

CHAIRMAN'S MESSAGE



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Organizations today need to cultivate and demonstrate 'Innovation' else they are destined to fail. Let me assure you that your Company is striving for innovation in every sphere of business, and you will be able to feel that during visits to your Airports or Aerocities.

G M Rao
Chairman, GMR Group

Dear Fellow Stakeholder,

It gives me immense pleasure to welcome you all to the 26th Annual General Meeting of the Company.

One of the key milestones that your company has achieved this year is the demerger of the GIL and emergence of two separate listed entities - GIL (Airports) & GPUIL (Energy, Transportation & Urban Infra Businesses) thereby offering investors separate platforms to participate in the growth story. With these recent developments I realise that we have come a long way from where we started a few decades ago, from a narrowly focused Infrastructure company to a well-diversified business today. As far as GIL is concerned, it now predominantly holds a controlling stake in India's largest Airports platform, thus making your company the only pure-play listed airports company in India. We are accordingly in the process of changing the name to GMR Airports Infrastructure Limited.

Looking at the current global scenario, there cannot be more apt a time to remind you that we are living in a VUCA (Volatile, Uncertain, Complex and Ambiguous) world characterised by technology disruptions. Emergence of new economic blocks with rebalancing of

geo-economics, evolution of social media, disruptions in the global supply chain etc. have all rendered greater complexity and brought unpredictability to an all-time high. In the emerging socio-economic environment, we will need altogether different skillsets, business models and operating models to successfully sail through. We need 'Innovation Leadership' at all spheres of life. Organisations today need to cultivate and demonstrate 'Innovation' else they are destined to fail. Let me assure you that your company is striving for innovation in every sphere of business, and you will be able to appreciate the same during your visits to your Airports and Aerocities.

The year FY22 was marked by the continuation of Covid waves around the globe and emergence of new geopolitical disturbances, resulting in challenges to global growth. The year started with a severe Covid wave striking our country which crippled normal economic activities and put extreme pressure on the health infrastructure. Unfortunately, there was significant loss of lives across the country and economy was thrown in a disarray temporarily.

I would also like to thank all our stakeholders who have supported us during these challenging times. In particular, given the gravity of the situation during the second Covid wave in India, I would sincerely like to thank all our employees, partners and stakeholders who helped us overcome the challenges during that difficult period. It is my belief that in overcoming these adversities, we have only emerged stronger and more resilient for an

increasingly uncertain future. The Government, learning from the experience of the Covid 1st wave, responded with calibrated lockdowns, ensuring that the overall economy does not get materially impacted, and along with fiscal and monetary stimulus, ensured the year ended with the economy growing at a decent pace.

Despite the Covid pandemic impact continuing, the aviation sector in India continues to do well and traffic at most of the airports has recovered with domestic traffic at near pre-pandemic levels and international traffic also growing steadily. With more first time travelers adding to India air travel list, people going for vacation more often and more countries opening up, your Airports have increased connections to benefit from the resurgent traffic.

High inflation due to adverse geopolitical situation has emerged as the latest challenge to the world economy and our businesses may also get impacted. Your company has worked hard to address the emerging challenges of high inflation and muted economic growth. As during the pandemic, your teams continue to focus on cash conservation and cost reduction through various interventions to control capital and operating expenditure, along with stakeholder management and constructive engagement with various Government agencies through industry bodies.

Further, with the major capex works at our airports progressing well - start of commercial operations at Goa and expansion at Hyderabad Airport is expected

to get completed within the current financial year and expansion at Delhi Airport is expected to be completed by next year. With this, substantial capacity enhancement would be completed, thereby creating a long-term platform for business growth in our portfolio and its benefits reflecting in your company's financials over the coming years.

Some of the other initiatives taken by your company to make its airports operations more resilient to global situations and to turn your company into a truly global airport platform includes:

- Executed Industrial Partnership Agreement with Groupe ADP to leverage on ADP's experience and expertise in areas of passenger experience, airport operations, innovation, sustainability, talent and capacity building.
- Continued on the high growth trajectory by winning the bid to develop and operate Kualanamu International Airport in Medan, Indonesia. With Indonesia being a high growth market and government looking at private capital for airport infrastructure growth, it is a focus territory for your Company to target airports and non-aero business opportunities.
- Received favorable judgement from Hon'ble Supreme Court for Nagpur airport to be brought back as a part of the portfolio of GMR Airports.
- Moving towards the completion of construction of the new greenfield airport at Goa, which is expected to further transform the options for airlines and passenger across India and the world.

- Progressing well on the construction of the new greenfield airport at Crete, which is located on the Mediterranean shore of Greece and is a popular tourist destination. The Crete Airport SPV is debt free, with the equity component fully funded. Further, the entire grant amount of 180 Mn Euros has also been received. In spite of Covid related challenges, the works of archeological survey has been completed and the construction activities are on full swing.
- Completed debt restructuring at Cebu Airport in May'21 with deferral of principal and interest payments, thus providing cash flow relief during the COVID-19 pandemic period. With this restructuring and improving passenger traffic, Cebu Airport is in better shape to regain its passenger traffic and its eminence as tourism gateway to Philippines.

