

Press Release

Mission Media Private Limited

April 26, 2019



Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 6.10 Cr.
Long Term Rating	ACUITE D (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed long-term rating of '**ACUITE D**' (**read as ACUITE D**) to the Rs. 6.10 crore bank facilities of Mission Media Private Limited (MMPL).

Mission Media Private Limited (MMPL) incorporated in 2005 is engaged in the business of printing, publishing and film making (advertisements). The company publishes a local newspaper 'Chhattisgarh' and also textbooks for Maharashtra Textbook Corporation, Chhattisgarh Textbook Corporation and Orissa Textbook Corporations. Additionally, it also makes ad films for the Chhattisgarh government.

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of MMPL to arrive at the rating.

Key Rating Drivers

Strengths

- **Experienced management and long track record of operations**

The management of MMPL has experience of about a decade in the given line of business. Mr. Sunil Kumar, Director, possesses experience of around 40 years in the media.

Weaknesses

- **Delay in debt servicing**

The company delays in paying its interest obligation by ~ 60 days. Currently Rs 4.33 crore is outstanding. Further, bank limit are fully utilized and there are instances of overdrawals in cash credit account. Currently the account is being rated as SMA 2 by Corporation bank. The irregularity is on account of delayed payment from customers.

- **Weak financial risk profile**

The weak financial risk profile is marked by negative net worth of Rs. 0.77 crore, negative gearing of 13.18 times and low interest coverage and DSCR at 1.45 times and 0.61 times respectively as on 31 March, 2018.

- **Insufficient net accruals to repay long term debt obligation**

The net cash accruals stood at Rs. 0.42 crore in FY2018, which is insufficient to meet its annual debt obligation of Rs.1.33 crore.

Liquidity Profile:

Liquidity profile of MMPL is weak marked by net cash accruals of Rs.0.42 crore during FY18 against annual debt obligations of Rs.1.33 crore over the same period. The operations are moderately working capital intensive as marked by gross current asset (GCA) days of 158 in FY 2018 driven by increase in debtor of 145 days in FY 2018 from 106 days in FY2017. The current ratio of the firm stood low at 0.68 times as on March 31, 2018. Acuité believes that the liquidity of the group is likely to remain weak over the medium term.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	8.24	9.60	10.02
EBITDA	Rs. Cr.	1.21	1.31	1.42
PAT	Rs. Cr.	0.06	0.04	0.00
EBITDA Margin (%)		14.69	13.61	14.16
PAT Margin (%)		0.76	0.44	0.03
ROCE (%)		11.84	11.41	10.62
Total Debt/Tangible Net Worth	Times	-13.18	-12.71	-12.89
PBDIT/Interest	Times	1.45	1.46	1.43
Total Debt/PBDIT	Times	6.75	6.64	6.73
Gross Current Assets (Days)	Days	158	119	113

Status of non-cooperation with previous CRA:

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
09-Mar-2018	Term Loan	Long Term	5.62	ACUITE D (Affirmed)
	Cash Credit	Long Term	0.31	ACUITE D (Affirmed)
	Proposed Bank Facility	Long Term	0.17	ACUITE D (Affirmed)
15-Mar-2017	Term Loan	Long Term	5.62	ACUITE D (Assigned)
	Cash Credit	Long Term	0.31	ACUITE D (Assigned)
	Proposed Bank Facility	Long Term	0.17	ACUITE D (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	4.33	ACUITE D (Reaffirmed)

Term loans	Not Applicable	Not Applicable	Not Applicable	1.29	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.31	ACUITE D (Reaffirmed)
Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.17	ACUITE D (Reaffirmed)

Contacts

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About Acuité Ratings & Research:

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