GMR Airports Limited (formerly GMR Airports Infrastructure Limited)

June 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	500.00	CARE A; Stable / CARE A1	Upgraded from CARE BBB+; Stable / CARE A2
Non-convertible bonds	6,100.00	CARE A; Stable	Upgraded from CARE BBB+; Stable
Non-convertible bonds	400.00	CARE A; Stable	Upgraded from CARE BBB+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in ratings assigned to debt instruments and bank facilities of GMR Airports Limited (GAL) factors in full and final settlement of liabilities of GMR Rajahmundry Energy Limited (GREL; rated 'CARE D; Issuer Non-cooperating') leading to elimination of potential risk related any future recourse to GAL. The rating revision also factors in expected expansion of profit before interest, lease rentals, depreciation, and tax (PBILDT) with (i) slated takeover of duty-free concessions of Delhi International Airport Limited (DIAL; rated 'CARE AA; Stable') and GMR Hyderabad International Airport Limited (GHIAL) likey from July 2025 and August 2025 onwards, respectively, and (ii) significant dividend inflow from GHIAL in line with dividend received in FY25. This is expected to improve interest coverage ratio of GAL significantly compared to below unity interest coverage in the past.

GAL derives healthy financial flexibility being a listed holding company of two major operating Indian airports, DIAL and GHIAL. Both airports are among busiest airports in India. GAL has acquired additional stake of 10% in DIAL from the Fraport AG Frankfurt Airport Services Worldwide on March 07, 2025, increasing its stake from 64% to 74%. Moreover, DIAL's financial performance is expected to improve significantly from FY26 onwards due to implementation of substantial tariff hike pertaining to completed capex. GHIAL's performance has steadily improved due to benefit of complete capex leading to increase in number of passengers and aero revenue. Performance of GMR Goa International Airport Limited (GGIAL, rated 'CARE A; Stable / CARE A1') was lower than anticipated in FY25 considering lower passenger traffic growth in Goa and lower-than-expected diversion from existing Dabolim Airport. Going forward, establishment of parity of landing and parking charges with Dabolim airport and subsequent ramp up in passenger volume within envisaged timeline is key rating monitorable.

Ratings continue to factor favourable outlook of air passenger traffic in India, GAL's strategic partnership with Aeroports De Paris (Groupe ADP), and demonstrated track record of funds raised in the past several years to meet refinancing and/or capital expenditure (capex) requirements.

Ratings also take cognisance of steady reduction in promoter (GMR Group) pledge to 35% (reduced from 54% as on July 25, 2024) of GMR Group's holding in GAL as on March 21, 2025, which is pledged for availing debt at promoter entity. CARE Ratings Limited (CareEdge Ratings) relies on management articulation that promoter debt raised via pledge of share is without recourse to GAL and GMR group shall continue to have management control till dilution of control up to 10%.

Aforesaid ratings strengths are tempered by inherent project risk with respect to green-field airports at Visakhapatnam, Crete (Greece), and brownfield airport expansion at Nagpur, inherent regulatory risk with respect to airports assets and inherent refinancing risk in view of bullet repayments and elevated debt levels of GAL. The strong and improved credit profile of underlying operating assets and the consequent higher valuation mitigate refinancing risk to an extent. CareEdge Ratings has factored equity commitment and support requirement to these project special purpose vehicles (SPVs) while arriving at GAL's ratings. Going forward, material weakening in valuation to the adjusted debt (standalone debt of GAL, including FCCBs and lease liabilities, corporate guarantee to non-airport business if any, and debt backed by pledge of shares) is a key rating sensitivity. GAL has extended inter corporate deposits (ICDs) of ~₹2,800 crore (including accrued interest) as on March 31, 2025 of which majority are towards non-airport entities, which per management articulation shall be realised in the medium term. CareEdge Ratings shall continue to monitor developments in this regard.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant reduction in debt level on sustained basis.
- Significant realisation of ICDs extended to power vertical.
- Higher-than-envisaged PBILDT leading to improvement in coverage indicators.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Negative factors

- Time or cost overrun in execution of under-construction airports thus significantly increasing equity commitments or other funding requirement towards the operational projects.
- Significant increase in adjusted debt levels, diluting the valuation-to-adjusted debt ratio below 5x.
- Significantly lower than estimated PBILDT due to lower-than-envisaged revenue from duty free or dividend income.

Analytical approach: Standalone

CareEdge Ratings has considered standalone financials of GAL, factoring in support and equity commitments towards its subsidiaries. GAL being the holding company, CareEdge Ratings factors in strength/financial flexibility from valuation of underlying assets.

