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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of Delhi International Airport Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Delhi International Airport Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Delhi International Airport Limited ('the Company') for the quarter ended 30 September 2023 and the year to date results for the period 01 April 2023 to 30 September 2023, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 5 to the accompanying Statement in relation to ongoing litigation / arbitration proceedings between the Company and Airport Authority of India (AAI) in respect of Monthly Annual Fee (MAF) for the period 1 April 2020 to 31 March 2022 for which the Company has sought to be excused from making payment to AAI as triggered from a force majeure event, which could have a significant impact on the accompanying Statement, if the potential exposure were to materialize. The outcome of such litigation/ arbitration proceedings is currently uncertain and basis internal assessment and legal opinion, pending final outcome of the litigation, the management is of the view that no further adjustments are required to be made



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to the accompanying Statement for the aforesaid matter. Our conclusion is not modified in respect of this matter.

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

For **K. S. Rao & Co.**,
Chartered Accountants
Firm Registration No.: 003109S

Danish Ahmed
Partner
Membership No.: 522144
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M.S.S. Gupta
Sudarshana Gupta M S
Partner
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Place: New Delhi
Date: 30 October 2023



Place: New Delhi
Date: 30 October 2023

Delhi International Airport Limited
Corporate Identity Number : U63033DL2006PLC146936
Phone: +91-11-47197000 Fax: +91-11-47197181
Email : DIAL-CS@gmrgroup.in Website: www.newdelhiairport.in
Registered Office: New Udaan Bhawan, Opposite Terminal-III, IGI Airport, New Delhi-110037
Statement of Unaudited Standalone Financial Results for the quarter and six months period ended September 30, 2023
(All amounts in Rs. crore unless otherwise stated)

