

## Rating Rationale

### Brickwork Ratings assigns ‘BWR BB-’ for Bank Loan Facilities aggregating ₹ 59.60 Cr of New Era Media Corporation Chennai Private Limited

Brickwork Ratings has assigned the following **Rating<sup>1</sup>** for Bank Credit facilities availed by New Era Media Corporation Chennai Private Limited (*NEMCCPL or the ‘Company’*)

Facility	Existing Limits (₹ Cr)	Tenure	Rating
<b>Term Loan</b> (Fund Based)	<b>39.60</b>	<b>Long Term</b>	<b>BWR BB-</b> (Pronounced as BWR Double B Minus)  <b>Outlook: Stable</b>
<b>Cash credit</b>	<b>20.00</b>		
<b>Total</b>	<b>59.60</b>	<b>INR Fifty Nine Crore and Sixty Lakh Only</b>	

BWR has essentially relied upon the audited financial results of *NEMCCPL* up to FY 15, provisional financials up to September 30, 2015 and projections for up to FY 18, publicly available information and the information/clarifications provided by the Company.

The rating, inter alia, has factored promoters’ vast experience in the industry, strong brand value, moderate scale of operations and good presence in South India supported by increasing viewership. However the rating is constrained by modest debt protection metrics, low net worth, working capital intensive nature of the industry and stiff competition from local channels in South Indian television space while this company is relatively a new entrant.

#### Company Profile:

*NEMCCPL* is a television broadcasting company in south Indian television industry. The company incorporated in 2010 and operates an entertainment channel called “Puthuyugam”.

Puthuyugam is an entertainment channel launched by actor Kamal Hasan and caters to “Tamil Community” of South India. *NEMCCPL* is primarily managed by its senior management which is led by its Managing Director, Mr. P Sathyannarayanan.

#### Financial

Company reported revenue of Rs40.53Cr in FY15 from Rs.11.59Cr in FY14. For 9MFY16, the Company have reported revenue of Rs22.62Cr. FY15 was the first year of full operations.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

## Rating Outlook

The rating outlook is expected to be stable in the near term. Going forward, ability of the Company to increase turnover / market share and margins in the face of intense competition, to register profits and maintain comfortable capital structure will be the key rating sensitivities.

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