

April 20, 2026

CIAL Infrastructures Ltd.: Rating reaffirmed

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term – Fund Based – Term Loans	185.00	185.00	[ICRA]A+ (Stable); reaffirmed
Long Term – Fund Based – Working Capital Limits	5.00	5.00	[ICRA]A+ (Stable); reaffirmed
TOTAL	190.00	190.00	

[^]Instrument details are provided in Annexure II

Rationale

The rating reaffirmation of CIAL Infrastructures Limited (CIL) favourably factors in the healthy revenue visibility from long-term power purchase agreements (PPAs) across all the projects and the strong financial profile of the company. CIL has entered into a 20-year PPA for its 11 MWp Payyannur solar project with its parent, Cochin International Airport Limited (CIAL; rated [ICRA]AA (Stable)), at a remunerative tariff of Rs. 6.80/unit, effective May 01, 2025. In addition, CIL has finalised a long-term PPA with Kerala State Electricity Board Limited (KSEBL) for the 4.5 MW Arippara small hydroelectric project (SHEP) at a tariff of Rs. 4.30/unit, valid till October 2044. The rating further considers the existing long-term PPAs for the 39 MW solar contracted capacity located within the airport premises, contracted with the parent, CIAL. With over 90% of the operational capacity now tied up with CIAL, the revenue profile remains stable, with timely receipt of payments supporting debt coverage metrics. The rating considers the healthy financial flexibility associated with a strong promoter profile and ICRA's expectations that CIAL would be willing to extend financial support to CIL, given the high strategic importance that CIL holds for CIAL in meeting the latter's diversification objectives.

The rating is, however, constrained by the vulnerability of cash flows to variations in solar irradiation levels and hydrological risks. In the event of non-generation of power due to variations in solar irradiation levels, the company's cash inflows may be affected. Moreover, the cash flows from the hydro project remain exposed to hydrological risks, given that it is not covered under any deemed generation clause in case of a drop in generation due to a shortage of water, as the company's revenues are linked to actual unit sales. The company is exposed to variations in interest rates, given the floating nature of the interest rates on term loans. Furthermore, the company remains exposed to operations at Cochin International Airport, and any decline in airport operations could lead to lower power offtake from CIL, thereby adversely impacting its revenues and weakening its debt coverage indicators. Nevertheless, the healthy debt coverage metrics of the company provides comfort, especially in events of lower generation and reduced power offtake.

The Stable outlook on the rating reflects ICRA's opinion that the rated entity will benefit from its long-tenor PPAs for both the solar plants and SHEP, healthy debt coverage metrics, and timely receipt of payments from its offtakers.

Key rating drivers and their description

Credit strengths

Long-term PPAs for all the plants that cover full debt tenure - CIL has mitigated revenue risk through its long-term PPAs for its entire operational capacity, comprising 39 MWp solar plants at the airport premises and an 11 MWp solar plant at Payyannur contracted with CIAL, respectively, and the 4.5 MW Arippara small hydroelectric project tied up with KSEBL, with the PPAs covering the full tenure of the associated debt. The 39 MW solar plant, located within the airport premises, has been supplying CIAL's entire power requirement for the past 7-8 years, ensuring stable offtake. Further, to meet CIAL's growing power demand, a PPA has been executed for the Payyannur solar project at a tariff of Rs. 6.80/unit (net realisation of Rs. 4.50-

4.55/unit, after considering transmission, wheeling, and other open access charges), which is materially higher than the earlier tariff of Rs. 2.37/unit paid by KSEBL. The stable counterparty profile and timely receipt of payments continue to support CIL's liquidity position and debt servicing ability.

Strong financial profile - CIL's financial profile is strong, characterised by robust cash accruals and healthy debt coverage indicators. The operating margins are healthy at more than 75%, with a debt service coverage ratio (DSCR) of 2.1 times and an interest coverage ratio of 5.1 times for FY2025. Further, the cumulative DSCR is strong at more than 2 times during the debt tenure. At present, revenue from CIAL contributes more than 85% of CIL's revenue, which has improved from around 75% following the signing of the long-term PPA for the Payyannur plant with CIAL.

Strong parent profile - CIL is a wholly owned subsidiary of CIAL, and the rating factors in ICRA's expectations that CIAL would be willing to extend financial support to CIL, should there be a need, given the high strategic importance that CIL holds for CIAL in meeting the latter's diversification objectives.

Credit challenges

Relatively weaker counterparty for Arippara SHEP plant – CIL had signed a long-term PPA for the Arippara SHEP plant for a period of 30 years ending October 2044 at a tariff of Rs. 4.30/unit with KSEBL, which is a weaker counterparty compared to CIAL. However, payments from KSEBL are being received in a timely manner, with an average delay of around 20-30 days over the past one year. Hence, CIL's ability to realise payments from KSEBL without material delays remains important from a liquidity perspective.

