

SAB Media Networks Private Limited: Assigned

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

SMERA has assigned rating of '**SMERA BB-**' (**read as SMERA double B minus**) to the above mentioned bank facility of SAB Media Networks Private Limited (SAB Media). The outlook is '**Stable**'.

The rating is supported by the company's experienced management, moderate content library and comfort from the support of group company - Sri Adhikari Brothers Television Network Limited (SABTNL). The rating also takes into account the increase in the television viewing population pan India. However, the rating is constrained by the project risk and competition from other established television channels.

The promotor, Mr. Gautam Adhikari and Mr. Markand Adhikari have more than three decades of experience in the media and entertainment Industry. SAB Media is a group company of SABTNL and has complete, financial and managerial support from SABTNL. SAB Media plans to launch a new channel, 'Dhamaal plus' for which it has a moderate content library of new and old content worth Rs. 96.57 crore.

The rating factors in project risk since the channel is expected to start commercial operations only from October 2016. The uncertainty regarding revenue booking in the form of advertisement income remains in addition to the intense competition 'Dhamaal plus' would face from other established players.

Rating Sensitivity Factors

- Subdued advertisement income
- Positive profit margins

Outlook-Stable

SMERA believes that SAB Media will maintain a stable outlook and 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 fall in advertisement income resulting in lower-than-expected net cash accruals.

About the Company

SAB Media was incorporated in 2014 to launch channel 'Dhamaal Plus' under SABTNL. SMNPL is promoted by Mr. Gautam Adhikari and Mr. Markand Adhikari, promoters of SABTNL. The channel will start commercial operations from October 2016.

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ABOUT SMERA

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