TV Vision Limited
September 21, 2017

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities – Term Loan	24.39	CARE D [Single D]	Revised from CARE BBB- (SO); Stable [Triple B Minus; Outlook: Stable]
Total Facilities	**24.39 (Rs. Twenty four Crore thirty-nine lakh only)**		

Details of instruments/facilities in Annexure-1

Detailed Rating Rationale and Key rating drivers

The rating revision takes into account the ongoing delay in servicing debt obligations of TVL along with deterioration credit profile of the guarantor Sri Adhikari Brothers Television Network Limited (SABTNL; rated CARE D). The delays are primarily on account of slowdown in business performance and stretched receivable days resulting in deterioration of liquidity position of the company. The companies also withheld information regarding delay in servicing of bank facilities and continued to provide No Default Statements confirming timely repayment of dues with the banks.

Detailed description of the key rating drivers

Key Rating Weakness

Ongoing Delay in debt servicing of the guarantor and TVL:

There has been ongoing delay in servicing the principal and interest obligations of TVL and its guarantor, SABTNL. The same is on account of stretched debtors days. The low business performance combined with elongated working capital cycle has led to weak liquidity position. The cash generation from the business has not been up to the level to meet with the repayment of interest and the principal amount of the huge debt taken for the business primarily for content acquisition.

Deterioration in the capital structure of the group:

The Company has term loans outstanding resulting in high debt repayment obligations. The group has substantial debt a repayment starting from FY17. This is because of the skewed debt profile with significant repayment obligations in the initial years compared to the uneven revenue generation. The revenue generated from the content produced/acquired happen over a longer time horizon compared to the repayment tenure of the debt facilities taken by the company.

Key Rating Strengths

Established track record of the promoters:

The promoters, Sri Adhikari Brothers – considered amongst the pioneers in India's television-based entertainment industry, have an experience of more than 30 years in media and entertainment industry (M&E). The promoters of SABTNL were involved in the content production for the channels such as 'Doordarshan', 'ZEE TV' for popular shows in the comedy and thriller genre. The promoters launched a Hindi general entertainment channel (GEC) "SAB TV" in 2000 which was subsequently sold to a group company of "Sony" in 2005. Sri Adhikari Brothers are involved in the strategic and business development for SABTNL and launched five channels over FY10-FY14 through wholly owned subsidiaries and step-down subsidiaries (now Group Company). Besides, the promoters are supported by a management team, possessing an experience of more than a decade in the M&E industry

Analytical approach: Standalone basis

Applicable Criteria:

[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 wos 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 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)	FY16 (A)
Total operating income	175.59	85.99
PBILDT	50.50	22.40
PAT	8.24	4.51
Overall gearing (times)	0.99	0.51
Interest coverage (times)	2.94	5.63

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable
Rating History for last three years: Please refer Annexure-2

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.

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	-	-	FY20	24.39	CARE D

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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	24.39	CARE D	1)CARE BBB- (SO); Stable (20-Apr-17)	1)CARE BBB (SO) (25-Apr-16)	1)CARE BBB (SO) (10-Apr-15)	1)CARE BBB- (SO) (12-May-14)

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