

October 08, 2020

## Bangalore International Airport Limited: Rating reaffirmed; Negative outlook assigned, and rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based -Term Loan	1813.74	1813.74	[ICRA]AA; Negative outlook assigned; removed from watch with negative implications, and rating withdrawn
Fund-based - Working Capital Facilities	50.00	50.00	[ICRA]AA; Negative outlook assigned; removed from watch with negative implications, and rating withdrawn
<b>Total</b>	<b>1863.74</b>	<b>1863.74</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The negative outlook has been assigned considering the weak domestic and international travel demand for the airport operators and the consequent impact of revenues and profitability of Bangalore International Airport Limited (BIAL) in FY2021. To contain the spread of Covid-19 pandemic, Government ordered closure of all airport operations (excluding cargo) in the country from March 25, 2020. Domestic operations partially resumed from May 25, 2020 with slow ramp-up in traffic witnessed during last four months and international commercial operations are yet to resume (barring few flights under Vande Bharat mission and air bubble arrangement). The long-term rating assigned to Bangalore International Airport Limited (BIAL) have been withdrawn at the request of the company and based on the no objection certificate received from the banker, and in accordance with ICRA's policy on withdrawal and suspension. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

Link for last rating rationale: [Rationale](#)

### About the company

BIAL is a Special Purpose Vehicle held by FIH Mauritius Investments Limited (a Fairfax Company, 54% holding), Siemens Project Ventures GmbH, Germany (20%), Airports Authority of India (AAI) (13%), and Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC) (13%) which was formed to set up a greenfield international airport on a Build-Operate-Transfer (BOT) basis at Devanahalli, near Bangalore. The airport commenced operations on May 24, 2008. BIAL has a 30-year concession for the maintenance and operation of the Devanahalli airport, extendable for a further 30 years at BIAL's option. The airport constructed at a total cost of Rs. 2471 crore had an initial handling capacity of 11.5 million passengers per annum in FY2011. In FY2014, BIAL also completed expansion of Terminal 1 with a total cost of Rs. 1547 crore to enhance the passenger handling capacity of the airport to 20 million passengers per annum.

### Key financial indicators

Not applicable

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

**Any other information: None**

### Rating history for past three years

	Instrument	Rating (FY2021)					Rating History for the Past 3 Years				
		Type	Amount Rated	Amount Outstanding	Current Rating		FY2020	FY2019	FY2018		
					October 8, 2020	April 2, 2020			November 1, 2019	November 26, 2018	August 28, 2017
1	Fund-based Term Loan	Long Term	1813.74	1813.74	[ICRA]AA (Negative); Withdrawn	[ICRA]AA@	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	
2	Fund-based Cash Credit	Long Term	50.00	50.00	[ICRA]AA (Negative); Withdrawn	[ICRA]AA@	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	

@: Rating watch with negative implications

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### 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	-	-	-	1813.74	[ICRA]AA (Negative); Withdrawn
NA	Cash Credit	-	-	-	50.00	[ICRA]AA (Negative); Withdrawn

Source: BIAL

### Annexure-2: List of companies considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Bangalore Airport Hotel Limited	100%	Full Consolidation

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