In line with the group strategy to churn assets and redeploy capital in high growth opportunities, definitive agreements have been entered into by GMR Airports to divest its equity stake in the Cebu Airport. However GMR Airports would continue to operate the Airport as technical service provider under December 2026.

- Major success achieved in monetisation of airport real estate with DIAL reworking and concluding the office and retail transaction with Bharti Realty for a total area of 4.89 mn sqft under the backdrop of Covid. The transaction culmination resulted into an inflow of approx. INR 1,000 Cr in FY 2021-22.
- Hyderabad airport received the tariff order for 3rd Control

Period with Yield Per Pax of ~ INR 430. This provides certainty in terms of visibility of cash flows and takes away the risk of adhoc and inconsistent tariffs we have experienced in the past.

- Conceptualised and started implementation of GAL as a platform with airport concessions being the core and a range of adjacent businesses built around the same. This Master Concession (MC) business is an asset light approach with potential to generate significant cash flows for GAL in the future and also provide meaningful operating revenues that will help it raise lower cost debt for expansion. We are currently evaluating multiple opportunities in the cargo, duty free and services business across the geographies and believe that in the short to medium term we will have more adjacency businesses to add to our overall portfolio. The first duty free operations at Kannur airport is a step in that direction.
- Significant progress is made on achieving excellence on the ESG front. Recently, Delhi airport became the first airport to run entirely on renewable power including hydro and solar power. At Hyderabad airport, we commissioned a 5MW capacity solar plant in addition to the already existing capacity. Your flagship Delhi Airport is also setting new standards on the front of environment safety and sustainability. Delhi Airport has now become Asia Pacific's first Level 4+ (Transition) accredited airport announced by ACI Europe Annual Assembly & Congress, Hyderabad

Airport was awarded a Level 3+ neutrality status. Further, Delhi International Airport Limited received the Platinum Recognition in the Green Airports Recognition run by ACI Asia Pacific in over 25 million passenger category, while Hyderabad airport received Gold recognition in below 25 MPPA category.

While focusing on these initiatives, priority has also been to ensure financial stability of the Group.

MACRO ECONOMY

The year started on a low base with global economy marred by Covid-19 pandemic in the previous year. Intermittent Covid waves continued throughout the year but on the back of good vaccination coverage in many countries and lowering of intensity of COVID strain, the pandemic has been tackled effectively and is no more a key concern in most countries. The Government of India led by our Honourable Prime Minister Shri Narendra Modi has also made significant efforts to ensure vaccination for all. By early August 2022, more than 200 crore vaccine doses have been administered in one of the largest vaccination programs in the world.

The opening of most countries has led to strong recovery in global economy till Q3 2022. However, in Q4 2022, geo-political disturbances took center stage, leading to high oil prices, inflation and slowing growth. Overall, easing of Covid combined with various fiscal and monetary measures taken by governments throughout the world helped the global economy to recover by 6.1% in 2021. In India too, massive spending program

undertaken by government and RBI ensuring that interest rates were kept low, supported the economy. Hence, the Indian economy also recovered well with a growth of 8.7% in FY 2022. India is currently the world's sixth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP).

With easing of travel restrictions, revenge travel was witnessed throughout the world, thus helping Aviation sector to recover strongly during FY 2022. India also witnessed continued improvement in air traffic with domestic traffic recovering to pre-pandemic levels while international traffic recovering to 60% to 65% of pre-pandemic levels. With more countries progressively relaxing traffic restrictions, international traffic is expected to reach pre-pandemic levels while domestic traffic is expected to exceed pre-pandemic levels in the current year.

Even though the impact and relevance of COVID-19 pandemic may have subsided in our lives, however the pandemic has left its mark on how we conduct our business and lives in general. Though it brought about immense challenges, it also brought out the best in us including the changes that it has done for our betterment.

- Resilience of Economy - The resilience of Indian economy was tested by the impact of the pandemic. With Gol unlocking the Indian economy, it bounced back within 6 months. Despite the second wave and its harsh impact, Indian economy grew by 8.7% in FY'22. With further normalisation of economy and demand in sectors which were particularly affected by

Covid such as aviation, real estate, multiplexes coming back strongly, Indian economy is expected to log in a growth of 7.2% in FY 2023. The long-term growth prospects of the Indian economy remains positive.

