

## RATING RATIONALE

8 December 2021

### Cineline India Limited

Brickwork Ratings reviews the ratings for the Bank Loan Facilities of ₹ 171.60 Crores of Cineline India Limited (CIL or “The Company”) based on best available information, as the issuer did not cooperate.

#### Particulars

Facility**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (July, 2020)	Present
Fund based	171.60	171.60	Long Term	BWR BBB+/Negative [Reaffirmed with revision in outlook]	<b>BWR BB+/ Negative ISSUER NOT COOPERATING* [Downgraded]</b>
<b>Total</b>	171.60	171.60	<b>INR One hundred and Seventy One crores and Sixty lakhs Only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate, based on the best available information.

\*\*Details of Bank facilities is provided in Annexure-I

**RATING : Downgraded and migrated to the ‘Issuer Not Cooperating’ category.**

#### NATURE OF NON-COOPERATION:

The rating was due for review in July, 2021. BWR took up with the issuer to provide required information over emails and through telephonic communication.

Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. The rating action also considers the non-submission of the monthly “No Default Statement” (NDS) on a regular basis during the last twelve months ended as on 30th November 2021 by the entity. In the absence of adequate information from the issuer, BWR is unable to assess the issuer’s financial performance and its ability to service its debt and maintain a valid rating.

#### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.



**COMPANY PROFILE (Information available as of 16 July 2020)**

Cineline India Limited [Erstwhile Cineline Entertainment (India) Private Limited, incorporated in 2002, is primarily engaged in the business of building, owning and operating multiplexes, theaters and entertainment centers. Over the years, the CIL has moved from the ownership model to lease rentals, with commercial premises located in Boomerang, Mumbai, units in Nagpur’s Eternity Mall apart from the nine theatres leased out to PVR Cinemas. CIL is part of the Kanakia group having presence in real estate, education and hospitality verticals. The Company’s major source of income is the rentals received from the commercial spaces across three verticals viz. entertainment, commercial and retail. Lease received from theaters leased to PVR cinemas forms a substantial part of the total lease received. CIL also owns two windmills at Viswada (Gujarat) and Revangaon (Maharashtra) with power generation capacity of 0.60 MWA and 1.60 MWA respectively. The power generated is sold to the State Government and forms part of the revenue reported by the Company. The Company has a fully owned subsidiary Transquare Realty Private Limited.

**Key Financials Indicators [Standalone] (As per publicly available sources)**

Key Parameters	Units	FY2020	FY2021
Result Type		Audited	Audited
Operating Revenue	Rs. Crs	25.66	17.45
EBITDA	Rs. Crs	16.85	9.48
PAT	Rs. Crs	7.64	7.92
Tangible Net worth	Rs. Crs	121.99	129.93
Total Debt/Tangible Net worth	Times	1.41	1.44
Current Ratio	Times	1.26	2.56

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :** Not Applicable

**ANY OTHER INFORMATION:** Not Applicable

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [INCLUDING WITHDRAWAL AND SUSPENDED]**

Instrument / Facilities	Current Rating			Rating History			
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2020	2019	16 November, 2018	
Fund Based	Long Term	127.60	BWR BB+/ Stable ISSUER NOT COOPERATING* [Downgraded]	16 March 2020		-	BWR BB /Stable ISSUER NOT COOPERATING* [Downgraded]
				FB	BWR BBB+/ Stable (Assigned on Standalone basis)		
				16 July 2020			
				FB	BWR BBB+/ Negative (Reaffirmed with revision in outlook)		
<b>Total</b>		<b>171.60</b>	<b>INR One Hundred and Twenty Seven Crores and Sixty Lakhs Only</b>				

\* Issuer did not cooperate, based on the best available information.

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What constitutes Non-Cooperation](#)
- [Rating Criteria for Services Sector](#)

Analytical Contacts	
<b>Shashikala Hegde</b> <b>Senior Rating Analyst</b> <b>Board: +91 22 2831 1426, +9122 2831 1439 Ext: 652</b> <a href="mailto:shashikala.h@brickworkratings.com">shashikala.h@brickworkratings.com</a>	<b>Vidya Shankar</b> <b>Principal Director – Ratings</b> <b>Board: +91 80 40409999</b> <a href="mailto:vidyashankar@brickworkratings.com">vidyashankar@brickworkratings.com</a>
1-860-425-2742	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**ANNEXURE I**  
**Cineline India Limited**  
**Details of Bank Facilities rated by BWR**

Sl. No.	Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
1.	Aditya Birla Finance Limited	Term Loan	171.60	-	171.60
<b>TOTAL</b>					<b>171.60</b>

**Total Rupees One Hundred and Seventy One Crores and Sixty Lakhs only.**

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