



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

**Q1FY2026 Investor / Analyst
Conference Call Transcript
July 30, 2025**

Moderator:

Ladies and gentlemen, good day and welcome to GMR Airports Limited (formerly GMR Airports Infrastructure Limited) Conference Call to discuss Q1FY26 Result. As a reminder, all participant lines will be in the 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 touch-tone phone. Please note that this call has been 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. With this, I now hand the conference over to Mr. Saurabh Chawla for opening remarks. Thank you and over to you, sir.

Saurabh Chawla:

Good afternoon, everybody. I welcome our shareholders, analysts and other stakeholders for our Q1FY26 earnings call. Despite global disruptions, the demand for air travel remains resilient and is accelerating. Over the past decade, the real cost of flying has dropped from by about 40% as per IATA, making air travel more accessible to millions even amid rising operational costs and taxes. The challenge today lies not in demand but in supply. Aircraft production delays have constrained fleet expansions. As Air India CEO noted, available capacity has been nearly exhausted. Indigo's recent MOU with Airbus for 30 additional Airbus A350 with options for 40 more signals strong long-haul ambitions. Encouragingly, Airbus is now seeing initial signs of stabilization in its supply chain and aims to ramp up Airbus A320 production to 75 aircrafts per month by 2027, up from a current 60.

For us as airport operators, this translates into sustained traffic growth, increased route connectivity and greater infrastructure demand. We are strategically positioned to capitalize on this momentum with investments already undertaken in capacity expansion, digitization and passenger experience. In conclusion, despite short-term disruptions, the long-term fundamentals of air travel in India remain exceptionally strong. We are confident in the sector's trajectory and committed to delivering value through operational excellence and strategic foresight. On that note, let me delve in our Q1FY26 performance.



Momentum in total income continued with Q1FY26 at INR32.2 billion, up 33% year-on-year driven by growth in revenues across all business segments, especially due to the revised tariffs at Delhi Airport, which have been effective from mid-April. This has translated into an EBITDA growth of 26% year-on-year to INR12.8 billion. EBITDA margin for the quarter was stable at 51% Q1FY26 despite a forex loss hit of INR1.4 billion in Q1FY26 as the Euro-INR rate reached 100 in June from 92 in March, which led to a non-cash mark-to-market impact on our profit and loss statement. At this stage, I would like to highlight that this is a notional loss as the FCCB strike price is at 43.50 and no holder will ask for redemption given that 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 country's 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 provisioning will be written back as one-time profits. This aspect must be taken into account for financial performance.

Loss from continuing operations for the quarter was INR1.4 billion versus loss of INR3.4 billion in Q1FY25. But for the forex hit, GAL would have been at near break-even point at the PAT level. Consolidated net debt excluding FCCBs of INR26.2 billion which are deep into money stood at INR25 billion, increasing by INR14 billion versus Q4FY25. GAL had raised INR15 billion in the form of 3-year non-convertible bonds in Q4FY25, mainly for financing the purchase of Fraport's 10% stake in DIAL, of which the balance INR4 billion was received during Q1FY26. Net debt at Bhogapuram increased by INR3.2 billion, which is going towards the Greenfield Project construction costs. Net debt also increased by INR2.6 billion due to the impact of consolidation of ESR GMR Logistics Park Private Limited, which is now a wholly owned subsidiary post the acquisition.

On the operational front, traffic growth at GAL-operated airports continues with the total traffic up 4% year-on-year in Q1FY26, reaching 30.1 million passengers. And this excludes Cebu because we have already sold our equity in Cebu. Hyderabad Airport handled the highest-ever quarterly traffic of 8.1 million passengers in Q1.

Despite the temporary disruption of traffic in Delhi due to the India-Pak and Israel-Iran conflicts, total income at Delhi Airport rose 37% year-on-year to INR17.7 billion. While growth in non-aero and CPD income was healthy, the primary driver for the sharp increase in total income was the aero revenues, which rose 127% year-on-year as the revised tariffs were implemented from mid-April onwards. As a result, quarterly EBITDA reported was the highest in 4 years, increasing 62% year-on-year to INR6.3 billion. With this, the airport has begun its journey towards profitability.

