



Rating Rationale

Vision Time India Private Limited

24 July 2019

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹28.00 Crores of Vision Time India Private Limited

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Mar 2018)	Present
Fund based	25.00	28.00	Long Term	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook : Stable	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook : Stable Reaffirmed
Total	25.00	28.00	INR Twenty Eight Crores only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY18, provisional financial of FY19 and projection up to FY21, publicly available information and information/clarification provided by the Company.

The rating reaffirmation draw strength from extensive media industry experience of the promoters and management, long track record of operations of the company with established relationship with reputed clientele, adequate gearing and debt coverage indicators and moderate net worth . The ratings are, however, constrained by revenue concentration risk vested with Group-M and Sun TV Network, longer operating cycle of media business and substantial increase in related parties transaction. Going ahead, achieving their projected income, realizing the advances given to related parties and profit through effective working capital management, improvement in collection of longstanding



receivables and exploring new demands with growing digital trend will be the key rating sensitives.

Description of Key Rating Drivers

- **Credit Strengths:**

Promoter experience in media industry - Promoters have more than two decades of experience in media, marketing and advertising industry

Brand image of vision time in tamil small screen - On media services front vision time works with 100+ brands and on content creation front the company has created 7000 hours of content through 30+ TV shows.

Company ability to adapt for digital growth trend - Trend loud, Digital arm of vision time takes care of all digital media business Channel creation and contents on YouTube. Trendmusic, Division of vision time india pvt.ltd.mainly acquires movie music rights and deployment of the same across all digital network

Adequate gearing and debt coverage ratios - The company has adequate gearing of 0.87 times in FY18. Debt protection metrics, indicated by ISCR and DSCR at 3.23 times and 2.65 times in FY18 . Tangible net worth of the company represents Rs.34.56 crs in FY18. It includes paid up capital of Rs.0.40 crs and remaining is reserves & surplus.

Liquidity - Moderate - The current ratio of the company represents 1.31times in FY18 and 1.41 times in FY17. However, considering the long standing debtor it indicates the stretched liquidity position of the company.

- **Credit Risks:**

Revenue concentration risk - Revenue from Group M and Sun Network contributes to ~80% of total revenue

Substantial amount invested in related parties transaction - Advances to related parties represents Rs.12.62 Crs in FY18

Higher receivables - Days receivable of the company has increased to 136 days in FY18 from 113 days in FY17.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).



Rating Outlook: *Stable*

BWR believes the **Vision Time 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

Vision Time India, was established as a proprietorship concern in 1992 with Ms.vaidehi as proprietor. Later it was converted into a company viz., Vision Time India Private Limited, on 24 June, 2002. It has evolved into a multi media company with its arms spreading across different areas of Media, Broadcast, Advertising and Digital business. The company offers services like Media Buying, Media Marketing, Content Creation, Digital Marketing, Event Activation & Management, Branding Solutions and Media Research etc.

Company Financial Performance

The operating revenue of the company is Rs.113.26 crs in FY18 as compared to Rs.123.83 crs in FY17. As per provisional FY19, the revenue of the company is Rs.119.55 crs.

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	₹ Cr	113.26	123.83
EBITDA	₹ Cr	7.19	9.29
PAT	₹ Cr	3.38	5.77
Tangible Net worth	₹ Cr	34.56	31.17
Total Debt/Tangible Net worth	Times	0.87	0.61
Current Ratio	Times	1.31	1.45

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2019)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	March 2018	2017	2016
1	Cash Credit	Long Term	28.00	BWR BBB- (Pronounced as BWR Triple B minus) (Outlook : Stable) Reaffirmed	BWR BBB- (Pronounced as BWR Triple B minus) (Outlook : Stable)	-	-
Total			28.00	₹ Twenty Eight Crores Only			

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from website

Analytical Contacts	Investor Contacts
<p>R Varadarajan Associate Director - Ratings B :+91 044 24663326 varadarajan.r@brickworkratings.com</p> <p>Vijayalakshmi R Ratings Analyst B :+91 044 24663326 vijayalakshmi.r@brickworkratings.com</p>	<p>Satish Nair Director - Global Market Development & Investor Relations M : +91 7738875550 B : +91 80 6745 6666 satish.n@brickworkratings.com</p>
1-860-425-2742	



For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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.