- Large scale adoption of technology - Probably one of the biggest changes we've seen implemented across the country, perhaps even the world, is the move to remote working. The necessity of working from home, induced by Covid, has resulted in adoption of technologies such migration of workplaces to cloud based systems, use of advanced technologies in business decision making, increase in near-shoring/ insourcing practices, increased spending on data security, etc.
- Digital Transformation - COVID-19 pandemic pushed the fast forward button on digital access. The pandemic forced organisations to shift to Work-From-Home and many organisations have begun working on a hybrid basis. From internal communications, connecting to customers to managing supplies, organisations had to digitalise rapidly. This has led to Digital Transformation of businesses. Our Prime Minister, emphasising on inclusion of Technology, recently said, "Technology transforms People's lives. From mitigating poverty to simplifying processes, ending corruption to providing better services, Technology is omnipresent. It has become the single-most important instrument of human progress".

- Start-up Ecosystem - India has become the 3rd largest start-up ecosystem in the world after the US and China. We have produced more than 100 unicorn startups and many more are in line to join the league. India is reportedly creating three unicorns a month, which has been possible because we have a strong eco-system of young talented entrepreneurs supported by enabling regulatory environment and established corporates working on accelerating digitalisation in their business models.
- Rise of E-commerce and Fintech - Post Covid, consumer behavior has accelerated towards purchasing from online stores, and the overall business environment in India became more favourable for online sales, including the opportunity to conduct cross border business online. With the advent of digital wallets and Unified Payment Interface (UPI), there are myriad options for the consumer to pay resulting in online shopping experience becoming more convenient and rewarding. The large-scale digital growth India has experienced as a result of the India Stack, combined with the platform's designation as an open-access "public good," has incentivised local and international companies to retool their own approach to financial transactions. The ripples of the India Stack's success are spreading around the globe. Several customer-facing global companies are tapping the India Stack to enter the country's market, with a wide range of internet and mobile phone offerings now integrated into the India Stack

platforms. A global technology major has also written to the US Federal Reserve, advising it that the India payments model should be adopted for FedNow (the instant payments system in the US). Airports have been at the forefront in terms of adoption of technological initiatives. Some notable one include digital bag-tags, blockchain based baggage tracking, chatbots, virtual agents, humanoid robots, touchless passenger feedback, smart electricity meters, reverse vending machines, voice technology - live flight information using Alexa/ google, etc.

During the covid period, Government of India (GoI) together with RBI also took several fiscal and monetary interventions to cushion the negative impact of the pandemic. RBI reduced interest rates significantly and ensured liquidity in the market, thus reducing the cost of capital for Corporates and helping in raising additional capital. As part of fiscal interventions, Government has focused on Infrastructure Development as key for economic growth. The fiscal and other policy interventions in the Infrastructure sector as listed below are expected to have a long term impact in removing implementation bottleneck and give GATI to economic progress:

- PM Gati Shakti - National Master Plan aimed at synergising world class modern infrastructure and logistics, encompasses sixteen GoI ministries and focuses on seven infrastructure led growth engines: Roads, Railways, Airports, Ports, Mass Transport, Waterways, and

Logistics Infrastructure.

- » Multimodal connectivity between mass urban transport and railway stations
- » National Ropeways Development Plan as alternative to conventional roads
- » The Central Government's financial support for mass transit projects and AMRUT scheme
- » Capacity building for infrastructure Projects
- Extending Emergency Credit Line Guarantee Scheme with focus on hospitality and related enterprises.
- Issuance of chip embedded e-Passports
- Ease of doing business of SEZs - The Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs. Reforms in Customs Administration of SEZs will henceforth be fully IT driven and function on the Customs National Portal.
- Sovereign Green Bonds - India will issue sovereign green bonds for funding green infrastructure. The money will be used for public sector projects that will help reduce carbon intensity of the economy.
- Net Zero Economy by 2070 - India has committed to a target of becoming a net-zero emission economy by 2070.
- Sustainable aviation fuels - Mission "Integrated Bio-refineries" under Mission Innovation was launched to

scale-up clean energy solutions at affordable cost to mitigate greenhouse gas emissions.

- Green Hydrogen Policy - India is also working towards formulating a Green Hydrogen Policy to be the world leader in production and usage of green hydrogen. It will help us in curtailing India's import bills and reduce its dependence on crude oil. This could be a game changer and has the potential to establish India's leadership at the global front.
- Open Network for Digital Commerce (ONDC) - Govt is now working on the implementation of Open Network for Digital Commerce (ONDC), an initiative aimed at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks.
- Liberalised drone rules in August 2021 and released Production Linked Incentive (PLI) scheme for drone in September 2021. Drones offers tremendous benefits for all sectors of the economy due to their reach, versatility and ease of use.
- Tax exemption to Regional Connectivity Fund (RCF) to promote aviation operations under the RCS, which is of immense importance to the economic and aspirational development of India

The implementation of these policies has been able to result in a significant tailwind for business environment in the country and resulted in highest ever M&A activity in India at \$130 billion in H1 of CY 2022, more than double compared to H1 of CY 2021.