At Hyderabad, total income was INR6.2 billion, up 8% year-on-year with traffic driving its growth. EBITDA was up 8% year-on-year to INR3.9 billion. This is the highest quarterly EBITDA on record for Hyderabad Airport, and the airport has continued to be PAT positive. Mopa, which is the Goa airport, reported a total income of INR1,024 million, up 8% year-on-year. The airport continues to report a positive EBITDA, with Q1FY26 EBITDA number of INR232 million despite the impact of revenue share.



Notable achievements during the quarter are:

Non-aero revenue at all our airports was strong in the quarter. Combined non-aero revenues at Delhi, Hyderabad and Goa airports rose 15% year-on-year in Q1FY26. Duty-free SPP at Delhi increased to INR1,033 in quarter one, up from INR1,019 in Q1FY25. While at Hyderabad, SPP was INR769 in Q1FY26, up from INR715 in Q1FY25.

Earlier during the month, the TDSAT, which is the Telecom Dispute Settlement and Appellate Tribunal, quashed and set aside the calculation of HRAB, which is hypothetical RAB, by AERA (Airports Economic Regulatory Authority of India), for Delhi Airport. TDSAT has now directed AERA to include both aeronautical as well as non-aeronautical revenues and costs for fiscal year 2008-2009 while arriving at the calculation of HRAB and has given it 12 weeks to complete the revised calculation. The 12 weeks starts from 1st July onwards. This sets the stage for DIAL or Delhi Airport to claim under-recovery in aero revenues since control period 1 and we have a fairly high degree of confidence of getting this implemented.

Hyderabad airport declared a second dividend of INR2.5 per share for FY25, taking the total dividend for FY25 to INR10 per share or INR3.8 billion, of which GAL's share amount amounts to INR2.8 billion.

Moving forward in its strategy towards consolidation of stakes in existing assets, Hyderabad airport concluded a share purchase agreement to acquire 70% stake in the ESR GMR Logistics Park Private Limited from other shareholders at a consideration of INR413 million. With this transaction, EGLPPL has now become a wholly owned subsidiary of Hyderabad airport. This transaction is highly value accretive to GAL with IRRs expected to be in high teens while the cost of debt is in single digits. This acquisition will further strengthen airport-based industrial and warehousing portfolio.

Progress on developing the airport adjacency business is gathering pace. We are steadfast in our long-term strategy of converting GAL into a consumer business with the underpinnings of a huge utility company. GAL has recently completed the takeover of Delhi duty-free concession and will also take over the operations of duty-free at Hyderabad airport in Q2FY26 as per our earlier guidance. As you know, GAL has been granted a concession to operate, maintain and manage the existing cargo terminal at Delhi Airport on similar terms to ensure continuity of operations, post termination of security clearance of one of the cargo operating companies resulting in the cancellation of the concession. GAL financials have already started reflecting the upsides from these transactions as cargo was operated by GAL for 1.5 months and has started operating Delhi duty-free from 28th July.

Construction on multiple airport land development projects is underway at all airports. Delhi Airport signed an agreement with Hilton Hotels & Resorts for development of hotels under the Waldorf brand and Hilton brands. Waldorf is 150 rooms and Hilton is 350 rooms project. At Hyderabad, an operator agreement has been signed with IHCL for a 170-key hotel project under the Taj Vivanta



brand. Construction is steadily progressing on all airports on multiple projects, details of which are available in our results presentation.

