

November 09, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	100.00	SMERA BB/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA BB**' (read as **SMERA double B**) to the Rs.100.00 crore bank facility of Krishna Showbiz Services Private Limited (Krishna Showbiz). The outlook is '**Stable**'. The rating is supported by the company's experienced management, attractive content library and healthy net cash accruals expected from its first year of operations. The rating draws comfort from the support of group company - Sri Adhikari Brothers Television Network Limited (SABTNL) to Krishna Showbiz. The rating also takes into account increase in the television viewing population in the target areas (towns with population below than 1 lakh). However, the rating is constrained by the company's nascent stage of operations and competition from other established regional channels.

Outlook: Stable

SMERA believes Krishna Showbiz will benefit from the extensive experience of the management and support from the group company. The outlook may be revised to 'Positive' if the company generates larger-than-expected cash flows through advertisement income maintaining profitability margins. Conversely, the outlook may be revised to 'Negative' in case of a fall in advertisement income resulting in lower-than-expected net cash accruals.

Rating Sensitivity Factors

- Subdued advertisement income
- Positive profit margins

About the Company

Krishna Showbiz was promoted by Mr. Gautam Adhikari and Mr. Markand Adhikari, promoters of the popular SAB TN (Sri Adhikari Brothers Television Network) in 2013 to tap the increasing demand for regional content through the channel 'Dillagiii'. The channel began commercial broadcasting from July 2015.

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