Rating Rationale

16 Oct 2019

Cox & Kings Financial Service Limited

Brickwork Ratings downgrades the ratings for the bank loan facilities of ₹ 400 Crores of Cox & Kings Financial Service Ltd (hereafter referred to as "CKFSL" or the "Company").

Particulars:

Facility**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Aug, 2019)	Present
Fund Based Cash Credit	400	400	Long Term	BWR C Issuer Not Cooperating*	BWR D
Non Fund Based Bank Guarantee (Sublimit of Cash Credit)	(100)	(100)	Short Term	BWR A4 Issuer Not Cooperating*	
Total	400	400	INR Four Hundred Crores Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
*Issuer did not cooperate, based on best available information
** Bank wise details of facilities is provided in Annexure-I

Rating Action

Rating downgrade is on account of default in payment of interest on the aforesaid facilities. The company has informed wide their email dated 14th Oct 2019 that they have not paid the interest for the last 2 months. The banker confirmation on the conduct and classification of the account is awaited. The aforesaid rating action is based on best available information.

For detailed rationale kindly refer the rationale's dated 5 Aug 2019 and 11 Oct 2019. Links provided below
https://www.brickworkratings.com/Admin/PressRelease/Cox-and-Kings-Financial-Service-5Aug2019%20(1).pdf
https://www.brickworkratings.com/Admin/PressRelease/Cox-Kings-Financial-Service-11Oct2019%20.pdf

COMPANY PROFILE

Cox & Kings Financial Service Limited was incorporated on December 29, 2016 as a public limited company under the provisions of the Companies Act, 2013. The company is an NSE and BSE listed company and is also registered with RBI as an NBFC and AD Category II Dealer. The company had two business verticals viz., forex services and NBFC business. CKFSL is promoted by Mr Ajay Ajit Peter Kerkar and Mrs. Urrshila Kerkar and belongs to "Cox & Kings" group. Promoter group holds 53.01% of shareholding in CKFSL including 19.22% held by "Cox and Kings Ltd".

KEY FINANCIAL INDICATORS

Key Parameters	Units	2018	2019
Result Type		**Audited**	**Audited**
Total Operating Income	₹ Cr	94.78	101.86
PAT	₹ Cr	13.61	3.34
Tangible Net worth	₹ Cr	86.23	89.56
Total debt	₹ Cr	250	400
Gearing	Times	2.93	4.50

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: Nil

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Nil

RATING HISTORY

S.No	Instrument /Facility	Current Rating (Oct 2019)			Rating History			
	Facility	Type (Long Term/ Short Term)	Amount (Rs in Crs)	Rating	11 Oct 2019	Aug 2019	Mar 2019	2018
1	Fund Based - Cash Credit	Long Term	400	BWR D	BWR C Issuer Not Cooperating (Downgrade)	BWR BB (Negative) (Downgrade)	BWR BBB- (Stable) (Assignment)	NA
2	Non Fund Based - Bank Guarantee (Sublimit of Cash Credit)	Short Tem	(100)	BWR D	BWR A4 Issuer Not Cooperating	BWR A4 (Downgrade)	BWR A3+ (Pronounced as BWR A Three Plus) (Assignment)	NA
	Total		400	INR Four Hundred Crores Only				

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Financial Institutions

Analytical Contacts	Investor Contacts
Rajat Bahl Chief Analytical Officer & Head - Financial Sector Ratings B :+91 22 2831 1426, +91 22 2831 1439 rajat.b@brickworkratings.com **Sree Harsha** Manager - Ratings B :+91 80 4040 9940 Ext :361 sreeharsha@brickworkratings.com	M : +91 7738875550 B : +91 22 6745 6666 investordesk@brickworkratings.com
1-860-425-2742	

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Cox & Kings Financial Service Ltd

ANNEXURE I

Details of Bank Facilities rated by BWR

Sl.no	Name of the Bank	Type of Facility	Long Term (Rs in Crs)	Short Term (Rs in Crs)	Total (Rs in Crs)
1	Yes Bank	Cash Credit	400	(100)*	400
Total			400	INR Four Hundred Crores Only	

***Short Term facility is in the form of Bank Guarantee and is a sub limit of Cash Credit**