Credit rating of GAL, the listed entity, was upgraded recently by CRISIL which assigned A+/Stable rating for the proposed INR60 billion non-convertible debentures to be issued by GAL. CARE also upgraded the rating of GAL's rupee-denominated rated and listed NCBs to CARE A from CARE BBB+. As we have been alluding to in the past, this was an expected event given our strategy and outlook for the List Co, which is GMR Airports Limited. Additionally, India Ratings and Research upgraded Delhi Airport's debt instruments to AA from AA- with stable outlook.

MRO operations at Hyderabad Airport signed a 3-year agreement with the Akasa Air for base maintenance and support for its Boeing 737 MAX fleet. The current fleet size is about 30 aircrafts.

Work on the new airport construction is steadily progressing. At Bhogapuram, 80% of the physical construction has been achieved as of June 25, while at Crete, 54% has been achieved.

Airports operated by GMR continue to receive multiple awards and recognitions globally, showcasing how we consistently improve our services while adapting to changes.

As we expand our airport operations, we remain deeply committed to the ESG principles. Sustainability, inclusivity, and strong governance are integral to how we design, build, and manage our businesses and infrastructure. GAL witnessed significant improvement in ESG ratings across both, Standard & Poor's, Corporate Sustainability Assessments and Sustainalytics ESG Risk Ratings, driven by focused ESG initiatives, enhanced transparency, and public disclosures. More details are available in our IR presentation.

\The presentation with all financial numbers are 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. Now I would like to open the forum for queries that will be addressed by my colleagues from corporate and business teams. Thank you so much.

Moderator:

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

Mohit:

Yes, good afternoon and thanks for the opportunity. My first question is on the hypothetical RAB. Of course, you received a very positive order from the Supreme Court and the TDSAT. My question is, once let's say this value gets crystallized, right, do you think this will get implemented in near time or do you think this will get implemented in the next control period?

Saurabh Chawla:

So, honestly speaking, as a commercial organization, we would like it to be implemented immediately. But there is a process of law and there is a regulator. So, we really actually can't guide you as to when it will get implemented. At first stage, I think the AERA has to compute the numbers



and represent it back to the Supreme Court and the process will go from there on. GRK Babu, you can add to this now.

GRK Babu: Yes, sir. I think the TDSAT order is very clear that the HRAB has to be recomputed and whatever the earlier computation done by the AERA has been quashed. So, the order says that in 12 weeks they have to compute and implement it. But as you know that law takes its own course, that AERA has got an opportunity that they can appeal. So, it will be very difficult to say that it will be implemented immediately.

Mohit: Understood. My second question is on the INR142 crores of loss which has been booked in the foreign exchange. Is this entire thing linked to the MTM impact on CCD? Is that understanding right?

Saurabh Chawla: So, it is the forex loss which is booked on an MTM basis on the FCCB interest. So, that instrument itself is well into money and that's what I had highlighted in my opening remarks. There is no possibility of that being treated as debt. Most of the analysts, of course, treat it as equity anyways. And even in our representation on our debt, we exclude the FCCBs over there. So, it is purely following the accounting standards of the country and we expect that once these are converted into equity, all these notional provisioning that are being done on a quarterly basis will all be written back as exceptional profits at the time of that conversion.

Mohit: Understood. My question was that the INR142 crores that is booked entirely is linked to CCD. Is that understanding right?

Saurabh Chawla: Correct.

Mohit: My third question is, how is the Delhi duty-free grown in Q1FY26 compared to last year? Do you think there was underinvestment in the asset because of the transition?

Saurabh Chawla: I will ask Rajesh to respond to this topic.

Rajesh Arora: So, Mohit, this Delhi duty-free transition is only happening now, 27th of July. So, the first quarter was purely as is business as usual. So, no impact of the transition over there. In terms of its growth the non-aero revenue for duty-free has grown by about 4%.

Mohit: Understood, sir. My question was, was there underinvestment in the recent past because of transition? Because you were taking over, the other guy was not interested in investing in the asset.

Rajesh Arora: No. So, primarily there are two things which are there for running the business, is the shop, the way you do the fit out in the shop and the inventory. So, the business was being run because we were also a joint venture partner in that. So, there was no such thing where we cut down the investment requirement over there. So, no impact because of that.

