



GMR Airports Limited
(formerly known as GMR Airports Infrastructure Ltd)

**Q2FY2026 Investor / Analyst
Conference Call Transcript
November 14, 2025**

Moderator:

Ladies and gentlemen, good morning and welcome to the GMR Airports Limited, formerly known as GMR Airports Infrastructure Limited conference call, to discuss the Q2 FY26 results. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

We have with us today Mr. Saurabh Chawla, Executive Director, Finance and Strategy. Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature and may involve risk and uncertainties. Also, recording or transcribing of this call without prior permission of the management is strictly prohibited. I now hand the conference over to Mr. Saurabh Chawla for the opening remarks. Thank you and over to you, sir.

Saurabh Chawla:

Thank you and good morning, everyone. I welcome our shareholders, analysts and other stakeholders to our Q2 FY26 earnings call. The fundamentals of air travel remain strong and intact. India continues to rise as a global aviation powerhouse, now the world's 5th largest aviation market. The Mumbai-Delhi corridor ranked 7th amongst the top 10 busiest routes globally in 2024 and the international carriers are doubling down on India's potential. Emirates, Etihad, Malaysian Airlines all report robust demand for premium travel to and from India. IndiGo's expansion into long-haul and business class segments further signals confidence in sustained growth. Outbound tourism is booming. Between January and May 2025, Indians traveling to Japan surged 40% year-on-year. Australia also welcomed 10% more visitors from India for the year ended May 2025, making India 3rd largest inbound tourism market for Australia. Direct flights have been introduced from Hyderabad to Australia, cutting travel time significantly and the momentum is only building. As per a report released by Research and Markets, India's outbound tourism market is forecasted to grow at CAGR of 12.3% from 2025 until 2033. Starting Oct'26, IndiGo will launch daily flights to London and introduce Business Class on key regional routes. Their recent order of 30 additional Airbus 350s doubling their wide-body fleet underscores the long-term optimism in Indian aviation.



I do acknowledge the geopolitical and operational challenges that have shaped the first half of FY26 for us. From regional tensions to isolated incidents, these disruptions have tested the resilience of travel ecosystem, yet what we have witnessed is not demand slowdown but a temporary pause. As we enter Quarter 3, historically the strongest quarter for travel and tourism, we remain confident in the sector's trajectory. The data speaks for itself. Demand is not just returning, it is evolving, expanding and elevating.

On that note, let me now delve into our Q2 performance. Momentum in total income continued with Q2 at INR37.5 billion, up 45% year-on-year driven by revised tariffs at Delhi airport which has been effective from mid-April, takeover of Delhi duty-free and cargo businesses by GMR Airports and sustained growth at Hyderabad airport translating to EBITDA growth of 59% year-on-year to INR15.3 billion. EBITDA margin for the quarter improved to 53% in Q2, despite a forex loss hit (which is notional hit) of about 0.6 billion in Q2 as Euro/INR rate reached INR104 in September from INR100 in June which led to the non-cash mark-to-market impact on our P&L statement. As I've been highlighting, this is a notional loss as the FCCB strike rate price is INR43.50 and no holder will ask for redemption given the instrument is deep into money given the current stock price. Hence, logically, it should be treated as equity and not debt. Due to the accounting standards, we still recognize it as debt in our books. It may also be noted that once these FCCBs convert into equity, all these provisions will be written back as one-time profits. This aspect must be taken into account for financial performance.

GMR Airports reported a profit from continuing operations for the quarter of INR351 million versus a loss of INR4.3 billion in Q2FY25. But for the FX hit, GMR Airports would have reported a PAT which would have been higher.

Consolidated net debt excluding the FCCBs of INR27.3 billion which are deep into money stood at INR340 billion, increasing by INR12 billion versus Q1 FY26. GMR Airports had raised INR59 billion in the form of non-convertible bonds and used the proceeds to repay existing debt of INR50 billion along with a redemption premium of INR8.5 billion. GAL also raised INR3 billion in working capital loans for the purpose of duty-free operations that it started operating in the quarter. Net debt at Bhogapuram increased by INR3.1 billion while at Delhi Airport reduced by INR2.8 billion.

