

# Hindustan Media Ventures Limited

Head Office :  
C-164, Sector-63, Noida  
Dist. Gautam Budh Nagar UP - 201301  
Ph. : 0120 - 4765650  
E-mail : corporatedept@hindustantimes.com  
CIN : L21090BR1918PLC000013

25<sup>th</sup> January, 2019

Ref: HMVL/CS/08/2019

The Listing Department  
BSE Limited  
P.J. Tower, Dalal Street  
MUMBAI – 400 001

The National Stock Exchange of India  
Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
MUMBAI – 400 051

Scrip Code: 533217  
Trading Symbol: HMVL

Dear Sirs,

Re: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the credit rating agency 'ICRA Limited' (ICRA) has:

- Reaffirmed the Long-term rating of the Company at (ICRA)AA+ and Short-term rating of the Company at (ICRA)A1+; and
- Revised its Outlook on Long-term rating of the Company to 'Negative' from 'Stable'.


The details of above revision and reaffirmation by ICRA are as under:

Instrument	Type	Rating/outlook
Rs.25 Crore Long term Borrowing Programme <sup>#</sup>	Long Term	[ICRA]AA+/Negative <i>(Outlook revised from 'Stable' to 'Negative' and rating re-affirmed)</i>
Rs.400 Crore Commercial Paper*	Short Term	[ICRA]A1+ <i>(Rating re-affirmed)</i>

\* Not yet availed by the Company

\*Rs.340 Crore is unallocated

## Rationale by ICRA

"The revision in outlook is driven by weaker than expected operating performance of HMVL in 9M FY2019, which is likely to take longer than expected to recover. While the revenue from operations for the company declined by 4%, the operating profits shrunk by 74% in 9M FY2019 over the corresponding previous. ICRA had expected the growth momentum in operating profits to resume in H2 FY2019 backed by cover price hikes (undertaken in Q1 FY2019) and revival of advertisement revenues during the festive season. However, the operating margins declined to 6.3% during 9M FY2019 from 22.8% in 9M FY2018, due to increase in raw material costs (15%  


Registered Office :

Budh Marg, Patna - 800001

Ph.: 0612-2223434, 2223772, 2223413, 2223314, 2222538

Fax : 0612-2226120

कादम्बिनी

हिन्दुस्तान

न दन

YoY increase) besides the decline in revenues. Also, the English print business, under the parent company, HT Media Limited (HTML), reported significant weakening in operating performance with double digit decline in advertisement revenues and escalation of up to 25% in raw material prices in 9M FY2019 on a YoY basis. With the Hindi print business (under HMVL) being the primary driver of the Group's cash accruals and the English print and digital businesses being marginal performers or loss-making, the Group's dependence on HMVL is likely to be high over the near-to-medium-term. While the company expects operating performance to improve on account of the moderation in newsprint prices from Q4 FY2019 and revenue boost from the Directorate of Advertising and Visual Publicity (or DAVP, which advises Government advertisement rates) price revision and upcoming general elections, ICRA believes that HMVL's credit profile may weaken if recovery in its own operating performance and that of its parent company takes longer than expected.

Despite the weak operating performance in the current fiscal, ICRA continues to favourably factor in the healthy operational and business synergies of HMVL with HTML and the strong brand recognition, as well as the leadership position of its key publication, Hindustan, in key Hindi-speaking markets. The ratings also take cognisance of the company's strong credit metrics, as evidenced by sizable equity base, significant unencumbered cash balances, marginal debt on the books, healthy cash flows from operations (barring current fiscal) and debt coverage indicators.

Although long-term industry growth drivers remain favourable, the ratings continue to be constrained by HMVL's single publication-driven revenue model and limited geographical diversity. ICRA notes that the competition in the Hindi print media sector has been growing, with most of the large print media players entering markets that have traditionally been the stronghold for Hindustan. This has impacted the growth in circulation revenues and has necessitated continuous investments in the core markets (on increasing copies in circulation, branding and promotion) to maintain market share. Further, ICRA notes the susceptibility of the company's margins to volatility in newsprint prices (as is being witnessed currently) and vulnerability of its revenue growth to economic cycles and/or specific events, on account of an advertising revenue-driven business model, inherent to the nature of the print media industry.

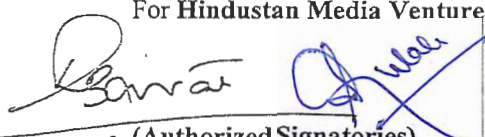
Going forward, the company's ability to resume its high revenue and profit growth trajectory, maintain its leadership position in key markets (amid rising competition from other major print players) as well as its credit profile regardless of any chance funding of organic or inorganic growth initiatives, continue to remain the key rating sensitivities."

This is for your information, please.

Thanking you,

Yours faithfully,

For Hindustan Media Ventures Limited

  
(Authorized Signatories)