Mohit: Understood, sir. Understood. Thank you and all the best, sir. Thank you.



- Moderator:** Thank you. The next question comes from the line of Nirav Shah from GeeCee Holdings. Please go ahead.
- Nirav Shah:** Yes, good afternoon, sir, and congrats on a solid set of performance. So, a few questions. Firstly, on our Hyderabad cargo and MRO business, last full year we did an EBIT of INR275 crores and this quarter itself we did around INR98 crores. Now, you have mentioned in your opening remarks about a 3-year contract with Akasa. But from here on, what kind of quarterly revenue can we expect? Because it's a pretty strong number that we have reported at this segment.
- Saurabh Chawla:** So, Nirav, I will, of course, ask Rajesh to respond. But, we really do not give guidances on any future outlook. All that we can say is that it is a robust business and with increasing aircraft coming into the country, the outlook is very positive on the MRO business of ours. But Rajesh, I will leave it to you to talk more about it.
- Rajesh Arora:** Saurabh, you already covered it well. So, in terms of the MRO business per se, in terms of its growth potential, Saurabh has already talked about this, the kind of order book we have in terms of maintenance and the order book what airlines have placed. So, it's on a real good growth trajectory and we'll leave it there without giving any guidance on the numbers going forward.
- Nirav Shah:** Okay. But just the utilization of our assets over there, I mean, the area, was it the optimum or there is still room to grow?
- Rajesh Arora:** So, there is some room to grow. We are also looking at the expansion of the capacity. That's, again, need-based depending upon the order book what we'll have. But yes, as you know, it does not require a very significant investment in terms of hangers and all that. But yes, we are evaluating the possible options of expansion.
- Nirav Shah:** Got it. Second question is on Delhi duty-free. I mean, in the last call, we did mention that from this year onwards, the margin should be somewhere around 17% range and we have reported around 14%. So, is it something like this just seasonality or we should revert to 17% on an annualized basis?
- Rajesh Arora:** We are still targeting our margins in the range of 17% and it could be some impact of seasonality here. Plus, as we will go, we are also looking at some efficiency coming in our procurement processes. So, that will further add to our margins.
- Nirav Shah:** Got it. Lastly, on the proposed, I mean, this INR6,000 crores of non-convertible bond, I mean, that will be used to refinance the Holdco debt. Am I correct?
- Saurabh Chawla:** Yes, Nirav. You are correct.
- Nirav Shah:** So, what is the current blended interest cost or what is the savings that we can expect once this process is completed? And then by when will we reach this convertible bond? What's the plan over there?



- Saurabh Chawla:** GRK Babu, do you want to comment here?
- GRK Babu:** Yes. The blended cost currently is around 14% and we are looking for a substantial reduction in the interest cost. Number two, we are trying to see and we have been discussing with the bankers and everybody, we are trying to complete the transaction by second week or third week of August.
- Nirav Shah:** Got it. Great, great. That's really heartening and thank you, sir. And all the best.
- Moderator:** Thank you. The next question comes from the line of Karthik Chellappa from Indus Capital Advisors. Please go ahead.
- Karthik Chellappa:** Yes. Thank you for the opportunity, sir. I have three questions. The first one is, if I were to look at Delhi Airport, this quarter, if I exclude the exceptional item of about INR91 crores of gain, there is still a loss of about INR42 crores, although it is down significantly year on year. Now, assuming that given that the aero tariff change is already in, if we were to see a traffic revival in the remaining quarters, can we reasonably assume that Delhi Airport will be churning out a profit?
- Saurabh Chawla:** Yes, Karthik. You can reasonably assume that. GRK, please go ahead.
- Karthik Chellappa:** Okay, excellent.
- GRK Babu:** Yes, sir. I think in the first quarter, the tariffs have been implemented only from 16th April onwards. That too, only for the tickets sold from 16th, only we have got the revised tariffs. So, as Sourabh has rightly pointed out, in the second quarter, we can reasonably assume that we should be making a green or profit in the second quarter.
- Karthik Chellappa:** Okay, excellent. My second question, sir, is if I were to look at Hyderabad Airport, I mean this quarter, the non-aero revenues grew more or less in line with the passenger traffic, which means the non-aero revenue per pax was very, very soft. And this is a trend which we have seen, in the last few quarters as well. What do you think is the hindrance to actually getting a non-aero revenue per pax growth? I think we were targeting at least about 5% to 6% in the past, but this seems to be softer than that.
- Saurabh Chawla:** Rajesh, please go ahead.
- Rajesh Arora:** So, see when you look at the non-aero revenues, it has got two components. One is the non-aero commercial revenue and then there are certain fixed revenues in nature. So, non-aero commercial revenues have grown by almost 23% as against a pax growth of 17%, which means the SPP growth is about 6%. So, when you combine the rentals and other things which are in the fixed nature, that is where it looks like that these have not grown in line with the traffic growth or maybe only in line with the traffic growth.



