

GMR Infrastructure Limited

Business Highlights

Update on Demerger to Unlock Value

We filed the composite scheme of Amalgamation and Arrangement amongst GMR Power Infra Limited and GMR Infrastructure Limited and GMR Power and Urban Infra Limited and their respective shareholders with the National Company Law Tribunal (NCLT) on March 5, 2021 for taking the Scheme forward. We have already received consent of the Stock Exchanges and SEBI and are awaiting schedule for hearing from NCLT. **Simultaneously, process for obtaining requisite approvals from the relevant stakeholders, especially financial & operational creditors is at an advanced stage of completion.**

The Scheme involves vertical split demerger of the Non-Airport Business (Energy, EPC, Urban Infrastructure, etc.) of GIL into GMR Power and Urban Infra Limited (GPUIL), as a going concern, along-side amalgamation of GMR Power Infra Limited (GPIL) with GIL, as a step preceding demerger.

Delhi Airport's completed issuance of INR 3,257 Cr NCDs

Delhi Airport successfully completed the issuance of Non-Convertible Debentures (NCD's) for INR 3,257 Cr priced at an interest rate of 10.96 % p.a and subscribed by FPI's. The proceeds from the NCD's will be utilized to refinance the outstanding debt of around USD 289 Mn due in FY22 and to partly finance the Phase 3A expansion. This shows the confidence of investor in our ability to raise funds from the International Market and reflects our continued effort to create value for our investors.

Hyderabad Airport completed offering of USD 300 Mn bond

GMR Hyderabad International Airport Ltd (GHIAL) successfully priced an offering of USD 300 mn 4.75% Senior Secured Notes for a tenure of 5 years in the international bond market. The offering through GHIAL reinforces our ability to raise funds from the International Bond Markets. The proceeds from the Notes will be used towards the capital expenditure of increasing the capacity to 34 mn passenger p.a. Financial closure for the expansion project has been achieved.

Divestment of Kakinada SEZ Limited

GMR Infrastructure Ltd (GIL) had signed definitive agreements for the sale of it's entire 51% equity stake held in Kakinada SEZ Ltd through GMR SEZ and Port Holding Limited to Aurobindo Realty and Infrastructure Private Limited (ARIPL). We are at a very advanced stage of completing the deal. We have already received ~INR 1214 Cr as of March 31, 2021 and INR 130 Cr in Q1FY22. The balance amount of INR 348 Cr (out of the total upfront consideration of ~INR 1692 Cr) is expected to be received shortly. Additionally, ~INR 1027 Cr is to be received in next 2 - 3 years which is contingent upon certain agreed milestones.

Business recovery

Airport Business

- Since May 2020, when the restrictions were lifted on operations of domestic flights, airports business saw a significant traction in traffic. February 2021 was the best month post first wave of covid when the passenger traffic reached 60% of pre-covid levels at Delhi Airport and 64%

at Hyderabad airport and this was achieved under an environment of restricted airline capacity enforced by the Government. Government had allowed 33% capacity for the airlines from May 25, 2020 till June 25, 2020 and has gradually raised the capacity to 80% on December 4, 2020. This suggest passenger confidence to travel increases with the decline in covid cases.

- With the onset of second covid wave, traffic declined in April 2021 and May 2021. However, we are now experiencing traffic turnaround from last week of May 2021 and continued recovery in June 2021. During 2nd weekend of June 2021, Delhi and Hyderabad airports registered a traffic of ~47,200 and ~15,800. This is encouraging considering Govt. of India imposed curb on the capacity for the airlines at 50% from June 1, 2021.

Our Airports have witnessed increase in traffic post Second Wave				
% of pre-Covid level	1st Week (25-31 May)	39th Week 15-21 Feb 2020 (Peak)	52nd Week 17-23 May 2021 (Trough – Second Wave)	55th Week 7-13 Jun 2021
Delhi Airport				
Average Daily Pax	12%	64%	13%	22%
Daily Average ATM	23%	69%	26%	34%
Hyderabad Airport				
Average Daily Pax	7%	66%	12%	20%
Daily Average ATM	12%	65%	22%	28%
Cargo Traffic remains resilient				
	May 2020		May 2021	
Delhi Airport	31%		92%	
Hyderabad Airport	41%		87%	

Note: 1. Non-adjusted gross numbers

2. Pre-covid benchmark to average daily traffic for the entire FY20 (excluding March 2020).

3. Govt had allowed 33% capacity for the airlines till Jun 25, 2020 and increased to 45% till Sep 2, 2020, 60% till Nov 11, 2020, 70% till Dec 3, 2020 and 80% till May 31, 2021. Jun 1, 2021 onwards cap reduced to 50%.