On the operational front, traffic at GMR Airport's operated airports fell 3.5% year-on-year in Q2, reaching 27.8 million passengers and this excludes Cebu. This was due to temporary disruptions in flight operations caused by changed airspace conditions amid geopolitical events and runway 10/28 upgradation at Delhi Airport. Now that the runway is fully operational, our upgraded terminal 2 at Delhi has resumed also full operations just in time for the seasonally strong quarter as well as the resumption of many routes for the winter schedule, we should see a pick-up in traffic moving ahead.

Total income at Delhi airport rose 34% year-on-year at INR18.5 billion. While growth in non-aero and CPD income was healthy, the primary driver of sharp increase in total income was the aero revenues which rose 166% year-on-year driven by the implementation of revised tariffs. As a result,



quarterly EBITDA reported was the highest in 4 years, increasing 69% year-on-year to INR6.7 billion. With this, the airport has reported profit of INR736 million for Q2. Even excluding exceptional gains, the PAT for the quarter remains positive.

At Hyderabad, total income was INR6.7 billion up 17% year-on-year. Non-aero revenues were particularly strong up 38% year-on-year. EBITDA was up 17% year-on-year to INR4.3 billion. This was the highest quarterly EBITDA on record for the airport and the airport has continued to be PAT positive.

Mopa or Goa Airport reported a total income of INR836 million down 15% year-on-year as aero revenues declined 27% impacted by introduction of specific incentive programs to attract airlines to Goa. However, the non-aero revenue saw a 20% year-on-year growth. The airport continues to report positive EBITDA with Q2 FY26 at INR121 million despite the impact of revenue share.

The notable achievements during the quarter are:

Non-aero revenue at all our airports was strong in the quarter combined with non-aero revenues at Delhi, Hyderabad and Goa Airports rose 13% year-on-year in Q2. Duty-free SPP at Delhi increased to INR1,046 in H1FY26 from INR1,005 in H1FY25. While at Hyderabad, SPP was INR777 in H1FY26 up from INR733 in H1FY25.

In September, the TDSAT or Telecom Disputes Settlement and Appellate Tribunal adjudicated in favour of Mopa Airport by quashing and setting aside various appeal matters from the control period one tariff order issued by AERA. TDSAT has given requisite directions to AERA for different issues as stated in the judgment.

Coming to the refinancing activities during the quarter, as stated earlier, GMR Airports raised INR59 billion in the form of non-convertible bonds and used the proceeds to refinance the existing debt. The non-convertible bonds were raised in two tranches of 18 months and 36 months maturity at an effective cost of 10.225% to 10.425%. This resulted in a saving of 300 basis points. At Delhi, INR10 billion was raised in the form of 15-year non-convertible debentures at a coupon rate of 8.75% and used the proceeds to refinance debt bearing 9.98% coupon rate, a saving of 125 basis points. The next refinancing we are looking at is for Hyderabad airport 2026 foreign currency bonds where the Board has given approval for issuing INR denominated NCDs aggregating up to INR21.5 billion.

Progress on developing the airport adjacency businesses is gathering pace. We are steadfast in our long-term strategy of converting GMR Airports into a consumer business with the underpinnings of a utility company. After taking over Delhi duty-free concession on 28th July, GMR Airports also took over the operations of duty-free at Hyderabad airport and started operations from 10th September. GMR airports financials have already started reflecting the upsides from the above transactions and the full quarter impact will be seen in Q3. GMR airports also received a letter of intent to award from Delhi Airport to finance, design, develop, construct, operate, manage and maintain the cargo



city at Delhi Airport. The initial concession period is up to 2036 and extendable by another 30 years parallel to the airport concession. The concession is based on revenue share to airport and the minimum guarantee totalling up to 2036 is INR4.2 billion. The cargo city would be spread across 50.5 acres of land which is not part of the commercial land of 232 acres. So, I want to just distinguish the land parcel aspect of it.

Construction on multiple airport land development projects is underway at all airports, details of which are available in the results presentation. At Hyderabad, the build to suit MRO facility for Safran has achieved physical completion and is expected to be handed over shortly. Total build-up area of this facility is about half a million square feet.

Work on new airport construction is steadily progressing. At Bhogapuram, 87.5% of physical progress has been achieved as of September '25, while at Crete, 60% progress has been achieved.