- Amit Jain:** Also, you have to look at the mix of the growth. There is more growth on the domestic side. When we look at the weighted average growth of 17%, that domestic growth is about 19%, whereas the international is slightly lower. This mix also plays a role in the SPP growth, which should reverse as we move forward.
- Karthik Chellappa:** Okay. So, the way I should understand it is, just keeping aside the domestic versus international, if I look at non-aero, the non-commercial revenues grew faster than the commercial this quarter. So, that is why on a blended basis, the per pax growth seems to be a bit low. Is that how I should understand it?
- Rajesh Arora:** No, no. It is the other way. Like I was clarifying, the non-aero commercial revenues have grown at about 23% as against a PAT growth of 17%, okay. Then there are certain rentals, those are in the fixed nature. Those will go at the rate of 4% to 5% or 7% kind of thing. So, that's when you take a mix of these two, overall non-aero revenue will look like they are at par with the traffic growth, but if you segregate the commercial revenues, which are directly linked to pax, is what has grown at a pace faster than the traffic growth.
- Saurabh Chawla:** In a nutshell, the spend by the passengers are significantly higher from a passenger throughput perspective. Yes.
- Karthik Chellappa:** Excellent. My last question, sir, is if I were to look at our cash and cash equivalents, fourth quarter of last year, we were at about INR38 billion, and now today at about INR34. So, I presume there has been, I mean, the free cash flow generation hasn't been there yet. So, with the expectation of Delhi Airport turning a profit next quarter and Hyderabad growing at the rate that it is, and with most of the capex already done, can we expect that this year, we should be able to generate free cash flow at a consolidated level?
- Saurabh Chawla:** So, I mean, we still have to complete our investment in capex for the Bhogapuram Airport. And also, there is a possibility, high degree of possibility of us taking over Nagpur. I think we need to put that into play. But for our existing assets that we have right now, your outlook is correct.
- Karthik Chellappa:** Excellent. Okay, that's all from my side. Wish you and the team all the very best for the remainder of the year, sir. Thank you.
- Saurabh Chawla:** Thank you, Karthik.
- Moderator:** Thank you. The next question comes from the line of Kaseedit from Citigroup. Please go ahead.
- Kaseedit:** Hi. Congratulations, management. Just two questions from me, and apology for my newness to the market. Number one on Delhi potential under-recoupment, right? What I'm seeing now is the RAB size of Delhi Airport is about INR140 billion, right? What would be the amount of the under-recoupment that can be recognized either immediately or in the next RP period? That's question number one.



And question number two, please help me understand what's the upside from taking back duty-free operation at Delhi and Hyderabad? How could you make it better and drive spending, for example, and profitability? Thank you very much.

Saurabh Chawla:

So, I'll allow Rajesh to first answer on the duty-free side of it, and then GRK Babu, you can pick up on the RAB.

