

Press Release

Kannur International Airport Limited

September 16, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 892.00 Cr. #
Long Term Rating	ACUITE BB- Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed the long-term rating of '**ACUITE BB-**' (**read as ACUITE double B minus**) on the Rs.892.00 crore bank facilities of KANNUR INTERNATIONAL AIRPORT LIMITED (KIAL). This rating is now an indicative rating and is based on best available information.

Government of Kerala (GoK) had proposed in 1998 to build an international greenfield airport at Kannur (Kerala), keeping in view the aviation scenario, the potential for trade and tourism development. Kannur International Airport Limited (KIAL) is a public limited company set up by GoK in December 2009 to build, own and operate the airport. The proposed airport at Kannur would cater to the requirements from three northern districts – Kannur, Wayanad and Kasargod. There was an increase in the total cost of the project (phase I) from Rs.1892.00 crore to Rs.2124.00 crore, which is proposed to be funded through equity of Rs.1232.00 crore and the balance through debt of Rs.892.00 crore from banks/financial institutions. The company has incurred Rs.1778.00 crore till date, which is funded through equity of Rs.1065.00 crore and remaining through debt.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities in Infrastructure Sector- <https://www.acuite.in/view-rating-criteria-14.htm>
- State Government Support - <http://www.acuite.in/view-rating-criteria-26.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Jul-2018	Term Loans	Long Term	892.00	ACUITE BB-/Stable (Reaffirmed)
23-Jan-2017	Term Loans	Long Term	892.00	ACUITE BB-/Stable (Reaffirmed)
07-Oct-2015	Term Loan	Long Term	892.00	ACUITE BB-/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loans	Not Applicable	Not Applicable	Not Applicable	892.00	ACUITE BB- Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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