Vulnerability of cash flows to variations in solar irradiance and hydrological risks - In the event of non-generation of power due to variations in solar irradiation levels, the company's cash inflows may be affected. Further, the cash flows from the operational hydro power project remain exposed to hydrological risks, given that it is not covered under any deemed generation clause in case of a drop in generation due to a shortage of water, as the company's revenues are linked to actual unit sales. Further, the company is in the process of reinstalling some solar capacity at the airport premises, which has negatively impacted generation during FY2025 and FY2026. Hence, the timely installation of these capacities, along with improvement in unit generation and, thereby, the company's revenues, is a key rating monitorable. Further, the company remains exposed to operations at Cochin International Airport, and any decline in airport operations could lead to lower power offtake from CIL, thereby adversely impacting its revenues and weakening its debt coverage indicators. Nevertheless, the healthy debt coverage metrics of the company provide comfort. Furthermore, the O&M risk for the company is largely mitigated on account of fixed-price contracts covering penalties for non-generation below guaranteed units.

Interest rate risk - The company is exposed to variations in interest rates, given the floating nature of interest rates of term loans and fixed tariff for the power sold.

Liquidity position: Adequate

The company's liquidity position is adequate, with unencumbered cash and liquid balances of around Rs. 65 crore as on December 31, 2025. It has repayment obligations of Rs. 9.1 crore in FY2027, which can be comfortably serviced through estimated cash flow from operations and the available liquidity. The company is likely to incur capex of around Rs. 30-32 crore over the next 2-3 years, which is expected to be funded entirely through available cash balances and internal cash accruals.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a sustained improvement in the power generation and revenues and reinstallation of solar power plant at airport premises to its full capacity, while maintaining healthy coverage metrics and liquidity position, along with timely receipt of payments from the counterparties.

Negative factors – Pressure on CIL's rating could arise if there is any significant under-performance of operational projects, or any significant capex, impacting its liquidity position on a sustained basis. Specific credit metrics that could lead to a rating

downgrade include cumulative DSCR over the loan tenure falling below 1.4 times on a sustained basis. Also, any significant deterioration in the credit profile or weakening in linkages, with the sponsor, CIAL will be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Parent Company: Cochin International Airport Limited The rating factors in ICRA's expectation that CIAL would be willing to extend financial support to CIL, should there be a need, given the high strategic importance that CIL holds for CIAL for meeting the latter's diversification objectives. Both CIL and CIAL also share a common name, which in ICRA's opinion would persuade CIAL to provide financial support to CIL to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financials of CIAL Infrastructures Ltd

About the company

CIAL Infrastructures Limited (CIL) was incorporated in 2012 as a subsidiary of Cochin International Airport Limited (CIAL) to consider opportunities in the power and other infrastructure sectors. CIL is a wholly owned subsidiary of CIAL (rated at [ICRA]A+ (Positive)). CIAL has commissioned a 39 MW solar power plant at the Cochin airport premises, thereby enabling CIAL to achieve the status of a fully solar-powered airport. The plant generates adequate power to meet the energy requirements of the airport. In FY2022, CIL completed the construction of two projects outside the airport premises, a 11.6 MWp solar power plant at Pappannur, Kerala, and a 4.5 MW SHEP at Arippara, Kerala, and both have been operational since Q3 FY2022.

Key financial indicators (Audited)

CIL (Standalone)	FY2024	FY2025
Operating income	41.1	35.3
PAT	10.9	8.2
OPBDIT/OI	80.5%	77.9%
PAT/OI	26.4%	23.1%
Total outside liabilities/Tangible net worth (times)	0.4	0.3
Total debt/OPBDIT (times)	2.2	2.4
Interest coverage (times)	5.5	5.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr 20, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loans	Long term	185.00	[ICRA]A+ (Stable)	-	-	Feb 24, 2025	[ICRA]A+ (Stable)	Nov 15, 2023	[ICRA]A+ (Stable)
Fund-based- Working capital	Long term	5.00	[ICRA]A+ (Stable)	-	-	Feb 24, 2025	[ICRA]A+ (Stable)	Nov 15, 2023	[ICRA]A+ (Stable)

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI

Sr. No.	Activity Name	FSR
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund Based – Term Loans	Simple
Long Term – Fund Based – Working Capital Limits	Simple

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Term loans	Feb 2020	7.80%	Jan 2032	150.00	[ICRA]A+ (Stable)
NA	Fund-based – Term loans	Mar 2018	7.80%	Feb 2030	35.00	[ICRA]A+ (Stable)
NA	Fund-based- Working capital	NA	7.70%	NA	5.00	[ICRA]A+ (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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