Rajesh Arora:

Yes. So, see on the duty-free side, as I mentioned in one of the earlier questions which were asked, as we are now getting into a platform play with consolidation of Delhi, Hyderabad, Kannur, and Bhogapuram and Goa, we will -- this will also bring in the good amount of efficiency in our procurement processes, which will be further adding to the overall profitability and value creation in our duty-free business. That's one. Secondly, even in terms of certain marketing and sales activities being driven through a platform now, should also add to the overall value. So, these are the two clear, clear advantages which will start coming in from the next quarter onwards as we consolidate these businesses under one umbrella.

GRK Babu:

Regarding the DIAL, if I understand your question, the additional RAB which has gone into the tariff determination, that is what you are asking for?

Kaseedit:

That is correct. My understanding with the court case dispute is that Delhi and Mumbai had potentially under-recouped your investment since, let's say, about a decade ago, right? I'm trying to estimate what will be the potential upside to the RAB size that can be added back. Thank you.

GRK Babu:

No, this is based on the TDSAT judgment that you are referring to?

Saurabh Chawla:

Yes. GRK Babu, that's what he's referring.

GRK Babu:

As far as the TDSAT judgment is concerned, of course, the, originally the HRAB has already been added to our RAB by the regulator, which has now been revised by the TDSAT saying that that is not the right amount. So, they have asked us to re-compute by the regulator and then add back to the RAB. So, that working has to be done by the regulator over a period of next 12 weeks and then they will have to do it and also they have a right to appeal to the Supreme Court. So, we are still waiting for the final numbers to be computed by the regulator.

Kaseedit:

Any guidance of what will be the RAB size that you can add on top? Thank you.

GRK Babu:

It will be very difficult to say the numbers because it is both airports different and the existing they have added was originally about INR470 crores rupees was there in first control period they've added for HRAB. It should go up substantially. That is what our guess.

Kaseedit:

Got it. That's very clear. Thank you. Just last questions on duty-free, right? I just looked through the available resources and if my understanding is correct, the duty-free operation at Delhi previously, the company has been bought by Adani. Is that correct? And by taking back the operation, that



should help bringing back the in-house customer database, for example, to be kept within GMR. Would that be a fair comment? Thank you.

Rajesh Arora:

No. So, first of all, the existing concession was not being run by Adani or was bought by Adani. It was a concession which was being run by a joint venture consisting of Aer Rianta, Delhi Airport and GMR Airports. That concession came to an end on 27th of July. That's where GMR Airports got this concession through a competitive bidding and have started operating it as a wholly owned business of GMR Airports.

Kaseedit:

Got it. That's very clear. Thank you.

Saurabh Chawla:

Kaseedit, I just want to come back on the HRAB issue. All I can say is that the option value has just got crystallized. I don't want to put out my number because that will be shooting myself in my own feet, right? Let the regulator come out with a number and then we'll see how it works out from there.

Kaseedit:

Okay. All the best looking forward. Thank you.

Saurabh Chawla:

Thank you so much.

Moderator:

Thank you. The next question comes from the line of Nirav Shah from GeeCee Holdings. Please go ahead.

Nirav Shah:

Yes. So, just one follow up. Sir, in DIAL financials, Delhi Airport financials, if I look at our incremental revenues on a sequential basis, it is somewhere around INR140 crores. This is post-revenue share excluding other income. And if I look at the incremental operating profit, again, without other income, it's around INR160 crores. So, our incremental EBITDA is actually around 110% of our incremental revenues, though I believe that we benefited from implementation of CP4. Any particular reason you would like to share some clarity on this?

Saurabh Chawla:

Amit, why don't you answer this, please?

Amit Jain:

Nirav, if you look at your delta between the thing, you have to also look at the expenditure. There is a reduction in the expenditure which is there between Q4 and Q1 this year. So, if you adjust for that, the numbers will make more logical sense. So, it's not only revenue which you have to look at, you have to look at the expenditure.

