

June 22, 2023

Bhadra International (India) Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loans	168.67	168.67	[ICRA]D; reaffirmed
Working capital facilities	26.55	26.55	[ICRA]D; reaffirmed
Short-term – Non-fund based	38.00	38.00	[ICRA]D; reaffirmed
Total	233.22	233.22	

*Instrument details are provided in Annexure-I

Rationale

The rating factors in the continued delays in repayment of Bhadra International (India) Private Limited's (Bhadra International) debt obligations owing to the adverse impact of the pandemic on its ground handling services. The company had discontinued providing ground handling services at Calicut, Coimbatore, Mangalore, Trichy and Trivandrum airports from October 2020. It does not generate any revenue and the business operations have been suspended since the last 2 ½ years.

Key rating drivers and their description

Credit strengths

Not applicable

Credit challenges

Account continues to be NPA due to no business operations – There are no business operations presently in the entity and hence it continues to be classified as NPA.

Liquidity position: Poor

The company's liquidity position is poor.

Rating sensitivities

Positive factors – The rating could be upgraded if the company demonstrates a track record of regular debt servicing.

Negative factors – Not applicable.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on default recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Bhadra International is promoted by Mr. Prem Bajaj, who holds 62.5% of the company's total equity, while the balance is held by GPC Mauritius IX LLC. Incorporated in 2000, it is involved in providing ground handling services, ramp services and allied services at airports across India. The company had entered into a technical collaboration with Novia International Consulting ApS (Denmark) in 2007 and was awarded concession from the Airport Authority of India (AAI) to provide comprehensive ground handling services at seven airports including, Chennai, Trichy, Coimbatore, Kolkata, Calicut, Trivandrum and Mangalore.

Key financial indicators (audited)

Bhadra International	FY2020	FY2021
Operating income	260.2	91.2
PAT	-13.0	-45.3
OPBDIT/OI	14.7%	11.5%
PAT/OI	-5.0%	-49.7%
Total outside liabilities/Tangible net worth (times)	-1.8	-1.5
Total debt/OPBDIT (times)	5.5	19.7
Interest coverage (times)	1.7	0.6

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	Current rating (FY2024)			Chronology of rating history for the past 3 years			
	Type	Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2021 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Jun 22, 2023	-	March 17, 2022	Dec 18, 2020
1 Long-term – Term loan	Long-term	168.67	154.0	[ICRA]D	-	[ICRA]D	[ICRA]D
2 Long-term – Fund based/ Cash credit	Long-term	26.55	-	[ICRA]D	-	[ICRA]D	[ICRA]D
3 Short-term – Non-fund based	Short-term	38.00		[ICRA]D	-	[ICRA]D	[ICRA]D

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loans	Simple
Working capital facilities	Simple
Short-term – Non-fund based	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 loans	Sep-12	NA	Mar-23 *	168.67	[ICRA]D
NA	Working capital facilities	NA	NA	NA	26.55	[ICRA]D
NA	Short-term – Non-fund based	NA	NA	NA	38.00	[ICRA]D

Source: Company

*given ongoing delays in debt servicing, the aforesaid term loan is not yet fully repaid

Annexure II: List of entities considered for consolidated analysis- Not applicable

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