

Reliance Broadcast Network Limited

July 18, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	83.69	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	83.69 (₹ Eighty-Three Crore and Sixty-Nine Lakhs Only)		
Non Convertible Debentures	50.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Non Convertible Debentures	66.80	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Non Convertible Debentures	50.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Non Convertible Debentures	65.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Long Term Instruments	231.80 (₹ Two Hundred Thirty-One Crore and Eighty Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Reliance Broadcast Network Limited (RBNL) to monitor the rating(s) vide e-mail communication dated May 24, 2022, May 30, 2022, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, RBNL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on RBNL's bank facilities / Instruments will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings of Bank facilities/Instruments factors in the ongoing delays in debt servicing reported to CARE through 'No Default Statement' dated July 01, 2022, received on July 12, 2022, and non-payments of the principal of the NCDs (ISINs: INE445K07163, INE445K07106, INE445K07155, INE445K07049 and INE445K07189) maturing on, October 8, 2020, July 20, 2020, October 8, 2019, May 13, 2020, and October 10, 2019.

Reliance Broadcast Network Limited (RBNL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s rating on RBNL's bank facilities/ instruments will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on August 31, 2021, the following were the rating strengths and weaknesses (updated for the information available from ROC):

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Key Rating Weaknesses

Ongoing delays/default in debt servicing:

There are ongoing delay in debt servicing since September 2019.

Weak financial performance coupled with weak capital structure:

Total Operating Income of the company declined by around 45% to Rs.125 crore in FY21 (vs. Rs.231 crore in FY20). The company continued to incur losses in FY21,, primarily due to high finance costs which has resulted in negative net worth as on March 31, 2021. The operations were also impacted by the outbreak of covid-19. Continuous losses over the past few years have eroded the net-worth of the company. Despite the equity infusion of Rs.600 crore in FY20, the net-worth stood at negative value of Rs.684 crore as on March 31, 2021, and negative value of Rs.582 crore as on March 31, 2020. Accordingly, the overall gearing and total debt to GCA ratios are not meaningful.

Termination of proposed acquisition of RBNL by Music Broadcast Ltd (MBL):

RBNL had entered into Share Subscription Agreement, Share Purchase Agreement and Shareholding Agreements, dated June 12, 2019, with Reliance Entertainment Networks Private Limited (formerly known as Reliance Land Private Limited), Reliance Capital Limited and Music Broadcast Limited (MBL). Pursuant to these agreements MBL would acquire 24% equity share capital in RBNL by way of a preferential allotment and thereafter subject to the receipt of all regulatory approvals value of Rs.1,050 crores. During FY21, MBL terminated Rs.1,050 crore acquisition deal with RBNL, since the parties did not receive approval from the Ministry of Information and Broadcasting (MIB) and long stop date under the definitive agreements has expired

Operates in competitive and regulated industry segment:

The competition is ever increasing with availability of different broadcasting channels and large number of players entering the broadcasting industry. Moreover, technological changes have laid new distribution platforms inviting competition from newer players. To maintain its competitive edge in such a scenario, the company will need to anticipate preferences to create, acquire, commission, and produce compelling content across platforms favoured by the consumers.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE Ratings Ltd.'s Policy on Default Recognition](#)

[CARE's Policy on Curing period](#)

[Rating Methodology - Service Sector Companies](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the Company

Reliance Broadcast Network Limited (RBNL), a public limited company (unlisted), incorporated on December 27, 2005, is a part of the Anil Ambani-led Reliance Group. The company is in the business of radio broadcasting (BIG FM). RBNL operates FM radio broadcasting stations in 58 Indian cities under the brand name 'BIG FM'.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	Q1FY23
Total operating income	231.18	125.52	NA
PBILDT	55.57	-10.43	NA
PAT	-86.10	-127.05	NA
Overall gearing (times)	-1.19	-1.00	NA
Interest coverage (times)	0.45	-0.12	NA

A: Audited, NA: Not Available

Status of non-cooperation with previous CRA: Brickwork has migrated the ratings to issuer not co-operating category..

