GMR Airports Limited

(formerly known as GMR Airports Infrastructure Ltd)

Q4FY2026 Investor / Analyst Conference Call Transcript May 28, 2026

Moderator: Ladies and gentlemen, good day and welcome to GMR Airports Limited Conference Call to discuss Q4 FY2026 Results. As a reminder, all participants lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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 this 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 over the conference to Mr. Saurabh Chawla for opening remarks. Thank you and over to you, sir.

Saurabh Chawla: Thank you and good morning, everyone. I'm pleased to present a resilient set of financial and operational results. However, before turning to the numbers, it is important to acknowledge that the current operating environment continues to be challenging. The global aviation landscape is currently weathering a complex storm, and as a major international airport operator, we remain watchful of the broader macro-economic and industry dynamics.

Ongoing geopolitical conflicts have driven a dramatic spike in jet fuel prices, with aviation turbine fuel now consuming 55% to 60% of our airline partners operating expenses. This volatility, coupled with airspace closures, has forced capacity rationalization, including temporary international route suspensions this summer. Consequent fuel surcharges have driven up airfares, causing a temporary slowdown in immediate passenger traffic.

However, the ecosystem's response has been highly supportive. To protect the industry's structural health, the Government of India and key states have intervened decisively in Delhi and Mumbai, recently slashing VAT on ATF to 7%, and Ministry of Civil Aviation has provided direct relief by cutting domestic landing and parking charges by 25%.

As an airport operator, our business is built on long-term infrastructure horizons and not single-quarter cycles. We must separate transient operational friction from India's secular growth drivers, which remain intact. The structural investment thesis continues to be validated by global authorities. The World Travel and Tourism Council's May'26 research reports the global travel and tourism sector to outpace the wider economy by 1.5 times over the next decade.

Within this global backdrop, India remains a primary growth engine, driven by an expanding middle class and irreversible infrastructure momentum. Consumer appetite and fundamental desire to travel have not diminished. The current softening is transitory due to Iran conflict and should not be viewed as a structural decline in demand.

As management, our strategy is clear. We are navigating the next two quarters with strict discipline, aggressively optimizing our non-aeronautical revenue streams and working closely with airlines to maximize asset utilization. Our long-term strategies remain firmly on track because we are building for the next decade of Indian growth, not just next quarter. On that note, let me delve into our Q4 FY26 performance. Momentum in total income continued with Quarter 4 at INR40.4 billion, up 36% YoY, and FY26 at INR152 billion, up 40% YoY.

More than 50% of this income has come from non-aero businesses and about third came from the aero revenue. EBITDA for the quarter grew 38% YoY to INR15.5 billion, and for the full FY'26, EBITDA reached a record high of INR61.5 billion, up 47% YoY. PAT for the quarter came at INR4 billion versus loss of INR2.5 billion in Q4FY25. Importantly, for FY26, reported PAT of INR472 crores was positive for the first time in over a decade.

Consolidated net debt, excluding FCCBs of INR28.8 billion, which are deep in the money and will convert into equity, stood at INR340 billion, decreasing by INR4.7 billion versus Q3FY26.

GAL standalone net debt decreased by INR9.4 billion, partially offset by increase of INR4.2 billion at Bhogapuram. For FY26, net debt to EBITDA stood at 5.5x and is poised to go below 4x in next 18 to 24 months. And this should be viewed in the backdrop that now we have added Nagpur in the portfolio as the Government has finally taken the decision. GAL is currently rated A+ by Crisil.

On the operational front, traffic at GAL operated airports rose 1% YoY in Q4FY26, reaching 31.7 million passengers. This excludes Cebu. Despite multiple disruptions throughout the year, GAL served a record 121.6 million passengers in FYFY26. Total income at Delhi airport rose 23% YoY to INR20.2 billion in Quarter 4 and rose 33% YoY for the full FY26. Aero revenues rose 161% YoYin FY26, driven by implementation of revised tariffs.

