

March 29, 2025

## Delhi Airport Parking Services Private Limited: Long-term rating upgraded to [ICRA]A (Stable); short-term rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
<b>Long-term – Fund-based – Term loan</b>	188.50	174.50	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)
<b>Short-term – Non-fund-based facilities</b>	5.00	5.00	[ICRA]A2+; reaffirmed
<b>Total</b>	<b>193.50</b>	<b>179.50</b>	

\*Instrument details are provided in Annexure I

### Rationale

The upgrade in the long-term rating for Delhi Airport Parking Services Private Limited (DAPS) factors in the favourable growth in vehicular traffic and around 20% hike in parking rates from December 16, 2024, which should aid healthy revenue growth and consequent improvement in cashflow from operations. The ratings consider the healthy operating margins at above 25% during the past two years, which is expected to sustain in the medium term and the company's established position as the sole parking service provider at Delhi International Airport Limited (DIAL). Further, the debt coverage metrics are likely to remain healthy with DSCR of around 2.0 times over the next three years.

With increase in the capacity of DIAL's terminal 1 to 40 million from 17 million in FY2024, DIAL has called out for bids to construct multi-level car parking (MLCP) to cater to the increased demand. DAPS had participated in the bid and has emerged as the successful bidder for the construction and operation of MLCP at T1. The company is expected to incur a total cost of Rs. 558.0 crore for MLCP construction. Apart from this, the company is expected to incur capex of around Rs. 40-45 crore for enhancing the parking facilities at the cargo city. The capex is likely to be funded through the available liquidity of around Rs. 238 crore, internal accruals, and proposed debt of around Rs. 296 crore. The construction of MLCP is projected to start from April 2025 and commercial operations are anticipated to commence from April 2027. Notwithstanding the expected increase in leverage, the company's profitability and coverage metrics are likely to remain comfortable in the medium term, supported by recovery in passenger and vehicular traffic, and increase in parking rates. However, the ramp-up in the parking revenue from Terminal 1 post the start of MLCP operations, and debt amortisation remains critical for its operating margins and debt coverage metrics. The ratings are also constrained by exposure of DAPS business operations to passenger traffic at the Delhi Airport, which remains susceptible to downturns in domestic and global economic cycles. Slowdown in passenger traffic, if material, will adversely affect its operations as witnessed during the pandemic.

The Stable outlook on the long-term rating reflects DAPS' established position as the sole parking service provider at Delhi Airport, presence of long-term concession agreement with DIAL and adequate debt coverage metrics.

### Key rating drivers and their description

#### Credit strengths

**Established position as sole parking services provider at Delhi Airport since 2010** – DAPS is the sole provider of parking, luggage, and terminal entry/exit facilities at DIAL, under a 25-year concession agreement with DIAL since July 2010. DAPS currently operates the parking facilities at Terminal 1, 2,3, cargo city, Aerocity, public transport centre (PTC) and inter-state

terminus on a revenue share basis of 40% with DIAL. The Delhi Airport is the busiest airport in the country in terms of passenger volumes, accounting for ~20% of the overall passenger traffic in the country in FY2024 supporting DAPS business profile.

**Significant increase in revenues in FY2024 and 9M FY2025** – Supported by healthy growth in vehicular traffic, the operating revenues increased significantly by 25% to Rs. 226.2 crore in FY2024 from Rs. 181.6 crore in FY2023. However, the growth moderated to 11% in 9M FY2025 to Rs. 198 crore from Rs. 178 crore in 9M FY2024. Nevertheless, the operating revenues are expected to increase to ~ Rs. 250 crore in FY2025, driven by around 20% increase in parking rates from December 16, 2024.

**Healthy profitability margins** – Despite paying around 40% of revenues as concession fee to DIAL, DAPS operating margins are expected to remain healthy at around 28-29% in the medium term owing to improvement in traffic and ~20% increase in parking rates from December 16, 2024. At present, DAPS gives a revenue share of 40% to DIAL for Terminal-1,2,3 and the cargo city terminal. For the new MLCP, it intends to pay revenue share of around 10.8% in the first five years, 15.3% for the next years till FY2036, 20.7% for the next years till FY2041 and 40.05% for each of the balance years till the end of concession period. Further, the debt coverage metrics are likely to remain healthy with DSCR of around 2.0 times over the next three years.

