited
		Kakinada SEZ Private Limited
		GMR Warora Energy Limited (formerly known as EMCO Energy Limited)
		GMR Power Corporation Limited
		GMR Kishangarh Udaipur Ahmedabad Expressways Limited
		GMR Tambaram Tinidivanam Expressways Private Limited
		GMR Corporate Affairs Private limited
		GMR Sports Private Limited
		GMR Consulting Services Private Limited
		GMR Aerospace Engineering Limited
		GMR Bajoli Holi Hydropower Private Limited
		GMR Infrastructure (Singapore) Pte Limited
V	Jointly controlled entities (where transactions have taken place)	Delhi Aviation Services Private Limited
		Delhi Aviation Fuel Facility Private Limited
		Wipro Airport IT Services Limited
		Delhi Airport Parking Services Private Limited
		Travel Food Services (Delhi Terminal 3) Private Limited
		Delhi Duty Free Services Private Limited
		Delhi Select Services Hospitality Private Limited[1]
		Devyani Food Street Private Limited[2]
		Delhi Cargo Service Center Private Limited[2]
		Celebi Delhi Cargo Terminal Management India Private Limited
		TIM Delhi Airport Advertising Private Limited
VI	Enterprises in respect of which the Company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide

VII	Enterprises where significant influence of key Management personnel or their relative exists	GMR Varalakshmi Foundation
VIII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Grandhi Kiran Kumar - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

1. Delhi Select Services Hospitality Private Limited has been merged with Devyani Food Street Private Limited w.e.f. April 1, 2013, pursuant to scheme of merger approved by Hon’ble Delhi High Court vide its order dated May 15, 2014.

2. Devyani Food Street Private Limited and Delhi Cargo Service Center Private Limited ceased to be a jointly controlled entity pusuant to sale of DIAL’s stake w.e.f. February 10, 2015 and March 16, 2015 repsectively.

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(All amounts in Rupees Crores, except otherwise stated)

31 (b) (i) Summary of balances with the above related parties is as follows:

Balances as on Date	As At March 31, 2016	As At March 31, 2015
Non-Current Investments		
Investments in Equity Share		
Subsidiary companies		
Delhi Aerotropolis Private Limited	**0.10**	0.10
Associate companies		
East Delhi Waste Processing Company Limited	**0.01**	0.01
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	**12.50**	12.50
Celebi Delhi Cargo Terminal Management India Private Limited	**29.12**	29.12
Delhi Aviation Fuel Facility Private Limited	**42.64**	42.64
Wipro Airport IT Services Limited	**1.30**	1.30
Delhi Duty Free Services Private Limited	**39.92**	39.92
Travel Food services (Delhi Terminal 3) Private Limited	**3.20**	3.20
TIM Delhi Airport Advertising Private Limited	**9.22**	9.22
Current Investment		
Investments in Equity Share		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	**40.64**	40.64
Trade Receivables		
Intermediate holding Company		
GMR Infrastructure Limited	**1.28**	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**-**	0.04
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	**12.86**	12.31
TIM Delhi Airport Advertising Private Limited	**21.76**	0.04
Delhi Aviation Services Private Limited	**-**	0.41
Delhi Airport Parking Services Private Limited	**1.94**	1.02
Travel Food Services (Delhi Terminal 3) Private Limited	**5.25**	6.64
Celebi Delhi Cargo Terminal Management India Private Limited	**11.92**	9.71
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Aviation Private Limited	**0.14**	0.03
GMR Energy Limited	**-**	1.02
GMR Badrinath Hydro Power Generation Private Limited	**-**	0.61
GMR Consulting Services Private Limited	**1.30**	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	**0.37**	-
Other Current Assets		
Unbilled revenue including Utility recovery not billed		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**1.02**	0.66
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	**-**	0.04
TIM Delhi Airport Advertising Private Limited	**-**	18.18
Delhi Duty Free Services Private Limited	**-**	2.17
Delhi Aviation Services Private Limited	**-**	0.01
Celebi Delhi Cargo Terminal Management India Private Limited	**-**	0.08

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Balances as on Date	**As At March 31, 2016**	As At March 31, 2015
Other Current Assets		
Reversal of Unbilled revenue		
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	**-**	0.84
Other Current Assets		
Non- Trade Receivables (including marketing fund)		
Intermediate holding Company		
GMR Infrastructure Limited	**0.03**	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**1.37**	2.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Energy Limited	**-**	0.65
GMR Consulting Services Private Limited.	**0.41**	-
GMR Chhattisgarh Energy Limited	**0.02**	-
GMR Tambaram Tinidivanam Expressways Private Limited	**0.02**	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	**0.03**	-
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	**0.73**	0.33
Celebi Delhi Cargo Terminal Management India Private Limited	**1.26**	0.98
Delhi Airport Parking Services Private Limited	**0.17**	0.16
Delhi Aviation Services Private Limited	**1.66**	0.47
TIM Delhi Airport Advertising Private Limited	**0.21**	2.14
Delhi Duty Free Services Private Limited	**1.25**	5.85
Advances recoverable in cash or in kind		
Subsidiary companies		
Delhi Aerotropolis Private Limited	**0.07**	0.07
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	**0.13**	0.07
Delhi Airport Parking Services Private Limited	**0.35**	0.17
Travel Food Services (Delhi Terminal 3) Private Limited	**0.12**	0.06
Delhi Aviation Fuel Facility Private Limited	**0.15**	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	**0.08**	0.06
Delhi Duty Free Services Private Limited	**0.09**	0.05
TIM Delhi Airport Advertising Private Limited	**0.26**	0.09
Wipro Airport IT Services Limited	**4.62**	0.70
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**6.80**	7.80
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Kamalanga Energy Limited	**0.05**	0.01
Kakinada SEZ Private Limited	**0.07**	0.07
GMR Hyderabad International Airport Limited	**0.12**	-
GMR Male International Airport Private Limited	**1.40**	1.14
GMR Aerospace Engineering Limited	**0.11**	0.16
GMR Power Corporation Limited	**-**	0.01
GMR Airport Developers Limited	**0.07**	-
GMR Infrastructure (Singapore) Pte Limited	**0.21**	2.33
Advances recoverable in cash or in kind		
Non-Current		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	**2.82**	2.82

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Balances as on Date	As At March 31, 2016	As At March 31, 2015
Trade payable (including marketing fund)		
Intermediate holding Company		
GMR Infrastructure Limited	**7.71**	3.98
Holding Company		
GMR Airports Limited	**10.23**	7.20
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport services Worldwide	**68.35**	55.01
Airports Authority of India	**63.46**	50.42
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Aviation Private Limited	-	0.45
Raxa Security Services Limited	**0.57**	0.47
GMR Airport Developers Limited	-	0.12
GMR Hyderabad International Airport Limited	-	0.02
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	**0.14**	0.29
Delhi Duty Free Services Private Limited	**0.97**	-
Long-term Provision		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**34.90**	52.50
Short-term Provision		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**17.61**	18.26
Current Liabilities		
Unearned Revenue		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	**0.08**	0.05
Other Long Term Liabilites		
Deposits from Trade Concessionaires		
Non-Current		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	**234.75**	234.72
Travel Food Services (Delhi Terminal 3) Private Limited	**2.19**	1.55
Delhi Airport Parking Services Private Limited	**3.14**	3.00
TIM Delhi Airport Advertising Private Limited	**35.47**	35.47
Deposits from Trade Concessionaires		
Current		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	**137.55**	127.93
Delhi Aviation Fuel Facility Private Limited	**158.66**	158.66
Delhi Airport Parking Services Private Limited	-	0.13
Delhi Duty Free Services Private Limited	-	0.33
Delhi Aviation Services Private Limited	**15.10**	15.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Aviation Private Limited	**0.11**	0.11

(This space has been intentionally left blank)

(All amounts in Rupees Crores, except otherwise stated)

31 (b) (ii) Summary of transaction with the above related parties is as follows:

Transactions During the year	**For the Year ended March 31, 2016**	For the Year ended March 31, 2015
Non-current investments		
Investment made in Equity Share		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	**-**	10.40
Non-current Investments		
Sale of investments in Preference Share		
Jointly Controlled Entities		
Delhi Cargo Service Center Private Limited	**-**	10.92
Delhi Select Service Hospitality Private Limited	**-**	2.60
Devyani Food Street Private Limited	**-**	1.52
Sale of Non-current Investments in preference shares		
Jointly Controlled Entities		
Devyani Food Street Private Limited	**-**	0.80
Deposits from trade concessionaires		
Security Deposits Received		
Jointly Controlled Entities		
Delhi Aviation Fuel Facility Private Limited	**-**	2.28
Delhi Airport Parking Services Private Limited	**0.01**	-
Delhi Cargo Service Center Private Limited	**-**	0.03
Delhi Aviation Services Private Limited	**0.07**	-
Celebi Delhi Cargo Terminal Management India Private Limited	**9.63**	-
Travel Food Services (Delhi Terminal 3) Private Limited	**0.64**	-
Delhi Duty Free Services Private Limited	**-**	0.04
Deposits from trade concessionaires		
Deposits Refunded		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	**0.30**	0.65
Transfer of Assets/CWIP		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	**-**	0.43
Sale of Assets		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	**-**	0.39
Key Managerial Remuneration paid/ payable		
Employee Benefits for Key Management Personnel		
Mr. Grandhi Kiran Kumar	**2.47**	2.25
Mr. Srinivas Bommidala	**2.47**	2.25
Mr. K. Narayana Rao	**1.24**	1.14
Revenue share paid		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**2,304.15**	1,967.80

(All amounts in Rupees Crores, except otherwise stated)

Transactions During the year	**For the Year ended March 31, 2016**	For the Year ended March 31, 2015
Interest on Revenue share		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**2.10**	-
Operational support cost paid		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**-**	2.77
CSR activities		
Enterprises where significant influence of key Management personnel or their relative exists		
GMR Varalakshmi Foundation	**1.94**	-
Interest Received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	**1.26**	-
Delhi Duty Free Services Private Limited	**0.15**	-
Celebi Delhi Cargo Terminal Management India Private Limited	**0.81**	-
Delhi Aviation Services Private Limited	**2.76**	-
Delhi Aviation Fuel Facility Private Limited	**-**	0.82
Devyani Food Street Private Limited	**-**	2.86
Delhi Cargo Service Center Private Limited	**-**	4.87
Consultancy fees paid		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	**0.28**	0.43
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Corporate Affairs Private Limited	**0.26**	-
Jointly Controlled Entities		
Wipro Airport IT Services Limited	**-**	0.01
Staff welfare/ Training expenses		
Holding Company		
GMR Airports Limited	**0.07**	0.20
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Airport Developers Limited	**36.37**	33.34
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	**128.68**	119.90
Expenses incurred by Company on behalf of related parties		
Intermediate Holding Company		
GMR Infrastructure Limited	**0.02**	0.02
Holding Company		
GMR Airports Limited	**6.29**	1.59
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**0.60**	-
Jointly Controlled Entities		
Devyani Food Street Private Limited	**-**	0.12
Celebi Delhi Cargo Terminal Management India Private Limited	**0.41**	0.37

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Transactions During the year	**For the Year ended March 31, 2016**	For the Year ended March 31, 2015
TIM Delhi Airport Advertising Private Limited	**0.58**	0.43
Delhi Aviation Services Private Limited	**0.43**	0.40
Delhi Airport Parking Services Private Limited	**0.68**	0.63
Travel Food Services (Delhi Terminal 3) Private Limited	**0.40**	0.37
Delhi Duty Free Services Private Limited	**0.30**	0.38
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Airport Developers Limited	**0.14**	0.18
GMR Male International Airport Private Limited	**0.06**	0.13
GMR Corporate Affairs Private Limited	**-**	0.01
GMR Hyderabad International Airport Limited	**0.22**	0.12
Raxa Security Services Limited	**0.90**	0.97
GMR Krishnagiri SEZ Limited	**-**	0.01
GMR Tambaram Tinidivanam Expressways Private Limited	**-**	0.01
Kakinada SEZ Private Limited	**0.18**	0.07
GMR Bajoli Holi Hydropower Private Limited	**-**	0.01
GMR Kamalanga Energy Limited	**0.04**	0.01
GMR Power Corporation Limited	**-**	0.01
Expenses incurred by related parties on behalf of Company		
Intermediate holding Company		
GMR Infrastructure Limited	**-**	0.06
Holding Company		
GMR Airports Limited	**0.84**	0.10
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	**0.04**	0.01
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Hyderabad International Airport Limited	**-**	0.14
GMR Krishnagiri SEZ Limited	**-**	0.01
GMR Aviation Private Limited	**-**	0.21
GMR Kamalanga Energy Limited	**-**	0.08
Raxa Security Services Limited	**-**	0.02
GMR Kishangarh Udaipur Ahmedabad Expressways Limited	**-**	0.05
GMR Sports Private Limited	**-**	0.01
Corporate Cost Allocation		
Intermediate Holding Company		
GMR Infrastructure Limited	**33.55**	36.67
Holding Company		
GMR Airports Limited	**20.65**	17.53
Provision for Doubtful debts/ Bad debt written off		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**-**	0.09
Services Received		
Chartering Cost :		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Aviation Private Limited	**3.47**	4.30

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Transactions During the year	**For the Year ended March 31, 2016**	For the Year ended March 31, 2015
Security related expenses:		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
Raxa Security Services Limited	**13.78**	11.65
Information technology and related expenses:		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	**18.14**	53.00
Repair and Maintenance - IT System		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	**1.52**	3.22
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Hyderabad International Airport Limited	**-**	0.04
Raxa Security Services Limited	**-**	0.02
Rent (including lease rentals)		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**0.03**	-
Electricity charges recovered		
Intermediate holding Company		
GMR Infrastructure Limited	**0.07**	-
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	**10.02**	6.16
Delhi Airport Parking Services Private Limited	**1.64**	1.53
Delhi Cargo Service Center Private Limited	**-**	3.06
Celebi Delhi Cargo Terminal Management India Private Limited	**14.08**	13.43
TIM Delhi Airport Advertising Private Limited	**3.27**	3.09
Travel Food Services (Delhi Terminal 3) Private Limited	**3.56**	3.18
Delhi Duty Free Services Private Limited	**2.72**	2.56
Delhi Aviation Fuel Facility Private Limited	**-**	0.01
Devyani Food Street Private Limited	**-**	2.17
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Aviation Private Limited	**0.01**	0.01
GMR Energy Limited	**0.21**	0.57
GMR Chhattisgarh Energy Limited	**0.22**	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	**0.19**	-
GMR Tambaram Tinidivanam Expressways Private Limited	**0.07**	-
GMR Consulting Services Private Limited.	**0.48**	-
GMR Badrinath Hydro Power Generation Private Limited	**-**	0.09
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**14.10**	10.49
Water charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	**0.10**	0.10
Delhi Airport Parking Services Private Limited	**0.40**	0.37
Devyani Food Street Private Limited	**-**	0.23

(All amounts in Rupees Crores, except otherwise stated)

Transactions During the year	**For the Year ended March 31, 2016**	For the Year ended March 31, 2015
Travel Food Services (Delhi Terminal 3) Private Limited	**0.43**	0.40
Delhi Cargo Service Center Private Limited	**-**	0.53
Celebi Delhi Cargo Terminal Management India Private Limited	**1.00**	1.01
Delhi Duty Free Services Private Limited	**0.01**	0.01
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Energy Limited	**0.01**	0.01
GMR Chhattisgarh Energy Limited	**0.01**	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	**0.02**	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**0.39**	-
Space Rental & Land Licence fee.		
Intermediate holding Company		
GMR Infrastructure Limited	**1.14**	-
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	**1.39**	1.43
Delhi Cargo Service Center Private Limited	**-**	9.23
Delhi Aviation Fuel Facility Private Limited	**15.98**	14.95
Celebi Delhi Cargo Terminal Management India Private Limited	**25.05**	23.31
Delhi Duty Free Services Private Limited	**1.56**	1.26
Delhi Aviation Services Private Limited	**0.09**	0.06
Fellow subsidiaries (including subsidiary companies of the ultimate Holding Company)		
GMR Badrinath Hydro Power Generation Private Limited	**-**	0.95
GMR Energy Limited	**0.88**	2.95
GMR Aviation Private Limited	**0.07**	0.10
GMR Chhattisgarh Energy Limited	**1.47**	-
GMR Consulting Services Private Limited.	**1.47**	-
GMR Tambaram Tinidivanam Expressways Private Limited	**1.14**	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	**1.47**	-
Concession fees received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	**16.10**	10.28
TIM Delhi Airport Advertising Private Limited	**118.26**	102.50
Delhi Aviation Services Private Limited	**6.38**	4.40
Delhi Cargo Service Center Private Limited	**-**	21.32
Delhi Duty Free Services Private Limited	**305.13**	258.11
Devyani Food Street Private Limited	**-**	10.14
Celebi Delhi Cargo Terminal Management India Private Limited	**111.41**	114.46
Travel Food Services (Delhi Terminal 3) Private Limited	**15.01**	12.51
Airport Service, Common Area Maintenance , Screening & Other Charges		
Intermediate holding Company		
GMR Infrastructure Limited	**0.18**	-
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	**2.46**	1.14
Devyani Food Street Private Limited	**-**	0.93
Celebi Delhi Cargo Terminal Management India Private Limited	**0.78**	1.06
TIM Delhi Airport Advertising Private Limited	**0.15**	-
Delhi Duty Free Services Private Limited	**4.55**	4.03
Delhi Airport Parking Services Private Limited	**0.02**	0.03
Delhi Aviation Services Private Limited	**0.01**	0.02

(All amounts in Rupees Crores, except otherwise stated)

Transactions During the year	**For the Year ended March 31, 2016**	For the Year ended March 31, 2015
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Energy Limited	**0.09**	-
GMR Consulting Services Private Limited.	**0.16**	-
GMR Chhattisgarh Energy Limited	**0.16**	-
GMR Tambaram Tinidivanam Expressways Private Limited	**0.18**	-
GMR Warora Energy Limited (formerly Known as EMCO Energy Limited)	**0.16**	-
Aeronautical Income		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Aviation Private Limited	**0.25**	0.35
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**0.06**	0.07
Management Fees		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	**-**	3.30
Delhi Duty Free Services Private Limited	**-**	8.25
Income from Non current Investments- Dividend Income		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	**22.36**	7.99
TIM Delhi Airport Advertising Private Limited	**7.84**	5.99
Delhi Aviation Fuel Facility Private Limited	**5.33**	5.33
Marketing Fund Billed		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	**9.83**	8.24
Delhi Airport Parking Services Private Limited	**0.01**	0.01
Travel Food Services (Delhi Terminal 3) Private Limited	**0.68**	-
Marketing Fund Utilised		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	**2.19**	-
TIM Delhi Airport Advertising Private Limited	**0.39**	0.41
Utilization of CPD Advance		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding Company)		
GMR Airport Developers Limited	**1.60**	1.26
Raxa Security Services Limited	**2.12**	1.52
ATC Development Fund utilization		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	**10.00**	80.00

(This space has been intentionally left blank)

(All amounts in Rupees Crores, except otherwise stated)

32. Leases:

Assets taken on operating Lease
Future minimum rental payable under non cancellable operating leases are as follows:-

Particulars	**As at March 31, 2016**	As at March 31, 2015
Lease payment for the year (excluding taxes)	**9.68**	7.41
Minimum Lease Payments:		
Within one year	**3.43**	5.28
After one year but not more than five years	**6.62**	8.41
More than five years	**-**	-
Total	**10.05**	13.69

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.

33. Interest in Joint ventures entities:

The Company has interest in following joint venture entities:

a) List of Jointly Controlled entities

Name of Joint Venture	**Nature of Operations**	**Ownership interest**	**Date of incorporation**	**Country of incorporation**
Celebi Delhi Cargo Terminal Management India Private Limited	Cargo	26%	June 18, 2009	India
Delhi Aviation Fuel Facility Private Limited	Fuel farm	26%	August 11, 2009	India
Delhi Airport Parking Services Private Limited	Vehicle parking	49.90%	February 11, 2010	India
Delhi Aviation Services Private Limited	Bridge mounted equipment	50%	June 28, 2007	India
Delhi Cargo Service Centre Private Limited*	Cargo	26%	November 18, 2009	India
Delhi Duty Free Services Private Limited	Duty free shops	49.90%	July 7, 2009	India
Devyani Food Street Private Limited*	Food and beverages	40%	September 7, 2009	India
Travel Food Services (Delhi Terminal 3) Private Limited	Food and beverages	40%	December 4, 2009	India
TIM Delhi Airport Advertising Private Limited	Advertising	49.90%	June 1, 2010	India
Wipro Airport IT Services Limited	Information Technology	26%	October 22, 2009	India

(All amounts in Rupees Crores, except otherwise stated)

*Devyani Food Street Private Limited and Delhi Cargo Service Center Private Limited ceased to be a jointly controlled entity pusuant to sale of DIAL's stake w.e.f. February 10, 2015 and March 16, 2015 respectively.

b) Financial interest in Jointly Controlled Entity

		DIAL's Share					
S. No.	**Name of Joint Venture**	**Assets**	**Liabilities (excluding shareholders fund)**	**Income (including other income)**	**Expenditure (including tax expense)**	**Contingent liabilities**	**Capital commitments**
1	**Travel Food Services (Delhi Terminal 3) Private Limited (TFS)**						
	Mar-15	9.96	10.69	18.15	17.28	0.57	-
	Mar-16	**11.56**	**10.62**	**21.27**	**19.60**	**0.57**	**0.10**
2	**Devyani Food Street Private Limited[3]**						
	Mar-15	-	-	17.72	16.87	-	-
	Mar-16	**-**	**-**	**-**	**-**	**-**	**-**
3	**Delhi Duty Free Services Private Limited**						
	Mar-15	215.78	161.82	406.87	381.37	0.13	0.57
	Mar-16	**225.00**	**150.14**	**474.37**	**430.67**	**0.05**	**0.24**
4	**Delhi Aviation Fuel Facility Private Limited**						
	Mar-15	100.22	47.83	25.09	18.18	-	0.23
	Mar-16	**98.17**	**45.26**	**29.07**	**19.31**	**-**	**1.89**
5	**Wipro Airport IT Services Limited**						
	Mar-15	12.90	10.51	10.43	10.19	-	-
	Mar-16	**22.48**	**19.93**	**10.20**	**10.04**	**0.19**	**0.16**
6	**Delhi Airport Parking Services Private Limited (DAPSL)**						
	Mar-15	114.23	73.21	32.14	30.80	0.03	0.01
	Mar-16	**118.68**	**77.34**	**38.71**	**35.94**	**-**	**-**
7	**TIM Delhi Airport Advertising Private Limited**						
	Mar-15	53.13	26.73	93.12	81.53	-	0.12
	Mar-16	**58.25**	**28.82**	**106.77**	**94.30**	**-**	**0.69**
8	**Celebi Delhi Cargo Terminal Management India Private Limited**						
	Mar-15	112.02	57.22	82.42	77.20	3.08	-
	Mar-16	**109.29**	**50.59**	**81.60**	**77.71**	**3.34**	**-**
9	**Delhi Cargo Service Centre Private Limited[4]**						
	Mar-15	-	-	27.00	30.49	-	-
	Mar-16	**-**	**-**	**-**	**-**	**-**	**-**
10	**Delhi Aviation Services Private Limited (Formerly DIAL Cargo Private Limited)**						
	Mar-15	43.17	25.41	17.04	16.50	-	-
	Mar-16	**48.50**	**29.44**	**24.55**	**21.74**	**-**	**-**

Notes:

1. Current year financial information is as per the audited financial statements furnished by the respective joint venture entities except for DAPSL & TFS; whose financial information is as per the management certified financial statement.
2. Previous year financial information is as per the audited financial statement furnished by respective joint venture entities.
3. In respect of Devyani Food Street Private Limited information above (other than contingent liabilities and capital commitments) have been disclosed till the date of sale (based on management certified financial statements) which is till February 10, 2015.

4. In respect of Delhi Cargo Service Centre Private Limited, information above (other than contingent liabilities and capital commitments) have been disclosed till March 31, 2015 as per the audited financials.

34. Capital and Other Commitments:

Capital Commitments:

At March 31, 2016, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of Rs. 15.44 crores (March 31, 2015: Rs. 2.26 crores)] Rs. 94.63 crores (March 31, 2015: Rs. 77.29 crores).

Other Commitments:

i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.

ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.

iii. The Company has taken Interest Rate Swap ('IRS') of USD 90.23 millions, fixing LIBOR at 1.94% p.a. (on notional amount payable semi-annually and receive USD 6 months LIBOR semi-annually), which are effective from June 30, 2015 and maturity date is June 29, 2018. (to be read with note 37).

With respect to Jointly controlled entities:

iv. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the year ended March 31, 2016, the Company accounted for Rs. 18.14 Crores (Year ended March 31, 2015: Rs. 53.00 Crores) towards such short fall of subsistence level over receivables of WAISL and this is disclosed as "Information technology and related expenses" in Note 25 – Other expenses.

   Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. As at March 31, 2016, the Company has funded Rs. 10.03 Crores (March 31, 2015: Rs. 9.62 Crores) towards shortfall in collection from customers.

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

vi. In respect of its equity investment in WAISL, the Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.

vii. The Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.

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

Company Name	**As at March 31,2016**		As at March 31,2015	
	No. of Shares	**Amount (Rs.)**	No. of Shares	Amount (Rs.)
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	**960,000**	**9,600,000**	960,000	9,600,000

ix. In respect of the Company's investment in Joint Venture ('JV') entities, other JV partners have the first right of refusal in case any of the JV partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

With respect to Associate Company:

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

35. Contingent liabilities not provided for:

S.No	**Particulars**	**As at March 31, 2016**	As at March 31, 2015
(ii)	In respect of Income tax matters	**68.41**	91.47
(ii)	In respect of Indirect tax matters	**3.99**	3.98
(iii)	Claim against the Company not acknowledged as debt [Refer note 43 below]	**41.47**	41.47
(iv)	In respect of other matters [Refer note below]	**Nil**	Nil

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

a) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 105.18 crores on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble Delhi High Court challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount of Rs. 30.66 crores under protest till March 31, 2016 (March 31, 2015: Rs. 30.66 crores). SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, from 2013-14 the Company has started paying property tax and the same has been charged to Statement of profit and loss of respective years/ periods.

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

The Company had provided Rs. 60.96 crores till March 31, 2016 (March 31, 2015: Rs. 60.96 crores). Further, till March 31, 2016 interest of Rs 24.99 crores had also been provided (March 31, 2015: Rs. 24.99 crores), making the total provision of Rs 81.87 crores (March 31, 2015: Rs. 81.87 crores) [net of self-assessment tax paid of Rs. 4.08 crores in earlier years]. The Company is still contesting on the tax and interest demand. The matter is pending with the Hon'ble Delhi High Court and is now listed for hearing on July 12, 2016.

b) The Airports Authority of India (AAI) had claimed service tax on the monthly annual fee (MAF) payable to them considering the same as rental from immovable property w.e.f. June 1, 2007. The Company has disputed the grounds of the levy under relevant provisions of the OMDA and based on a legal opinion obtained in this regard, is of the view that transaction between AAI and DIAL is neither a franchisee agreement nor a Renting of Immovable Property, which are specified taxable services under Section 65(105) of Service Tax Act. The Company has filed a writ petition with Hon'ble Delhi High Court and was heard on November 17, 2015 and judgment has been reserved. Based on an internal assessment and legal opinion obtained, the Management is of the view that no adjustments are required to be made to these Financial Statements.

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

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on May 4, 2016. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

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d) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by DIAL (the Airport Operator) in a fiduciary capacity. The Company incurred Rs. 296.90 crores towards capital expenditure (excluding related maintenance expense and interest thereon) till March 31, 2016 (March 31, 2015: Rs. 296.90 crores) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on May 4, 2016.

