



Rating Rationale

Wizcraft International Entertainment Pvt. Ltd.

2 Aug 2018

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹. 59.00 Crores of Wizcraft International Entertainment Pvt. Ltd. (WIEPL)

Particulars

Facility	Amount (₹ Crores)		Tenure	Rating*	
	Previous	Present		Previous (Apr, 2017)	Present
Fund based	59.00	59.00	Long Term	BWR BBB - (Pronounced as BWR Triple B Minus) (Outlook:Stable)	BWR BB + (Pronounced as BWR Double B Plus) (Outlook: Stable)
Non Fund Based	(7.00)	(7.00)	Short Term	BWR A3 (Pronounced as BWR A Three)	BWR A4+ (Pronounced as BWR A Four Plus)
Total	59.00	59.00 (INR Fifty Nine Crores Only)			

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale:

The rating revision has taken into account the losses incurred during FY 17-18, resulting in erosion of net-worth and deterioration of financial parameters.

The rating continues to factor, experienced promoters & management; company's established position in the event management industry; reputed client base and its own brand IP's.

The rating is however constrained by high receivable level and exposure to the group companies by way of guarantees extended.

Description of Key Rating Drivers

Credit Strengths:



Experienced promoters & management, established position in the event management industry:

Wizcraft International Entertainment Pvt. Ltd. (WIEPL) was incorporated in 1997, it is a leading event management, communication and entertainment company headquartered in Mumbai, India. The company is promoted by Mr. Andre Timmins, Mr. Sabbas Joseph and Mr. Viraf Sarkari, who have more than three decades of experience in the industry..

Reputed client base, own brand IPs:

WIEPL's client base includes a mix of Govt. and Corporate houses. Over the years, WIEPL has successfully conceptualized, organized and executed large scale events for Central & State Government departments. A few prestigious events executed by WIEPL for Govt. are Opening and closing ceremonies of 19th Commonwealth Games, New Delhi, 50 years of Indian Independence Celebrations, Opening Ceremony at Hannover Messe, Digital India Campaign, Launch of BHIM app. etc. On Corporate side, the client base of WIEPL includes leading MNCs and corporate houses like Microsoft, IBM, Renault, Tata Motors, Xiaomi, Hindustan Unilever, JSW Steel, CII, Twitter, HAL, Herbalife, Google India, Bosch Ltd., Amazon, Cisco, Fujitsu India etc. The company also owns brands like IIFA (International Indian Film Academy), IIFA Utsavam, and GiMA (Global Indian Music Academy), etc.

Credit Risks:

High receivable level:

The receivable level are high due to seasonality of business with receivable days continues to remain around 120 days.

Exposure to group companies by way of corporate guarantees extended:

The company has extended corporate guarantee(s) of more than Rs. 100 Crores for credit facilities availed by its subsidiary & associate companies.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Wizcraft International Entertainment Pvt. Ltd.** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

WIEPL is one of India's leading event management, communication & entertainment agency. Headquartered in Mumbai it has branch offices in Delhi NCR, Bengaluru, Hyderabad, Chennai, Ahmedabad and Vizag in India with international liaison offices across the world.

Company Financial Performance

As per FY 18 (Unaudited) financials provided by the management, the total operating income of the company has increased to Rs. 370.24 Crores, compared to FY 17 (Aud.) Rs. 347.33 Crores. However, during FY 18 (Unaudited), the company has reported losses of Rs. 67.40 Crores due to writing of old receivables, impairment of investments, inventory amortization and venturing into few new risk projects. This has resulted in erosion of net worth from Rs. 148.21 Crs at the end of Mar'17 to Rs. 81.01 Crs at the end of Mar'18.

Key Financial Indicators:

Key Parameters	Units	FY 16	FY 17
Result Type		Audited	Audited
Operating Revenue	Crs	320.66	347.33
EBITDA	Crs	19.45	22.35
PAT	Crs	6.65	2.24
Tangible Net worth	Crs	145.51	148.21
Total Debt/Tangible Net worth	Times	0.27	0.36
Current Ratio	Times	1.71	1.70

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History			
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	18 Apr 2017	18 Jan 2016	29 Mar 2014	01 Feb 2013
1	Fund Based	Long Term	59.00	BWR BB+ (Stable) <i>Downgraded</i>	BWR BBB- (Stable) <i>Reaffirmed</i>	BWR BBB- (Stable) <i>Reaffirmed</i>	BWR BBB- (Stable) <i>Reaffirmed</i>	BWR BBB- (Stable) <i>Assigned</i>
2	Non Fund Based	Short Term	(7.00)	BWR A4+ (Stable) <i>Downgraded</i>	BWR A3 <i>Reaffirmed</i>	BWR A3 <i>Reaffirmed</i>	BWR A3 <i>Reaffirmed</i>	BWR A3 <i>Assigned</i>
Total		59.00 (₹ Fifty Nine Crores Only)						

Status of non-cooperation with previous CRA -NA



Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

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For print and digital media

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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. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities



DISCLAIMER

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