

August 07, 2024

ARG Outlier Media Private Limited: Ratings moved to Issuer Non-Cooperating Category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Fund based limits	40.00	40.00	[ICRA]BBB (Stable); ISSUER NOT COOPERATING*; Ratings moved to the "ISSUER NOT COOPERATING" category
Long-term- Fund based-Term loan	95.00	95.00	[ICRA]BBB (Stable); ISSUER NOT COOPERATING*; Ratings moved to the "ISSUER NOT COOPERATING" category
Long-term- non fund-based limits	5.00	5.00	[ICRA]BBB (Stable); ISSUER NOT COOPERATING*; Ratings moved to the "ISSUER NOT COOPERATING" category
Total	140.00	140.00	

*Issuer did not cooperate; based on best available information; ^Instrument details are provided in Annexure-1

Rationale

ICRA has moved the rating for the bank facilities of ARG Outlier Media Private Limited (ARGOMPL) to the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]BBB (Stable); ISSUER NOT COOPERATING"

The ratings are moved to Issuer Not Cooperating category because of lack of adequate information regarding ARGOMPL's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.

As part of its process and in accordance with its rating agreement with ARG Outlier Media Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-Cooperation by a rated entity TV Broadcasting
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA had considered the consolidated financials of ARGOMPL and its parent company – SARG Media Holding Pvt Ltd. The list of entities consolidated for analysis are enlisted in Annexure-2

About the company

Incorporated in August 2016, ARGOMPL currently operates four free-to-air (FTA) news channels- Republic TV, R Bharat, R Bangla and Republic Kannada. While the former is an English news channel, operational since May 6, 2017, latter is a Hindi news channel, which was launched on February 3, 2019. Later, the company launched a new channel called R Bangla on March 07, 2021, which is FTA Indian Bengali language news channel. And recently, company has also launched a new channel called Republic Kannada on September 22, 2023, which is a FTA Kannada language news channel. The company also has one wholly owned subsidiary- SARG Global Digital Private Limited which runs and operates the website-www.republicworld.com and mobile application-R.

Key financial indicators (audited)

ARG Consolidated	FY2021	FY2022	FY2023
Operating Income (Rs. crore)	290.5	371.7	354.3
PAT (Rs. crore)	-9.5	54.2	6.2
OPBDITA/OI (%)	3.4%	21.7%	9.60%
PAT/OI (%)	-3.3%	14.6%	1.80%
Total Outside Liabilities/Tangible Net Worth (times)	1.3	0.8	1.8
Total Debt/OPBDITA (times)	3.4	0.7	2.8
Interest Coverage (times)	2.1	15.4	5.0

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable.

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			Aug 07, 2024	Jun 16, 2023	-	Mar 28, 2022
1 Fund-based Limits	Long Term	40.00	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	-	[ICRA]BBB (Stable)
2 Term Loan	Long Term	95.00	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	-	[ICRA]BBB (Stable)
3 Non-fund Based Limits	Long Term	5.00	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	-	[ICRA]BBB (Stable)
4 Unallocated	Long Term	-	-	-	-	[ICRA]BBB (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund based Limits	Simple

Instrument	Complexity Indicator
Term loan	Simple
Non-fund based limits	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based Limits	NA	NA	NA	40.0	[ICRA]BBB (Stable); ISSUER NOT COOPERATING
NA	Term loan	Dec 30, 2022 & Feb 02, 2023	NA	FY2029	95.0	[ICRA]BBB (Stable); ISSUER NOT COOPERATING
NA	Non-fund based limits	NA	NA	NA	5.0	[ICRA]BBB (Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
SARG Global Digital Private Limited	100.00%	Full Consolidation
SARG Media Holding Company Private Limited	-	Limited Consolidation

Source: ARG, SARG Media Holding Company Private Limited and SARG Global Digital Private Limited's annual report FY2022 and ICRA Research Note: ICRA has taken a consolidated view of the parent and subsidiary of ARG while assigning the ratings

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About ICRA Limited:

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