

July 10, 2025

BBM Travel Retail Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based facilities-Cash Credit	50.00	50.00	[ICRA]A- (CE) (Stable); Withdrawn
Short-term-Non fund based facilities	30.00	30.00	[ICRA]A2+ (CE); Withdrawn
Total	80.00	80.00	

Rating Without Explicit Credit Enhancement

[ICRA]BB+/[ICRA]A4+

*Instrument details are provided in Annexure-I

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of BBM Travel Retail Limited (BBM Travel) at the request of the company, based on the No objection certificate (NOC) received from the banker, and in accordance with ICRA's policy on withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers and their description, liquidity position and rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings Rating Approach - Explicit third-party support
Parent/Group support	Group 'For arriving at the ratings, ICRA has taken a consolidated view of BEPL and Premier Tobacco Packers Private Limited (PTPPL), given the close operational, financial and management linkages between the group entities. Besides, ICRA has also consolidated the financials of BBM Estates Private Limited (BBM Estates), Bio-pharma Laboratories Private Limited (Bio-Pharma) and BTRL given the support extended by BEPL. The assigned rating for BTRL is based on an unconditional, irrevocable corporate guarantee extended by BEPL.
Consolidation/Standalone	The ratings are based on the standalone financials of the company.

About the company

In 2005, Bommidala Group in a bid to enhance its business growth/volumes started the distribution of the Marlboro brand (owned by Philip Morris) of cigarettes in duty-free shops across the Indian sub-continent. Initially, these operations were

carried out through BEPL's unit located in SEZ in Cochin (Kerala) but were later shifted to BBM Travel Retail Limited (BBM Travel) in FY2020. BBM Travel caters to duty-free shops in airports and seaports, ship chandlers, border shops and military establishments. In the past cigarette sales have accounted for ~90-95% of BBM Travel's sales, which declined gradually due to growth in other segments. The company imports the products and repackages with modest value additions (added warning, new packaging etc.) and then exports them.

Key financial indicators (audited)

BBM Travel Retail (Standalone)	FY2022	FY2023
Operating income	89.8	195.9
PAT	0.4	6.8
OPBDIT/OI	1.1%	6.5%
PAT/OI	0.5%	3.5%
Total outside liabilities/Tangible net worth (times)	-231.1	14.1
Total debt/OPBDIT (times)	8.6	5.2
Interest coverage (times)	0.7	4.6

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 amortization

About the guarantor

BEPL is primarily involved in the sale of cigarettes and cut rag tobacco blends targeted for export markets. The company sells ~60 own brands, including Ruby, Winston and Lucky Gold. Apart from this, BEPL also does contract manufacturing for players in foreign destinations. BEPL has no manufacturing facilities and the manufacturing is outsourced to a group company Hilton Tobacco Packers Private Limited.

BEPL is part of the Bommidala Group, which has interests in tobacco, IT, health foods and logistics business. Premier Tobacco Packers Private Limited (rated [ICRA]A (Stable)/ [ICRA]A2+) is the other group entity involved in the processing of raw tobacco and caters to BEPL and export markets. In January 2020, BEPL decided to separate its SEZ operations and operate under BTRL. Bio-Pharma is engaged in the extraction of nutraceutical, tocopherol, from soya-based and sunflower-based de-oiled cake (DoC) of sunflower. The company is also planning to sell extracted nicotine. BBM Estates is a 57% subsidiary of BEPL and owns two commercial properties.

Key financial indicators of the group (BEPL+PTPPL+BBM Estates+ BBM Travel +Bio-Pharma)

Consolidated	FY2022	FY2023
Operating income	508.3	873.8
PAT	46.6	63.0
OPBDIT/OI	13.0%	11.1%
PAT/OI	9.2%	7.2%
Total outside liabilities/Tangible net worth (times)	0.9	0.9
Total debt/OPBDIT (times)	2.7	2.9
Interest coverage (times)	7.2	5.4

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 10, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	50.00	[ICRA]A- (CE) (Stable); Withdrawn	Apr 30, 2024	[ICRA]A- (CE) (Stable)	-	-	Jan 25, 2023	[ICRA]A-(CE) (Stable)
Non-fund based	Short term	30.00	[ICRA]A2+ (CE); Withdrawn	Apr 30, 2024	[ICRA]A2+ (CE)	-	-	Jan 25, 2023	[ICRA]A2+ (CE)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based facilities-Cash Credit	Simple
Short-term-Non-fund based (LC/BG)	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	Cash Credit	NA	NA	NA	50.00	[ICRA]A- (CE) (Stable); Withdrawn
NA	Non-fund-based facilities (LC/BG)	NA	NA	NA	30.00	[ICRA]A2+ (CE); Withdrawn

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

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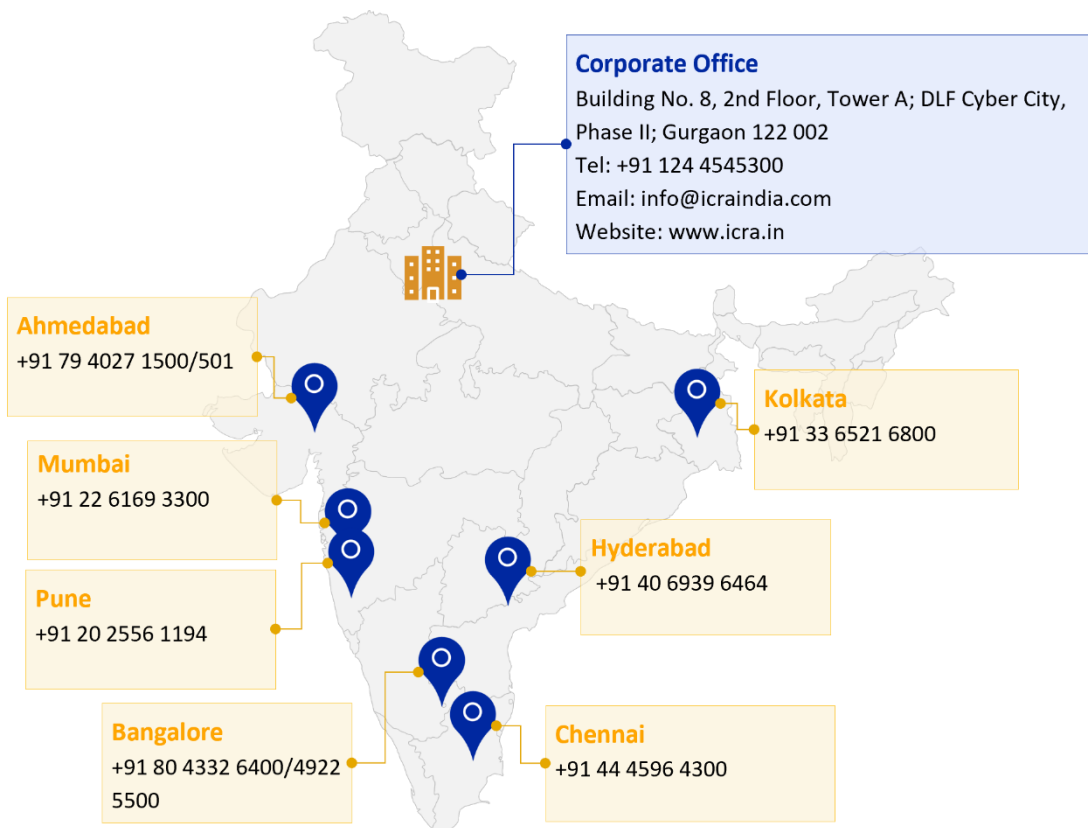
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