

No. CARE/ARO/RL/2024-25/4235

Shri Rajesh Madan
Chief Financial Officer
GMR GOA INTERNATIONAL AIRPORT LIMITED
1st Floor, Survey No-381/3, Mathura One
NH-17, Porvorim, North Goa
Panaji
Goa 403501



September 11, 2024

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

On the basis of recent developments including operational and financial performance of your Company for FY24 (Audited) and Q1FY25 (Unaudited), our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Non-Convertible Debentures	1,600.00	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed
2.	Non-Convertible Debentures	875.00	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed

*Total external debt including NCDs, MLDs and working capital limits shall not exceed Rs. 2,775 crore (Fund based – Rs. 2,675 and Non-fund based - Rs. 100 crore) before Phase-3 Capex.

2. The NCDs have a tenure of 20 years with call option starting from December 2028 and put option in March 2029.
3. The write-up (press release) and the rationale for the rating will be communicated to you separately.
4. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

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5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
7. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
8. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Urvesh Patel
Lead Analyst
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Palak Sahil Vyas
Associate Director
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Encl.: As above

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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



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Annexure – I
Details of Rated Instruments

Terms of non-convertible debentures (Rs. 2,475 crore)

Sponsor/ Guarantor	GMR Airports Infrastructure Limited (GIL)
Listing	Wholesale Debt Market segment of the Bombay Stock Exchange
ISIN	INE735X08051
Coupon type	Fixed rate
Coupon reset	Linked to credit rating
Repayment	No scheduled repayment till Mandatory Cash Collateralization Date.
Tenor	20 years from the deemed date of allotment
Call option	<ul style="list-style-type: none"> ▪ First Call Option on Coupon Payment Date falling in Dec 2028 ▪ Subsequently a monthly Call Option on 31 Jan 2029, 28 Feb 2029 ▪ Call option on 27 Mar 2029 and every year thereafter Call Option shall be exercisable for full or part amount.
Call price	At par
Put option	Put Option Date on 30 Mar 2029 and every year thereafter. Exercise of Put Option shall be an individual debenture holder right. 90 days' notice ("Put Option Notice Date") to be given to Issuer before Put Option Date. Any notice given on Put Option Notice Date shall be considered withdrawn if Mandatory Cash Collateralization obligation has been complied with on Mandatory Cash Collateralization Date.
Mandatory cash collateralization date	March 27, 2029
Mandatory cash collateralization	On the Mandatory Cash Collateralization Date, Issuer shall deposit an amount equal to entire dues (principal + accrued interest + default interest) outstanding under the Debentures in Cash Collateralization Account. Such proceeds shall be used to mandatorily redeem and extinguish the Debentures on the same day in entirety. A failure to meet this condition will result in an EOD under the Financing Agreement and a Financial Default under the Concession Agreement.
Key covenants	<ul style="list-style-type: none"> ▪ Financial covenants (based on audited/ reviewed financials of last two semi-annual periods before the Testing Date (Testing Date to be 5 days before Coupon Payment Dates in Dec and Jun months) ▪ Net Debt / EBITDA not above below levels: <ul style="list-style-type: none"> • Mar 2025 till Sep 2026: 7.5x • Mar 2027 and Sep 2027: 7.0x • Mar 2028 and Sep 2028: 6.0x Dates indicated above refer to the 12 month period ending on such date and the testing date will be 5 days before the next Coupon Payment Date as applicable. ▪ No incremental indebtedness except: <ul style="list-style-type: none"> • Capex Indebtedness: Up to 70% of Phase III Capex Cost when (a) all regulatory approvals for Phase III expansion are in place, (b) final tariff order for CP1 from AERA is received, (c) such expansion is allowed as per the Concession Agreement, and (d) Issuer providing Funding Plan in advance for the Phase III expansion capex when triggered, demonstrating at least 30% equity or internal accruals ("Phase III Capex Equity") shall be available as & when required, to the satisfaction of the bond holders • Debt basket of INR 200 crs to be used for gap funding/ operational