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	40.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee	-	-	-	-	10.36	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	February 15, 2016	10.55%	Feb 16, 2020	33.33	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07049	May 13, 2015	9.50%	May 13, 2020	50.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07106	July 20, 2015	9.50%	July 20, 2020	66.80	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07189	September 14, 2016	10.25%	Sep 13, 2019	50.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07155	October 08, 2015	11.60%	Oct 8, 2020	65.00	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	40.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (31-Aug-21)	1)CARE D (09-Dec-20) 2)CARE D (12-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (12-Mar-20) 2)CARE C; Stable (11-Oct-19) 3)CARE C; Stable (17-Sep-19) 4)CARE BB; Stable (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB (SO) (CWD) (27-May-19) 7)CARE A (SO)

								(CWD) (25-Apr-19)
2	Non-fund-based - LT-Bank Guarantee	LT	10.36	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (31-Aug- 21)	1)CARE D (09-Dec-20) 2)CARE D (12-Jun-20)	1)CARE D; ISSUER NOT COOPERATING * (12-Mar-20) 2)CARE C; Stable (11-Oct-19) 3)CARE C; Stable (17-Sep-19) 4)CARE BB; Stable (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB (SO) (CWD) (27-May-19) 7)CARE A (SO) (CWD) (25-Apr-19)
3	Fund-based - LT- Term Loan	LT	-	-	-	-	-	1)Withdrawn (12-Jul-19) 2)CARE BBB (SO) (CWD) (27-May-19) 3)CARE A (SO) (CWD) (25-Apr-19)
4	Fund-based - LT- Term Loan	LT	33.33	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (31-Aug- 21)	1)CARE D (09-Dec-20) 2)CARE D (12-Jun-20)	1)CARE D; ISSUER NOT COOPERATING * (12-Mar-20) 2)CARE C; Stable (11-Oct-19) 3)CARE C; Stable (17-Sep-19) 4)CARE BB; Stable (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB

								(SO) (CWD) (27-May-19)
								7)CARE A (SO) (CWD) (25-Apr-19)
5	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Jun-20)	1)CARE D; ISSUER NOT COOPERATING * (12-Mar-20) 2)CARE D (11-Oct-19) 3)CARE D (17-Sep-19) 4)CARE BBB- (CE) (CWD) (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB (SO) (CWD) (27-May-19) 7)CARE A (SO) (CWD) (25-Apr-19)
6	Debentures-Non Convertible Debentures	LT	50.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (31-Aug-21)	1)CARE D (09-Dec-20) 2)CARE D (12-Jun-20)	1)CARE D; ISSUER NOT COOPERATING * (12-Mar-20) 2)CARE C; Stable (11-Oct-19) 3)CARE C; Stable (17-Sep-19) 4)CARE BB; Stable (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB (SO) (CWD) (27-May-19) 7)CARE A (SO) (CWD) (25-Apr-19)
7	Debentures-Non Convertible	LT	66.80	CARE D; ISSUER NOT	-	1)CARE D (31-Aug-	1)CARE D (09-Dec-20)	1)CARE D; ISSUER NOT

	Debentures			COOPERATING *		21)	2)CARE D (12-Jun-20)	COOPERATING * (12-Mar-20) 2)CARE C; Stable (11-Oct-19) 3)CARE C; Stable (17-Sep-19) 4)CARE BB; Stable (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB (SO) (CWD) (27-May-19) 7)CARE A (SO) (CWD) (25-Apr-19)
8	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (27-May-19) 2)CARE A (SO) (CWD) (25-Apr-19)
9	Debentures-Non Convertible Debentures	LT	50.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (31-Aug- 21)	1)CARE D (09-Dec-20) 2)CARE D (12-Jun-20)	1)CARE D; ISSUER NOT COOPERATING * (12-Mar-20) 2)CARE D (11-Oct-19) 3)CARE D (17-Sep-19) 4)CARE BB; Stable (04-Sep-19) 5)CARE BBB (CE) (CWN) (12-Jul-19) 6)CARE BBB- (SO) (CWD) (27-May-19) 7)CARE A- (SO) (CWD) (25-Apr-19)
10	Debentures-Non Convertible Debentures	LT	65.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (31-Aug- 21)	1)CARE D (09-Dec-20) 2)CARE D	1)CARE D; ISSUER NOT COOPERATING *

							(12-Jun-20)	(12-Mar-20)
								2)CARE D (11-Oct-19)
								3)CARE C; Stable (17-Sep-19)
								4)CARE BB; Stable (04-Sep-19)
								5)CARE BBB (CE) (CWN) (12-Jul-19)
								6)CARE BBB- (SO) (CWD) (27-May-19)
								7)CARE A- (SO) (CWD) (25-Apr-19)

*Long term/Short term.

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

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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