S.No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations						
	(a) Sale of services	955.16	959.44	820.15	1,914.60	1,565.13	3,414.88
	(b) Other operating revenue	194.78	207.36	140.56	402.14	282.16	575.09
	Total revenue from operations (I)=(a)+(b)	1,149.94	1,166.80	960.71	2,316.74	1,847.29	3,989.97
II	Other income	103.74	31.88	49.38	135.62	132.38	264.30
III	Total Income (I+II)	1,253.68	1,198.68	1,010.09	2,452.36	1,979.67	4,254.27
IV	Expenses						
	(a) Annual fee to Airports Authority of India (AAI) [refer note 5]	557.72	529.74	448.72	1,087.46	850.21	1,857.67
	(b) Employee benefits expense	68.26	63.70	66.00	131.96	127.24	251.98
	(c) Other expenses	226.68	227.43	216.42	454.11	424.88	806.52
	Total expenses (IV)=(a)+(b)+(c)	852.66	820.87	731.14	1,673.53	1,402.33	3,066.17
V	Earnings before interest, tax, depreciation and amortisation expenses (EBITDA) and exceptional items (III)-(IV)	401.02	377.81	278.95	778.83	577.34	1,248.10
VI	Depreciation and amortisation expense	192.93	154.99	175.81	347.92	319.80	655.79
VII	Finance costs	298.47	208.78	202.14	507.25	394.54	810.32
VIII	(Loss)/ profit before exceptional items (V-VI-VII)	(90.38)	14.04	(99.00)	(76.34)	(137.00)	(218.01)
IX	Exceptional items (refer note 8,9 and 10)	30.00	-	-	30.00	-	59.30
X	(Loss)/ profit before tax (VIII-IX)	(120.38)	14.04	(99.00)	(106.34)	(137.00)	(277.31)
XI	Tax expense:						
	Current tax - earlier years	-	-	-	-	-	7.55
	Total tax expense	-	-	-	-	-	7.55
XII	Profit/ (loss) for the period / year (X-XI)	(120.38)	14.04	(99.00)	(106.34)	(137.00)	(284.86)
XIII	Other comprehensive (loss)/ income						
A	Items that will not be reclassified to profit or loss						
	Re-measurement gain/ (loss) on defined benefit plans	(1.99)	0.84	(1.31)	(1.15)	(0.72)	(1.82)
	Income tax effect	-	-	-	-	-	-
B	Items that will be reclassified to profit or loss						
	Net movement of cash flow hedges	(36.70)	(135.58)	(270.90)	(172.28)	(473.37)	(309.91)
	Income tax effect	-	-	-	-	-	-
	Total other comprehensive (loss)/ income (net of tax) (XIII)=(A)+(B)	(38.69)	(134.74)	(272.21)	(173.43)	(474.09)	(311.73)
XIV	Total Comprehensive (loss)/ income for the period/year (XII+XIII) [Comprising profit/ (loss) and other comprehensive (loss)/ income for the period / year]	(159.07)	(120.70)	(371.21)	(279.77)	(611.09)	(596.59)
XV	Paid-up equity share capital (face value of Rs. 10/- per equity share)	2,450.00	2,450.00	2,450.00	2,450.00	2,450.00	2,450.00
XVI	Other equity	-	-	-	-	-	(674.48)
XVII	Earnings per share (EPS) -face value of Rs. 10/- each (not annualised)						
	Basic (amount in Rs)	(0.49)	0.06	(0.40)	(0.43)	(0.56)	(1.16)
	Diluted (amount in Rs)	(0.49)	0.06	(0.40)	(0.43)	(0.56)	(1.16)
XVIII	Net worth (refer note 12 below)	1,495.75	1,654.82	1,764.02	1,495.75	1,761.02	1,775.52
XIX	Ratios (refer note 12 below)						
	Debt equity ratio	9.31	8.34	7.12	9.31	7.12	7.11
	Debt service coverage ratio*	1.77	0.57	2.11	0.96	0.86	0.90
	Interest service coverage ratio*	1.78	0.57	2.14	0.97	0.90	0.92
	Current ratio	1.01	1.10	1.18	1.01	1.18	0.79
	Long term debt to working capital	678.60	52.81	28.56	678.60	28.56	(22.50)
	Bad debts to account receivable ratio*	-	-	0.00	-	0.00	0.15
	Current liability ratio	0.14	0.13	0.12	0.14	0.12	0.14
	Total debt to total assets ratio	0.62	0.54	0.61	0.62	0.61	0.61
	Debtors turnover*	3.56	3.54	2.31	7.48	5.38	11.74
	Operating margin (%)	15.49%	19.10%	10.74%	17.30%	13.94%	13.36%
	Net profit margin (%)	(10.47)%	1.20%	(10.30)%	(4.59)%	(7.42)%	(7.14)%
	Outstanding redeemable preference shares	NA	NA	NA	NA	NA	NA
	Capital redemption reserve/ debenture redemption reserve (if any)	NA	NA	NA	NA	NA	NA
	Inventory turnover	NA	NA	NA	NA	NA	NA

*Ratios for the quarter ended periods have not been annualised



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Delhi International Airport Limited
Statement of standalone assets and liabilities as at September 30, 2023
(All amounts in Rs. crore, except otherwise stated)

S.No.	Particulars	September 30, 2023 (Unaudited)	March 31, 2023 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	11,177.81	6,453.31
	Capital work in progress	4,284.27	8,082.88
	Intangible assets	350.61	355.25
	Right-of-use asset	12.69	10.80
	Financial assets		
	(i) Investment in associates and joint ventures	249.45	249.45
	(ii) Other financial assets	1,177.67	1,257.41
	Other non-current assets	2,197.80	2,163.65
	Non-current tax assets	31.94	10.48
		19,482.24	18,583.23
2	Current assets		
	Inventories	5.90	5.53
	Financial assets		
	(i) Investments	1,588.70	914.25
	(ii) Trade receivables	104.10	76.80
	(iii) Cash and cash equivalents	390.98	279.09
	(iv) Bank balance other than cash and cash equivalents	357.33	47.27
	(v) Other financial assets	322.75	590.16
	Other current assets	141.46	177.06
		2,911.22	2,090.16
	Total Assets	22,393.46	20,673.39
B	EQUITY AND LIABILITIES		
3	Equity		
	Equity share capital	2,450.00	2,450.00
	Other equity	(954.25)	(674.48)
	Total Equity	1,495.75	1,775.52
4	Non-current liabilities		
	Financial liabilities		
	(i) Borrowings	13,904.81	12,614.18
	(ii) Lease liabilities	9.90	8.59
	(iii) Other financial liabilities	1,266.04	1,305.09
	Deferred revenue	2,562.73	2,130.44
	Other non-current liabilities	263.52	185.45
	Provisions	-	3.06
		18,007.00	16,246.81
5	Current liabilities		
	Financial liabilities		
	(i) Borrowings	-	-
	(ii) Lease liabilities	4.43	3.99
	(iii) Trade payables		
	-Total outstanding dues of micro enterprises and small enterprises	45.29	36.02
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	400.67	410.02
	(iv) Other financial liabilities	1,384.63	1,561.10
	Deferred revenue	612.95	190.70
	Other current liabilities	287.68	296.65
	Provisions	155.06	152.58
		2,890.71	2,651.06
	Total Liabilities	20,897.71	18,897.87
	Total Equity and Liabilities	22,393.46	20,673.39