During the year your company has taken steps to strengthen itself

and is well poised to capitalise on the opportunities emanating from supportive framework and infrastructure development focus of the government. In line with the same, DIAL has set a target to become Net Zero by 2030. Further, GMR Airports is utilising its partnership with Groupe ADP to conduct a joint study on Sustainable Aviation Fuels (SAF) and their potential in India.

AIRPORTS MACRO ENVIRONMENT

Even in a pandemic hit world and amid all the geo-political disturbances, we believe that Indian aviation sector remains attractive. Earlier, Government had announced that 100 new airports are to be developed by 2024 under UDAN regional connectivity scheme. The scheme has progressed well and 67 airports have been operationalised as on April'22. This scheme will be a major driver towards increasing India's air traffic. Further, with Government of India's further privatisation of existing airports under National Monetisation Program, investment opportunities in Indian aviation sector are immense.

Even airlines are upbeat on the future growth prospects and continue to add more aircrafts to their fleet. In line with this optimism, Indian airline sector witnessed key developments during the year. On one hand Air India was acquired by TATA group, while a new airline 'Akasa' is recently begun commercial operations. Also, Jet Airways is well on the way to re-start operations within this year.

Given the long-term nature of the Airport concessions, I am even

more confident of strong growth post pandemic. The relatively stronger recovery after the first wave as compared to many geographies has demonstrated the intrinsic resilience of the Indian market. Even during this difficult period some positive trends emerged.

- Passenger Traffic: There was enhanced domestic air connections and new international connections for your airports despite operating at lower capacity and traffic levels. A higher number of first-time flyers were observed during the year which bodes well for enhancing penetration into the India market post recovery. Due to health related travel restrictions in the aftermath of Covid, there is higher passenger preference to travel directly between origin and destination and with availability of long haul narrow body aircraft, the direct international connectivity is expanding. This is strengthening the strategy of positioning your airports as hubs and boost long haul traffic. Air India privatisation and better utilisation of bilaterals are further drivers to turn Delhi and Hyderabad Airports into global hubs.

Further, post the 2nd Wave recovery in June 2021, there has been significant increase in leisure / vacation travel despite the crippling impact of the 2nd wave. The phenomenon of pent-up demand and 'revenge travel' has resulted in faster recovery of hospitality and air traffic.

- Cargo: Cargo operations continued to be strong throughout FY 2022 despite the pandemic. The return of belly capacity, especially

on international routes, has been a major positive factor in sustaining the strong momentum in the cargo volumes. In line with your Company's vision to be India's Preferred Cargo Terminal Operator, your Company has been a leader in customer service delivery, innovation & technology and providing value added and related business services.

- Non-Aero: Though non-aero spends in absolute terms had an impact due to the pandemic, Average Transaction Values and Spend per Passenger increased during the period, which is positive for the post pandemic period with traffic returning to normal level. Even post the second wave, your airports have seen significantly higher retail spends by domestic passengers on select weekends in keeping with the trend of "revenge travel". I am optimistic that this may drive a faster recovery for non-aero revenue also.

BUSINESS UPDATE

You may recall in my message last year; I had mentioned that your company has initiated concrete steps in value unlocking from the airport business through its successful strategic partnership with Groupe ADP, a large Global player in the Airports space. The partnership with Groupe ADP enhances the inherent strength of our airport portfolio. The strategic partnership is built on two-way exchange of expertise, personnel, knowledge and market access. Further strengthening this relationship, your company has concluded an Industrial Partnership Agreement with Groupe ADP with a view

to leverage the expertise and resources of ADP in order to improve the service level and offerings to passengers. The Partnership is based on a shared vision for the global airport sector. I strongly believe that passengers and other stakeholders will benefit immensely from the evolved best practices thereby setting newer industry defining benchmarks.

Further value unlocking has been done through the vertical demerger of your company into the Airport Vertical (GIL) and the Power, Transportation and Urban Infrastructure Vertical (GPUIL). Post the demerger, GIL has emerged as the only pure play listed airports company in India. This move will enable the Airport business to chart out its growth plan independently; through respective strategic partnerships and attract dedicated pools of investor capital - both from private & public markets.

This development was well received by our domestic markets, which is evident from the substantial increase in shareholder wealth post implementation of this demerger.

AIRPORTS

Global growth is expected in the key geographies of South and Southeast Asia, and your company is well positioned to leverage its experience and capabilities to expand its portfolio in this region. This has been further strengthened by our partnership with Groupe ADP.

As you are aware, your company's airport business comprises of four operating airports viz., Indira Gandhi International Airport at Delhi, Rajiv Gandhi International Airport at Hyderabad, Bidar

Airport in Karnataka, India and Mactan Cebu International Airport in Philippines. Further, two assets are under construction viz., Greenfield Airports at Mopa, Goa and Crete International Airport in Greece. Your company has also signed the concession agreement for a greenfield Bhogapuram International Airport in Andhra Pradesh and development works are currently in progress. Your Company emerged as the winner for bid to develop and operate Kualanamu International Airport in Medan, Indonesia in November 2021. The project scope includes operation, development, and expansion of the airport over a period of 25 years. Further, your Company has received favorable judgement from Hon'ble Supreme Court with respect to award of Nagpur airport, wherein GMR had emerged as the highest bidder in March 2019 and subsequently the bidding process was annulled by the authority in March 2020.