- We expect traffic to gain further momentum with the reducing trend in covid cases, lifting of government restrictions on airline capacity and the increased pace of vaccination.
 - Government of India is working on vaccinating all citizens by December 2021. Globally, too countries have resorted to fast vaccination measures to unlock the economy which will provide further boost to international traffic.
 - New protocols are being discussed which will accelerate seamless domestic travel. It is expected double dose vaccinated travelers (with certification through Arogya App) and onsite testing through breadth analysers [[Singapore gives provisional nod to one-minute COVID breathalyser test](#)] of passengers will become a norm for domestic travel. In many ways similar protocols will get adopted by nations for international travel through 'vaccination passports'.

- Air Bubbles' arrangement will continue for next few months aiding recovery of international traffic. Currently Air Bubbles' arrangement is with 27 nations - USA, UK, Canada, Germany, France, UAE, Qatar, Maldives, Afghanistan, Bahrain, Bhutan, Iraq, Japan, Nigeria, Oman, Kenya, Ukraine, Bangladesh, Rwanda, Tanzania, Netherlands, Ethiopia, Nepal, Kuwait, Russia, Seychelles and Uzbekistan
- We anticipate a return to the pre-covid traffic level in our Indian Airports by end FY22 driven by domestic segment.

Energy Business

Power demand and coal supply are improving as the lockdown is easing up resulting in higher PLFs. During FY21, the dispatch to the discoms under the PPA have been above the normative availability as defined in the respective PPA.

PLF (%)	FY20	FY21	June 2021*
Kamalanga	64%	77%	69%
Warora	82%	75%	65%

Note: June 2021 data till June 13, 2021

Highway Business

Hyderabad Vijayawada expressway traffic increased by 16% YoY to 11.0 Mn during Jan – Mar 2021 period. However, per day avg. traffic volume decreased by 36% MoM in May'21 due to lockdown and but increased by 9% MoM in June 2021 (until June 13, 2021) as the lockdown eased. Traffic at Ambala Chandigarh expressway has been suspended since Oct 12, 2020 due to farmer's agitation.

PT Gems

PT Gems was able to showcase its strength despite Covid by reporting a Sales growth of 10% YoY and EBITDA margin of USD 4.5 per ton for FY2021. Per ton Costs reduced by 16% YoY to USD 26.8/ton in FY21. This was achieved due to the unique advantages of the coal mine:

- Ability to switch to low stripping ratio
- Short distance from pit to port
- Contractor rates linked to coal prices as against the industry norms of fixed price contracts

EBITDA increased by 37% YoY to INR 1,129 Cr driving PAT growth of 51% YoY to INR 710 Cr in FY2021.

Q4FY21 Performance Highlights

Airport Sector

Delhi Airport

- Traffic improved by 28% QoQ from 7.55 Mn in Q3FY21 to 9.70 Mn in Q4FY21. On a YoY basis, traffic declined 38% in Q4FY21
- Net revenues increased by 4.8x QoQ from INR 289 Cr in Q3FY21 to INR 1,388 Cr in Q4FY21. On a YoY basis, net revenue increased by 2.5x in Q4FY21
- EBITDA improved by 9.7x QoQ from INR 71 Cr in Q3FY21 to INR 684 Cr in Q4FY21. On a YoY basis, EBITDA increased by 2.4x in Q4FY21
- Capex to increase capacity from 66 mn pax to 100 mn pax - achieved 41.6% completion as of March 31, 2021. As on May 31, 2021, overall progress achieved is 43.80%
- Post resumption of operation, 77 domestic destinations connected in Mar'21 against 72 in Mar'20. On the international, with bubble arrangement in place Delhi Airport is connected with 24 countries as on 31 March 21 as compared to 51 countries pre- Covid

