January 08, 2026

GMR Hyderabad International Airport Limited: Rating reaffirmed; outlook revised to Positive from Stable; rating assigned for non-convertible debentures (NCDs)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Working capital facilities	225.00	225.00	[ICRA]AA+ (Positive); reaffirmed and change in outlook to Positive from Stable
Non-convertible debentures	1,150.00	1,150.00	[ICRA]AA+ (Positive); reaffirmed and change in outlook to Positive from Stable
Non-convertible debentures	840.00	840.00	[ICRA]AA+ (Positive); reaffirmed and change in outlook to Positive from Stable
Non-convertible debentures	540.00	540.00	[ICRA]AA+ (Positive); reaffirmed and change in outlook to Positive from Stable
Non-convertible debentures	-	2150.00	[ICRA]AA+ (Positive); assigned
Total	**2,755.00**	**4,905.00**	

**Instrument details are provided in Annexure I*

Note: For arriving at the rating of GMR Hyderabad International Airport Limited (GHIAL), ICRA has taken the consolidated financials of GHIAL and its subsidiaries, namely GMR Air Cargo and Aerospace Engineering Limited (GACAEL), GMR Hyderabad Aviation SEZ Limited (GHASL), GMR Hospitality and Retail Ltd (GHRL), GMR Hyderabad Aerotropolis Limited (GHAL) and GMR Logistics Park Private Limited (GLPPL). ICRA has taken this into consideration, given the strong linkages of GHIAL and its subsidiaries through common management, operational linkages, track record of timely and need-based financial support, and strategic importance of its subsidiaries to GHIAL's operations.

Rationale

The revision in outlook on the long-term rating of GHIAL to Positive factors in the expected healthy growth in passenger traffic and strong growth in both aeronautical and non-aeronautical revenues, in the near to medium term, which will strengthen the entity's coverage metrics. Moreover, the proposed bond issuance of Rs. 2,150 crore with a moratorium of five years and repayment schedule of ten years, will be used towards refinancing of bullet maturing in February 2026, thereby improving debt structure. GHIAL has around USD 350 million due for repayment in October 2027, which is likely to be refinanced with a long tenured debt, thereby supporting the credit profile of the entity in the medium to long term. GHIAL has filed the multi-year tariff proposal with the regulator for the fourth control period (CP4, period between April 1, 2026, and March 31, 2031) and is likely to witness increase in tariffs for the CP4, considering the expected capitalisation of around Rs. 15,000 crore of capex (including the asset replacement costs). ICRA expects no material disallowances in the capex incurred, given the maturity in the regulatory regime. Nevertheless, true-up of the aeronautical revenues of Rs. 669.3 crore, that has been deferred to the next control period, given that the sector was recovering from the pandemic, while determining the tariffs for CP4, will be a key rating monitorable. Also, another Rs. 775 crore of the expansion capex of CP3 was deferred during CP3 tariff determination, however, the same is likely to be considered by AERA based on actual incurrence while truing up the actual performance of CP3. Further, GHIAL has received a favourable order from Telecom Disputes Settlement and Appellate Tribunal (TDSAT) on considering the deferred revenue and incurred capex of CP3, as part of tariff computation of CP4. However, Airports Economic Regulatory Authority (AERA) has appealed against the TDSAT order in the Supreme Court and is currently sub-judice. Although, the risk of disallowance is low, given the maturity in the regulatory regime, true-up of the deferred revenues and actual capex incurred with no material disallowances while determining the tariffs for CP4 will be a key rating monitorable. The improvement in passenger traffic, non-aero revenues, and increase in tariffs will significantly increase GHIAL's cash flows available for debt servicing going forward.

GHIAL's rating derives strength from the regulatory framework, which allows an efficient cost recovery from the user tariff. Additionally, GHIAL's monopolistic position in its region of operations significantly mitigates the revenue concerns. However, it remains exposed to asset concentration risk. The variations in passenger traffic resulting from economic cycles, which often leads to a temporary decline in traffic, are offset by truing up the shortfall, along with returns in the subsequent regulatory period, albeit with a lag. The financial support from the Government of Telangana (GoT) in the form of interest-free loans and the modest revenue-sharing terms with the Government of India (GoI) are other comforting factors. The rating factors in the cash flow ring-fencing, the joint ownership of GHIAL by GMR Airports Limited (GAL), the Airports Authority of India (AAI) and the GoT, and the presence of nominees from AAI, GoT and Groupe ADP on the company's board lends comfort.