GMR Airport's business is conceptualised as a platform with airport concessions being the core and a range of adjacent businesses built around the same. The rich experience over the past decade of operating in diverse markets worldwide, has given a unique understanding of business drivers and its various business adjacencies. Your company has identified five key strategic business segments for GMR Airports - Duty-Free, Cargo, Carpark, Service business and EPC / PMC business. We are currently evaluating multiple opportunities in these areas across the geographies and believe that in the short to medium term we will have more adjacency businesses to add to our overall portfolio. We have created a richly experienced team at GMR Airports to drive our vision for airport adjacencies.



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As part of strategy, it is planned to leverage not only the existing airports but also to expand into these segments in external airports. In line with this strategy, your company had earlier won the concession for the Duty-Free business at Kannur Airport in Kerala. This marked the first duty free concession operated outside the GMR network. We also evaluated duty free opportunities in Mumbai, Indonesia, South Korea, and other geographies and this has enhanced the group's understanding of international duty free space.

At the same time, Group is also looking to unlock value from its existing non-aero commercial businesses. Earlier, this year, we launched a range of initiatives to enhance the value creation in our non-aero businesses. As a first step, we have launched non-aero Centre for Excellence (CoE) for duty-free and cargo businesses. Under the CoE initiative, we are

going to channel the collective non-aero wisdom of the group to achieve commercial excellence.

As we look forward into post-COVID future, we have a robust pipeline of airports and five strategic business units of adjacency opportunities and we believe that they will add significant value to the Group and it's stakeholders.

On the International front, the impact of COVID-19 pandemic continued in CY2021 also, significantly impacting Mactan-Cebu International Airport with annual traffic significantly lower than pre-pandemic levels. Despite lockdown in key markets like China, your company's pioneering effort of setting up COVID-19 test-lab within the Airport and connectivity to newer destinations resulted in bringing back passenger footfall into the Airport. The passenger traffic was most impacted due to stringent, localised and inconsistent

lockdowns and travel restrictions imposed across Philippines for most of CY 2021. Traffic started to recover only in Q4 CY 2021 with the easing of restrictions. By mid-2022, the efforts taken by your company enabled overall traffic reaching almost half of CY 2020 traffic despite, COVID related shutdowns.

Post restructuring of debt at GMCAC in May'21 which resulted in deferral of principal and interest repayment, we will now pursue opportunities to refinance debt to reduce interest costs, support better cash flows and optimise dividend payout to shareholders.

For Crete (Greece) airport project, post signing of concession agreement on February 6, 2020, the design and construction activities of the project have commenced. Given the high tourist traffic, this airport has significant potential for passenger traffic. The project is debt-free and has funding support by a state grant. I am happy to share that the entire state grant of Euro 180 million as envisaged under the concession agreement has been received by the project company. Further, your company and its partners have already infused 100% share of equity requirement this year.

Airport Land Development

is an important value driver for the airport business, and I am happy to share key developments at Delhi and Hyderabad Airports.

- **At Delhi**, an important milestone was achieved when DIAL was able to conclude the Retail and Office transactions with Bharti Realty. Further, pre-construction activities

commenced for various buildings including Terminal Hotel, General Aviation Annex and Airbus facility, which are proposed to be undertaken during FY 2022-23.

- Aerocity Delhi is expected to achieve IGBC green certification in FY 2022-23.
- **At Hyderabad**, despite severe COVID wave gripping the start of FY 2021-22, the execution teams at project sites continued work with full strength. Overall, it was an excellent year for project deliveries and leasing. We completed many projects such as Safran SAE Project, Spice Express project and renovation of public spaces at Novotel. Office leasing received greater traction during the year with approx. 90,000 sqft leasing completed. Sale transaction of Amazon warehousing facility is expected to close in FY 23.
- As part of our thrust on creation of social infrastructure at Hyderabad, agreements were signed with Boston Living, an incubation venture of Incor Group, to develop co-living and serviced residences. We also signed MoU with Pallavi Education Trust for setting up of CBSE school. With this transaction, Hyderabad Aerocity has presence of both IB and CBSE schools.
- At our Aviation SEZ, we executed 'agreement to lease' with Skyroot for setting up ~54,000 sqft facility for assembly of small satellite launch vehicles.
- In line with our commitment to extend service offerings to Clients / Partners, we inked the

EPC contract for 1 million sqft of warehousing facility with GMR Logistics Park Pvt. Ltd (GLPPL).