Nirav Shah:

So, once you take the full benefit of that additional 15 to 30 days of YPP in Q2, you will get a normalized margin which should be upwards of this. So, that's a sustainable number.

Amit Jain:

Yes. Yes. Perfect.

Nirav Shah:

Got it, sir. Great. Thanks. That's from my side.



- Moderator:** Thank you. The next question comes from the line of Nidhi Shah from ICICI Securities. Please go ahead.
- Nidhi Shah:** Yes. Thank you for taking my question. So, my first question is, why does the CPD revenue decline Q-o-Q for Delhi Airport this quarter?
- Saurabh Chawla:** Go ahead, GRK Babu.
- GRK Babu:** See, last quarter, we have booked the IND AS lease accounting which has been done for one of the assets which has now come under operation and which was almost about INR180 crores that had been accounted for in the last quarter for the entire period of about 1.5 year. Whereas, this quarter, it is only for one quarter impact – hence, between the last quarter and this quarter it's a bit down.
- Nidhi Shah:** So, my second question would be, is there any advantage to the Delhi duty-free moving to GAL? And or is it that we are just consolidating assets?
- Saurabh Chawla:** Yes, please Rajesh.
- Rajesh Arora:** Yes. So, Delhi duty-free earlier was more like about 67% held by GMR. 33% was with the joint venture partner. Now, it becomes 100% owned by GMR Airports. So, naturally, the 33% to the portion which was earlier going to a joint venture partner will fully flow to GMR.
- Nidhi Shah:** All right. Some questions on the Delhi duty-free. So, basically, now that we have seen that traffic at Delhi airport is growing moderately, where are we expecting the growth in Delhi duty-free revenues and EBITDA to come from? That's the first thing on Delhi duty-free. The second thing is that currently, what is the rent that Delhi duty-free is paying to DIAL under the new concession?
- Rajesh Arora:** Yes. So, let me first take up the first point on the traffic. The traffic during this quarter, as all of us know, there has been geopolitical issues in the first quarter of this year. So, that has impacted the traffic and more so the international traffic during this period. And with the geopolitical issues getting resolved, we expect the traffic growth to come back. That's point number one.
- And accordingly, and with the international traffic directly linked to that, so duty-free, the sales and growth of that will get aligned to the growth in the traffic. That's on the duty-free, how that duty-free revenue and growth will look like as we go along.
- The rentals, which we call it as a concession fee, in the current concession, vs the new concession, there is no significant increase. It's more or less in the range of what it used to be in the old concession. So, the percentage number is commercially sensitive in nature. So, I'm not sharing that with you, but in terms of the rentals, it is more or less the same what it used to be earlier.
- Nidhi Shah:** Lastly, on DIAL, we're seeing an exceptional amount of about INR90 crores. So, what is that exactly?
- Saurabh Chawla:** Yes. Okay. Go ahead GRK Babu.



GRK Babu: It consists of two components. Basically, number one is the daily duty-free has bought back the 25% of its equity. So, basing on that, the DIAL has also surrendered its 25% stake in the, I mean, in the Delhi duty-free, and they have got a capital gain of about INR53 crores, which is an exceptional item. Number two, earlier, they have made a provision for one of our joint ventures, Bajoli Holi, and now it is no more required. So, to the extent of about INR37 crores to INR38 crores has been reversed. Both put together is about INR91 crores is the exceptional item.

Nidhi Shah: All right. Thank you so much. Those were my questions.

Moderator: Thank you. Ladies and gentlemen, we'll take this as the last question for today. I would now like to hand the conference over to the management for closing comments.

Saurabh Chawla: Thank you. Thank you, everybody, for joining this call. And the teams are, of course, available offline or through email to answer any of your queries and further details. Appreciate your participation today. Thank you so much.

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

Note: *Transcript has been edited to improve readability*