No. CARE/NRO/RL/2023-24/2062

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

October 31, 2023

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debentures

Please refer to our letter no. CARE/DRO/RL/2023-24/1395 dated September 08, 2023 and your request for revalidation of the rating assigned to the non-convertible debentures of your company, for a limit of Rs.2,475.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (Rs. 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 Instruments	2,475.00 (Rs. Two Thousand Four Hundred Seventy-Five Crore Only)		

** Total external debt including proposed NCDs and working capital limits shall not exceed Rs. 2,800 crore before* Phase-3-Stage-2 Capex

3. The NCDs would have tenure of 20 years with a put option in March 2029.

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

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors

6. 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.

7. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned 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 debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. 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.

8. 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.
9. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
10. 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,

CARE Ratings Limited

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Encl.: As above

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.

Annexure – I
Details of Rated Instruments

Proposed terms of non-convertible debentures

Sponsor/ Guarantor	GMR Airports Limited (GAL)
Listing	Wholesale Debt Market segment of the Bombay Stock Exchange
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	▪ First Call Option on Interest Payment Date falling in Dec 2028 ▪ Subsequently a monthly Call Option on 31 Jan 2029, 28 Feb 2029 ▪ Call option on 30 Mar 2029 and every year thereafter Call Option shall be exercisable only for full 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	▪ 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: • 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: • 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 accurals ("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 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 • 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 ▪ Any payments (e.g. dividends, inter-company loans etc.) using surplus funds from Issuer permitted if ("Restricted Payment Conditions"): 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 ➢ Notwithstanding the above: o 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 satsified ("Permitted ICL Return") o 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. 1 and 2 are satisfied ➢ 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	▪ Sponsor to directly or indirectly own at least 51% on a fully diluted basis and retain Management and Board Control in Issuer Above event shall be a Change of Control Triggering Event

GMR Goa International Airport Limited

September 12, 2023

Facilities/Instruments	Amount (₹ crore) @	Rating[1]	Rating Action
Long-term bank facilities	200.00	CARE A; Stable	Assigned
Long-term/Short-term bank facilities	100.00	CARE A; Stable/CARE A1	Assigned
Non-convertible debentures	2,475.00	CARE A; Stable	Assigned
Market-linked debentures	60.00	CARE PP-MLD A; Stable	Revised from CARE PP-MLD BBB+; Stable
Non-convertible debentures	50.00	CARE A; Stable	Revised from CARE BBB+; Stable

Details of instruments/facilities in Annexure-1.

@Total external debt including proposed non-convertible debentures (NCDs) and working capital limits will not exceed ₹2,800 crore before Phase-3 Stage-2 capex.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has assigned ratings to the proposed NCDs and bank facilities, while the ratings are revised for the existing rated instruments of GMR Goa International Airport Limited (GGIAL). The revision in the ratings takes into consideration the commencement of the airport operations of Phase-I and the ramp-up in passenger traffic in seven months since January 5, 2023, which are in line with the earlier expectations.

The ratings favourably factor in the release of the consultation paper by the Airport Economic Regulatory Authority of India (AERA) on August 31, 2023, with the proposal to allow majority of the capex incurred by GGIAL. The proposed yield-per-passenger (YPP) under the consultation paper mitigates the regulatory risk to an extent. GGIAL is exposed to the inherent risk related to the deferment of some annual revenue requirements (ARRs) to the next control period vide the issuance of the final tariff order. Nevertheless, the issuance of interim tariff order, and provision of true up of revenue in next control period in case of shortfall in current control period are key mitigants for regulatory risk.

The ratings assigned to the proposed NCDs consider the refinancing of the existing debt with a lower coupon rate. The proposed NCDs have favourable debt covenants and adequate liquidity buffer. The ratings continue to take cognisance of the investment of ₹631 crore by the National Investment and Infrastructure Fund (NIIF) into GGIAL in the form of compulsorily convertible debentures (CCDs).

The ratings continue to factor in the rich experience of GGIAL's parent, GMR Airports Limited (GAL; rated 'CARE A-; Stable/CARE A2+') in successfully developing and operating airports, along with its ability to provide financial support in case of a shortfall in debt servicing and cost overruns.

The above ratings strengths are partially offset by the exposure to passenger traffic risk due to another operational airport at Goa and the moderately leveraged profile of GGIAL. The ratings also take cognisance of the inherent risk in generating the envisaged lease rental income for the project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Surpassing envisaged air passenger traffic along with significant uptick in the non-aero and lease rental revenue, resulting in improvement in the leverage and debt coverage metrics.

Negative factors

- Significantly lower passenger traffic or real estate revenue compared to estimates, impacting the peak net debt/profit before interest, lease rentals, depreciation and taxation (PBILDT) of 7.5x.
- Deferment of revenue requirement by AERA to the next control period, impacting the peak net debt/PBILDT of 7.5x.
- Non-adherence to the proposed refinancing structure.