- In line with our commitment to maintaining Quality along with Sustainability, ALD Projects have been certified under ISO 9001, 14001 and 45001 for their design management, construction & project management and procurement modules. The Amazon facilities at Hyderabad Aerocity have already been certified as Green Buildings. Other buildings such as Tower-2, SEZ and GMR Arena are also underway.

Airport Development and Construction

GMR Group has set benchmarks for development of world class Airport infrastructure. Your company developed the GMR brand as name to reckon for Airport construction not only in India but also in Philippines where in the past we successfully constructed and handed over Clark Airport ahead of schedule and completed Terminal 2 of CEBU Airport. Your company is currently in the midst of an investment plan of ~INR 20,000 Cr. to expand the existing Airports and develop new Airports.

- **DIAL** is undergoing expansion of its airside infrastructure and terminal capacity, as per the approved Master Development Plan, to 100 Mn annual passengers. Substantial progress has been made on several fronts despite some major Covid related challenges. During the year, a new arrival section of Terminal 1 was completed and operationalised. DIAL has successfully completed the

rehabilitation work of British-era Runway 09/27 and handed over the refurbished runway to Air Traffic Control (ATC) for commercial operations.

- **GHIAL** has already commissioned 4 rapid exit taxiways, GSE Tunnel connecting the remote stands on the east and the expanded terminal building has been commissioned, Northeast Apron is nearing completion and Northwest Apron works are in progress, straight portion of East Pier has been constructed and is in trials for operational readiness, West Processor is in advanced stage of construction and is targeted to be made operational very soon.
- **At Goa Airport,** construction and development works have resumed at site in Feb'20 post the reaffirmation of environmental clearance to the Project by Hon'ble Supreme Court of India. Significant progress has been achieved in construction of the airport and the connecting expressway being developed by the state government, is also progressing well.
- **At Bhogapuram Airport,** development works are in progress post signing the concession agreement. Construction will commence after the Authority fulfils their contractual obligations including the Right of way for entire land area.
- **At Crete,** the project Company has received substantial portion of land and the Contractor has mobilised requisite manpower and equipment. Earthworks are progressing well on multiple fronts of Runway-Taxiway,

Apron, Terminal building and external access Roads. All the works are being carried out with strict adherence to COVID-19 protocols and other safety measures. Overall EPC construction is progressing well and focus for the next year would be on civil concreting works.

The Regulatory Scenario in India has stabilised significantly, and there is consistency and clarity on most issues being provided by AERA. In recent developments, AERA had issued tariff order for 3rd control period for Hyderabad Airport on August 31, 2021. This will result in increased YPP (Yield per passenger) for the Third Tariff Control Period of around INR 430.

Cash conservation and Liquidity management across assets was a one of the key areas of focus during the review period. Several initiatives were taken to reduce costs and conserve cash. Your airports has taken the opportunity to review the traffic requirements, airport expansion project progress status and with the objective of optimising cash flows, has deferred certain phases of the expansion programs.

Your airports continued to receive accolades and recognition for the good work done by the teams, these include the following:

- Delhi International Airport achieved "Best Airport by Size and Region" in Asia-Pacific under ACI Airport Service Quality 2021 in over 40 MPPA category, 'Best Airport in India and Central Asia' for the third consecutive year in 2021, bestowed with the 'COVID-19 Airport Excellence Award' for providing exemplary safety protocols, improved its overall ranking from 50th in 2020 to 45th in the 2021 World's best airports ranking.. This is a result of our focus on operational excellence, customer experience and sustainability, backed by strong organisational culture, which has helped Delhi Airport to sustain its leadership position in Airport Service Quality.
- Hyderabad Airport bagged ACI ASQ best airport by size and region in Asia-Pacific region and 15-25 million passenger category and 'Best Airport -



General Category' at Wings India Awards 2022 by Ministry of Civil Aviation.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Environmental

Sustainability and Corporate Social Responsibility (CSR) have been at the core of the GMR Group ethos since inception. We have taken great pride in all the assets we have developed as National Assets of the highest quality, and we have always ensured that we adopt highest levels of environmental standards at all our projects. Further, our foundation has been doing path breaking work on the CSR front on healthcare, education, sanitation and livelihoods for more than 30 years now.

Your Company has allocated substantial resources to increase adherence to environmental standards and pollution control measures and enhance Environment Health Safety levels. In this regard, I am proud to share a few awards won during the past year which is strong testimony to our credentials on the sustainability front:

- DIAL became Asia Pacific's first Level 4+ (Transition) accredited airport and Second Airport Globally under ACI's Airport Carbon Accreditation program. Airport Carbon Accreditation Program of Airport Council International (ACI) aims to encourage and enable airports and its stakeholders to implement best practices in Greenhouse Gas (GHG) management and achieve emissions reduction. Delhi Airport has taken various

proactive initiatives towards environment management and sustainability.

