Press Release

Kannur International Airport Limited

August 11, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	892.00	ACUITE B+ | Reaffirmed | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	892.00	-	-

Rating Rationale

Acuité has reaffirmed its long term rating to **'ACUITE B+' (read as ACUITE B plus)'** on the Rs 892.00 crore bank facilities of Kannur International Airport Limited. This rating is now an indicative rating and is based on best available information and is on account of information risk .

About the Company

Kannur International Airport Limited (KIAL) was incorporated as a private limited company on December 3, 2009, and was later converted to a public limited company in August 2020, and commercial operations began in December 2018. The company was established with objective of building, financing, constructing, operating, and managing an international airport in Kannur, Kerala.

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 ratingis based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	45.85	116.25
PAT	Rs. Cr.	(184.06)	(94.66)
PAT Margin	(%)	(401.48)	(81.43)
Total Debt/Tangible Net Worth	Times	0.94	0.75
PBDIT/Interest	Times	(0.23)	0.54

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement from the rated entity, despite repeated requests and followups.

Applicable Criteria

• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Infrastructure Sector: https://www.acuite.in/view-rating-criteria-51.htm

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Jun 2022	Term Loan	Long Term	90.00	ACUITE B+ | Stable (Reaffirmed)
	Term Loan	Long Term	692.00	ACUITE B+ | Stable (Reaffirmed)
	Term Loan	Long Term	110.00	ACUITE B+ | Stable (Reaffirmed)
19 Mar 2021	Term Loan	Long Term	90.00	ACUITE B+ | Stable (Reaffirmed)
	Term Loan	Long Term	692.00	ACUITE B+ | Stable (Reaffirmed)
	Term Loan	Long Term	110.00	ACUITE B+ | Stable (Reaffirmed)
25 Nov 2020	Term Loan	Long Term	892.00	ACUITE B+ (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	692.00	ACUITE B+ | Reaffirmed | Issuer not co-operating*
South Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	110.00	ACUITE B+ | Reaffirmed | Issuer not co-operating*
Federal Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	90.00	ACUITE B+ | Reaffirmed | Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.