GMR operated airports continue to set new benchmarks globally, earning prestigious accolades that reflect our relentless pursuit of excellence and innovation. These milestones underscore our commitment to deliver world-class infrastructure and enhance long-term shareholder value. As a responsible airport operator, GMR Airports is deeply committed to environmental, social and governance principles. From pioneering sustainable infrastructure and reducing carbon emissions to fostering inclusive growth and upholding the highest standards of governance, ESG is embedded in our strategy and operations. We believe this commitment not only drives long-term value creation but also aligns us with the expectations of global stakeholders and future ready aviation. We invite you to explore our detailed ESG progress and initiatives outlined in the investor presentation.

The presentation with all financial numbers is already available with you. If not, you can download it from our IR section of our website. We are available to respond to your questions on this call and offline after the call. Now, I would like to open the forum for queries that will be addressed by my colleagues from the corporate and the business teams. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Good morning and congratulations on a very good quarter. My first question is on the GMR Airport standalone business revenues. There has been a sharp increase in the standalone revenues. Are some of the non-aero businesses being carried out by GAL standalone directly? Can you please help with the details?

Saurabh Chawla: Yes, Mohit. I mean, you would have been following our last conference calls. We have always advised that we have created this GAL platform at the listed entity to get into non-aero business. And recently, it started operations on Delhi duty-free as well as cargo. Hyderabad duty-free has also



moved to GMR Airports. On specific numbers, I will ask Rajesh Arora to give you a full insight into it and explain how the transitions have come from the airport to GMR Airport level. Rajesh.

Rajesh Arora:

Yes, thanks, Saurabh. So, Mohit, I think as you would have noticed in the last two and a half, three years, we have been in the process of sourcing non-aero businesses to be done as part of GMR Airports. And the result of that is now started reflecting in our financials as we have started operating these businesses. As Saurabh just mentioned, Delhi duty-free from 27th of July midnight, Hyderabad duty-free in September 2025, Cargo, we took over in May. And likewise, Carpark, F&B, part of retail business. So, these are the businesses as independent business platforms, which we are now carrying out as part of GMR Airport. And that's what is also reflecting in our revenues.

Mohit Kumar:

Sir, one clarification. You said Delhi duty-free, Cargo these are being carried out directly by GMR Airports standalone business. Is that right? Are there anything else which is being carried out by GMR standalone? Hyderabad duty-free, right?

Rajesh Arora:

Hyderabad duty-free, I mentioned. And we are also doing carpark business in Goa. We are also doing duty-free business in Goa. So, currently, there are five non-aero business platforms, which are part of GMR Airports. And the main ones are Delhi duty-free in terms of the quantum of revenues, Hyderabad duty-free, Delhi Cargo, and some of the other businesses at Goa.

Mohit Kumar:

Understood. My second question is, can you please explain the slide number 10, where you're talking about the real estate? I especially am talking about Delhi Airport. So, the slide says, there is a safe development project of 1 million square feet built-up area. Then there is a built-to-suit luxury hotel with 0.6 million square feet. The third one, which said other third-party projects with 12 million square feet. What does this mean? A 12 million square feet seems to be a very high number. Just trying to figure out what is the base of this number.

Saurabh Chawla:

GRK Babu, go ahead.

GRK Babu:

Sir, it is basically the other third-party projects with 12 million square feet built-up area. I think we are referring to the Bharti transaction as well as the other transactions which are happening.

Mohit Kumar:

This is already monetized, right?

GRK Babu:

Yes, they are all monetized. The second tranche of the Bharti is yet to be monetized. The first tranche is already monetized.

Saurabh Chawla:

Just to distinguish what is highlighted under Dial on This Page, the first two bullets are our strategy to now get into self-development. The third bullet is the legacy one where the monetization of the land had happened a few years back and they are building out various commercial office and retail projects at Delhi airport. So, just to distinguish between the three bullets.