### Credit challenges

**Large capex plans to result in increased leverage and moderation of coverage metrics in the medium term** – With increase in the capacity of DIAL terminal 1 to 40 million from 17 million in FY2024, DIAL has called out for bid to construct MLCP to cater to the increased demand. DAPS had participated in the bid and expects to emerge as the winning bidder for MLCP at T1. Apart from this, the company is expected to incur capex of around Rs. 40-45 crore for enhancing the cargo facilities at the cargo city. The entire capex of Rs. 558 crore is likely to be funded through the available liquidity of around Rs. 238 crore, internal accruals, and proposed debt of around Rs. 296 crore. The construction of MLCP is projected to start from April 2025 and commercial operations are expected to commence from April 2027. However, the ramp-up in the parking revenue from Terminal 1 post the commencement of MLCP operations, and debt amortisation remains critical for the company's operating margins and debt coverage metrics.

**Vulnerability of operations to fluctuations in passenger traffic at Delhi Airport** – DAPS' business operations are dependent on passenger traffic at the Delhi Airport, which remains susceptible to downturns in domestic and global economic cycles. Any slowdown in passenger volumes may adversely affect its operations as witnessed during the pandemic.

### Liquidity position: Adequate

DAPS' liquidity is adequate, supported by unencumbered cash and liquid investments of Rs. 238.1 crore as on December 31, 2024. The company has principal repayment of Rs. 15.0 crore in FY2025 and Rs. 22.0 crore in FY2026, which can be serviced comfortably from its estimated cash flow from operations. The estimated capex of around Rs. 558 crore for the construction of MLCP at Terminal 1 is likely to be funded through the available liquidity of around Rs. 238 crore, internal accruals, and proposed debt of around Rs. 296 crore.

### Rating sensitivities

**Positive factors** – The ratings may be upgraded if there is a significant ramp-up in parking revenue, along with timely completion of capex, thereby resulting in healthy improvement in cash flow from operations and liquidity position on a sustained basis.

**Negative factors** – The ratings could be downgraded if there is any decline in parking traffic resulting in significant decline in revenues and earnings. Further, higher-than-expected debt levels for the capex program and/or considerable upstreaming of cash flows to the parent group (through dividends and/or loans and advances), which could have a material impact on the liquidity position or coverage metrics of the company could lead to a rating downgrade. Specific trigger for a rating downgrade would be DSCR falling below 1.40 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Delhi Airport Parking Services Private Limited (DAPS) is a special purpose vehicle (SPV) promoted by Delhi International Airport Limited (49.9%), GMR Airports Limited (GAL, 40.1%) and Tenaga Parking Services India (P) Ltd. (Tenaga, 10.0%). In FY2024, GAL acquired 10% stake in Tenaga, increasing its shareholding to 50.1% as of December 2023. DAPS has been incorporated to finance, develop, construct, operate and maintain the car parking facility, left luggage facility and entry ticket facility at the Indira Gandhi International Airport in Delhi. The concession has been granted by DIAL to the SPV for a period of 25 years, starting from July 2, 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.

## Key financial indicators (audited)

DAPS	FY2023	FY2024
Operating income	181.6	226.2
PAT	23.9	33.8
OPBDIT/OI	28.8%	27.8%
PAT/OI	13.2%	14.9%
Total outside liabilities/Tangible net worth (times)	2.8	2.3
Total debt/OPBDIT (times)	3.7	2.9
Interest coverage (times)	3.7	3.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Current (FY2025)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Mar 29, 2025	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	174.50	[ICRA]A (Stable)	Jan-29-24	[ICRA]A- (Stable)	Jun-10-22	[ICRA]A- (Stable)	Jun-11-21	[ICRA]A- (Negative)
						Nov-25-22	[ICRA]A- (Stable)	-	-
Non-fund based bank facilities	Short term	5.00	[ICRA]A2+	Jan-29-24	[ICRA]A2+	Jun-10-22	[ICRA]A2+	Jun-11-21	[ICRA]A2+
						Nov-25-22	[ICRA]A2+	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Short-term – Non-fund-based facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	Aug-2022	9.0%	Mar-2032	174.50	[ICRA]A (Stable)
NA	Non-fund-based facilities	NA	NA	NA	5.00	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis – Not Applicable**