GHIAL received a confirmation letter from the Ministry of Civil Aviation (MoCA), extending the term of the concession agreement for operating Rajiv Gandhi International Airport (RGIA) in Hyderabad, for a further period of 30 years until March 22, 2068. The long residual concession life has improved the company's financial flexibility and its refinancing ability.

The rating factors in the sizeable capex plans by GHIAL in the medium term. GHIAL is expected to incur significant capex of around Rs. 13,350 crore in CP4 (April 01, 2026 – March 31, 2031) for undertaking the construction of northern runway, along with dual elevated taxiway and northern terminal with a passenger handling capacity of 20 million passengers per annum (mppa). GHIAL is estimated to fund the capex in a mix of 75:25 debt to equity (internal accruals) for undertaking this capex. Further, GHIAL is expected to incur asset replacement capex of around Rs. 1,700 crore in CP4, which is likely to be funded through internal cash accruals. However, the capex will be undertaken only after securing necessary approvals from stakeholders and concerned authorities, mitigating the risk of disallowance. Timely completion of the expansion capex within the budgeted costs with no material disallowance by the regulator, AERA, will be key monitorable going forward.

GHIAL has around USD 350 million due for repayment in October 2027. However, ICRA believes that GHIAL will be able to refinance these bonds in a timely manner, as seen over the past 3-4 years, given its strong business risk profile, exceptional financial flexibility on account of long residual concession life and healthy projected cash flows. Further, GHIAL has repayments of around Rs. 750 crore (standalone) from the existing debt during FY2026-2030 (excluding the bullet repayments of USD 350 million debt due in October 2027). In addition, the company is expected to take additional debt of around Rs. 10,000 crore for the capex in CP4. While the large debt-funded capex is likely to moderate the leverage metrics in the medium term (Total Debt/EBITDA is projected to peak at around 7.5-8 times, post which it is expected to come down), the debt coverage metrics are likely to remain healthy.

The performance of subsidiaries has been strong with revenue growth of around 40% in FY2025 and is expected to remain healthy going forward. The subsidiaries are estimated to incur a capex (expansion and operational capex) of around Rs. 2,700 crore over the next five years, majorly for the construction of a new hotel, interchange facility (retail mall), aerospace park housing, aero tower 3 and the expansion of MRO facilities and cargo terminal. The same is expected to be funded by a mix of debt and internal accruals. Further, all the subsidiaries are self-sufficient and no major support from GHIAL is envisaged for the capex programme. However, if any support is required, GHIAL is likely to infuse the requisite funds in a timely manner.

GHIAL has paid out 75% of the share capital as dividend in FY2025, amounting to Rs. 283.50 crore and 25%, amounting to Rs. 94.5 crore in H1 FY2026. Dividends of Rs. 378 crore and Rs. 567 crore in FY2026 and FY2027 are expected to be declared respectively. Nevertheless, prior to the payment of dividends, GHIAL's cash flow would be assessed so that sufficient cash flows are available for debt service payments, capital expenditure, operating expenditure and maintenance of minimum cash balances to support 4 to 5 months of operating expenses of approximately Rs. 500 crore at all times. The rating factors in the funding support provided by GHIAL to various group companies. In the past, the company extended a total of Rs. 200 crore in inter-corporate deposits (ICDs) to support the group entities. These ICDs are likely to be recovered by FY2027 or FY2028. Any significant incremental loans and advances or financial assistance to the group companies or higher-than-expected dividends adversely impacting its liquidity position will be a credit negative. Moreover, any material incremental exposure to weaker credits as treasury investments will be a credit negative.

Key rating drivers and their description

Credit strengths

Strong competitive position and monopoly position in its region of operations – Rajiv Gandhi International Airport, operated by GHIAL, is the only airport in Hyderabad and is the major international airport for Telangana and Andhra Pradesh, with a passenger handling capacity of 34 mppa. It has a monopoly position in its area of operations. The rating is supported by the competitive position of the airport, amid the favourable demographics of the city/state, presence of large IT economy and strong business travel. Its strong position and regulatory framework allow efficient cost recovery from user tariff, mitigating the revenue concerns. The variation in passenger traffic resulting from economic cycles, which often lead to a temporary decline in traffic, is offset by truing up the shortfall, along with returns in the subsequent regulatory period, albeit with a lag.