Based on an internal assessment, the management of the Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court and pending further orders, the Company has charged Rs. 35.62 crores from April 1, 2014 till March 31, 2016 towards the expenditure incurred on repair and maintenance of security equipment to the Statement of Profit and Loss which includes Rs. 20.64 crores during the year ended March 31, 2016 (Year ended March 31, 2015: Rs 14.98 crores).

e) The Director General of Central Excise Intelligence, New Delhi has issued a Show Cause Notice F. NO. 574/CE/41/2014/Inv./PT.II/11327 dated October 10, 2014 on the Company, proposing a demand of service tax of Rs. 59.91 Crores (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'. However, based on an internal assessment and legal opinions obtained by Company in this regard, the Management is of the view that service tax is not leviable on ADC as these are collected for development of certain infrastructure facilities for the common use and not for the exclusive use of any developer.

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

36. **Retirement Benefit Plan:**

Disclosure as per Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India:

Employees Benefit

Defined contribution plans

(a) Superannuation fund

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Employer's contribution to Superannuation fund*	**3.10**	3.17

*Transfer to Capital work-in-progress ('CWIP') & CPD Rs. 0.09 Crore (March 31, 2015 Rs.0.11 Crore)

(b) Provident and other funds

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Employer's contribution to Provident and other funds*	**5.51**	5.66

*Transfer to CWIP & CPD Rs. 0.14 Crore (March 31, 2015 Rs. 0.17 Crore)

The Guidance on Implementing of Accounting Standard 15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India, states that 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 cumulative short-fall of Rs. Nil Crores (March 31, 2015: Rs. Nil Crores) which has been provided in the financial statements and is included in Note 9 – Provisions.

Particulars	**As at March 31, 2016**	As at March 31, 2015
Plan assets at the year end, at fair value	**82.23**	76.41
Present value of benefit obligation at year end	**82.23**	76.41
Net (liability) recognized in the balance sheet	**-**	-

(All amounts in Rupees Crores, except otherwise stated)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	**As at March 31, 2016**	As at March 31, 2015
Discount rate	**7.8%**	7.8%
Fund rate	**9.30%**	9.30%
PFO rate	**8.75% for the next one year and 8.60% thereafter**	8.75% for the next one year and 8.60% thereafter
Withdrawal rate	**5.00%**	5.00%
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.

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(c) Gratuity expense

Statement of profit and loss

Net employee benefit expense:

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Current service cost	**1.41**	1.25
Interest cost on benefit obligation	**0.72**	0.64
Expected return on plan assets	**(0.92)**	(0.79)
Net actuarial loss recognized in the period	**0.02**	1.78
Net benefit expense	**1.23**	2.88

Balance sheet

Particulars	**As at March 31, 2016**	As at March 31, 2015
Defined benefit obligation	**(10.66)**	(9.92)
Fair value of plan assets	**11.02**	9.31
Plan asset / (liability)	**0.36**	(0.61)

Changes in the present value of the defined benefit obligation are as follows:

Gratuity	**As at March 31, 2016**	As at March 31, 2015
Opening defined benefit obligation	**9.92**	7.23
Interest cost	**0.72**	0.64
Current service cost	**1.41**	1.25
Acquisition cost	**0.05**	0.05
Benefits paid (including transfer)	**(1.36)**	(0.70)
Actuarial losses/ (gain) on obligation	**(0.08)**	1.45
Closing defined benefit obligation	**10.66**	9.92

Changes in the fair value of plan assets are as follows:

Particulars	**As at March 31, 2016**	As at March 31, 2015
Opening fair value of plan assets	**9.31**	7.94
Acquisition Adjustment	**(0.02)**	-
Expected return	**0.92**	0.79
Contributions by employer	**2.28**	1.62
Benefits paid (including transfer)	**(1.37)**	(0.70)
Actuarial gains / (loss)	**(0.10)**	(0.34)
Closing fair value of plan assets	**11.02**	9.31

The Company expects to contribute Rs. 2.28 crores to gratuity fund during the year ended on March 31, 2017 (March 31, 2016: Rs. 1.62 crores)

(All amounts in Rupees Crores, except otherwise stated)

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	**As at March 31, 2016**	As at March 31, 2015
	(%)	(%)
Investments with insurer managed funds	**100**	100

The Principal assumptions used in determining gratuity for the Company's plan are shown below:

Particulars	**As at March 31, 2016**	As at March 31, 2015
Discount rate	**7.80%**	7.80%
Expected rate of return on assets	**9.40%**	9.40%
Expected rate of increase in compensation level	**6.00%**	6.00%
Attrition rate	**5.00%**	5.00%

Experience adjustments for the current and previous years are as follows:

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	**(10.66)**	(9.92)	(7.23)	(6.67)	(4.86)
Plan assets	**11.02**	9.31	7.94	8.19	4.68
Funded status	**0.36**	(0.61)	0.71	1.52	(0.18)
Experience (loss) adjustment on plan liabilities	**0.08**	(0.38)	(0.42)	(0.23)	(0.99)
Experience gain/ (loss) adjustment on plan assets	**(0.10)**	(0.34)	(0.01)	0.01	-
Actuarial gain due to change on assumptions	**-**	(1.07)	0.70	(0.22)	0.21

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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37. Derivative Instruments:

Interest rate swaps outstanding as at the balance sheet date:

As per the conditions precedent to disbursement of loan, the Company has entered into interest rate swap (IRS) agreements from floating rate of interest to fixed rate of interest against its outstanding foreign currency loan of USD 86.453 million (March 31, 2015: USD 90.23 Million).

<table>
<tr><th>Particulars of Derivatives</th><th>Purpose</th></tr>
<tr><td>Interest rate swap outstanding as at Balance sheet date: USD 86.453 million (March 2015: USD 90.23 million)</td><td>Hedge of variable interest outflow on External Commercial Borrowing. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 months' LIBOR:
<table>
<tr><td>March 31, 2016</td><td>March 31, 2015</td><td>March 31, 2016</td><td>March 31, 2015</td></tr>
<tr><td>ECB Amount (USD in Millions)</td><td>ECB Amount (USD in Millions)</td><td>Interest Rate</td><td>Interest Rate</td></tr>
<tr><td>86.453</td><td>90.230</td><td>1.94%</td><td>1.94%</td></tr>
</table>
</td></tr>
</table>

However these IRS of USD 86.453 million (March 31, 2015: USD 90.230 million) [1.94% p.a. on notional amount payable semiannually and receive USD 6 months LIBOR, semi-annually] were effective from June 30, 2015.

Since the critical terms of the IRS and those of the principal term loan are same, based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan, is not expected to be material and accordingly no adjustment has been made in the financial statements.

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38. Particulars of un-hedged foreign currency exposure as at the Balance sheet date are as under:

	As at March 31, 2016			As at March 31, 2015		
Particulars	**Amount (Rs. In Crores)**	**Currency**	**Foreign Currency in Crores**	Amount (Rs. In Crores)	Currency	Foreign Currency in Crores
Other Current & Non-current Liabilities	**3.55**	**EUR**	**0.05**	2.42	EUR	0.04
	0.12	**GBP**	**0.00**	0.12	GBP	0.00
	0.05	**SGD**	**0.00**	0.04	SGD	0.00
	0.14	**AUD**	**0.00**	-	AUD	-
	33.09	**USD**	**0.50**	43.02	USD	0.68
Borrowings(Including Current Maturity)	**2505.23**	**USD**	**37.52**	2396.25	USD	38.00
Trade Receivable	**12.86**	**USD**	**0.19**	12.40	USD	0.20
Non-Trade Receivables	**1.01**	**USD**	**0.02**	0.89	USD	0.01
Advance recoverable in cash or kind	**1.83**	**USD**	**0.03**	3.60	USD	0.06

Closing exchange rates in Rs:

Currency	**As at March 31, 2016**	As at March 31, 2015
EUR	**75.78**	67.19
GBP	**96.15**	92.47
SGD	**49.55**	45.48
AUD	**51.41**	48.40
USD	**66.77**	63.06

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(All amounts in Rupees Crores, except otherwise stated)

39. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As per the available information with the Management, the total dues payable to enterprises registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are as below:

Particulars	**As at March 31, 2016**	As at March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	**0.67**	1.02
Interest due on above	**Nil**	Nil
	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
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 the MSMED Act 2006.	**Nil**	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	**Nil**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**Nil**	Nil

40. Additional information required under Schedule III to the Companies Act, 2013 are stated below:

a) Earnings in foreign currency (On accrual basis, excluding service tax)

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Revenue from concessionaires	**305.13**	258.11
Revenue from airlines	**673.44**	608.62
Total	**978.57**	866.73

b) CIF value of imports (On accrual basis)

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Import of capital goods and other materials	**8.90**	6.82
Total	**8.90**	6.82

c) Expenditure in foreign currency (On accrual basis)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on borrowings	**162.29**	175.15
Professional and consultancy expenses	**8.40**	3.99
Finance costs (Other borrowing costs including amortization)	**-**	39.84
Other expenses	**12.59**	6.48
Travelling and Conveyance	**1.17**	0.73
Total	**184.45**	226.19

d) Consumption of stores and spares during the year:

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	%	**Amount**	%	Amount
Imported	**4.44**	**1.04**	12	2.43
Indigenous	**95.56**	**22.31**	88	18.43
Total	**100**	**23.35**	100	20.86

41. The 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.

42. The 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.

43. The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. As at March 31, 2016 the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 crores (March 31, 2015: Rs.89.60 crores) in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).

    The Company was of the view that such credit entitlements constitute capital grant and thus, was recording fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips. However, the Expert Advisory Committee ('EAC') of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to revenue under Accounting Standard 12 – Accounting for Government Grants.

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

However, Airport Authority of India ('AAI') has expressed different view on this and argued that amount utilized under SFIS should be treated as revenue and accordingly revenue share on amount of Rs 89.60 crores is payable to AAI. Enforcing their view, AAI had written letter to ICICI bank on July 06, 2015 instructing bank to remit Rs. 41.21 crores from Receivable Escrow Account of the Company as revenue share to AAI's bank account as per terms of the escrow agreement. The Company has disputed the contention of AAI and accordingly written to ICICI Bank not to remit the amount as per the provisions of the escrow agreement.

Further, the Company had also 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 DIAL to seek remedy under the provisions of Arbitration law. Accordingly DIAL 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 DIAL. Now DIAL has issued a notice to AAI invoking arbitration under article 15.2 of OMDA where DIAL has nominated its arbitrator and asked AAI to nominate its arbitrator so that further proceedings of arbitration can commence. In the meanwhile Company's petition before Hon'ble Delhi High Court is now listed for hearing on May 04, 2016.

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.

Further, the management does not anticipate any further utilization for eligible imports.

44. The Company has received advance development costs of Rs. 653.13 crores (March 31, 2015: Rs. 653.13 crores) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2016, the Company has incurred development expenditure of Rs. 433.71 crores (March 31, 2015: Rs. 383.87 crores) which has been adjusted against the aforesaid advance and balance amount is disclosed under other long term liabilities and current liabilities.

45. The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such marketing fund are being audited by one of the Joint Statutory auditors. As at March 31, 2016, the Company has billed Rs 71.04 crores (March 31, 2015: Rs. 51.86 Crores) towards such Marketing Fund and has incurred expenditure amounting to Rs. 31.50 crores (net of income on temporary investments) till March 31, 2016 (March 31, 2015: Rs. 26.27 crores) from the amount so collected. The balance amount of Rs. 39.54 crores as at March 31, 2016 (March 31, 2015: Rs. 25.59 crores) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be

used for the purposes to be approved by the Marketing fund committee constituted for this purpose.

46. 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 opinion that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

47. 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, 2016.

48. GMR Airports Limited (Holding Company of DIAL) has bought an additional stake of 10% in DIAL from Malaysia Airports (Mauritius) Private Limited on May 25, 2015. Consequent to this, GMR Airports Limited shareholding in DIAL has increased to 64% and Malaysia Airports (Mauritius) Private Limited shareholding in DIAL has reduced to NIL.

49. Airport Economic Regulatory Authority ("AERA") has passed the tariff order No. 40/2015-16 dated December 8, 2015 (issued on December 10, 2015) wherein Authority has decided to adjust DF of Rs. 3,241.37 crore out of allowed DF of Rs. 3,415.35 crore based on the actual expenditure spent towards project. The authority had decided to adjust the balance amount of DF of Rs. 173.98 crore as on March 31, 2014 on utilization basis as and when it is incurred. However, the Company availed Rs.3,415.35 crores of Loan based on the DF Orders and DF collected from passengers is used for payment of interest and principal till March 31, 2016. Accordingly, the differential interest i.e. paid by the Company on DF Loans and considered on actual spent amounting to Rs. 47.90 crores is required to be absorbed by DIAL. Accordingly, during the year ended March 31, 2016 interest expense of Rs. 47.90 crores (March 31, 2015: NIL) has been provided in the books of accounts.

    Further, the Company has incurred a sum of Rs. 17.29 crores towards interest from December 2011 to February 2012 which is not allowed by AERA and accordingly interest expense of Rs. 17.29 crores (March 31, 2015: NIL) has also been provided in the books of accounts.

50. (i) During the previous year, the company had issued 6.125% senior secured notes due 2022 of USD 288.75 Million on February 3, 2015 to refinance its existing external commercial borrowings of USD 288.75 Million. As a result of such refinancing, certain Interest rate swap (IRS) which were outstanding on the existing external commercial borrowings of USD 288.75 Million (prior to refinancing) were cancelled and the Company had to pay Rs. 91.83 crores as a result of cancellation of such IRS. The same had been disclosed as an Exceptional item in the statement of Profit & Loss Account, as per the requirement of Accounting Standard – 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' in previous year ended March 31, 2015.
    (ii) The company had divested its stake in Delhi Cargo Service Centre Private Limited (DCSC) as on March 16, 2015, which was approved by Board of directors of the Company in their meeting held on Feburary 9, 2015. The profit on sale of investment amounting to Rs. 17.68 crore, had been disclosed as Exceptional item in the statement of Profit & Loss Account, as per the requirement of Accounting Standard – 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' in previous year ended March 31, 2015.

51. Previous year's figures have been regrouped and re-arranged wherever necessary to conform to those of current year.

52. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the 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 Reg. No.: 101049W/E300004
Chartered Accountants

/s/ Yogesh Midha
Per Yogesh Midha
Partner
Membership No. 94941
Place: Gurgaon
Date: April 28, 2016

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

/s/ G. Srinivas
Per G.Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: April 28, 2016

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G
Radhakrishnababu G
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date: April 28, 2016

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

INDEPENDENT AUDITOR'S REPORT

To the Members of Delhi International Airport Private Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Delhi International Airport Private Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2015, its profit, and its cash flows for the year ended on that date.

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("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 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

(f) 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 pending litigations which would impact its financial position are disclosed in note 37 to the financial statement;

   ii. The Company did not have any outstanding long-term contacts including derivative contracts as at March 31, 2015 for which there were any material foreseeable losses; and

   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
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership Number: 94941
Place: New Delhi
Date: May 07, 2015

For Brahmayya & Co.,
Firm Registration Number: 000515S
Chartered Accountants

/s/ G Srinivas
per G Srinivas
Partner
Membership Number: 86761
Place: New Delhi
Date : May 07, 2015

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View corporate Tower-B
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Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
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Bengaluru 560 001, India

Annexure 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) Fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed in physical verification of previous year have been properly dealt within the books of accounts during the year; and no material discrepancies were noticed on such verifications.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on 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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, purchase of inventory and for rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account 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 services related to supplying of fuel at the airport, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in cases of payment of service tax and tax deducted at source. The provisions relating to excise duty is not applicable to the Company.

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(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax,sales tax,wealth-tax, service tax,custom duty ,value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty is not applicable to the Company.

(c) According to the information and explanations given to us, the dues of income tax, sales-tax, wealth tax, service tax, customs 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 (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Taxability of Passenger Service Fee (Security Component), Disallowance on account of capital expenditure, Disallowance of payment of gratuity, Disallowance under section 40(a)(ia) of the Act,	22.43	Assessment Year: 2007-08	Commissioner of Income Tax (CIT) Appeals
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.	76.89	Assessment Year: 2008-09	Commissioner of Income Tax (CIT) Appeals
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.	0.43	Assessment Year: 2009-10	Commissioner of Income Tax (CIT) Appeals
Income Tax Act, 1961	Disallowance on account of capital expenditure, Disallowance under section 14A, Disallowance u/s 40(a)(ia) on issue related to non deduction of TDS, issue of SFIS Duty Credit Scrip	0.45	Assessment Year: 2010-11	Commissioner of Income Tax (CIT) Appeals
Income Tax Act, 1961	Disallowance on account of capital expenditure, Disallowance under section 14A, Disallowance u/s 40(a)(ia) on issue related to non deduction of TDS, issue of SFIS Duty Credit Scrip	2.03	Assessment Year: 2010-11	Income Tax Appellate Tribunal(ITAT)

Name of the statute	Nature of Dues	Amount (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax Deduction at Source / Tax Collected at source	0.07	Assessment Year: 2008-09 to 2015-16	Deputy Commissioner of Income Tax (New Delhi)
Finance Act 1994	Service tax on Development Fees (DF) receipt.	275.64	March 2009 to September 2013.	Commissioner, Service tax.
Finance Act 1994	i) Non payment of Service tax under reverse charge mechanism for the alleged 'Management or Business Consultants'. ii) Wrong and Excess Utilization of CENVAT credit iii) Non Payment of Service Tax on License Fees / lease rentals.	36.22	Financial year 2006-07 to 2009-10	Commissioner, Service tax, New Delhi
Finance Act 1994	Non-payment of Service Tax on License Fees / lease rentals.	7.74	Financial year 2010-11 (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.	0.11	Financial year 2011-12.	Additional Commissioner of Service Tax, New Delhi.
Delhi Value Added Tax 2004 (DVAT)	Denial of Input VAT Credit taken by DIAL (Including penalty)	2.31	Financial year 2013-14	DVAT Dept. Delhi
Finance Act 1994	i) Service tax on the supply of electricity and water ii) Denial of CENVAT on Central Industrial Security Force (CISF) related expenses.	25.22	Financial year: 2009 -10 to 2013-14	Commissioner of Service tax
Finance Act 1994	Non-payment of service tax on Advance Development Costs ('ADC').	59.91	Financial year: 2010-11 to 2011-12	Commissioner of Service Tax

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Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001, India

Name of the statute	Nature of Dues	Amount (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Finance Act 1994	Service tax -non charging of ST by DIAL.	0.22	Financial year 2007-08	Additional Commissioner of Service Tax, New Delhi.

* 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 Rs. 25.76 crores.

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a banks. The Company has no outstanding dues in respect of financial institution and debenture holders.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) During the year, the management of the company has noticed certain cases of fraudulent acts done by the employees / contractual employees of the company. In one such case, an employee committed a fraud resulting in financial loss amounting to Rs. 0.14 Crore to the company. The concerned employee has been terminated and the management is in the process of recovering the amount from the vendors. In other cases, the management has informed that there has not been any financial loss to the company, and appropriate remedial actions have been taken against those employees / contractual employees / vendors.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

/s/ Yogesh Midha
per Yogesh Midha
Partner
Membership Number: 94941
Place: New Delhi
Date: May 07, 2015

For Brahmayya & Co.,
Firm Registration Number: 000515S
Chartered Accountants

/s/ G Srinivas
per G Srinivas
Partner
Membership Number: 86761
Place: New Delhi
Date : May 07, 2015

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Balance Sheet as at March 31, 2015
(All amounts in Rupees Crores, except otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	4	**2,450.00**	2,450.00
Reserves and surplus	5	**(741.95)**	(969.86)
		1,708.05	1,480.14
Non-current liabilities			
Long-term borrowings (Secured)	6	**5,436.94**	5,632.14
Deferred tax liability (net)	7	**-**	-
Other long-term liabilities	8	**1,998.95**	2,078.81
Long-term provisions	9	**52.50**	70.76
		7,488.39	7,781.71
Current liabilities			
Short-term borrowings (Secured)	10	**-**	125.19
Trade Payables	11	**425.64**	298.66
Other current liabilities	12	**1,456.63**	1,886.13
Short-term provisions	9	**42.44**	38.51
		1,924.71	2,348.49
TOTAL		**11,121.15**	11,610.34
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	**8,355.69**	8,833.86
Intangible assets	14	**433.50**	447.17
Capital work-in-progress		**50.65**	31.33
Non-current investments	15	**138.01**	184.09
Loans and advances	16	**89.53**	94.34
Other non-current assets	17	**170.01**	551.55
		9,237.39	10,142.34
Current assets			
Current investments	18	**287.27**	108.79
Inventories	19	**8.65**	11.06
Trade receivables	20	**652.22**	729.09
Cash and bank balances	21	**320.27**	61.42
Loans and advances	16	**62.34**	63.42
Other current assets	17	**553.01**	494.22
		1,883.76	1,468.00
TOTAL		**11,121.15**	11,610.34
Summary of significant accounting policies	3		

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

As per our report of even date

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

/s/ Yogesh Midha
Per Yogesh Midha
Partner
Membership no: 94941
Place of Signature : New Delhi
Date : May 7, 2015

For Brahmayya & Co.,
ICAI Firm Registration No. : 000515S
Chartered Accountants

/s/ G. Srinivas
Per G. Srinivas
Partner
Membership no: 86761
Place of Signature : New Delhi
Date : May 7, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 7, 2015

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Statement of profit and loss for the year ended March 31, 2015
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Particulars			
Income			
Revenue from operations	22	**4,195.50**	3,922.70
Other income	23	**84.42**	81.74
Total revenue (i)		**4,279.92**	4,004.44
Expenses			
Annual fee to Airports Authority of India (AAI)		**1,967.80**	1,838.06
Employee benefits expense	24	**132.12**	122.65
Other expenses	25	**697.47**	712.02
Total Expenses (ii)		**2,797.39**	2,672.73
Earnings before interest, tax, depreciation and amortization, exceptional and prior period items (EBITDA) [(i) - (ii)]		**1482.53**	1331.71
Depreciation and amortization expenses	26	**624.28**	436.44
Finance costs	27	**556.19**	564.83
Profit before tax, exceptional and prior period items		**302.06**	330.44
Exceptional items (net)	28	**74.15**	-
Profit before tax and prior period items		**227.91**	330.44
Prior period items (net) [Refer note no. 45] (Income) / Expenses	29	**-**	(80.39)
Profit before tax		**227.91**	410.83
Tax expenses			
Current tax		**-**	-
Total tax expense		**-**	-
Profit for the year		**227.91**	410.83
Earning per equity share [nominal value of share Rs. 10 (March 31, 2014: Rs. 10]	30		
Basic and Diluted (In Rupees)		**0.93**	1.68
Computed on basis of total profit for the year			
Summary of significant accounting policies	3		

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP	For Brahmayya & Co.,	For and on behalf of the Board of Directors of Delhi International Airport Private Limited	
ICAI Firm Registration No. : 101049W	**ICAI Firm Registration No. : 000515S**		
Chartered Accountants	**Chartered Accountants**		
/s/ Yogesh Midha	*/s/ G. Srinivas*	*/s/ Srinivas Bommidala*	*/s/ K. Narayana Rao*
Per Yogesh Midha	**Per G. Srinivas**	**Srinivas Bommidala**	**K. Narayana Rao**
Partner	Partner	Managing Director	Whole Time Director
Membership no: 94941	Membership no: 86761	DIN-00061464	DIN-00016262
Place of Signature: New Delhi	Place of Signature : New Delhi		
Date : May 7, 2015	Date : May 7, 2015		
		/s/ Radhakrishnababu G.	*/s/ Saurabh Jain*
		Radhakrishnababu G.	**Saurabh Jain**
		Chief Financial Officer	Company Secretary
		Place : New Delhi	
		Date : May 7, 2015	

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Cash Flow Statement for the year ended March 31, 2015
(All amounts in Rupees Crores, except otherwise stated)

		March 31, 2015	March 31, 2014
Cash flow from operating activities			
Profit before tax		**227.91**	410.83
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expenses		**624.28**	436.44
Provision for bad debts / bad debts written off		**9.01**	7.94
Provision for doubtful advances / advances written off		**0.20**	3.47
Interest income		**(5.52)**	(10.71)
Exchange differences (net)		**(0.18)**	-
Income from current investments		**(20.47)**	(17.41)
Income from sale of non-current investment (Refer Note no. 28)		**(17.68)**	-
Profit on Sale of Fixed Assets		**(0.28)**	0.07
Dividend Income on long term investments		**(19.31)**	(26.40)
Other borrowing costs including amortisation		**27.15**	11.02
Loss on sale/discard of fixed assets		**2.18**	2.03
Breakage cost of Interest Rate Swap (IRS) (Refer Note no. 28)		**91.83**	-
Interest on Borrowings		**499.38**	543.75
Operating profit before working capital changes		**1,418.50**	1,361.03
Movements in working capital :			
Increase / (decrease) in trade payables		**126.88**	(173.67)
Decrease in other long term liabilities		**(73.27)**	(61.47)
Increase in other current liabilities		**42.87**	5.21
Decrease / (Increase) in trade receivables		**68.13**	(212.23)
Decrease / (Increase) in inventories		**2.41**	(1.47)
Increase in other current assets		**(30.32)**	(0.46)
Decrease in long term loans and advances		**3.40**	1.33
Decrease in short term loans and advances		**1.08**	4.99
Increase / (Decrease) in short-term provisions		**4.40**	(0.44)
Cash generated from operations		**1,564.08**	922.82
Direct taxes (paid) / refund received (net)		**(9.91)**	10.76
Net cash flow from operating activities (A)		**1,554.17**	933.58
Cash flows from investing activities			
Purchase of fixed assets, including capital work in progress and capital advances		**(355.67)**	(419.59)
Development fee (DF) realised		**384.39**	262.44
Proceeds from sale of fixed assets		**0.55**	0.58
Proceeds from sale of non-current investments		**33.52**	0.00
Purchase of Non-current investments		**(2.60)**	(7.80)
Purchase of current investments		**(6,921.96)**	(6,154.41)
Proceeds from sale/maturity of current investments		**6,804.58**	6,172.04
Dividend Income		**19.31**	26.40
Interest received		**(0.87)**	12.00
(Increase) / Decrease in margin money deposit		**(30.64)**	2.23
Investments in bank deposits (having original maturity of more than three months)		**(169.73)**	-
Net cash flow used in investing activities (B)		**(239.12)**	(106.11)
Cash flows from financing activities			
Proceeds from long-term borrowings		**1,778.78**	2,880.00
Repayment of long-term borrowings		**(2,283.19)**	(3,450.66)
Repayment of short-term borrowings		**(125.19)**	-
Proceeds from short-term borrowings		**-**	125.19
Other borrowing costs paid		**(52.06)**	(24.65)
Collection of interest on DF loans from airlines		**83.58**	95.55
Interest paid		**(658.49)**	(630.53)
Net cash flow used in financing activities (C)		**(1,256.57)**	(1,005.10)
Net increase/(decrease) in cash and cash equivalents (A + B + C)		**58.48**	(177.63)
Cash and cash equivalents at the beginning of the year		**61.22**	238.85
Cash and cash equivalents at the end of the year		**119.70**	61.22
Components of cash and cash equivalents			
Cash on hand		**0.14**	0.13
Cheques/ drafts on hand		**5.28**	11.44
With banks			
-on current account		**76.17**	49.65
-on deposit account		**38.11**	-
Total cash and cash equivalents (Refer Note 21)		**119.70**	61.22
Summary of significant accounting policies	3		

Explanatory notes annexed

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013, read together paragraph 7 of the Companies (Accounts) Rules, 2014).
2. The above cash flow statement has been compiled from and is based on the Balance Sheet as at March 31, 2015 and the related Statement of Profit and Loss for the year ended on that date.
3. Cash and cash equivalents include Rs. 5.75 Crores (March 31, 2014: Rs. Nil), pertaining to Marketing Fund, to be used for sales promotional activities.

