

Sri Adhikari Brothers Television Network Ltd

June 26, 2019

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Bank Facilities-Rupee Term Loan	86.15	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Total	86.15 (Rs. Eighty six crore and fifteen lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated January 03, 2018, placed the rating of Sri Adhikari Brothers Television Network Limited (SABTNL) under the 'Issuer non-cooperating' category as SABTNL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SABTNL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 07, 2019. 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.

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

The ratings take into account the ongoing delay in servicing debt obligations primarily on account of slowdown in business performance and stretched working capital cycle, resulting in deterioration of liquidity position of the company.

Detailed description of the key rating drivers

Key Rating Weakness

Ongoing delay in debt servicing:

As per the audit report for FY18 and Limited Audit Report available with the company's stock exchange disclosure for FY19's abridged results, there are ongoing delays in debt servicing. Further, the audit reports mention that the account has been classified as Non-Performing Asset (NPA) by the banks due to delay in repayment of loans taken from the banks. The same is on account of stretched working capital cycle resulting from high debtor days. The low business performance combined with elongated working capital cycle has led to weak liquidity position.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)
[CARE's Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Rating Methodology - Service Sector Companies](#)
[Financial ratios - Non-Financial sector](#)

Background:

Sri Adhikari Brothers Television Network Limited (SABTNL), incorporated in 1994, was promoted by Mr. Gautam Adhikari and Mr. Markand Adhikari (Sri Adhikari Brothers). The company was listed on bourses in 1995. It is in the business of content production and syndication in India since 1990s. The company launched a Hindi general entertainment channel (GEC) "SAB TV" in 2000 which was subsequently sold to a group company of Sony TV in 2005.

TV Vision Ltd (TVVL; earlier a wholly owned subsidiary of SABTNL) is engaged in the business of broadcasting. The company has channels like Mastiii, Dabangg, Maiboli, Dhamaal and Dillagi. Mastiii is music channel for pan India. Dabangg

¹ Complete 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

and Dhamaal are R-GECs catering to the Hindi speaking belt of Bihar, Uttar Pradesh and Jharkhand and Gujarat respectively. Maiboli is a regional Marathi channel for Maharashtra while Dillagi is a dedicated TV channel for small towns and villages of India.

At present, the group operates in two major segments i.e. (i) content production and distribution/syndication and (ii) broadcasting.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)	FY19#
	Indian GAAP	Ind-AS	Ind-AS
Total operating income	138.07	57.75	15.45
PBILDT	40.96	-4.71	-8.60
PAT	4.24	-44.00	-52.50
Overall gearing (times)	NM	2.90	29.85
Interest coverage (times)	2.62	NM	NM

A: Audited; NM: Not Meaningful

Note: The company has adopted IND-AS in FY18. Hence financials of FY18 and FY19 are not comparable with financials of FY17

#as per the exchange disclosure of the company

Status of non-cooperation with previous CRA: CRISIL has migrated SABTNL's rating to Issuer Not Cooperating category vide PR dated September 21, 2018 on account of inadequate information and lack of management cooperation.

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	-	-	-	86.15	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	86.15	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (03-Jan-18) 2)CARE D (21-Sep-17) 3)CARE BBB-; Stable (20-Apr-17)	1)CARE BBB (22-Apr-16)
2.	Fund-based - ST-Term loan	ST	-	-	-	-	-	1)Withdrawn (22-Apr-16)

*Issuer not cooperating; Based on best available information

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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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

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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.

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