ESG Initiatives, Recognition and Awards

- Became Asia Pacific's first Level 4+ (Transition) accredited airport under ACI's Airport Carbon Accreditation program and only the second airport globally to achieve Level 4+ accreditation. Delhi Airport is targeting to become Net Zero Carbon Emission Airport by 2026
- Won the prestigious National Water Award given by the ministry of Jal Shakti, Government of India for its pioneering efforts in the field of water conservation, rain water harvesting and recycling of this scarcity resource
- Emerged as the world's 2nd 'safest' airport with three other international airports as per Safe Travel Barometer
- Achieved Top rank among Asia pacific airports (overall & >40 MPPA category) in CY2020
- Voted as Best Airport in India / Central Asia for second consecutive year in Skytrax ranking. Delhi airport is ranked 7th in 60-70 million passenger category globally in Skytrax ranking 2020
- Won Gold in the Digital & CRM category and a silver in Crisis Management category for its work in Covid 19 at the Mobexx Awards 2020 by Adgully
- Won two prestigious awards in the field of Digital Marketing and CRM at the Mobexx Awards 2020 by Adgully
- Acting as a major center for Covid vaccine distribution across the country and has established cold chain network to handle vaccines

Hyderabad Airport

- Traffic improved by 16% QoQ from 2.86 Mn in Q3FY21 to 3.32 Mn in Q4FY21. On a YoY basis, traffic declined 31% in Q4FY21
- Net revenues increased by 1.4x QoQ from 124 Cr in Q3FY21 to INR 174 Cr in Q4FY21. On a YoY basis, net revenues declined 47% in Q4FY21

- EBITDA improved by 2.3x QoQ to INR 77 Cr in Q4FY21 from INR 34 Cr in Q3FY21. On a YoY basis, EBITDA fell by 60% in Q4FY21
- Capex to increase capacity from 12 mn pax to 34 mn pax - achieved 57.5% completion as on March 31, 2021. As on May 31, 2021, overall progress achieved is 59.37%
- Hyderabad airport connected to 58 domestic destinations (vs. 55 of pre-Covid) and 10 International destinations (vs 16 of pre-Covid). Two new destinations added and now flying directly to Chicago and Male.
- Hyderabad airport is the 2nd best connected airport in the country after Delhi airport

ESG Initiatives, Recognition and Awards

- GHIAL won ACI ASQ best airport by size and region in Asia-Pacific region and 15-25 million passenger category
- GHIAL achieved ASQ rating of 5.00 for CY2020
- Received the ACI World's (Airports Council International) "Voice of Customer" recognition
- Acting as a major center for COVID vaccine distribution across the country

Goa Airport

- Work is in progress at site with physical activities being carried out simultaneously at multiple sites of the project including Runway, Earthwork, ATC etc.
- Achieved Milestone III in terms of both financial and physical progress within the agreed timelines as defined in Concession Agreement and have achieved physical progress of 28.26% as of March 31, 2021. As on May 31, 2021, overall progress achieved 33.06%
- Land acquisition for the expressway (NH166S) connecting NH 66 to MOPA Airport is nearing completion & expressway is expected to be operational by COD of the airport

Cebu Airport

- Traffic improved by 20% QoQ from ~123,000 in Q3FY21 to ~147,000 in Q4FY21. On a YoY basis, traffic declined 95% in Q4FY21
- Revenues declined by 3% QoQ from INR 16.5 Cr to INR 15.9 Cr in Q4FY21. On a YoY basis, net revenues declined 88% in Q4FY21
- With the election campaigning expected to begin in August-September 2021, we expect rapid increase in domestic traffic
- Leisure domestic travel is allowed within Cebu without any RT-PCT test for the people between 18 to 65 years of age.
- Manila has now allowed non-essential travel starting the 1st week of June

Crete

- Earthworks are progressing in multiple fronts of runway, taxiway, apron, terminal building, external access roads
- ~3.6% financial progress is achieved with completion of ~10% of earthworks in Airport area and ~9.8% of earthworks in access Roads as of March 31, 2021

- As on May 31, 2021, ~4.8% financial progress is achieved with completion of ~22% of earthworks in Airport area and 15% of earthworks in Access Roads

Bhogapuram

- Land acquisition and R&R works in progress. Preliminary works and design in progress.