- Mohit Kumar:** So, the only clarification I am looking at, I think if I understood correctly, the first point of the self-development, you are still looking to monetize, you will develop and lease out, right? Second one, I think still the revenues will come to GAL whenever this luxury hotel starts operating. The third one, I am just trying to figure out whether there is any revenue potential which is still to accrue to GMR Airport.
- Saurabh Chawla:** Go ahead, GRK Babu.
- GRK Babu:** So, basically that 12 million is the leased out by DIAL only. It will not accrue to GMR Airports Limited. It is only to DIAL. The self-development is also done by DIAL and built-to-suite luxury hotel is also done by DIAL. The third one which is the 12 million square foot is given to the third parties who will develop themselves.
- Mohit Kumar:** Sir, I will take it offline. I will speak to Amit, post the call. My third question is, can you talk about the Hyderabad next phase of expansion? If I am not wrong, I think there is a proposal to expand and to spend around INR14,000 crores. Just talk about the size and the quantum and the timelines.
- GRK Babu:** Saurabh, shall I take up?
- Saurabh Chawla:** Yes, GRK Babu please take it.
- GRK Babu:** Yes. The Hyderabad airport has already touched last year 29 million. This year, we are expecting about 33 million, close to full capacity. So, we are proposing for an expansion with INR14,000 crore. So, there is a proposal which basically consists of going for a new terminal on the northern side along with the runway and cross taxiways and also other infrastructure facilities. So, the proposal is now there and we have also included in our tariff determination process. In all probability, the master planning is going on and we are expecting that it should kick on in the CY 2027.
- Mohit Kumar:** Understood, sir. Thank you and best of luck.
- Saurabh Chawla:** So, Mohit, what GRK Garu commented is on, basically the approval process will be in the place, but the development process will begin subsequently. So, just to highlight that aspect. Hyderabad airport is already now peaking. So, the existing capacities will get fully exploited by the current traffic growth which is there. So, just to qualify that statement.
- Mohit Kumar:** Thank you, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Prateek Kumar from Jefferies. Please go ahead.
- Prateek Kumar:** Yes, good morning, everyone. Congrats for great results. I have a few questions. Firstly, can you discuss the master plan being talked about for Delhi airport? It was covered in media, I think, a couple of days back. And what kind of capex are we looking for those projects?



- GRK Babu:** So, I think the master planning we have been talking about is the Hyderabad airport. Delhi master plan is already completed in 2016. Again, for 2026, the preparations are getting now done. As of today the master planning exercise is just getting started, it will take about one to one and a half year. So, as you know that we prepare the master plan for Delhi once in 10 years. So, we started in 2006, then 2016 and now in 2026. So, it will come out very clearly, since we have already touched 100 million, what is the additional requirement will come up only in the master planning. As of today, we can't say anything else. The exercise is just kicking off, that's all
- Saurabh Chawla:** So, Prateek, just to add to what GRK Babu said, is that it is more from a design and efficiency perspective. We are today at about 100-105 million. What additional that needs to be done purely from the terminal development side. As you are fully aware, the airside, all the capex has been completed for the full tenure of this concession. And hence, we can't expand any more runways or cross taxiways that had been already taken in the previous expansion. It is only the efficiency aspect of the terminals. What can we do on capturing the high yielding international traffic? That is where the focus is from a design and understanding perspective. Just want to highlight over here that, for example, in terminal three, we are converting one pier from domestic to international as that traffic grows more robustly. So, those aspects are something which is an ongoing process of evaluation of the master plan. There is no significant capex or specific capex that is planned at Delhi airport, at least in the fourth control period. Just want to highlight that.
- Prateek Kumar:** Sure. And can you discuss like overall capex of the company? In first half, we have done INR1,800 crores capex at the overall consol level. What kind of capex we should pencil for FY26 and FY27?
- Saurabh Chawla:** So, honestly we don't give any specific guidance on capex outlook, but all I can tell you is that there is no major capex happening in the whole group, other than the two projects which are live, which is one is Bhogapuram, where we continue to draw down debt to complete the Bhogapuram airport. As you would have seen the presentation, more than 80% of the physical infrastructure at Bhogapuram is already complete and it should go live over the next 9 to 12 months. Other than that big capex, the other capex which is happening is at Crete where we have a minority share and there is no further contribution of our investment into Crete. So, that will get completed over the next two years. But other than these two, there is nothing which is currently envisaged in our capex program for the whole group.
- Prateek Kumar:** Okay. Among other questions, like is there an update on HRAB which like AERA was supposed to divert by September end and it is November now?
- GRK Babu:** AERA has appealed to the Supreme Court on this matter. So, the Supreme Court has admitted the case and we have also confirmed to the Supreme Court that we will not press for the immediate implementation within one month and we wanted the Supreme Court to clear the case as early as possible. The case is now posted, I think in December for hearing.