Analytical approach: Standalone

Outlook: Stable

Over the medium term, GGIAL is expected to witness stable revenue receipt with aero revenue forming the lion share of the total revenue and a gradual ramp-up in air passenger traffic.

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

Detailed description of the key rating drivers

Key strengths

Operationalisation of the airport with ramp-up in air passenger traffic as per the expectations

The airport started commercial operations for domestic routes on January 05, 2023. Despite having another operational competing airport, the air passenger traffic at GGIAL witnessed a healthy ramp-up in the initial period of operations. GGIAL has achieved 35% share of the total air passenger traffic at Goa as on July 31, 2023. GGIAL has established connectivity to 25 domestic locations as on August 31, 2023.

International operations started on July 21, 2023, at GGIAL, and with the connectivity to more international locations, along with the upcoming winter schedule, the air passenger traffic ramp-up is expected to accelerate further.

Regulated returns under the hybrid-till tariff structure

AERA regulates the tariff to be levied at the airport on air passengers and other airline-related activities, with subsidisation of 30% of non-aero revenue under the favourable hybrid-till tariff structure. AERA has issued an ad hoc tariff order to levy tariff until the final tariff order is issued. AERA has also issued a consultation paper on August 31, 2023, to determine the aeronautical charges for the first control period (April 2023 to March 2028). As per the consultation paper, AERA has proposed to allow majority of the capex that GGIAL has incurred and proposed YPP under the consultation paper mitigates regulatory risk to an extent. The timely issuance of the final tariff order in line with the consultation paper and without differing significant revenue requirement in the next control period is a key rating monitorable.

Refinancing of debt with favourable debt covenants and liquidity buffer

GGIAL is in the process of refinancing its existing debt with the NCDs aggregating to ₹2,475 crore at a lower coupon rate with a tenure of 20 years with a call option from December 2028 to March 2029 and a put option in March 2029. The proceeds will also be used for Phase-2 capex along with the creation of an upfront debt service reserve account (DSRA) for six months of debt servicing. The NCDs have financial covenant of maintaining a maximum total leverage indicators. Also, the restricted payment conditions under the refinanced debt does not allow permitted cash withdrawal without having fully funded the DSRA, a debt service coverage ratio (DSCR) of 1.4x until FY29, and the maintenance of liquidity of a certain amount. The proposed NCD terms also stipulate sponsor undertaking from GAL for maintaining a DSRA under certain conditions and shall continue till DSCR of 1.25x is achieved or March 31, 2026, whichever is earlier.

Experienced promoters with financial and operational support

The parent of GGIAL, GAL holds an extensive track record of operating and managing airports in India and abroad, demonstrated by the successful operations of the major Delhi and Hyderabad airports. In FY20, Groupe ADP acquired a 49% stake in GAL, subsequent to the completion of the stake sale deal with GMR Airports Infrastructure Ltd (Formerly known as GMR Infrastructure Ltd). Groupe ADP owns and operates all three of Paris' international airports – Paris-Charles de Gaulle, Paris-Orly, and Paris-Le Bourget. In addition, Groupe ADP also manages 21 airports globally, through its alliance with Royal Schiphol Group N.V., which operates the Amsterdam Airport Schiphol. The major shareholder of Groupe ADP is the Government of France, which holds a stake of 50.6%.

Key weaknesses

Passenger traffic risk due to twin airports in Goa

GGIAL is exposed to passenger traffic risk due to the presence of the existing operational airport at Dabolim, Goa, with a capacity of 13 million people per annum (MPPA). However, the existing airport at Dabolim has multiple constraints, as it is a civil enclave-cum-navy base. Furthermore, the passenger traffic at GGIAL is likely to be supported by the availability of the preferred time slots for airlines and passengers, and new domestic and international route developments strategies.

Traffic numbers as on July 31, 2023, have demonstrated that the presence of a new airport at Goa has created additional demand and attracted new passengers rather than relying solely on passengers shifting from the existing Dabolim airport on account of the addition of new locations and preferred timeslots. While agreements with airlines for H2FY24 offers reasonable visibility of passenger traffic for FY24, GGIAL's ability to achieve the envisaged traffic from FY25 onwards will be a key rating monitorable.

Moderately leveraged profile

GGIAL, with the refinancing of the debt, will repay the existing senior debt, sub debt, and group debt, along with utilisation towards phase 2 capex. The financial profile of the company is moderately leveraged with a relatively higher net debt/PBILDT in the initial years. With the ramp-up in air passenger traffic along with the envisaged realisation of lease rentals, the peak net debt/PBILDT is expected to remain below 6.5x in the medium term. However, the longer concession period of 40 years aids financial flexibility.

Risk related to achievability of lease rental revenue
GGIAL is exposed to the inherent risks in generating revenue from rental income by way of upfront lease deposits and recurring annual lease payments. GGIAL has 232 acre available for the development of real estate. GGIAL is in the process of allotting two land parcels with a total size of 4.26 acre to leading hotel chains with the upfront deposit amount and recurring lease payments along with the revenue share subject to formal approval from the Government of Goa.
CARE Ratings views that the timely development of land and the realisation of cash flows as per the business plan will be a key credit monitorable.