Energy Sector

Kamalanga Power Project

- PLF at 75.0% in Q4FY21 as against 65.0% in Q4FY20
- Revenue increased by 25% YoY to INR 558 Cr in Q4FY21
- Generated Cash Profit of INR 107 Cr in Q4FY21 as against INR 109 Cr in Q4FY20

ESG Initiatives, Recognition and Awards

- Safety Performance Highlights for FY2021
 - Increase in Lost Time Injury Frequency Rate (LTIFR) from 0.0 in FY2020 to 0.312 in FY2021
 - Increase in Lost Time Injury Severity Rate (LTISR) from 0.00 in FY2020 to 1869.34 in FY2021
- Installed 15,000 LPH capacity Potable Water Treatment Plant for Community Water Supply Scheme catering to the requirement of Kamalanga, Durgapur and Bhagamunda. Treated water from the Potable water treatment plant is fed to the over ground reservoir for further distribution to the user end
- Won CII National Energy Management Award 2020 for Excellent Energy Efficient unit.
- Won 2nd Runner-up (Large Scale) Industry CII Eastern Region Encon Awards 2020 for Excellence in Energy Conservation

Warora Power Project

- PLF at 88.2% in Q4FY21 as against 83.4% in Q4FY20
- Revenue at INR 403 Cr in Q4FY21 as against INR 464 Cr in Q4FY20
- Generated cash profit at INR 10 Cr in Q4FY21 vs cash profit of INR 60 Cr in Q4FY20

ESG Initiatives, Recognition and Awards

- Provided safe and clean drinking water, under CSR activity. Plant installed and handed over 3 RO-Water ATM's in FY 20-21.
- GWEL is certified for ISO: 46001: 2019 – Water Efficiency Management System standard, first in India
- Won CII's "National Energy Leader" & "Excellent Energy Efficient Unit" award during the 21st National Award for excellence in Energy Management event
- Bagged the prestigious "National Energy Conservation Award-2020" by Govt. of India

- Safety Performance Highlights for FY2021
 - LTIFR and LTISR is 0.00 in FY 2021 (GWEL)

Bajoli Holi

- Achieved 98% of project completion. COD expected during FY22

Indonesia Coal Mine (PT GEMS)

- Sales volume declined by 9% YoY to 9.4 Mn tons in Q4FY21 from 10.2 Mn tons in Q4FY20
- Revenue at INR 2,047 Cr in Q4FY21 vs INR 2,447 Cr in Q4FY20 mainly due to decline in realization
- Realisation down 14% YoY to USD 29.7/ton in Q4FY21 from USD 34.7/ton in Q4FY20, mainly because of the decline in the global market prices due to Covid
- EBITDA at INR 347 Cr in Q4FY21 vs INR 209 Cr in Q4FY20
- Reduced Per ton Costs by 22% YoY to USD 24.6/ton in Q4FY21, due to lower strip ratio and lower tier rate to the contractors
- PAT at INR 225 Cr in Q4FY21 vs INR 139 Cr in Q4FY20
- Cash balance is at INR 1,482 Cr at the end of Q4FY21
- PT Gems declared dividend of USD 50 mn in Q4FY21 and USD 125 mn for CY20

ESG Initiatives

- PTGEMS Corporate Social and Environmental Responsibility (CSER) programs are constantly aligned with the 7 core subjects of ISO 26000 and support the UN Sustainable Development Goals (SDGs)
- PTGEMS through its subsidiaries has won several awards/certifications in the field of environmental management i.e.:
 - GREEN rating for PROPER to PT Borneo Indobara from the Ministry of Environment and Forestry for the achievement and performance in the field of management and monitoring of mining environment of Subsidiaries for 2018-2020;
 - BLUE rating for PROPER to PT Kuansing Inti Makmur from the Ministry of Environment and Forestry for the achievement and performance in the field of management and monitoring of mining environment of Subsidiaries for 2018-2020.
- During 2020, PTGEMS Subsidiary BIB has won following 2 prestigious awards at the TOP CSR Awards 2020 event:
 - TOP CSR Award 2020 – Star 5 (Outstanding) and
 - TOP Leader on CSR Commitment 2020
- PTGEMS has incurred the total expenditure of USD 2.3 mn in 2020 on CSR initiatives