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	<p>expenses ("WC Debt"). Such debt shall have security limited to Pari-Passu Package and shall not have rights under Substitution Agreement or be eligible to receive Termination Proceeds</p> <ul style="list-style-type: none"> • 100 crs non-fund based limits for providing guarantees/LC, to be secured on a pari-passu basis ("Non-Fund Indebtedness") • Hedging lines for (a) up to 25 crs for operational needs, and (b) for hedging any Capex Indebtedness or Refinancing Indebtedness permitted under the Debenture Documents, in both cases designed solely to protect the Issuer from fluctuations in interest rates, currencies, or price of commodities and not for speculation (or to reverse or amend or terminate any such agreements previously made for such purposes) to be secured on a pari-passu basis ("Hedging Indebtedness") • Refinancing indebtedness, provided that such indebtedness is used to repay part/full of outstanding dues under the Debentures within 2 Business Days of disbursement. Such indebtedness can be secured on a pari-passu basis with the Debentures, in case of refinancing of part amount of the NCDs (such that total debt does not increase from the amount before refinancing towards issue expenses) ("Refinancing Indebtedness") • Refinancing of Outstanding Group Company Loan with another Group Company Loan provided the new loan is explicitly subordinated and unsecured, meets the subordination conditions, and interest rate is not higher than the current Outstanding Group Company Loan <ul style="list-style-type: none"> ▪ Any payments (e.g. dividends, inter-company loans etc.) using surplus funds from Issuer permitted if ("Restricted Payment Conditions"): <ol style="list-style-type: none"> 1. No EOD is outstanding 2. DSRA is fully funded to the extent of Required DSRA Balance 3. DSCR Test: DSCR for trailing 12 months based on reviewed financials of last 2 semi-annual periods before the Testing Date > 1.40x till the Mandatory Cash Collateralization Date and >1.15x thereafter. If DSCR is less than the prescribed levels on any Testing Date, the surplus funds so trapped in Cash Trap Account can only be released once DSCR is higher than the prescribed levels on a successive Testing Date (subject to maintenance of Minimum Cash) 4. Minimum cash balance of INR 125 crs + any drawn amounts under the WC Debt which are repayable within 1 year ("Minimum Cash") 5. An amount equal to the dividend amount is used for mandatory prepayment of the NCDs without any prepayment charges ("Excess cash sharing") 6. Confirmation of no deficit for Phase III Capex Equity post the Phase III trigger event <ul style="list-style-type: none"> ➤ Notwithstanding the above: <ul style="list-style-type: none"> ○ any funds infused by the Sponsor post the Date of Allotment of NCDs can be returned once DSCR for a successive period exceeds 1.25x, provided only Restricted Payment Conditions no. 1 and 2 are satisfied ("Permitted ICL Return") ○ Up to INR 15 crs per annum can be paid only towards interest servicing on the Outstanding Group Company Loan (or another Group Company Loan used to refinance the Outstanding Group Company Loan), provided only Restricted Payment Conditions no.
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	<p>1 and 2 are satisfied</p> <ul style="list-style-type: none"> ➤ Notwithstanding the above, if the Issuer fails to provide a confirmation from GoG on extension of start date of concession fee payments from 31 May 2024 to 30 Nov 2024 by 30 Nov 2023, then no dividends shall be paid in the period from 30 Nov 2023 till 30 Nov 2024 ▪ Issuer to ensure O&M on expenses for any financial year starting from FY25 do not exceed 115% of the O&M Expense in Base Case Financial Model (as updated from time to time in compliance with terms of the Debentures) ▪ Issuer to comply with applicable law (including law relating to sanctions, ABC and AML), and obtain and maintain substantially all authorisations as are necessary to engage in the business and perform its obligations under the Transaction Documents ▪ No issue of guarantees (except in normal course of business – debenture documents to contain details) ▪ Issuer to furnish (a) within 90 days after the end of its fiscal year, audited financial statements and an operating and financial review thereof, and (b) within 60 days of the end of the first three fiscal quarters in each fiscal year, quarterly unaudited financial statements and an operating and financial review thereof
Change of control	<ul style="list-style-type: none"> ▪ Sponsor to directly or indirectly own at least 51% on a fully diluted basis and retain Management and Board Control in Issuer <p>Above event shall be a Change of Control Triggering Event</p>

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