

May 26, 2026

## Cochin International Airport Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	639.69	639.69	[ICRA]AA (Stable); reaffirmed
Long-term – Fund-based – Working capital limit	185.00	185.00	[ICRA]AA (Stable); reaffirmed
<b>Total</b>	<b>824.69</b>	<b>824.69</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation for Cochin International Airport Limited (CIAL) favourably factors in its established operational track record of over two decades, steady passenger traffic with a favourable mix of domestic and international passengers over the years as well as robust debt coverage metrics and expectation of sustenance of the same with healthy profitability levels in the medium term. The rating also accounts for the strong capital structure and coverage metrics, with estimated gearing (Total debt/Net worth) of 0.1 times as on March 31, 2026, and interest coverage of more than 25 times for FY2026. CIAL plans to undertake expansion of terminal 1 (T1) and associated airside works, modifications of cargo complex and development of terminal 3 (T3) pier, revamping of safety infrastructure, IT systems and scanning equipment, airport building and road projects among others with a capital expenditure (capex) of around Rs. 4,000 crore during the fourth control period (CP4; period between April 1, 2026 and March 31, 2031) and has filed the multi-year tariff proposal with the regulator (Airports Economic Regulatory Authority, AERA) for the approval of the same in October 2025. The estimated capex over the next five years is likely to be funded through 50% debt and the rest through existing cash balances and internal accruals. With expected debt-funded capex for CP4, the gearing is estimated to increase in the medium term, however, it remains comfortable. The cumulative debt service coverage ratio (DSCR) is likely to continue to be robust at more than 2 times, driven by healthy profits, and is anticipated to maintain similarly strong levels during the debt tenure. The tariff implementation is expected to be delayed by around six months against earlier expectations of April 2026. CIAL's ability to execute the sizeable capex programme within the budgeted costs and timelines would be a key rating monitorable.

The estimated consolidated revenues stood at around Rs. 1367 crore in FY2026, a 4% increase from FY2025 revenues of Rs. 1312 crore, primarily resulting from the modest passenger traffic growth of 1% which stood at 11.3 million in FY2026 compared to 11.1 million in FY2025, impacted by transient operational disruptions (aircraft supply issues and flight duty time limitations [FDTL] restrictions) and external headwinds including the West Asian crisis during the year. The passenger traffic growth is expected to remain modest in FY2027. Nevertheless, the aeronautical revenues in the medium term are likely to be supported by the anticipated increase in the aeronautical tariffs for CP4, given that CIAL is undertaking large capex. The rating is also backed by the favourable passenger mix, with international passengers accounting for 47% of total passengers over the past three years, leading to higher aero and non-aero revenue per passenger and thereby supporting its profitability metrics.

The rating is, however, constrained by the stiff competition from four international airports situated within a 300-km radius from CIAL, viz. Trivandrum International Airport, Calicut International Airport, Coimbatore International Airport and Kannur International Airport. Any material shift in traffic to the competing airports could adversely affect the earnings profile. Nevertheless, it is well positioned in terms of cost competitiveness (least burden on passengers despite levy of UDF w.e.f. April 2022), advantageous geographical location with close proximity to major tourist destinations and Cochin being the major business hub in Kerala. Further, the international passenger traffic is largely concentrated in West Asian regions, which account

for a dominant share of international operations, comprising 73% of aircraft movements and 80% of passenger traffic, resulting in concentration risk and heightened susceptibility to the ongoing crisis. While this may lead to a temporary cash flow mismatch, the impact is mitigated by the true-up mechanism where shortfall in revenue will be recovered in the subsequent control period. However, the company is currently engaging with airlines to improve diversification of international routes to Europe, and materialisation of the same is important from a credit perspective. Moreover, its strong liquidity position is expected to offset the risk of any adverse movement in the operational performance in the interim.

Further, unlike the other private airports, which are either governed by the Operations, Maintenance and Development Agreement (OMDA) or concession agreement (CA), there is no concession awarded by the Government of India (GoI) in the case of CIAL. In the absence of a CA, the rights, obligations and concession period are not defined for the entity. Additionally, the GoI is not bound by any non-compete/right of first refusal clauses, should there be any proposal to develop new international airports in the region. Nonetheless, the risks arising from a new greenfield airport in the region are partly mitigated by CIAL's long operational track record, competitive tariff structure and the Kerala Government's role as the majority shareholder.