Highways

Hyderabad – Vijayawada

- Traffic increased by 16% YoY to 11.0 Mn in Q4FY21 from 9.5 Mn in Q4FY20

- Revenue increased by 16% YoY to INR 56 Cr in Q4FY21 from INR 49 Cr in Q4FY20
- EBITDA at INR 47 Cr in Q4FY21 vs INR 26 Cr in Q4FY20

Ambala – Chandigarh

- Revenues and Traffic during the quarter impacted due to farmer's agitation
- EBITDA loss at INR 5 Cr in Q4FY21 vs profit of INR 10 Cr in Q4FY20

Chennai Outer Ring Roads

- Revenue increased by 5% YoY to INR 23 Cr in Q4FY21 from INR 22 Cr in Q4FY20
- EBITDA at INR 20 Cr in Q4FY21 vs INR 18 Cr in Q4FY20

Pochanpalli Expressways [on NH-7, Andhra Pradesh]

- Revenue flat YoY at INR 16 Cr in Q4FY21
- EBITDA declined by 16% YoY to INR 8 Cr in Q4FY21

Dedicated Freight Corridor Project

- GMR along with the partner SEW Infra has been executing contract to construct a part of the eastern corridor:
 - Mughalsarai to New Karchana (UP) - 181 Kms
 - New Karchana to New Bhaupur (UP) - 236 Kms
- Construction work has resumed from April 20, 2020 and is picking up pace
- ~69% of package 201 and ~82% of package 202 completed

Consolidated Financial Highlights

[INR Cr]

Particulars	Quarter ended			Year Ended	
	Q4	Q3	Q4	FY	FY
	Mar'21	Dec'20	Mar'20	2020-21	2019-20
Gross Revenue	2,321	1,481	2,349	6,229	8,556
Net Revenue	2,071	1,340	1,813	5,745	6,518
EBITDA	844	112	655	1,079	2,629
PBT (Before excep. items & share of JVs)	46	(715)	(485)	(2,464)	(1,314)
Share of Profit / (loss) from JVs / associates	(226)	(140)	(132)	(346)	(288)
PBT	(766)	(1,150)	(1,298)	(3,690)	(2,283)
Profit After Tax (from continuing operations)	(725)	(1,119)	(1,127)	(3,428)	(2,198)

About GMR Infrastructure Limited:

GMR Infrastructure Limited, a leading global infrastructure conglomerate with interests in Airport, Energy, Transportation and Urban Infrastructure, is listed on Indian Stock Exchanges.

GMR Group's Airport portfolio has around 172 mn passenger capacity in operation and under development, comprising of India's busiest Indira Gandhi International Airport in New Delhi, Hyderabad's Rajiv Gandhi International Airport, Mactan Cebu International Airport in partnership with Megawide in Philippines. While greenfield projects under development includes Airport at Mopa in Goa and Airport at Heraklion, Crete, Greece in partnership with GEK Terna. The GMR-Megawide consortium has won the Clark International Airport's EPC project, the second project in Philippines. The Group has recently signed the Concession Agreement for the development and operation of a greenfield airport at Bhogapuram in Andhra Pradesh. The group recently signed concession agreement to commission, operationalize and maintain the Civilian Enclave at the Bidar Airport in North Karnataka. GMR Group is developing very unique airport cities on the commercial land available around its airports in Delhi, Hyderabad and Goa.

The Group's Energy business has a diversified portfolio of around 4,995 MW, of which ~3,040 MWs of Coal, Gas and Renewable power plants are operational and around ~1,955 MWs of power projects are under various stages of construction and development. The group also has coal mines in Indonesia, where it has partnered with a large local player.

Transportation and Urban Infrastructure division of the Group has four operating highways project spanning over 1,820 lane km. The Group has a large EPC order book of railway track construction including Government of India's marquee Dedicated Freight Corridor project. It is also developing multi-product Special Investment Regions spread across ~2500 acres at Krishnagiri in Tamil Nadu and 10,400 acres at Kakinada in Andhra Pradesh.

GMR Group, through its Corporate Social Responsibility arm, GMR Varalakshmi Foundation carries out community based development initiatives at 24 different locations across India.

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