

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DELHI AEROTROPOLIS PRIVATE LIMITED

We have audited the attached Balance Sheet of Delhi Aerotropolis Private Limited, as at 31st March, 2011, the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2011;
- b. in the case of the Profit and Loss account, of the loss for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the Cash Flow for the year ended on the date.

For M/s Brahmayya & Co.,
Chartered Accountants.
Firm Registration No.000515S

Place: New Delhi
Date: 09th May, 2011

(G. Srinivas)
Partner
Membership No. 086761

ANNEXURE TO AUDITOR'S REPORT

DELHI AEROTROPOLIS PRIVATE LIMITED

- (i) (a) Based on our examination and information and explanation given to us the Company does not have any fixed assets, hence reporting under clause (i) (a, b and c) of paragraph (4A) of the Order is not applicable to the Company.
- (ii) As per information and explanation provided to us there is no Inventory, hence Clause (ii) of the Para 4 of Companies Auditors Report Order is not applicable.
- (iii) (a) 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.

(b) 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, clauses (iii)(b) to (iii)(d),(iii)(f) and (iii)(g) of paragraph 4 of the order are not applicable to the company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, the company has not transacted in purchase of fixed assets and sale of goods, accordingly reporting under clause (iv) of paragraph 4 of the order is not applicable to the company.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956.

(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakh rupees in respect of each party during the period.
- (vi) During the year the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion according to the information and explanation given to us, internal audit is not applicable to the company, accordingly clause (vii) of paragraph 4 of the order is not applicable to the company.
- (viii) The Central Government has not prescribed the maintenance of Cost Records under section 209 (1) d of the Companies Act, 1956.

- (ix) a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities the undisputed statutory dues including, income tax, service tax, cess and other statutory dues to the extent applicable to it. There are no arrears of outstanding statutory dues at 31st March, 2011 for a period of more than six months from the date they became payable.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(b) According to the records of the company, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, excise duty/cess which have not been deposited on account of dispute.

- (x) The company does have accumulated losses at the end of the financial year and has incurred cash losses in the current year and has not incurred cash losses the immediately preceding financial year. Five years has not been completed from date of incorporation to the reporting date, hence commenting on the net worth does not arise.
- (xi) According to the records of the company examined by us and the information and explanations given to us the company has not defaulted in repayment of dues to bank. The Company has no dues to Financial Institutions and banks at the Balance Sheet date and the Company has not issued any Debentures.
- (xii) Based on our examination of documents and records, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit Fund nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) Since the company is not engaged in trading in shares, securities, debentures and other securities, the related reporting requirement does not arise.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has not raised any term loan during the period. Accordingly the question of application of funds does not arise.
- (xvii) On the basis of the overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us there are no funds raised on short term basis which have been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the period and therefore paragraph 4 (clause xviii) of the order is not applicable.

- (xix) The Company has not issued debentures during the period and therefore paragraph 4 (xix) of the order is not applicable.
- (xx) The company has not raised any money by Public issue during the period and therefore paragraph 4 (xx) of the order is not applicable
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of the fraud on or by the company, notices or reported during the period, nor have we been informed of such case by the management.

For M/s Brahmayya & Co.,
Chartered Accountants.
Firm Registration No.000515S

Place: New Delhi
Date: 09th May, 2011

(G. Srinivas)
Partner
Membership No. 086761

Delhi Aerotropolis Private Limited

Balance Sheet as at March 31, 2011

(Amount in Rupees)

	Schedule	As at March 31, 2011		As at March 31, 2010	
I. Sources of Funds					
1. Shareholders' Funds					
Capital	1	1,000,000		1,000,000	
2. Share Application Money Pending allotment		-	1,000,000	48,000,000	49,000,000
3. Loan funds					
Unsecured Loan	2	-	-	-	-
Total			1,000,000		49,000,000
II. Application of Funds					
1. Fixed Assets					
a) Gross Block	3	-		-	
b) Less: Depreciation		-		-	
c) Net Block			-		-
2. Expenditure during Development period, pending allocation (net)	4	-	-	-	-
3. Investments			-		-
4. Current Assets, Loans and Advances					
a) Debtors	5	-		59,607,864	
b) Cash and Bank Balances	6	65,181		160,182	
c) Loans and Advances	7	11,660,825		1,785,606	
			11,726,006	61,553,652	
Less : Current Liabilities & Provisions					
a) Liabilities	8	11,378,516		12,553,652	
b) Provision		-		-	
		11,378,516		12,553,652	
Net Current Assets			347,490		49,000,000
5. P&L Account			652,510		-
Statement on Significant Accounting Policies and Notes to the Accounts	10				
Total			1,000,000		49,000,000

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance sheet referred to in our report of even date

For and on behalf of
M/s Brahmaya & Co.,
Chartered Accountants

For and on behalf of the Board of Directors

G.Srinivas
Partner

G Subba Rao
Director

K Narayana Rao
Director

Place : New Delhi
Date : May 09, 2011

Delhi Aerotropolis Private Limited
Profit And Loss Account for the Year ended March 31, 2011

