

POLICY ON RESOURCE PLANNING

I Brief back ground

The GMR Airports Limited (“Company”) is a systemically important Core Investment Company (CIC-ND-SI) operating under a Certificate of Registration from the Reserve Bank of India. The Company through its subsidiaries is engaged in the business of development, management as well as operation and maintenance of airports and related consulting and support services with its operations spread across the country.

II Regulatory requirements

Reserve Bank of India (RBI) vide its Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 bearing circular No. DNBR.PD. 003/03.10.119/2016-17 issued guidelines for compliance by CIC-ND-SIs with respect to private placement of Non-Convertible Debentures (NCDs) with maturity of more than 1 (one) year. In terms of the said guidelines, RBI advised CIC-ND-SIs shall put in place, a Board approved policy for resource planning which, *inter-alia*, should cover the planning horizon and the periodicity of private placement.

III Categories of Company’s resource planning horizon

The Company is CIC-ND-SI and its sources of income are dividends, management and consultancy income. The Company proposes to expand and diversify its sources of revenue. The Company needs to adopt a flexible approach to its resource mobilization as its winning of bids is unpredictable and also there is variability in its revenue sources.

However, based on past experience, the Company’s resource planning horizon shall be broadly classified in the following two categories;

- A. Long Term Resources and
- B. Short term resources.

A. Long term resources

The long term resource mobilization program for each financial year shall be decided in advance in Annual Budget and shall be defined in the business plan for each year. The resources shall be mobilized in accordance with the Annual Budget approved by the Audit Committee and the Board after taking into account the fund requirement and the business requirements.

Further, if case of any unforeseeable fund requirements which are not budgeted in advance, the Company shall place a case specific funding plan before the Audit Committee and Board.

Policy on raising long term resources

1. Tenure

The Company is mainly engaged either itself or through its subsidiaries in the business of development, management as well as operation and maintenance of airports and providing related support services. The resources that are raised with a maturity period of more than 12 (twelve) months shall be classified as a long term resource. The Board may, from time to time, fix the proportion of the long term and short term resources for the Company based on the business plans for each fiscal year of the Company. The Long term funding plan would ensure proper Asset Liability management.

2. Manner of raising long term resources

2.1 Borrowings from banks, other Financial Institutions and intercorporate loans

The Company may plan for raising long term resources from banks, financial institutions and inter corporate loans from GMR Group Companies.

The Company is also contemplating development of alternative sourcing of funds from other markets depending on the business requirements.

2.2 Retained Earnings

The Company shall utilize part or whole of the cash generated each year for funding the capital requirements. It shall ensure maintenance of capital adequacy ratio stipulated by the regulations from time to time.

2.3 Issue of Debt Securities

Subject to applicable laws and regulations, the Company may issue debt securities in accordance with its business requirements and market conditions as may be approved by the Board.

The timing or periodicity of private placement in this manner may be decided by the Board based on the market conditions, availability of funds and the business plan of the Company and subject to compliance with the statutory/ regulatory requirements.

2.4 Raising of money through IPO of shares/ Preferential issue of shares / fresh issue of shares/ QIP/ QIB/ Right issue other like sources

Based on the business plan of the Company, the Company may contemplate raising of money through issuance of shares either to existing shareholder(s) or to new investor(s) depending on the market conditions and other factors.

B. Short Term Resources

The Short term resource mobilization program for each financial year shall be decided in advance in Annual Budget and shall be properly defined in the business plan for each year. The resources shall be mobilized in accordance with the Annual Budget approved by the Audit Committee and

the Board after taking into account the fund requirement and the business requirements. The Board may delegate raising of short term funds to certain limits to any sub-committee and/or any Director, executive.

Resources with a maturity of 12 months and less shall be treated as short term resources. The main sources of such resources may be bank limits, financing institutions, inter group borrowings, etc. Depending on the asset liability matching requirements, the Company may borrow funds from banks and other financial institutions / corporates from time to time.

Subject to applicable laws and regulations the Company may also avail inter corporate loans which are exempt from the purview of public deposit under the applicable directions of RBI.

IV Amendment to the policy.

This Policy may be amended from time to time by the Board on basis of the business requirements of the Company.

V Applicability

This Policy shall be effective from the date notified by the Board.
