Press Release

Delhi Airport Parking Services Private Limited (DAPS)

April 02, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	170.75 (Reduced from Rs.188.50 crore)	IVR A/Stable (IVR Single A with Stable Outlook)	IVR A/Stable (IVR Single A with Stable Outlook)	Rating reaffirmed	Simple
Short Term Bank Facility	5.00	IVR A1 (IVR A One)	IVR A1 (IVR A One)	Rating reaffirmed	Simple
Total	**175.75 (Rupees one hundred seventy-five crore and seventy-five lakh)**				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating of IVR A/Stable/IVR A1 for the long-term and short-term bank facilities of Delhi Airport Parking Services Pvt Ltd (DAPS). The reaffirmation continues to factor in experienced promoters with diversified business portfolio, DAPS being the sole parking service provider at Indira Gandhi International Airport, Delhi (Delhi Airport) resulting in a stable business risk profile and healthy improvement in operations and profitability. However, these rating strengths are partially offset by moderate capital structure and debt protection metrics, large debt funded capex plan and vulnerability to fluctuations in traffic volume at Delhi Airport.

The Stable outlook reflects stable business risk profile of DAPS expected to remain strong backed by long term concession to operate Delhi Airport's terminals as the sole parking lot operator.

Key Rating Sensitivities:

Upward Factors:

- Sustained increase in passenger traffic volumes resulting in healthy improvement in cash flow from operations and liquidity position on a sustained basis.
- Improvement in overall gearing and debt protection metrics on a sustained basis.

Downward Factors

- Decline in passenger traffic resulting in significant decline in revenues and cash flows leading to decline in debt protection metrics.
- Higher than envisaged debt for Multi-Level Car Parking (MLCP) facility at Terminal 1 resulting in deterioration in financial risk profile.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters with diversified business portfolio

GMR Group, over the years, has demonstrated successful execution capabilities across diverse sectors such as energy, airports, roads and urban infrastructure. GMR Group at present owns and operates Delhi International Airport and Hyderabad International Airport. Delhi International Airport Ltd (DIAL) is the majority shareholder in DAPs and DAPS pays around 40% revenues as concession fee to DIAL. During the pandemic, DAPS had an option to defer the concession fee payable to DIAL. However, the company did not avail the option and continued to pay the fees to DIAL.

Sole parking services provider at Delhi Airport resulting in stable business risk profile

DAPS has a strong business model being the sole provider of parking, left luggage facility and terminal entry/exit facilities at Delhi Airport under a 25-year concession agreement with DIAL since July 2010. The company has been successfully operating the facilities for the past 12 years and has a near monopoly at the airport. Further, DIAL enjoys a competitive advantage, given the dominant position of the Delhi Airport as the largest Indian airport in terms of passenger traffic and one of the key gateways to India. DIAL handled 73.70 million passengers in FY24 and 58.60 million passengers in 9MFY25. Delhi Airport benefits from its position as the key regional provider of domestic and international air service, as Delhi is the national capital apart from being an important political and commercial centre in the country.

Business risk profiles are also underpinned by the tie-up between DAPS and App based aggregators, Ola and Uber since the year 2018. Moreover, the shareholders DIAL and GMR Airports Limited have extensive experience of providing these services at airports, which further supports DAPS's business risk profile. DAPS's business risk profile is expected to remain stable over the medium term on account of the long-term contract with DIAL, monopoly position at one of the largest airports in India.

Healthy improvement in operations and profitability

DAPS has reported a healthy improvement in its revenues and operating profits during FY24(refers to the period April 01 to March 31) owing to the favorable impact on the parking traffic supported by an increase in demand for air travel. The company's revenue increased by ~25% from Rs.181.56 crore in FY23 to Rs.226.18 crore in FY24. EBITDA margin stood at similar levels at 28.79% in FY23 and 27.79% in FY24. PAT margin has improved from 12.41% in FY23 to 13.85% in FY24 due to rise in the non-operating income. The company's revenue from Terminal 3 accounts for ~62% of the total revenue in FY24 (69% in FY23). During 9MFY25 (unaudited) DAPS has achieved revenue of Rs.182.55 crore and EBITDA margin of 28.32%. During December 2024, the company has also revised the parking charges for private and commercial vehicles which will further aid in increasing the revenue and profitability of the company.

Key Rating Weaknesses

Moderate capital structure and debt protection metrics

The net worth of the company improved from Rs.88.90 crore as on March 31,2023 to Rs.102.60 crore as on March 31,2024 on account of accretion to reserves. Total debt of the company has declined from Rs.193.24 crore as on March 31,2023 to Rs.180.58 crore as on March 31,2024 due to repayment. Total debt also includes lease liability of Rs.1.08 crore. Accordingly, overall gearing improved from 2.17x as on March 31,2023 to 1.76x as on March 31,2024. However, while, TOL/ATNW has improved but continues to be moderate at 2.31x as on March 31,2024 (PY: 2.77x).

