

NEWS TELEVISION TelevisionPost Team July 4, 2018

Anil Ambani's Reliance Big Entertainment widens FY17 net loss to Rs 553 crore

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MUMBAI: Anil Ambani's Reliance Big Entertainment's net loss for the fiscal ended 2017 has widened 25.39% to Rs 553 crore from Rs 441 crore in the previous fiscal.

The company's EBITDA loss for the fiscal has narrowed 76% to Rs 28.33 crore from Rs 117.13 crore. Revenue has fallen 22% to Rs 73.92 crore from Rs 94.4 crore.

Incorporated in the year 2006, Reliance Big Entertainment is part of Reliance ADAG Group. The company primarily operates in segments internet & new media, film & television entertainment, and games.

The company produces, acquires and distributes films. Reliance Entertainment is involved in film production in Hindi and several other Indian languages and distributes them worldwide.

The company has raised this non-convertible debenture (NCD) of Rs. 275 crore with a tenor of 3 years to be used towards refinancing of Promoter Group inter-corporate deposits (ICDs) utilised for meeting the business operations requirement of the company.

The NCD's have bullet repayment on maturity. The Coupon will be paid annually. The NCDs are backed by way of pledge of equity shares of Reliance Capital.

Brickwork Ratings (BWR) has reaffirmed rating for the company's NCD Issue of Rs. 275 crore.

The agency has essentially relied upon the term sheet outlining the structure of the deal, audited financial results up to FY17 of the issuer Reliance Big Entertainment and audited financials up to FY18 of Reliance Capital whose equity shares are provided as security, and information and clarification provided by the issuer.

According to BWR, the rating continues to factor the strength of underlying security in the form of pledge of equity shares of Reliance Capital which are listed, fundamentals of Reliance Capital and structure of the proposed NCD issue.

However, the rating is constrained by volatility in the issuer's revenues and profits, reliance on promoter funding, refinance or alternatively liquidation of the securities to meet the obligations arising from the proposed NCD issue.