As a result, EBITDA for Quarter 4 was up 42% YoY to INR7.5 billion and increased 64% YoY for the full FY26 to a record INR28.8 billion. With this, the airport has reported a profit of INR1.2 billion for Quarter 4 and INR4.8 billion for the full FY26.

At Hyderabad, total income for Quarter 4 was INR6.2 billion, up 5% YoY, and for the full FY26, it was at INR25.8 billion, up 10% YoY. Non-aero revenues were particularly strong in FY26, up 23% YoY. EBITDA for Quarter 4 was up 2% YoY to INR3.6 billion and was up 9% YoY to a record INR16.1 billion for full FY26. The airport continues to be PAT positive on a quarterly and yearly basis with FY26 PAT at INR4.3 billion versus INR1.9 billion in FY25.

Mopa airport continued its operations with a reported total income of about INR1.1 billion in Q4, down 5% YoY, and INR4.1 billion for the full FY26, down 7% YoY. Aero revenue declined 12% YoY due to special incentive program to attract airlines, the impact which is already visible in traffic which rose 15% YoY and non-aero revenues which saw a 25% YoY growth. The airport continues to report positive EBITDA with Q4FY26 at INR502 million and FY26 at INR1,273 million. The notable achievements during the quarter are combined aero yield per pax or YPP in Quarter 4 was INR434 in Delhi, Hyderabad, and Mopa, and non-aero income per pax or IPP was INR640. And this includes all revenues from non-aero businesses adjusted for revenue share paid to airports as well as non-aero revenues reported by Delhi, Hyderabad, and Mopa airports.

Momentum for our adjacency businesses is accelerating, and as we advance towards our long-term ambition of building GAL into a scaled consumer platform, firmly supported by the resilience and discipline of our core utility operations. At Delhi, duty-free achieved the highest monthly sales in Jan '26, while at Hyderabad, highest monthly SPP was reported for March '26.

The increased duty-free allowance of INR75,000 as announced in the last Union Budget is now implemented. At both these airports, duty-free sales commenced at international lounges. At Hyderabad, GAL operationalized Phase 1 of new larger duty-free store at departures.

Moving to cargo, GAL won the cargo terminal one concession which it was already operating but on an interim basis post the termination of the previous cargo concession. At Bhogapuram, work has already begun operationalizing the non-aero businesses as soon as the commercial operations at the airport commence.

At Delhi, Pier C in Terminal 3, which was earlier a domestic pier, has been converted to international, increasing the terminal's international capacity by 50% to 32 million passengers. And this is in line with our overall strategy to capture as much of international traffic, which is the high-yielding traffic, going forward. Operations will commence shortly and we would, that will enable us to further expand our non-aero offerings to international passengers.

Hyderabad airport commissioned the cargo terminal two which was initial, with an initial annual capacity of 50,000 metric tons with a scope of expansion to 100,000 metric ton The terminal also features a large fully temperature-controlled pharma zone purpose-built for handling pharmaceutical and perishable cargo. Construction on multiple airport land development projects is underway at all airports, details of which are available in the results presentation.

FiY27 will see handover of our first self-development commercial building at Delhi Aerocity where the pre-leasing discussions are already underway. And here I would like to highlight that as articulated many a times in the past, like we have built our second platform of business which is the non-aero business, we are very much focused on building our third platform which is the real estate development business.

The MRO business signed an agreement with Boeing Defence India to undertake Phase 56 heavy maintenance checks for the Indian Navy's P-8I maritime patrol aircraft fleet, expanding our capabilities into the defence sector. Work on the new airport construction is steadily progressing.

At Bhogapuram, 98.7% of physical progress has been achieved as of March'26, and we aim to operationalize the Bhogapuram airport in Quarter 2 of the current year, much ahead of our original target date of December'26.

At Crete, 69% progress has been achieved as of March'26.

In line with its responsibility as a leading airport operator, GMR Airports is deeply guided by robust ESG principles. The ESG slides in the presentation as well as our FY25 sustainability report highlight all our initiatives and achievements on this front.