- Further, Delhi International Airport Limited received the Platinum Recognition in the Green Airports Recognition run by ACI Asia Pacific in over 25 million passenger category, while Hyderabad airport received Gold recognition in below 25 MPPA category.
- As part of this approach, Delhi Airport has also introduced technological solutions such as adoption of Electric vehicles and Taxibots, which has resulted in reduction of significant amount of aviation turbine fuel consumption by Aircrafts for ground movement.
- DIAL has achieved absolute emission reduction by 47% and specific GHG emission by 77% over baseline year 2010. DIAL was able to issue a landmark Green- bond for US\$ 450 Mn in March 2021 by leveraging the excellent work it has been doing on the sustainability front.
- DIAL has invested in Bajoli Holi Power Project to meet its energy needs from renewable sources. Recently, Delhi airport became the first airport to run entirely on renewable power including hydro and solar power.
- GHIAL won ACI Green Airports Recognition 2021 -Gold for the Air Quality Management and was also awarded Level 3+ Neutrality status under ACI's Airport Carbon Accreditation program.
- In line with its vision to maximise usage of clean energy, GHIAL has also commissioned its second 5 MW

GMR Infrastructure Limited

solar power plant. GHIAL has also created water reservoirs within the Airport premises to conserve rainwater. The water is cleaned and supplied for consumption at the Airport. Current facilities can meet the requirements for more than 4 months in a year.

- GMR Airports and Groupe ADP together with Airbus, Axens and Safran are conducting a joint study on Sustainable Aviation Fuels (SAF) and their potential in India

Social

Your Company has also continued its tradition of caring for the communities and stakeholders as part of its Corporate Social Responsibility program through GMR Varalakshmi Foundation (GMRVF), an associate of the Company. The Foundation is currently working across all the asset locations of the businesses.

Considering the Covid pandemic situation during the year, the Foundation stepped up its efforts to reach out to the communities to offer best possible support especially to vulnerable sections of the society. Foundation supported about 5,000 Covid patients and their attendees with cooked food and dry ration. Facilitated vaccinations to over 40,000 people across locations. Supported over 10 old age and orphan homes with required dry ration and other safety material in different locations. Covid prevention kits and safety material etc. were provided to about 15,000 people and various sanitisation activities were taken up at different locations.

All the educational institutions under GMRVF performed exceedingly well during the last

year. The student strength of the education wing reached over 10,000. GMRIT (GMR Institute of Technology) has taken several initiatives toward digitalisation and offering students the world's best online courses, including new programs in AI, Machine Learning and Data Science. The placements of GMRIT crossed 89 %, while SGCSR college achieved 68 % placements. Shri. Amitabh Kant, India's G20 Sherpa and Former CEO-Niti Aayog, attended the Graduation Day of 7th Batch of students at GMRIT as Chief Guest of the occasion. He also inaugurated the exhibition organised during the Annual Summit of Community Services Wing and visited the vocational training center run by GMRVF at Rajam.

GMRVF is reaching out to about 30,000 students across India via its partnership with over 200 government schools with the objective of improving the quality of education. About 35 students supported by GMRVF got selected in various prestigious schools and scholarships such as Navodaya, Ekalavya schools and National Means-cum-Merit Scholarships etc.

Mobile Medical Units and Medical Clinics run by Foundation provided an average of 10,000 treatments every month. Number of health camps and health awareness programs were organised to provide both preventive and curative healthcare to the communities. Twelve Nutrition Centers run by Foundation provided supplementary nutrition, ante-natal and post-natal support to over 600 pregnant and lactating women. Further, the Foundation distributed aids and appliances at

6 locations benefiting over 600 persons with disabilities with support from National Institute of Locomotor Disability, Kolkata.

Contributing to the Skill India Mission of the Government, GMRVF continued to set benchmarks in the area of skilling. Aviation Skill Development Centre (ASDC), Goa was inaugurated virtually by Hon'ble Prime Minister Shri Narendra Modi ji on 19th December, 2021. Ekta Skill Development Centre was started at Ekta Nagar (Kevadia), Gujarat in July, 2021 and has trained close to 500 youth in 8 different skills. Some new courses like E-auto driving exclusively for women were started at the centre along with courses on tourism which are getting good placements in the region. At Delhi, about 450 Covid affected families were supported under 'SMILE' project to initiate income-generation Activities. Another 1,000 rural families were supported for various farm and non-farm livelihood activities.

For its community service activities, GMRVF has won two prestigious awards during the year. One being the CSR Award from Indo-French Chamber of Commerce and Industry (IFCCI) in the category of Livelihoods and another 'Mahatma Award' for Social Good and Impact 2021 for its contribution to Sustainable Development Goal of Decent Work and Economic Growth.