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Delhi International Airport Limited
Statement of standalone cash flows for the six months period ended September 30, 2023
(All amounts in Rs. crore, except otherwise stated)

Particulars	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash flow from operating activities		
Loss before tax	(106.34)	(137.00)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortisation expenses	347.92	319.80
Provision for doubtful debts / bad debts written off	-	0.05
Provision against the property tax demand (Refer note 10)	30.00	-
Interest income on deposits/current investment	(39.72)	(27.96)
Exchange differences unrealised (net)	0.22	0.39
Gain on sale of current investments-Mutual fund	(12.85)	(8.11)
Loss on discard of capital work in progress and property, plant and equipments	0.06	-
Dividend income on non current-investments carried at cost	(74.63)	(31.75)
Interest on borrowings	365.14	281.21
Call spread option premium	76.36	76.36
Other borrowing costs	21.57	0.51
Rent expenses on financial assets carried at amortised cost	0.19	0.31
Interest expenses on financial liability carried at amortised cost	43.00	36.16
Deferred income on financial liabilities carried at amortised cost	(65.29)	2.60
Fair value gain on financial instruments at fair value through profit or loss	(4.41)	(0.85)
Interest income on financial asset carried at amortised cost	(3.51)	-
Operating profit before working capital changes	577.71	511.72
Working capital adjustment:		
Change in non-current financial liabilities	416.40	39.03
Change in non-current deferred revenue	(1.21)	(21.93)
Change in other non-current liabilities	78.07	67.79
Change in non-current provisions	(3.06)	(5.62)
Change in trade payables	(5.24)	0.64
Change in current financial liabilities	75.84	11.38
Change in current deferred revenue	414.70	275.88
Change in other current liabilities	(8.98)	38.94
Change in current provisions	2.47	3.54
Change in other non-current financial assets	1.00	(118.98)
Change in other non-current assets	(139.17)	(244.58)
Change in inventories	(0.37)	0.04
Change in trade receivables	(57.29)	19.00
Change in other current financial assets	234.40	29.65
Change in other current assets	33.67	49.93
Cash generated from operations	1,618.94	656.43
Direct taxes paid	(21.46)	(6.75)
Net cash flow from operating activities (A)	1,597.48	649.68
Cash flows from investing activities		
Purchase of property plant and equipments, including capital work in progress and capital advances	(1,134.55)	(1,002.06)
Proceeds from sale of property, plant and equipment and capital work in progress	0.00	-
Purchase of current investments	(6,038.04)	(3,998.04)
Sale/maturity of current investments	5,380.86	3,773.92
Dividend income	103.75	31.75
Interest received	89.17	62.44
Investment in margin money deposit	(0.02)	(0.01)
Redemption of fixed deposits with original maturity of more than three months (net)	(310.06)	124.68
Net cash used in investing activities (B)	(1,908.89)	(1,007.32)
Cash flows from financing activities		
Principal payment of lease liability	(2.16)	(3.18)
Interest payment of lease liability	(0.61)	0.67
Repayment of short term loan from banks	-	(22.00)
Repayment of non convertible debentures	(744.00)	-
Proceeds from non convertible debentures	1,943.95	1,000.00
Option premium paid	(129.68)	(129.98)
Borrowing cost paid	(51.20)	(11.81)
Interest paid	(593.00)	(502.92)
Net cash flow from financing activities (C)	423.30	330.78
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	111.89	(26.86)
Cash and cash equivalents at the beginning of the year	279.09	1,282.94
Cash and cash equivalents at the end of the period	390.98	1,256.08
Components of cash and cash equivalents		
Cash on hand	0.06	0.05
Cheques/ drafts on hand	-	-
With banks		
- on current accounts	68.82	36.06
- on deposit accounts	322.10	1,219.97
Total cash and cash equivalents	390.98	1,256.08