GMR operated airports and subsidiaries continue to define global benchmarks with leading accolades reflecting our relentless pursuit of excellence and innovation. These milestones reaffirm our commitment to delivering superior infrastructure and enhancing long-term stakeholder value.

In closing, FY26 is not just another milestone but a testament of the progress we have built over the years where our strategic initiatives are now gaining traction, shaping GMR Airports into a global, diversified, and future-ready infrastructure platform. The presentation with all financial numbers is already available with you. If not, you can download it from the IR section of our website. We are available to respond to your questions on this call and offline after the call. And now I would like to open the forum for queries that will be addressed by my colleagues and myself from the corporate and the business teams. Thank you.

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

Mohit Kumar: Yeah. Good morning, sir, and thanks for the opportunity and congratulations on a very good year. My first question is, sir, can you please help us with the reason in sharp improvement in share of profit of investment accounted for using equity method? The particular line item has seen a jump from INR21 odd crores in Q3 to INR161 crores in Q4.

GRK Babu: This is basically because of the claims received by the Crete airport from Government of Greece. This has been accounted by the Crete airport, around EUR62 million, and after net of taxes, the proportionate amount of 21% has been taken in our share of profit is around about INR100 crore.

Mohit Kumar: Understood. My second question is, sir, there's a negative tax item which appearing in Hyderabad airport financials, which is around INR97 crores odd negative number while it was positive for last three quarters. Anything there which is exceptional?

GRK Babu: It is not an exceptional. As you know that the new tax regime is coming into force this current financial year onwards, which is now mandatory more or less to all the corporates. So Hyderabad airport is now moving from 35% tax bracket into 25.17% tax bracket. Accordingly, the entire deferred tax liability which was created earlier has been reversed to the extent of about INR120 crores.

Mohit Kumar: Understood, understood. That's very helpful. My third question is, can you please help with the capex number for FY26 and the expected capex in FY27 across your various businesses?

GRK Babu: The capex across the businesses in the next FY26, FY27 will be more or less only in case of the Bhogapuram because other airports are doing only operational capex. Bhogapuram will be incurring maybe around INR700 crores to INR800 crores to complete the project in '26, '27.

Mohit Kumar: And what was this number for FY26, sir?

GRK Babu: FY26 is almost around INR1,800 crores we have spent.

Mohit Kumar: And this is across various businesses, right?

GRK Babu: Yes everything is CWIP.

Mohit Kumar: Understood, sir. Thank you. That's very helpful, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Nathan Gee with Bank of America. Please go ahead.

Nathan Gee: Hi, sir. Thank you for the call. Maybe two questions from me. Firstly, look, the second Noida Delhi airport is opening soon. Are you seeing any signs of whether it's cargo or passenger flights being moved over, particularly on the cargo side? So that's the first question.

Second question's just on Hyderabad and domestic traffic. So April's still showing some softening. Obviously, some of that's probably war-related, but if the war ends, do you think we could actually start to see some improved in that traffic when we look to winter '26, '27? So, do you think IndiGo could be able to restore flights or have other airlines expressed some interest in adding into those slots? Thank you.

Saurabh Chawla: Yeah, Nathan. Thank you for your question. I'll answer your second question first. We do expect improvement in conditions maybe in the second half of the current fiscal year. The first half is pretty much locked in and it has been adversely impacted by both airspace closure and also the conflict in Iran. So, but in the second half, we do expect this to improve. Even if we were to achieve, you know, what you call a settlement between the US and Iran today, it'll take at least few months for things to normalize. So that is the, that is our understanding on the outlook.

The second part is also this happens to be also a lean season. So, you know, we don't expect too much of uptick in traffic in the current conditions. But September onwards, I think we should be in a much better position compared to the first half of this year.

Coming to the second airport at Noida, and we don't see any, you know, airlines switching over or leaving their slots at Delhi airport and moving to Noida airport. I think that airport will generate its own demand. We have seen because we have operated in another city with, which has two airports, which is Goa, where when we came in, we actually created our own demand and the whole system traffic went up. So we do not expect any cannibalization of demand from our airport to Noida airport on the passenger side for sure. But on the cargo side, there may be some impact because, you know, that part of the country has lots of industries which are, you know, more dominated towards agri products and also automobile, which may, you know, form the bedrock for cargo traffic to develop in that part, in that airport.

