

OPERATING AND FINANCIAL REVIEW

Fiscal Year Ended March 31, 2024 compared to the Fiscal Year Ended March 31, 2023

The financial information presented below has been prepared with respect to the financial statements for the Year Ended March 31, 2024 compared to the Year Ended March 31, 2023. The financial statements have been prepared and presented under Ind-AS on a consolidated basis.

Operating Performance:

Operating Parameters	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Total passengers (in millions of persons)	25.04	21.00
International passengers	4.21	3.42
Domestic passengers	20.83	17.58
Total Air Traffic Movements (ATMs)	176,286	158,747
International ATMs	27,995	22,957
Domestic ATMs	148,291	135,790
Total Cargo (in metric tons)	149,812	142,434
International Cargo	80,780	75,447
Domestic Cargo	69,032	66,987

Passenger and aircraft traffic at the Airport are the key drivers in generation of revenues from aeronautical and non-aeronautical operations. There has been a significant increase in the passenger and aircraft traffic volumes at Hyderabad Airport during the Year Ended March 31, 2024. Total passenger traffic at the Airport was 25.04 million for the Year Ended March 31, 2024, 19% increase as compared to 21.00 million for the Year Ended March 31, 2023. The international traffic increased by 23% while the domestic passenger traffic increased by 19%. The increase was due to economic growth.

For the Year Ended March 31, 2024, total ATMs at the Airport were 176,286, resulting into a 11% increase as compared to 158,747 for Year Ended March 31, 2023. Cargo tonnage increased by 5% from 142,434 tons during the Year Ended March 31, 2023, to 149,812 tones for the Year Ended March 31, 2024.

Financial Performance

INR Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	27,183.1	19,108.0
Other income	2,260.7	1,775.5
Total Revenues	29,443.8	20,883.5
Concession fee	786.8	544.1
Purchase of traded goods	1,095.8	1,305.3
Increase/(decrease) in traded goods	74.1	(425.9)
Employee benefits expenses	3,369.2	2,656.5
Other expenses	8,751.9	7,443.7
Finance Cost	5,821.4	4,041.0
Depreciation	4,957.7	3,128.8
Loss on settlement of derivative financial instruments	0.0	907.7
Total Expenses	24,856.9	19,601.2
Exceptional item-Profit on sale of investment in GHAAL	746.8	0.0
Profit Before Tax (Before Share of Profit/Loss of Associates and Joint Ventures)	5,333.7	1,282.3
Share of Profit / loss of an Associate and Joint Ventures	(46.5)	61.5
Profit Before Tax	5,287.2	1,343.8
Tax	1,552.4	264.8
Profit After Tax	3,734.8	1,079.0
<i>Adjusted EBITDA</i>	49%	41%

1. *Adjusted EBITDA is calculated as earnings before interest (excluding finance income), tax expense, depreciation and amortization and share of profit of joint ventures*

Total Revenue

Total revenue was Rs.29,443.8 million for the Year Ended March 31, 2024 , a 41% increase from Rs.20,883.5 million for the Year Ended March 31, 2023.

Revenue from operations:

Revenue from operations was Rs.27,183.1 million for the Year Ended March 31, 2024 , a 42% increase from Rs.19,108.0 million for the Year Ended March 31, 2023 as a result of increase in aeronautical and non-aeronautical revenues on account of increased traffic and also due to higher tariffs as applicable in the current period. Detailed analysis of same as below :

INR Million

Revenue from operations	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Variance %	Details
Income from services					
Aeronautical (A)	13,676.4	8,542.7	5,133.7	60%	
User Development Fee (UDF)	8,449.4	4,409.7	4,039.7	92%	Due to increase in Traffic & Tariff
Landing & Parking charges	2,208.1	1,543.3	664.8	43%	Due to increase in ATMs & Parking hours
Cargo	1,422.5	869.2	553.3	64%	Increased on account of increase in Cargo volumes and tariff
Ground handling	465.2	382.0	83.2	22%	Increased with respect to increase in ATMs
Fuel farm	935.9	858.6	77.3	9%	Increased with respect to increase in ATMs and fuel upliftment
ICT & Others	195.3	479.9	-284.6	-59%	The change is majorly on account of reclassification of rental income to Revenue from commercial property development
Non Aeronautical (B)	11,408.4	8,974.9	2,433.5	27%	
Duty Free	3,560.0	2,204.4	1,355.6	61%	Increase is majorly on account of increase in international passenger traffic by 23% and per pax spent
Retail	837.7	708.5	129.2	18%	Increase in revenue is due to increase in total passenger traffic
Food and beverages	954.7	774.6	180.1	23%	
Parking	1,080.1	936.6	143.5	15%	
Advertisement	647.7	436.4	211.3	48%	In owing to increased utilization of advertisement site
Land and space - Rentals	477.2	439.6	37.6	9%	Due to land & Space rental increment
MRO services and others	3,851.0	3,474.8	376.2	11%	Increase in revenue due to increase in number of checks
Revenue from sale of services (A+B)	25084.8	17,517.6	7567.2	43%	
Revenue from commercial property development	1185.9	831.5	354.4	43%	Due to land monetization by ALD business and reclassification of rental income from others.
Revenue from hospitality services	912.4	758.9	153.5	20%	Owing to an increase in occupancy and average room revenue.
Revenue from non-airport services (C)	2098.3	1,590.4	507.9	32%	
Revenue from contracts with customers (D=A+B+C)	27,183.1	19,108.0	8,075.1	42%	