The Stable outlook on the rating reflects ICRA's opinion that CIAL's credit profile remains strong, supported by its long operational track record, which is aided by its competitive position, Cochin's locational advantage, comfortable capital structure, robust debt coverage metrics and healthy liquidity position.

## Key rating drivers and their description

### Credit strengths

**Long operational track record** – The company had started commercial operations from June 1999 and has a long operational track record of over two decades with steady passenger traffic growth. While passenger traffic was impacted in FY2020 and FY2021 due to Covid-19 pandemic-related disruptions, it has surpassed pre-Covid levels in FY2024 and reached 117% in FY2026, supporting both aeronautical and non-aeronautical revenues. The rating is also supported by CIAL's favourable passenger mix, with international passengers accounting for 47% of total passengers over the past three years, leading to higher aero and non-aero revenue per passenger and thereby supporting its profitability metrics. However, the company remains exposed to asset concentration risk and the variations in passenger traffic resulting from economic cycles and externalities including war/weather/floods/epidemics, which could cause a temporary decline in traffic. Nevertheless, this is offset by true-up framework, wherein the shortfall in returns in any given control period are recovered in the subsequent regulatory period, albeit with a lag.

**Healthy operating income and profitability levels to support liquidity position of the company** – The estimated consolidated revenues stood at around Rs. 1367 crore in FY2026, a 4% increase from FY2025 revenues of Rs. 1312 crore, primarily resulting from the modest passenger growth of 1% which stood at 11.3 million in FY2026 compared to 11.1 million in FY2025, impacted by transient operational disruptions (aircraft supply issues and FDTL restrictions) and external headwinds including the West Asian crisis during the year. The passenger traffic growth is expected to remain moderate in FY2027. Nevertheless, the aeronautical revenues in the medium term are likely to be supported by the anticipated increase in the aeronautical tariffs for CP4, given that CIAL is undertaking large capex. Owing to this, in addition to the healthy profitability levels of 30-35% in the near term, the liquidity position is expected to remain strong. As on March 31, 2026, the cash balance stood at around Rs. 950 crore. Nevertheless, sizeable cash outflow in the form of dividends or incremental treasury investments in weaker credits or loans and advances to group companies adversely impacting its liquidity position will be a credit negative.

**Strong debt coverage metrics** – The capital structure and coverage metrics, with estimated gearing of 0.1 times and interest coverage of more than 25 times as of March 31, 2026. CIAL has filed the multi-year tariff proposal with the regulator for CP4, in October 2025 and is expected to incur capex of around Rs. 4,000 crore over the next five years, to be funded by 50% debt and the rest through existing cash balances and internal accruals. Given the large debt-funded capex for CP4, the gearing is estimated to increase in the medium term, however, it remains comfortable. The cumulative DSCR is likely to continue to be

robust at more than 2 times, driven by healthy profits, and is expected to maintain similarly strong levels during the debt tenure.

### Credit challenges

**Exposed to competition from other international airports in the vicinity; concentration of international passenger traffic towards West Asian regions** – CIAL has four international airports situated within a 300-km radius from CIAL, viz. Trivandrum International Airport, Calicut International Airport, Coimbatore International Airport and Kannur International Airport. Any material shift in traffic to competing airports could adversely affect the earnings profile. Nevertheless, it is well positioned compared to other airports in terms of cost competitiveness (least burden on passengers despite levy of UDF w.e.f. April 2022), advantageous geographical location with close proximity to major tourist destinations and Cochin being the major business hub in Kerala. Further, the international passenger traffic is largely concentrated in West Asian regions, which account for a dominant share of international operations, comprising 73% of aircraft movements and 80% of passenger traffic, resulting in concentration risk and heightened susceptibility to the ongoing crisis. While this may lead to a temporary cash flow mismatch, the impact is mitigated by the true-up mechanism where shortfall in revenue will be recovered in the subsequent control period. However, the company is currently engaging with airlines to improve diversification of international routes to Europe, and materialisation of the same is important from the credit perspective. Moreover, its strong liquidity position is expected to offset the risk of any adverse movement in the operational performance in the interim.

**Lack of concession agreement** – Unlike the other private airports, which are either governed by the OMDA or CA, there is no concession awarded by the GoI in the case of CIAL. In the absence of a CA, the rights, obligations and concession period are not defined for the entity. Additionally, the GoI is not bound by any non-compete/right of first refusal clauses, should there be any proposal to develop new international airports in the region. Nonetheless, the risks arising from a new greenfield airport in the region are partly mitigated by CIAL's long operational track record, competitive tariff structure and the Kerala Government's role as the majority shareholder.

