

February 9, 2011

CARE ASSIGNS 'CARE BBB-' AND 'PR3' RATING TO BANK FACILITIES OF MAHUAA MEDIA PVT LTD.**Ratings**

Facilities/Instruments	Amount (Rs. cr)	Ratings ¹	Remarks
Long-term Bank Facilities	263.18	CARE BBB- [Triple B (Minus)]	Assigned
Short-term Bank Facilities	20.00	PR3 [PR Three]	Assigned
Total Facilities	283.18		

Rating Rationale

The ratings primarily factor in the experienced promoters and management, strong association of the promoters with the media and advertisement industry, established position of Bhojpuri channels, and presence of in-house production and post-production facilities. However, the ratings are constrained by high competition in the Bengali TV channels, relatively high gearing levels, elongated working capital cycle due to long collection period and high dependence on advertising revenue which is exposed to economic/business cycles.

Going forward, the ability of MMPL to retain its leadership position in Bhojpuri channels, scale up the operations and maintain profitability and gearing levels will be the key rating sensitivities.

Background

Mahuaa Media Pvt. Ltd. (MMPL), promoted by Mr. P. K. Tewari was incorporated in December 2005 to carry out the business of broadcasting Bhojpuri and Bengali TV channels. The promoters have long-standing track record in the Media & Entertainment industry. MMPL is part of the Century Communication Ltd. (CCL *Rated CARE BBB/PR3*) group which is associated with Entertainment & Media Industry since more than two decades.

MMPL operates four TV channels in two regional languages viz, Mahuaa TV (General Entertainment Channel in Bhojpuri language), Mahuaa News (Bhojpuri News) both launched in November 2008 and Mahuaa Bangla (GEC) and Mahuaa Khobar (Bengali News) launched in July-August 2010.

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

During FY10, MMPL recorded total operating income of Rs.64.3crore with PAT of Rs.0.5crore. Also MMPL had recorded total operating income of Rs.64 cr and PBT of Rs.7 cr during H1FY11 (provisional).

Analyst Contact

Name: Jyotsna Gadgil

Tel # 011-2371619

Mobile # 9811552926

Email: Jyotsna.gadgil@careratings.com

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.

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 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.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director
Cell : +91-98204 16002
E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director
Cell : +91-98204 16001
E-mail: rajesh.mokashi@careratings.com

Mr. P N Sathees Kumar

Executive Vice President – Marketing
Mobile: +91-9820416004
mail:sathees.kumar@careratings.com

Mr. Ankur Sachdeva

Vice President – Marketing (SME)
Mobile: +91-9819698985
E-mail: ankur.sachdeva@careratings.com

Mr. Vivek Palan

Manager – Banking & Finance
Mobile: +91-98206 06406

E-mail:vivek.palan@careratings.com

4- Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Praladnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91600 74789 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3- Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>