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Notes to the statement of unaudited standalone financial results for the six months period ended September 30, 2023

1. The above financial results of Delhi International Airport Limited ('DIAL' or 'the Company') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on October 26, 2023 and October 30, 2023 respectively. The statutory auditors of the Company have carried out a limited review on these financial results.
2. The Company's business activities fall within a single business segment in terms of Ind AS 108 'Operating Segment'.
3. During the quarter, the Company has issued Listed Non-Convertible Debentures (NCDs) (unsecured as per Companies Act and LODR) of Rs. 744.00 crores carrying fixed interest rate of 9.75% p.a. payable quarterly for first 60 months and coupon reset rate for balance 24 months subject to floor of 1.50% and cap of 5.50% over the Repo rate at the reset date, as per the provisions of Debenture Trust Deed. NCDs were allotted on August 22, 2023 by the Company to eligible Qualified Institutional Buyers (QIBs) with principal maturity due on August 22, 2030.

Proceeds from these NCDs have been utilized for part refinancing of 2025 NCDs issued under Voluntary Retention Route during March 2021, subscribed by an Foreign Portfolio Investor (M/s India Airport Infra formerly known as Clifton Limited).

NCDs are secured (unsecured as per Companies Act and LODR) 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 Operation Management Development Agreement (OMDA).

4. During the previous quarter, the Company had issued Listed Non-Convertible Debentures (NCDs) (unsecured as per Companies Act and LODR) of Rs. 1,200 crores carrying fixed interest rate of 9.75% p.a. payable quarterly for first 60 months and coupon reset rate for balance 24 months subject to floor of 1.50% and cap of 5.50% over the Repo rate at the reset date, as per the provisions of Debenture Trust Deed. NCDs were allotted on April 13, 2023 by the Company to eligible Qualified Institutional Buyers (QIB's) with principal maturity due on April 13, 2030.

Proceeds from these NCDs shall be utilized for part financing of Phase 3A expansion project.

NCDs are secured (unsecured as per Companies Act and LODR) 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.

5. The Company issued various communications to Airports Authority of India ("AAI") from the month of March 2020 onwards inter-alia under Article 16 (Force Majeure) and informed AAI that consequent to the outbreak of Covid-19 pandemic, the entire aviation industry, particularly the Indira Gandhi International ("IGI") Airport has been adversely affected. It was specifically communicated that the said crisis has materially and adversely affected the business of the Company which in turn has directly impacted the performance of the Company's obligations under the Operations Management and Development Agreement ("OMDA") (including obligation to pay Annual Fee/Monthly Annual Fee) while the Company is continuing to perform its obligation to operate, maintain and manage the IGI Airport. The Company thereby invoked Force Majeure post outbreak of COVID-19 "A Pandemic" as provided under Article 16 of OMDA and claimed that it would not be in a position to perform its obligation to prepare Business Plan and pay Annual Fee/ Monthly Annual fee to AAI. The said event(s) of Force Majeure had also been admitted by AAI in its communication to the Company. Consequently, the Company is entitled to suspend or excuse the performance of its said obligations to pay Annual Fee/Monthly Annual Fee as notified to



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Delhi International Airport Limited

Notes to the statement of unaudited standalone financial results for the six months period ended September 30, 2023

AAI. However, AAI has not agreed to such entitlement of the Company under OMDA. This has resulted in dispute between the Company and AAI and for the settlement of which, the Company has invoked on September 18, 2020 dispute resolution mechanism in terms of Article 15 of OMDA. Further, on December 02, 2020, the Company again requested AAI to direct the ICICI Bank (Escrow Bank) to not to transfer the amounts from Proceeds Accounts to AAI Fee Account, seeking similar treatment as granted by Hon'ble High Court of Delhi to Mumbai International Airport Limited.

