



Press Release

Sapphire Media Limited

May 27, 2025

Ratings

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|----------------------------|--------------------|--|---|-------------------|--------------------------------------|
| Long Term Bank Facilities | 84.99 | IVR BBB-/Stable [IVR Triple B Minus with Stable Outlook] | IVR BBB-/Stable [IVR Triple B Minus with Stable Outlook] | Rating reaffirmed | Simple |
| Short Term Bank Facilities | 32.00 | IVR A3 [IVR A Three] | IVR A3 [IVR A Three] | Rating reaffirmed | Simple |
| Total | 116.99 | [Rupees One hundred sixteen crore and ninety-nine lakhs only] | | | |

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB- with stable outlook and IVR A3 for the short-term bank facilities of Sapphire Media Limited.

While reaffirming the ratings, Infomerics Ratings has taken a note of the acquisition of Reliance Big FM 92.7 by Sapphire Media Limited (SML) by the insolvency process, wherein, the total cost of acquisition is Rs. 261.00 Cr. which was funded by a mix of term debt and equity. It has received all the statutory approvals to take over the board and the management control of Big FM 92.7 from Ministry of Information and Broadcasting, the aforesaid acquisition is expected to result in enhancing synergies in advertising and media industry. The rating continues to draw comfort from experienced management and long track record of operations coupled with increasing scale of operations with improvement in profitability. The rating also factors in the diversified customer profile and geographical presence. However, these rating strengths are partially offset by working capital intensive nature of operations and moderate financial risk profile. The rating also factors in the competition from major players in the industry and technological obsolescence risk.

The 'Stable' outlook reflects expected increase in scale of operations along with profitability. Infomerics believes the company will continue to benefit from its operational track record in the business resulting in increased scale of operations post acquisition.

Infomerics Ratings has principally relied on the standalone provisional financial results of Sapphire Media Limited up to 31 March 2025 (refers to period April 1st, 2024, to March 31st,



Press Release

2025) and projected financials for FY2026 (refers to period April 1st, 2025, to 2 March 31st, 2026) - FY2027 (refers to period April 1st, 2026, to March 31st, 2027), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained improvement in revenue & profitability leading to overall improvement in liquidity and debt protection metrics.
- Improvement in capital structure on a sustained basis, wherein, the specific credit metric will be Total Debt to NCA remaining below 2x on a sustained basis.

Downward Factors

- Any further decline in revenue and/or profitability impacting the capital structure or the debt protection metrics or liquidity.
- Any major debt funded capex impacting the financial profile of the company, leading to the reduced GCA, thereby impacting the liquidity of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced management and long track record of operations.**

Established in 2009, Sapphire Media Limited (SML) is engaged in providing advertising and media related services. The company has an experienced management team having decades of expertise in this industry. The company is promoted by Mr. Sahil Mangla, who exhibits forte print media and digital fabrications.

- **Diversified customer profile and geographic presence.**

The company has its presence across pan India with projects across regions mitigating the geographic concentration risk since they have a qualified sales team, who caters to the needs of their customers in a very efficient manner. The top 5 customers account for around 25.64% of the sales in FY2024, thus catering to an array of a diversified customer base in the industry.

- **Increasing scale of operations with improvement in profitability.**



Press Release

The total operating income (TOI) of the company grew at a CAGR of 45.62% during the past three years ended as on March 31, 2025, as per the provisional financials. Further, the TOI of the company has improved significantly by 26.57% and stood at Rs. 430.87 crore as per FY25(P) financials, compared to Rs. 340.40 crore as per FY24(A) financials on account of higher execution of the orders during the year. The EBITDA of the company stood at Rs. 71.44 crore in FY25(P) increased significantly from Rs. 48.96 crore in FY24. The PAT of the company stood at Rs. 39.44 crore in FY25, improved from Rs. 28.17 crore in FY24. The EBITDA margin of the company improved significantly by 220 bps and stood healthy at 16.58% in FY25(P) compared to 14.38% in FY24 on account of significant ramp up in revenue along with decline in salaries and wages cost. Subsequently, the PAT margin of the company also improved by 85 bps and stood at 9.10% in FY25(P) compared to 8.25% in FY24. The GCA stood at Rs. 50.91 crore in FY25(P) compared to Rs. 33.30 crore in FY24 on account of the increase in net profitability.

- **Comfortable capital structure.**

The capital structure of the company stood comfortable marked by overall gearing at 1.07x as on March 31, 2025(P) improved from 1.48x as on March 31, 2024, on account of increase in tangible net worth of the company. The indebtedness of the company also improved marked by TOL/ATNW at 1.55x as on March 31, 2025(P), improved from 2.22x as on March 31, 2024, on account of increase in tangible net worth of the company.



Press Release

- **Expected synergies post acquisition.**

SML's acquisition of Reliance Big 92.7 FM is driven by strategic objectives to expand its presence in India's media domain and enhance its services offered to the advertising customers. Reliance Big FM 92.7 currently has 58 radio stations, and the services offered are pervasive in nature as it is spread across India, this network of multiple radio stations would provide SML an opportunity to mark a footprint in the advertising industry as the customers would be benefitted by this enhanced advertising and marketing strategy. The acquisition is likely to be beneficial for the company as it will expand the presence of SML. This move will provide an opportunity to strengthen the customer base.