- Prateek Kumar:** And lastly, like a few bookkeeping questions. We have like seen reduced depreciation and there was some impact of interest because of early refinance. What is the new run rate for interest in depreciation we should expect from third quarter?
- GRK Babu:** The depreciation has come down mainly because of the accounting treatment going by accounting standards. So, on an average, the depreciation will come down on the existing assets by about INR150 crores yearly. That means every quarter maybe around INR35 to INR38 crores. As far as interest is concerned, now the current interest whatever we have shown in this quarter will slightly go down further because the full impact of the reduced interest rates will come to the next quarter onwards. So, the interest amount should come down by some amount from the next quarter onwards.
- Saurabh Chawla:** So, just to also highlight here on depreciation that we have aligned our depreciation policy with other airports. So, previously it was for a limited period. Now it is for the full concession period as such. And hence, in that alignment, this change has happened and this has, of course, given some benefit. But it is now in full alignment with other major airports as to how they depreciate their assets for the full concession.
- Prateek Kumar:** Sure. Thank you. I will get back to queue.
- Moderator:** Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.
- Aditya Mongia:** Thank you all for the opportunity and congratulations on a very strong set of results. Just wanted to understand the non-aero business better. It seems Delhi and Hyderabad have seen meaningful improvements on a Y-o-Y basis, on a Per Pax non-aero spending basis. I think Delhi is up like high teens and Hyderabad is up like 25-ish% or so. Could you give us a sense that these are kind of sustainable absolute per pax numbers or are they being impacted by mix changes wherein curtailment of capacity and higher international mix are having an impact? I am just trying to kind of see whether these are sustainable numbers because these look fairly high for the second quarter.
- Saurabh Chawla:** Yes, I will leave that question to be answered by Rajesh.
- Rajesh Arora:** Yes, sure, Saurabh. So, Aditya, when we talk about non-aero revenue growth, I think for us the target we generally take is about in the range of 14% to 15% kind of growth, which is a combination of spend growth as well as the traffic growth. That is a threshold we generally take depending upon how the traffic will move. The numbers what you are seeing, yes, in this quarter the growth is significantly higher than these defined benchmarks. It's a combination of what has happened, as you would have seen, T1 became fully operational in this quarter, with all the outlets opening up there. Similarly, Hyderabad, some of the outlets and stores were under final opening. So those got open. So it is a combination of the full impact of all the non-aeronautical areas which we have developed in the last couple of years. Plus, in terms of spend per pax, yes, we have also seen good



growth in both Delhi and Hyderabad in duty-free, which is about 7% to 8% spend growth in Delhi and about 11% upward of growth in Hyderabad duty-free. For us, 15% growth year-on-year in the non-aero revenue is something which we will always keep as a minimum target for us to grow. Anything more than about that could be a combination of additional stores, additional improvement in some margins and all that.

Aditya Mongia:

So, the current levels are sustainable and 14%-15% growth can then be sustained on the current levels is what you are saying. There is no one-off mixed impact in side numbers, I would want to believe.

Rajesh Arora:

Yes.

Aditya Mongia:

That clarifies. The second thing is that while it may be a little premature to discuss, but this 50-odd acres of cargo city land, what all usage can it be exposed to in Delhi? Can this be a material value-creative exercise for the company? And on what period of time does it happen? Side question, should we be even thinking of this given that Celebi is trying to get back?

Rajesh Arora:

Saurabh, shall I take this?

Saurabh Chawla:

Before Rajesh answers this, to again re-clarify that this cargo city land is not to be confused by the commercial land development that is happening. Those are two very different parcels. One is an aero and the other one is the ALD land. So, Rajesh, please, you can give more insights into this aspect.

Rajesh Arora:

So, Aditya, this cargo city development is primarily towards Tier 2 and Tier 3 of the cargo infrastructure. There will be also a Tier 1 part of that will be there. So, we have a very robust cargo infrastructure for Tier 1 in the form of two cargo terminal operators. So, cargo city is going to be in addition to these two terminals and basically to cater to the requirement of Tier 1, both the operators. So, in terms of usage, it will be warehousing. It will also be a processing zone. We have also applied for SEZ, certain specified area as an SEZ within our overall airport land. So, it's going to be a combination of that 50.5 acres, but we have got the rights to develop. The first phase is about 30.5 acres, which we are developing and the timelines as per concession is about 24 to 30 months. We are looking at completing it much ahead of that.