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

- The ICICI Bank is directed to transfer back, into the Proceeds Account, any amount which may have been transferred from the Proceeds Account to the AAI Fee Account, after December 9, 2020,
- Transfer of moneys from the Proceeds Account to the AAI Fee Account, pending further orders, shall stand stayed and the Company can use money in Proceeds Account to meet its operational expenses.

Meanwhile with the nomination of arbitrators by the Company and AAI and appointment of presiding arbitrator, the arbitration tribunal had commenced from January 13, 2021. The final arguments before arbitration tribunal were closed in February and March 2023 and final order of Arbitration Tribunal is awaited.

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

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

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

In view of the above, the management of the Company had not provided the Monthly Annual Fee to AAI for the period April 1, 2020 to March 31, 2022 amounting to Rs. 1,758.28 crores.

As AAI had already appropriated the Monthly Annual Fee amounting to Rs. 446.21 crores from April 01, 2020 till December 09, 2020, which the Company had already protested. The same had been shown as Advance to AAI paid under protest. However, since the recovery of this amount is sub-judice before the Hon'ble High Court of Delhi and the arbitral tribunal, as a matter of prudence, the Company had created a provision against above advance and shown the same in other expenses during the financial year ended March 31, 2021.



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Notes to the statement of unaudited standalone financial results for the six months period ended September 30, 2023

As an interim arrangement the Parties (the Company and AAI) by mutual consent and without prejudice to their rights and contentions in the dispute before the arbitral tribunal, have entered into a settlement agreement dated April 25, 2022, for the payment of Annual Fee/ Monthly Annual Fee (AF/ MAF) with effect from April 2022, prospectively. Accordingly, the Company is paying the MAF to AAI w.e.f. April 1, 2022 onwards as per approved Business Plan.

Consequent to this interim arrangement, both the Company and AAI had filed copy of the settlement agreement in their respective petition and appeal before Hon'ble High Court of Delhi and have withdrawn the pending proceedings. This arrangement is entirely without prejudice to the rights and contentions of the parties in respect of their respective claims and counter claims in the pending arbitration proceedings, including the disputes in respect of payment/non-payment of MAF from March 19, 2020 onwards, till such time as provided in Article 16.1.5 (c) of OMDA.

- Airports Economic Regulatory Authority of India ("AERA") has issued tariff order no 57/2020-21 for third control period ("CP3") starting from April 1, 2019 to March 31, 2024 on December 30, 2020 allowing DIAL to continue with Base Airport Charges ("BAC") +10% tariff for the balance period of third control period. AERA has also allowed compensatory tariff in lieu of Fuel Throughput Charges w.e.f. February 01, 2021 for the balance period of third control period. DIAL had also filed an appeal against some of AERA's decision in third control period order on January 29, 2021 with Telecom disputes settlement and appellate tribunal ("TDSAT").

DIAL had also filed appeal against the second control period ("CP2") before the TDSAT. Also, DIAL in respect of TDSAT order against first Control period appeal dated April 23, 2018 filed a limited appeal in the Hon'ble Supreme Court of India on July 21, 2018 in respect of which judgement pronounced on July 11, 2022, citing that all appeals are dismissed, except on the issue relating to corporate tax pertaining to aeronautical services, where DIAL's contention had been accepted that the Annual Fee paid by DIAL should not be deducted from expenses pertaining to aeronautical services before calculating the 'T' (tax) element in the formula.

TDSAT at the request of AERA and concurred by DIAL had agreed and tagged CP2 appeal with CP3 appeal. The arguments are concluded in matter and DIAL had made written submissions on May 23, 2023. The final order was pronounced on July 21, 2023. TDSAT in its order has allowed certain claims of DIAL and disallowed certain others.