Outlook: Stable

In the medium term, CareEdge Ratings expects GAL's business profile to persist supported by robust performance of underlying airport assets and favourable outlook for airports businesses.

Detailed description of key rating drivers:

Key strengths

Favourable outlook for airports business

CareEdge Ratings projects a robust 9% compounded annual growth rate (CAGR) in air passenger traffic over FY25- FY27, with international traffic growth expected to outpace domestic growth. This surge is driven by strong air travel demand and additional capacity creation by both airports and airlines. By FY27, passenger traffic is anticipated to reach ~485 million, reflecting the sector's strong recovery and growth trajectory. However, the sector is exposed to inherent regulatory risk with respect to timely release of tariff order from regulator.

Financial flexibility derived from direct ownership of airport assets and other airport-related businesses

GAL is the holding company for two major airports of the country, DIAL and GHIAL, which have strong business profiles. Both airports have regulated revenues under the hybrid tariff structure with assured return on aero assets, which is further supported by non-aero revenues. GAL also holds stake in four other airports- two domestic airports, namely GGIAL and GMR Visakhapatnam International Airport Limited (GVIAL), and two international airports - Medan Airport, Indonesia, and Crete Airport, Greece. GAL has financial flexibility, being the majority stakeholder in DIAL (74%), GHIAL (74%), and GGIAL (100%, except one golden share being held by the Government of Goa).

The rating notes GMR Nagpur International Airport Limited (GNIAL, a wholly owned subsidiary of the company) has signed concession agreement with the Mihan India Limited (MIHAN) in October 2024 for upgrading, modernising, operating, and maintaining Nagpur's International Airport. Per management's articulation, airport is yet to be handed over. Equity commitments towards it will be infused over the next four years.

Significant improvement in business and financial risk profiles of airport assets except GGIAL

GAL's airports handled 120.5 million passengers in FY25 reflecting 9% growth over FY24. Domestic traffic grew by 7.5%, while international traffic grew by 14% in FY25. GAL operated airports handled 26% of India's domestic traffic (335 million) and 35% of India's international traffic (77 million) in FY25. DIAL handled 79.3 million, while GHIAL handled 29.5 million passengers in FY25. Both airports are strategically located, leading to significant upsurge in traffic volumes. DIAL and GHIAL have expanded their capacities to 100 million passengers per annum (MPPA) and 34 MPPA, respectively. Due to the unserved demand and added capacity, the passenger traffic is expected to remain robust, going forward at both airports. With a substantial hike in aeronautical revenue from April 2025 onwards, increasing non-aero revenue and absence of major debt-funded capex, leverage of DIAL is expected to improve substantially marked by estimated net external debt/PBILDT of below 6x in FY26 from ~9x in FY25. GHIAL's performance has steadily improved due to benefit of complete capex leading to increase in number of passengers and aero revenue. GHIAL's concession is also extended by 30 years till March 2068 lending strong cash flow visibility. Leverage profile of GHIAL has also steadily improved for last three years ended FY25. GHIAL has declared dividend of ~₹280 crore in FY25 and the same is expected to continue in the medium term.

Operational and financial performance of GGIAL was below expectation in FY25 leading to continued high leverage. It was considering lower passenger traffic in Goa and lower-than-expected diversion from existing Dabolim Airport. GGIAL has achieved estimates for non-aero revenue and real estate revenue in FY25. It has applied to establish parity in landing and parking charges with Dabolim, and per management articulation, favourable outcome is expected by July 2025. Going forward, ramp up in passenger volumes at GGIAL within envisaged timeline is key rating monitorable.

Expected growth in scale of operations and expansion in PBILDT

Being Holdco, GAL had limited revenue stream till FY24. However, the same is improved in FY25 with receipt of dividend from GHIAL. GAL received healthy dividend of ~₹210 crore from GHIAL in FY25 and the same is expected to be continued in the medium term. Total operating income (TOI) of GAL grew from ₹795 crore in FY24 to ₹1,245 crore in FY25 mainly due to dividend from GHIAL and growth in non-aero income. This led to expansion of PBILDT from ₹320 crore in FY24 to ₹663 crore in FY25.

GAL is slated to take over duty free operations at DIAL and GHIAL likey from July 2025 and August 2025, respectively. GAL is currently operating duty free operations at GGIAL, and GAL shall offer similar services at its other airports in future. Both TOI and PBILDT are expected to grow significantly in the medium term due to commencement of duty-free revenue from Delhi and Hyderabad airports from FY26 onwards and sustenance of dividend income from GHIAL. Delhi Duty Free Services Private Limited (DDFS, rated 'CARE AA-; Stable/CARE A1+') reported TOI of ₹2,209 crore and PBILDT of ₹343 crore. Similarly, Hyderabad duty free and hospitality business reported TOI of ₹502 crore in FY25 with healthy profitability. This augurs well for the expansion of PBILDT in the medium term for GAL and shall lead to above unity interest coverage which reduces refinancing quantum to an extent.

