

## Press Release

**SAB Media Networks Private Limited**

07 November, 2017



### Rating Downgraded

<b>Total Bank Facilities Rated*</b>	Rs. 100.00 Cr
<b>Long Term Rating</b>	SMERA D (Downgraded from SMERA BB-/Stable)

\*Refer Annexure for details

### Rating Rationale

SMERA has downgraded the long term rating on the Rs. 100.00 bank facilities of SAB Media Networks Private Limited (SAB Media) to '**SMERA D' (read as SMERA D)**' from 'SMERA BB-/Stable' (read as SMERA double B minus with stable outlook). The downgrade reflects ongoing delays in the debt servicing of the company for more than 60 days. The same has been classified as SMA 2 account.

The Mumbai-based SAB Media was incorporated in 2014 for broadcasting the channel 'Dhamaal Plus' under the group Sri Adhikari Brothers Television Network (SAB TN). SMNPL was promoted by Mr. Gautam Adhikari and Mr. Markand Adhikari, promoters of SAB TN. The channel telecasts programmes in Hindi (old and new content).

### List of key rating drivers and their detailed description

#### Strengths:

##### Experienced management

The promoters, Mr. Gautam Adhikari and Mr. Markand Adhikari have more than three decades of experience in the media and entertainment industry. Mr. Gautam Adhikari heads operations whereas Mr. Markand Adhikari heads the finance, strategic planning and business development in the company.

#### Weaknesses

##### Ongoing delays in payment of interest and principal

There have been delays of more than 60 days with regard to payment of interest for July, August and September. The principal for September 2017 has not been serviced to date. The account has been classified as SMA 2 as on 13 October, 2017. The delays are mainly on account of lower than expected revenue leading to insufficient cash flows to meet debt obligations.

##### Competition from other established regional channels

The channel faces intense competition from established channels in the industry.

**Analytical approach:** SMERA has changed the rating approach from parent notch-up to standalone rating as the parent company "Sri Adhikari Brothers Television Network Limited" as per the rating rationale date 21st September, 2017 of CARE Ratings Limited has defaulted on its debt obligations.

**Applicable Criteria**

- Service Entities - <https://www.smera.in/criteria-service.htm>
- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Application of Financial Ratios and Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

**About the Rated Entity –Key Financials**

None

**Status of non-cooperation with previous CRA (if applicable):** Not Applicable

**Any other information:** Not Applicable

**Rating History for the last three years:**

Date	Name of Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
17-Aug, 2016	Term Loan	Long Term	100.00	SMERA BB-/Stable ( Assigned)

**\*Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	N.A	N.A	March, 2023	100.00	SMERA D ( Downgraded from SMERA BB-/Stable)

**Note on complexity levels of the rated instrument:**

<https://www.smera.in/criteria-complexity-levels.htm>

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## ABOUT SMERA

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