**Sizeable capex plans; risk of disallowance of capex** – CIAL is currently planning to undertake the expansion of T1 and associated airside works, modifications of cargo complex and development of T3 pier, revamping of safety infrastructure, IT systems and scanning equipment, airport building and road projects among others with a capex of around Rs. 4,000 crore during CP4 and has filed the multi-year tariff proposal with AERA for the approval of the same in October 2025. The estimated capex over the next five years is likely to be funded by 50% debt and the rest through existing cash balances and internal accruals. 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. However, the capex will be undertaken only after securing the necessary approvals from stakeholders and concerned authorities, mitigating the risk of disallowance.

### Liquidity position: Strong

The company's liquidity position is Strong, with unencumbered cash of Rs. 950 crore and undrawn overdraft facility of Rs. 30 crore as on March 31, 2026. It has debt repayment obligation of Rs. 123.4 crore in FY2027 and Rs. 106.9 crore in FY2028, which can be met comfortably through its estimated cash flow from operations. The estimated capex over the next five years (FY2026-FY2031) is likely to be around Rs. 4000 crore, which is expected to be funded by 50% debt and the rest through existing cash balances and internal accruals.

### Rating sensitivities

**Positive factors** – ICRA may upgrade CIAL's rating if there is a significant growth in passenger traffic along with improved diversification in international destinations, non-aero revenues and profitability resulting in improvement in debt coverage metrics while maintaining the strong liquidity position on a sustained basis.

**Negative factors** – Pressure on CIAL's rating could arise if the growth in traffic and/or non-aero revenues are lower than ICRA's base case assumptions, adversely impacting the cash flows. The rating may be downgraded if there is a material loss of market

share to competing airports in the region, on a sustained basis. Further, disallowance of capex for tariff determination and/or larger-than-anticipated debt-funded capex or incremental treasury investments in weaker credits, or incremental loans and advances to group companies adversely impacting the liquidity position would also put pressure on the rating.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Airports</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of CIAL. As on March 31, 2026, the company had four subsidiaries, which are enlisted in Annexure III.

## About the company

Cochin International Airport Limited (CIAL) was the first airport in India to be built under Public Private Partnership (PPP), with equity participation from the airport users as well as the public, non-resident Indians (NRIs), Government of Kerala (GoK) and the airport service providers. The Chief Minister (CM) of Kerala is the chairman of the company. CIAL was incorporated on March 30, 1994 as a public limited company. The construction work commenced in August 1994, and commercial operations began in June 1999 (T1). CIAL constructed a new international terminal (T3) which was inaugurated in March 2017, with a capacity of 14 million passengers per annum. GoK is its major shareholder, with a 33.38% stake as of March 2024.

## Key financial indicators (audited)

CIAL (consolidated)	FY2024	FY2025
Operating income (OI)	1,158.4	1,311.8
PAT	447.8	515.5
OPBDIT/OI	62.4%	60.1%
PAT/OI	38.7%	39.3%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	0.8	0.6
Interest coverage (times)	14.2	18.6

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

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	May 26, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund-based – Term loan</b>	Long term	639.69	[ICRA]AA (Stable)	-	-	Feb 19, 2025	[ICRA]AA (Stable)	Nov 15, 2023	[ICRA]AA- (Stable)
<b>Fund-based – Working capital limit</b>	Long term	185.00	[ICRA]AA (Stable)	-	-	Feb 19, 2025	[ICRA]AA (Stable)	Nov 15, 2023	[ICRA]AA- (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 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

Sr. No.	Activity name	FSR
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
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 FSR other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Fund-based – Working capital limit	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	Long-term – Fund-based – Term loan	March 2015	7.80%	March 2032	639.69	[ICRA]AA (Stable)
NA	Long-term – Fund-based – Working capital limit	-	7.70%	-	185.00	[ICRA]AA (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**

Company name	Ownership	Consolidation approach
Cochin International Aviation Services Limited	99.99%	Full consolidation
Air Kerala International Services Limited	99.99%	Full consolidation
CIAL Infrastructures Limited	99.99%	Full consolidation
CIAL Duty free and Retail Services Limited	99.90%	Full consolidation

Source: CIAL

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