AERA has filed an appeal before the Hon'ble Supreme Court on October 19, 2023 against the judgement dated July 21, 2023 passed by TDSAT. DIAL is in process of assessing and evaluating to file its representation against the appeal before the Hon'ble Supreme Court.

- Exceptional items comprise of the provision against property tax, write off of trade receivables and impairment of investment in joint venture, and reversal of lease receivables for previous year (refer note 8, 9 and 10 below).
- DIAL has billed National Aviation Security Fees Trust ("NASFT") for lease rentals towards the land and space provided as barrack accommodation to CISF staff deployed at IGI Airport charging at the rates as per the principle defined in the State Support Agreement ("SSA") entered along with OMDA.

However, NASFT has refused to pay DIAL for the rentals for land and space billed for financial years ended March 31, 2021 and March 31, 2022 and advised the Company not to raise any invoices towards rentals for financial year March 31, 2023 citing that rentals are charged at high rates and any expenses incurred by Airport operator for construction of such accommodation should be claimed as part of Regulatory Asset Base (RAB). DIAL has raised objection on the stand taken by NASFT, which it believes is arbitrary in nature and is not in line with SSA. However, NASFT has not accepted the submissions made by DIAL and has withheld the payment for land and space rentals for the financial years ended March 31, 2021 and March 31, 2022.



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Notes to the statement of unaudited standalone financial results for the six months period ended September 30, 2023

In view of the above, the Company had decided not to raise any invoices for the financial year ended March 31, 2023 and has written off the lease receivables pertaining to these areas recognized earlier until financial year ended March 31, 2022 and had disclosed the amount of Rs. 54.14 crores as an "Exceptional item" during the previous year ended March 31, 2023.

9. In respect of its equity investment in GMR Bajoli Holi Hydropower Private Limited ('Bajoli Holi'), the Company has to maintain minimum 17.33% of equity shareholding until the expiry of or early termination of power purchase agreement dated September 11, 2017 entered between the Company and the Bajoli Holi Hydropower Private Limited, expiring on May 03, 2036. The Company had invested Rs. 108.33 crore as equity share capital. Due to inordinate delay in commencement of operation in Bajoli Holi and basis the valuation report of the external valuer as at March 31, 2023, the Company had created a provision for impairment in its investment in Bajoli Holi for Rs. 33.37 crores in the financial year ended March 31, 2022 and Rs. 5.16 crores in the financial year ended March 31, 2023.
10. During the year ended March 31, 2017, the Delhi Cantonment Board (DCB) had raised provisional invoice demanding property tax of Rs. 9.01 crores in respect of vacant land at IGI Airport for the financial year ended March 31, 2017. However, based on same computation method as used for payment of property tax to South Delhi Municipal Corporation (SDMC), the Company had made payment towards property tax for financial year ended March 31, 2017 to the financial year ended March 31, 2022 along with request to DCB to withdraw its demand. DCB has raised provisional invoice on April 29, 2019 and Notice of demand dated November 1, 2019 demanding property tax of Rs. 10.73 crores for the financial year ended March 31, 2020 along with arrears of Rs. 28.78 crores.

The Company has obtained a legal opinion; wherein it has been opined that liability w.r.t. earlier years cannot be ruled out. As DCB has not raised any demand for earlier years, and the Company has submitted its application for adopting the same computation method as considered by SDMC, while arriving at the demand for the financial year ended March 31, 2017, the amount of liability for earlier years is unascertainable, and therefore no provision has been considered.

The Company had filed a writ petition before the Hon'ble Delhi High court against DCB to set aside the impugned demand notices. The Hon'ble Delhi High court heard the matter on December 2, 2019 and directed to be keep in abeyance the impugned demand notices and directed DCB to grant a detailed hearing to the Company, upon the Company's filing a representation before the DCB, subject to deposit a sum of Rs. 8.00 crores. In compliance of High Court order, the Company had deposited a sum of Rs. 8.00 crores under protest on December 20, 2019.