So beyond that, we don't see any impact. But we're working, our team members are pretty much giving, you know, adequate support to the industrial houses to ensure that, you know, the traffic continues to be, the cargo traffic continues to be handled at Delhi airport. So I don't expect any down-tick on either the passenger or in the cargo business as such.

Nathan Gee: Thank you.

Moderator: Thank you. Next question comes from the line of Prateek Kumar with Jefferies. Please go ahead.

Prateek Kumar: Good morning, sir. I have two, three questions. So firstly on your traffic again. So I mean based on the current situation of NATO, will be right to assume like this like in FY26 we had flat to 1% growth, probably just do slightly better at like maybe 3% to 5% growth in terms of overall traffic for the year? Again, it is difficult to project, but given first half is like significantly impacted, for full year we should look at like 5% growth?

Saurabh Chawla: No, absolutely, Prateek. I think we need to keep into perspective that FY26 had a unfortunate accident, you know, with Air India in Ahmedabad, which of course forced Air India to, you know, get all their planes re-inspected under directions from DGCA. So that of course had an impact on capacity available for travel.

And second part is that, you know, again a black swan event of a conflict in the Middle East has impacted, you know, traffic because it has added about one and a half to two hours of travel time from India to Middle East by the Indian carriers. As you may be aware, Indian carriers still cannot access Pakistan airspace. That airspace is closed, so we have to, from Delhi we have to go, carriers have to go down little south and then they cut across into Europe with some, you know, for technical stopovers in Europe before the flight into North America.

So that has impacted, you know, the traffic. It has impacted ticket pricing. And, but we believe that, you know, these are all transitory in nature. So a flat 1% growth going to about 5% to 7% growth for the full fiscal year guidance, I think we're pretty much on there. We're pretty confident that we will achieve.

You also need to keep into perspective that two new airports are also coming in our portfolio which will go live, which will add to the numbers. So Bhogapuram will commercially open in Quarter 2 of this fiscal year, and Nagpur is a brownfield airport, that also contributes, starts contributing in fiscal, in Quarter 2. So these will add to the traffic. But from an existing portfolio perspective, I think it's reasonable to assume a 5% to 7% growth overall.

Prateek Kumar: Sure. On Hyderabad, traffic has been reeling like for past three, four months. I know you would have like lost some traffic to other cities or how should we look at like ports correction there in this market?

Saurabh Chawla: I think, you know, Hyderabad and people usually compare Hyderabad and Bangalore. And I think Hyderabad's pace of growth was far higher compared to other airports including Bangalore. It's a process of normalization and rationalization that the airlines are taking, which are pretty much normal in their planning process and our planning goes pretty much, you know, in line with their planning. So not much to worry about it. It's just getting things are getting only rationalized and normalized there. So if you look at last year or last two years, Hyderabad galloped much, much faster than the other airports here.

Prateek Kumar: Okay. And third question on GAL platform. So we added like major businesses on duty-free and cargo in FY26. What do you think like we should be looking forward, what we should look forward to for FY27 and FY28 in terms of incremental growth opportunities which can add growth to the platform business?

Saurabh Chawla: So for the non-aero platform business, I'll ask my colleague Rajesh to actually pitch in. But broadly what I would like to highlight to you is that our strategy of creating a platform for non-aero is now reflecting in numbers. Non-aero platform numbers are now higher than Hyderabad airport numbers. Okay. And so you need to appreciate the strategy where with least capital employed, we are creating revenue and earnings. But on an overall basis, what the outlook is, I'll just allow Rajesh to give his perspective there.