Healthy increase in passenger traffic and revenues to result in improved cash flow position – The passenger traffic at GHIAL witnessed healthy growth of 16.6% in FY2025 and is projected to increase by around 7-8% to reach around 31-31.5 million in FY2026 and further rise to around 34 million in FY2027. Its operating income is expected to grow by 10% to around Rs. 2,400 crore in FY2026 and to more than Rs. 2,800 crore for FY2027. The growth is supported by a rise in aeronautical revenues, supported by aeronautical tariffs and passenger traffic, and non-aeronautical revenues amid improved spend per passenger. Despite the lower-than-expected growth in passenger traffic in FY2026, the non-aero revenues are anticipated to witness healthy growth of more than 15% in FY2026, and the growth momentum is expected to continue, owing to the increase in leasable area amid opening up of new terminal, addition of brands, development of additional non-aero revenue-generating assets, increase in passenger traffic and higher spend per passenger. Given this, the leverage (adjusted Total Debt/EBITDA, adjusted for foreign exchange variation of debt) is estimated to improve to around 4.7 times in FY2026 from 5.4 times in FY2025, due in increase in operating profits.

Extension in terms of concession resulted in improved financial flexibility – GHIAL received a letter of confirmation from MoCA, extending the term of the concession agreement to operate RGIA in Hyderabad, for a further period of 30 years until March 22, 2068. The long residual concession life has improved the company's financial flexibility and its refinancing ability. Further, no new or existing airport shall be permitted by GOI to be developed or improved or upgraded into a domestic or international airport within an aerial distance of 150 km of GHIAL before the twenty-fifth anniversary of the airport opening date, i.e., 2033 supports its credit profile.

Ring-fenced cash flows and modest revenue sharing – The cash flow ring-fencing, joint ownership of GHIAL by GMR Airports Limited, along with AAI and GoT, and nominees from AAI, GoT and Groupe ADP on GHIAL's board provide comfort to the rating. It has received financial support from GoT in the form of development grants and interest-free loans with deferred payment terms. The modest revenue share of 4% with the GoI supports the cash flows and its credit profile.

Credit challenges

Exposure to risks associated with large debt-funded proposed capex; risks associated with disallowance of capex and tariff determination – GHIAL is expected to incur significant capex of around Rs. 13,350 crore in CP4 (April 01, 2026 – March 31, 2031) for constructing the northern runway, along with dual elevated taxiway and northern terminal with a passenger handling capacity of 20 mppa. GHIAL is estimated to fund the capex in a mix of 75:25 debt to equity (internal accruals) for undertaking this capex. Further, GHIAL is expected to incur asset replacement capex of around Rs. 1,700 crore in CP4, which is likely to be funded through internal cash accruals. However, the capex will be undertaken only after securing the necessary approvals from stakeholders and concerned authorities, mitigating the risk of disallowance. Timely completion of the expansion capex within the budgeted costs with no material disallowance by the regulator, AERA, will be a key monitorable going forward.

GHIAL has completed the planned capex for new terminal expansion, with a total outlay of around Rs. 6,650 crore (including cost overrun of around Rs. 120 – 150 crore) in Q4 FY2024 and has opened the entire terminal for commercial use. While majority of this capex has been approved by the regulator as per the CP3 tariff order, around Rs. 775 crore of the expansion capex of CP3 was deferred during CP3 tariff determination, however, the same is likely to be considered by AERA based on actual incurrence while truing up the actual performance of CP3. Further true-up of the aeronautical revenues of Rs. 669.3

crore, that has been deferred to the next control period, given that the sector was recovering from the pandemic, while determining the tariffs for CP4, will be a key rating monitorable. Although, the risk of disallowance is low, given the maturity in the regulatory regime, true-up of the deferred revenues and actual capex incurred with no material disallowances while determining the tariffs for CP4 will be a key rating monitorable. Further, GHIAL has received a favourable order from Telecom Disputes Settlement and Appellate Tribunal (TDSAT) on considering the deferred revenue and capex of CP3, as part of tariff computation of CP4. However, Airports Economic Regulatory Authority (AERA) has appealed against the TDSAT order in the Supreme Court and is currently sub-judice.

