



Rating Rationale

Asianet News Network Pvt Ltd

26th December 2017

Brickwork Ratings has upgraded the ratings for the Bank Loan Facilities of Rs. 32.27 Crs of Asianet News Network Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating #	
	Previous	Present		Previous	Present
Fund Based Cash Credit	15.00	21.00	Long Term	BWR BBB- Outlook: Stable (Pronounced as BWR Triple B Minus)	BWR BBB Outlook: Stable (Pronounced as BWR Triple B) (Upgrade)
Fund Based Term Loan	19.90	11.27*			
Total	34.90	32.27	Rs. 32.27 Crores (Rupees Thirty Two Crores and Twenty Seven Lakhs)		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Outstanding amount of Term Loan as on 7th Nov, 2017

Rating Upgraded:

Brickwork Ratings (BWR) has upgraded rating for Bank Loan Facilities of Rs. 32.27 Crs of **Asianet News Network Pvt Ltd** ('ANNPL' or 'the company').

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the company up to FY17, projected financial up to FY18 and publicly available information and information/clarifications provided by the management.

The rating has factored in inter-alia, the promoters experience and established track record of the company, continuous support from the holding company and healthy net worth. However, the ratings are constrained by regional dependence for generating revenue, stagnant growth in overall operations and intense competition.

Going forward, the ability of the company to improve its sales, profit margins and continuous support from the holding company would be key rating sensitivities.

Key Rating Drivers:

Reputed and experienced promoters with established track record: ANNPL has been in the business of electronic News media since 2008. Over the period, the company has well established its business in Southern part of India. The company is well supported by its experienced management and promoters.



Strong Net worth: High net worth along with continued backing of holding company (Jupiter Capital Pvt Ltd) will ensure stability at the company. TNW as on 31st March 2017 is Rs. 74.62 Crs.

Established position in the electronic news media segment: Asianet news, which is the company's flagship brand, is an industry leader and likely to gain further strength in the coming year.

ANPL's limited geographical presence in the highly competitive industry: Although the company is concentrated in Southern India, Asianet News (primarily concentrated in Kerala) and Suvarna News (primarily concentrated in Karnataka) are the leading regional news channels.

Analytical Approach:

Rating Criteria links are given in the end.

Rating Outlook: Stable

BWR believes the **Asianet News Network Pvt Ltd's** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Asianet News Network Pvt Ltd incorporated in 2008. The company is subsidiary of Jupiter Capital Pvt Ltd, which is owned and promoted by Mr. Rajeev Chandrashekar. ANNPL Owns and operates two regional news channels, namely – Asianet News and Suvarna News. Asianet News is a leader in the Malayalam news industry that has been in existence around 20years while Suvarna News serves the Kannada audience. The company has a subsidiary – Kannada Prabha Publications, which is a regional news publication.

Financial Performance

As per audited financial statement of FY17, the company has reported net sales/revenue of Rs. 93.50 Crs and PAT of Rs. 2.65 Crs against net sales/revenue of Rs. 95.45 Crs and PAT of Rs.(0.14) Crs in FY16.

Key Financial ratios:

Particular	FY 2015-16	FY2016-17
Net Sales (Rs Cr)	95.45	93.50
EBITDA (Rs Cr)	9.33	9.44
PAT (Rs Cr)	(0.14)	2.65
Tangible Net Worth (Rs Cr)	71.72	74.62
Total Debt/TNW	0.68X	0.54X
Current Ratio	0.82X	1.15X

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Dec 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based Cash Credit	Long Term	21.00	BWR BBB Outlook: Stable (Pronounced as BWR Triple B) (Upgrade)	BWR BBB- Outlook: Stable (Pronounced as BWR Triple B Minus)	-	-
2	Fund Based Term Laon		11.27			-	-
Total			32.27	(INR Thirty Two Crores and Twenty Seven Lakhs Only)			

Status of non-cooperation with previous CRA - Not Applicable

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service Sector](#)
- [Short Term Debt](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.



About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading.

BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.