Rajesh Arora: Thanks, Saurabh. Yeah, so Prateek, FY27, one Bhogapuram will become operational. So linked to that will be the non-aero businesses which are part of GAL platform. So those will get added. As we, you know, just Saurabh just mentioned, we got Nagpur airport. So we'll also be looking for non-aero related opportunities in Nagpur. We're also evaluating a few opportunities outside of GMR, but it is too early to even talk about that at this stage. We'll let you know once we reach a certain stage of, but our endeavour is to get as many businesses as we can get from our own airports plus also actively looking at opportunities outside of GMR airports.

Saurabh Chawla: So just to also add to what Rajesh is saying, I think, you know, when we were creating this platform, we were looking at a secular growth in the business of anything of 17%, 18%. Correct me if I'm wrong, Rajesh. And we believe that organically with the existing, you know, businesses will continue to grow with that kind of CAGR.

Rajesh Arora: Saurabh. You're right. We are looking at upward of 15%, 16% of growth YoY.

Prateek Kumar: One last question on your Hyderabad tariff. We have signed for, we have filed for that tariff multi-year proposal. What is the stage there and how should we look at tariff for FY27, FY28 in the next control period?

GRK Babu: The tariff application was already filed last financial year, and the AERA is at active stage of considering the application. We are expecting the tariffs to come in the third quarter of this financial year. And tariffs, of course, we can't give exactly the number, but the tariff will be much better than the current tariffs.

Prateek Kumar: Sure. I'll get back to queue. Thank you.

Moderator: Thank you. Next question comes from the line of Karthik Chellappa with Indus Capital. Please go ahead.

Karthik Chellappa: So, Congrats on the quarter sir. I just had three quick questions. The first one is if I were to look at the Delhi airport non-aero revenue growth this quarter, it was a bit soft. So apart from, you know, the geopolitical developments and the airspace restrictions, was there any other factors or so which impacted that growth? And when can we expect to see some sort of recovery in that particular revenue item?

Saurabh Chawla: Rajesh?

Rajesh Arora: Yeah. So, no, I think when you look at the non-aero absolute volume and growth, no, since the traffic growth has been suboptimal, so that also reflected in the overall non-aero revenue growth. And then secondly, there were couple of waivers which were pertaining to earlier period, those have also been accounted for. So net impact of that. But if you see in terms of our SPP growth for non-aero, it has been in this quarter in the range of about 4%, 5% or so, which is again, no, we generally look at 7% to 8% SPP growth. So if you see it in that light,it is slightly lower than what we generally achieve, but for these two reasons which I just mentioned.

GRK Babu: And in case of the Delhi airport, the in case of non-aero revenues, there was some reversal of about INR23 crores of the cargo straight-lining of the deposits that has impacted. Otherwise, the growth was normal. There are certain reversals which have to happen, so that have been taken place.

Karthik Chellappa: Okay. Excellent. My second question, sir, is on Hyderabad. We already talked about the softness in the traffic for the fourth quarter as well as some of that also in April. But if I look at the absolute EBITDA growth this quarter, that has also been soft, which has resulted in some level of margin compression. So if we are expecting the normalization to happen in the second half of this year, so can we then say that in the first half the margins at Hyderabad airport will still be range-bound and somewhat under pressure simply because the volume is yet to normalize whereas the costs are sticky? So would that be like a reasonable inference?

Saurabh Chawla: No, so generally your comment would be accurate, but as now we are also able to control our costs quite effectively. But from a guidance perspective, I would say that the first half of the year will be softer and it'll recover in the second half. So from a general comment of yours, I would align with that.

Karthik Chellappa: Okay. Excellent. My last question, sir, is if we were to look at our net debt, it has seen some moderation quarter-on-quarter and most of that has actually come at the GAL standalone level. Now that Bhogapuram will be operational, let's say in two quarters down the line, and we really don't have a lot of capex lined up for FY27, can we assume that the net debt trajectory from here on will actually be on a downward trend?

GRK Babu: No, in the '26, '27 still Bhogapuram capex, the final payments will come up, which will be around INR700 crores to INR800 crores. So to that extent, debt will go up because the entire equity infusion was already completed. And other than that, maybe a little debt may come up in case of the Nagpur. So other than these two, there are no further debt rsing.

