

GMR Power and Urban Infra Limited

May 29, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 380.00 Crore (Reduced from Rs. 385.30 Crore)	Regulator[^]
Long Term Rating	IVR BBB/Stable (Rating Upgraded)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The rating upgrade for GMR Power and Urban Infra Limited (GPUIL) reflects improvement in its consolidated financial risk profile, driven by notable strengthening of its tangible net worth, moderation in leverage and improved liquidity position following inflows from large arbitration settlements, regular asset monetisation and equity infusion during FY25-FY26. Over the period under consideration, the Group's net worth increased by ~Rs. 900 crore, primarily driven by infusion of funds through equity (Rs 800 crore) and warrants (Rs 100 crore) in Q4FY26. Furthermore, the presence of a significant portion of the consolidated debt at operational and cash-generating subsidiaries with relatively better standalone credit profiles underpin the rating. Nearly 57% of the scheduled debt repayments in FY2027 pertain to promoter/group companies. IVR derives comfort from the inherent financial flexibility associated with the company's borrowings to enable prioritisation of servicing debt obligations. The timely refinancing of group liabilities and the overall debt management strategy shall remain a key monitorable. The rating continues to draw comfort from the diversified business profile of the GMR Group¹ and its experienced management.

These strengths are, however, partially offset by moderate debt protection metrics, continued exposure to tender based nature of business with intense competition in the industry, and susceptibility of the operating margins to volatility in key input prices. Further, IVR takes note of the various monetisation initiatives being undertaken by the

¹ Refers GMR Power and Urban Infra Limited, including its subsidiaries, associates, JVs, on a consolidated basis

GMR Group, the timely closure and successful execution of which shall remain a key sensitivity. The agency shall also continue to monitor the sustainability of the recent improvement in the group's leverage and cash flow metrics.

IVR has principally relied on the consolidated audited financial results of the company up to 31 March 2026, (i.e. review period from 1st April 2025 to 31st March 2026), projected financials of FY2027-FY2028 and publicly available information/ clarifications provided by the company's management.

Outlook: Stable

The 'Stable' outlook reflects IVR's expectation that GPUIL will maintain a prudent financial profile, supported by calibrated capex, continued asset monetisation/ divestment of assets and absence of any large debt funded expansion, while sustaining adequate liquidity over the medium term.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated For arriving at the rating, IVR has considered consolidated financials of GPUIL and its subsidiaries mentioned in the Annexure 4.
Parent/ Group Support	Not Applicable

List of companies considered for consolidation analysis is given at Annexure 4

Key Rating Drivers with Detailed Description

Strengths

- Improvement in scale of operations and operating profitability**

The scale of operations improved by 15.57% to Rs. 7,331.86 crore in FY2026 as compared to Rs. 6,343.97 crore in FY2025, due to increase in revenue from smart metering projects and coal trading. Further, the EBITDA margins improved to 27.56% from 26.28% for the period under consideration. Going forward, IVR expects the GMR Group to sustain its growth momentum largely supported by growth in the smart meter business.

- **Significant majority of consolidated debt in operational and cash generating subsidiaries with relatively stronger standalone credit profile**

A large portion of the consolidated debt resides at operating subsidiaries that are largely self-sustaining in nature. Nearly ~83% of the Group debt resides in these operational subsidiaries, which exhibit relatively stronger standalone credit profiles and stable cashflow generation. Further, the corporate debt level has reduced significantly through utilisation of proceeds from asset monetization initiatives and arbitration award settlement.

- **Regular asset monetization and infusion of equity leading to deleverage of the balance sheet**

The company undertook multiple deleveraging initiatives during FY2026, including monetisation of select land parcels, divestment of stake in non-operating and stressed assets (Rs 653 Crore) and settlement of regulatory receivables claim at GMR Kamalanga Energy Limited (GKEL) (Rs. 1,083 crore), Further, GPUIL raised Rs. 900 crore through preferential issuance of equity shares and warrants in February 2026. These proceeds were primarily utilised towards repayment of project and corporate debt including resolution of debt/OTS at GMR Rajahmundry Energy Limited (GREL), resulting in improvement in the consolidated financial risk profile of the GMR Group. The rating also factors in the management's continued intent to deleverage through additional asset monetisation and fund-raising initiatives, which shall remain a key monitorable.

- **Improved financial risk profile; albeit remains moderate**

The consolidated financial risk profile improved during FY2026, supported by increase in tangible net worth to Rs. 1,264.94 crore from Rs. 180.42 crore a year ago, driven by equity infusion as well as retention of profits. Consequently, overall gearing moderated to 9.09x in FY2026 from 56.37x in FY2025. However, leverage indicators remain moderate, reflecting capital intensive nature of the infrastructure business and sizable consolidated debt levels. The agency shall also continue to monitor the sustainability of the recent improvement in the group's leverage and cash flow metrics.