As per our report of even date

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

/s/ Yogesh Midha
Per Yogesh Midha
Partner
Membership no: 94941
Place of Signature : New Delhi
Date : May 7, 2015

For Brahmayya & Co.,
ICAI Firm Registration No. : 000515S
Chartered Accountants

/s/ G. Srinivas
Per G. Srinivas
Partner
Membership no: 86761
Place of Signature : New Delhi
Date : May 7, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date : May 7, 2015

1. Corporate Information

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

2. A) Basis of preparation

The financial statements of the Company for the year ended March 31, 2015 have been prepared by the Company in accordance with generally accepted accounting principles in India, mandatory accounting standards notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year except for change in accounting policy explained below :

Going concern

(i) The Company's accumulated losses as at March 31, 2015 of Rs. 741.95 Crores (March 31, 2014: Rs. 969.86 Crores) have resulted in part erosion of net worth of the Company as at the year end. However, the Company has earned profit of Rs.227.91 Crores and Rs.410.83 Crores during the year ended March 31, 2015 and March 31, 2014 respectively and has met all its obligations as at March 31, 2015.

(ii) The Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first five year control period (i.e. 2009 - 2014). The first five year control period referred to above ended on March 31, 2014. Pending determination of the final Aeronautical tariff (s) for the second control period i.e. from 2014 to 2019, AERA vide its order 13/2014-15 dated October 14, 2014, had extended the operation of tariff order issued on April 24, 2012 up to January 31, 2015 or until the final determination of the tariff for the second control period (i.e. 2014 - 2019), whichever is earlier.

In addition, DIAL had also filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order 03/2012-13 issued on April 24, 2012 following the extension granted by AERA vide its order 04/2014-15 dated May 2, 2014 till disposal of DIAL's appeal pending with AERAAT. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 dated April 20, 2012 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Further, AERA has issued the consultation paper on January 28, 2015 for determination of Aeronautical tariff in respect of IGI Airport, Delhi for the second control period (i.e. 2014 - 2019). The consultation paper suggests that tariff for aeronautical revenue to be reduced by 78.24% of the existing tariff (i.e. tariff as compared to the first control period). The company has filed its reply to AERA w.r.t. the consultation paper.

However, in view of Hon'ble High Court of Delhi judgment dated January 22, 2015, AERA vide its public notice no. 16/2014-15 dated January 29, 2015 extended the tariff till the disposal of the appeals pending against the First Control period tariff order, by AERAAT. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement for the Second control period w.e.f. April 1, 2014.

Based on the above, the profit earned over the last three financial years, Company's business plans, and cash projections prepared by the management for the next one year , the management expects to earn Cash profits during 2015-16; and do not foresee any difficulty in continuing its business / operations and meeting its financial obligations for a period till March 31, 2016. Accordingly, these financial statements continue to be prepared on a going concern basis.

3. Statement of significant accounting policies

Change in accounting policy

i. Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

ii. Useful lives / depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

This change in the accounting estimate has resulted in an increase in depreciation and amortization expenses for year ended March 31, 2015 by Rs. 177.37 Crores (including depreciation aggregating to Rs. 10.63 Crores in respect of assets whose remaining useful life on such reassessment expired as at April 1, 2014, as per the provisions of Schedule II, read with notification dated August 29, 2014 issued by the Ministry of Corporate Affairs).

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

Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, continues to depreciate these assets over their estimated useful lives as determined by the Management based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Tangible fixed assets are stated at cost, net of cenvat credit and other duty drawbacks less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012 exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Collection charges on development fund (DF) are added to the fixed assets and are being depreciated over the remaining useful life of the asset.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation on tangible fixed assets

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

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

Runways, Taxiways and Apron are depreciated over the useful life of 30 years estimated by the management based on the internal technical evaluation.
* Also, refer note 3(i) of the significant accounting policies.
* The useful life of assets which are not as per Schedule II of Company Act 2013, have been estimated by the management based on the internal technical evaluation.

d. 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.

The amortisation period and the amortisation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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

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

e. Impairment of tangible and intangible 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 net selling price 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 groups of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for individual assets. These budgets and forecast calculations are generally covering 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.

After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Leases

Where the Company is lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given under operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of profit and loss.

g. Government grants

Grants and subsidies including airport development fee from the Government or any regulatory authority are recognized when there is reasonable assurance that the grant / subsidy will be received / utilized and the Company will comply with the conditions attached to them.

In case of grants related to an asset, the grant amount (net of direct amount incurred to earn aforesaid grant) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Capital Work In Progress (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.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

h. Investments

Investments, which are readily realizable 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.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize 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 Statement of profit and loss.

i. 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 current procurement price in the ordinary course of business.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Income from Services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax, collection charges and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), landing and parking of aircraft, fuel farm, operation and maintenance of passenger boarding and other allied services. Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

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

Revenue from Management fees for support services rendered is recognized on accrual basis as per the terms of the agreement.

Interest

Revenue 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.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Claims

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

k. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l. Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

(iv) Forward Exchange Contracts not intended for trading or speculations purposes

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

m. Retirement and other employee benefits:

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company contributes a portion of contribution to DIAL Employees Provident Fund Trust (the Trust). The 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 actuarially determined and accounted by the Company as provident fund cost.

Retirement benefits in the form of Superannuation Fund and Employees 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. There are no other obligations other than the contribution payable to the respective trusts.

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

Short term compensated absences including sick leave are provided for based on estimates. Long term compensated absences including sick leave are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are recognised in full, in the year in which they occur, in the Statement of profit and loss.

n. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and 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 recognizes 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 recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, 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.

o. 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.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

q. Provisions

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

s. Corporate Social Responsibility (‘CSR’)

The company has opted to charge its Corporate Social Responsibility (CSR) expenditure to the Statement of Profit & Loss Account.

t. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u. Derivative Instruments

As per the announcement made by ICAI, accounting for derivative contracts, other than those covered under Accounting Standards 11 'The Effect of Changes in Foreign Exchange Rates', are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the statement of profit and loss. Net gains are ignored.

v. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 issued by the Institute of Chartered Accountants of India, the Company has elected to present earnings interest, tax, depreciation and amortization, exceptional and prior period items (EBITDA), but including other income, as a separate line item on the face of the Statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

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4 Share capital

Authorised shares (No. Crores)	**March 31, 2015**	**March 31, 2014**
300 (March 31, 2014: 300) equity shares of Rs. 10 each	**3,000.00**	3,000.00
Issued, subscribed and fully paid-up shares (No. Crores)		
245 (March 31, 2014: 245) equity shares of Rs.10 each fully paid up	**2,450.00**	2,450.00
Total issued, subscribed and fully paid-up share capital	**2,450.00**	2,450.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year
Equity Shares

	March 31, 2015		**March 31, 2014**	
	No. Crores	**Amount**	**No. Crores**	**Amount**
At the beginning of the year	**245**	**2,450.00**	245	2,450.00
Allotted during the year	**-**	**-**	-	-
Outstanding at the end of the year	**245**	**2,450.00**	245	2,450.00

b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

(c) Shares held by holding/ intermediate holding company and its subsidiaries
Out of equity shares issued by the Company, shares held by its holding company, intermediate holding company and its subsidiaries are as below:

	March 31, 2015	**March 31, 2014**
GMR Infrastructure Limited, the intermediate holding company		
100 (March 31, 2014: 100) equity shares of Rs.10 each fully paid up	**0.00**	0.00
GMR Energy Limited, Subsidiary of the intermediate holding company		
100 (March 31, 2014: 100) equity shares of Rs.10 each fully paid up	**0.00**	0.00
GMR Airports Limited, the parent holding company		
132.30 Crores (March 31, 2014: 132.30 Crores) equity shares of Rs.10 each fully paid up	**1,323.00**	1,323.00

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2015		**March 31, 2014**	
	Numbers	**% holding in the class**	**Numbers**	**% holding in the class**
Equity shares of Rs. 10 each fully paid				
Airports Authority of India	**637,000,000**	**26%**	637,000,000	26%
GMR Airports Limited	**1,322,999,800**	**54%**	1,322,999,800	54%
Malaysia Airports (Mauritius) Private Limited	**245,000,000**	**10%**	245,000,000	10%
Fraport AG Frankfurt Airport Services Worldwide	**245,000,000**	**10%**	245,000,000	10%
Total	**2,449,999,800**	**100%**	2,449,999,800	100%

As per records of the Company, including its register of shareholders/ members, the above shareholding represent legal ownership of shares as at balance sheet date.

5 Reserves and surplus

	March 31, 2015	**March 31, 2014**
Deficit in the statement of profit and loss		
Balance as per last financial statements	**(969.86)**	(1,380.69)
Profit for the year	**227.91**	410.83
Net deficit in the statement of profit and loss	**(741.95)**	(969.86)
Total reserves and surplus	**(741.95)**	(969.86)

6 Long-term borrowings

	Non-current portion		**Current maturities**	
	March 31, 2015	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Term loans				
Indian rupee loan from banks (secured)	**1,109.44**	966.43	**2.86**	2.48
Indian rupee loan from financial institution (secured)	**1,854.94**	2,005.55	**4.73**	5.11
Foreign currency loan from banks (secured)	**562.64**	2,166.27	**12.75**	276.87
Indian rupee loan against Development fees ('DF') receipts from Banks (secured)	**89.06**	493.89	**456.20**	435.76
6.125% senior secured foreign currency notes	**1,820.86**	-	**-**	-
	5,436.94	5,632.14	**476.54**	720.22
The above amount includes				
Secured borrowings	**5,436.94**	5,632.14	**476.54**	720.22
Amount disclosed under the head “other current liabilities” (Refer note 12)	-	-	**(476.54)**	(720.22)
Net amount	**5,436.94**	5,632.14	**-**	**-**

a. Rupee Term Loan (RTL) of Rs. 1,112.30 crores (March 31, 2014: Rs.968.91 crores) from Banks carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 11.50% to 11.75% p.a. (March 31, 2014 2014: 11.50% to 11.75% per annum). The balance loan is repayable in 52 quarterly unequal installments as per repayment schedule starting from June 2015 and ending on March, 2028.

b. Rupee Term Loan (RTL) of Rs. 1,859.67 crores (March 31, 2014: Rs.2,010.66 crores) from financial institutions carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period ranging from 10.70% to 11.50% p.a. (March 31, 2014: 10.90% to 11.50% p.a). The loan of Rs.1,063.67 crores is repayable in 52 quarterly unequal installments starting from June, 2015 and ending on March, 2028 and loan of Rs. 786.00 crores in 36 quarterly unequal installments starting from June, 2015 and ending on March, 2024.

c. Foreign currency term loan of USD 91.24 millions (March 31, 2014 : USD 93.27 million) carries interest at 6 months LIBOR plus agreed spread of 480 bps. The loan is repayable in 23 unequal half yearly installments starting from December, 2013 and will end on December, 2024.

d. The above loans are secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, Debt Service Reserve, Major maintenance reserve, 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.The loans are further secured by the pledge of requisite shares held by consortium of GMR Airports Limited, Malaysia Airports (Mauritius) Private Limited and Fraport AG Frankfurt Airport Services Worldwide (shareholders of the company).

e. 6.125% Senior Secured Foreign Currency Notes (Notes) from International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in February, 2022. The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account, any other reserve, other bank accounts and insurance proceeds of the Company and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.

f. Indian Rupee Loan against Development Fees ('DF') receipts from banks and financial institutions carries interest at fixed rate of Interest of 11.50% p.a. (March 31, 2014: 11.50% per annum). The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement. The aforesaid loan is secured by pari passu first charge on DF receipts by the company

7 Deferred tax liability (net)

	March 31, 2015	March 31, 2014
Deferred tax liabilities		
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting.	**(1,001.58)**	1,120.47
	(1,001.58)	1,120.47
Deferred tax assets		
Unabsorbed depreciation	**890.86**	911.95
Other Disallowances	**8.37**	5.11
Intangibles (Airport Concession rights)	**77.73**	80.70
Carry Forward Losses	**24.62**	122.71
	1,001.58	1,120.47
Net deferred tax liability*	-	-

* The Company has timing differences between accounting and tax records which requires accounting for deferred tax assets. Since, there is no evidence of virtual certainty of profit as required by AS 22 "Accounting for Taxes on Income", the Management has decided not to recognize deferred tax assets over and above the deferred tax liability as at March 31, 2015 and March 31, 2014.

8 Other long-term liabilities

	March 31, 2015	March 31, 2014
Security Deposits (unsecured)		
Security Deposits from trade concessionaires	**299.45**	303.31
Security Deposits from commercial property developers	**1,471.51**	1,471.51
Advances from commercial property developers (Refer note 46)	**175.85**	236.49
Unearned revenue	**1.41**	2.67
Retention money - Non-trade	**3.38**	2.48
Capital Creditors	**15.00**	22.50
Advance from customers	**32.35**	39.85
	1,998.95	2,078.81

9 Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Provision for leave benefits	**-**	-	**14.29**	10.25
Provision for Superannuation	**-**	-	**-**	0.26
Provision for gratuity [Refer note 38(c)]	**-**	-	**0.61**	-
	-	-	**14.90**	10.51
Other provision				
Provision for taxation	**-**	-	**9.27**	9.27
Provision for wealth tax	**-**	-	**0.01**	0.01
Provision for Airports Authority of India -Voluntary retirement scheme cost	**52.50**	70.76	**18.26**	18.72
	52.50	70.76	**27.54**	28.00
	52.50	70.76	**42.44**	38.51

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10 Short-term borrowings

	March 31, 2015	March 31, 2014
Short Term Loans		
Cash Credit from bank*	-	125.19
	-	125.19
The above amount includes		
Secured borrowings	-	125.19

* Cash Credit facility from bank amounting to Rs. Nil Crores (March 31, 2014 : Rs. 125.19 Crores) carries interest at Base rate plus 2% agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the period is 12.75% p.a. (March 2014: 12.75% p.a.). The loan is secured by first rank pari-passu charge on all the future revenues/receivables (excluding dues to AAI) and all insurance policies, contractors' guarantees and liquidated damages and all the rights, titles, interests, permits in respect of the project documents as permissible under the Project documents of the Company, to the extent permissible under OMDA.

11 Trade payable

	March 31, 2015	March 31, 2014
Trade payable [Refer note 41 for details of dues to micro and small enterprises]	**425.64**	298.66
	425.64	298.66

12 Other current liabilities

	March 31, 2015	March 31, 2014
Other liabilities		
Current maturities of long-term borrowings (Refer note 6)	**476.54**	720.22
Interest accrued but not due on borrowings	**25.07**	8.77
Capital creditors	**38.32**	114.46
Advance from customers	**15.81**	8.61
Advances from commercial property developers (Refer note 46)	**93.41**	98.14
Security Deposit from customers	**3.53**	2.69
Unearned revenue	**9.25**	9.80
Retention money **:**		
Trade	**10.22**	10.76
Non-trade	**28.73**	88.72
Service tax payable	**1.61**	5.93
Withholding tax payable	**33.85**	22.51
Other statutory dues	**3.22**	1.72
Other liabilities	**16.22**	21.55
Marketing Fund Liability (Refer note 47)	**25.59**	29.75
Security Deposits from trade concessionaires	**634.09**	592.46
Development Fee Accrued (to the extent of not utilized) [Refer note 31 (a)]	**41.17**	150.04
	1,456.63	1,886.13

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13 Tangible assets

	Buildings	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
Cost											
At March 31, 2013	4,768.92	-	-	-	2,127.71	2,980.66	34.65	56.53	147.76	23.71	10,139.94
Additions	15.30	-	-	-	9.39	19.07	0.86	4.80	5.48	0.67	55.57
Adjustments	(3.03)	-	-	-	-	(4.20)	-	(0.24)	-	2.77	(4.70)
Adjustments (Refer note 45)	51.03	-	-	-	6.82	13.93	0.17	0.05	14.17	1.36	87.53
Disposals	-	-	-	-	-	-	(0.50)	-	(0.19)	-	(0.69)
AS - 11 adjustments	113.01	-	-	-	24.14	70.52	-	-	3.15	-	210.82
Development fund (Collection Charges) [Refer note 31 (b) (i)]	1.56	-	-	-	0.33	0.97	-	-	0.04	-	2.90
At March 31, 2014	4,946.79	-	-	-	2,168.39	3,080.95	35.18	61.14	170.41	28.51	10,491.37
Reclassification [See note (b) below]	**(606.87)**	**394.19**	**925.46**	**210.98**	**(20.77)**	**(874.40)**	**(14.56)**	**(14.66)**	**0.07**	**-**	**(0.56)**
Additions	**3.55**	**-**	**12.24**	**-**	**7.01**	**24.72**	**0.59**	**2.23**	**2.07**	**1.22**	**53.63**
Disposals	**(0.18)**	**-**	**-**	**-**	**-**	**(1.11)**	**(0.21)**	**(0.41)**	**(1.28)**	**(0.36)**	**(3.55)**
Adjustments [See note (a) below]	**(24.47)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(24.47)**
AS - 11 adjustments [See note (c) below]	**48.94**	**2.17**	**7.65**	**2.24**	**11.40**	**25.67**	**-**	**-**	**1.49**	**-**	**99.56**
Development fund (Collection Charges) [Refer note 31 (b) (i)]	**2.39**	**0.11**	**0.37**	**0.11**	**0.56**	**1.26**	**-**	**-**	**0.07**	**-**	**4.87**
At March 31, 2015	**4,370.15**	**396.47**	**945.72**	**213.33**	**2,166.59**	**2,257.09**	**21.00**	**48.30**	**172.83**	**29.37**	**10,620.85**
Depreciation											
At March 31, 2013	453.45	-	-	-	278.95	409.71	7.44	35.61	31.71	9.47	1,226.34
Adjustments	-	-	-	-	-	(0.13)	-	-	-	0.62	0.49
Adjustments (Refer note 45)	4.31	-	-	-	0.58	1.74	0.01	0.03	2.38	0.16	9.21
Charge for the year	167.05	-	-	-	83.95	146.39	1.92	7.93	10.83	3.52	421.59
Disposals	-	-	-	-	-	-	(0.07)		(0.05)	-	(0.12)
At March 31, 2014	624.81	-	-	-	363.48	557.71	9.30	43.57	44.87	13.77	1,657.51
Reclassification (refer note b)	**(82.35)**	**60.79**	**200.90**	**24.59**	**3.65**	**(190.17)**	**(3.70)**	**(13.32)**	**(0.87)**	**-**	**(0.48)**
Charge for the year	**143.12**	**13.17**	**109.70**	**30.39**	**93.19**	**171.17**	**13.87**	**8.79**	**20.66**	**6.02**	**610.08**
Disposals	**(0.18)**	**-**	**-**	**-**	**-**	**(0.30)**	**(0.09)**	**(0.15)**	**(0.87)**	**(0.36)**	**(1.95)**
At March 31, 2015	**685.40**	**73.96**	**310.60**	**54.98**	**460.32**	**538.41**	**19.38**	**38.89**	**63.79**	**19.43**	**2,265.16**
Net Block											
At March 31, 2014	4,321.98	-	-	-	1,804.91	2,523.24	25.88	17.57	125.54	14.74	8,833.86
At March 31, 2015	**3,684.75**	**322.51**	**635.12**	**158.35**	**1,706.27**	**1,718.68**	**1.61**	**9.41**	**109.04**	**9.94**	**8,355.69**

a. Rs. 24.47 Crores adjusted towards reduction in liability during final settlement with the vendors in respect to Terminal 3 capitalised on provisional basis by the Company during the financial year ended March 31, 2011.
b. Pursuant to the Schedule II of the companies act, 2013, the Company has reclassified some of its assets to new categories.
c. Relates to capitalisation of foreign exchange fluctuations on long term borrowings in accordance with AS-11 read with MCA circular.
d. Buildings include space given on operating lease:
Gross block Rs. 208.55 Crores (31st March 2014: Rs. 186.99 Crores),
Depreciation charge for the year Rs. 6.74 Crores (31st March 2014: Rs. 6.36 Crores),
Accumulated depreciation Rs. 33.18 Crores (31st March 2014: Rs. 23.99 Crores),
Net book value Rs. 175.37 Crores (31st March 2014: Rs. 163.00 Crores)

All amount in Indian Rupees in Crores, except otherwise stated

14 Intangible assets

	Airport concessionaire rights	Computer software	Total
Cost			
At March 31, 2013	490.52	38.44	528.96
Additions	-	0.12	0.12
Disposals	-	-	-
At March 31, 2014	490.52	38.56	529.08
Reclassification #	-	0.56	0.56
Additions	-	0.45	0.45
At March 31, 2015	**490.52**	**39.57**	**530.09**
Amortisation			
At March 31, 2013	42.91	24.15	67.06
Charge for the year	8.57	6.28	14.85
Disposals	-		-
At March 31, 2014	51.48	30.43	81.91
Reclassification #	-	**0.48**	**0.48**
Charge for the year	**8.57**	**5.63**	**14.20**
Disposals	-	-	-
At March 31, 2015	**60.05**	**36.54**	**96.59**
Net Block			
At March 31, 2014	439.04	8.13	447.17
At March 31, 2015	**430.47**	**3.03**	**433.50**

Pursuant to the Schedule II of the companies act, 2013, the Company has reclassified some of its assets to new categories.

All amount in Indian Rupees in Crores, except otherwise stated

15 Non-current investments

	March 31, 2015	March 31, 2014
Trade investments (valued at cost unless stated otherwise)		
Investments in equity shares (Un-quoted)		
Investment in subsidiaries		
Delhi Aerotropolis Private Limited 100,000 shares of Rs 10 each (March 2014 : 100,000 shares of Rs 10 each)	**0.10**	0.10
Investment in associate		
East Delhi Waste Processing Company Private Limited 7,839 shares of Rs 10 each (March 2014 :7,839 shares of Rs 10 each)	**0.01**	0.01
Investment in joint ventures		
Delhi Aviation Services Private Limited 12,500,000 shares of Rs. 10 each (March 2014 : 12,500,000 shares of Rs. 10 each)	**12.50**	12.50
Celebi Delhi Cargo Terminal Management India Private Limited 2,91,20,000 shares of Rs. 10 each (March 2014 : 18,720,000 shares of Rs. 10 each)	**29.12**	18.72
Delhi Aviation Fuel Facility Private Limited 42,640,000 shares of Rs. 10 each (March 2014 : 42,640,000 shares of Rs. 10 each)	**42.64**	42.64
Delhi Cargo Service Center Private Limited Nil shares of Rs. 10 each (March 2014 : 10,920,000 shares of Rs. 10 each)	**-**	10.92
Delhi Airport Parking Services Private Limited (Refer note 18) Nil shares of Rs. 10 each (March 2014 : 40,638,560 shares of Rs. 10 each)	**-**	40.64
Wipro Airport IT Services Limited 1,300,000 shares of Rs. 10 each (March 2014 : 1,300,000 shares of Rs. 10 each)	**1.30**	1.30
Delhi Select Service Hospitality Private Limited * Nil shares (March 2014 : 2,600,000 shares of Rs. 10 each)	**-**	2.60
Delhi Duty Free Services Private Limited 39,920,000 shares of Rs. 10 each (March 2014 : 39,920,000 shares of Rs. 10 each)	**39.92**	39.92
Travel Food services (Delhi Terminal 3) Private Limited 3,200,000 shares of Rs. 10 each (March 2014 : 3,200,000 shares of Rs. 10 each)	**3.20**	3.20
Devyani Food Street Private Limited * Nil (March 2014 : 1,520,000 shares of Rs. 10 each)	**-**	1.52
TIM Delhi Airport Advertising Private Limited 9,222,505 shares of Rs. 10 each (March 2014 : 9,222,505 shares of Rs. 10 each)	**9.22**	9.22
Investments in preference shares (Un-quoted)		
Investment in joint ventures		
Devyani Food Street Private Limited Nil (March 2014 : 800,000 0.10% redeemable, non-cumulative, non-convertible preference shares shares of Rs 10 each)	**-**	0.80
	138.01	184.09

Aggregate amount of non current un-quoted investments

* DIAL has been allotted 2,043,600 equity shares of Devyani Food Street Private Limited in place of its shareholding of 2,600,000 equity share in Delhi Select Service Hospitality Private Limited as a result of amalgamation of Delhi Select Service Hospitality Private Limited with Devyani Food Street Private Limited w.e.f. April 1, 2013 as per scheme approved by Delhi High Court dated May 15, 2014

16 Loans and advances

		Non-current		Current	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital advances					
Unsecured, considered good		**2.26**	5.58	**-**	-
	(A)	**2.26**	5.58	**-**	**-**
Security deposit					
Unsecured, considered good		**6.69**	7.19	**1.91**	0.71
	(B)	**6.69**	7.19	**1.91**	0.71
Loan and advances to related parties					
Unsecured, considered good [Refer note 33 (b)]		**-**	-	**13.19**	13.10
Doubtful		**2.82**	2.82	**-**	-
		2.82	2.82		
Less: provision for doubtful advances		**(2.82)**	(2.82)	**-**	-
	(C)	**-**	-	**13.19**	13.10
Advances recoverable in cash or kind					
Unsecured considered good		**-**	3.11	**7.40**	5.77
Doubtful		**0.65**	3.32	**-**	-
		0.65	6.43	**7.40**	5.77
Less: provision for doubtful advances		**(0.65)**	(3.32)	**-**	-
	(D)	**-**	3.11	**7.40**	5.77
Other loans and advances					
Unsecured, considered good					
Advance income-tax (net of provision for taxation Rs. Nil : March 31, 2014: Nil)		**76.90**	66.99	**-**	-
MAT credit entitlement		**2.93**	2.93	**-**	-
CENVAT Receivable (Net)		**-**	-	**3.46**	8.97
Gratuity fund balance (Net) [Refer note 38 (c)]		**-**	-	**-**	0.71
Advances towards investment in joint ventures		**-**	7.80	**-**	-
Prepaid Expenses		**0.75**	0.74	**5.72**	14.65
Deposit with government authorities including paid under protest		**-**	-	**30.66**	19.51
	(E)	**80.58**	78.46	**39.84**	43.84
Total (A+B+C+D+E)		**89.53**	94.34	**62.34**	63.42

Delhi International Airport Private Limited
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Notes to the financial statements for the year ended March 31, 2015
All amount in Indian Rupees in Crores, except otherwise stated

17 Other assets

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Others				
Interest accrued on fixed deposits & others	-	-	6.42	0.02
Development fund receivable [Refer note 31]	106.35	511.18	456.20	435.76
Non-trade receivable				
Net of Provision of Doubtful Debts Rs. 3.40 Crores (March 31, 2014 : Rs. 1.09 Crores)		-	27.10	26.19
Unbilled revenue	-	-	54.55	25.13
Other borrowing cost to the extent not amortised	63.66	40.37	8.74	7.12
Total	170.01	551.55	553.01	494.22

18 Current investments

	March 31, 2015	March 31, 2014
Trade investments (valued at cost unless otherwise stated)		
Unquoted investments		
Investment in joint ventures		
Investments in equity shares		
Delhi Airport Parking Services Private Limited#	40.64	-
40,638,560 shares of Rs 10 each (March 31, 2014 : Nil)		
(A)	40.64	-
Other Current investments (valued at lower of cost and fair value, unless otherwise stated)		
Unquoted investments		
ICICI Prudential Liquid Regular Plan Growth	25.40	-
[1,230,627.04 (March 31, 2014 :Nil) Units of Rs. 100 each]		
UTI- Liquid Fund-Cash Plan-INST Growth	-	30.00
[Nil [March 31, 2014 : 1,43,034.21) Units of Rs. 1000 each]		
Baroda Pioneer Liquid Fund - Plan A - Growth	40.00	-
[250,204.70 (March 31, 2014 : Nil) Units of Rs. 1000 each]		
Axis Liquid Fund Growth	89.46	-
[578,845.39 (March 31, 2014 : Nil) Units of Rs. 1000 each]		
Birla Sunlife Cash Plus- Inst.- Growth	-	48.79
[Nil (March 31, 2014 : 23,76,385.18) Units of Rs. 100 each]		
Reliance Liquidity Fund Growth Plan Growth Option	-	30.00
[Nil (March 31, 2014 : 1,55,555.60) Units of Rs. 1000 each]		
IDFC Cash Fund Growth Regular Plan	44.03	-
[259,782.04 (March 31, 2014 : Nil) Units of Rs. 1000 each]		
Sundaram Money Fund Regular – Growth	11.70	-
[3,974,724.83 (March 31, 2014 : Nil) Units of Rs. 1000 each]		
SBI Premier Liquid Fund - REGULAR PLAN -Growth	20.00	-
[91,131.37 (March 31, 2014 : Nil) Units of Rs. 1000 each]		
Tata Liquid Fund Plan A - Growth	16.04	-
[62,345.08 (March 31, 2014 : Nil) Units of Rs. 1000 each]		
(B)	246.63	108.79
Total (A+B)	287.27	108.79
Aggregate amount of unquoted other current investments [Market value Rs. 247.03 Crores (March 31, 2014 : Rs. 109.02 Crores)]	247.14	109.02

The company has proposed to divest its interest in Delhi Airport Parking Services Private Limited ; hence the investment has been classified from non-current to current investments.