## ANALYST CONTACTS

**Ashish Modani**  
+91 22 6114 3414  
[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Suprio Banerjee**  
+91 022 6114 3443  
[supriob@icraindia.com](mailto:supriob@icraindia.com)

**Vinay Kumar G**  
+91 40 6939 6424  
[vinay.g@icraindia.com](mailto:vinay.g@icraindia.com)

**M Rajashekar Reddy**  
+91 40 6939 6423  
[m.rajashekarreddy@icraindia.com](mailto:m.rajashekarreddy@icraindia.com)

**Doddapanani Srisai Bhavya**  
+91 40 6939 6421  
[doddapanani.bhavya@icraindia.com](mailto:doddapanani.bhavya@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

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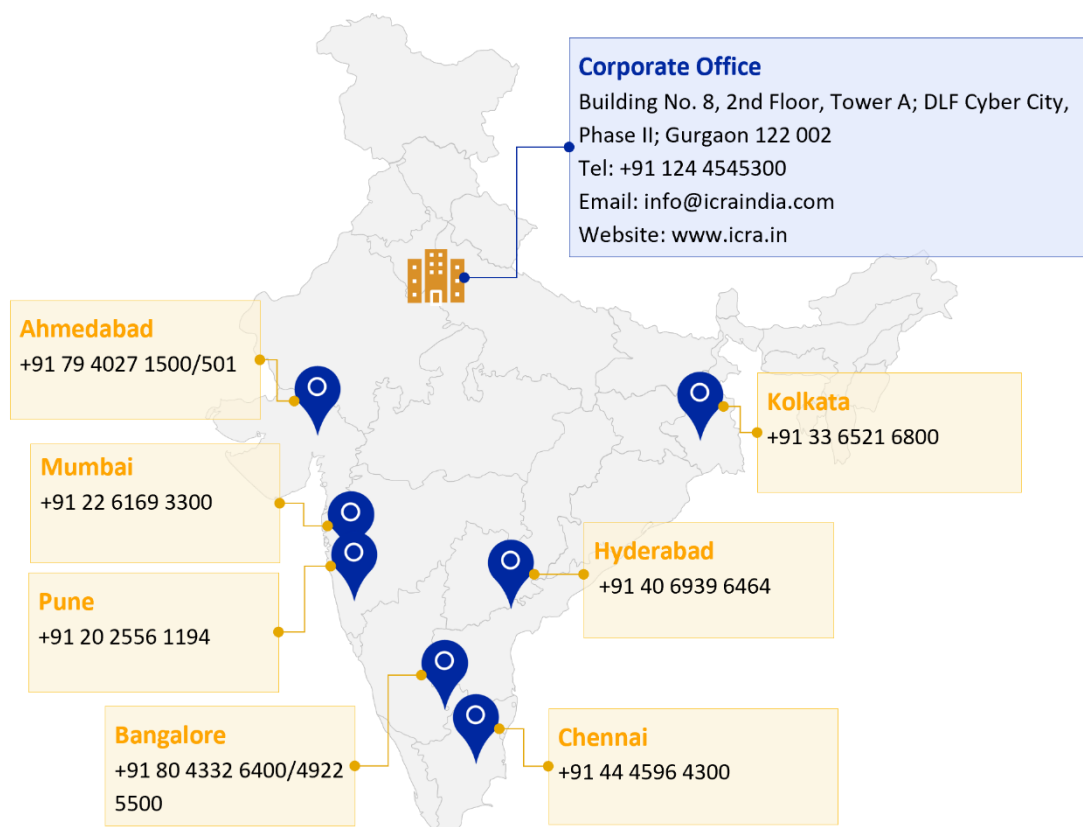
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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