



RATING RATIONALE

30 December 2021

New Media Broadcasting Private Limited

Brickwork Ratings Reaffirms the ratings for the Non-Convertible Debentures of Rs. 300 Crs. of New Media Broadcasting Private Limited based on best available information, as the issuer did not cooperate.

| Instruments ** | Amount (Rs.Crs) | | Tenure | Rating# | |
|----------------|-----------------|---------------|------------------------------------|---------------------------------------|--|
| | Previous | Present | | Previous (Dec 2020) | Present |
| NCD | 300.00 | 300.00 | Long Term | BWR D (CE) ISSUER NOT COOPERATING* | BWR D (CE) ISSUER NOT COOPERATING* Reaffirmed |
| Total | 300.00 | 300.00 | Rs. Three Hundred Crs. Only | | |

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on the best available information.

**Details of NCD is provided in Annexure II

RATING ACTION / NATURE OF NON-COOPERATION

Brickwork Ratings reaffirms the rating to BWR D ISSUER NOT COOPERATING*, based on best available information for the bank loan facilities and reaffirms the NCDs rating as BWR D (CE) ISSUER NOT COOPERATING* based on best available information as mentioned above factoring defaults in interest payments in the past and of interest which was due on 31 October 2021 on Non-Convertible Debenture of New Media Broadcasting Private Limited. The Debenture trustee has informed that they have not received any intimation about payment of interest due on 31st October, 2021 of New Media Broadcasting Private Limited (Issuer) for ISIN INE343UO7011 on continuous follow-up with the issuer company via email dated Nov 02, 2021. Based on which BWR has reaffirmed the NCD ratings to default category. NCD details given in annexure I.

The ratings of the NCD of the company has been continued under Issuer Not Cooperating* category, as the company had not provided the financial and operational information for the period in monitoring and surveillance of the ratings as also the monthly 'No Default Statement' (NDS) despite the best efforts from Brickwork Ratings to get the information vide email dated Oct 20th, Oct 21st, Oct 22nd, Dec 26th, 2021 and Dec 27, 2021. The company's management continues to remain noncooperative in submission of the details required for ongoing review of ratings as also the NDS. Hence, due to continued non-cooperation by the company and based on best available information, BWR has reaffirmed the rating at BWR D (CE) ISSUER NOT COOPERATING*

Unsupported rating (Standalone Rating) of New Media Broadcasting Private Limited assessed by BWR without considering the Credit Enhancement is BWR D.



The Credit enhancement (CE) is on account of the shares pledged as security of the listed companies of the group with an security cover of 1.75x of SITI Network as an initial collateral cover, with the interest @5% payable on a quarterly basis. Subsequently, as per the information last known to BWR as on Sep 30, 2019, the details of the security pledged for the NCD is mentioned below

| Name of the company whose shares are pledged | Dish TV | SITI | Zee Media | Zee Learn |
|--|------------|-------------|------------|------------|
| Number of shares | 13,515,528 | 211,183,620 | 82,590,000 | 46,740,000 |

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore consider the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

COMPANY PROFILE

New Media Broadcasting Pvt Ltd, is a holding company of the Siti Network Limited (formally Siti Cable Network Limited) and Essel group of companies promoted by Mr. Subash Chandra. New Media Broadcasting Private Limited is a Private limited company incorporated on 03 November 1999 having registered office in New Delhi.

KEY FINANCIAL INDICATORS

| Key Financial Indicators | Units | FY19 | FY20 |
|---------------------------|-----------|---------|---------|
| Result Type | | Audited | Audited |
| Operating Income | Rs in Crs | 0.09 | 0.01 |
| Profit After Tax/Net Loss | Rs in Crs | -42.50 | -35.70 |
| Tangible Net Worth | Rs in Crs | -130.47 | -166.70 |
| D:TNW | Times | - | - |

NCD Structure:

The structure of the NCD at the time of rating was- "Initial collateral cover of equity shares of 1.75 times of Siti Network Limited. If at any time before the redemption, the share cover falls below 1.75 times of the outstanding amount, the borrower shall top-up in the form of additional pledge of shares so that the initial share cover is restored. If the security cover is 1.85 times or higher for a period of 10 consecutive trading days, the issuer may request the trustee to release such a number of shares so that security cover is restored at initial level. Issuer shall be required to deposit all amounts outstanding under the facility in the designated account 30 days prior to



the Maturity Date (T-30) and on failure to comply with the above by the issuer the debenture Trustee shall enforce security created under the pledge agreement and sell the shares before the redemption due date. However, the top-up is not being maintained as specified. The coupon payment falls due on 31st April, 31st July, 31st October and 31st January of each year. The same to be deposited 3 days prior to the relevant coupon payment date in the designated account.” Subsequently, during review process the issuer company had informed that since the share price of Siti Network Limited substantially fell followed by fall in security cover which could not be maintained, the issuer has additionally pledged share of other listed group entities named Zee Media Corporation Limited, Zee Learn Limited and Dish TV Limited as additional security.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

| S. No | Instrument | Current Rating (Year T) (2021) | | | 2020 | 2019 | 2018 |
|-------|------------|--------------------------------|------------------------------|-------------------------------------|---------------------------------|---|---|
| | | Type(Long Term/Short Term) | Amount Outstanding (Rs. Crs) | Rating | | | |
| 1 | NCD | Long Term | 300 | BWR D (CE) INC# Reaffirmation | BWR D (CE) INC# 24 Dec 20 | BWR BBB+ SO CWDI 31 Jan 19 BWR BBB SO CWDI 18 Feb 19 BWR BBB SO CWDI** 23 May 19 BWR BBB SO CWNI 13 Jun 19 BWR BBB- SO CWNI 19 Aug 19 BWR BB- CE CWNI* 6 Oct 19 BWR D CE 6 Nov 19 BWR D CE 27 Dec 19 | BWR BBB+ SO Stable 31 Mar 18 |

#INC = ISSUER NOT COOPERATING

*Issuer did not cooperate; based on best available information

*CWNI = Credit Watch with Negative Implications
 **CWDI = Credit Watch with Developing Implications

Total = Rs 300 Crs (Rupees Three Hundred Crores Only/-)

COMPLEXITY LEVELS OF THE INSTRUMENTS: Complex

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Default Recognition](#)
- [Issuer Non Cooperation](#)
- [Trading Entities](#)

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New Media Broadcasting Private Limited

ANNEXURE II

INSTRUMENT (NCDs) DETAILS

| Instrument | Issue Date | Amount Rs. Crs. | Coupon Rate | Maturity Date | ISIN Particulars |
|------------|------------|--------------------|----------------------|---------------|------------------|
| NCD | 19/2/16 | 300.00 | 5% Payable Quarterly | 18/2/21 | INE343U07011 |



For print and digital media

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