19 Inventories (valued at lower of cost and net realizable value)

	March 31, 2015	March 31, 2014
Stores and spares	8.65	11.06
	8.65	11.06

20 Trade receivables

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	105.42	92.18
Unsecured, considered good	-	-	218.80	284.14
Unsecured, considered, doubtful	8.03	3.66	-	-
	8.03	3.66	324.22	376.32
Provision for doubtful trade receivables	(8.03)	(3.66)	-	-
(A)	-	-	324.22	376.32
Other receivables				
Secured, considered good	-	-	143.14	152.96
Unsecured, considered good	-	-	184.86	199.81
(B)	-	-	328.00	352.77
Total (A+B)	-	-	652.22	729.09

Trade receivable to the extent covered by security deposits or bank guarantees are considered as secured trade receivables.

21 Cash and bank balances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash and cash equivalents				
Balances with banks:				
– On current accounts	-	-	76.17	49.65
– Deposits with original maturity of less than three months	-	-	38.11	-
Cheques / drafts on hand	-	-	5.28	11.44
Cash on hand	-	-	0.14	0.13
(A)	-	-	119.70	61.22
Other bank balances				
– Margin money deposit*	-	-	30.84	0.20
– Deposits with original maturity of more than 3 month but less than 12 months	-	-	169.73	-
(B)	-	-	200.57	0.20
Total (A+B)	-	-	320.27	61.42

* Rs. 30.62 Crores (March 31,2014 : Nil) against Debt Service Reserve Account (DSRA) as per financing agreement.
Rs. 0.22 Crores (March 31, 2014 : Rs 0.20 Crores) against License fee to South Delhi Municipal Corporation.

22 Revenue from operations

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Revenue from operations		
Sale of services		
Aeronautical	**2,950.92**	2,806.35
Non - Aeronautical*	**1,146.34**	1,023.31
Other operating income		
Income from commercial property development	**98.24**	93.04
	4,195.50	3,922.70

*Non- Aeronautical income is net off of reversal of revenue amounting to Rs. 5.69 crores (March 2014: Rs. 18.99 crores) of earlier years.

23 Other income

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Interest income	**30.76**	10.71
Income from current investments	**20.47**	17.41
Dividend Income on long term investments	**19.31**	26.40
Exchange differences (net)	**0.81**	-
Liquidated Damages received	**-**	14.95
Management Fees	**11.55**	10.50
Miscellaneous income	**1.24**	1.38
Profit on Sale of Fixed Assets	**0.28**	0.39
	84.42	81.74

24 Employee benefits expense

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Salaries, wages and bonus	**113.30**	106.38
Operation support cost	**2.77**	3.55
Contribution to provident and other funds	**8.55**	7.13
Gratuity expense [Refer note 38 (c)]	**2.88**	0.85
Staff welfare expenses	**4.62**	4.74
	132.12	122.65

25 Other expenses

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Operating :		
Utility expenses	**112.32**	107.32
Repairs and maintenance		
Plant and machinery	**78.34**	61.50
Buildings	**22.92**	44.06
IT Systems	**21.45**	20.04
Others	**4.49**	5.82
Manpower hire charges	**78.21**	77.45
Airport operator fee	**119.90**	100.07
Security related expenses	**9.50**	9.44
Information technology and related expenses	**53.00**	51.93
Insurance	**10.51**	7.51
Consumables	**7.87**	5.48
Administration and others :		
Professional and consultancy expenses	**50.27**	61.72
Travelling and conveyance	**13.93**	14.21
Office maintenance and other expenses	**6.56**	5.99
Rates and taxes	**11.38**	64.56
Rent (including lease rentals)	**7.41**	8.21
Advertising and sales promotion	**12.26**	8.63
Communication costs	**1.87**	1.92
Printing and stationery	**1.19**	1.88
Directors' sitting fees	**0.15**	0.09
Payment to auditor (Refer details below)	**1.11**	0.52
Provision for Bad debts / Bad Debts Written off	**9.01**	7.94
Provision for Doubtful advances / Advances Written off	**0.20**	3.47
Exchange difference (net)	**-**	1.20
Corporate cost allocation	**54.20**	35.00
Loss on sale/discard of fixed assets	**2.18**	2.03
Donations	**1.15**	1.46
Miscellaneous expenses	**6.09**	2.57
	697.47	712.02

Payment to auditors

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
As auditors:		
Audit fee	**0.45**	0.30
Tax audit fee	**0.08**	0.07
Other services *	**-**	-
In other capacity:		-
Other services (including certification fees)	**0.40**	0.04
Reimbursement of expenses	**0.18**	0.11
	1.11	0.52

* Professional fees of Rs 0.90 crores (March 31, 2014 : Rs. Nil) in connection with 6.125% of senior secured foreign currency notes are amortised over the period of secured notes till 2022; and is included in finance costs.

26 Depreciation and amortization expense

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Depreciation of tangible assets	**610.08**	421.59
Amortization of intangible assets	**14.20**	14.85
	624.28	436.44

27 Finance costs

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Interest on Borrowings	**499.38**	543.75
Other interest	**25.01**	7.12
Bank charges	**4.65**	2.94
Other borrowing costs including amortisation	**27.15**	11.02
	556.19	564.83

28 Exceptional items	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Breakage cost of Interest Rate Swap (IRS) [Refer note 48 (i)]	**91.83**	
Income from sale of non-current investment [Refer note 48 (ii)]	**(17.68)**	-
	74.15	-

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
29 Prior period items (Net)		
Income	-	-
Sale of services	-	-
Non - Aeronautical	-	-
Interest income	-	-
Total (A)	-	-
Expenses		
Operating Cost	-	(18.71)
Repairs and maintenance:		
-Buildings	-	(13.03)
-Plant and machinery	-	(13.78)
-Others	-	(5.78)
Airport Operator Fee	-	(13.88)
Security and city side management	-	(1.24)
Cargo & other handling costs	-	(8.81)
Consumables	-	(2.65)
IT & related Expenses	-	(0.94)
Insurance	-	(2.37)
Miscellaneous expenses	-	(8.41)
Depreciation on tangible assets	-	9.21
Total (B)	-	(80.39)
Net (A)-(B)	-	80.39

30 Earning per share (EPS)

The following reflects the Profit and share data used in the basic and diluted EPS computations:

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Total operations for the year		
Profit for the year for calculation of Basic EPS and Diluted EPS	**227.91**	410.83
Weighted average number of equity shares in calculating basic and diluted EPS (in crores)	**245**	245

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

(a) The Company had accrued DF amounting to Rs. 350 Crores during the year 2012-13 earmarked for construction of Air Traffic Control (ATC) tower, currently which is under progress as at March 31, 2015. DF amounting to Rs. 308.83 Crores (March 31, 2014 : Rs. 199.96 Crores) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2015 and balance DF amounting to Rs. 41.17 Crores (March 31, 2014 : Rs. 150.04 Crores), pending utilization, has been disclosed under Other current liabilities.

(b) While calculating such additional DF amount:

i) In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalised DF collection charges aggregating to Rs. 22.06 Crores till March 31, 2015 (As on March 2014 : Rs. 17.19 Crores) from the DF grant.

ii) The Airport Economic Regulatory Authority of India (AERA) has passed an order vide Order No 03/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport . As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016.

32. The Company has a receivable (including unbilled revenue) of Rs. 405.57 Crores as at March 31, 2015 (March 31, 2014: Rs. 444.12 Crores) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as ‘Air India’. In view of continuing “Airport Enhancement and Financing Service Agreement” with The International Air Transport Association for recovery of dues from Air India, the Company considers its dues from Air India as good and fully recoverable.

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33. Related party transactions:

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
I	Ultimate holding company	GMR Holdings Private Limited
	Intermediate holding company	GMR Infrastructure Limited
	Holding company	GMR Airports Limited[1]
II	Subsidiary companies	Delhi Aerotropolis Private Limited
		East Delhi Waste Processing Company Private Limited[2]
III	Associate company	East Delhi Waste Processing Company Private Limited[2]
IV	Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
		GMR Badrinath Hydro Power Generation Private Limited
		GMR Hyderabad International Airport Limited
		GMR Male International Airport Private Limited
		GMR Airport Developers Limited
		GMR Krishnagiri SEZ Limited
		GMR Corporate Affairs Private Limited
		GMR Aviation Private Limited
		Raxa Security Services Limited
		GMR Chhattisgarh Energy Limited
		GMR Airports Limited[1]
		GMR Kamalanga Energy Limited
		Kakinada SEZ Private Limited
		EMCO Energy Limited
		GMR Rajahmundry Energy Limited
		GMR Sports Private Limited
		Gateways for India Airports Private Limited
		GMR Power Corporation Limited
		GMR Kishangarh Udaipur Ahmedabad Expressways Limited
		GMR Tambaram Tindivanam Expressways Limited
		GMR Bajoli Holi Hydropower Private Limited
		GMR Aerospace Engineering Company Private Limited (Gaecl)
		GMR Infrastructure (Singapore) Pte Limited (GISPL)
V	Jointly controlled entities	Delhi Aviation Services Private Limited
		Delhi Aviation Fuel Facility Private Limited
		Wipro Airport IT Services Limited
		Delhi Airport Parking Services Private Limited
		Travel Food Services (Delhi Terminal 3) Private Limited
		Delhi Duty Free Services Private Limited
		Delhi Select Services Hospitality Private Limited[3]
		Devyani Food Street Private Limited[4]
		Celebi Delhi Cargo Terminal Management India Private Limited
		Delhi Cargo Service Center Private Limited[5]

(All amounts in Rupees Crores, except otherwise stated)

		TIM Delhi Airport Advertising Private Limited
VI	Enterprises in respect of which the company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide
VII	Enterprises where significant influence of key Management personnel or their relative exists	GMR Varalakshmi Foundation
VIII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Grandhi Kiran Kumar - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

1. W.e.f. October 29, 2013, GMR Airports Limited has become the Holding company.

2. W.e.f. October 23, 2013, East Delhi Waste Processing Company Private Limited ceased to be a subsidiary of the Company and has become an associate.

3. Delhi Select Services Hospitality Private Limited has been merged with Devyani Food Street Private Limited w.e.f. April 1, 2013, pursuant to scheme of merger approved by Hon’ble High Court of Delhi vide its order dated May 15, 2014.

4. W.e.f. February 10, 2015, Devyani Food Street Private Limited ceased to be a jointly controlled entity pusuant to sale of its stake by the company.

5. W.e.f. March 16, 2015, Delhi Cargo Service Center Private Limited ceased to be a jointly controlled entity pusuant to sale of its stake by the company.

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Delhi International Airport Private Limited
Notes to Financial Statements for the year ended March 31, 2015
(All amounts in Rupees Crores, except otherwise stated)

33(b) (i) Summary of balances with the above related parties is as follows:

Balances at the year ended	As At March 31, 2015	As At March 31, 2014
Other loans and advances		
Non-Current		
Share Application Money paid pending allotment		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	7.80
Non-Current Investments		
Investments in Equity Share		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.10	0.10
Associate companies		
East Delhi Waste Processing Company Private Limited	0.01	0.01
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	12.50	12.50
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	18.72
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
Delhi Duty Free Services Private Limited	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	3.20	3.20
TIM Delhi Airport Advertising Private Limited	9.22	9.22
Delhi Cargo Service Center Private Limited	-	10.92
Delhi Airport Parking Services Private Limited	-	40.64
Delhi Select Service Hospitality Private Limited	-	2.60
Devyani Food Street Private Limited	-	1.52
Non-Current Investments		
Investments in Preference Share		
Jointly Controlled Entities		
Devyani Food Street Private Limited	-	0.80
-		
Current Investment		
Investments in Equity Share		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	40.64	-
Trade Receivables		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.04	0.52
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	12.31	9.46
TIM Delhi Airport Advertising Private Limited	0.04	0.37
Delhi Aviation Services Private Limited	0.41	0.41
Delhi Airport Parking Services Private Limited	1.02	0.97
Travel Food Services (Delhi Terminal 3) Private Limited	6.64	2.05
Celebi Delhi Cargo Terminal Management India Private Limited	9.71	10.30
Delhi Select Services Hospitality Private Limited	-	8.67
Devyani Food Street Private Limited	-	6.09
Delhi Cargo Service Center Private Limited	-	20.42
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		

(All amounts in Rupees Crores, except otherwise stated)

GMR Aviation Private Limited	0.03	0.06
GMR Energy Limited	1.02	-
GMR Badrinath Hydro Power Generation Private Limited	0.61	-
Other Current Assets		
Unbilled revenue		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.66	-
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	0.04	0.03
TIM Delhi Airport Advertising Private Limited	18.18	11.10
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.09
Delhi Duty Free Services Private Limited	2.17	2.25
Delhi Select Services Hospitality Private Limited	-	0.18
Devyani Food Street Private Limited	-	0.09
Delhi Cargo Service Center Private Limited	-	0.27
Delhi Aviation Services Private Limited	0.01	-
Celebi Delhi Cargo Terminal Management India Private Limited	0.08	-
Other Current Assets		
Reversal of Unbilled revenue		
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.84	-
Other Current Assets		
Credit Note Issued		
Jointly Controlled Entities		
Delhi Cargo Service Center Private Limited	-	7.40
Other Current Assets		
Non- Trade Receivables		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	2.03	2.57
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Energy Limited	0.65	-
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	0.33	4.83
Celebi Delhi Cargo Terminal Management India Private Limited	0.98	0.55
Delhi Airport Parking Services Private Limited	0.16	2.06
Delhi Aviation Services Private Limited	0.47	0.41
TIM Delhi Airport Advertising Private Limited	2.14	0.98
Delhi Select Services Hospitality Private Limited	-	0.38
Devyani Food Street Private Limited	-	0.05
Delhi Duty Free Services Private Limited	4.87	0.93
Delhi Cargo Service Center Private Limited	-	1.02
Advances recoverable in cash or in kind		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.07	0.06
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.07	0.09
Delhi Select Services Hospitality Private Limited	-	0.04
Delhi Airport Parking Services Private Limited	0.17	2.53
Travel Food Services (Delhi Terminal 3) Private Limited	0.06	0.20
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.06	0.09
Delhi Duty Free Services Private Limited	0.05	0.11
TIM Delhi Airport Advertising Private Limited	0.09	-

(All amounts in Rupees Crores, except otherwise stated)

Wipro Airport IT Services Limited	0.70	-
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	7.80	7.80
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Corporate Affairs Private Limited	-	0.02
GMR Kamalanga Energy Limited	0.01	0.03
Kakinada SEZ Private Limited	0.07	-
GMR Hyderabad International Airport Limited	-	0.35
GMR Male International Airport Private Limited	1.14	1.01
GMR Chhattisgarh Energy Limited	-	0.01
GMR Aerospace Engineering Limited	0.16	-
GMR Power Corporation Limited	0.01	-
GMR Infrastructure (Singapore) Pte Limited	2.33	-
Advances recoverable in cash or in kind		
Non-Current		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	2.82	2.82
Trade payable		
Intermediate holding company		
GMR Infrastructure Limited	3.98	6.22
Holding company		
GMR Airports Limited	7.20	4.35
Enterprises in respect of which the company is a joint venture		
Fraport AG Frankfurt Airport services Worldwide	55.01	50.11
Airports Authority of India	50.42	41.41
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.45	0.47
Raxa Security Services Limited	0.47	1.75
Gateways for India Airports Private Limited	-	0.24
GMR Sports Private Limited	-	0.05
GMR Airport Developers Limited	0.12	-
GMR Hyderabad International Airport Limited	0.02	-
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	0.25
Devyani Food Street Private Limited	-	0.16
Wipro Airport IT Services Limited	-	1.50
Other Liabilities		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Krishnagiri SEZ Limited	-	0.02
Gateways for India Airports Private Limited	-	-
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited-	-	0.02
Long-term Provision		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	52.50	70.76
Short-term Provision		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	18.26	18.72
Current Liabilities		

Unearned Revenue		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	0.05	0.08
Other Long Term Liabilites		
Deposits from Trade Concessionaires		
Non-Current		
Jointly Controlled Entities		
Devyani Food Street Private Limited	-	1.76
Delhi Select Services Hospitality Private Limited	-	0.86
Delhi Duty Free Services Private Limited	234.72	234.68
Travel Food Services (Delhi Terminal 3) Private Limited	1.55	1.54
Delhi Airport Parking Services Private Limited	3.00	3.00
TIM Delhi Airport Advertising Private Limited	35.47	35.47
Deposits from Trade Concessionaires		
Current		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	127.93	127.93
Delhi Aviation Fuel Facility Private Limited	158.66	156.38
Delhi Airport Parking Services Private Limited	0.13	0.13
Delhi Cargo Service Center Private Limited	-	19.97
Delhi Duty Free Services Private Limited	0.33	0.98
Delhi Aviation Services Private Limited	15.03	15.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.11	0.11

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Delhi International Airport Private Limited
Notes to Financial Statements for the year ended March 31, 2015
(All amounts in Rupees Crores, except otherwise stated)

33(b) (ii) Summary of transaction with the above related parties is as follows:

Transactions During the year	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Share Application Money Paid		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	7.80
Non-current investments		
Investment made in Equity Share		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	10.40	-
Delhi Airport Parking Services Private Limited	-	1.50
Non-current investments		
Sale of investments in Equity Share		
Jointly Controlled Entities		
Delhi Cargo Service Center Private Limited	10.92	-
Delhi Select Service Hospitality Private Limited	2.60	-
Devyani Food Street Private Limited	1.52	-
Non-current Investments		
Sale of investments in Preference Share		
Jointly Controlled Entities		
Devyani Food Street Private Limited	0.80	-
Deposits from trade concessionaires		
Security Deposits Received		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	0.38
Delhi Aviation Fuel Facility Private Limited	2.28	-
Devyani Food Street Private Limited	-	0.09
Delhi Cargo Service Center Private Limited	0.03	-
Delhi Aviation Services Private Limited	-	0.03
Delhi Duty Free Services Private Limited	0.04	0.65
Deposits from trade concessionaires		
Deposits Refunded		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	2.09
Delhi Duty Free Services Private Limited	0.65	-
Transfer of Assets/CWIP		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	0.43	13.44
Sale of Assets		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	0.39	-

(All amounts in Rupees Crores, except otherwise stated)

Key Managerial Remuneration paid/ payable		
Employee Benefits for Key Management Personnel		
Mr. Grandhi Kiran Kumar	2.25	1.56
Mr. Srinivas Bommidala	2.25	1.55
Mr. K. Narayana Rao	1.14	1.02
Revenue share paid		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	1,967.80	1,838.06
Operation support cost paid		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	2.77	3.55
Interest on Revenue share		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	1.80
Interest Received		
Jointly Controlled Entities		
Devyani Food Street Private Limited	2.86	-
Delhi Cargo Service Center Private Limited	4.87	-
Celebi Delhi Cargo Terminal Management India Private Limited	-	2.98
Delhi Aviation Services Private Limited	-	1.01
Delhi Aviation Fuel Facility Private Limited	0.82	1.92
Consultancy fees paid		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	0.43	1.39
Airports Authority of India	-	0.16
Holding company		
GMR Airports Limited	0.20	-
Jointly Controlled Entities		
Wipro Airport IT Services Limited	0.01	-
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	33.34	32.62
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	119.90	100.07
Expenses incurred by Company on behalf of related parties		
Intermediate Holding company		
GMR Infrastructure Limited	0.02	0.01
Holding company		
GMR Airports Limited	1.59	0.29
Jointly Controlled Entities		
Devyani Food Street Private Limited	0.12	-
Celebi Delhi Cargo Terminal Management India Private Limited	0.37	-
TIM Delhi Airport Advertising Private Limited	0.43	-
Delhi Aviation Services Private Limited	0.40	-
Delhi Airport Parking Services Private Limited	0.63	1.04
Travel Food Services (Delhi Terminal 3) Private Limited	0.37	-
Delhi Duty Free Services Private Limited	0.38	-
Wipro Airport IT Services Limited	-	0.21

(All amounts in Rupees Crores, except otherwise stated)

Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Airport Developers Limited	0.18	-
GMR Aviation Private Limited	-	0.01
GMR Male International Airport Private Limited	0.13	-
GMR Corporate Affairs Private Limited	0.01	0.03
GMR Hyderabad International Airport Limited	0.12	0.20
Raxa Security Services Limited	0.97	0.01
GMR Krishnagiri SEZ Limited	0.01	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.01	-
Kakinada SEZ Private Limited	0.07	-
GMR Bajoli Holi Hydropower Private Limited	0.01	-
GMR Kamalanga Energy Limited	0.01	0.02
GMR Chhattisgarh Energy Limited	-	0.01
GMR Power Corporation Limited	0.01	-
Expenses incurred by related parties on behalf of Company		
Intermediate Holding company		
GMR Infrastructure Limited	0.06	
Holding company		
GMR Airports Limited	0.10	0.39
Jointly Controlled Entities		
Wipro Airport IT Services Limited	-	0.01
Celebi Delhi Cargo Terminal Management India Private Limited-	-	0.02
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	0.04
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	0.14	-
GMR Krishnagiri SEZ Limited	0.01	0.01
GMR Aviation Private Limited	0.21	-
GMR Kamalanga Energy Limited	0.08	-
Raxa Security Services Limited	0.02	0.18
GMR Hyderabad International Airport Limited	-	0.27
GMR Kishangarh Udaipur Ahmedabad Expressways Limited	0.05	-
GMR Sports Private Limited	0.01	-
Corporate Cost Allocation		
Intermediate Holding company		
GMR Infrastructure Limited	36.67	24.87
Holding company		
GMR Airports Limited	17.53	10.13
Provison for doubtful debts/ Bad debt written off		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.09	0.20
Jointly Controlled Entities		
Delhi Cargo Service Center Private Limited	-	4.16
Devyani Food Street Private Limited	-	0.58
Delhi Select Services Hospitality Private Limited	-	1.23
Provision for Doubtful advance		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	-	2.82
Services Received		
Chartering Cost :		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	4.30	4.26

(All amounts in Rupees Crores, except otherwise stated)

Security related expenses:		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	13.17	11.98
Information technology and related expenses:		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	53.00	51.93
Repair and Maintenance - IT System		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	3.22	4.66
Rent – Office		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Hyderabad International Airport Limited	0.04	0.37
Staff welfare – Others		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
Raxa Security Services Limited	0.02	0.50
Director sitting fees		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.02	0.02
Electricity charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	6.16	7.24
Delhi Airport Parking Services Private Limited	1.53	1.42
Delhi Cargo Service Center Private Limited	3.06	2.89
Celebi Delhi Cargo Terminal Management India Private Limited	13.43	11.28
TIM Delhi Airport Advertising Private Limited	3.09	2.38
Travel Food Services (Delhi Terminal 3) Private Limited	3.18	2.81
Delhi Duty Free Services Private Limited	2.56	2.48
Delhi Select Services Hospitality Private Limited		1.02
Delhi Aviation Fuel Facility Private Limited	0.01	0.01
Devyani Food Street Private Limited	2.17	1.36
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.01	0.01
GMR Energy Limited	0.57	-
GMR Badrinath Hydro Power Generation Private Limited	0.09	0.14
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	10.49	10.74
Water charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.10	0.10
Delhi Airport Parking Services Private Limited	0.37	0.40
Delhi Select Services Hospitality Private Limited	-	0.03
Devyani Food Street Private Limited	0.23	0.15
Travel Food Services (Delhi Terminal 3) Private Limited	0.40	0.36
Delhi Cargo Service Center Private Limited	0.53	0.18
Celebi Delhi Cargo Terminal Management India Private Limited	1.01	1.09
Delhi Duty Free Services Private Limited	0.01	0.02

(All amounts in Rupees Crores, except otherwise stated)

Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Badrinath Hydro Power Generation Private Limited	0.00	0.01
GMR Energy Limited	0.01	-
Water charges billing reversed		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	1.63
Delhi Duty Free Services Private Limited	-	0.05
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Badrinath Hydro Power Generation Private Limited	-	0.07
Space Rental ,Land Licence fee, Common area Maintenance (CAM)		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	1.43	1.33
Delhi Cargo Service Center Private Limited	9.23	5.07
Delhi Aviation Fuel Facility Private Limited	14.95	13.91
Celebi Delhi Cargo Terminal Management India Private Limited	23.31	21.68
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.01
Delhi Duty Free Services Private Limited	1.26	0.91
Delhi Aviation Services Private Limited	0.06	0.06
Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)		
GMR Badrinath Hydro Power Generation Private Limited	0.95	1.51
GMR Energy Limited	2.95	-
GMR Aviation Private Limited	0.10	0.14
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.04
Concession fees received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	10.28	9.70
TIM Delhi Airport Advertising Private Limited	102.50	87.78
Delhi Aviation Services Private Limited	4.40	4.94
Delhi Cargo Service Center Private Limited	21.32	21.81
Delhi Duty Free Services Private Limited	258.11	241.95
Delhi Select Services Hospitality Private Limited	-	4.67
Devyani Food Street Private Limited	10.14	5.71
Celebi Delhi Cargo Terminal Management India Private Limited	114.46	96.74
Travel Food Services (Delhi Terminal 3) Private Limited	12.51	11.37
Airport Service, Common Area Maintenance , Screening & Other Charges		
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	1.14	1.08
Delhi Select Services Hospitality Private Limited	-	1.11
Devyani Food Street Private Limited	0.93	0.87
Celebi Delhi Cargo Terminal Management India Private Limited	1.06	1.16
Delhi Cargo Service Center Private Limited	0.00	-
TIM Delhi Airport Advertising Private Limited	-	3.00
Delhi Duty Free Services Private Limited	4.03	3.37
Delhi Airport Parking Services Private Limited	0.03	0.05
Delhi Aviation Services Private Limited	0.02	0.04

(All amounts in Rupees Crores, except otherwise stated)

Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	-	0.66
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	-	0.09
Aeronautical Income		
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aviation Private Limited	0.35	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.07	-
Liquidated Damages Recovered		
Celebi Delhi Cargo Terminal Management India Private Limited	-	14.95
Management Fees		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	3.30	3.00
Delhi Duty Free Services Private Limited	8.25	7.50
Income from Non current Investments- Dividend Income		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	7.99	14.37
TIM Delhi Airport Advertising Private Limited	5.99	6.92
Delhi Aviation Fuel Facility Private Limited	5.33	5.12
Marketing Fund Billed		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	8.24	7.68
Delhi Airport Parking Services Private Limited	0.01	0.01
Delhi Select Services Hospitality Private Limited	-	0.13
Devyani Food Street Private Limited	-	0.21
Marketing Fund Billing Reversed		
Jointly Controlled Entities		
Delhi Select Services Hospitality Private Limited	-	0.48
Devyani Food Street Private Limited	-	0.62

(This space has been intentionally left blank)

(All amounts in Rupees Crores, except otherwise stated)

34. Leases:

Assets taken on operating Lease
Future minimum rental payable under non cancellable operating leases are as follows:-

Particulars	As at March 31, 2015	As at March 31, 2014
Lease payment for the year (excluding taxes)	7.41	8.21
Minimum Lease Payments:		
Within one year	5.28	5.11
After one year but not more than five years	8.41	4.25
More than five years	-	-
Total	**13.69**	**9.36**

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.