Liquidity: Adequate

GGIAL is expected to derive liquidity support from the upfront creation of a DSRA for six months of debt servicing requirements and working capital lines up to ₹200 crore. Additional ₹128 crore will be available in the DSRA balance subject to certain conditions. The proposed NCD terms also stipulate sponsor undertaking from GAL for maintaining a DSRA under certain conditions.

Assumptions/Covenants

Not applicable

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

Policy on default recognition
Factoring Linkages Parent Sub JV Group
Financial Ratios – Non-financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Credit Watch
Short Term Instruments
Airports
Criteria for rating of market linked notes
Policy on Withdrawal of Ratings

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport Infrastructure	Airport & Airport services

GGIAL, a 99.99% subsidiary of GAL (rated 'CARE A-; Stable/CARE A2+'), is a SPV to establish the greenfield international airport at Mopa, North Goa (Mopa Airport) on a design, build, finance, operate and transfer (DBFOT) basis. The Government of Goa (GoG) has planned a new airport for the state dedicated to only commercial operations under the public private partnership (PPP) mode considering the operating restrictions in the existing Dabolim airport. The airport achieved COD on December 07, 2022 and started commercial operations on January 05, 2023. The airport has 40 years of concession period with an option for additional 20 years of concession.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	Q1FY24 (UA)
Total operating income	0.00	27.58	NA
PBILDT	-1.94	-37.72	NA
PAT	-1.37	-148.21	NA
Overall gearing (times)	1.64	4.20	NA
Interest coverage (times)	NM	NM	NA

A: Audited; UA: Unaudited; NM: Not meaningful; NA: Not available. Note: The above results are the latest financial results available.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Market-linked debentures	INE735X07012	26-11-2022	NA	25-12-2023	60.00	CARE PP-MLD A; Stable
	INE735X07020			25-11-2024		
	INE735X07038			25-01-2026		
Debentures-Non-convertible debentures*	-	Proposed	-	31-03-2029	1600.00	CARE A; Stable
Debentures-Non-convertible debentures*	-	Proposed	-	31-03-2029	875.00	CARE A; Stable
Debentures-Non-convertible debentures	INE735X07046	25-11-2022	13.90%	25-11-2025	50.00	CARE A; Stable
Fund-based - LT-Working capital term loan*	-	Proposed	-	-	200.00	CARE A; Stable
Non-fund-based - LT/ ST-Bank guarantee*	-	-	-	-	100.00	CARE A; Stable / CARE A1

*Proposed instrument and debt facilities, which are either yet to be placed or raised. NA: Not applicable.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Debentures-Non-convertible debentures	LT	50.00	CARE A; Stable	-	1)CARE BBB+; Stable (09-Dec-22)	-	-
2	Debentures-Market-linked debentures	LT	60.00	CARE PP-MLD	-	1)CARE PP-MLD	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
				A; Stable		BBB+; Stable (09-Dec-22)		
3	Debentures-Non-convertible debentures	LT	1600.00	CARE A; Stable				
4	Fund-based – LT-Working capital term loan	LT	200.00	CARE A; Stable				
5	Debentures-Non-convertible debentures	LT	875.00	CARE A; Stable				
6	Non-fund-based – LT/ ST-Bank guarantee	LT/ST*	100.00	CARE A; Stable / CARE A1				

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	• Net debt/PBILDT not above below levels: ▪ March 2025 until September 2026: 7.5x ▪ March 2027 until September 2027: 7.0x ▪ March 2028 until September 2028: 6.0x • No incremental debt except: ▪ Up to 70% of the Phase-3 capex cost ▪ ₹300 crore of working capital debt with sublimit of ₹100 crore of non-fund-based limits ▪ Hedging lines of ₹25 crore • Any payments using surplus funds from issuer permitted if: ▪ No event of default outstanding ▪ DSRA is fully funded ▪ DSCR for trailing 12 months to be >1.40x until the mandatory cash collateralisation date (i.e., March 2029) and >1.15x thereafter ▪ Minimum cash balance of ₹125 crore plus any drawn amount under the working capital debt repayable within one year ▪ An amount equal to the dividend amount is used for mandatory prepayment of NCDs without any prepayment charges ▪ Confirmation of no deficit for Phase-3 capex equity post the Phase-3 trigger event
B. Non-financial covenants	• Sponsor (GAL) to directly or indirectly own at least 51% on a fully diluted basis and retain management and board control

*Covenants for the proposed issue to NCDs.

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Market-linked debentures	Highly Complex
2	Debentures-Non-convertible debentures	Complex
3	Fund-based - LT-Working capital term loan	Simple
4	Non-fund-based - LT/ ST-Bank guarantee	Simple

Annexure-5: Lender details

To view the lender-wise details of bank facilities please click here

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

For the detailed Rationale Report and subscription information,
please visit www.careedge.in