

Chhaya Devi Complex Private Limited: Rating withdrawn

December 28, 2023

Summary of rating action

Instrument* (Amount in Million)	Rated Amount	Rating Action
Fund based - Long-term loans	2,000.00	[ICRANP] LBB-; rating withdrawn
Fund based - Short-term loans	50.00	[ICRANP] A4; rating withdrawn
Total	2,050.00	

**Instrument details are provided in Annexure-1*

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LBB- (pronounced ICRA NP L double B minus) and short-term rating of [ICRANP] A4 (pronounced ICRA NP A four) assigned to the bank loan limits of Chhaya Devi Complex Private Limited (CDCPL or the company).

Rationale

The ratings assigned to CDCPL has been withdrawn based on client's request and in accordance with ICRA Nepal's policy on withdrawal of credit rating. ICRA Nepal does not have any information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers

Key rating drivers have not been captured as the rating is being withdrawn.

Analytical approach: For arriving at the ratings, ICRA Nepal has applied its rating methodology as indicated below.

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA Nepal's Policy Withdrawal of Credit Rating](#)

Links to previous detailed rating rationale:

[Rationale Chhaya Devi Complex P Limited- December 2022](#)

[Rationale Chhaya Devi Complex P Limited-May 2021](#)

About the company (when last rated)

Incorporated in January 2008, Chhaya Devi Complex Private Limited (CDCPL) is a special purpose vehicle (SPV) created for the construction of a commercial complex with an embedded hotel. It owns and operates a 167-keys five-star hotel integrated with a commercial retail mall. CDCPL has sold ~72% of the retail and commercial space within the complex and the resultant proceeds have been used as equity for the completion of the hotel. The remaining ~28% space (including cinema hall, food court, etc) is being managed by the developer to generate rental income. The hotel operates under the franchise of the global hotel brand, Aloft, as per the terms of the agreement with Starwood Asia Pacific Hotels and Resorts P. Ltd¹. The developer has also entered into an agreement with Nidra Hospitality Private Limited, India, for the operation and management of the hotel.

The major promoters of CDCPL include Mr. Prithvi Bahadur Pande, Mr. Nirmal Pradhan, Mr. Deepak Man Sherchan, Mr. Mijas Bhattachan, M/S Syakar Trading Concern, M/S Himalayan Infrastructure Fund and Mr. Maheshwor Prakash Shrestha. Mr. Shrestha² is the Managing Director of the company. CDCPL officially commenced its hotel operations in August 2019, about seven months after the formal inauguration of the operations of the commercial complex.

¹ Agreement dated September 11, 2014

² Mr. Shrestha is an alternate director in ICRA Nepal, representing Himalayan Infrastructure Fund Limited

Key financial indicators (when last rated)

Particulars	Audited FY2020	Audited FY2021	Audited FY2022
Operating income (OI; NPR million)	294.0	174.9	593.5
OPBITDA/OI (%)	-12.6%	-1.9%	41.0%
Total debt/Tangible net worth (TNW; times)	3.4	2.1	2.0
Total outside liabilities/TNW (times)	7.2	2.5	2.5
Total debt/OPBITDA (times)	-38.8	-718.4	9.5
Interest coverage (times)	-0.2	0.0	1.1
DSCR (times)	-1.2	14.4	3.0
Net working capital/OI (%)	46.2%	112%	44%

Source: Company data

Annexure-1: Instrument details

Instrument (Amount in NPR Million)	Rated Amount	Rating Action
Fund Based - Term Loans	2,000.00	[ICRANP] LBB-; ratings withdrawn
Fund Based- Short-term Loans (overdraft)	50.00	[ICRANP] A4; ratings withdrawn
Total	2,050	

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About ICRA Nepal Limited:

ICRA Nepal Limited, the first Credit Rating Agency of Nepal, is a subsidiary of ICRA Limited (ICRA) of India. It was incorporated on November 11, 2011 and granted license by the Securities Board of Nepal (SEBON) on October 3, 2012. ICRA Nepal is supported by ICRA Limited through a Technical Support Services Agreement, which envisages ICRA helping ICRA Nepal in such areas as rating process and methodologies, analytical software, research, training, and technical and analytical skill augmentation.

Our parent company, ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies.

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