

**Reliance Business Broadcast News Holdings Limited**  
**September 12, 2019**

**Ratings**

Instruments	Amount (Rs. crore)	Rating <sup>8</sup>	Rating Action
Non-Convertible Debenture issue (NCD)-1a	200 (Rupees Two Hundred Crore only)	CARE D (Single D)	Removed from credit watch with developing implications; Rating revised from CARE BBB-(CE) [Triple B Minus(Credit Enhancement)]
Non-Convertible Debenture issue (NCD)-1b	200 (Rupees Two Hundred Crore only)	CARE D (Single D)	Removed from credit watch with developing implications; Rating revised from CARE BBB-(CE) [Triple B Minus(Credit Enhancement)]
Non-Convertible Debenture issue (NCD)-2	200 (Rupees Two Hundred Crore only)	CARE D (Single D)	Removed from credit watch with developing implications; Rating revised from CARE BBB-(CE) [Triple B Minus(Credit Enhancement)]
Non-Convertible Debenture issue (NCD)-3	250 (Rupees Two hundred and fifty crore only)	CARE D (Single D)	Removed from credit watch with developing implications; Rating revised from CARE BBB-(CE) [Triple B Minus(Credit Enhancement)]

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The revision in the rating assigned to the Non-Convertible Debenture issue (NCD)-1a factors in delay in debt servicing on ISIN INE333L07029, maturity of which was on September 11, 2019. Further, CARE expects that the entire payment due on the other ISINs (i.e. INE333L07037, INE333L07052, INE333L07060 and INE333L08027) on September 13, 2019 will not happen on the due date, and the ISINs are likely to be in default on maturity. Accordingly, CARE has revised the ratings assigned to NCD-1b, NCD-2 and NCD-3. The ratings have also been removed from Credit watch with developing implications.

**Detailed description of the key rating drivers****Key Rating Weaknesses****Delay in debt servicing**

As verbally confirmed by the investor, there is a delay in debt servicing on ISIN INE333L07029, maturity of which was on September 11, 2019. The investor has verbally confirmed that they have rescheduled the due date of ISIN INE333L07029 from September 11, 2019 to September 13, 2019. Further, the investors to the ISINs have confirmed that the payments on all the ISINs mentioned above shall be partially done on September 13, 2019 subject to receipt of RBI approval, and the investors will be rescheduling the due date for the unpaid part. Accordingly, CARE has revised the ratings assigned to ISINs INE333L07029, INE333L07037, INE333L07052, INE333L07060 and INE333L08027 to default grade.

**Analytical approach:** The ratings of the abovementioned NCD issues is based on the credit enhancement in the form of structure based on loan against pledge of shares (LAS) of Reliance Nippon Asset Management Ltd. (RNAM) and share purchase agreement entered into between the lenders, Nippon Life Insurance Company (NLIC), RCL and Indusind Bank, whereby the transaction was expected to conclude on September 11, 2019 for ISIN INE333L07029 and September 13, 2019 for the other ISINs (i.e. INE333L07037, INE333L07052, INE333L07060 and INE333L08027). The earlier ratings factored in the comfortable security cover against the loan extended, market risk mitigated by the locked-in share price and volume for RNAM shares. However, RCL guarantee continues to be in force although the same has not been considered in the analytical approach.

**Applicable Criteria**

[CARE's Policy on default recognition](#)

[Loan backed by pledge of shares](#)

[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Rating](#)

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

[Rating Methodology - Service Sector Companies](#)

[Rating Credit Enhanced Debt](#)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**About the Company – RBBNHL**

RBBNHL is primarily held by ADAG (Anil Dhirubhai Ambani Group; 74% as on August 24, 2018). Business Broadcast News Private Limited (BBNPL) is 100% subsidiary of RBBNHL. BBNPL owns and operates Premier English Business News Television Channel named Business Television India – BTVI that delivers business and financial news.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	17.13	18.01
PBILDT	7.19	5.41
PAT	-127.36	-148.18
Overall gearing (times)	NM	NM
Interest coverage (times)	0.05	0.04

A: Audited

Note: Financials are classified as per CARE Standards

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE333L07029	September 11, 2015	12.50%	September 11, 2019	200	CARE D
Debentures-Non Convertible Debentures	INE333L07037	September 11, 2015	12.50%	September 13, 2019	200	CARE D
Debentures-Non Convertible Debentures	INE333L07052	September 14, 2015	12.50%	September 13, 2019	100	CARE D
Debentures-Non Convertible Debentures	INE333L07060	September 14, 2015	12.50%	September 13, 2019	100	CARE D
Debentures-Non Convertible Debentures	INE333L08027	February 07, 2017	11.50%	September 13, 2019	250	CARE D

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debentures-Non Convertible Debentures	LT	400.00	CARE D	1)CARE BBB-(CE) (Under Credit watch with Developing Implications) (04-Sep-19) 2)CARE BBB (CE) (Under Credit watch with Negative Implications) (12-Jul-19) 3)CARE BBB (SO) (Under Credit watch with Developing Implications) (27-May-19) 4)CARE A (SO) (Under Credit watch with Developing Implications) (25-Apr-19)	1)CARE A+ (SO) (Under Credit watch with Developing Implications) (12-Mar-19) 2)CARE AA (SO) (Under Credit watch with Developing Implications) (20-Dec-18) 3)CARE AA (SO) (Under Credit watch with Developing Implications) (17-Oct-18)	1)CARE AA+ (SO) (Under Credit watch with Developing Implications) (05-Jan-18) 2)CARE AA+ (SO) (Under Credit watch with Developing Implications) (24-Jul-17)	1)CARE AA+ (SO); Stable (29-Mar-17) 2)CARE AAA (SO) (Under Credit watch with Developing Implications) (19-Jan-17)
2.	Debentures-Non Convertible Debentures	LT	200.00	CARE D	1)CARE BBB-(CE) (Under Credit watch with Developing Implications) (04-Sep-19) 2)CARE BBB (CE) (Under Credit watch with Negative Implications) (12-Jul-19) 3)CARE BBB (SO) (Under Credit watch with Developing Implications) (27-May-19) 4)CARE A (SO) (Under Credit watch with Developing Implications) (25-Apr-19)	1)CARE A+ (SO) (Under Credit watch with Developing Implications) (12-Mar-19) 2)CARE AA (SO) (Under Credit watch with Developing Implications) (20-Dec-18) 3)CARE AA (SO) (Under Credit watch with Developing Implications) (17-Oct-18)	1)CARE AA+ (SO) (Under Credit watch with Developing Implications) (05-Jan-18) 2)CARE AA+ (SO) (Under Credit watch with Developing Implications) (24-Jul-17)	1)CARE AA+ (SO); Stable (29-Mar-17) 2)CARE AAA (SO) (Under Credit watch with Developing Implications) (19-Jan-17)
3.	Debentures-Non Convertible Debentures	LT	250.00	CARE D	1)CARE BBB-(CE) (Under Credit watch	1)CARE A+ (SO) (Under Credit watch with	1)CARE AA+ (SO) (Under Credit watch	1)CARE AA+ (SO); Stable (29-Mar-17)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
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**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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E-mail: [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)**About CARE Ratings:**

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