35. Interest in Joint ventures entities:

The Company has interest in following joint venture entities:

a) List of Jointly Controlled entities

Name of Joint Venture	Nature	Ownership interest	Date of incorporation	Country of incorporation
Celebi Delhi Cargo Terminal Management India Private Limited	Cargo	26%	June 18, 2009	India
Delhi Aviation Fuel Facility Private Limited	Fuel farm	26%	August 11, 2009	India
Delhi Airport Parking Services Private Limited	Vehicle parking	49.90%	February 11, 2010	India
Delhi Aviation Services Private Limited	Bridge mounted equipment	50%	June 28, 2007	India
Delhi Cargo Service Centre Private Limited*	Cargo	26%	November 18, 2009	India
Delhi Duty Free Services Private Limited	Duty free shops	49.90%	July 7, 2009	India
Delhi Select Service Hospitality Private Limited#	Retail, food and beverages	40%	August 6 , 2009	India
Devyani Food Street Private Limited#*	Food and beverages	40%	September 7, 2009	India
Travel Food Services (Delhi Terminal 3) Private Limited	Food and beverages	40%	December 4, 2009	India

(All amounts in Rupees Crores, except otherwise stated)

TIM Delhi Airport Advertising Private Limited	Advertising	49.90%	June 1, 2010	India
Wipro Airport IT Services Limited	Information Technology	26%	October 22, 2009	India

During the year, pursuant to the scheme of merger approved by Hon'able High Court of Delhi, 'Delhi Select Services Private Limited' has been merged with 'Devyani Food Street Private Limited' with effective date from April 1, 2013.

* Devyani Food Street Private Limited and Delhi Cargo Service Center Private Limited ceased to be a jointly controlled entity pusuant to sale of DIAL's stake w.e.f. February 10, 2015 and March 16, 2015 repsectively.

b) Financial interest in Jointly Controlled Entity

		DIAL's Share					
S. No.	**Name of Joint Venture**	**Assets**	**Liabilities (excluding shareholders fund)**	**Income**	**Expenditure (Including tax expense)**	**Contingent liabilities**	**Capital commitments**
1	**Travel Food Services (Delhi Terminal 3) Private Limited**						
	Mar-14	9.97	11.53	15.72	16.72	0.79	0.34
	Mar-15	9.96	10.69	18.15	17.28	0.57	0.00
2	**Devyani Food Street Private Limited[3]**						
	Mar-14	5.98	6.98	10.24	9.79	0.20	0.00
	Mar-15	-	-	17.72	16.87	-	-
3	**Delhi Select Service Hospitality Private Limited**						
	Mar-14	5.64	8.81	7.03	7.55	0.17	-
	Mar-15	-	-	-	-	-	-
4	**Delhi Duty Free Services Private Limited**						
	Mar-14	201.23	156.37	374.53	352.00	-	0.27
	Mar-15	215.78	161.82	406.87	381.37	0.13	0.57
5	**Delhi Aviation Fuel Facility Private Limited**						
	Mar-14	105.28	53.37	26.05	18.23	-	0.05
	Mar-15	100.22	47.83	25.09	18.18	0.00	0.23
6	**Wipro Airport IT Services Limited**						
	Mar-14	16.59	14.45	10.46	10.22	-	-
	Mar-15	12.90	10.51	10.43	10.19	-	-
7	**Delhi Airport Parking Services Private Limited**						
	Mar-14	119.30	79.60	30.37	28.76	-	0.06
	Mar-15	114.23	73.21	32.14	30.80	0.03	0.01
8	**TIM Delhi Airport Advertising Private Limited**						
	Mar-14	47.16	21.97	79.81	70.82	-	0.54
	Mar-15	53.13	26.73	93.12	81.53	-	0.12
9	**Celebi Delhi Cargo Terminal Management India Private Limited**						
	Mar-14	109.46	62.40	72.83	72.75	3.92	-
	Mar-15	112.02	57.22	82.42	77.20	3.08	0
10	**Delhi Cargo Service Centre Private Limited[4]**						
	Mar-14	59.78	53.95	24.93	28.73	-	21.96
	Mar-15			27.00	30.49	-	-
11	**Delhi Aviation Services Private Limited (Formerly DIAL Cargo Private Limited)**						
	Mar-14	45.78	28.83	18.95	17.57	-	-
	Mar-15	43.17	25.41	17.04	16.50	-	-

Notes:

1. Current year financial information is as per the audited financial statements furnished by the respective joint venture entities.
2. Previous year financial information is as per the unaudited financial statement furnished by respective joint ventures
3. In respect of Devyani Food Street Private Limited information above have been disclosed till the date of sale (based on management certified financial statements) which is till February 10, 2015.
4. In respect of Delhi Cargo Service Centre Private Limited, information above (other than contingent liabilities and capital commitments) have been disclosed till March 31, 2015 as per the audited financials.

36. Capital and Other Commitments:

Capital Commitments:

At March 31, 2015, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of Rs. 2.26 Crores (March 31, 2014: Rs. 5.58 Crores)] Rs. 77.29 Crores (March 31, 2014: Rs. 62.48 Crores).

Other Commitments:

i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.

ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.

With respect to Jointly controlled entities:

iii. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the year ended March 31, 2015, the Company accounted for Rs. 53.00 Crores (Year ended March 31, 2014: Rs. 51.93) towards such short fall of subsistence level over receivables of WAISL and this is disclosed as "Information technology and related expenses" in Note 25 – Other expenses.

Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. As at March 31, 2015, the Company has funded Rs. 9.62 Crores (March 31, 2014: Rs. 8.58 Crores) towards shortfall in collection from customers.

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

v. 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.

vi. In respect of the Company's investment in Joint Venture ('JV') entities, other JV partners have the first right of refusal in case any of the JV partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

With respect to Associate company:

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

37. Contingent liabilities not provided for:

S.No	Particulars	As at March 31, 2015	As at March 31, 2014
(i)	Bank guarantee outstanding*	**Nil**	Nil
(ii)	In respect of Income tax matters	**91.47**	66.80
(iii)	In respect of Indirect tax matters	**3.98**	17.47
(iv)	Claim against the Company not acknowledged as debt	**41.47**	47.20
(v)	In respect of others matters [Refer (a) below]	**Nil**	47.45

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

a) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 105.18 Crores on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount of Rs. 16.98 Crores (in addition to Rs.13.68 Crores earlier paid under protest against these demands). SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, an amount of Rs. 6.94 Crores and Rs. 5.83 Crores is paid by the Company towards property tax for the year 2013-14 and 2014-15 respectively and has been charged to Statement of profit and loss on time proportionate basis.

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

   The company had provided Rs 60.96 crores (including Rs 57.75 Crores provided till March 31, 2014) Further, interest of Rs 24.99 crores has also been provided making the total provision of Rs 81.87 crores (net of self-assessment tax paid of Rs. 4.08 Crores in earlier years) as at March 31, 2015 [March 31, 2014: Rs.57.75 Crores]. The company is still contesting on the tax and interest demand. The matter is pending with the Hon'ble High Court of Delhi and is now listed for hearing on September 17, 2015.

b) The Airports Authority of India has claimed service tax on the monthly annual fee (MAF) payable to them considering the same as rental from immovable property w.e.f. June 1, 2007. The Company has disputed the grounds of the levy under relevant provisions of the OMDA and based on a legal opinion obtained in this regard, is of the view that transaction between AAI and DIAL is neither a franchisee agreement nor a Renting of Immovable Property, which are specified taxable services under Section 65(105) of Service Tax Act. The Company has filed a writ petition with Hon'ble High Court of Delhi and is listed for hearing on May 14, 2015. Based on an internal assessment and legal opinion obtained, the Management is of the view that no adjustments are required to be made to these Financial Statements.

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

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on May 8, 2015. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

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

In the opinion of the Management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on May 8, 2015.

Based on an internal assessment, the Management of the Company is of the view that no adjustments are required to be made to these Financial Statements. Further, as directed by the Hon'ble High Court and pending further orders, the Company has charged expenditure incurred on repair and maintenance of security equipment amounting to Rs. 14.98 Crores during the year ended March 31, 2015 (Year ended March 31, 2014 : Rs. Nil) to the Statement of Profit and Loss.

e) The Director General of Central Excise Intelligence, New Delhi has issued a Show Cause Notice F. NO. 574/CE/41/2014/Inv./PT.II/11327 dated October 10, 2014 on the Company, proposing a demand of service tax of Rs. 59.91 Crores (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'. However, based on an internal assessment and legal opinions obtained by Company in this regard, the Management is of the view that service tax is not leviable on ADC as these are collected for development of certain infrastructure facilities for the common use and not for the exclusive use of any developer.

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

38. Retirement Benefit Plan:

Disclosure as per Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India:

Employees Benefit

Defined contribution plans

(a) Superannuation fund

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Employer's contribution to Superannuation fund*	**3.17**	3.08

*Transfer to Capital work-in-progress ('CWIP') Rs. 0.11 Crore (March 31, 2014 Rs.0.11 Crore)

(b) Provident and other funds

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Employer's contribution to Provident and other funds*	**5.66**	3.95

*Transfer to CWIP Rs. 0.17 Crore (March 31, 2014 Rs. 0.17 Crore)

The Guidance on Implementing of Accounting Standard 15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India, states that 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 cumulative short-fall of Rs. Nil Crores (March 31, 2014: Rs. Nil Crores) which has been provided in the financial statements and is included in Note 9 – Provisions.

Particulars	As at March 31, 2015	As at March 31, 2014
Plan assets at the year end, at fair value	**76.41**	65.35
Present value of benefit obligation at year end	**76.41**	65.35
Net (liability) recognized in the balance sheet	**-**	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	**7.8%**	9.25%
Fund rate	**9.30%**	9.30%
EPFO rate	**8.60%**	8.60%
Withdrawal rate	**5.00%**	5.00%
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.

(c) Gratuity expense

Statement of profit and loss

Net employee benefit expense:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	**1.25**	1.35
Interest cost on benefit obligation	**0.64**	0.50
Expected return on plan assets	**(0.79)**	(0.73)
Net actuarial loss recognized in the period	**1.78**	(0.27)
Net benefit expense	**2.88**	0.85

Balance sheet

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	**(9.92)**	(7.23)
Fair value of plan assets	**9.31**	7.94
Plan asset / (liability)	**(0.61)**	0.71

Changes in the present value of the defined benefit obligation are as follows:

Gratuity	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	**7.23**	6.67
Interest cost	**0.64**	1.35
Current service cost	**1.25**	0.50
Acquisition cost	**0.05**	(0.04)
Benefits paid (including transfer)	**(0.70)**	(0.97)
Actuarial losses/ (gain) on obligation	**1.45**	(0.28)
Closing defined benefit obligation	**9.92**	7.23

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Opening fair value of plan assets	**7.94**	**8.19**
Expected return	**0.79**	0.73
Contributions by employer	**1.62**	-
Benefits paid (including transfer)	**(0.70)**	(0.97)
Actuarial gains / (loss)	**(0.34)**	(0.01)
Closing fair value of plan assets	**9.31**	7.94

The company expects to contribute Rs. 1.62 crores to gratuity fund during the year ended on March 31, 2016 (31 March 2015 : Rs. NIL)

(All amounts in Rupees Crores, except otherwise stated)

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
	(%)	(%)
Investments with insurer managed funds	**100**	100

The Principal assumptions used in determining gratuity for the Company's plan are shown below:

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Discount rate	**7.80%**	9.25%
Expected rate of return on assets	**9.40%**	9.45%
Expected rate of increase in compensation level	**6.00%**	6.00%
Attrition rate	**5.00%**	5.00%

Experience adjustments for the current and previous years are as follows:

	As at March 31, 2015	**As at March 31, 2014**	**As at March 31, 2013**	**As at March 31, 2012**	**As at March 31, 2011**
Defined benefit obligation	**(9.92)**	(7.23)	(6.67)	(4.86)	(3.56)
Plan assets	**9.31**	7.94	8.19	4.68	4.37
Funded status	**(0.61)**	0.71	1.52	(0.18)	0.79
Experience (loss) adjustment on plan liabilities	**(0.38)**	(0.42)	(0.23)	(0.99)	-
Experience gain/ (loss) adjustment on plan assets	**(0.34)**	(0.01)	0.01	-	-
Actuarial gain due to change on assumptions	**(1.07)**	0.70	(0.22)	0.21	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

39. Derivative Instruments:

Interest rate swaps outstanding as at the balance sheet date:

As per the conditions precedent to disbursement of loan, the Company has entered into interest rate swap (IRS) agreements from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 90.23 million (March 31, 2014: USD 400.855 Million).

Particulars of Derivatives	**Purpose**			
Interest rate swap outstanding as at Balance sheet date: USD 90.23 million (March 2014: USD 400.855 million)	Hedge of variable interest outflow on External Commercial Borrowing. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 months' LIBOR:			
	March 31, 2015	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
	ECB Amount (USD in Millions)	**ECB Amount (USD in Millions)**	**Interest Rate**	**Interest Rate**
	90.2300	90.2300	1.94%	1.94%
		88.7500		4.99%
	-	66.5625	-	2.76%
	-	88.7500	-	0.87%
	-	66.5625	-	0.86%
Total	**90.2300**	400.855		

However these IRS of USD 90.23 million (1.94% p.a. on notional amount payable semiannually and receive USD 6 months LIBOR, semi-annually) are effective from June 30, 2015.

Since the critical terms of the IRS and those of the principal term loan are same, based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan, is not expected to be material and accordingly no adjustment has been made in the financial statements.

40. Particulars of un-hedged foreign currency exposure as at the Balance sheet date are as under:

	As at March 31, 2015			As at March 31, 2014		
Particulars	**Amount (Rs. In Crores)**	**Currency**	**Foreign Currency in Crores**	**Amount (Rs. In Crores)**	**Currency**	**Foreign Currency in Crores**
Other Current & Non-current Liabilities	**2.42**	**EUR**	**0.04**	1.03	EUR	0.01
	0.12	**GBP**	**0.00**	0.07	GBP	0.00
	0.04	**SGD**	**0.00**	0.00	SGD	0.00
	43.02	**USD**	**0.68**	5.47	USD	0.09
Borrowings (Including Current Maturity)	**2396.25**	**USD**	**38.00**	2443.14	USD	40.38
Trade Receivable	**(13.29)**	**USD**	**(0.21)**	(10.21)	USD	(0.17)

Closing exchange rates in Rs:

Currency	**As at March 31, 2015**	**As at March 31, 2014**
EUR	**67.19**	82.69
GBP	**92.47**	99.77
SGD	**45.48**	47.58
USD	**63.06**	60.49

(All amounts in Rupees Crores, except otherwise stated)

41. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As per the available information with the Management, the total dues payable to enterprises registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are as below:

Particulars	As at March 31, 2015	As at March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	**1.02**	Nil
Interest due on above	**Nil**	Nil
	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
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 the MSMED Act 2006.	**Nil**	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	**Nil**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**Nil**	Nil

42. Additional information required under Schedule III to the Companies Act, 2013 are stated below:

a) Earnings in foreign currency (On accrual basis, excluding service tax)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from concessionaires	**258.11**	241.40
Total	**258.11**	241.40

b) CIF value of imports (On accrual basis)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Import of capital goods and other materials	**6.82**	1.43
Total	**6.82**	1.43

c) Expenditure in foreign currency (On accrual basis)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on borrowings	**175.15**	174.23
Professional and consultancy expenses	**3.99**	11.79
Finance costs (Other borrowing costs including amortization)	**39.84**	2.54
Other expenses	**6.48**	5.69
Traveling and Conveyance	**0.73**	2.78
Total	**226.19**	197.03

d) Consumption of stores and spares during the year:

	For the year ended		For the year ended	
	March 31, 2015		March 31, 2014	
	%	Amount	%	Amount
Imported	12	2.43	3	0.56
Indigenous	88	18.43	97	17.63
Total	**100**	**20.86**	**100**	**18.19**

43. The 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.

44. The 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.

45. The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. As at March 31, 2014, the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 Crores including Rs. 2.07 Crores utilized for assets lying in capital work in progress [March 31, 2013: Rs. 94.19 Crores (including Rs. 4.59 crores related to PSF (SC)] in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).

The Company was of the view that such credit entitlements constitute capital grant and thus, was recording fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips. However, the Expert Advisory Committee of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to revenue under Accounting Standard 12 – Accounting for Government Grants.

Accordingly as allowed under para 15 of Accounting Standard, the Company has adjusted (netted off) Rs. 80.39 Crores, [being the difference between the value of duty credit scrips amounting to Rs. 89.60 Crores and the depreciation amounting to Rs. 9.21 Crores that ought to have been charged on such assets] against certain expenditure, which in its view are related to obtaining such custom duty credit scrip entitlements and has disclosed the same as prior period items (net) in Note 29 to the financial statements for the year ended March 31, 2014.

Further, the management does not anticipate any further utilization for eligible imports.

46. The Company has received advance development costs of Rs. 653.13 Crores (March 31, 2014: Rs. 653.13 Crores) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2015, the Company has incurred development expenditure of Rs. 383.87 Crores (March 31, 2014: Rs. 318.50 Crores) which has been adjusted against the aforesaid advance and balance amount is disclosed under other long term liabilities and current liabilities.

47. The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such marketing fund are being audited by one of the Joint Statutory auditors. As at March 31, 2015, the Company has billed Rs. 51.86 Crores (March 31, 2014: Rs. 36.97 Crores) towards such Marketing Fund and has incurred expenditure amounting to Rs. 26.27 Crores (net of income on temporary investments) till March 31, 2015 (March 31, 2014: Rs. 7.22 Crores) from the amount so collected. The balance amount of Rs. 25.59 Crores as at March 31, 2015 (March 31, 2014: Rs. 29.75 Crores) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.

48. (i) During the year, the company has issued 6.125% senior secured notes due 2022 of USD 288.75 Million on February 3, 2015 to refinance its existing external commercial borrowings of USD 288.75 Million.

As a result of such refinancing, certain Interest rate swap (IRS) which were outstanding on the existing external commercial borrowings of USD 288.75 Million (prior to refinancing) were cancelled and the Company has to pay Rs. 91.83 Crores as a result of cancellation of such IRS. The same has been disclosed as an Exceptional item in the statement of Profit & Loss Account, as per the requirement of Accounting Standard – 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

(ii) The company has divested its stake in Delhi Cargo Service Centre Private Limited (DCSC) as on March 16, 2015, which was approved by Board of directors of the Company in their meeting held on Feburary 9, 2015. The profit on sale of investment amounting to Rs. 17.68 crore, has been disclosed as Exceptional item in the statement of Profit & Loss Account, as per the requirement of Accounting Standard – 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

49. A search operation under section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income tax authorities on October 11, 2012 followed by another search closure visit on November 01, 2012, to check the compliance with the provisions of the Income tax Act, 1961. Subsequently, pursuant to the notices issued under section 153A of the Income-tax Act, 1961, the Company has submitted return of income for six assessment years i.e. Assessment Years 2007-08 to 2012-13. The block assessment of the company u/s 143(3)/153A for A/Y 2007-08 to A/Y 2012-13 was completed during the year. However, the Company has filed appeal with Commissioner of Income Tax (Appeals) against the additions / disallowances made in the said assessment orders.

50. 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 opinion that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

51. 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, 2015.

52. Previous year's figures have been regrouped and re-arranged wherever necessary to conform to those of current year.

53. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the 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 Reg. No.: 101049W
Chartered Accountants

/s/ Yogesh Midha
Per Yogesh Midha
Partner
Membership No. 94941
Place : New Delhi
Date: May 7, 2015

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

/s/ G.Srinivas
Per G.Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: May 7, 2015

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
DIN-00061464

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
DIN-00016262

/s/ Radhakrishnababu G
Radhakrishnababu G
Chief Financial Officer

/s/ Saurabh Jain
Saurabh Jain
Company Secretary

Place : New Delhi
Date: May 7, 2015

S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Delhi International Airport Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Delhi International Airport Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affair. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

5. *As explained in explanatory note 43 to financial statements, the Company adjusted the custom duty credit scrip entitlements against certain expenditure, which in its view are related to obtaining such custom duty scrip entitlements and disclosed it as prior period. However, in our opinion, the amount should have been disclosed as other income as required by 'Accounting Standard 12 – Accounting for Government Grants'. As a result, the other income and other expenses, which would have been higher by Rs. 80.39 Crores for the year ended March 31, 2014.*

   In view of the custom duty credit entitlements not being classified as other income by the Company, we are unable to determine further consequential impact of this matter on the accompanying financial statements.

Qualified opinion

6. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

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

   (b) *Except for the matter described in the Basis for Qualified Opinion paragraph*, In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) *Except for the matter described in the Basis for Qualified Opinion paragraph*, In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs;

(e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Other Matters

9. Our engagement to audit the accompanying financial statements of the company for the year ended March 31, 2014 was a joint audit engagement. The joint auditor of the company has issued a separate report dated May 7, 2014 on the accompanying financial statements comprising the Balance sheet as at March 31, 2014 and the statement of Profit and Loss and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

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

/s/ Jayanta Mukhopadhyay
per Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : New Delhi
Date : May 07, 2014

Annexure referred to in 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 have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. During the year Management has conducted physical verification of fixed assets other than in Terminal-3. As a result of such physical verification, *discrepancies amounting to Rs.2.51 crores were noticed between physical inventory with book records. The Management is in process of reconciling these discrepancies.*

(c) There was no disposal of substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on 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 or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) (b) of the Order are not applicable to the Company and hence not commented upon.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the services of the Company.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it *except in case of service tax, where there has been a serious delay in few cases*. The provisions relating investor education and protection fund are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating investor education and protection fund are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Taxability of Passenger Service Fees (Security Component), taxability of upfront fee, CWIP, disallowance on account of capital expenditure and Section 14A	40.31*	Assessment Year: 2007-08	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Taxability of Passenger Service Fees (Security Component) , disallowance on account of capital expenditure, non-deduction of TDS, nonpayment of gratuity and Section 14A	76.13*	Assessment Year: 2008-09	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Taxability of Passenger Service Fees (Security Component) , disallowance on account of capital expenditure, non-deduction of TDS, nonpayment of gratuity and Section 14A	18.01**	Assessment Year: 2009-10	Income Tax Appellate Tribunal (ITAT)

Name of the statute	Nature of Dues	Amount (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Non inclusion of loss in Passenger Service Fees (Security Component), disallowance of account capital expenditure etc.	2.03	Assessment Year: 2010-11	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Tax Deducted at Source/Tax collected at source	0.50	Assessment Year: 2012-13	Deputy Commissioner of Income Tax, New Delhi
Finance Act, 1994	Service tax	44.27	2006-07 to 2011-12	Commissioner, Service Tax
Finance Act, 1994	Service tax on Development Fund (DF) receipt	189.84	March 2009 to June 2012	Commissioner, Service Tax

* This includes an amount of Rs. 18.92 Crores and Rs. 33.23 Crores related to taxability of Passenger Service Fees (Security Component) for the Assessment Years 2007-08 and 2008-09 respectively.

** The assessing officer has reduced the loss of the assessment year from the loss as per the return filed by the Company. The amount represents the tax impact of loss reduced by the assessing officer.

(x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* However, the Company has not incurred cash loss either current or the previous year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of financial institutions and debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the Management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs. 276.10 Crores raised on short term basis have been used for long-term investment representing acquisition of fixed assets.*

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) Based on the information and explanation given by the Management, the Company did not issue any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management. *As more fully explained in the Note 51 to the financial statements, we have been informed that an employee on deputation has committed a fraud on the Company resulting in potential financial loss amounting to Rs.0.84 Crores. The Company has initiated legal action against such employee on deputation.*

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

/s/ Jayanta Mukhopadhyay
per Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : New Delhi
Date : May 07, 2014

Brahmayya & Co.
Chartered Accountants

Phone: +91-80-22274551, 22274552
FAX: +91 -80-22212437
EMAIL: Srinivas@brahmayya.com, admin@brahmayya.com
KHIVRAJ MANSION
10/2, KASTURBA ROAD,
BENGALURU - 560001

INDEPENDENT AUDITOR'S REPORT

To the Members of Delhi International Airport Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Delhi International Airport Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

7. As required by section 227(3) of the Act, we report that:

   (a) We have 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 appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs;

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Report by Joint Auditor

Our engagement to conduct an audit of the financial statements of the Company as at March 31, 2014 was a joint audit engagement. The Joint auditor of the Company has issued a separate report dated May 07, 2014 on the accompanying Balance Sheet, Statement of Profit and Loss, Cash Flow and other financial informations.

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

/s/ G Srinivas
G Srinivas
Partner
Membership No.: 86761

Place : New Delhi
Date : May 07, 2014

Brahmayya & Co.
Chartered Accountants

Annexure referred to in paragraph 6 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 have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. During the year management has conducted physical verification of fixed assets other than in Terminal-3. As a result of such physical verification, discrepancies amounting to Rs. 2.51 Crores were noticed between physical inventory with book records. The management is in process of reconciling these discrepancies.

(c) There was no disposal of substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on 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 or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) (b) of the Order are not applicable to the Company and hence not commented upon.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the services of the Company.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it *except in case of service tax, where there have been delays in few cases*. The provisions relating investor education and protection fund are not applicable to the company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Taxability of Passenger Service Fees (Security Component), taxability of upfront fee, CWIP, disallowance on account of capital expenditure and Section 14A	40.31*	Assessment Year: 2007-08	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Taxability of Passenger Service Fees (Security Component) , disallowance on account of capital expenditure, non-deduction of TDS, nonpayment of gratuity and Section 14A	76.13*	Assessment Year 2008-09	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Taxability of Passenger Service Fees (Security Component) , disallowance on account of capital expenditure, non-deduction of TDS, nonpayment of gratuity and Section 14A	18.01**	Assessment Year 2009-10	Income Tax Appellate Tribunal (ITAT)

Name of the statute	Nature of Dues	Amount (Rs. In Crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Non inclusion of loss in Passenger Service Fees (Security Component), disallowance of account capital expenditure etc.	2.03	Assessment Year 2010-11	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Tax Deducted at Source/Tax collected at source	0.50	Assessment Year: 2012-13	Deputy Commissioner of Income Tax, New Delhi
Finance Act, 1994	Service tax on Development Fee (DF) receipt	189.84	March 2009 to June 2012	Commissioner, Service Tax
Finance Act, 1994	Service tax on Development Fee (DF) receipt	44.27	2006-07 to 2011-12	Commissioner, Service Tax

* This includes an amount of Rs. 18.92 Crores and Rs. 33.23 Crores related to taxability of Passenger Service Fees (Security Component) for the Assessment Years 2007-08 and 2008-09 respectively.

** The assessing officer has reduced the loss of the assessment year from the loss as per the return filed by the Company. The amount represents the tax impact of loss reduced by the assessing officer.

(x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth*. However, the Company has not incurred cash loss either in the current or the previous year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of financial institutions and debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiii) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xv) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs. 276.10 Crores raised on short term basis have been used for long-term investment representing acquisition of fixed assets.*

(xvii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xviii) Based on the information and explanation given by the Management, the Company did not issue any debentures during the year.