Saurabh Chawla:

Rajesh, please also highlight the value-additive aspect of this strategy as to how from a non-processing to a processing area in cargo, how it takes the rentals up so that everybody has a better understanding as to what is the quality of revenues and margins you get on this particular development. Just an indicative one.

Rajesh Arora:

Yes. And just before that, Aditya, this cargo city has got nothing to do with this Celebi's cargo terminal operations. That will continue to be done. We took over that terminal on an interim basis and currently Delhi Airport is in the process of running the process. So, this will be in addition to the Celebi's cargo terminal operation. And coming to the cargo city, it will be both development and



then leasing out these spaces to people like who are the freight forwarders, people who would want to come and set up their processing zone over here, again, which will be an impetus for growth for cargo, the Tier 1 cargo. And in terms of revenue, one could expect, I think we are expecting good healthy EBITDA margin on these developments and the lease rentals. It could be in excess of about 70% or so.

Aditya Mongia:

As in, let's say, from an NPV perspective, it would give me some sense as in, obviously, the aero city land is worth, let's say, whatever, INR200 crores or so per acre. What could be the equivalent number over here as you think through? These are obviously different uses. I'm not trying to compare commercial versus industrial, but still, some sense would be useful for us to gauge how much value can be created from here.

Rajesh Arora:

So, these are more on, I would say, on the lease model, Aditya, and the rentals, depending upon the location of the infrastructure, could be anything depending on anything between INR150 to INR250-odd per square feet. But these are purely going to be on the lease model.

Aditya Mongia:

Just the final part on this question, are these kind of subject to the same revenue sharing with the government? I'm assuming this is part of the Delhi airport concession, right, or how is it structured?

Rajesh Arora:

Yes. So, it's a concession given by Delhi airport, and GMR airports have got it. And yes, it will be subject to the same revenue share to be shared with government on the revenues which Delhi airport will get as a concession fee from the concessionary, which is GMR airports here.

GRK Babu:

Aditya, it's basically, Delhi (DIAL) wanted to develop the cargo city, which is a transfer land. You cannot compare with a commercial property land that is available for commercial development. This is exclusively for only transfer property, which goes to the airport of India at the end of the concession period. So, this 50 acres of development, which they wanted to do to have the full-fledged facility of warehousing, extra cargo, office complexes within that land, they've gone for a tender and GAL has got it. So, this is basically, we built and we give the lease, we get the lease rentals and we will also pay a revenue share to DIAL on the lease rentals, which is as per the concession agreement. Then, DIAL will share the revenue share, basing on the amount which they get, on that they pay 46% to the Airport Authority of India. So, it is two steps down.

Aditya Mongia:

How much do you give to DIAL, sir as a revenue as a percentage?

GRK Babu:

There are two cities we are developing, cargo city 1 and cargo city 2. Cargo city 1 is a new development far away, that is only 12% is the revenue share and the cargo city 2 is just opposite to cargo terminals - there we will pay about 27% revenue share.

Aditya Mongia:

Understood, sir. I'll move on to the remaining questions. There are two of those. Any sense on why Hyderabad, the traffic on the domestic side is kind of flattening out Y-o-Y and any sense of how to think about this? This is a very fast-growing airport in the past. So, just trying to get a better sense of what's changing over there?