Key Rating Weaknesses

- **Working capital intensive nature of operations.**

SML has relatively large working capital requirements, as reflected in the collection period of 153 days as on 31st March 2025(P) as against the average creditor days of 35 days for FY2025(P), implying working capital intensive operations where much of the company's cash is locked up with the customers. Its intensive working capital management is reflected in its gross asset days of 247 days as on 31st March 2025(P).

- **Competition from major players in the industry and technology obsolescence risk.**

Company faces stiff competition from large industry impacting its pricing flexibility; in addition to the ability of the company to acquire new customers also. Company's increasing scale of operations restricted its operational and financial flexibility to an extent. Any adverse technological changes would have an adverse impact on the revenues of company.

- **Moderate debt protection metrics.**

The debt protection metrics though stood comfortable, but moderated, marked by ICSR of 6.38x in FY25(P) and stood at 7.26x in FY24. The same moderated on account of increase in interest expenses of the company. Further, the DSCR stood at 4.07x in FY25(P) moderated from 4.20x in FY24. The total debt to NCA stood at 2.95x in FY25(P) compared to 3.32x in FY24 on account of increase in GCA.

Analytical Approach: Standalone



Press Release

Applicable Criteria:

[Rating Methodology for Service Sector Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Instrument/Facility wise Default Recognition & Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The company's liquidity is comfortable marked by 80.73% average utilisation of fund-based limits during the past 12 months ended March 2025. The unencumbered cash and bank balance stood at Rs. 1.13 crore as on March 31, 2025. Further, the company expects sufficient cushion in cash accruals against its debt repayments. The company is expecting GCA in the range of Rs. 51.34 Cr. - Rs. 58.56 Cr. during FY26-27 against debt repayment of Rs.2.00 Cr. in FY26-27. The company has a Current Ratio of 1.58x as on March 31, 2025(P), compared to 1.39x as on March 31, 2024. The Working Capital Cycle of the company stood elongated at 136 days in FY25(P) days which was 81 days in FY24.

About the Company

Sapphire Media Limited is in advertisement and media Industry. The company was initially working and operating as sole proprietary firm of Mr. Sahil Mangla, which was later converted as a public limited company. Mr. Sahil Mangla is in advertisement and media business since 2009 and has 15 years of experience in the business. The company ventured into outdoors, fabrication, LEDs and has been capturing Delhi and Haryana BQS (bus queue shelters), roots emerged from Kaithal city in Haryana, catering to retail signages and in-shop branding, Out of Home (OOH) advertising with a team of about 300 people. They are the L1 vendor of Indian Oil Corporation Limited.



Press Release

Financials (Standalone):

(Rs. crore)

| For the year ended/ As on* | 31-03-2024 | 31-03-2025 |
|----------------------------|----------------|--------------------|
| | Audited | Provisional |
| Total Operating Income | 340.40 | 430.87 |
| EBITDA | 48.96 | 71.44 |
| PAT | 28.17 | 39.44 |
| Total Debt | 110.59 | 149.99 |
| Tangible Net Worth | 74.81 | 139.72 |
| EBITDA Margin (%) | 14.38 | 16.58 |
| PAT Margin (%) | 8.25 | 9.10 |
| Overall Gearing Ratio (x) | 1.48 | 1.07 |
| Interest Coverage (x) | 7.26 | 6.38 |

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating History for last three years:

| Rating History for last three years: | | | | | | | | |
|--------------------------------------|-----------------------------|----------------------------------|--------------------------------|-----------------|--|--|--|--|
| Sr . No. | Name of Security/Facilities | Current Ratings (Year 2025-2026) | | | | Rating History for the past 3 years | | |
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating (s) assigned in 2025-26 | Date(s) & Rating (s) assigned in 2024-25 | Date(s) & Rating (s) assigned in 2023-24 | Date(s) & Rating (s) assigned in 2022-23 |
| | | | | May 26, 2025 | April 25, 2025 | - | Feb 05, 2024 | - |
| 1. | Fund Based Limits | Long Term | 84.99 | IVR BBB-/Stable | IVR BBB-/Stable | - | IVR BBB-/Stable | - |
| 2. | Non-Fund Based Limits | Short Term | 32.00 | IVR A3 | IVR A3 | - | IVR A3 | - |



Press Release

Analytical Contacts:

Name: Vipin Jindal

Tel: (011) 45579024

Email: vipin.jindal@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



Press Release

Annexure 1: Instrument/Facility Details

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|--|------|---------------------|---------------------|------------------|------------------------------------|--------------------------------|
| Long Term Facility – Term Loan | - | - | - | Oct 2037 | 17.49 | IVR BBB-/Stable |
| Long Term Facility – Cash Credit | - | - | - | - | 67.50 | IVR BBB-/Stable |
| Short Term Facility – Bank Guarantee | - | - | - | - | 22.00 | IVR A3 |
| Short Term Facility – Lette of Credit | - | - | - | - | 10.00 | IVR A3 |

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-sapphire-may25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.