(Amount in Rupees)

Particulars	Schedule Reference	For the year ended March 31,2011	For the year ended March 31,2010
I. Income		-	
II. Expenditure		-	
Administration Cost		-	-
Preliminary expenses		-	-
EBIDTA		-	
Finance Charges	9	652,510	
Depreciation		-	
III. Profit/(Loss) Before Taxation		(652,510)	-
Provision for Taxation - Current		-	-
- Fringe Benefit tax		-	-
V. Profit/(Loss) After Taxation		(652,510)	-
Balance brought forward from previous period		-	-
VI. Balance carried to Balance Sheet		(652,510)	-
Significant Accounting Policies and Notes to the Accounts	9		

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of
M/s Brahmaya & Co
Chartered Accountants

For and on behalf of the Board of Directors

G. Srinivas
Partner

G Subba Rao
Director

K Narayana Rao
Director

Place : New Delhi

Delhi Aerotropolis Private Limited
Cash Flow for the year Ended March 31, 2011

(Amount in Rupees)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	-	-
Operating Profit Before Working Capital Changes	-	
Adjustments for :		
Changes in Trade and Other Receivables	49,732,645	(58,835,739)
Changes in Trade and other Payables	(1,175,136)	10,876,285
Cash generated from Operations	48,557,509	(47,959,454)
FBT paid	-	(158,632)
Net Cash Flow from Operating Activities	48,557,509	(48,118,086)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets -EDC	-	101,454,031
Sale of fixed Assets	-	1,262,967
Sales of Investment	-	-
Income from Investments	-	-
Net Cash used in Investing Activities	-	102,716,998
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds/(Repayments) from/of Unsecured Loan	-	(54,538,051)
Refund of share application money	(48,000,000)	
Net Cash used in Financing Activities	(48,000,000)	(54,538,051)
Net increase / (decrease) in Cash and Cash Equivalents	557,509	60,861
Cash and Cash Equivalents at the beginning of the year	160,182	99,321
Cash and Cash Equivalents at the end of the year	65,181	160,182

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
M/s Brahmaya & Co.,
Chartered Accountants

G.Srinivas
Partner

For and on behalf of the Board of Directors

G Subba Rao
Director

K Narayana Rao
Director

Place : New Delhi

Delhi Aerotropolis Private Limited
Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 1	As at March 31, 2011	As at March 31, 2010
Capital		
Authorised 5,000,000 Equity Shares of Rs.10 each	50,000,000	50,000,000
Issued, Subscribed and Paid Up 100,000 Fully Paid up Equity Shares of Rs.10 each fully paid up (Out of the above, 100,000(2008: 100,000) Equity Shares fully paid-up are held by Delhi International Airport Private Limited, the holding company)	1,000,000	1,000,000
Total	1,000,000	1,000,000

Schedule 2	As at March 31, 2011	As at March 31, 2010
Unsecured Loans		
Short Term From Others (from Holding Company)	-	0
Total	-	-

Schedule 4	As at March 31, 2011	As at March 31, 2010
Expenditure During Development Period, Pending Allocation (Net)		
Salaries, allowances and benefits to employees	-	42,285,750
Contribution to provident and other funds	-	2,165,849
Staff Welfare Expenses	-	4,238,416
Recruitment Expenses	-	3,117,618
Rent	-	210,000
Rates and Taxes	-	443,478
Consultancy and professional charges	-	24,877,669
Remuneration to Auditor	-	0
- Audit Fees	-	106,810
Developmental Expenses	-	12,341,069
Travelling and conveyance	-	5,777,937
Communication Expenses	-	1,370,294
Fringe Benefit Tax	-	690,014
Income Tax	-	2,066
Depreciation and profit or Loss on sale of Fixed assets	-	345,702
Interest paid	-	2,841,554
Miscellaneous expenses	-	1,349,772
	-	102,163,998
Less: Other Income		
Income from Investments-Other than Trade	-	110,652
Interest Received on Deposits	-	4,027
Other Receipts	-	2,650
Total	0	102,046,669
Less: Reimbursement from DIAL	-	102,046,669
Total	-	-

Delhi Aerotropolis Private Limited
Schedules forming part of the Balance Sheet as at December 31, 2008

Schedule 3

Fixed Assets

(Amount in Rupees)

Description	ROD	Gross Block				Depreciation				Net Block	
		As at April 1, 2008	Additions	Deletions	As at December 31, 2008	As at April 1, 2008	For the period	On Deletions	As at December 31, 2008	As at December 31, 2008	As at March 31, 2008
Computers	16.21%	664,910	569,900	701,174	533,636	42,147	#REF!	45,036	#REF!	#REF!	622,763
Office Equipment	4.75%	858,150	107,740	82,040	883,850	26,018	46,338	1,271	71,085	812,765	832,132
Furniture & Fixtures	6.33%	-	15,750	-	15,750		442	-	442	15,308	-
Total		1,523,060	693,390	783,214	1,433,236	68,165	#REF!	46,307	#REF!	#REF!	1,454,895