- GRK Babu:** Sir, if you look at the traffic at Hyderabad, year-on-year, there is a domestic growth. For half year at 11.29%, there is a growth. So, it is only quarter, naturally second quarter is lower compared to the first quarter and the third quarter again there is a good growth is already happening in case of Hyderabad. So, we are expecting overall, compared to last year, this year, there will be a growth around 10% to 12%.
- Saurabh Chawla:** So, Aditya, the Indian aviation did get impacted with the geopolitical issues and also the unfortunate Air India mishap. So, that was the softness in Q2. More impacted to Delhi, but also there has been some impact also in other airports, including Hyderabad. So, you need to take that into cognizance.
- Aditya Mongia:** Okay. Just sharing the final question, maybe final two questions from my side. One thing is a lot of questions come to us on the renewal aspect of Delhi Airport 30 plus 30. What are the conditions, precedent? Is it going to be a smooth affair or will there be changes to revenue share, so on so forth? Would be good to get your views so that we can communicate accordingly to investors as well? Is it going to be a fairly stable affair, wherein you have the ASQ scores and you get the renewal? Or is there more to that post 30?
- Saurabh Chawla:** Just to highlight over here, the precedence is already there in Hyderabad Airport for everybody to see. Okay. It's a very smooth affair. There's a contract in place. And as long as we are maintaining our ASQ scores, the renewal is pretty much given. So, there are no specific renegotiations that can be opened as per the concession agreement, as per OMDA. So, I think you need to allay these concerns in the minds of the investors that there will be a fresh set of negotiations that will happen upon or just prior to the expiry of the first 30 years. I think that's the moot point over here I want to highlight.
- GRK Babu:** You are absolutely right, sir, because no strings are attached. It is an automatic extension by 30 years. We have to make an application at the end of the 25th year that our intention to have the next 30 years, that we will do it only 2031 post-May. And before that, there are no conditions attached. The only thing is that there should not be any event of default, and we never had event of default, and we will never have also. So, except that, there is no requirement. We have to make an application during 25th year. That will happen in 2031.
- Aditya Mongia:** Sir, could you give us a little bit more sense on this INR1800 crores capex number and let's say what it could be for next year in the absence of any incremental capex? This appears to be a little bit high for us to gauge. Maybe if you can give a sense of how much is maintenance and just trying to get a steady state number, assuming that Delhi and Hyderabad and Bhogapuram are all done. Like, will this still be a big part? Is it already a big part? Just trying to get a better sense of what is exactly the spending going to be next year?
- GRK Babu:** INR1,800 crores what you are referring, consisting of three components. Basically, the self-development capex is also involved, plus maintenance capex plus Bhogapuram. All are involved in that overall. And going forward, Bhogapuram still we have to spend about INR2,000 crores from



today onwards. So, that will be affecting some amount in these next two quarters. And the balance will be in the next financial year. And as far as the self-development is concerned, in case of DIAL, we have almost done the work, and there will be a small amount we may have to spend it. Operational capex is always incurred by DIAL and GHIAL, which could be in the range of INR500 crores to INR700 crores, both the airports together.

Saurabh Chawla: Yes, on a sustainable basis between the two airports, which is a large airport. So, anything between INR600 to INR700 crores, as GRK Babu has highlighted, would be the maintenance capex that will continue. What we will, of course, do going forward as those self-development projects increase in magnitude, we will also give that breakup, whilst the capex on Bhogapuram will start to come off as the project gets completed. I think that's the broad guidance we'd like to give.

Aditya Mongia: Understood. Thank you so much for entertaining all my questions.

Moderator: Thank you. The next question is from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Yes, thanks for the opportunity again. I have a couple of clarifications. So, at Delhi airport, we are seeing like arithmetically some lower revenue share at like around 43%, 44% versus when it should be 46%. Any clarification there?

GRK Babu: Basically, the revenue share, you cannot simply compare 46% of the top line. There are certain exemptions, certain exclusions which are provided basically in the definition of the gross revenue. So, the payments made to relevant authorities, we have to exclude from the gross revenue for the purpose of payment of revenue share. For example, the power bills or the municipal taxes, all those things have to be excluded. So, we have done those exclusions and the balance revenue is only subject to revenue share.

Prateek Kumar: So, that should be a stable number going forward also. So, we should take this 43%-44% as a revenue share for future projections. Is that right?

GRK Babu: We cannot take the exactly 44% because, for example, last year, we paid more than INR60 crores as the municipal taxes pertain to the earlier year also. But going forward, will not be that much, but there will be some reduction. It will not be 46%, but it will be less than that.

Prateek Kumar: Another question on Goa's incentive program to attract airlines. So, clearly, this has impacted margins for the airport, maybe for near-term. But how far is this program expected to continue and, Yes, I mean, for the business and some outlook there?

Saurabh Chawla: At this stage, I think only an incentive plan for this current year. Because of geopolitical issues in Russia and Europe, there has been some decline in interest in Goa. In order to attract all those people back to our airport, that's a plan that was undertaken for this current fiscal year. I don't think you should impute it going forward. That's all I would like to say.