Discharge of liabilities in power vertical mitigates the potential risk of any future recourse to GAL

On March 2025, the consortium of lenders of GREL unanimously approved to accept the one-time settlement (OTS) towards full and final settlement of entire exposure. GREL accepted the OTS proposal and settled the same by June 2025. Corporate guarantee extended by GPUIL stands extinguished per no due cum charge release letters. This has mitigated the potential risk of any recourse of liabilities to GAL.

Demonstrated funds raising capabilities

GAL has a demonstrated track record of successful fundraising in the past, to support refinancing requirements and/or meeting capex requirements for its airport assets. While successful fundraising has enabled meeting refinancing requirements, the high cost of debt has impacted cash flow. However, in recent years, the cost of debt has started reducing.

Synergic benefits from Groupe ADP

The GMR group was founded by Mr.GM Rao in 1978. Over the years, the company has demonstrated successful execution capabilities across diverse sectors. Groupe ADP holds 32.3% (of equity) shareholding and is co-promoter of the company with equal board representation. Groupe ADP develops and manages airports and owns and operates all three Paris' international airports – Paris-Charles de Gaulle, Paris-Orly, and Paris-Le Bourget. ADP operates 26 airports globally. Groupe ADP's major shareholder is the Government of France, which holds a stake of 50.6%.

Key weaknesses

Refinancing risk and elevated debt levels

As the listed arm of GMR Group, and being the holding entity of the airport assets, GAL has equity investment commitments in the under-construction special purpose vehicles (SPVs) and has to extend need-based support to other subsidiaries. However, in the absence of limited upstreaming of cash flows, GAL has relied on debt-funded equity investments, resulting in elevated debt levels of ₹10,345 crore (Including financial lease, preference shares, FCCBs and accrued interest) as on March 31, 2025. GAL has outstanding NCBs of ₹6,100 crore as on March 31, 2025, of which ₹5,000 crore have a bullet repayment in November 2026, while ₹1,100 crore have a bullet repayment in February 2028. GAL further raised ₹400 crore NCB in April 2025 which has bullet repayment in April 2028. Strong credit profile of underlying assets and consequent higher valuation mitigate refinancing risk to an extent. Groupe ADP had subscribed to FCCBs of GAL in March 2023. CareEdge Ratings has treated entire FCCBs as part of debt for assessment purpose. However, longer tenor of FCCBs with no cash coupon payments for the first five years until March 2028 is expected to provide cushion from the credit perspective. The rating also takes cognisance of high promoter (GMR Group) pledge of 35% of GMR Group holding in GAL as on March 31, 2025, which is pledged against debt availed at promoter entity. CareEdge Ratings relies on the management's articulation that promoter debt raised via pledge of share is without recourse to GAL. Moreover, GMR group plans to exercise call option on FCCBs gradually in view of price arbitrage. The same shall aid in retiring promoter level debt in the medium term. GAL's valuation has improved from ₹80,700 crore in FY24 to ₹106,820 crore in FY25. This along with reduction in potential contingent liability of GREL, cover of valuation to adjusted debt (including FCCBs, non-airport corporate guarantees, and debt backed by pledge of shares) has improved to 6.42x in FY25. Going forward, the material dilution in valuation to the adjusted debt below 5x is a key rating sensitivity.

GAL has also extended ICDs of ~₹2,800 crore (including accrued interest) as on March 31, 2025 (5% of TNW as of March 31, 2025) of which majority are towards non-airport entities, which per management articulation shall be realised over FY26-FY30. Realisation of ICDs and commensurate reduction in the debt levels will be a key rating sensitivity.

