Rating Rationale

Ezeego One Travels & Tours and Limited **31 July 2019**

Brickwork Ratings downgrades the long term rating for the factoring limit as well as the term loan facility availed by Ezeego One Travels & Tours Limited (EOTTL) with aggregate bank loan facilities of Rs. 582.00 crores.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (June, 2019)	Present
Fund Based (Factoring)	150.00	150.00	Long Term	**BWR C** (Pronounced as BWR C) **[Downgraded]**	**BWR D** (Pronounced as BWR D) **[Downgraded]**
Fund Based (Term Loan)	432.00	432.00	Long Term	**BWR C** (Pronounced as BWR C) **[Downgraded]**	**BWR D** (Pronounced as BWR D) **[Downgraded]**
Total	**582.00**	**582.00**	**INR Five hundred and Eight Two Crores Only**		

*Please refer to BWR website www.brickworkratings.com/ for a definition of the ratings
Complete details of Bank facilities are provided in Annexure-I

Ratings: Downgraded

Rationale:

The revision in rating is driven by the default/breach of terms of credit facilities sanctioned by Yes Bank Limited to Ezeego One Travels & Tours Limited. The bank in its communication dated 26th July, 2019 has informed to the Stock Exchange that it has acquired the shares of Cox & Kings Limited and Ezeego One Travels & Tours Limited in pursuant to invocation of pledge and subsequent to the default/breach of terms of credit facilities.

Analytical Approach:
While assigning the Ratings, BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

About the Company:
EOTTL was incorporated in the year 2006 in Mumbai and is presently promoted by Coad Management Mauritius Limited, Ms. Urrshila Kerkar, and Cox and Kings Limited. The management of the company include Ms. Neelu Singh (Chief Executive Officer), Mr. Arup Sen, Mr. Manisha Narayan Amarapurkar, and Mr. Patrick Rory Richards. It operates as an online travel agency which works on a market place concept that enables suppliers and travel agents to distribute, promote, and sell their products to consumers. The company also provides booking services for flights, hotels, holidays, rails, sightseeing, car rentals, cruises, Visa, insurance, and foreign exchange; and operates an online portal that provides information about its products and services.The company has a wide network of partners in the trade, including agents, tourism boards and other alliance networks.

About the Group Company - Cox & Kings Limited:
Cox & kings Limited (CKL), was initially incorporated in Mumbai, in 1939 as Eastern Carrying Company Limited. Subsequently in the year 1950, the name was changed to Cox & Kings Limited and in year 2009 was listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). CKL has subsidiaries in the USA, Canada, the United Kingdom, Netherlands, UAE, Japan, Singapore, Australia and New Zealand. It is an established brand in the travel and tourism industry. The company operates in three verticals namely Leisure (India & International), Meininger (Hybrid Hotels) and Others (includes Visa Processing) and has its operations spread across 23 countries and 4 continents.

Company Financial Performance:
The Company has reported a Total Operating income of Rs. 189.70 Crs in FY18 vs. a TOI of Rs. 159.89 Crs in FY17. The company reported profit after tax (PAT) of Rs.5.10 Crs in FY 2018 vs. net loss of Rs. 13.16 Crs in FY17. As per provisional financials for FY2019, the company has reported Total Operating Income of Rs. 246.06 Crs and a PAT of Rs. 12.79 Crs.

Rating History for the last three years:

Sl. No.	Instrument/ Facility	Current Rating (Year 2019)			Rating History			
		Type	Amount (Rs Crs)	Rating	28-Jun-2019	06-Jun-2019	2018	15-Dec-2017
1.	Factoring	Long Term	150.00	BWR D (Pronounced as BWR D) [Downgraded]	BWR C (Pronounced as BWR C) Downgraded]	BWR AA(SO) (Pronounced as BWR Double A Structured Obligation) Outlook: Stable [Reaffirmed]	-	BWR AA(SO) (Pronounced as BWR Double A Structured Obligation) Outlook: Stable [Reaffirmed]
2.	Term Loan	Long Term	432.00	BWR D (Pronounced as BWR D) [Downgraded]	BWR C (Pronounced as BWR C) Downgraded]	BWR BBB-(SO) (Pronounced as BWR Triple B Minus Structured Obligation) Outlook: Stable [Reaffirmed]	-	BWR BBB-(SO) (Pronounced as BWR Triple B Minus Structured Obligation) Outlook: Stable [Assigned]
	Total: Rs. 582.00 Crs (INR Five Hundred and Eighty Two Crores Only)							

Status of non-cooperation with previous CRA:- Not Applicable

Any other information:- Not Applicable

Key Financial Indicators

Key Financial Figures			
Particulars	**Unit**	**FY18 (Audited)**	**FY17 (Audited)**
Operating Income	Rs. Crores	189.70	159.89
EBITDA	Rs. Crores	72.04	19.09
PAT	Rs. Crores	5.10	-13.16
Tangible Net Worth	Rs. Crores	-330.90	-332.23
Total Debt	Rs. Crores	607.64	277.39
Total Debt : Equity	Times	-1.84	-0.83
Current Ratio	Times	1.17	0.51

Ezeego One Travels & Tours Limited

Credit Facilities

Annexure - I

Facilities	Tenure	Amount (₹ Crores) Limits
Factoring	Long Term	150.00
Term Loan	Long Term	432.00
Total		**582.00**

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Services Sector
- Default Recognition and Default Curing Period

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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 Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

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