Moderate debt structure; exposed to refinancing risk; though financial risk is partly mitigated by strong business position and long concession period – At present, GHIAL is in the process of raising domestic NCDs up to Rs. 2,150 crore, the proceeds of which shall be utilised for the refinancing of USD 287 million senior secured notes due for repayment in February 2026. The domestic NCDs are being raised at a lower interest rate compared to the foreign bonds, with a tenure of 15 years, which is expected to support the debt coverage metrics. GHIAL has around USD 350 million due for repayment in October 2027. Owing to this, the debt structure remains moderate and exposes GHIAL to refinancing risk. However, GHIAL will be able to refinance these bonds in a timely manner, as seen over the past 3-4 years, given its strong business risk profile, exceptional financial flexibility on account of the long residual concession life and healthy projected cash flows. Further, GHIAL has repayments of around Rs. 750 crore (standalone) from the existing debt during FY2026-2030 (excluding the bullet repayments of USD 350 million debt due in October 2027). In addition, the company is expected to take additional debt of around Rs. 10,000 crore for the capex in CP4. Hence, the debt levels are likely to remain elevated in the medium term. While the large debt-funded capex is likely to moderate the leverage metrics in the medium term (Total Debt/EBITDA is projected to peak at around 7.5-8 times, post which it is expected to come down), the debt coverage metrics are expected to remain healthy.

Funding support to Group companies – In FY2020 and FY2021, the company extended a total of Rs. 200 crore in inter-corporate deposits (ICDs) to support the group entities (outside of its consolidated profile). ICRA is given to understand that these ICDs are likely to be recovered by FY2027 or FY2028. Any significant incremental loans and advances or financial assistance to the group companies or higher-than-expected dividends adversely impacting its liquidity position will be a credit negative. Moreover, any material incremental exposure to weaker credits as treasury investments will be a credit negative.

Liquidity position: Adequate

The company's liquidity position is adequate, with an assignable cash balance of Rs. 1,206.6 crore (including proceeds earmarked for capex of Rs. 196.4 crore) as on November 30, 2025. Additionally, it has cushion of Rs. 150 crore of working capital limits. GHIAL has low debt repayment obligations in FY2026 and FY2027, which can be serviced comfortably from its estimated cash flow from operations. It has foreign currency bond repayments of around Rs. 2,100 crore in FY2026, which are expected to be refinanced in a timely manner.

Rating sensitivities

Positive factors – Sustained improvement in passenger traffic, aeronautical and non-aeronautical revenues resulting in improvement in leverage while sustaining the robust debt coverage metrics supports rating upgrade. Further, timely implementation of tariff order with no major disallowance and improvement in debt structure and liquidity position remains crucial for rating upgrade.

Negative factors – Pressure on GHIAL's rating could arise if the traffic is significantly lower than ICRA's base case assumptions, or if there is significant decline in non-aero revenues, adversely impacting its debt coverage metrics on a sustained basis. Any incremental treasury investments in weaker credits, or incremental loans to group companies or non-adherence to debt structure, adversely impacting its liquidity position will be credit negative. Further, any material disallowance in capex incurred or operating expenses as a part of CP4 tariff determination by the AERA will be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Airports
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of GHIAL, which are enlisted below under annexure II

About the company

GHIAL operates the Rajiv Gandhi International Airport, at Shamshabad, in Hyderabad. It commenced commercial operations on March 23, 2008. The company's sponsors include GMR Airports Limited (74% holding), Airports Authority of India (AAI) (13%), and the Government of Telangana (13%). GHIAL has a 30-year concession for the development, maintenance, and operation of the Shamshabad airport, which was extended for another 30 years. In May 2022, GHIAL has received an extension in concession period till March 2068. The airport was constructed at a total cost of Rs. 2,920 crore, with an initial handling capacity of 12 million passengers per annum. The company recently increased its capacity to 34 million in 2024.

Key financial indicators (audited)

GHIAL (consolidated) - As per IndAS accounting	FY2024	FY2025
Operating income	2718.3	3466.9
PAT	378.1	434.2
OPBDITA/OI	48.4%	48.4%
PAT/OI	13.9%	12.5%
Total outside liabilities/Tangible net worth (times)	6.2	5.2
Total debt/OPBDITA (times)	7.2	5.3
Interest coverage (times)	2.3	2.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: The company faces prepayment risk, given the possibility of debt acceleration in the event the revised spread on the NCDs is not acceptable to the NCD holders upon revision of spread post five or ten years of issuance. Nevertheless, GHIAL shall have 120 days to refinance the debt of the dissenting debenture holders, and the strong financial flexibility of the company provides comfort.

