



## Rating Rationale

Coffee Day Hotels & Resorts Pvt Ltd

31 Jul 2019

**Brickwork Ratings places the ratings of the Bank Loan Facilities of Rs 12.63 Crores of Coffee Day Hotels & Resorts Pvt Ltd (hereafter referred to as CDHRPL or the company) on Credit Watch with Negative Implications**

### Particulars

Facility	Previous (Rs. Cr)	Present (Rs Cr)	Tenure	Rating	
				Previous (Mar 2018)^	Present
<b>Fund Based</b>					
Term Loan	12.63	12.63	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable	<b>BWR BB- Credit Watch with Negative Implications</b>
<b>Total</b>	<b>12.63</b>	<b>12.63#</b>	<b>(Rupees Twelve Crores and Sixty Three Lakhs Only)</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings ; #As per last review

^ Rating moved to ' Rating Not Reviewed ' category on 13 Jun 2019

### Rationale

BWR has taken note of the material event relating to the demise of the founder promoter of the Coffee Day Group, Mr. V G Siddhartha. According to various media reports on July 30 2019, Mr V G Siddhartha, was unreachable since the evening of July 29 2019. On July 31 2019, it was confirmed that he was no more.

Coffee Day Enterprises Ltd (CDEL) is the listed holding company for various companies of the Coffee Day group. CDHRPL is a wholly owned subsidiary of CDEL.

In view of the above material development and the consequent uncertainty with respect to the management and the extent of impact on the business and credit profiles of the company, BWR has placed the rating of the Bank Loan Facilities of Coffee Day Hotels & Resorts Pvt Ltd on Credit Watch



with Negative Implications. BWR will monitor the developments and review the rating once there is more clarity.

### About the Company

Coffee Day Hotels & Resorts Pvt Ltd (CDHRPL), Bengaluru is a part of Coffee Day Group promoted by Mr. V. G. Siddhartha. CDHRPL was incorporated in 2004. CDHRPL operates luxury resorts in the name of “The Serai”, Chikmagalur, Karnataka and other resorts in Bandipur, Kabini and Andaman. Coffee Day Enterprises Ltd has 99.9% shareholding in the Company.

### Previous Rating Rationale

#### Rating History for the last three years

Sl. No.	Instrument	Current Rating (July 2019)			Rating History*		
		Type	Amount (Rs Crs)	Rating	13 Jun 2019	12 Mar 2018	29 Dec 2017
1	Term Loan	Long Term	12.63	<b>BWR BB-Credit Watch with Negative Implications</b>	Rating Not reviewed	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable	Rating Not reviewed
<b>Total</b>			<b>12.63</b>	<b>(Rupees Twelve Crores and Sixty Three Lakhs Only)</b>			

\*Bank loan facility of Rs. 27.12 crs was initially rated BWR BB- (Outlook Stable) on 11 Nov 2013. Subsequently the rating of BB-(Outlook Stable) for the bank loan facilities were reaffirmed on 16 Feb 2015 and 30 Sep 2016.

#### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Ratings Policy](#)
- [Services Sector](#)
- [Approach to Financial Ratios](#)



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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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