

**Imagicaaworld Entertainment Limited
(Formerly: Adlabs Entertainment Limited)**

May 21, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
LT Bank Facilities – Term Loan	1015.84	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING*]	Issuer not cooperating; Rating reaffirmed; Best on the best available information
Total	1015.84 (Rs. One Thousand and fifteen crore and eighty four lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Imagicaaworld Entertainment Limited (IEL) Limited to monitor the rating(s) vide e-mail communications dated May 04, 2020, May 05, 2020 and May 06, 2020. However, despite our repeated requests, IEL has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on IEL's bank facilities will now be denoted as **CARE D, ISSUER NOT COOPERATING***.

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

The rating continue to take into account ongoing delays in interest servicing related to the term loans and NPA classification of account by lenders.

Detailed description of the key rating drivers

At the time of last rating on March 18, 2019 the following were the rating strengths and weaknesses (updated for the information available from audited financial available from Stock Exchange fillings):

Key Rating weakness:

Due to the poor liquidity position, there have been delays in servicing of interest on term loans by the company.

During FY19, the company reported total income of Rs.240.47 crore, a marginal increase from Rs.236.47 crore in FY18. Further, during the year ended March 31, 2019, the net loss increased to Rs. 347.43 crore as compared to net loss of Rs. 155.17 crore in the previous year (FY18). During 9MFY20, the company reported total income of Rs. 165 crore and net loss of Rs. 156.12 crore as compared to income of Rs. 189.50 crore and loss of Rs. 118.52 crore during the 9MFY19. Further, the company is classified as Non Performing Asset (NPA) by the lenders.

Analytical approach: Standalone
Applicable criteria

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

[CARE's policy on Default recognition](#)

[Financials Ratio-Non Financial Sector](#)

[Rating of Short Term instruments](#)

[Criteria on assigning 'Outlook' and 'Credit watch' to Credit Ratings](#)

[Rating methodology – Manufacturing companies](#)

About the Company

Imagicaaworld Entertainment Limited (earlier, Adlabs Entertainment Limited), which is promoted by Mr. Manmohan Shetty and his family in 2009, 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

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

*Issuer did not cooperate; Based on best available information

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.

Theme park, having 25 rides and attractions, started part operations in April 2013 and became fully operational on November 1, 2013. Water Park, which is located adjacent to the theme park, has 14 kinds of water slides and wave pools and became fully operational on October 1, 2014. This water park has a separate admission ticket and a separate entrance from the theme park.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	236.47	240.47
PBILDT	62.89	47.39
PAT	-155.17	-347.43
Overall gearing (times)	2.77	24.51
Interest coverage (times)	0.51	0.36

A: Audited

Status of non-cooperation with previous CRA: ICRA, vide its press release dated January 29, 2019, has put credit rating of bank facilities of IEL under non-cooperation category.

Any other information: Not applicable

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

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	-	-	March, 2025	1015.84	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	1015.84	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (18-Mar-19) 2)CARE D (05-Apr-18)	1)CARE D (06-Jul-17)

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.

Contact us**Media Contact**

Mr. Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact

Mr. Pulkit Agrawal
Contact no. - 022-67543505
Email ID- pulkit.agrawal@careratings.com

Relationship Contact

Mr. Ankur Sachdeva
Contact no. – +91-22-6754 3495
Email ID: ankur.sachdeva@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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