- Prateek Kumar:** And last question on real estate development capex. Can you quantify like an annualized expected capex? Is it like INR500 crores, INR1,000 crores, or much more for modeling purpose?
- Saurabh Chawla:** Which airport? You're talking Delhi or Hyderabad?
- Prateek Kumar:** Like total companies at consolidated level, total real estate development?
- Saurabh Chawla:** Aditya, if I put in INR500 crores as capex for real estate, we'll be talking huge numbers on the commercial real estate development, correct? So, very early in this stage, to give you a guidance on that. A business which is just starting on the self-development side, allow us another few quarters to come back on a sustainable basis what should be the run rate of construction capex on the commercial real estate at both the airports, probably even Goa, because Goa also has a significant amount of aerocity hotels to be developed over there. So, I can't give you a full guidance on a number, but it's early stages on the self-development program for us at this particular point of time.
- Prateek Kumar:** But can you give like a number for FY26? We should be knowing that
- Saurabh Chawla:** We don't give guidance, you know that. We have only two projects, self-development projects which are currently live. So, it's not a big number right now, it's a small number.
- Prateek Kumar:** Yes, thank you. That was my question.
- Moderator:** Thank you. The next follow-up question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.
- Aditya Mongia:** Okay, thanks. I think there's a couple of questions remaining from my side. Firstly, the aero yield or aero revenues per pax in Delhi appears to be on the higher side, much different from the INR350 number, which is the average that one has to be thinking through. Could you give us a sense of whether there are some one-offs inside, or is it purely to do with the international mix going up?
- GRK Babu:** Basically, as you know, that DIAL new tariffs have been implemented from 15th April 2025. So, this time what we did, and regulators also accepted, in case of parking charges, which used to be flat after 2.5 hours, we have now made it a multiplier. So, for 2 hours and up to 4 hours there is a particular rate, and beyond 4 hours up to 8 hours is double of it and beyond 8 hours it is 4x. So we wanted to dissuade the airlines not to park the aircraft for long because it will be creating congestion. As a result of that, the parking charges have substantially gone up and the revenues, because there are so many aircrafts which have been parked, now they are slowly, slowly taking out and they are doing much more faster turnaround. So, in the initial 3 to 6 months, they have now learned it. Going forward, that additional revenue we may not generate, but because of the parking charges, additional revenue has come and the yield per pax has gone up. However, as per the tariff determination, it is INR360 yield per pax, that will continue to be there. So, in the next quarter also, we may have a little more because of parking, maybe by fourth quarter onwards, we



may come back to 360 or 365. So, this is basically because of the parking charges, which airlines are now understanding, they are now doing much faster turnaround of aircrafts.

Aditya Mongia: Understood. So, INR360 comes back again versus whatever numbers were there for this quarter, that is fine.

Saurabh Chawla: From your modelling perspective please maintain the same thing. These are little gyrations like GRK Garu has highlighted, not sustainable on a long-term basis.

Aditya Mongia: Understood. And shall I assume that the entire investment property amount that is coming in the first half, about INR500 crores is the Delhi real estate capex that you are classifying over there in the balance sheet?

GRK Babu: Which one? Sorry.

Aditya Mongia: There is this investment properties line item in the balance sheet saying INR550 crores for the first half, as in at the end of the first half. Is that linked to the real estate capex that you are doing in Delhi on the self-development properties?

GRK Babu: There is some amount of the self-development money is being involved in case of DIAL. There are two projects as Saurabh has explained. We have spent around INR250 crores to INR300 crore rupees. And as he rightly pointed out, it will not be that much amount going forward, because there are only two projects that are happening now.

Aditya Mongia: Sure. Those were my questions. Thank you so much for your response.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Saurabh Chawla for closing comments. Thank you and over to you, sir.

Saurabh Chawla: Thank you. And thank you, everybody, to join this call for our quarter 2 results. We are available offline to answer any further questions that you may have or clarifications that you may seek and hope to see you soon. Thank you so much.

Moderator: Thank you very much, sir. On behalf of GMR Airports Limited, that concludes this conference. Thank you for joining us today and you may now disconnect your lines.

Note: Transcript has been edited to improve readability