



Press Release
AIRPORTS AUTHORITY OF INDIA
September 08, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3400.00	ACUITE AAA Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	3400.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

ACUITE has reaffirmed its long term rating of 'ACUITE AAA' (read as ACUITE triple A) on the RS 3,400 Cr. bank facilities of Airports Authority of India (AAI). The outlook is 'Stable'.

Rationale for rating

The reaffirmation in the rating is primarily driven by the strategic importance of Airports Authority of India to Government of India (GoI) for operating, maintaining & developing the aviation infrastructure, providing Communication Navigation Surveillance / Air Traffic Management (CNS/ATM) services for controlling the civil aviation traffic. AAI controls and manages the Indian airspace & adjoining oceanic areas and is the sole entity providing these services. The rating also factors in the improving scale of operations & profitability, strong financial risk profile and strong liquidity profile supported by improvement in aircraft and passenger movement (pax) for FY 25 against FY 24, AAI created multiple revenue streams i.e. Navigational Services, non-aeronautical revenue services and lease revenue (including airports running under PPP model).

The above-mentioned rating strengths are partly balanced by the vulnerability of operations to fluctuations in aircraft and passenger movement and impact of privatization of revenue generating airports.

Acuite notes that arbitration between the AAI and DIAL / MIAL (Delhi / Mumbai International Airport Limited) regarding the excess payment of annual fee from 2006 to 2016, decision is pending in Hon'ble Delhi High Court. AAI has deposited Rs. 471 cr. and Rs. 1,159 cr. with the High Court, covering the MAF refunds to DIAL and MIAL respectively including interest. Any adverse outcome may impact the liquidity profile of AAI and will be key monitorable.

About the Company

Airports Authority of India (AAI) was constituted by an Act of Parliament and came into being on 1st April 1995 by merging erstwhile National Airports Authority and International Airports Authority of India. The merger brought into existence a single Organization entrusted with the responsibility of creating, upgrading, maintaining and managing civil aviation infrastructure both on the ground and air space in the country.

It is a Government of India owned organisation. The corporate office is in New Delhi and the organisation is currently being managed by its chairman Mr. Vipin Kumar.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of AAI while arriving at the rating.

Key Rating Drivers

Strengths

Strategic Importance to GoI

AAI is a strategically important to GoI as it is the only entity who controls, manages and develops the aviation infrastructure in India. AAI is a sole entity providing Communication Navigation Surveillance/Air Traffic

Management (CNS/ATM) services in the country and controls the entire airspaces of the India and adjoining oceanic areas. AAI is having JVC for two major airports (Delhi & Mumbai). Further, the AAI has awarded six airports namely Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangalore under Public Private Partnership (PPP). AAI provides air navigation services over 2.8 million square nautical miles of air space. Acuite believes AAI will continue to benefit from its strategic position in the civil aviation space.

Improving scale of operations & profitability

The revenue of the Airports Authority of India (AAI) increased substantially by 30.14% in FY 2025(prov.) to Rs. 19,472.54 cr. against Rs. 14,962.76 cr. in FY24. The growth in revenue is emanating from the growth in passenger traffic and aircraft movements year on year. The operational profit (EBITDA) improved from Rs. 7,940.56 cr. with a margin of 53.07% in FY 24 to Rs. 11,566.52 cr. in FY 25(prov.) with a margin of 59.40%. The increase in margin is mainly due to better absorption of fixed cost. Similarly, the net profits improved from Rs. 4,651.31 cr. in FY 24 to Rs. 7,233.28 cr. in FY 25 (prov.). Acuite believes that going forward, the revenue from operations & profitability will improve in medium to long term on the account of GOI's focus on civil aviation by increasing the number of airports under schemes like 'Viksit Bharat' and 'UDAN' (Ude Desh Ka Aam Nagarik).

Strong Financial Risk Profile

The financial risk profile of AAI is marked by strong net worth, low gearing and strong debt protection metrics. The tangible net worth of the company improved & stood at Rs. 23,963.19 cr. as on 31st March 2025(prov.) against Rs. 18,904.25 cr. as on 31st March 2024. The improvement in net worth is due to accretion of profits to reserves. The gearing ratio improved & stood at 0.10 times in FY 2025 (prov.) against 0.13 times in FY 2024. The TOL/TNW at 1.12 times in FY 2025(prov.) as against 1.20 times in FY 2024. Further, debt protection metrics (i.e. DSCR & ISCR) stood at 63.96 & 85.49 times for FY 25(prov.). Acuite believes that the financial risk profile of the company will remain strong on account of no major debt funded capex planned.

Weaknesses

Vulnerability to the fluctuations in aircraft & passenger movement and privatization of airports

AAI's revenue is vulnerable to changes in air passenger traffic, as was seen during the COVID-19 pandemic. This risk is amplified because a limited number of AAI's airports are profitable and some of its more lucrative airports have been privatized. However, AAI's revenue share from previously privatized airports and per-passenger fees from recently privatized ones help lessen this impact. Additionally, AAI's airports earn relatively less from non-aeronautical sources compared to privatized airports.

Rating Sensitivities

- Movement in Aircraft and passenger movements

Liquidity Position

Strong

The liquidity position of AAI is strong on the account of generating net cash accrual of Rs. 10,066.33 cr. in FY 25(prov.) against debt obligation of Rs. 11.88 cr. for the same period. AAI has unencumbered cash and bank balance of around Rs. 1,306.56 cr. as on 31st March 2025(prov.). The current ratio stood at 1.03 times for FY 25(prov.). AAI is expected to generate net cash accruals of Rs. 11,000 cr. to Rs. 13,000 cr. in FY 26 to 27 against nominal debt obligations. Acuite believes going forward the liquidity profile of AAI will remain strong in near to medium term on the account of steady accruals.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	19472.54	14962.76
PAT	Rs. Cr.	7233.28	4651.31
PAT Margin	(%)	37.15	31.09
Total Debt/Tangible Net Worth	Times	0.10	0.13
PBDIT/Interest	Times	85.49	84.54

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

Not Available.

Any other information

NDS received till July 2025.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuité'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	
10 Jun 2024	Term Loan	Long Term	900.00	ACUITE AAA	Stable (Reaffirmed)
	External Commercial Borrowing	Long Term	414.35	ACUITE AAA	Stable (Reaffirmed)
	Term Loan	Long Term	625.00	ACUITE AAA	Stable (Reaffirmed)
	External Commercial Borrowing	Long Term	375.00	ACUITE AAA	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1085.65	ACUITE AAA	Stable (Reaffirmed)
13 Mar 2023	Term Loan	Long Term	2350.00	ACUITE AAA	Stable (Assigned)
	External Commercial Borrowing	Long Term	1050.00	ACUITE AAA	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	External Commercial Borrowing	Not avl. / Not appl.	Not avl. / Not appl.	21 Mar 2026	414.35	Simple	ACUITE AAA Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	External Commercial Borrowing	Not avl. / Not appl.	Not avl. / Not appl.	04 Jan 2032	375.00	Simple	ACUITE AAA Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Foreign Currency Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Nov 2031	625.00	Simple	ACUITE AAA Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Foreign Currency Term Loan	07 Jun 2022	Not avl. / Not appl.	15 Jun 2032	900.00	Simple	ACUITE AAA Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1085.65	Simple	ACUITE AAA Stable Reaffirmed

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About Acuité Ratings & Research

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