

Adlabs Entertainment Ltd (Revised)

July 06, 2017

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities – Term Loan	1,015.84	CARE D	Revised from CARE BBB- (Triple B Minus)
Total Facilities	1,015.84 (Rs. One thousand and fifteen crore and eighty four lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale& Key Rating Drivers

The revision in rating is on account of delays in interest servicing on term loans during Q4FY17. The same have been regularised from April 2017 onwards.

Detailed description of the key rating drivers**Key Rating Weaknesses**

- Due to the weakened liquidity position, there were delays in servicing of interest by the company during Q4FY17. During FY17, the company reported total income of Rs.239.15 crore as compared to Rs.256.94 crore in FY16. Further, during the year ended March 31, 2017, the net loss increased to Rs.117.18 crore as compared to net loss of Rs.90.71 crore in the previous year. The decline in total income and increase net loss was mainly on account of demonetisation announced by the government of India which led to lower footfalls and in turn impacted the total income and net loss of the company.

Analytical approach:Standalone

Applicable Criteria

[CARE's Policy on Default Recognition](#)

About the Company

Adlabs Entertainment Limited (AEL) was formed as a partnership firm, M/s. Dream Park, in May 2009. In February 2010, the firm got converted to a private limited company as Adlabs Entertainment Private Limited which was later in April 2010 converted into a public limited company and the name was changed to Adlabs Entertainment Limited.

AEL, which is promoted by Mr.ManmohanShetty and his family, owns and operates an amusement park called 'Imagica - located at Khopoli - Pali road, Khalapur, off the Mumbai - Pune Expressway. The amusement park includes has a Theme Park, a Water Park, a Hotel & now a Snow Park as well.

The aforesaid developments are spread over an aggregate area of approximately 132 acres out of the total land parcel of 302 acres at Khopoli. The surplus land would be utilized for developing a township project by Walkwater Properties Pvt Ltd, a wholly owned subsidiary of AEL. AEL also owns and operates an array of Food and Beverages (F&B) outlets as well as retail and merchandise shops inside the theme park and water park.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	256.94	239.51
PBILDT	44.76	61.36
PAT	-90.71	-117.18
Overall gearing (times)	1.72	2.24
Interest coverage (times)	0.41	0.51

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information:Not Applicable

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2024	1015.84	CARE D

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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	1015.84	CARE D	-	1)CARE BBB-(22-Aug-16)	1)CARE BBB-(25-May-15)	-

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CIN - L67190MH1993PLC071691