- **Diversified business portfolio**

The GMR Group operates across multiple infrastructure segment including power generation, highways, smart metering, EPC, and coal trading. This diversification provides revenue and cash flow stability while enabling cross-segment synergies, particularly in execution capabilities and procurement.

- **Established group with experienced promoters and management**

The GMR group was founded by Mr. G.M. Rao in 1978. The Group benefits from the long operating history and experienced management team with proven execution capabilities across complex infrastructure projects. The Group has further demonstrated its ability to raise capital, conclude asset monetisation, resolve stressed exposures, thus, providing comfort with respect to financial discipline and strategic decision-making.

Weaknesses

- **Moderate debt protection metrics**

Notwithstanding the equity fund infusion and improvement in leverage indicators, the consolidated debt protection metrics continue to remain moderate, with interest service coverage ratio marginally improving to 1.22x in FY2026 from 1.06x in FY2025. Further, IVR notes that reliance on asset monetisation initiatives shall remain significant to support timely servicing of the upcoming debt obligations. The agency takes note that nearly 57% of the scheduled debt repayments in FY2027 pertain to promoter/group companies. IVR derives comfort from the inherent financial flexibility associated with the company's borrowings to enable prioritisation of servicing debt obligations. The timely refinancing of group liabilities and the overall debt management strategy shall remain a key monitorable.

- **Tender based nature of business with intense competition in the industry**

The domestic infrastructure sector is highly crowded with presence of many players with varied statures & capabilities. Further, GPUIL receives all its work orders from government departments based on tenders. Thus, aggressive bidding by peers could constrain GMR's profitability and increase volatility in operating margins, especially

during periods of subdued order inflow. However, the promoters' long industry presence imparts comfort.

- **Susceptibility of operating margins to volatile in key input prices**

The Company's profitability remains exposed to fluctuations in prices of key inputs such as coal, steel, cement and fuel. While partial pass-through mechanisms are available in certain contracts, sustained volatility in input prices could adversely impact margins and cash flows, making margin stability a key monitorable over the medium term.

Liquidity – Adequate

The liquidity of the company remains adequate with cash flow from operations (CFO) stood of Rs. 1,259.98 crore in FY2026 as against maturing debt obligations of Rs. 906.67 crore. The company is expected to generate sufficient liquidity through CFO and monetization against maturing debt obligations of Rs. 1,489 crore in FY2027. As on 31st March 2026, the cash and cash equivalents and current investments stood at around Rs. 1,759.70 crore which coupled with unutilized fund based working capital limits of 36.85% provides adequate cushion to liquidity. Further, current ratio stood at 1.41x in FY2026.

Rating Sensitivities:

Upward Factors

- Improvement in debt protection metrics
- Significant debt reduction through successful asset monetisation

Downward Factors

- Delay or shortfall in realisation of monetisation / arbitration proceeds exerting pressure on cashflows
- Large debt funded capex, resulting in deterioration in leverage and debt protection metrics

About the Company

GMR Power and Urban Infra Limited (GPUIL) is a diversified infrastructure player engaged across infrastructure segments like power generation, highways, urban infrastructure, coal trading and construction (including EPC activities), through its subsidiaries and joint ventures.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	6343.97	7331.86
EBITDA	1667.09	2020.58
PAT	1552.25	613.69
Total Debt	10170.51	11503.24
Tangible Net Worth (TNW)	180.42	1264.94
EBITDA Margin (%)	26.28	27.56
PAT Margin (%)	22.63	7.92
Overall Gearing (times)	56.37	9.09
Interest Coverage (times)	1.06	1.22

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	480.89	367.28
EBITDA	306.59	210.54
PAT	746.60	-149.57
Total Debt	1907.88	1927.31
Tangible Net Worth (TNW)	1651.92	3514.92
EBITDA Margin (%)	54.84	57.24
PAT Margin (%)	146.79	-38.33
Overall Gearing (times)	1.15	0.55
Interest Coverage (times)	1.04	0.60

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning rating outlook](#)

[Consolidation of Companies](#)

[Policy on default recognition](#)

[Policy on Withdrawal of Ratings](#)

[Complexity of rated instruments/facilities](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S r. N o.	Instru ments/ Faciliti es	Current Ratings (Year 2026-27)			Rating History for the past 3 years					
		Type (Lon g Ter m/S hort Ter m)	Amo unt outst andi ng (Rs. Cror e)	Ratin g	Date(s) & Rating(s) assigned in 2025- 26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s)) assigned in in 2023-24	Date(s) & Rating(s)) assigned in in 2023-24	Date(s) & Rating(s)) assigned in in 2023-24
					February 25,2026	March 03,2025	May 30,2024	March 05,2024	February 02,2024	August 07,2023
1	Non-Fund Based Facilities	LT	380.00	IVR BBB/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable
2	Non-Fund Based Facilities	ST	-	Withdrawn	IVR A3	IVR A3	IVR A3	IVR A3	IVR A3	IVR A3
3	NCD	LT	-	-	Withdrawn	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	-	-

