



SMERA RATINGS LIMITED

Marvel Media Private Limited (MMPL)

Rating
RationaleJuly 24, 2015

Facility	Amount(Rs. Crore)	Rating
Term Loan	40.00	SMERA BB-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the Rs.40.00 crore bank facility of Marvel Media Private Limited (MMPL). The outlook is '**Stable**'. The rating is supported by the company's experienced management, moderate financial risk profile marked by high gearing and comfortable interest coverage indicators. The rating is backed by strong support provided by Sri Adhikari Brothers Television Network Limited (SABTNL). However, the rating is constrained by the nascent stage of operations and working capital intensive nature of operations.

Outlook: Stable

SMERA believes Marvel's outlook will remain stable in the near term on the back of experienced management and group company support. The outlook may be revised to 'Negative' in case there is a dip in capacity utilization which would lead to low revenue and profitability. Conversely the outlook may be revised to 'Positive' in case the company generates larger than expected cash flows through optimum utilisation of its inventory thereby maintaining profitability margins.

About the Company

Marvel Media Private Limited (MMPL) is in the business of content syndication wherein it acquires various content rights for a long term period of 8-10 years. Company majorly acquires content rights related to TV programs of various genres such as Thriller, Suspense, Drama, Kids and Mythology etc. All these rights are sold only for a short period and on a non-exclusive basis.

For FY2014-15, MMPL reported net loss of Rs.0.14 crore (provisional) on operating income of Rs.16.52 crore (provisional), as compared with net loss of Rs.0.69 crore on operating income of Rs.12.61 crore in FY2013-14. The company's net worth stood at Rs.16.67crore (provisional) as on March 31, 2015, as compared with Rs.16.81crore a year earlier.

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