Saurabh Chawla: So we can assume about INR700 crores, INR800 crores of the final payments of Bhogapuram to hit the books and about INR200 odd crores coming for Nagpur. So about INR1,000 odd crores in total debt will go up. And of course, there'll be some mandatory debt payments that are happening, that'll adjust for the downward slope. But I think the key thing that you really need to look at is, what is my net debt to EBITDA number? That is the metric that you have to follow more accurately than absolute number of debt.

Karthik Chellappa: Okay. Great. And sir, just on, you've mentioned that for Delhi airport, your international passenger capacity has now gone up by about 50% odd to about 32 million. Like how many years of demand do you think this can cater to? Just if you were to hazard a guess without an explicit guidance, because right now I think we're doing about 21 million, 22 million. I'm just trying to see whether how many years of demand can this actually service before the next phase of expansion?

GRK Babu: So this will cater for the next four to five years of the international traffic growth. By the time then we will be able to see whether any additional capacity has to be created. But this will take care of next three to four years requirement of international traffic in Delhi.

Karthik Chellappa: Okay. That's all from my side sir. Thank you very much and wish you and your team all the very best.

Saurabh Chawla: Yeah. Just to add to what GRK Babu highlighted, I think we are very well covered for next five years. But we, the way the design of the airports have also happened, there's a lot of flexibility available. So, you know, as you are aware, our strategy is to capture more and more of international traffic, it helps in our non-aero business. If some capex needs to be incurred after four, five years to convert any particular part of the terminal or pier into an international one, will be undertaken.

Karthik Chellappa: Excellent. Okay. This is perfect. Thank you, sir. Thank you very much and wish the team all the very best. That's all from me sir.

Saurabh Chawla: Thank you.

Moderator: Thank you. Next question comes from the line of Kaseedit Choonnawat with Citi Group. Please go ahead.

Kaseedit Choonnawat: Hi. Congratulations for such a strong result. I have four questions, half of them being maintenance. Firstly, I would like to follow up on the associates jump. You mentioned that about INR1 billion came from claims from the Greece government on Crete airport. Can you please further elaborate what claim is that for? And even if I take away INR1 billion, the remaining INR620 million is still quite a sizeable quarter-on-quarter jump. Was that driven by? Is it by advertising revenue or something like that? Let's start with that first question. Thank you.

GRK Babu: In case of the Crete, as you know the concession, the construction period has to be extended by two years due to the COVID. So it is a force majeure and the airport has made a claim on the government for the loss of profit for the two financial years, CY25 and CY26

So accordingly, the Government of Greece has considered the claim for the entire calendar year of '25 is about EUR62 million, but they have already disbursed for about six months claim amount has already been received. So considering that EUR62 million claim which has already been accounted for in the books by the Crete company, after net of taxes because this will come as an income and on that taxes have to be paid around about 25% net of tax, the balance amount is again distributed among the shareholders and GMR holds about 21.6% stake, so that translates into around INR100 crores as our share of profit. Is it clear?

Kaseedit Choonnawat: Yeah, that part is clear. And next is such a strong, excluding that amount, it's still quite a strong Q-on-Q increase. What is it driven by? Thank you.

Amit Jain: Kaseedit, along with the international JVs, we also have JVs in DIAL and Hyderabad, Delhi airport and Hyderabad airport. So this remaining what you're talking about is with respect to the Delhi airport and Hyderabad airport.

Especially if you look at Delhi airport, the big one is like say advertising and also you know that cargo was there for some time, so all those are also accounted for in this the difference what you're talking about. Similarly in Hyderabad also some point some amount is there. All these are JV ownerships.

Kaseedit Choonnawat: Okay. That's very clear. Thank you. Next question is on Hyderabad tariff. I think about a year ago, I asked the management and you mentioned that because there's not that much of capex at Hyderabad, we should be expecting close to flat tariff heading into the next regulatory period. What has changed that led to upward guidance in the passenger service charges of Hyderabad? Thank you.

