

Press Release

Dish TV India Limited

January 04, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 450.00 Cr.
Long Term Rating	ACUITE BB+ (Under rating watch with developing implications)
Commercial Paper*	Rs. 50.00 Cr.
Short Term Rating	ACUITE A4+ (Under rating watch with developing implications)

* Refer Annexure for details

Rating Rationale

Acuite has placed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.450.00 crore bank facilities of Dish TV India Limited (DTIL) on 'Rating watch with developing implications'

Acuite has placed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.50.00 crore Commercial paper of Dish TV India Limited (DTIL) on 'Rating watch with developing implications'

Rationale for placing the rating on Watch with developing implications:

Acuite has placed the rating under watch with developing implication based on publicly available information regarding the demand notice of Rs. 4164.05 crores from Ministry of Information and Broadcasting for the disputed license fee and interest on the entity. Although, Dish TV India Limited has already made provisions for this event to the tune of Rs.3575.77 crore as on March 31, 2020 which includes the interest as well. The matter is sub judiced and pending before the Honorable High Court of Jammu and Kashmir. Acuite is in discussion with the management of DTIL to understand the current status of the matter and will resolve the watch post clarification regarding the same. Acuite will be closely monitoring the developments with respect to the aforementioned matter and will resolve the watch once clarity emerges.

About the company

DTIL is a Noida based company and is a pioneer in the direct to home (DTH) industry in India with the launch of their services in 2003. The company was incorporated in 1988 as the technical arm of the Essel group. DTIL also provides DTH infrastructure support services via its group companies Dish Infra Private Limited (DIPL) and C&S Medianet Private Limited (CMPL). Further, the dish group has expanded its reach overseas via Dish TV Lanka Private Limited (DLPL). In 2018, Videocon d2h Limited amalgamated with DTIL with the intent to expand the market share of the amalgamated entity along with improvement in the quality of services.

The company along with its subsidiaries forms the business group, hereinafter referred to as "Dish Group" comprising of Dish TV India Limited, Dish Infra Services Private Limited, C&S Medianet Private Limited and Dish TV Lanka Private Limited.

Analytical Approach

Acuite has considered the consolidated business and financial risk profile of Dish TV India Limited (DTIL), Dish Infra Services Private Limited, C&S Medianet Private Limited and Dish TV Lanka Private Limited to arrive at this rating. The consolidation is on account of the presence of inter-corporate guarantees, operational linkages and similar line of business. Extent of consolidation: Full

About the Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	3556.34*	6166.13
PAT	Rs. Cr.	(1659.01)	(1151.41)
PAT Margin	(%)	(46.65)	(18.67)
Total Debt/Tangible Net Worth	Times	0.47	0.51
PBDIT/Interest	Times	3.74	3.35

*The revenue for FY20 is lower than the previous year due to netting off the content charges or broadcaster payout as per the NTO 2.0.

For further details, kindly refer to Acuite`s release dated November 24, 2020

<https://www.acuite.in/documents/ratings/revise/28199-RR-20201124.pdf>

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in service sector - <https://www.acuite.in/view-rating-criteria-50.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation of companies - <https://www.acuite.in/view-rating-criteria-60.htm>
- Commercial Paper - <https://www.acuite.in/view-rating-criteria-54.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24-Nov-2020	Dropline Overdraft	Long Term	450.00	ACUITE BB+/ Stable (Assigned)
	Proposed Commercial Paper	Long Term	50.00	ACUITE A4+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	450.00	ACUITE BB+ (Under rating watch with developing implications)
Proposed Commercial Paper	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A4+ (Under rating watch with developing implications)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Nikhilesh Pandey Rating Analyst - Rating Operations Tel: 011-4973 1304 nikhilesh.pandey@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.