GMR Varalakshmi CARE Hospital (GMRVCH), Rajam achieved significant milestones during the FY 2021-22. In the first quarter of the year, the Hospital was converted in to a covid hospital and hundreds of patients availed covid services and during the whole period of 2nd covid wave. None of the medical or para

medical professionals got infected because of the best anti-infective protocols adopted at the hospital.

GMRVCH acquired an oxygen generation plant and liquid medical oxygen facility during the FY 2021-22. The hospital was accredited by the National Board of Examinations for Medical Sciences for post graduate seats in the department of anesthesiology. The hospital was also accredited by the NABH and it is the second hospital in the district to have achieved this. As per the footfalls, the hospital served 83,850 outpatients and 6,935 inpatients during FY 2021-22.

Governance

Over the years, your company has built a robust Governance framework, starting right from the top with a well-structured Family Governance model. In addition to focus on financial and operational performance, we are equally committed to maintaining strong corporate governance practices and ethical behavior across every business in the GMR Group. Our reputation as an ethical and trustworthy Company is our most important asset. We believe that consistently focusing on good governance and applying the highest ethical practices in all our activities enables us to uphold the trust of our stakeholders.

Our companies are built around the Group's seven Values and Beliefs which are the embodiment of every aspect of what we do. These are Humility, Entrepreneurship, Delivering the promise, Learning & Inner excellence, Respect for individual, Teamwork & Relationships, and Social Responsibility.



Your Company will continue to invest in technology and work towards further strengthening and expanding it's footprint in the Airport and ancillary businesses



To ensure transparency in transactions across all Group companies and subsidiaries, we conduct regular and structured assessments by the internal audit teams, review through an external agency and review by the Audit Committee and the eminent members of our Board of Directors.

Digitalisation & Innovation

Along with the focus on Business, your Company recognises the need for digital transformation & innovation in all aspects of business and customer engagement and believes that in the current context companies need to continuously innovate to grow ahead or they will perish. We have been driving several initiatives to enhance business prospects in terms of superior customer experiences, revenue

enhancement and cost reduction opportunities as well as agile and efficient internal processes.

Your Company is always at the forefront in terms of development and adoption of technological innovations. To foster the innovation culture in your Company and build a philosophy of open innovation that enables free flow of ideas and resources between GMR and external ecosystem partners, GMR Innovex, innovation vertical of GMR, has been founded. It interacts, engages, and collaborates with start-ups, academic research Institutes, ecosystem players and other companies in developing both digital and non-digital next generation solutions for example, e-Boarding, Image based passenger processing, full body scanners etc. It has institutionalised an "Innovex Fellowship Program" to identify

talent early and co-create path breaking solutions in our businesses / industry.

With a major focus on airports and with a broad array of industries under its span, it is interested in multitude of technologies like Cloud Technologies, Video Analytics, Computer Vision, Data Sciences, Blockchain, Drone-Tech, Smart Tagging, Artificial Intelligence / Machine Learning, Contactless Technology, RPA, EV, Autonomous, AR/VR, IoT, Human Machine Interactions (HMI Bots) and more emerging technologies.

LOOKING AHEAD

Looking ahead for FY 2022-23, we expect business environment to remain challenging given the high inflation in the background of geopolitical disturbances and ongoing impact of the COVID-19 pandemic. However, given the various initiatives taken by the GMR Group to ensure liquidity, business continuity and operational efficiency, we are confident to comfortably ride through these difficult times and come out stronger than ever. From a longer-term perspective, your Company will continue to invest in technology and work towards further strengthening and expanding its footprint in the Airport and ancillary businesses. We are confident that your Company is well positioned

to scale up, given our vast experience of operating large airports in India and abroad.

The focus areas this year, apart from completing the ongoing construction works at our airports, will be to enhance value accretion through more asset light business activities. Few initiatives identified includes 3rd party airport O&M where Company is in active discussions with airports in Middle East, Master Concessioning for non-aero business with aim to create and strengthen the GMR brand in this area. Further, your Company will continue to actively pursue new airport concession opportunities in India, South East Asia, Middle East, Eastern Europe and Africa.

As I conclude, I would like to take this opportunity to express my gratitude towards our customers, suppliers and other stakeholders for their confidence and trust in the GMR Group during such difficult times. I also thank the leadership team of GMR Group for providing guidance and navigating the organisation during the pandemic. Last but not the least, my sincere appreciation for all our employees whose dedication, hard work, sacrifice and continued contribution in such challenging times enabled the Group to overcome every obstacle. Coming year holds promise for your Company due to

receding pandemic and improving situation on the inflation front and we hope that aviation sector will continue to grow in India and globally, thus supporting economic growth and millions of jobs worldwide.

I look forward to your continued support and encouragement in taking your Company to greater and newer heights in the future.

Thank you again for showing the belief and faith in the organisation. Given the faith, it becomes my obligation to take it forward to greater heights and towards a brighter future.

Stay Safe, Stay Healthy,

Thank You,



G M Rao
Chairman, GMR Group