



## Press Release

# CRISIL assigns A-/Stable Credit Rating to Shemaroo Entertainment Limited

**Mumbai, 08 January'15: Shemaroo Entertainment Limited (Shemaroo)**, one of the largest independent content aggregators in Bollywood, today announced that CRISIL has assigned its '**CRISIL A-/ Stable**' rating to the long term bank facilities of Shemaroo. Post this, the existing credit rating enjoyed by the Company on its long term banking facilities stands upgraded by 3 notches.

### Rating Rationale by CRISIL:

The rating reflects the benefits that Shemaroo derives from its established market position as a distributor of film content in the re-issue cycle, supported by a large library of content rights and its strong financial risk profile. The rating also reflects CRISIL's belief that the company's capital structure will remain below 0.5 times over the medium term. These rating strengths are partially offset by the company's long working capital cycle marked by long inventory holding period leading to price volatility risks along with high debtor days and its exposure to intense competition in the new media segment.

CRISIL believes that Shemaroo will maintain its credit risk profile supported by its strong market position and financial risk profile. The outlook may be revised to 'Positive' if the company's enhances its business risk profile, backed by sustainable improvement in its sales to inventory ratio and its receivables management, while maintaining its healthy profitability levels and strong financial risk profile. Conversely, the outlook may be revised to 'Negative' if the company's cash accruals declines significantly or of its working capital cycle lengthens, leading to deterioration in the company's financial risk profile.

### About CRISIL Ratings

CRISIL Ratings is India's leading rating agency. It pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, CRISIL Ratings has a leadership position. It has rated over 75,000 entities, by far the largest number in India. CRISIL is a full-service rating agency and rates the entire range of debt instruments: bank loans, certificates of deposit, commercial paper, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds, and partial

guarantees. CRISIL sets the standards in every aspect of the credit rating business. It has instituted several innovations in India including rating municipal bonds, partially guaranteed instruments and microfinance institutions. CRISIL Ratings also pioneered a globally unique and affordable rating service for Small and Medium Enterprises (SMEs). This has significantly expanded the market for ratings and is improving SMEs' access to affordable finance. It has an active outreach programme with issuers, investors and regulators to maintain a high level of transparency regarding its rating criteria and to disseminate its analytical insights and knowledge.

### **About Shemaroo**

Celebrating the golden jubilee, Shemaroo Entertainment Ltd (BSE Scrip Code: 538685; NSE Scrip Code: SHEMAROO) is among few entertainment companies that has hallmarked several pioneering efforts with its innovative and out-of-the-box thinking. Founded in 1962, Shemaroo Entertainment Ltd is an established Filmed Entertainment “Content House” in the country, active in **Content Ownership, Creation, Aggregation** and **Distribution** with a large content library of over 2800 titles.

Shemaroo is engaged in the ***distribution of content*** for ***satellite channels, physical formats and emerging digital technologies like the Mobile, Internet, Broadband, IPTV and DTH*** among others. With its partnership with the major telecom operators and other digital media platforms, Shemaroo is at the forefront of the digital age. The company has also tied up with many content providers across the country. The “Shemaroo” brand today is synonymous with quality entertainment in the Indian entertainment eco system. For further Information, please visit **[www.shemarooent.com](http://www.shemarooent.com)**

### **For further enquiries please contact:**

Ms. Ekta Kumari

Email: [ekta@shemaroo.com](mailto:ekta@shemaroo.com)

Phone: +91 22 4031 9911