Reliance MediaWorks Financial Services Private Limited

March 31, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Non Convertible Debentures	638.20	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE C; Negative; (Single C; Outlook: Negative)
Total Long Term Instruments	**638.20 (Rs. Six Hundred Thirty-Eight Crore and Twenty Lakhs Only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating revision takes into account that Reliance MediaWorks Financial Services Private Limited has defaulted in servicing of principal/interest on its capital market instruments, as per the feedback from the debenture trustee.

Further, the rating continues to remain under Issuer Not Cooperating category, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. CARE has been seeking information from Reliance Mediaworks Financial Services Private Limited (RMFSPL) to monitor the rating(s) vide e-mail communications/letters dated February 28, 2022, February 18, 2022, February 08, 2021, and numerous phone calls. 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 factors in negative net worth, continue reporting loss over the years and the company has also breached the several covenants on the instruments rated by CARE. Further, on December 02, 2021, RBI filed applications for initiation of corporate insolvency resolution process (CIRP) against its promoter entity Reliance Capital Limited. Pursuant to order dated December 06, 2021, of the NCLT, CIRP has been initiated as per the provisions of the Insolvency and Bankruptcy Code, 2016. The estimated date of closure of insolvency resolution process is June 04, 2022.

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

Key Rating Weaknesses

Default in servicing of debt obligations

The Debenture Trustee for the NCD issued by RMFSPL has informed CARE (via its email dated March 29, 2022) that RMFSPL has defaulted on its debt obligations. Also, the Debenture Trustee informed that the matter is in process at the Bombay High Court and the Supreme Court and there is no information regarding the interest payment.

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. Company reported a loss in FY21 to Rs. 619.14 crore against Rs. 80.25 crores from FY20.

Weak solvency profile

RMFSPL's has a negative tangible net worth at Rs. 699.12 crore as on March 31, 2021 as compared to negative net worth of Rs. 79.99 crore as on March 31, 2020.

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

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Liquidity: Poor
As on March 31, 2021, cash and cash equivalents stood at Rs.0.21 crore as against Rs. 0.89 crore as on March 31, 2020.

Analytical approach: Standalone

Applicable Criteria
Policy in respect of Non-cooperation by issuer
Policy on default recognition
Rating Outlook and Credit Watch
Financial Ratios - Financial Sector

About the Company
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 (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9M_FY22 (UA)
Total operating income	0.06	13.02	0.01
PAT	-80.25	-619.14	-0.04
Interest coverage (times)	-0.08	-4.40	NA
Total Assets	1,010.43	29.45	28.05
Net NPA (%)	0.00	0.00	NA
ROTA (%)	-7.76	-119.08	-0.19%

A: Audited ; UA : Unaudited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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

Complexity level of various instruments rated for this company: Annexure 4

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*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Debentures-Non Convertible Debentures	LT	638.20	CARE D; ISSUER NOT COOPERATING *	1)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) (CWN) (12-Jul-19) 5)CARE BBB (SO) (CWD) (22-May-19) 6)CARE A (SO) (CWD) (23-Apr-19)	1)CARE A+ (SO) (CWD) (13-Mar-19) 2)CARE AA (SO) (CWD) (08-Oct-18) 3)CARE AA+ (SO) (CWD) (04-Sep-18)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Debentures-Non Convertible Debentures	Simple

Annexure 5: Bank Lender Details for this Company
To view the lender wise details of bank facilities please **click here**

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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.

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About CARE Ratings Limited:
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