Debt protection metrics continues to be comfortable with an interest coverage ratio of 3.45x for FY24 and 3.73x for FY23. Total debt to EBITDA improved to 2.89x in FY24 from 3.70x in FY23.

Large debt funded capex plan for MLCP at Terminal 1

DAPS has won the bid for the new MLCP facility to be built at T1 and the Letter of Intent of Award dated February 07,2025 has been received by DAPS from DIAL. The new concession agreement will be till 2036 which can be extended by another 30 years. For the 1st five years of operations the license fee payable to DIAL has been fixed much lower at 10.80% as compared to 40% for the current ongoing concession, and thereafter for the balance period till 2036 it has been fixed at 15.30%. The cost of the project is ~Rs.558 crore to be funded by debt of Rs. ~Rs.295 crore and balance ~Rs.263 crore by promoters' contribution. The promoter's contribution is expected to be funded through investments and balance by internal accruals. The facility is expected to be commissioned in FY28. The debt is yet to be tied up and is expected to moderate the capital structure of the company in the medium term.

Apart from the above DAPS also plans to spend ~Rs.25 crore in FY25, ~Rs.28-29 crore in FY26 and FY27 mainly for developing the parking facility at cargo city and upgrading the parking management system at Terminal 1, which is expected to be funded through internal accruals.

Vulnerability to fluctuations in traffic volume at Delhi Airport

The company's business operations depend on passenger traffic at the Delhi Airport, which remains susceptible to downturns in domestic and global economic cycles. Any material decline in passenger volumes may affect its operations as witnessed over the past years.

Analytical Approach: Standalone

Applicable Criteria:

Criteria of assigning Rating Outlook

Rating Methodology for Infrastructure Companies.

Financial Ratios & Interpretation (Non-Financial Sector)

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Liquidity –Adequate

Liquidity position is expected to be adequate marked by expected sufficient cash accruals during the projected period FY25-FY27 vis-à-vis debt repayment obligations of Rs.15.00 crore in FY25 and Rs.22.00 crore in FY26 in FY27 each. The company has free cash and cash equivalent of Rs.240.99 crore as on December 31,2024.

About the Company

Delhi Airport Parking Services Private Limited is a special purpose vehicle originally promoted by Delhi International Airport Limited, GMR Airports Limited (GAL) and Tenaga Parking

Services (India) Pvt Ltd. However, in September 2023, Tenaga Parking Services (India) Pvt Ltd sold its stake to GAL. At present DIAL holds 49.90% and GAL holds 50.10% in DAPS. DAPS was awarded a 25-year concession by DIAL for setting up, development, operation, maintenance and management of the Multi-Level Car Parking facilities at Terminal 3, Domestic Terminal 1 and Cargo Terminal, T3 entry ticket counters and Left luggage facilities in the vicinity of T3 from July 2010. The parking facilities at Terminal 1 and Terminal 2 were handed over to DAPS in July 2010, while the operations at Terminal 3 commenced in September 2010. Presently DAPS manages vehicle parking locations at T1, T2, T3-MLCP, PTC, Aero City metro station, remote bus parking, arrival forecourts, cargo terminal, staff parking, and left luggage facility.

Financials (Standalone):

For the year ended/ As on*	31-03-2023	31-03-2024
	(Audited)	(Audited)
Total Operating Income	181.56	226.18
EBITDA	52.27	62.86
PAT	23.88	33.81
Total Debt	193.24	181.67
Tangible Net Worth	88.90	102.60
EBITDA Margin (%)	28.79	27.79
PAT Margin (%)	12.41	13.85
Overall Gearing Ratio (x)	2.17	1.77
Interest Coverage (x)	3.73	3.45

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
						January 19,2024	**November 23,2022**
1.	Term Loan	Long Term	170.75	IVR A/Stable	-	IVR A/Stable	IVR A-/Positive
2.	Bank Guarantee	Short Term	5.00	IVR A1	-	IVR A1	IVR A2+

Analytical Contacts:

Name: Neha Khan Tel: (022) 62396023 Email: neha.khan@infomerics.com	Name: Jyotsna Gadgil Tel: (020) 29913006 Email: jyotsna.gadgil@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund based bank facility- Term Loan	-	-	-	March 31,2032	170.75	IVR A/Stable
Short Term Non-Fund based bank facility- Bank Guarantee	-	-	-	-	5.00	IVR A1

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/len-DAPS-apr25.pdf

Annexure 3: Detailed explanation of covenants of the rated Security: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.