Delhi Aerotropolis Private Limited
Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 5	As at March 31, 2011	As at March 31, 2010
Debtors		
Sundry Debtors	0	59,607,863.60
Total	0	59,607,864

Schedule 6	As at March 31, 2011	As at March 31, 2010
Cash and Bank Balances		
Cash on Hand	440	440.00
Balances with scheduled banks - On Current accounts	64,741	159,742
Total	65,181	160,182

Schedule 7	As at March 31, 2011	As at March 31, 2010
Loans and Advances (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	-	0
Balance with Excise Authorities	0	1,584,814
Advance Tax (Including Fringe Benefit Tax net of Provisions and Income tax)	11,660,825	200,792
Total	11,660,825	1,785,606

Schedule 8	As at March 31, 2011	As at March 31, 2010
Current Liabilities and Provisions		
A) Liabilities		
Sundry Creditors		
Dues to Micro and Small Enterprises	-	-
Dues to other than Micro and Small Enterprises	11,378,516	-
	11,378,516.00	-
Other Liabilities	0	12,553,652
Total	11,378,516	12,553,652

Delhi Aerotropolis Private Limited
Schedules forming part of Profit & Loss Account For The Year Ending March 31, 2011

(Amount in Rupees)

Schedule 9	As at March 31, 2011	As at March 31, 2010
Bank Charges	23,047	-
Interest	629,464	-
Total	652,510	-

DELHI AEROTROPOLIS PRIVATE LIMITED

Statement on Significant Accounting Policies and Notes to the Accounts

Schedule - 10

I. Significant Accounting Policies:

1. Basis of Presentation:

The financial statements are prepared in accordance with the historical cost convention and to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under section 211 (3C) of the Companies Act, 1956 of India (the 'Act') and other relevant provisions of the Act.

2. Fixed Assets:

Fixed Assets are stated at cost, less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies, and all incidentals attributable to bringing the asset to its working condition.

3. Depreciation:

Fixed assets are depreciated on straight-line method as per the rates specified in Schedule XIV to the Companies Act, 1956. Individual assets costing less than Rs.5, 000 are fully depreciated in the year of purchase.

4. Investments:

Long term investments are valued at cost unless there is a permanent diminution in their values. Current investments are valued at cost or market value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition. Income from investments is recognised in the year in which it is accrued and stated at gross.

5. Foreign Currency Transactions:

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. Current assets and current liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain/loss is recognised in the financial statements.

6. Retirement Benefits:

The company does not have employees in its rolls as on 31st March 2010. Hence revised Accounting Standard – 15 "Employee Benefits" does not apply to the company.

DELHI AEROTROPOLIS PRIVATE LIMITED

7. Taxes on Income:

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one year and is capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

8. Borrowing Costs:

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

9. Intangible Assets:

Intangible Assets are recognized as per the criteria as specified in AS 26 issued by the ICAI and are amortized as required.

10. Impairment of Assets:

All fixed assets are assessed for any indication of impairment at the end of each financial year. On any such indication, the impairment loss (being the excess of carrying value over the recoverable value of the asset) is immediately charged to the Profit and Loss Account. The impairment loss recognized in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

II. Notes to the Accounts:

1. Delhi Aerotropolis Private Limited (DAPL) was incorporated on May 22, 2007 as a wholly owned subsidiary of Delhi International Airport Private Limited (DIAL) to undertake infrastructure development activities at the Indira Gandhi International Airport located in New Delhi.

Delhi Aerotropolis Private Limited

Regd. Office: Udaan Bhavan, Terminal 1B, Indira Gandhi International Airport, New Delhi - 110 037

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1	Registration Details			
	Registration No.		U45400DL2007PTC163751	
	Balance Sheet Date	March 31,2011		
2	Capital Raised during the year (Amount in Rs. Thousands)			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
3	Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)			
	Total Liabilities	1,000	Total assets	1,000
	Sources of Funds			
	Paid -Up Capital	1,000	Reserves & Surplus	Nil
	Share Application Money	-	Secured Loans	Nil
	Lease Advance Received	Nil	Unsecured Loans	-
	Application of Funds			
	Net Fixed Assets	-	Investments	-
	Net Current Assets	347	Misc. Expenditure	-
	Accumulated Losses	653		
4	Perfomrance of Company (Amount in Rs. Thousands)			
	Gross Income	Nil	Total Expenditure	Nil
	+/-Profit / Loss Before Tax	Nil	+/-Profit / Loss After Tax	Nil
	Earning Per Shre in Rs.	Nil	Dividend Rate %	Nil
5	Generic Names of Three Principal Products / Services of Company (As per monetary terms)			
	Item Code No.	N.A		
	Product Description	N.A		

For and on behalf of
M/s Brahmayya & Co
Chartered Accountants

For and on behalf of the Board of Directors

G. Srinivas
 Partner

G Subba Rao
 Director

K Narayana Rao
 Director

Place : New Delhi
 Date : May 09, 2011

