

## Coffee Day Global Limited

February 24, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	469.61	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>469.61</b> <b>(Rs. Four Hundred Sixty-Nine Crore and Sixty-One Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated December 2, 2020, placed the rating(s) of Coffee Day Global Limited (CDGL) under the 'issuer non-cooperating' category as CDGL had failed to provide information for monitoring of the ratings. CDGL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated October 28, 2021, November 7, 2021, February 2, 2022 and phone calls. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

At the time of last rating on December 2, 2020 the following were the rating weaknesses (updated for the information available from stock exchange filings by Coffee Day Enterprises Limited (CDEL); holding company of CDGL):

### Key Rating Weaknesses

#### Ongoing delays in debt servicing

As per stock exchange filings of CDEL, there are ongoing delays in debt servicing by CDGL and several lenders have classified the bank facilities as NPA. Few of the lenders have taken initiative to undertake a debt resolution process for CDGL as per RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019.

**Continuing losses in FY21:** Company continued to incur net losses of Rs.306.5 crore (FY20: net loss of Rs.319.0 crore) on a total operating income of Rs.498.23 crore (FY20: Rs.1553 crore) on account of significant decline in sales of the company and higher fixed costs of the company.

**Analytical approach:** Consolidated. List of subsidiaries and joint ventures of CDGL is attached as Annexure-5.

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Manufacturing Companies](#)

[Retail](#)

### About the Company

Coffee Day Global Limited (CDGL) was originally incorporated as Amalgamated Bean Coffee Trading Company Limited on December 6, 1993 as a Private Limited company and subsequently converted to a Public Limited Company on February 3, 1997. Coffee Day Global Limited (CDGL) is an integrated coffee retailer, having presence across the entire business activities from coffee procuring till retailing. CDGL has five business divisions; Café Division (Café Coffee Day), Xpress Division, Vending Division, Package Division and Production, Procurement and Exports (PPE) Division.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

\*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (Prov.)
Total operating income	1,546.33	498.23	366.08
PBILDT	99.98	-6.94	15.07
PAT	-313.63	-306.54	-178.85
Overall gearing (times)	1.69	2.13	NA
Interest coverage (times)	0.47	NM	0.18

A: Audited; Prov.: Provisional; NA: Not Available| NM: Not Meaningful

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

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure 4

#### Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	397.20	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2028	72.41	CARE D; ISSUER NOT COOPERATING*

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Bank Overdraft	LT	397.20	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-20)	1)CARE D (05-Sep-19) 2)CARE BBB (CWN) (27-Aug-19) 3)CARE A (CWN) (02-Aug-19)	1)CARE AA-; Stable (17-Oct-18) 2)CARE AA-; Stable (27-Sep-18)
2	Fund-based - LT-Term Loan	LT	72.41	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-20)	1)CARE D (05-Sep-19) 2)CARE BBB (CWN) (27-Aug-19) 3)CARE A (CWN) (02-Aug-19)	1)CARE AA-; Stable (17-Oct-18) 2)CARE AA-; Stable (27-Sep-18)
3	Non-fund-based - ST-Standby Line of Credit	-	-	-	-			

LT/ST: Long Term / Short Term; \*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure 5: Bank Lender Details for this Company**

To view the lender wise details of bank facilities please [click here](#)

**Annexure 6: List of subsidiaries and joint ventures consolidated as on March 31, 2021**

Sr.No	Name of Company	% of holding by CDGL
1	A.N. Coffeeday International Limited	100.00
2	Classic Coffee Curing Works	100.00
3	Coffeelab Limited	100.00
4	Coffee Day Gastronomic Und Kaffeehandles GmbH Kaffee	100.00
5	Coffee Day CZ a.s.	100.00
6	Coffee day Schaerer Technologies Private Limited	49.00
7	Coffee Day Consultancy Services Private Limited	48.96

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**