(xix) The Company has not raised any money through a public issue during the year.

(xx) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of such case by the Management. *As more fully explained in the Note 51 to the financial statements, we have been informed that an employee on deputation has committed a fraud on the Company resulting in potential financial loss amounting to Rs.0.84 Crores. The Company has initiated legal action against such employee on deputation.*

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

/s/ G Srinivas
G Srinivas
Partner
Membership No.: 86761

Place : New Delhi
Date : May 07, 2014

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Balance sheet as at March 31, 2014

	Notes	March 31, 2014 (Rs. in Crores)	March 31, 2013 (Rs. in Crores)
Equity and liabilities			
Shareholders' funds			
Share capital	4	2,450.00	2,450.00
Reserves and surplus	5	(969.86)	(1,380.69)
		1,480.14	**1,069.31**
Non-current liabilities			
Long-term borrowings	6	5,632.14	6,047.92
Deferred tax liability (net)	7	-	-
Other long-term liabilities	8	2,078.81	2,149.30
Long-term provisions	9	70.76	89.55
		7,781.71	**8,286.77**
Current liabilities			
Short-term borrowings	10	125.19	-
Trade Payables	11	298.66	472.33
Other current liabilities	12	1,886.13	2,087.75
Short-term provisions	9	38.51	39.22
		2,348.49	**2,599.30**
TOTAL		**11,610.34**	**11,955.38**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	8,833.86	8,913.60
Intangible assets	14	447.17	461.90
Capital work-in-progress		31.33	47.74
Non-current investments	15	184.09	182.59
Long-term loans and advances	16	94.34	97.59
Other non-current assets	17	551.55	892.29
		10,142.34	**10,595.71**
Current assets			
Current investments	18	108.79	109.00
Inventories	19	11.06	9.59
Trade receivables	20	729.09	524.80
Cash and bank balances	21	61.42	241.28
Short-term loans and advances	16	63.42	71.88
Other current assets	17	494.22	403.12
		1,468.00	**1,359.67**
TOTAL		**11,610.34**	**11,955.38**
Statement of significant accounting policies	3		

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

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

/s/ Jayanta Mukhopadhyay
per Jayanta Mukhopadhyay
Partner
Membership no: 055757
Place : New Delhi
Date : May 07, 2014

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : May 07, 2014

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director

Place : Bengaluru
Date : May 07, 2014

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director

Place : New Delhi
Date : May 07, 2014

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer and Company secretary

Place : New Delhi
Date : May 07, 2014

Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Statement of profit and loss for the year ended March 31, 2014

Particulars	Notes	For the Year ended March 31, 2014 (Rs. in Crores)	For the Year ended March 31, 2013 (Rs. in Crores)
Income			
Revenue from operations	22	3,922.70	3,240.20
Other income	23	81.74	80.85
Total revenue		**4,004.44**	**3,321.05**
Expenses			
Annual fee to Airports Authority of India (AAI)		1,838.06	1,531.40
Airport operator fee			
Power and fuel		106.26	98.12
House keeping expenses			
Employee benefits expense	24	122.65	123.72
Other expenses	25	605.76	436.64
Total (ii)		**2,672.73**	**2,189.88**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		**1,331.71**	**1,131.17**
Depreciation and amortization expense	26	436.44	414.19
Finance costs	27	564.83	657.46
Profit before tax and prior period items		**330.44**	**59.52**
Prior period items (net) [Refer note 43] (Income) / Expenses	28	(80.39)	(13.00)
Profit before tax		**410.83**	**72.52**
Tax expenses			
Current tax		-	-
Total tax expense		**-**	**-**
Profit for the year		**410.83**	**72.52**
Earning per equity share [nominal value of share Rs. 10 (March 31, 2013: Rs. 10)]	29		
Basic and Diluted		1.68	0.30

Statement of significant accounting policies 3

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

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

/s/ Jayanta Mukhopadhyay
per Jayanta Mukhopadhyay
Partner
Membership no: 055757
Place : New Delhi
Date : May 07, 2014

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : May 07, 2014

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director
Place : Bengaluru
Date : May 07, 2014

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director
Place : New Delhi
Date : May 07, 2014

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer and Company secretary
Place : New Delhi
Date : May 07, 2014

Delhi International Airport Private Limite
CIN. U63033DL2006PTC146936
Cash Flow Statement for the year ended March 31, 2014

	March 31, 2014 (Rs. in Crores)	March 31, 2013 (Rs. in Crores)
Cash flow from operating activities		
Profit before tax	410.83	72.52
Adjustments to reconcile profit/ (loss) before tax to net cash flows		
Depreciation and amortisation	436.44	415.10
Provision for bad debts	7.94	4.51
Provision for doubtful advances	3.47	0.09
Interest income	(10.71)	(39.79)
Income from current investments	(17.41)	(22.73)
Loss on sale of fixed assets	0.07	-
Dividend Income	(26.40)	(17.05)
Other borrowing costs including amortisation	11.02	9.72
Provision for diminution in value of assets	2.03	-
Finance costs	543.75	644.09
Operating profit before working capital changes	**1,361.03**	**1,066.46**
Movements in working capital :		
(Decrease) / Increase in trade payables	(173.67)	239.00
Decrease in other long term liabilities	(61.47)	(29.04)
Decrease in margin money deposits	2.23	-
Increase in other current liabilities	5.21	158.23
(Increase) / Decrease in trade receivables	(212.23)	(283.90)
(Increase) / Decrease in inventories	(1.47)	(0.12)
(Increase) / Decrease in other current assets	(0.46)	5.61
Decrease / (Increase) in long term loans and advances	1.33	(1.79)
Decrease in short term loans and advances	4.99	17.65
(Decrease) / Increase in short-term provisions	(0.44)	3.80
Cash generated from operations	**925.05**	**1,175.90**
Direct taxes refund received / (paid) (net)	10.76	(24.96)
Net cash flow from operating activities (A)	**935.81**	**1,150.94**
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	(419.59)	(368.15)
Development fee (DF) realised	262.44	661.74
Proceeds from sale of fixed assets	0.58	-
Proceeds from sale of non-current investments	0.00	3.99
Purchase of Non-current investments	-	(5.49)
Purchase of current investments	(6,154.41)	(5,784.34)
Proceeds from sale/maturity of current investments	6,154.63	5,727.96
Income from current investments	17.41	19.50
Dividend Income	26.40	17.05
Interest received	12.00	38.93
(Amounts paid) / Refund received towards investment in subsidiaries and joint ventures	(7.80)	2.22
Net cash flow from/ (used in) investing activities (B)	**(108.34)**	**313.41**
Cash flows from financing activities		
Proceeds from long-term borrowings	2,880.00	1,200.85
Repayment of long-term borrowings	(3,450.66)	(1,210.13)
Proceeds from short-term borrowings	125.19	700.00
Repayment of short-term borrowings	-	(1,556.50)
Other borrowing costs paid	(24.65)	(24.22)
Collection of interest on DF loans from airlines	95.55	118.29
Finance costs paid	(630.53)	(763.23)
Net cash flow used in financing activities (C)	**(1,005.10)**	**(1,534.94)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(177.63)**	**(70.59)**
Cash and cash equivalents at the beginning of the year	238.85	309.44
Cash and cash equivalents at the end of the year	**61.22**	**238.85**
Components of cash and cash equivalents		
Cash on hand	0.13	0.14
Cheques/ drafts on hand	11.44	6.98
With banks		
- on current account	49.65	81.73
- on deposit accounts	-	150.00
Total cash and cash equivalents [Refer note 21]	**61.22**	**238.85**
Statement of significant accounting policies 3		

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements as referred to in scheme 211 (3C) of the Companies Act, 1956.
2. The above cash flow statement has been compiled from and is based on the balance sheet as at March 31, 2014 and the related statement of profit and loss for the year ended on that date.
3. Previous year's figures have been regrouped and reclassified, wherever necessary to conform to those of the current year's classification.

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

/s/ Jayanta Mukhopadhyay
per Jayanta Mukhopadhyay
Partner
Membership no: 055757
Place : New Delhi
Date : May 07, 2014

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

/s/ G. Srinivas
per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : May 07, 2014

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

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director

Place : Bengaluru

Date : May 07, 2014

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director

Place : New Delhi

Date : May 07, 2014

/s/ Radhakrishnababu G.
Radhakrishnababu G.
Chief Financial Officer and Company secretary

Place : New Delhi

Date : May 07, 2014

1. Corporate Information

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

2. A) Basis of preparation

The financial statements of the Company for the year ended March 31, 2014 have been prepared by the Company in accordance with generally accepted accounting principles in India, mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

B) Going concern

The Company's accumulated losses as at March 31, 2014 of Rs.969.86 Crores (March 31, 2013: Rs. 1,380.69 Crores) have resulted in substantial erosion of net worth of the Company as at the year end. However, the Company has earned profit of Rs.410.83 Crores and Rs.72.52 Crores during the year ending March 31, 2014 and March 31, 2013 respectively and has met all its obligations as at March 31, 2014. Further, the Airport Economic Regulatory Authority ('AERA') vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff hike order Viz.03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariffs to be levied at Delhi Airport for the fourth and fifth tariff periods of first five year control period. The first five year control period referred to above ended on March 31, 2014. Pending determination of the final Aeronautical tariff (s) for the second control period i.e. from 2014 to 2019, AERA vide its order 04/2014-15 dated May 2, 2014 stated that the Aeronautical tariff (s) approved by AERA vide its order 03/2012-13 shall continue to up to October 31, 2014 or until the final determination of the tariff for the second control period, whichever is earlier. Further, the revenue so collected by DIAL during the interim period shall be adjusted from the Aggregate Revenue Requirement for the Second control period w.e.f. April 1, 2014.

Based on the above, the profit earned over the last two financial years and the Company's business plans, the Management is confident the Company will be able to generate sufficient profits in future years and would continue to meet its financial obligations as they arise. Accordingly, these financial statements continue to be prepared on a going concern basis.

3. Statement of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Tangible fixed assets are stated at cost, net of cenvat credit and other duty drawbacks less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Assets under installation or under construction as at the balance sheet date are shown as "Capital work-in-progress" net of Development fund (DF). Expenditure including finance charges directly relating to construction activity is capitalised.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012 exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation on tangible fixed assets

Depreciation is calculated on a Straight line basis using the rates arrived at based on the useful lives of the assets estimated by the Management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

The Company has used the following rates to provide depreciation:

Particulars	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings on leasehold land*	3.34% - 10.00%	3.34%
Runway and taxiways**	3.34% - 16.67%	Not prescribed
Plant and equipment	4.75%	4.75%
Office equipment	4.75%	4.75%
Computers	16.21%	16.21%
Furniture and fixtures	6.33%	6.33%
Vehicles	9.50%	9.50%

Individual assets not exceeding Rs. 5,000 are fully depreciated in the year of purchase.

* Includes compound wall which is depreciated at 10% per annum.
** Includes rehabilitation cost in respect of Runway number 09-27 and 10-28, which is depreciated at 16.67% and 5.00% per annum respectively.

d. 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.

The amortisation period and the amortisation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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 pursuant to the terms and conditions of the OMDA. The Company amortises, software over its estimated useful life not exceeding six years and such upfront fee and other costs referred to above are recognized and amortized over the initial and extended periods of OMDA.

e. Impairment of tangible and intangible 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 unit's (CGU) net selling price 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 groups of assets. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Leases

Where the Company is lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given under operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of profit and loss.

g. Government grants

Grants and subsidies including airport development fee from the Government or any regulatory authority are recognized when there is reasonable assurance that the grant/subsidy will be received/ utilized and the Company will comply with the conditions attached to them.

In case of grants related to an asset, the grant amount (net of direct amount incurred to earn aforesaid grant) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Assets under installation or under construction as at the balance sheet date are shown as “Capital work-in-progress”, net of Development Fund (DF).

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

h. Investments

Investments, which are readily realizable 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.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize 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 Statement of profit and loss.

i. 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 current procurement price in the ordinary course of business.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Income from Services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), landing and parking of aircraft, operation and maintenance of passenger boarding and other allied services. Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

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

Revenue from Management fees for support services rendered is recognized on accrual basis as per the terms of the agreement.

Interest

Revenue 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.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Claims

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

k. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l. Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

(iv) Forward Exchange Contracts not intended for trading or speculations purposes

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

m. Retirement and other employee benefits:

Retirement benefit in the form of Provident Fund is a defined benefit scheme. The Company contributes a portion of contribution to DIAL Employees Provident Fund Trust (the Trust). The 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 actuarially determined and accounted by the Company as provident fund cost.

Retirement benefits in the form of Superannuation Fund and Employees 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. There are no other obligations other than the contribution payable to the respective trusts.

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.

Short term compensated absences including sick leave are provided for based on estimates. Long term compensated absences including sick leave are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are recognised in full, in the year in which they occur, in the Statement of profit and loss.

n. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and 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 recognizes 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 recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, 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.

o. 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.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

q. Provisions

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

s. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t. Derivative Instruments

As per the announcement made by ICAI, accounting for derivative contracts, other than those covered under Accounting Standards 11 'The Effect of Changes in Foreign Exchange Rates', are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the statement of profit and loss. Net gains are ignored.

u. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 issued by the Institute of Chartered Accountants of India, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA), but including other income, as a separate line item on the face of the Statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

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4 Share capital

	March 31, 2014 (Rs. in Crores)	March 31, 2013 (Rs. in Crores)
Authorised shares (No. Crores)		
300 (March 31, 2013: 300) equity shares of Rs. 10 each	3,000.00	3,000.00
Issued, subscribed and fully paid-up shares (No. Crores)		
245 (March 31, 2013: 245) equity shares of Rs.10 each fully paid up	2,450.00	2,450.00
Total issued, subscribed and fully paid-up share capital	**2,450.00**	**2,450.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year
Equity Shares

	March 31, 2014		March 31, 2013	
	No. Crores	(Rs. in Crores)	No. Crores	(Rs. in Crores)
At the beginning of the year	245	2,450.00	245	2,450.00
Allotted during the year	-	-	-	-
Outstanding at the end of the year	**245**	**2,450.00**	**245**	**2,450.00**

b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further the shareholders have entered into share holders agreement whereby special rights have been assigned to the Airports Authority of India (AAI) in respect of appointment of the nominee director in the Board of Directors, approval of reserved Shareholders and Board matters by affirmative vote of the AAI. Further in case if any shareholder intends to the transfer its shares subject to restriction of lock in period in Operation, Management and Development Agreement between shareholders, other shareholders will have first right of refusal in accordance with the terms of the shareholders agreement.

(c) Shares held by holding/ ultimate holding company and/ its subsidiaries / associates
Out of equity shares issued by the Company, shares held by its Intermediate holding company, Subsidiary of intermediate holding company and Holding compnay are as below:

	March 31, 2014 (Rs. In Crores)	March 31, 2013 (Rs. In Crores)
GMR Infrastructure Limited, the intermediate holding company		
100 (March 31, 2013: 24.50 Crores) equity shares of Rs.10 each fully paid up [Rs. 1,000]	0.00	245.00
GMR Energy Limited, Subsidiary of the holding company		
100 (March 31, 2013: 24.50 Crores) equity shares of Rs.10 each fully paid up [Rs. 1,000]	0.00	245.00
GMR Airports Limited (Formerly known as GMR Airports Holding Limited), the holding company		
132.30 Crores (March 31, 2013: 83.30 Crores) equity shares of Rs.10 each fully paid up	1,323.00	833.00

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2014		March 31, 2013	
	Numbers	% holding	Numbers	% holding
Equity shares of Rs. 10 each fully paid				
Airports Authority of India	637,000,000	26%	637,000,000	26%
GMR Infrastructure Limited	100	0%	245,000,000	10%
GMR Energy Limited	100	0%	245,000,000	10%
GMR Airports Limited (Formerly known as GMR Airports Holding Limited)	1,322,999,800	54%	833,000,000	34%
Malaysia Airports (Mauritius) Private Limited	245,000,000	10%	245,000,000	10%
Fraport AG Frankfurt Airport Services Worldwide	245,000,000	10%	245,000,000	10%
Total	**2,450,000,000**	**100%**	**2,450,000,000**	**100%**

As per records of the Company, including its register of shareholders/ members, the above shareholding represent legal ownership of shares as at balance sheet date.

In pursuant to request vide letter dated June 6, 2013 to Airports Authority of India (AAI) for its approval for the proposed consolidation of the GMR Group's equity stake in the Company by way of transfer of 10% equity from GMR Infrastructure Limited (GIL) and 10% equity from GMR Energy Limited (GEL) to GMR Airports Limited (GAL), AAI has granted its approval for the aforesaid consolidation of equity vide its letter dated October 8, 2013. Accordingly, GMR Infrastructure Limited and GMR Energy Limited have transferred 2,499,900 equity shares each to GMR Airports Limited on October 18, 2013 and October 29, 2013 respectively. Pursuant to such transfer, GMR Airports Limited has become the holding company of the Company w.e.f. October 29, 2013.

5 Reserves and surplus

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(1,380.69)	(1,453.21)
Profit for the year	410.83	72.52
Net (deficit) in the statement of profit and loss	(969.86)	(1,380.69)
Total reserves and surplus	**(969.86)**	**(1,380.69)**

6 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Term loans				
Indian rupee loan from banks (secured)	966.43	1,567.50	2.48	82.50
Indian rupee loan from financial institutions (secured)	2,005.55	1,931.25	5.11	68.75
Foreign currency loan from banks (secured)	2,166.27	1,702.23	276.87	167.83
Indian rupee loan against Development fees ('DF') receipts from Banks (secured)	493.89	846.94	435.76	345.16
	5,632.14	**6,047.92**	**720.22**	**664.24**
The above amount includes				
Secured borrowings	5,632.14	6,047.92	720.22	664.24
Amount disclosed under the head "other current liabilities" (note 12)	-	-	(720.22)	(664.24)
Net amount	**5,632.14**	**6,047.92**	**-**	**-**

a. Rupee Term Loan (RTL) of Rs. 968.91 crores (March 31, 2013: Rs.1,650 crores) from banks carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the year was in the range of 11.50% to 11.75% p.a. (March 2013: 11.50% to 12.00 % per annum). The loan is repayable in 59 quarterly unequal installments as per repayment schedule starting from September 2013 and ending in March, 2028.

b. Rupee Term Loan (RTL) of Rs. 2,010.66 crores (March 31, 2013: Rs.2,000 crores) from financial institutions carries interest at Base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate during the year was in the range of 10.90% to 11.50% p.a. (March 2013: 11.25% to 12.00 % p.a). The loan of Rs.1,212.66 crores is repayable in 60 quarterly unequal installments starting from June, 2013 and ending in March, 2028 and loan of Rs. 798 crores is repayable in 42 quarterly unequal installments starting from December, 2013 and ending in March, 2024.

c. Foreign currency term loan of USD 93.27 millions (March 31, 2013 : Nil) carries interest at 6 months LIBOR plus agreed spread of 480 bps. The loan is repayable in 23 unequal half yearly installments starting from December, 2013 and will ending in December, 2024.

d. The above loans are secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention accouunt, Debt Service Reserve, Major maintaince reserve, 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.The loans are further secured by the pledge of requisite shares held by consortium of GMR Airports Limited, Malaysia Airports (Mauritius) Private Limited and Fraport AG Frankfurt Airport Services Worldwide (shareholders of the company).

e. Foreign currency term loan of USD 310.63 Million (March 31, 2013 : USD 341.25 Million) from a bank carries interest at 6 months LIBOR plus agreed spread, However the Company had entered into Interest Rate Swap (IRS) arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 7.31% per annum (March 31, 2013: 7.76% per annum). The loan is repayable in 17 unequal half yearly installments starting from March, 2013 and will end on March, 2021.The loan is secured by first rank pari-passu charge on all the future revenues, receivables, Trust and Retention accouunt, Debt Service Reserve, Major maintaince reserve, 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.The loans are further secured by the pledge of requisite shares held by consortium of GMR Airports Limited, Malaysia Airports (Mauritius) Private Limited and Fraport AG Frankfurt Airport Services Worldwide (shareholders of the company).

f. Indian Rupee Loans against Development Fees ('DF') receipts from banks and financial institutions carry interest at fixed rate of Interest of 11.50% p.a. (March 31, 2013: 11.50% per annum). The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement. The aforesaid loan is secured by pari passu first charge on DF receipts by the company.

7 Deferred tax liability (net)

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Deferred tax liabilities		
Difference in depreciation as per tax books and financial books	1,120.47	874.01
	1,120.47	**874.01**
Deferred tax assets		
Unabsorbed depreciation	911.95	788.71
Other disallowances	5.11	4.62
Intangibles (Airport Concession rights)	80.70	80.68
Carry Forward Losses	122.71	
	1,120.47	**874.01**
Net deferred tax liability*	-	-

* The Company has timing differences between accounting and tax records which requires accounting for deferred tax assets. Since, there is no evidence of virtual certainty of profit as required by AS 22 "Accounting for Taxes on Income", the Management has decided not to recognize deferred tax assets over and above the deferred tax liability as at March 31, 2014 and March 31, 2013.

8 Other long-term liabilities

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Deposits (unsecured)		
Deposits from trade concessionaires	303.31	291.03
Deposits from commercial property developers	1,471.51	1,471.51
Advances from commercial property developers (Refer note 44)	236.49	301.38
Unearned revenue	2.67	3.58
Retention money - Non-trade	2.48	4.00
Capital Creditors	22.50	30.00
Advance from customers	39.85	47.80
	2,078.81	**2,149.30**

9 Provisions

	Long-term		Short-term	
	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Provision for employee benefits				
Provision for leave benefits	-	-	10.25	9.72
Provision for Superannuation	-	-	0.26	0.26
Provision for other employee benefits [Refer note 37(b)]	-	-	-	0.97
	-	**-**	**10.51**	**10.95**
Other provision				
Provision for taxation (net)	-	-	9.27	9.27
Provision for wealth tax	-	-	0.01	0.01
Provision for Airports Authority of India - Voluntary retirement scheme cost	70.76	89.55	18.72	18.99
	70.76	**89.55**	**28.00**	**28.27**
	70.76	**89.55**	**38.51**	**39.22**

10 Short-term borrowings

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Short Term Loans		
Cash Credit from bank*	125.19	-
	125.19	**-**
The above amount includes		
Secured borrowings	125.19	-
Unsecured borrowings	-	-

* Cash Credit facility from a bank amounting to Rs. 125.19 Crores (March 31, 2013 : Rs. Nil Crores) carries interest at Base rate plus agreed spread of 2.75% p.a., which is subject to reset at the end of agreed interval. The interest rate during the year was in the range of 12.50% p.a. to 12.75% p.a. (March 2013: 12.50% p.a.). The loan is secured by first rank pari-passu charge on all the future revenues/receivables (excluding dues to AAI) and all insurance policies, contractors' guarantees and liquidated damages and all the rights, titles, interests, permits in respect of the project documents as permissible under the Project documents of the Company, to the extent permissible under OMDA. The facility is further secured by the pledge of requisite shares held by consortium of GMR Airports Limited, Malaysia Airports (Mauritius) Private Limited and Fraport AG Frankfurt Airport Services Worldwide (shareholders of the company).

11 Trade payable

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Trade payable [Refer note 40]	298.66	472.33
	298.66	**472.33**

12 Other current liabilities

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Other liabilities		
Current maturities of long-term borrowings (Refer note 6)	720.22	664.24
Interest accrued but not due on borrowings	8.77	-
Capital creditors	114.46	366.43
Advances from customers	8.61	11.33
Advances from commercial property developers (Refer note 44)	98.14	75.08
Deposits from customers	2.69	2.32
Unearned revenue	9.80	8.59
Retention money		
Trade	10.76	8.81
Non-trade	88.72	108.33
Service tax payable	5.93	13.36
Withholding tax payable	22.51	12.73
Other statutory dues	1.72	2.52
Other liabilities	51.30	37.59
Trade deposits	592.46	590.82
Development Fee Accrued (to the extent of not utilized) [Refer note 30 (a)]	150.04	185.60
	1,886.13	**2,087.75**

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13 Tangible assets

Rs. In Crores

	Buildings	Runways and taxiways	Plant and equipment	Office equipments	Computers	Furniture and fixtures	Vehicles	Total
Cost								
At March 31, 2012	**5,255.62**	**1,497.66**	**2,920.33**	**34.10**	**49.77**	**123.28**	**23.73**	**9,904.49**
Additions	15.52	76.94	20.38	0.47	6.67	3.14	0.09	123.21
Adjustments [Refer note (a) below]	(574.40)	537.70	(5.09)	0.08	0.09	19.89	-	(21.73)
Disposals	-	-	-	-	-	(0.56)	(0.11)	(0.67)
AS 16 4(e) Reversal Impact [Refer note 50]	9.54	2.04	5.95	-	-	0.27	-	17.80
AS - 11 adjustments	61.11	13.05	38.14	-	-	1.70	-	114.00
Development fund [Refer note 30 (b) (i)]	1.53	0.32	0.95	-	-	0.04	-	2.84
At March 31, 2013	**4,768.92**	**2,127.71**	**2,980.66**	**34.65**	**56.53**	**147.76**	**23.71**	**10,139.94**
Additions	15.30	9.39	19.07	0.86	4.80	5.48	0.67	55.57
Adjustments	(3.03)	-	(4.20)	-	(0.24)	-	2.77	(4.70)
Adjustments (Refer Note 43)	51.03	6.82	13.93	0.17	0.05	14.17	1.36	87.53
Disposals	-	-	-	(0.50)	-	(0.19)	-	(0.69)
AS - 11 adjustments	113.01	24.14	70.52	-	-	3.15	-	210.82
Development fund [Refer note 30 (b) (i)]	1.56	0.33	0.97	-	-	0.04	-	2.90
At March 31, 2014	**4,946.79**	**2,168.39**	**3,080.95**	**35.18**	**61.14**	**170.41**	**28.51**	**10,491.37**
Depreciation								
At March 31, 2012	**329.81**	**165.96**	**269.07**	**5.68**	**28.56**	**19.24**	**7.24**	**825.56**
Charge for the year	123.64	112.99	140.64	1.76	7.05	12.54	2.26	400.88
Disposals	-	-	-	-	-	(0.07)	(0.03)	(0.10)
At March 31, 2013	**453.45**	**278.95**	**409.71**	**7.44**	**35.61**	**31.71**	**9.47**	**1,226.34**
Adjustments	-	-	(0.13)	-	-	-	0.62	0.49
Adjustments (Refer Note 43)	4.31	0.58	1.74	0.01	0.03	2.38	0.16	9.21
Charge for the year	167.05	83.95	146.39	1.92	7.93	10.83	3.52	421.59
Disposals	-	-	-	(0.07)		(0.05)	-	(0.12)
At March 31, 2014	**624.81**	**363.48**	**557.71**	**9.30**	**43.57**	**44.87**	**13.77**	**1,657.51**
Net Block								
At March 31, 2013	**4,315.47**	**1,848.76**	**2,570.95**	**27.21**	**20.92**	**116.05**	**14.24**	**8,913.60**
At March 31, 2014	**4,321.98**	**1,804.91**	**2,523.23**	**25.89**	**17.57**	**125.55**	**14.74**	**8,833.86**

Notes:

a. Rs. 21.73 Crores adjusted towards reduction in liability during final settlement with the vendors in respect to Terminal 3 capitalised on provisional basis by the Company during the financial year ended March 31, 2011.
Adjustments include the assets reclassified during the previous year
-Buildings to Runways & Taxiways amounting to Rs. 536.90 crores, However these amounts had not been regrouped in the previous years as these fall within same depreciation rate bracket and
-Buildings to Furniture & Fittings amounting to Rs. 22.23 crores.

