

May 21, 2021

Bird Airport Hotel Private Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based-Term Loan	82.04	82.18	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB- (Negative) and moved to the 'Issuer Not Cooperating' category
Unallocated	2.96	-	-
Total	85.00	82.18	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of crucial information regarding Bird Airport Hotel Private Limited (BAHPL)'s performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with BAHPL, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Hotel Industry Policy in respect of non-cooperation by a rated entity
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Incorporated in 2009, Bird Airport Hotel Private Limited (BAHPL) owns and operates 216 room hotel under the brand The Roseate House Hotel at Aerocity, New Delhi. The construction of the property was started in 2009 and the hotel became operational in FY2017. The property also offers facilities like a convention centre, meeting rooms, swimming pool, fitness centre and dining options by way of five restaurants and bars.

The Roseate House brand is an in-house brand of Bird Group, which has interest ranging in aviation, luxury car dealership, hospitality and education sectors. Apart from The Roseate House, the group operates two other properties - The Roseate in New Delhi and one property in Rishikesh (Uttarakhand) in India. It also owns 3 properties in the United Kingdom (UK), all of which held under a different group companies.

Key financial indicators (audited)

BAHPL	FY2019	FY2020*
Operating Income (Rs. crore)	82.8	82.8
PAT (Rs. crore)	(2.2)	(19.8)
OPBDIT/OI (%)	18.0%	16.8%
PAT/OI (%)	-2.7%	-23.9%
Total Outside Liabilities/Tangible Net Worth (times)	3.2	4.1
Total Debt/OPBDIT (times)	18.1	19.4
Interest Coverage (times)	1.1	1.2

*PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; *Provisional estimates*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2020* (Rs. crore)	Date & Rating in May 21, 2021	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
1	Term Loans	Long-term	82.18	82.18	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BBB-(Negative)	[ICRA]BBB-(Stable)	-
2	Unallocated	Long-term	-	-	-	[ICRA]BBB-(Negative)	[ICRA]BBB-(Stable)	-

&= Under watch with developing implications; *provisional estimates

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Term Loan	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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan 1	Jan-2019	-	Dec- 2026	67.38	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
NA	Term Loan 2	Sep-2013	10.65%	2021-2022	14.80	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING

Source: Company

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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