Inherent project risk associated with under-construction assets
GAL has two under-implementation projects comprising the construction of greenfield airports at Bhogapuram, Andhra Pradesh (6.0 MPPA), and Crete, Greece, which exposes GAL to project risk. The briefs of the ongoing projects are as follows:
GVIAL, Andhra Pradesh: Total project cost is estimated to be in the range of ₹4,700-4,800 crore. Construction activities have commenced from November 2023. The physical progress stands at ~69% as of March 31, 2025. Based on the current estimate of the project cost of pure equity of ₹1,027 crore (GAL to infuse 51%), GAL has infused ₹411 crore as on march 31, 2025. Pending equity commitments from GAL to GVIAL is ₹113 crore, of which GAL has already infused ₹51 crore till date and balance will be met in FY26.
Heraklion International Airport, Crete, Greece: GAL, through its overseas subsidiary, GMR Airports Greece Single member S.A, is developing the airport at a project cost of €852.6 million (increased from €520 million; the increased cost will be provided by the Government of Greece in the form of grant). GAL's entire equity commitment has been completed. The physical progress stands at ~48% as of March 31, 2025. Expected commercial operations date (COD) is in CY27.
GNIAL, Maharashtra: GNIAL has signed concession agreement with the MIHAN in October 2024 for upgrading, modernising, operating, and maintaining Nagpur's Dr. Babasaheb Ambedkar International Airport. Process to take over the airport is underway and is expected to be taken over soon. CareEdge Ratings has considered ₹500-₹600 crore equity commitments by GAL towards phase 1 of GNIAL project. As all airport projects are in intermediate or preliminary stages of construction, cost or time overruns in ongoing projects, necessitating GAL to fund the cost increase through debt, will be important from the credit perspective.

Liquidity: Adequate
The liquidity is characterised by financial flexibility available with GAL being the holdco of the two major airport assets, DIAL and GHIAL. The company has entirely fulfilled its equity commitments in the ongoing airport projects held under subsidiaries and joint ventures (JVs) except in the Bhogapuram Airport, where GAL is expected to further infuse ₹113 crore in FY26 of which ₹51 crore has been infused till date. GAL's outstanding NCBs are maturing in November 2026, February 2028 and April 2028. As on March 31, 2025, the company had cash and cash equivalents balance of ₹412 crore.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Environmental	• DIAL is net zero carbon emitter. • DIAL is the first airport in the country to run entirely on renewable electricity hydro and solar power. • DIAL has replaced over 95% of its vehicle fleets by EVs. • DIAL and GHIAL accredited with Level 4+: Transition by the Airports Council International. • GGIAL has renewable energy generation from five MW onsite solar power unit.
Social	CSR activities implemented in the thrust areas of Education, Health, and Livelihoods.
Governance	The company's board comprises over 50% independent directors, emphasizing diversity and effective oversight. The company has strict governance principles through guided values of the organisation and all secretarial compliances in place.

Applicable criteria
Definition of Default
Factoring Linkages Parent Sub JV Group
Investment Holding Companies
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Airport Companies
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport infrastructure	Airport & airport services

GAL is the holding company of the GMR group's investments in the airport sector. The company specialises in development, operation, and management of airports, with a presence in domestic and international markets. GAL is listed on NSE and BSE. Groupe ADP is co-promoter with the GMR Group in GAL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	795	1245
PBILDT	320	663
PAT	(542)	(191)
Overall gearing (times)	0.16	0.19
Interest coverage (times)	NM	NM

A: Audited; Prov.: Provisional; NM: Not meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds-Non-Convertible Bonds	INE776C08059	25-02-2025	5%^	25-02-2028	1100.00	CARE A; Stable
Bonds-Non-Convertible Bonds	INE776C08026	02-02-2024	5%*	24-11-2026	2250.00	CARE A; Stable
Bonds-Non-Convertible Bonds	INE776C08042	22-11-2023	5%*	22-11-2026	1950.00	CARE A; Stable
Bonds-Non-Convertible Bonds	INE776C08034	19-12-2023	5%*	23-11-2026	800.00	CARE A; Stable
Bonds-Non-Convertible Bonds	INE776C08067	03-04-2025	5%^	03-04-2028	400.00	CARE A; Stable
Non-fund-based-LT/ST	-	-	-	-	500.00	CARE A; Stable / CARE A1

* Cash coupon; PIK- Payment in Kind (8.275%) which is interest accrued and paid on maturity.
^ Cash coupon; PIK- Payment in Kind (6.5%) which is combination of interest accrued and paid on maturity, upfront fee, running fee and withholding taxes.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based-LT/ST	LT/ST	500.00	CARE A; Stable / CARE A1	-	1)CARE BBB+; Stable / CARE A2 (27-Mar-25) 2)CARE BBB+; Stable / CARE A2 (02-Sep-24)	-	-
2	Bonds-Non-Convertible Bonds	LT	6100.00	CARE A; Stable	-	1)CARE BBB+; Stable (27-Mar-25) 2)CARE BBB+; Stable (02-Sep-24)	-	-
3	Bonds-Non-Convertible Bonds	LT	400.00	CARE A; Stable	-	1)CARE BBB+; Stable (27-Mar-25)	-	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	• Minimum valuation of GAL will be at least ₹20,000 crore at all times.
B. Non-financial covenants	• The direct shareholding of GAL in GHIAL and DIAL will not be below 51% each.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds-Non-Convertible Bonds	Complex
2	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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