GRK Babu: I think we have already explained in the last call that Hyderabad airport has filed an application for the tariff determination for this current control period considering even the expansion. Because the Hyderabad airport has built 34 million capacity which is almost full, it is operating. So, we have already considered, presented to the regulator that there will be an expansion on northern side of the airport.

So, considering that expansion capex also included, of course the benefit of this expansion may not come full amount because the expansion will get completed by '31/ '32. But small amount of some portion of that expansion benefit also is expected to get in the tariff determination. That is one point. The second point is in the third control period in Hyderabad airport if you look at it, the regulator has postponed around INR600 crores of the revenue to the fourth control period.

That INR600 crores on NPV basis about INR1,000 crores additional revenue Hyderabad airport is entitled, which regulator is going to consider, that will also add additional revenue, additional pax yield per pax. So, these are the two factors which we are considering that there will be improvement in the yield per pax in case of Hyderabad airport.

Kaseedit Choonnawat: Okay. That's clear. Thank you. And last two questions, on Bhogapuram, how much jump in depreciation and amortization per year we can expect? And the last question is, can you please elaborate more on where's the -- why this quarter we have such a large tax credit? Thank you.

GRK Babu: So, in case of the Bhogapuram airport, the entire project cost which we have already explained is about INR47 billion. The depreciation will be on an average around 4% to 5% is about INR200 crores will be the depreciation in case of the Bhogapuram airport. But since it is going to be operating only for about three quarters, the depreciation could be around INR130 crores to INR150 crores as far as the Bhogapuram airport is concerned. So, regarding the tax credit which we have taken in case of Hyderabad is basically reversal of the deferred tax liability created. Because when the tax provisions were at 35%, we have kept creating the tax liability for future years. Since the tax rates have come down from 35% to 25.17%, there was no need to keep that liability. To that extent, we have reversed which is about INR120 crores in case of Hyderabad airport.

Kaseedit Choonnawat: Okay. That's very clear. Thank you.

Moderator: Thank you. Next question comes from the line of Ankita Shah with Elara Capital. Please go ahead.

Ankita Shah: Thank you for the opportunity. Firstly, sir, how much traffic can be added by Bhogapuram and Nagpur? And X of that, how much our core portfolio can grow, which gives us better clarity on the 5% to 7% growth for the full year number that you are targeting? We just want to see how much new airports can add and how much our existing portfolio can grow in terms of traffic?

GRK Babu: As far as the Bhogapuram is concerned, the Vizag airport is handling around 2.95 million. So, if we considered the nine months period, we can expect around 2.25 million minimum. But we are expecting a better growth because the Vizag airport doesn't have in the night landings and the take-offs. So, we are expecting a better traffic, maybe better than 2.25 million for a period of nine months. In case of the Nagpur, it is also operating around 2.9 million traffic. So, if we are going to take over in the third quarter, I think second quarter, second quarter we are going to take over this current financial year. So, then we will be operating around 2.25 million on yearly basis for the remaining nine months period. So, both put together will be around 5 million will be adding to the traffic in addition to the natural growth in Delhi and Hyderabad.

Ankita Shah: Also, sir, tariff orders are in place for both Bhogapuram and Nagpur?

GRK Babu: In case of Bhogapuram, tariff application has already been filed. We are -- the now as per the latest guidelines issued by the regulator, they will release the full tariff only after the assets have been fully capitalized and the financial results are available. So, we are expecting by end of this month or before starting of operations an ad-hoc tariff from the regulator, which will be around 75% of the expected full tariff. So that is in case of the Bhogapuram airport. Since we have already filed application, we can expect that ad-hoc tariff before starting of the operations. As far as the Nagpur is concerned, it has already got an existing tariffs, that will be continued for some time till we finalize the master plan and file the application with the regulator for the tariff determination.

Ankita Shah: Got it. Also, sir, you mentioned the about the growth in the real estate segment as well. So are we looking at any capex for, you know, developing the real estate on our own?

