



Rating Rationale

Sical Logistics Limited

31 Jul 2019

Brickwork Ratings places the ratings of the Bank Loan Facilities of Rs 602.64 Crores of Sical Logistics Limited (hereafter referred to as Sical or the company) on Credit Watch with Negative Implications

Particulars

Facility	Previous (Rs. Cr)	Present (Rs Cr)	Tenure	Rating	
				Previous (July 2018)	Present
Fund Based					
Term Loan	102.64	102.64	Long Term	BWR BBB+ (Pronounced as BWR Triple B Plus) Outlook: Stable	BWR BBB+ Credit Watch with Negative Implications
Cash Credit	300.00	300.00			
Non Fund Based					
Bank Guarantee	200.00	200.00	Short Term	BWR A3+ (Pronounced as BWR A Three Plus)	BWR A3+ Credit Watch with Negative Implications
Total	602.64	602.64#	(Rupees Six Hundred Two Crores and Sixty Four Lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings ; #As per last review

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.

Sical Logistics Ltd is a step down subsidiary of Tanglin Developments Ltd, a wholly owned subsidiary of Coffee Day Enterprises Ltd (CDEL) and is part of the list of subsidiaries included in the consolidated financial results of CDEL. Mr V G Siddhartha was the promoter of SICAL group of companies.



Following this development, the shares of Sical Logistics Ltd have witnessed a decline of 20% on 30 July 2019 and 31 July 2019. In view of the material development relating to the promoter and the significant decline in share prices of the company, 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 Sical Logistics Limited on Credit Watch with Negative implications. BWR will monitor the developments and review the ratings once there is clarity.

About the Company

Sical Logistics Limited (SLL) is an established integrated logistics solution provider with over five decades of experience in providing end to end logistics solutions. SLL is listed on BSE and NSE. In 2011, Sical was acquired by Coffee Day Group. As of June 30 2019, the total promoter holding at the Company is around 59.11 % of which 50.19% is with Tanglin Retail Realty Developments Private Limited(part of Coffee Day group).

Previous Rating Rationale

Rating History for the last three years

Sl. No.	Instrument	Current Rating (July 2019)			Rating History*		
		Type	Amount (Rs Crs)	Rating	27 Jul 2018	03 Oct 2017	12 Apr 2016
1	Term Loan	Long Term	102.64	BWR BBB+ Credit Watch with Negative Implications	BWR BBB+ (Pronounced as BWR Triple B Plus) Outlook: Stable	BWR BBB+ (Pronounced as BWR Triple B Plus) Outlook: Stable	BWR BBB+ (Pronounced as BWR Triple B Plus) Outlook: Stable
2	Cash Credit	Long Term	300.00				
3	Bank Guarantee	Short term	200.00	BWR A3+ Credit Watch with Negative Implications	BWR A3+ (Pronounced as BWR A Three Plus)	BWR A3+ (Pronounced as BWR A Three Plus)	BWR A3+ (Pronounced as BWR A Three Plus)
Total			602.64	(INR Six Hundred Two Crores and Sixty Four Lakhs Only)			

*Bank loan facility of Rs. 597.36 crs was initially rated BWR BBB+ (Outlook Stable)/A3+ on 31 Mar 2015

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)



- [Ratings Policy](#)
- [Services Sector](#)
- [Short Term Debt](#)

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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

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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