However, despite many representations made by the Company and ignoring all contentions of the Company, DCB had passed an assessment order dated June 15, 2020 levying the property tax of Rs. 867.21 crores per annum against its earlier assessment of tax of Rs. 9.13 crores per annum and raised the total demand of Rs. 2,601.63 crores for three years i.e. 2016-17 to 2018-19 and the Company has been directed to pay Rs. 2,589.11 crores after making due adjustments of amount already deposited. The order was in violation of the earlier order dated December 2, 2019 passed by the Hon'ble High Court of Delhi and was in breach of the provisions of the Cantonments Act. Accordingly, the Company filed a Writ Petition on July 20, 2020 before the High Court of Delhi challenging the assessment order dated June 15, 2020. The writ petition was heard on various dates in which Honourable Delhi High Court directed DCB not to take any coercive action against the Company till next hearing. During the pendency of writ petition, DCB had assessed additional demand of property tax for Rs. 2599.46 crores for the triennial financial years 2019-20 to 2021-22 after considering amount paid by the Company.

The hearing in the matter was concluded on August 9, 2023 and order has been pronounced. To put a quietus to the issue and in the interest of justice as well as to achieve parity and uniformity to the property tax being levied by MCD, the Hon'ble Delhi High Court has set aside the previous assessments and ordered that fresh assessments shall be done and property tax shall be levied as per Section 73(b) of the Cantonments Act, 2006



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by DCB on 1,438.2017 acres of land of the airport within 30 days of the order. As on date, the DCB has not issued any fresh assessment order.

Since assessment order has not been issued yet and period of 30 days has already passed, the Contingent Liability of Rs. 60.43 crores (March 31, 2023: Rs. 38.41 crores) has been estimated by the Company for the period financial year ended March 31, 2017 to financial year ended March 31, 2023 towards property tax, out of which Rs. 30 crores is provided and disclosed as exceptional item in the current quarter.

11. The Company has presented profit/ (loss) before finance costs, taxes, depreciation, amortisation expense and exceptional items as EBIDTA.

12. Notes to additional disclosures as per regulation 52(4) of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015 as amended:

- a) Debt equity ratio represents total debt (long-term borrowings, short-term borrowings and lease liability) / total equity (equity share capital + other equity).
- b) Debt service coverage ratio represents earnings available for debt servicing. (Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets) / Debt service (Interest payments+ option premium +lease payments + principal repayments). Part of the borrowing is repaid through refinancing, so principal repayment pertaining to such refinanced borrowings are not considered. Interest payments also includes option premiums and other borrowing costs capitalised during construction phase.
- c) Interest service coverage ratio represents earnings available for interest servicing. (Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets) / Interest service (interest payment+ option premium payment). Interest payment also includes option premiums and other borrowing costs capitalised during construction phase.
- d) Current ratio represent current assets/ current liabilities.
- e) Long term debt to working capital represents long-term borrowings including lease liabilities/ (current assets less current liabilities) (including current maturities of long term borrowings).
- f) Bad debts to accounts receivable ratio represents allowance for bad and doubtful debts/ average trade receivables.
- g) Current liability ratio represents current liabilities (including current maturities of long-term borrowings) / total liabilities (excludes deferred tax liabilities on fair value of equity).
- h) Total debts to total assets represent total borrowings (long term borrowings, short term borrowings and current maturities of long-term borrowings)/total assets.
- i) Debtors turnover represents revenue from operations / average trade receivables (including unbilled receivables).
- j) Net profit margin represents profit after tax (excluding other comprehensive income)/ revenue from operations.
- k) Operating profit margin represents (profit before tax (excluding other comprehensive income) + finance cost)/ revenue from operations.
- l) Inventory turnover ratio is not applicable because the Company is in operation and maintenance of airports.



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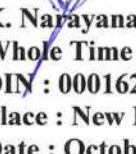


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- m) Net worth represents paid-up equity share capital plus other equity.
- n) The Company does not have any outstanding redeemable preference shares and capital redemption reserve/debenture redemption reserve.

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


K. Narayana Rao
Whole Time Director
DIN : 00016262
Place : New Delhi
Date : October 30, 2023



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