Rating history for past three years

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
		Type	Amount rated (Rs. crore)	FY2026	FY2025		FY2024		FY2023	
				January 08, 2026	Date	Rating	Date	Rating	Date	Rating
1	Long term - Working capital facilities	Long term	225.0	[ICRA]AA+ (Positive)	Mar 13, 2025	[ICRA]AA+ (Stable)	Mar 13, 2024	[ICRA]AA+ (Stable)	Mar 01, 2023	[ICRA]AA (Positive)
					-	-	Jan 03, 2024	[ICRA]AA+ (Stable)	Dec 16, 2022	[ICRA]AA (Positive)
					-	-	-	-	Dec 02, 2022	[ICRA]AA (Positive)
					-	-	-	-	July 29, 2022	[ICRA]AA (Stable)
2	Non-convertible debentures	Long term	1,150.0	[ICRA]AA+ (Positive)	Mar 13, 2025	[ICRA]AA+ (Stable)	Mar 13, 2024	[ICRA]AA+ (Stable)	Mar 01, 2023	[ICRA]AA (Positive)
					-	-	Jan 03, 2024	[ICRA]AA+ (Stable)	Dec 16, 2022	[ICRA]AA (Positive)
					-	-	-	-	Dec 02, 2022	[ICRA]AA (Positive)
3	Non-convertible debentures	Long term	840.0	[ICRA]AA+ (Positive)	Mar 13, 2025	[ICRA]AA+ (Stable)	Mar 13, 2024	[ICRA]AA+ (Stable)	Mar 01, 2023	[ICRA]AA (Positive)
					-	-	Jan 03, 2024	[ICRA]AA+ (Stable)	Dec 16, 2022	[ICRA]AA (Positive)
					-	-	-	-	Dec 02, 2022	[ICRA]AA (Positive)
4	Non-convertible debentures	Long term	540.0	[ICRA]AA+ (Positive)	Mar 13, 2025	[ICRA]AA+ (Stable)	Mar 13, 2024	[ICRA]AA+ (Stable)	-	-
5	Non-convertible debentures	Long term	2,150.00	[ICRA]AA+ (Positive)	-	-	-	-	-	-
6	Proposed NCDs	Long term	-	-	-	-	Jan 03, 2024	[ICRA]AA+ (Stable); Withdrawn	-	-
7	Proposed NCDs	Long term	-	-	-	-	-	-	Mar 01, 2023	[ICRA]AA (Positive)
8	Unallocated limits	Long term	-	-	-	-	-	-	Mar 01, 2023	[ICRA]AA (Positive)
					-	-	-	-	Dec 16, 2022	[ICRA]AA (Positive)
					-	-	-	-	Dec 02, 2022	[ICRA]AA (Positive)
					-	-	-	-	July 29, 2022	[ICRA]AA (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Working capital facilities	Simple
Non-convertible debentures (NCDs)	Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long-term – Working capital facilities**	NA	NA	NA	225.00	[ICRA]AA+ (Positive)
INE802J07019	**NCDs**	Dec 13, 2022	9.1% (p.a.)	Dec 13, 2032	1,150.00	[ICRA]AA+ (Positive)
INE802J07027	**NCDs**	Mar 13, 2023	9.0% (p.a.)	Mar 11, 2033	840.00	[ICRA]AA+ (Positive)
INE802J07035	**NCDs**	Mar 28, 2024	8.9% (p.a.)	Mar 28, 2034	540.00	[ICRA]AA+ (Positive)
NA	**NCDs**	NA*	NA	NA	2,150.00	[ICRA]AA+ (Positive)

*Source: Company; *yet to be placed*

[*Please click here to view details of lender-wise facilities rated by ICRA*]

Annexure II: List of entities considered for consolidated analysis

Company name	GHIAL ownership	Consolidation approach
GMR Hyderabad Aerotropolis Limited	100%	Full Consolidation
GMR Hyderabad Aviation SEZ Limited	100%	Full Consolidation
GMR Air Cargo and Aerospace Engineering Limited	100%	Full Consolidation
GMR Hospitality and Retail Limited	100%	Full Consolidation
GMR Logistics Park Private Limited	100%	Full Consolidation

Source: GHIAL, ICRA Research

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