14 Intangible assets

	Airport concessionaire rights	Computer software	Total
			Rs. in Crores
Cost			
At March 31, 2012	**490.52**	**35.29**	**525.81**
Additions	-	3.15	**3.15**
Disposals	-	-	-
At March 31, 2013	**490.52**	**38.44**	**528.96**
Additions	-	0.12	0.12
Disposals	-		-
At March 31, 2014	**490.52**	**38.56**	**529.08**
Amortisation			
At March 31, 2012	**34.17**	**18.57**	**52.74**
Charge for the year	8.74	5.58	14.32
Disposals	-	-	-
At March 31, 2013	**42.91**	**24.15**	**67.06**
Charge for the year	8.57	6.28	14.85
Disposals	-		-
At March 31, 2014	**51.48**	**30.43**	**81.91**
Net Block			
At March 31, 2013	**447.61**	**14.29**	**461.90**
At March 31, 2014	**439.04**	**8.13**	**447.17**

15 Non-current investments

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Trade investments (valued at cost unless stated otherwise)		
Investments in equity shares (Un-quoted)		
Investment in subsidiaries		
Delhi Aerotropolis Private Limited	0.10	0.10
100,000 shares of Rs 10 each (March 2013 : 100,000 shares of Rs 10 each)		
East Delhi Waste Processing Company Private Limited	-	0.01
Nil shares of Rs 10 each (March 2013 : 8,160 shares of Rs 10 each)		
Investment in associate		
East Delhi Waste Processing Company Private Limited	0.01	-
7,839 shares of Rs 10 each (March 2013 :Nil)		
Investment in joint ventures		
Delhi Aviation Services Private Limited (Formerly DIAL Cargo Private Limited)	12.50	12.50
12,500,000 shares of Rs 10 each (March 2013 : 12,500,000 shares of Rs 10 each)		
Celebi Delhi Cargo Terminal Management India Private Limited	18.72	18.72
18,720,000 shares of Rs 10 each (March 2013 : 18,720,000 shares of Rs 10 each)		
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
42,640,000 shares of Rs 10 each (March 2013 : 42,640,000 shares of Rs 10 each)		
Delhi Cargo Service Center Private Limited	10.92	10.92
10,920,000 shares of Rs 10 each (March 2013 : 10,920,000 shares of Rs 10 each)		
Delhi Airport Parking Services Private Limited	40.64	39.14
40,638,560 shares of Rs 10 each (March 2013 : 39,141,560 shares of Rs 10 each)		
Wipro Airport IT Services Limited	1.30	1.30
1,300,000 shares of Rs 10 each (March 2013 : 1,300,000 shares of Rs 10 each)		
Delhi Select Service Hospitality Private Limited	2.60	2.60
2,600,000 shares of Rs 10 each (March 2013 : 2,600,000 shares of Rs 10 each)		
Delhi Duty Free Services Private Limited	39.92	39.92
39,920,000 shares of Rs 10 each (March 2013 : 39,920,000 shares of Rs 10 each)		
Travel Food services (Delhi Terminal 3) Private Limited	3.20	3.20
3,200,000 shares of Rs 10 each (March 2013 : 3,200,000 shares of Rs 10 each)		
Devyani Food Street Private Limited	1.52	1.52
1,520,000 shares of Rs 10 each (March 2013 : 1,520,000 shares of Rs 10 each)		
TIM Delhi Airport Advertising Private Limited		
9,222,505 shares of Rs 10 each (March 2013 : 9,222,505 shares of Rs 10 each)	9.22	9.22
Investments in preference shares (Un-quoted)		
Investment in joint ventures		
Devyani Food Street Private Limited		
800,000 0.10% redeemable, non-cumulative, non-convertible preference share of Rs 10 each	0.80	0.80
(March 2013 : 800,000 0.10% redeemable, non-cumulative, non-convertible preference shares shares of Rs 10 each)		
	184.09	**182.59**
Aggregate amount of non current un-quoted investments	**184.09**	**182.59**

16 Loans and advances

		Non-current		Current	
		March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Capital advances					
Unsecured, considered good		5.58	3.04	-	-
	(A)	**5.58**	**3.04**	**-**	**-**
Security deposit					
Unsecured, considered good		7.19	7.65	0.71	0.56
	(B)	**7.19**	**7.65**	**0.71**	**0.56**
Loan and advances to related parties					
Unsecured, considered good [Refer note 32 (b)]		-	-	13.10	21.33
Doubtful		2.82	-	-	-
		2.82			
Less: provision for doubtful advances		(2.82)	-	-	-
	(C)	-	-	**13.10**	**21.33**
Advances recoverable in cash or kind					
Unsecured considered good		3.11	4.71	5.77	12.17
Doubtful		3.32	3.05	-	-
		6.43	**7.76**	**5.77**	**12.17**
Less: provision for doubtful advances		(3.32)	(3.05)	-	-
	(D)	**3.11**	**4.71**	**5.77**	**12.17**
Other loans and advances					
Unsecured, considered good					
Advance income-tax (net of provision for taxation)		66.99	77.75	-	-
MAT credit entitlement		2.93	2.93	-	-
CENVAT Receivable (Net)		-	-	8.97	8.15
Gratuity fund balance (Net) [Refer note 37(c)]		-	-	0.71	1.52
Advances towards investment in joint ventures		7.80	1.50	-	-
Prepaid Expenses		0.74	0.01	14.65	13.47
Deposits with government authorities including paid under protest		-	-	19.51	14.68
	(E)	**78.46**	**82.19**	**43.84**	**37.82**
Total (A+B+C+D+E)		**94.34**	**97.59**	**63.42**	**71.88**

17 Other assets

	Non-current		Current	
	March 31, 2014 (Rs. in Crores)	March 31, 2013 (Rs. in Crores)	March 31, 2014 (Rs. in Crores)	March 31, 2013 (Rs. in Crores)
Unsecured, considered good unless stated otherwise				
Others				
Interest accrued on fixed deposits	-	-	0.02	1.31
Development fund receivable [Refer note 30]	511.18	864.22	435.76	345.16
Non-trade receivable		-	26.19	30.86
Unbilled revenue	-	-	25.13	20.00
Other borrowing cost ot the extent not amortised	40.37	28.07	7.12	5.79
Total	**551.55**	**892.29**	**494.22**	**403.12**

18 Current investments

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Non-trade investments (valued at lower of cost and fair value, unless otherwise stated)		
Unquoted investments		
UTI- Liquid Fund-Cash Plan-INST Growth [1,43,034.21 (March 2013 : Nil) Units of Rs. 1000 each]	30.00	-
Birla Sunlife Cash Plus- Inst.- Growth [23,76,385.18 (March 2013 : 50,10,653) Units of Rs. 100 each]	48.79	94.00
Reliance Liquidity Fund Growth Plan Growth Option [1,55,555.60 (March 2013 : Nil) Units of Rs. 1000 each]	30.00	-
LIC Nomura Liqud Fund [Nil (March 2013 : 70,551) Units of Rs. 1000 each]	-	15.00
Total	**108.79**	**109.00**
Aggregate market value of unquoted investments	109.02	109.16

19 Inventories (valued at lower of cost and net realizable value)

	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Stores and spares	11.06	9.59
	11.06	**9.59**

20 Trade receivables

	Non-current		Current	
	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	92.18	57.37
Unsecured, considered good	-	-	284.14	81.38
Unsecured, considered, doubtful	3.66	3.62	-	-
	3.66	**3.62**	**376.32**	**138.75**
Provision for doubtful trade receivables	(3.66)	(3.62)	-	-
(A)	**-**	**-**	**376.32**	**138.75**
Other receivables				
Secured, considered good	-	-	152.96	146.87
Unsecured, considered good	-	-	199.81	239.18
(B)	**-**	**-**	**352.77**	**386.05**
Total (A+B)	**-**	**-**	**729.09**	**524.80**

Trade receivables to the extent covered by security deposits or bank guarantees are considered as secured trade receivables.

21 Cash and bank balances

	Non-current		Current	
	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores	March 31, 2014 Rs. in Crores	March 31, 2013 Rs. in Crores
Cash and cash equivalents				
Balances with banks:				
– On current accounts			49.65	81.73
– Deposits with original maturity of less than three months			-	150.00
Cheques/ drafts on hand			11.44	6.98
Cash on hand			0.13	0.14
(A)			**61.22**	**238.85**
Other bank balances				
– Margin money deposit	-		0.20	2.43
(B)	**-**	**-**	**0.20**	**2.43**
Total (A+B)	**-**	**-**	**61.42**	**241.28**

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22 Revenue from operations

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Revenue from operations		
Sale of services		
Aeronautical	2,671.54	2,126.95
Non - Aeronautical*	1,158.12	1,025.13
Other operating income		
Income from commercial property development	93.04	88.12
	3,922.70	**3,240.20**

*Non- Aeronautical income net off of reversal of revenue amounting to Rs. 18.99 crores (March 2013: Nil) pertaining to earlier years.

23 Other income

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Interest income	10.71	39.79
Income from current investments	17.41	19.50
Income from sale of non-current investment	-	3.23
Dividend Income on long term investments	26.40	17.05
Exchange differences (net)	-	0.41
Liquidated Damages received	14.95	-
Management Fees	10.50	-
Miscellaneous income	1.77	0.87
	81.74	**80.85**

24 Employee benefits expense

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Salaries, wages and bonus	106.62	104.21
Operation support cost	3.55	4.33
Contribution to provident and other funds [Refer note 37 (b)]	3.78	5.31
Gratuity expense [Refer note 37 (c)]	0.85	1.43
Other post employment benefits	2.97	2.90
Staff welfare expenses	4.88	5.54
	122.65	**123.72**

25 Other expenses

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Operating :		
Repairs and maintenance		
Plant and machinery	63.29	61.61
Buildings	44.04	21.36
Others	20.02	14.77
Manpower hire charges	41.31	41.41
House keeping expenses	36.14	35.21
Airport operator fee	100.07	45.92
Security related expenses	12.09	11.43
Information technology and related expenses	51.93	52.40
Insurance	7.51	6.84
Water charges	3.41	0.65
Consumables	3.22	1.42
Administration and others :		
Professional and consultancy expenses	61.72	52.55
Travelling and conveyance	14.11	19.04
Office maintenance and other expenses	10.26	11.08
Rates and taxes	64.56	6.31
Rent	7.65	5.65
Advertising and sales promotion	5.08	5.39
Communication costs	1.92	1.74
Printing and stationery	1.88	1.74
Directors' sitting fees	0.09	0.08
Payment to auditor (Refer details below)	0.52	0.47
Provision for Bad debts / Bad Debts Written off	7.94	4.51
Provision for Doubtful advances / Advances Written off	3.47	0.09
Exchange difference (net)	1.20	-
Corporate cost allocation	35.00	27.62
Provision for diminution in value of assets	2.03	-
Miscellaneous expenses	5.30	7.35
	605.76	**436.64**

Payment to auditors

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
As auditors:		
Audit fee	0.30	0.30
Tax audit fee	0.07	0.07
In other capacity:		
Other services (including certification fees)	0.04	0.02
Reimbursement of expenses	0.11	0.08
	0.52	**0.47**

26 Depreciation and amortization expense

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Depreciation of tangible assets	421.59	399.87
Amortization of intangible assets	14.85	14.32
	436.44	**414.19**

27 Finance costs

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Interest on Borrowings	543.75	644.09
Other interest	7.12	18.97
Bank charges	2.94	2.48
Other borrowing costs including amortisation	11.02	9.72
Exchange difference to the extent considered as an adjustment to borrowing costs [Refer note 50]	-	(17.80)
	564.83	**657.46**

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
28 Prior period items (Net)		
Income		
Sale of services		
Non - Aeronautical	-	14.36
Interest income	-	2.19
Total (A)	**-**	**16.55**
Expenses		
Power and fuel	(18.71)	-
Repairs and maintenance:	-	-
-Plant and machinery	(13.03)	-
-Buildings	(13.78)	-
-Others	(5.78)	-
Manpower hire charges	-	0.16
Airport operator fee	(13.88)	-
Security and city side management	(1.24)	-
Cargo handling and other costs	(8.81)	-
Consumables	(2.65)	-
IT and related expenses	(0.94)	-
Insurance	(2.37)	-
Professional and consultancy expenses	-	1.80
Communication costs	-	0.68
Miscellaneous expenses	(8.41)	-
Depreciation on tangible assets	9.21	0.91
Total (B)	**(80.39)**	**3.55**
Net (A)-(B) [Refer note 43]	**80.39**	**13.00**

29 Earning per share (EPS)

The following reflects the Profit and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2014 (Rs. in Crores)	For the year ended March 31, 2013 (Rs. in Crores)
Total operations for the year		
Net profit after tax for calculation of Basic EPS and Diluted EPS	**410.83**	**72.52**
Weighted average number of equity shares in calculating basic and diluted EPS (in crores)	**245**	**245**

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

(a) The Company had accrued DF amounting to Rs. 350.00 Crores during the year 2012-13 (2011-12 Rs. 1,238.35 Crores) earmarked for construction of Air Traffic Control (ATC) tower, currently which is under progress as at March 31, 2014. DF amounting to Rs. 199.96 crores (March 31, 2013 : Rs. 164.40 Crores) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2014 and balance DF amounting to Rs. 150.04 Crores (March 31, 2013 : Rs. 185.60 Crores), pending utilization, has been disclosed under Other current liabilities.

(b) While calculating such additional DF amount:

i) In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has reduced DF collection charges aggregating to Rs. 2.90 Crores during year ended March 31, 2014 (Year ended March 2013 : Rs. 2.84 Crores) from the DF grant.

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

31. Considering the delays in realization of dues from Air India and its subsidiaries (collectively referred to as ‘Air India’) and the uncertainty over the timing of the ultimate collection involved, the Company, as a measure of prudence, had decided to recognize the revenue from Air India w.e.f. October 1, 2011 only when such uncertainty of realization is removed as required by para 9.2 of Accounting Standard 9, ‘Revenue Recognition’.

However, during the quarter ended on March 31, 2013, the Company had received an amount of Rs. 266 Crores. Based on this collection, the Management believed that the reasonable certainty of realization had been established and hence as required by Clause 9.2 of Accounting Standard 9 ‘Revenue Recognition’, the Company had recognized revenue from Air India amounting to Rs. Nil (March 31, 2013: Rs. 180 Crores) which was not recognized earlier.

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32. Related party transactions:

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
I	Ultimate holding company	GMR Holdings Private Limited
	Intermediate holding company	GMR Infrastructure Limited
	Holding company	GMR Airports Limited[1]
II	Subsidiary companies	Delhi Aerotropolis Private Limited
		East Delhi Waste Processing Company Private Limited[2]
III	Associate company	East Delhi Waste Processing Company Private Limited[2]
IV	Fellow subsidiaries (including subsidiary companies of the ultimate holding company) (where transactions have taken place)	GMR Energy Limited
		GMR Badrinath Hydro Power Generation Private Limited (Formerly known as per GMR Consulting Services Private Ltd.)
		GMR Hyderabad International Airport Limited
		GMR Male International Airport Private Limited
		GMR Airport Developers Limited
		GMR Krishnagiri SEZ Limited
		GMR Airports Limited[1]
		GMR Corporate Affairs Private Limited
		GMR Aviation Private Limited
		GADL International Limited
		Raxa Security Services Limited
		GMR Chhattisgarh Energy Limited
		GMR Kamalanga Energy Limited
		Kakinada SEZ Private Limited
		EMCO Energy Limited
		GMR Rajahmundry Energy Limited
		GMR Sports Private Limited
		Gateways for India Airports Private Limited
		GMR Power Corporation Limited
		SJK Powergen Limited
V	Jointly controlled entities	Delhi Aviation Services Private Limited
		Delhi Aviation Fuel Facility Private Limited
		Wipro Airport IT Services Limited
		Delhi Airport Parking Services Private Limited
		Travel Food Services (Delhi Terminal 3) Private Limited
		Delhi Duty Free Services Private Limited
		Delhi Select Services Hospitality Private Limited
		Devyani Food Street Private Limited

		Celebi Delhi Cargo Terminal Management India Private Limited
		Delhi Cargo Service Center Private Limited
		TIM Delhi Airport Advertising Private Limited
VI	Enterprises in respect of which the company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide
VII	Enterprises where significant influence of key Management personnel or their relative exists	GMR Varalakshmi Foundation
VIII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Kiran Kumar Grandhi - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

1. W.e.f. October 29, 2013, GMR Airports Limited has become the Holding company.
2. W.e.f. October 23, 2013, East Delhi Waste Processing Company Private Limited ceased to be a subsidiary of the company and has become an associate.

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Delhi International Airport Private Limited
Notes to financial statements for the year ended March 31, 2014

32 (b) Summary of Balances with the above related parties is as follows:

Balances at the year end:	As At March 31, 2014	As At March 31, 2013
Other loans and advances		
Non-Current		
Share Application Money paid pending allotment		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	-	1.50
Celebi Delhi Cargo Terminal Management India Private Limited	7.80	-
Trade Receivables		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	0.52	0.89
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	9.46	10.19
TIM Delhi Airport Advertising Private Limited	0.37	10.69
Delhi Aviation Services Private Limited	0.41	5.31
Delhi Airport Parking Services Private Limited	0.97	0.84
Delhi Select Services Hospitality Private Limited	8.67	6.23
Travel Food Services (Delhi Terminal 3) Private Limited	2.05	0.76
Celebi Delhi Cargo Terminal Management India Private Limited	10.30	18.98
Devyani Food Street Private Limited	6.09	4.22
Delhi Cargo Service Center Private Limited	20.42	9.89
Delhi Aviation Fuel Facility Private Limited	0.00	-
Fellow subsidiaries (including subsidiary companies of the ultimate holding company)		
GMR Aviation Private Limited	0.06	0.12
GMR Hyderabad International Airport Limited	-	0.01
Intermediate holding company		
GMR Infrastructure Limited	-	0.02
Other Current Assets		
Unbilled revenue		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	0.03	-
TIM Delhi Airport Advertising Private Limited	11.10	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.09	-
Delhi Duty Free Services Private Limited	2.25	-
Devyani Food Street Private Limited	0.09	0.46
Delhi Select Services Hospitality Private Limited	0.18	-
Delhi Cargo Service Center Private Limited	0.27	-
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	-	1.01
Other Current Assets		
Income waived off		
Jointly Controlled Entities		
Delhi Cargo Service Center Private Limited	7.40	-
Other Current Assets		
Non- Trade Receivables		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	2.57	3.18
Fellow subsidiaries (including subsidiary companies of the ultimate holding company)	-	
GMR Aviation Private Limited	0.00	0.00
GMR Badrinath Hydro Power Generation Private Limited (Formerly Known As GMR Consulting Services Private Limited)	0.00	0.11

Balances at the year end:	As At March 31, 2014	As At March 31, 2013
Jointly Controlled Entities	-	
Delhi Aviation Fuel Facility Private Limited	0.00	0.02
Travel Food Services (Delhi Terminal 3) Private Limited	4.83	6.09
Celebi Delhi Cargo Terminal Management India Private Limited	0.55	2.11
Delhi Airport Parking Services Private Limited	2.06	2.05
Delhi Aviation Services Private Limited	0.41	1.26
TIM Delhi Airport Advertising Private Limited	0.98	1.55
Devyani Food Street Private Limited	0.05	1.24
Delhi Select Services Hospitality Private Limited	0.38	1.18
Delhi Duty Free Services Private Limited	0.93	1.14
Delhi Cargo Service Center Private Limited	1.02	1.01
Advances to related parties		
Subsidiary companies		
Delhi Aerotropolis Private Limited	0.06	0.01
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.09	1.51
Delhi Select Services Hospitality Private Limited	0.04	0.09
Delhi Airport Parking Services Private Limited	2.53	2.31
Travel Food Services (Delhi Terminal 3) Private Limited	0.20	0.68
Wipro Airport IT Services Limited	-	7.39
Delhi Aviation Fuel Facility Private Limited	0.15	0.14
Celebi Delhi Cargo Terminal Management India Private Limited	0.09	0.13
Delhi Duty Free Services Private Limited	0.11	0.18
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	7.80	7.09
Fellow subsidiaries (including subsidiary companies of the ultimate holding company)		
GMR Power Corporation Limited	0.00	-
GMR Rajahmundry Energy Limited	0.00	-
SJKPowergen Limited	-	0.02
GMR Airport Developers Limited	-	0.08
GMR Corporate Affairs Private Limited	0.02	0.00
GMR Kamalanga Energy Limited	0.03	0.00
Kakinada SEZ Private Limited	0.00	0.01
GMR Hyderabad International Airport Limited	0.35	0.35
GMR Male International Airport Private Limited	1.01	0.64
GMR Chhattisgarh Energy Limited	0.01	-
EMCO Energy LIimited	0.00	-
Advances to related parties		
Non-Current		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	2.82	-
Trade payable		
Intermediate holding company		
GMR Infrastructure Limited	6.22	34.18
Holding company		
GMR Airports Limited	4.35	2.44
Enterprises in respect of which the company is a joint venture		
Fraport AG Frankfurt Airport services Worldwide	50.11	41.36
Airports Authority of India-	41.41	268.95
Fellow subsidiaries (including subsidiary companies of the ultimate holding company)		
GMR Aviation Private Limited	0.47	0.33
Raxa Security Services Limited	1.75	1.92
Gateways for India Airports Private Limited	0.24	0.24
GMR Sports Private Limited	0.05	-
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	0.25	0.28
Devyani Food Street Private Limited	0.16	0.16
Wipro Airport IT Services Limited	1.50	-

Balances at the year end:	As At March 31, 2014	As At March 31, 2013
Other Liabilities		
Fellow subsidiaries (including subsidiary companies of the ultimate holding company)		
GMR Krishnagiri SEZ Limited	0.02	0.01
Enterprises where significant influence of key management personnel exists		
GMR Varalakshmi Foundation	0.00	0.02
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited-	0.02	-
Long-term Provision		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	70.76	89.55
Short-term Provision		
Enterprises in respect of which the company is a joint venture		
Airports Authority of India	18.72	18.99
Current Liabilities		
Unearned Revenue		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	0.08	0.01
Other Long Term Liabilites		
Non-Current		
Deposits from Trade Concessionaires		
Jointly Controlled Entities		
Devyani Food Street Private Limited	1.76	1.67
Delhi Duty Free Services Private Limited	234.68	235.01
Travel Food Services (Delhi Terminal 3) Private Limited	1.54	1.54
Delhi Airport Parking Services Private Limited	3.00	3.13
Delhi Select Services Hospitality Private Limited	0.86	0.86
TIM Delhi Airport Advertising Private Limited	35.47	37.18
Current		
Deposits from Trade Concessionaires		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	127.93	127.93
Delhi Aviation Fuel Facility Private Limited	156.38	156.38
Delhi Airport Parking Services Private Limited	0.13	-
Delhi Cargo Service Center Private Limited	19.97	19.97
Delhi Select Services Hospitality Private Limited	0.00	-
Delhi Duty Free Services Private Limited	0.98	-
Delhi Aviation Services Private Limited	15.03	15.00
Fellow subsidiaries (including subsidiary companies of the ultimate holding company)		
GMR Aviation Private Limited	0.11	0.11

Delhi International Airport Private Limited
Notes to financial statements for the year ended March 31, 2014

32 (b) Summary of transactions with the above related parties is as follows:

Transactions During the year	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Transactions		
Share Application Money refunded		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	1.60
Share Application Money paid		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	-	3.98
Celebi Delhi Cargo Terminal Management India Private Limited	7.80	-
Non-current investments		
Investment made		
Jointly Controlled Entities		
Delhi Select Services Hospitality Private Limited	-	1.00
Delhi Cargo Service Center Private Limited	-	1.87
Devyani food Street Private Limited	-	1.12
Delhi Airport Parking Services Private Limited	1.50	1.50
Non-current investments		
Sale of investments		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	0.76
Short-term borrowings repaid		
Holding Company		
GMR Airports Limited	-	125.00
Deposits from trade concessionaires		
Security Deposits Received		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	0.65	0.98
TIM Delhi Airport Advertising Private Limited	0.38	2.09
Celebi Delhi Cargo Terminal Management India Private Limited	-	7.81
Delhi Aviation Services Private Limited	0.03	-
Delhi Airport Parking Services Private Limited	0.00	0.13
Delhi Aviation Fuel Facility Private Limited	-	81.38
Devyani Food Street Private Limited	0.09	0.64
Delhi Select Services Hospitality Private Limited	0.00	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.00	-
Deposits from trade concessionaires		
Deposits Refunded		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	2.09	-
Delhi Airport Parking Services Private Limited	0.00	-
Loans given to transfered employees recoverable from transferred entities		
Intermediate holding Company		
GMR Infrastructure Limited	-	0.03
Holding compnay		
GMR Airports Limited	-	0.00
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
Raxa Security Services Limited	-	0.03
GMR Corporate Affairs Pvt Ltd	-	0.01
Enterprises where significant influence of key management personnel exists		
GMR Varalakshmi Foundation	-	0.00

Transactions During the year	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Asset Purchase/taken on lease		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	-	0.97
Transfer of Assets/CWIP		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	13.44	-
Employee benefit expense		
Employee Benefits for Key Management Personnel		
Mr. Grandhi Kiran Kumar	1.56	1.56
Mr. Srinivas Bommidala	1.55	1.56
Mr. K. Narayana Rao	1.02	1.04
Annual fees		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	1,838.06	1,531.40
Employee benefit expense		
Operation support cost		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	3.55	4.33
Interest on Revenue share		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	1.80	18.62
Interest Received		
Jointly Controlled Entities		
Delhi Aviation Fuel Facility Private Limited	1.92	5.36
Devyani Food Street Private Limited	-	0.08
Celebi Delhi Cargo Terminal Management India Private Limited	2.98	-
Delhi Aviation Services Private Limited (formerly DIAL Cargo Private Limited)	1.01	-
Consultancy fees paid		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	1.39	9.81
Airports Authority of India	0.16	0.39
Manpower hire charges		
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Airport Developers Limited	32.62	34.45
Airport Operator fees		
Enterprises in respect of which the Company is a joint venture		
Fraport AG Frankfurt Airport Services Worldwide	100.07	45.92
Expenses incurred by DIAL on behalf of related parties		
Intermediate holding Company		
GMR Infrastructure Limited	0.01	0.01
Holding Company		
GMR Airports Limited	0.29	2.18
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Airport Developers Limited	0.00	0.05
Jointly Controlled Entities		
Delhi Aviation Fuel Facility Private Limited	0.00	0.01
Delhi Select Services Hospitality Private Limited	-	0.16
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.49
TIM Delhi Airport Advertising Private Limited	-	0.29
Delhi Aviation Services Private Limited	-	0.01
Wipro Airport IT Services Limited	0.21	0.01
Delhi Airport Parking Services Private Limited	1.04	1.38
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.37
Delhi Duty Free Services Private Limited	-	0.46
Devyani Food Street Private Limited	-	0.16
Delhi Aviation Services Private Limited	-	0.56

