

## Reliance MediaWorks Financial Services Private Limited

March 17, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Non-Convertible Debentures	638.20	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited has been seeking information from Reliance Mediaworks Financial Services Private Limited (RMFSPL) to monitor the rating(s) vide e-mail communications/letters dated March 06, 2023, February 24, 2023 and February 14, 2023 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, RMFSPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Reliance Mediaworks Financial Services Private Limited instruments will now be denoted as CARE D; Issuer not Cooperating\*.

Parent company Reliance Capital Limited has been admitted under the CIRP process effective December 2021. NCLT vide its order dated October 02, 2022 has granted exclusion of 90 days for completion of CIRP till January 31, 2023. Further, NCLT by its order dated January 31, 2023 has granted further exclusion of 45 days for completion of CIRP extending the CIRP period till March 17, 2023.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

### Detailed description of the key rating drivers

At the time of last rating on March 31, 2022, Debenture trustee given feedback that company has defaulted in servicing of principal/interest on its capital market instruments.

**Analytical approach:** Standalone

### Key weaknesses

#### Default in servicing of debt obligations

There has been continuous delay in servicing of debt obligations. The Debenture Trustee has confirmed via its email dated on March 13, 2023.

#### Weak earning profile

RMFSPL started its operation in the year 2017. Since then, the company has been suffering losses due to very low business activity. As on FY22, company reported a net profit of Rs. 10 crore mainly due to increase in other income as against loss of Rs. 619.14 crore in FY21. Further, the company again reported losses in 9MFY23 of Rs. 28.15 crore.

#### Weak solvency profile

RMFSPL's has a negative tangible net worth at Rs. 689.11 crore as on March 31, 2022 as compared to negative net worth of Rs. 699.12 crore as on March 31, 2021.

As per December 31, 2021, results, DT invoked the pledge on equity shares of prime focus limited (PFL) on November 28, 2019 and March 17, 2021 of Rs. 7.33 crores and 3.16 crores respectively. Accordingly, PFL ceased to be an associate company w.e.f. March 17, 2021. Debenture trustee sold the entire invoked equity shares of PFL under open offer at an offer price of Rs. 44.15 per equity share for a total value of Rs. 463.30 crores. The Debenture trustee vide their letter dated May 26, 2021 intimated the

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

company on adjustment of above consideration towards part repayment of NCD's after adjusting interest due on NCD's penal interest and cost expenses.

### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Non-Banking Financial Companies](#)

[Financial ratios – Financial Sector](#)

### About the company and industry

#### Industry Classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Financial Services	NBFC	Other Financial Services	Other Financial Services

Reliance Mediaworks Financial Services Private Limited (RMFSPL) was incorporated on March 10, 2017 which is engaged in to carry on the business of an investment company and invest, buy, sell, transfer deal in and dispose of any shares, stocks, debentures, debenture stock bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise; and where so ever constituted or carrying on business of immovable property and rights directly or indirectly connected therewith and or bullion, including gold, silver and other precious metals and/ or precious stones such as diamonds, rubies and/or any other asset.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (U/A)
Total operating income	13.02	47.04	0.0001
PAT	-619.14	10	-28.15
Interest coverage (times)	-4.40	1.27	NA
Total Assets	29.45	28.11	NA
Net NPA (%)	0.00	0.00	NA
ROTA (%)	-119.08	34.78	NA

A: Audited; U/A: Un-audited; NA: Not available; Note: 'the above results are latest financial results available'

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

**Any other information:** Not applicable

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

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of the various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**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	INE889Z07012	28-Mar-18	10	3-Apr-23	118.20	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE889Z07020	28-Mar-18	10	31-Mar-23	130.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE889Z07038	28-Mar-18	10	30-Mar-23	130.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE889Z07046	28-Mar-18	10	29-Mar-23	130.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE889Z07053	28-Mar-18	10	28-Mar-23	130.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non Convertible Debentures	LT	638.20	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-Mar-22) 2)CARE C; Negative; ISSUER NOT COOPERATING* (23-Mar-22)	1)CARE C; Negative; ISSUER NOT COOPERATING* (25-Mar-21)	1)CARE C; Negative (27-Mar-20) 2)CARE B-; Negative (20-Nov-19) 3)CARE BB (CE); Stable (03-Sep-19) 4)CARE BBB (CE) (CW with Negative Implications) (12-Jul-19)

								5)CARE BBB (SO) (CW with Developing Implications) (22-May-19)
								6)CARE A (SO) (CW with Developing Implications) (23-Apr-19)

\*Issuer did not cooperate; based on best available information.

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities- NA**

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

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### About us:

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