

Rating Rationale

Brickwork Ratings assigns a rating of ‘BWR BB’ for Bank Loan Facilities aggregating ₹100.00 Cr of SAB Global Entertainment Media Private Limited

Brickwork Ratings has assigned the following **Rating¹** for Bank Loan facilities aggregating ₹ 100.00 Cr of SAB Global Entertainment Media Private Limited:

Facilities	Type	Tenure	(₹ Cr)	Ratings
Term Loan	Fund Based	Long Term	100.00	BWR BB (Pronounced as BWR Double B) Outlook: Stable
Total			100.00	INR One Hundred Crores Only/-

BWR has essentially relied upon the audited financial up to FY15, Provisional financials of FY 16, projected financial up to FY18 of SAB Global Entertainment Media Private Limited and publicly available information/clarification provided by the company’s’ management.

The rating review factors, experience of the promoter and Strong capacity to infuse the fund by Promoter. However, the rating remains constrained due to Project Execution risk, susceptibility of profitability and competition from established players in the industry.

Background and Operations

SAB Global Entertainment Media Private Limited (SGEMPL) is promoted by Gautam Adhikari and Markand Adhikari having stake of 48.24 % and 51.76 % respectively in the company started in 2013. They are also the promoters of Sri Adhikari Brothers Group which is among the vintage groups in the field of Indian Media. The group has gone through various stages of growth over the last 25 years and is engaged in the fields of production of television content and as well as broadcasting. SGEMPL is engaged in distribution of group’s general entertainment channels (GEC) ‘Dabangg’, ‘Dhamaal’ and ‘Maiboli’ in different countries.

Management Profile

Mr. Gautam Adhikari (Director) is a diploma holder in Commercial Art from Government of Maharashtra, Higher Art Examinations. He has more than 30 years of experience in Media & Entertainment industry. He has directed many TV serials viz. “Commandar”, ”Marshall”, ”Silsila”, “Waqt ki Raftar” etc. His name was listed in the “Limca Books of Records 1999” for directing maximum episodes. He is involved in production of the content of the company. Mr. Markand Adhikari (Director) is intermediate in Arts from University of Mumbai. He has more than 30 years of experience in Media & Entertainment industry. He along with Mr. Gautam Adhikari was responsible for production of various TV serials. He is involved in strategic planning and business development.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Project Details

SAB Group is launching two regional entertainment channels through Sab Global Entertainment Media Private Limited as under:

1. 'Dhamaal Gujarat' (earlier name was 'Mauj Mastiii') Regional GEC channel targeting the state of Gujarat.
2. 'Seven' (earlier name was 'Seven Sisters Rainbow) Regional GEC channel targeting the states of North East India

Total cost of project is Rs. 135.00 Crs from which bank borrowings are Rs. 100.00 Crs and promoter's contribution is Rs. 35.00 Crs. Channels are planned to be commercially launched in Q3 of FY 2016-17 (Tentative Month for starting the commercial operation is Oct-2016). As per provisional financials FY2015-16, company has net worth of Rs. 35.00 Crs.

Rating Outlook:

The outlook is expected to be stable over the coming year. Going forward, the company's ability to generate the revenues and profitability as per projections and execute the project in time would be key rating sensitivities for the company.

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