Saurabh Chawla: So, we are doing few projects already. Maybe Aman you can just highlight, you know, what is the current capex plan there for current year. The next business plan of course will be in future.

Aman Kapoor: So, currently in Delhi there are three projects that are under development. We have a hotel project pre-leased to Chalet, 400 keys. That hotel building will be ready for handover this financial year. There is a office building in Aerocity which is also under development, scheduled for completion towards the end of this year. And then there is a hospital project which is just started, again a building lease to a client. That project is about a million square feet total built-up area and has very recently just started construction three weeks ago. As far as the capex layout, we expect total capex in this financial year to be around INR450 crores.

Ankita Shah: Okay. So Bhogapuram, Nagpur, and the real estate put together could be around INR1,400 crores of capex then for this year, FY27?

Saurabh Chawla: broadly. Correct. But just to but just to again highlight that these are all fully funded through construction finance. So, it doesn't impact my cash flows. And they're all into SPVs. So…

Ankita Shah: Got it. Sir, any update on the arbitration going on for Delhi airport tariff revision?

GRK Babu: As far as the tariff revision the arbitration is not for tariff revision. The arbitration was for the MAP payment. But the matter is now pending before the bench of the High Court as far as that MAP issue is concerned. And regarding other HRAB is concerned, it is before the Supreme Court. We are expecting the start hearing after the summer holidays, maybe around end of the June.

Ankita Shah: Okay. And the last one, recently Groupe ADP sold stake in the company which was taken up by GMR promoters. You know, what is the thought process going forward on this stake ownership? Also, any -- when will the FCCB conversion for ADP's shareholding will happen?

Saurabh Chawla: So, I think ADP's press release is quite clear. They have indicated that post this current stub of sale of about 7.3% stake in GAL, they do not contemplate any further stake sale in the near future.

On the FCCBs, the promoters who had a call option to purchase the FCCBs, which were originally scheduled to be purchased in March of '28, is now going to be purchased by March of '27. The conversion of these FCCBs will happen in its scheduled time in March of '28 only. So that is the -- nothing has changed on that front.

Ankita Shah: Sir, can I take one last one?

Saurabh Chawla: Sure. Go ahead.

Ankita Shah: What could be the impact of UDF and landing fee reduction for this quarter that has been advised by the Airport Authority of India? So, what could be the impact of that for this quarter?

GRK Babu: The basically the order has been issued by the regulator AERA at the directions of the Ministry of Civil Aviation. This reduction in the landing charges by 25% is only for domestic movement but not for the international. The total impact is not more than about INR50 crores on yearly basis. For the one quarter, it'll be about INR15 crores to INR20 crores maximum. However, this amount will get trued up in the next control period. So, there will not be any loss to the company.

Saurabh Chawla: So, it's only a cash flow impact. It is no impact on return on equity, which gets trued up in the next tariff period cycle.

Ankita Shah: Got it. Thank you.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Samay Satshil Sabnis with Helios Capital. Please go ahead.

Samay Sabnis: Thank you for the opportunity. Just one question from my side. So, when I see your result presentation on slide 20, I see significant eliminations made in your EBITDA composition in Q4. So, could you please provide some color on these eliminations?

GRK Babu: Sir, in case of the eliminations, basically the -- for example, GAL has paid remuneration to the DIAL. That will get eliminated because its consolidated number. And Hyderabad duty-free earlier paid to the Hyderabad airport, they get eliminated. So, any inter-company payments which have happened will get eliminated. For example, the dividend which we have received from Hyderabad airport, nearly INR200 crores, that get eliminated in the consol. So, these are all the eliminations which are inter-company transactions under the consol numbers.

Samay Sabnis: Okay. That was helpful. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to Mr. Saurabh Chawla for closing comments.

Saurabh Chawla: Thank you everybody for attending this Quarter 4 annual results call. You know, we are available for any further queries that you may have. You can meet, send emails, or talk to the IR team. We'll be happy to answer any of your queries. Thank you so much.

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

Note: *Transcript has been edited to improve readability*