

## Reliance Broadcast Network Limited (Revised)

July 01, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	83.69	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	50.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	66.80	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	50.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	65.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated July 12, 2023, placed the rating(s) of Reliance Broadcast Network Ltd. (RBNL) under the 'Issuer Non-Cooperating' category as RBNL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. RBNL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated May 13, 2024, May 07, 2024, and May 06, 2024. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating based on best available information which in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**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 July 12, 2023, the following were the rating strengths and weaknesses (updated from information available from NCLT order vide order date May 06, 2024)

#### Key weaknesses

##### Ongoing delays/default in debt servicing:

As confirmed by the banker, the account is NPA with IndusInd Bank since May 2020 and further as per the annual report of FY22 there are delays and defaults.

##### Approval of Resolution Plan by NCLT:

NCLT vide order dated May 06, 2024, approved the resolution plan, for corporate insolvency resolution proceedings initiated against RBNL under Insolvency and Bankruptcy Code, 2016.

##### Termination of acquisition of RBNL by Music Broadcast Limited (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 Ltd. (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 the Rs.1,050 crore acquisition deal with RBNL, since the parties did not received approval from the Ministry of Information and Broadcasting (MIB) and long stop date under the definitive agreements had expired.

##### Weak financial performance coupled with weak capital structure:

During FY22, the Total Operating Income of the company increased by approximately 16% to Rs.141.91 crore in FY22 compared to Rs.122.04 crore in FY21. Further, 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 a negative value of Rs.778.76 crore as on March 31, 2022, and negative value of Rs.684.45 crore as on March 31, 2021. Accordingly, the overall gearing and total debt to GCA ratios remain weak.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**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 issuers](#)

[Rating Outlook and Rating Watch](#)

[Definition of Default](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Policy On Curing Period](#)

**About the company and industry****Industry classification**

Macro-Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Media, Entertainment & Publication	Media	Electronic Media

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. RBNL operates FM radio broadcasting stations in 58 Indian cities under the brand name 'BIG FM'.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)
Total operating income	122.04	141.91
PBILDT	-13.91	6.23
PAT	-127.05	-119.07
Overall gearing (times)	-1.00	-0.87
Interest coverage (times)	-0.16	0.07

A: Audited UA: Unaudited; Note: 'these are latest available financial results'

**Status of non-cooperation with previous CRA:**

Brickwork has continued the rating assigned to the bank loan facilities of RBNL under 'Issuer Not Cooperating' category vide press release dated May 05, 2023, on account of its inability to carry out a rating review in the absence of requisite information from the company.

**Any other information:** Not Applicable

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

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

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE445K07049	13-May-2015	9.50%	May 13, 2020	50.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07106	20-Jul-2015	9.50%	July 20,2020	66.80	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07189	14-Sep-2016	10.25%	Sep 13, 2019	50.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07155	08-Oct-2015	11.60%	Oct 8, 2019	35.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE445K07163	08-Oct-2015	11.60%	Oct 8, 2020	30.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	40.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	15-Feb-2016	10.55%	Feb 16, 2020	33.33	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee	-	-	-	-	10.36	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	40.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)

2	Non-fund-based - LT-Bank Guarantee	LT	10.36	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)
3	Fund-based - LT-Term Loan	LT	33.33	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)
4	Debentures-Non Convertible Debentures	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)
5	Debentures-Non Convertible Debentures	LT	66.80	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)
6	Debentures-Non Convertible Debentures	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)
7	Debentures-Non Convertible Debentures	LT	65.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D (31-Aug-21)

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the 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: Lender details

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

**Note on the 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](mailto:care@careedge.in) for any clarifications.

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### About us:

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### Disclaimer:

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