Transactions During the year	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Subsidiary Company		
Delhi Aerotropolis Private Limited	0.00	-
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GADL International Limited	-	0.13
GMR Male International Airport Private Limited	-	0.78
GMR Aviation Private Limited	0.01	0.08
GMR Hyderabad International Airport Limited	0.20	0.29
GMR Krishnagiri SEZ Limited	-	0.10
GMR Badrinath Hydro Power Generation Private Limited (Formerly Known As GMR Consulting Services Private Limited)	-	-
GMR Corporate Affairs Private Limited	0.03	-
GMR Kamalanga Energy Limited	0.02	-
Kakinada SEZ Private Limited	0.00	-
Raxa Security Services Limited	0.01	-
GMR Airport Developers Limited	0.00	0.05
GMR Chhattisgarh Energy Limited	0.01	-
GMR Power Corporation Limited	0.00	-
GMR Rajahmundry Energy Limited	0.00	-
Expenses incurred by related parties on behalf of DIAL		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	0.02	-
TIM Delhi Airport Advertising Private Limited	-	0.01
Travel Food Services (Delhi Terminal 3) Private Limited	0.04	0.01
Wipro Airport IT Services Limited	0.01	
Delhi Aviation Fuel Facility Private Limited	-	0.01
Intermediate holding Company		
GMR Infrastructure Limited	-	0.02
Holding Company		
GMR Airports Limited	0.39	0.97
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Airport Developers Limited	-	0.17
GMR Hyderabad International Airport Limited	0.27	0.14
GADL International Limited	-	0.18
GMR Krishnagiri SEZ Limited	0.01	0.16
Raxa Security Services Limited	0.18	-
Kakinada SEZ Private Limited	0.00	-
GMR Sports Private Limited	-	-
Corporate Cost Allocation		
Intermediate holding Company		
GMR Infrastructure Limited	24.87	19.44
Holding Company		
GMR Airports Limited	10.13	8.18
Provision for Doubtful advances		
Jointly Controlled Entity		
Wipro Airport IT Services Limited	2.82	-
Bad Debts written off		
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.20	-
Jointly Controlled Entities		
Delhi Cargo Service Center Private Limited	4.16	-
Delhi Select Services Hospitality Private Limited	1.23	-
Devyani Food Street Private Limited	0.58	-
Travel Food Services (Delhi Terminal 3) Private Limited	-	1.24
TIM Delhi Airport Advertising Private Limited	-	2.64
Services Received		
Chartering Cost :		
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Aviation Private Limited	4.26	11.16

Transactions During the year	Year ended March 31, 2014	Year ended March 31, 2013
Security related expenses:		
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
Raxa Security Services Limited	11.98	12.00
Information technology and related expenses:		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	51.93	52.40
Repair and Maintenance - Others		
Jointly Controlled Entities		
Wipro Airport IT Services Limited	4.66	1.98
Other Expenses:		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	0.02
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Hyderabad International Airport Limited	0.37	0.34
Raxa Security Services Limited	0.50	-
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.02	-
Donation paid		
Enterprises where significant influence of key management personnel exists		
GMR Varalakshmi Foundation	-	0.02
Interest paid		
Holding Company		
GMR Airports Limited	-	3.65
Electricity charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	7.24	7.89
Delhi Airport Parking Services Private Limited	1.42	1.23
Delhi Cargo Service Center Private Limited	2.89	4.22
Delhi Select Services Hospitality Private Limited	1.02	0.95
Celebi Delhi Cargo Terminal Management India Private Limited	11.28	8.01
TIM Delhi Airport Advertising Private Limited	2.38	3.28
Travel Food Services (Delhi Terminal 3) Private Limited	2.81	2.58
Delhi Duty Free Services Private Limited	2.48	2.22
Devyani Food Street Private Limited	1.36	1.13
Delhi Aviation Fuel Facility Private Limited	0.01	0.01
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Aviation Private Limited	0.01	-
GMR Badrinath Hydro Power Generation Private Limited (Formerly Known As GMR Consulting Services Private Limited)	0.14	0.09
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	10.74	9.31
Water charges recovered		
Jointly Controlled Entities		
Delhi Aviation Services Private Limited	0.10	0.10
Delhi Airport Parking Services Private Limited	0.40	0.57
Delhi Select Services Hospitality Private Limited	0.03	0.18
Devyani Food Street Private Limited	0.15	0.21
Travel Food Services (Delhi Terminal 3) Private Limited	0.36	0.58
Delhi Cargo Service Center Private Limited	0.18	0.43
Celebi Delhi Cargo Terminal Management India Private Limited	1.09	0.88
Delhi Duty Free Services Private Limited	0.02	0.05
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Badrinath Hydro Power Generation Private Limited (Formerly Known As GMR Consulting Services Pvt. Ltd.)	0.01	0.07
Water charges billing reversed		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	1.63	-
Delhi Duty Free Services Private Limited	0.05	-
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Badrinath Hydro Power Generation Private Limited (Formerly Known As GMR Consulting Services Private Limited)	0.07	-

Transactions During the year	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Space Rental		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	1.33	1.33
Delhi Cargo Service Center Private Limited	5.07	14.11
Delhi Aviation Fuel Facility Private Limited	13.91	14.92
Celebi Delhi Cargo Terminal Management India Private Limited	21.68	19.39
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	0.05
Delhi Airport Parking Services Private Limited	0.00	0.00
Delhi Duty Free Services Private Limited	0.91	0.49
Delhi Aviation Services Private Limited	0.06	0.06
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.04	0.42
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Badrinath Hydro Power Generation Private Limited (Formerly Known As GMR Consulting Services Pvt. Ltd.)	1.51	0.96
GMR Aviation Private Limited	0.14	0.09
Concession fees received		
Jointly Controlled Entities		
Delhi Airport Parking Services Private Limited	9.70	5.82
TIM Delhi Airport Advertising Private Limited	87.78	68.26
Delhi Aviation Services Private Limited	4.94	5.96
Delhi Cargo Service Center Private Limited	21.81	13.40
Delhi Duty Free Services Private Limited	241.95	191.95
Devyani Food Street Private Limited	5.71	5.22
Celebi Delhi Cargo Terminal Management India Private Limited	96.74	97.06
Delhi Select Services Hospitality Private Limited	4.67	4.31
Travel Food Services (Delhi Terminal 3) Private Limited	11.37	9.64
Airport Service, ICMS, Screening & Other Charges		
Jointly Controlled Entities		
Travel Food Services (Delhi Terminal 3) Private Limited	1.08	2.03
Devyani Food Street Private Limited	0.87	0.88
Celebi Delhi Cargo Terminal Management India Private Limited	1.16	1.55
Delhi Select Services Hospitality Private Limited	1.11	1.13
Delhi Duty Free Services Private Limited	3.37	2.95
Delhi Airport Parking Services Private Limited	0.05	0.03
TIM Delhi Airport Advertising Private Limited	3.00	-
Delhi Aviation Services Private Limited (formerly DIAL Cargo Private Limited)	0.04	-
Delhi Aviation Fuel Facility Private Limited	-	5.36
Fellow subsidiaries (including subsidiary companies of the ultimate holding Company)		
GMR Aviation Private Limited	0.66	0.51
Enterprises in respect of which the Company is a joint venture		
Airports Authority of India	0.09	0.03
Liquidated Damages Recovered		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	14.95	-
Management Fees Collected		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	3.00	-
Delhi Duty Free Services Private Limited	7.50	-
Income from Non current Investments- Dividend Income		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	14.37	6.39
Delhi Aviation Fuel Facility Private Limited	5.12	10.66
TIM Delhi Airport Advertising Private Limited	6.92	-
Income from sale of non-current investments		
Jointly Controlled Entities		
TIM Delhi Airport Advertising Private Limited	-	3.23

Transactions During the year	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Marketing Fund Billed		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	7.68	13.14
Delhi Select Services Hospitality Private Limited	0.13	0.35
Devyani food Street Private Limited	0.21	0.41
Delhi Airport Parking Services Private Limited	0.01	-
Marketing Fund Billing Reversed		
Jointly Controlled Entities		
Delhi Select Services Hospitality Private Limited	0.48	-
Devyani food Street Private Limited	0.62	-

33. Leases:

Assets taken on operating Lease

(Rs. in Crores)

Particulars	**As at March 31, 2014**	**As at March 31, 2013**
Lease payment for the year (excluding taxes)	7.65	5.65
Minimum Lease Payments:		
Not later than one year	5.11	7.19
Later than one year but not later than five years	4.25	14.39
Later than five years	-	-
Total	**9.36**	**21.58**

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

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34. Interest in Joint ventures entities:

The Company has interest in following joint venture entities:

a) List of Jointly Controlled entities

Name of Joint Venture	Description of interest	Nature	Ownership interest	Date of incorporation	Country of incorporation
Celebi Delhi Cargo Terminal Management India Private Limited	Jointly controlled entity	Cargo	26%	June 18, 2009	India
Delhi Aviation Fuel Facility Private Limited	Jointly controlled entity	Fuel farm	26%	August 11, 2009	India
Delhi Airport Parking Services Private Limited	Jointly controlled entity	Vehicle parking	49.90%	February 11, 2010	India
Delhi Aviation Services Private Limited	Jointly controlled entity	Bridge mounted equipment	50%	June 28, 2007	India
Delhi Cargo Service Centre Private Limited	Jointly controlled entity	Cargo	26%	November 18, 2009	India
Delhi Duty Free Services Private Limited	Jointly controlled entity	Duty free shops	49.90%	July 7, 2009	India
Delhi Select Service Hospitality Private Limited	Jointly controlled entity	Retail, food and beverages	40%	August 6 , 2009	India
Devyani Food Street Private Limited	Jointly controlled entity	Food and beverages	40%	September 7, 2009	India
Travel Food Services (Delhi Terminal 3) Private Limited	Jointly controlled entity	Food and beverages	40%	December 4, 2009	India
TIM Delhi Airport Advertising Private Limited	Jointly controlled entity	Advertising	49.90%	June 1, 2010	India
Wipro Airport IT Services Limited	Jointly controlled entity	Information Technology	26%	October 22, 2009	India

b) Financial interest in Jointly Controlled Entity*

(Rs. in Crores)

		DIAL's Share					
S. No.	**Name of Joint Venture**	**Assets**	**Liabilities**	**Income**	**Expenditure**	**Contingent liabilities**	**Capital commitments**
1	**Travel Food Services (Delhi Terminal 3) Private Limited**						
	March 31, 2014	9.97	11.53	15.72	16.72	0.79	0.34
	March 31, 2013	10.80	11.36	14.92	15.48	1.71	0.24
2	**Devyani Food Street Private Limited**						
	March 31, 2014	5.98	6.98	10.24	9.79	0.20	0.00
	March 31, 2013	6.39	7.85	8.36	9.20	0.12	0.02
3	**Delhi Select Service Hospitality Private Limited**						
	March 31, 2014	5.64	8.81	7.03	7.55	0.17	-
	March 31, 2013	5.53	8.18	5.63	8.24	0.01	0.04
4	**Delhi Duty Free Services Private Limited**						
	March 31, 2014	201.23	156.37	374.53	352.00	-	0.27
	March 31, 2013	187.49	144.44	303.10	281.73	-	0.10
5	**Delhi Aviation Fuel Facility Private Limited**						
	March 31, 2014	105.28	53.37	26.05	18.23	-	0.05
	March 31, 2013	112.76	62.44	25.70	18.00	0.78	0.18
6	**Wipro Airport IT Services Limited**						
	March 31, 2014	16.59	14.45	10.46	10.22	-	-
	March 31, 2013	19.18	17.28	10.77	10.58	-	-
7	**Delhi Airport Parking Services Private Limited**						
	March 31, 2014	119.30	79.60	30.37	28.76	-	0.06
	March 31, 2013	125.56	88.08	28.77	28.49	-	-
8	**TIM Delhi Airport Advertising Private Limited**						
	March 31, 2014	47.16	21.97	79.81	70.82	-	0.54
	March 31, 2013	44.62	22.46	63.18	54.07	-	0.11
9	**Celebi Delhi Cargo Terminal Management India Private Limited**						
	March 31, 2014	109.46	62.40	72.83	72.75	3.92	-
	March 31, 2013	106.41	67.19	69.73	68.72	3.31	5.95
10	**Delhi Cargo Service Centre Private Limited**						
	March 31, 2014	59.78	53.95	24.93	28.73	-	21.96
	March 31, 2013	68.14	58.52	15.42	19.17	0.12	19.55
11	**Delhi Aviation Services Private Limited (Formerly DIAL Cargo Private Limited)**						
	March 31, 2014	45.78	28.83	18.95	17.57	-	-
	March 31, 2013	55.44	39.87	23.30	20.66	-	-

* The above information is as per unaudited financial statements furnished by the respective joint venture entities.

35. Capital and Other Commitments:

Capital Commitments:

At March 31, 2014, the Company has estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. 62.48 Crores (March 31, 2013: Rs. 92.56 Crores).

Other Commitments:

i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.

ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Airport operator i.e. Fraport AG Frankfurt Airport Services Worldwide. Further, the Company is also liable to pay approximately amounting to Rs. Nil Crores (March 31, 2013: Rs. 1.05 Crores) due on completion of seven years from the date of the agreement i.e. May 2006.

With respect to Jointly controlled entities:

iii. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the year ended March 31, 2014, the Company accounted for Rs. 51.93 Crores (Year ended March 31, 2013: Rs. 52.40) towards such short fall of subsistence level over receivables of WAISL and this is disclosed as "Information technology and related expenses" in Note 25 – Other expenses.

Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. As at March 31, 2014, the Company has funded Rs. 8.58 Crores (March 31, 2013: 12.30 Crores) towards shortfall in collection from customers.

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

v. 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 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.

vi. In respect of the Company's investment in Joint Venture ('JV') entities, other JV partners have the first right of refusal in case any of the JV partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

With respect to Associate company:

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

36. Contingent liabilities not provided for:

(Rs. in Crores)

	Particulars	As at March 31, 2014	As at March 31, 2013
(i)	Bank guarantee outstanding*	Nil	Nil
(ii)	In respect of Income tax matters	66.80	66.80
(iii)	In respect of Indirect tax matters	17.47	Nil
(iv)	Claim against the Company not acknowledged as debt	47.20	51.22
(v)	In respect of others matters [Refer (a) below]	47.45	105.18

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

a) During the year ended March 31, 2013, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 45.94 Crores on the land and properties at Delhi Airport. This was in addition to a similar demand of Rs. 59.24 Crores which was raised by SDMC during the previous year ended March 31, 2012. The Company had filed a writ petition in the Hon'ble Delhi High Court challenging the applicability of the DMC (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and had deposited an amount of Rs.13.68 Crores under protest against these demands. SDMC has inserted the "Airports & Airports properties" in property tax self-assessment form for the financial year 2013-14. Accordingly, an amount of Rs. 6.94 Crores paid by the Company towards property tax for the year 2013-14 as per self-assessment has been charged to Statement of profit and loss on time proportion basis during the year ended on March 31, 2014.

Further, High court vide its order dated September 13, 2013, directed the Company to make a proposal to SDMC for settlement of property tax. Accordingly, the Company, based on its self-assessment tax paid for the year 2013-14, the Management had estimated a liability of Rs.24.35 Crores as against Rs.105.49 Crores demand raised by SDMC and proposed towards settlement of dues as directed by Honorable Delhi High Court vide its letters dated September 20, 2013 and October 21, 2013 for Rs. 24.35 Crores. However, such settlement proposal was not accepted by SDMC stating that the area and rate of tax considered for the purpose of calculation were inaccurate/wrong. The matter is still pending with the Hon'ble Delhi High Court and is now listed on July 11, 2014.

Accordingly, the Company has recalculated the property tax and basis the same has made a further provision amounting to Rs.29.30 Crores during the year ended March 31, 2014. Further, based on a legal opinion, the Management of the Company believes that the cumulative provision made during the year ended March 31, 2014 (i.e. Rs.53.65 Crores excluding self-assessment tax paid) is adequate and no further provision is required.

b) The Airports Authority of India, w.e.f. June 1, 2007, has claimed service tax on the annual fee payable to them considering the same as rental from immovable property. The Company has disputed the grounds of the levy under provisions of the OMDA. As the matter is under dispute and pending with the Honorable High Court of Delhi, no adjustment has been made in these financial statements.

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

The Company has challenged the said circulars/letter 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 has restrained MoCA from taking any coercive measures in form of initiation of criminal proceedings against the Company and now the matter is listed on May 22, 2014. In a similar case, the aforesaid MoCA circulars/letters were challenged before the Andhra Pradesh High court and the court was please to pass an interim order dated July 13, 2012, holding that the MoCA circular dated April 16, 2010 was prospective in nature and therefore reversal of payment of any amount prior to the issuance of the circular did not arise.

Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

d) MoCA has issued the order vide 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 Airport Operator in fiduciary capacity. The company has incurred Rs. 297.76 crores towards capital expenditures (excluding related maintenance expense and interest thereon) till March 31, 2014 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard, the company therefore has challenged the said order before Hon'ble Delhi High court. The Hon'ble Court, vide its order dated March 14, 2014, has restrained MoCA from taking any coercive measures in form of initiation of criminal proceedings against the Company and now the matter is listed on August 7, 2014. Based on an internal assessment, the Management of the Company is of the view that no adjustments are required to be made to the financial statements for the year ended March 31, 2014.

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37. Retirement Benefit Plan:

Disclosure as per Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India:

Employees Benefit
(a) Defined contribution plan

(Rs. in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Employer's contribution to Superannuation fund*	3.08	3.01

*Transfer to CWIP Rs. 0.11 Crore (March 31, 2013 Rs.0.11 Crore)

Defined Benefit Plans

(b) Provident and other funds

(Rs. in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Employer's contribution to Provident and other funds*	3.95	5.48

*Transfer to CWIP Rs. 0.17 Crore (March 31, 2013 Rs. 0.17 Crore)

The Guidance on Implementing of Accounting Standard 15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India, states that 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 cumulative short-fall of Rs. Nil Crores (March 31, 2013: Rs. 0.97 Crores) which has been provided in the financial statements and is included in Note 9 – Provisions.

(Rs. in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Plan assets at the year end, at fair value	65.35	55.48
Present value of benefit obligation at year end	65.35	56.45
Net (liability) recognized in the balance sheet	-	(0.97)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2014	As at March 31, 2013
Discount rate	9.25%	8.10%
Fund rate	9.30%	8.60%
EPFO rate	8.60%	8.60%
Withdrawal rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08) (modified)Ult *	LIC (1994-96) Ultimate

*As published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013

(c) Gratuity expense

Statement of profit and loss

Net employee benefit expense:

(Rs. in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Current service cost	1.35	1.17
Interest cost on benefit obligation	0.50	0.40
Expected return on plan assets	(0.73)	(0.58)
Net actuarial loss recognized in the period	(0.27)	0.44
Net benefit expense	**0.85**	**1.43**

Balance sheet

(Rs. in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	(7.23)	(6.67)
Fair value of plan assets	7.94	8.19
Plan asset / (liability)	**0.71**	**1.52**

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in Crores)

Gratuity	As at March 31, 2014	As at March 31, 2013
Opening defined benefit obligation	6.67	4.86
Interest cost	1.35	0.40
Current service cost	0.50	1.17
Acquisition cost	(0.04)	0.23
Benefits paid (including transfer)	(0.97)	(0.43)
Actuarial losses/ (gain) on obligation	(0.28)	0.44
Past service cost	-	-
Closing defined benefit obligation	**7.23**	**6.67**

Changes in the fair value of plan assets are as follows:

(Rs. in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Opening fair value of plan assets	**8.19**	**4.68**
Expected return	0.73	0.58
Contributions by employer	-	3.35
Benefits paid (including transfer)	(0.97)	(0.43)
Actuarial gains / (loss)	(0.01)	0.01

Closing fair value of plan assets	**7.94**	**8.19**

The company expects to contribute Rs. Nil crores to gratuity fund during the year ended on March 31, 2015.

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	**As at March 31, 2014**	**As at March 31, 2013**
	(%)	(%)
Investments with insurer managed funds	100	100

The Principal assumptions used in determining gratuity for the Company's plan are shown below:

Particulars	**As at March 31, 2014**	**As at March 31, 2013**
Discount rate	9.25%	8.10%
Expected rate of return on assets	9.45%	9.40%
Expected rate of increase in compensation level	6.00%	6.00%
Attrition rate	5.00%	5.00%

Experience adjustments for the current and previous years are as follows:

(Rs. in Crores)

	As at March 31, 2014	**As at March 31, 2013**	**As at March 31, 2012**	**As at March 31, 2011**	**As at March 31, 2010**
Defined benefit obligation	(7.23)	(6.67)	(4.86)	(3.56)	(2.95)
Plan assets	7.94	8.19	4.68	4.37	2.90
Funded status	0.71	1.52	(0.18)	0.79	(0.05)
Experience (loss) adjustment on plan liabilities	(0.42)	(0.23)	(0.99)	-	-
Experience gain/ (loss) adjustment on plan assets	(0.01)	0.01	-	-	-
Actuarial gain due to change on assumptions	0.70	(0.22)	0.21	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

38. Derivative Instruments:

Interest rate swaps outstanding as at the balance sheet date:

As per the conditions precedent to disbursement of loan, the Company has entered into interest rate swap (IRS) agreements from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 310.625 million (March 31, 2013: USD 341.25 Million). Since the critical terms of the IRS and those of the principal term loan are same, based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan, is not expected to be material and accordingly no adjustment has been made in the financial statements.

Particulars of Derivatives	Purpose
Interest rate swap outstanding as at Balance sheet date: USD 310.625 million (March 2013: USD 341.25 million)	Hedge of variable interest outflow on External Commercial Borrowing. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 months' LIBOR:

March 31, 2014 ECB Amount (USD in Millions)	March 31, 2013 ECB Amount (USD in Millions)	March 31, 2014 Interest Rate	March 31, 2013 Interest Rate
88.7500	97.5000	4.99%	4.99%
66.5625	73.12500	2.76%	2.76%
88.7500	97.5000	0.87%	0.87%
66.5625	73.12500	0.86%	0.86%

39. Particulars of un-hedged foreign currency exposure as at the Balance sheet date are as under:

	As at March 31, 2014			As at March 31, 2013		
Particulars	**Amount (Rs. In Crores)**	**Currency**	**Foreign Currency in Crores**	**Amount (Rs. In Crores)**	**Currency**	**Foreign Currency in Crores**
Liabilities/ (Receivables)	1.03	EUR	0.01	20.61	EUR	0.30
	0.07	GBP	0.00	0.06	GBP	0.00
	0.00	SGD	0.00	0.00	SGD	0.00
	2448.61	USD	40.48	1,870.07	USD	34.13
	(10.21)	USD	(0.17)	(10.76)	USD	(0.20)

Closing exchange rates in Rs:

Currency	As at March 31, 2014	As at March 31, 2013
EUR	82.69	69.50
GBP	99.77	82.23
SGD	47.58	45.03
USD	60.49	54.80

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As per the available information with the Management, the total dues payable to enterprises registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are as below:

(Rs. in Crores)

	As at March 31, 2014	As at March 31, 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	Nil	0.06
Interest due on above	Nil	Nil
	Nil	**0.06**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
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 the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

41. Additional information required under revised Schedule VI to the Companies Act, 1956 are stated below:

a) Earnings in foreign currency (On accrual basis, excluding service tax)

(Rs. in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from concessionaires	241.40	191.95
Total	**241.40**	**191.95**

b) CIF value of imports (On accrual basis)

(Rs. in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Import of capital goods and other materials	1.43	14.87

c) Expenditure in foreign currency (On accrual basis)

(Rs. in Crores)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest	174.23	133.33*
Professional and consultancy expenses	11.79	18.65
Finance costs	2.54	18.56
Other expenses	5.69	3.03
Traveling and Conveyance	2.78	1.03
Total	**197.03**	**174.60**

* This includes the paragraph 4(e) of Accounting Standard 16 adjustments made during the year ended March 31, 2012 amounting to Rs.17.80 Crores which were earlier charged to the statement of profit and loss, had now been capitalized and adjusted against the finance costs for the year ended March 31, 2013.

d) Consumption of stores and spares during the year:

(Rs. in Crores)

	For the year ended March 31, 2014		For the year ended March 31, 2013	
	%	**Amount**	**%**	**Amount**
Imported	3	0.56	5	0.90
Indigenous	97	17.63	95	17.12
Total	**100**	**18.19**	**100**	**18.02**

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42. The 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.

43. The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. As at March 31, 2014, the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 Crores including Rs. 2.07 crores utilized for assets lying in capital work in progress [March 31, 2013: Rs. 94.19 Crores (including Rs. 4.59 crores related to PSF (SC)] in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).

The Company was of the view that such credit entitlements constitute capital grant and thus, was recording fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips. However, the Expert Advisory Committee of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to revenue under Accounting Standard 12 – Accounting for Government Grants.

Accordingly as allowed under para 15 of Accounting Standard, the Company has adjusted (netted off) Rs.80.39 Crores, [being the difference between the value of duty credit scrips amounting to Rs. 89.60 Crores and the depreciation amounting to Rs. 9.21 Crores that ought to have been charged on such assets] against certain expenditure, which in its view are related to obtaining such custom duty credit scrip entitlements and has disclosed the same as prior period items (net) in Note 28 to the financial statements.

Further, the management does not anticipate any further utilization for eligible imports.

44. The Company has received advance development costs of Rs. 653.13 Crores (March 31, 2013: Rs. 653.13 Crores) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2014, the Company has incurred development expenditure of Rs. 318.50 Crores (March 31, 2013: Rs. 276.67 Crores) which has been adjusted against the aforesaid advance and balance amount is disclosed under other long term liabilities and current liabilities.

45. During the year 2012-13, the Company had started collecting "Marketing Fund" at a specified percentage from various concessionaires as per respective concessionaire agreements, to be utilized towards sales promotional activities as defined in such agreements. Till March 31, 2014, the Company had billed Rs. 36.97 Crores (March 31, 2013: Rs. 23.91 Crores) towards such Marketing Fund and has incurred expenditure amounting to Rs. 7.22 Crores (March 31, 2013: Rs. 2.20 Crores) towards agency fees to various external advertising and marketing service providers from the amount so collected. The balance amount of Rs. 29.75 Crores as at March 31, 2014 (March 31, 2013: Rs. 21.71 Crores) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be used for the purposes for which the amounts are collected.

46. A search operation under section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income tax authorities on October 11, 2012 followed by another search closure visit on November 01, 2012, to check the compliance with the provisions of the Income tax Act, 1961. Subsequently, pursuant to the notices issued under section 153A of the Income-tax Act, 1961, the Company has submitted return of income for Six assessment years i.e. Assessment Years 2007-08 to 2012-13. However, the Company has not received any notice of demand from the Income tax authorities to date. The management of the Company believes that it has complied with all the applicable provisions of the Income tax act, 1961 with respect to its operations and does not expect any additional tax liability on account of search operations.

47. Interest cost capitalized during the year (net of income from temporary investments) is Rs. Nil (year ended March 31, 2013: Rs. 6.29 Crores).

48. 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 opinion that the observations in the CAG report and the PAC report do not have any financial impact on the Company.

49. 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, 2014.

50. The Ministry of Corporate Affairs (MCA) had issued General Circular no. 25/2012 dated August 9, 2012 with regard to accounting for exchange differences. As per the circular, Companies applying for paragraph 46A of Accounting Standard 11 need not identify paragraph 4(e) of Accounting Standard 16 adjustment and charge to statement of profit and loss. Accordingly, the paragraph 4(e) of Accounting Standard 16 adjustments made during the year ended March 31, 2012 amounting to Rs.17.80 Crores which were earlier charged to the statement of profit and loss, had been capitalized and adjusted against the finance costs for the year ended March 31, 2013.

51. During the year, an employee on deputation has committed a criminal breach of trust on the Company. The employer has terminated the employee and initiated legal action against such employee on deputation.

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52. Previous year's figures have been regrouped and re-arranged wherever necessary to conform to those of current year.

53. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the 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 Reg. No.: 101049W
Chartered Accountants

/s/ Jayanta Mukhopadhyay
Per Jayanta Mukhopadhyay
Partner
Membership No. 55757

Place : New Delhi
Date: May 07, 2014

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

/s/ G.Srinivas
Per G.Srinivas
Partner
Membership No. 86761

Place : New Delhi
Date: May 07, 2014

For and on behalf of the Board of Directors

/s/ Srinivas Bommidala
Srinivas Bommidala
Managing Director

Place: Bengaluru
Date : May 07, 2014

/s/ K. Narayana Rao
K. Narayana Rao
Whole Time Director

Place: New Delhi
Date : May 07, 2014

/s/ Radhakrishnababu G
Radhakrishnababu G
Chief Financial Officer and
Company Secretary

Place: New Delhi
Date : May 07, 2014

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