

Anil Ambani to sell Big FM for ₹1,200cr

Jagran Prakashan To Take Over 58 Stations

TIMES NEWS NETWORK

Mumbai: The Reliance (Anil Ambani) Group has decided to exit the FM radio broadcasting business in a two-part deal. It will sell a part of its portfolio in Reliance Broadcast Network (RBN) to the Jagran Prakashan Group and the rest to another local media player.

RBN operates 58 stations in the country under the Big FM brand. In the first phase, Reliance will sell 40 stations to Jagran Prakashan for Rs 1,050 crore and in the second phase, it will sell the balance 18 stations to another FM radio operator for Rs 150 crore.

Reliance will sell the FM radio broadcasting business in a two-part deal as rules don't allow a single operator to run two stations in one cir-

cle. If Jagran Prakashan acquires the entire 58 stations of Reliance, then there occurs an overlap of 18 stations with the former's portfolio.

Hence, Reliance has decided to sell those 18 stations to another operator.

According to the details of the transaction, Jagran Prakashan will acquire 24% stake in RBN for Rs 202 crore. Once the regulatory and other customary approvals come in, Jagran Prakashan will acquire the remaining 76% in RBN for Rs 848 crore.

Later, the remaining assets (18 FM stations) in RBN will be sold to another party.

The deal, expected to close in the first quarter of fiscal year 2021, will help Jagran Prakashan become the largest operator in the FM radio bro-

adcasting business in India with 79 stations. Jagran Prakashan operates the business under the Radio City brand.

The transaction will reduce the outstanding debt of Reliance Capital (the group is holding the stake in RBN through this entity) by Rs 1,200 crore. This also forms part of the Anil Ambani Group's broader strategy to reduce exposure in non-core businesses.

This will be the second sale in quick succession by Reliance Capital. Last week, it sold a stake in its asset management business to Japanese partner Nippon Life Insurance for Rs 6,000 crore. Both of these as well as other monetisation plans will help in bringing down Reliance Capital's total debt by Rs 12,000 crore (about 70%) in fiscal year 2020. Amit Bapna, CFO, Reliance Capital, said.