Other Income

Other income was Rs.2,260.7 million in Year Ended March 31, 2024 , an increase of 27% from Rs.1,775.5 million in Year Ended March 31, 2023. This was primarily on account of increase in investments and yields on the cash that was parked in bank deposits and liquid financial assets and income from investment in subsidiaries.

Income from Exceptional item

During the period GHIAL has divested its 100% stake in its subsidiary GMR Hyderabad Airport Assets Limited (GHAAL) and gain of Rs.746.8 million on sale of the same has recognized as an exceptional item.

Total Expenses

Total expenses were Rs.24,856.9 million for the Year Ended March 31, 2024 , an increase of Rs.5,255.7 million i.e. 27%, from Rs.19,601.2 million for the Year Ended March 31, 2023 detailed as below :

INR Million

Particulars – Rs Mn.	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Variance %	Narration
Concession fee	786.8	544.1	242.7	45%	Increased on account of increase in gross revenue.
Purchase of stock-in-trade	1,095.8	1,305.3	(209.5)	-16%	Increase in consumption of goods on account of increase in Duty Free business.
Changes in inventory of stock-in-trade	74.1	(425.9)	500.0	117%	
Employee benefit expense	3,369.2	2,656.5	712.7	27%	On account a higher business activity as well as increase in operating expenses on account of phased manner capitalization of Expansion assets.
Other expenses	8,751.9	7,443.7	1,308.2	18%	
Finance Cost	5,821.4	4,041.0	1,780.4	44%	Increased on account of capitalization of expansion assets resulting in higher depreciation and interest charged to profit & loss account.
Depreciation and Amortization Expenses	4,957.7	3,128.8	1,828.9	58%	
Loss on settlement of derivative financial instruments		907.7	(907.7)		
Total Expenses	24,856.9	19,601.2	5,255.7	27%	
Share of Profit / loss of an Associate and Joint Ventures	(46.5)	61.5	(108.0)	-176%	Share of loss on account of capitalization of assets, depreciation and interest charged to Profit & Loss
Tax Expenses	1,552.4	264.8	1,287.6	486%	Incurred a deferred tax expense on account of reversal of deferred tax asset created in previous years.

Profit for the Year

As a result of the factors described above, the company made a profit of Rs.3,734.8 million for the Year Ended March 31, 2024 as compared to the profit of Rs.1,079.0 million for the Year Ended March 31, 2023.

Adjusted EBITDA/Total Revenue

Adjusted EBITDA to Total Revenue has increased to 49% for the Year Ended March 31, 2024 from 41% for the Year Ended March 31, 2023 due to higher revenue from operations.

Cash Flows

The following table sets forth a summary of our cash flows for the given periods.

INR Million

Cash Flow Statement Data	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net cash flow from operating activities	14,671.5	9,799.0
Net cash flow used in investing activities	(7,355.3)	(3,556.1)
Net cash flow from (used in) financing activities	(2,669.0)	(5,533.0)

In the Year Ended March 31, 2024 , our net cash flows from operating activities were Rs. 14,671.5 million due to revived revenue generation in the business. For comparison the net cash flows from operating activities were Rs. 9,799.0 million in the Year Ended March 31, 2023.

In the Year Ended March 31, 2024 , our net cash flows used in investing activities were Rs. (7,355.3) million compared to net cash flow of Rs. (3,556.1) million in the Year Ended March 31, 2023. The increase in net cash flow in investing activities is due to movement of funds between cash and cash equivalents to liquid investments, consumption of cash towards purchase of property, Plant & Equipment due to expansion.

In the Year Ended March 31, 2024 , our net cash flows from financing activities were Rs. (2,669.0) million as compared to net cash flows from financing activities of Rs. (5,533.0) million during the Year Ended March 31, 2023.

Other Material Development:

Airports Economic Regulatory Authority of India (“AERA” or “the Regulator”) has issued Tariff Order for the third control period (01.04.2021 – 31.03.2026) for GMR Hyderabad International Airport Limited on August 31, 2021. Refer link; <https://aera.gov.in/uploads/airports/16466584108771.pdf>.

Further AERA appeal number 4/2021 filed by GHIAL has been allowed partially by TDSAT wide its judgement dated 14-02-2024.