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	Listing Status	Regulator [^]	Complexity Indicator
Bank Guarantee #	-	-	-	-	380.00	IVR BBB-/Stable	Not Applicable	RBI	Simple
Bank Guarantee	-	-	-	-	0.00* [5.30]	Withdrawn	Not Applicable	RBI	Simple

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

*No Due Certificate has been received from UBI for the same.

#Tenor more than one year

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_GMR_Power_may26_8ba5aab9f0.pdf

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

Annexure 4: List of companies considered for Consolidated analysis:

Name of Company	Consolidation Approach
GMR Power and Urban Infra Limited	100%
GMR Energy Trading Limited	100%
GMR Londa Hydropower Private Limited	100%
GMR Smart Electricity Distribution Private Limited	100%
GMR Generation Assets Limited	100%
GMR Green Energy Limited	100%
GMR Highways Limited	100%
GMR Ambala Chandigarh Expressways Private Limited	100%
GMR Pochanpalli Expressways Limited	100%
GMR Hyderabad Vijayawada Expressways Private Limited	100%
GMR Chennai Outer Ring Road Private Limited	100%
Gateways for India Airports Private Limited	100%
GMR Corporate Services Limited	100%
GMR Aviation Private Limited	100%
GMR Krishnagiri SIR Limited	100%
Advika Properties Private Limited	100%
Aklima Properties Private Limited	100%
Amartya Properties Private Limited	100%
Baruni Properties Private Limited	100%
Bougainvillea Properties Private Limited	100%
Camelia Properties Private Limited	100%
Deepesh Properties Private Limited	100%
Eila Properties Private Limited	100%
Gerbera Properties Private Limited	100%
Lakshmi Priya Properties Private Limited	100%
Honeysuckle Properties Private Limited	100%
Idika Properties Private Limited	100%
Krishnapriya Properties Private Limited	100%
Larkspur Properties Private Limited	100%
Nadira Properties Private Limited	100%
Padmapriya Properties Private Limited	100%
Prakalpa Properties Private Limited	100%
Purnachandra Properties Private Limited	100%



Shreyadita Properties Private Limited	100%
Pranesh Properties Private Limited	100%
Sreepa Properties Private Limited	100%
Radhapriya Properties Private Limited	100%
Asteria Real Estates Private Limited	100%
Lantana Properies Private Limited	100%
Namitha Real Estates Private Limited	100%
Honey Flower Estates Private Limited	100%
GMR SEZ & Port Holdings Limited	100%
Suzone Properties Private Limited	100%
Lilliam Properties Private Limited	100%
Dhruvi Securities Limited	100%
GMR Kashi Smart Limited	100%
GMR Triveni Smart Meters Ltd	100%
GMR Agra Smart Meters Ltd	100%
GMR Energy Limited	100%
GMR Vemagiri Power Generation Limited	100%
GMR (Badrinath) Hydro Power Generation Private Limited	100%
GMR Kamalanga Energy Limited	100%
GMR Upper Karnali Hydropower Ltd	100%
GMR Consulting Services Limited	100%
GMR Warora Energy Limited	100%
GMR Maharashtra Energy Limited	100%
GMR Bundelkhand Energy Pvt. Limited	100%
GMR Rajam Solar Power Pvt. Limited	100%
GMR Gujarat Solar Power Limited	100%
Karnali Transmission Company Private Limited	100%
GMR Indo-Nepal Power Corridors Limited	100%
GMR Energy (Cyprus) Limited	100%
GMR Energy Projects (Mauritius) Limited	100%
GMR Infrastructure (Singapore) Pte Limited	100%
GMR Coal Resources Pte Limited	100%
GADL International Limited	100%
GMR Male International Airport Private Limited	100%
Saruni Properties Private Limited	100%
Portus Ventures Private Limited	100%
GMR Utkal Solar Power Limited	100%
GMR Andhra Pradesh Renewable Energy-I Limited	100%

GMR Karnataka Renewable Energy-I Limited	100%
GMR Power and Urban Infra (Mauritius) Limited	100%
GMR Infrastructure Overseas Limited	100%
GMR Infrastructure (UK) Limited	100%
PT GMR Infrastructure	100%
GMR Energy (Mauritius) Limited	100%
GMR Lion Energy Limited	100%

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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