



## Rating Rationale

Titanium Merchant Private Limited

16<sup>th</sup> Feb 2017

Brickwork Ratings revised the ratings for the Bank Loan Facilities of Titanium Merchant Private Limited. (Enhanced from Rs. 12.50 crores)

### Particulars

Facility Rated	Amount (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous	Present
<b>Fund Based (FB)</b>					
<b>Term Loan - I</b>	<b>12.50</b>	<b>10.72</b>	<b>Long Term</b>	<b>BWR BB</b> (Pronounced BWR Double B) <b>(Outlook -Stable)</b>	<b>BWR BB-</b> (Pronounced BWR Double B Minus) <b>(Outlook -Stable)</b> <b>(Revised)</b>
<b>Term Loan - II</b>	<b>–</b>	<b>24.95</b>			
<b>Total Limits</b>	<b>12.50</b>	<b>35.67</b>	<b>(INR Thirty Five Crores and Sixty Seven Lakhs Only)</b>		

1Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings.

### Rating Downgraded

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The revision in the ratings takes into account the deterioration in financial performance during FY16, reflecting decline in net profit, high leverage ratio, negative cash flows and deterioration in net profit margin.

BWR has relied upon the audited financials up to FY16, projected financials up to FY18, publicly available information and information/clarification provided by the management.

The rating, inter alia, factors reputation of the promoters, their experience in the media and entertainment industry.

Going forward, the ability of the company to increase its scale of operations, improvement in revenue and profitability margins, ability to achieve the projections and improvement in gearing ratio will be the key rating sensitivities.



### Rating Outlook: Stable

BWR believes the **Titanium Merchant Private Limited**. 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

Titanium Merchant Private Limited (TMPL), incorporated in November 2013, is promoted by Mr. Gautam Adhikari, Mr. Makrand Adhikari and Ms. Anjana Adhikari. The promoters are considered amongst the pioneers in India's television- based entertainment industry, having an experience over 30 years in media and entertainment industry. Mr. Makrand and Mr. Gautam Adhikari are also the promoters of Sri Adhikari Brothers Group which is among the oldest group in the field of Indian Media.

The Company is mainly engaged in Content Syndication and Trading Business.

### Company Financial Performance

In FY16, the company has achieved sales of Rs. 23.97 crs against Rs. 12.25 crs in FY15. Net profit has declined from Rs. 0.67 crs in FY15 to Rs. 0.35 crs in FY16. Tangible net worth stood at Rs. 11.02 crs.

### Rating History for the last three years

SI No	Facility	Current Rating (Year 2017)			Rating*		
		Type	Amount (Rs. Crs)	Rating	2016	2015	2014
<b>Fund Based (FB)</b>							
1	Term Loan - I	Long Term	10.72	<b>BWR BB-</b> (Pronounced BWR Double B Minus) <b>(Outlook -Stable)</b> <b>(Revised)</b>	-	<b>BWR BB</b> (Pronounced BWR Double B) <b>(Outlook - Stable)</b>	-
2	Term Loan - II		24.95				
	<b>Total Limits</b>		<b>35.67</b>	<b>INR Thirty Five Crores and Sixty Seven Lakhs Only</b>			



## Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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.

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