

April 20, 2020

Diligent Media Corporation Limited: Moved to Issuer Non-Cooperating category; long-term rating downgraded based on best available information; short-term rating withdrawn

Summary of Rated Instrument

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	250.0	250.0	[ICRA]C- ISSUER NOT COOPERATING*; revised from [ICRA]B (Negative); moved to 'Issuer Not Cooperating'
Short-term, Non-fund Based Facility	20.0	-	[ICRA]A4; withdrawn
Total	270.0	250.0	

*Issuer did not co-operate; based on best available information

Rationale

The rating downgrade is because of lack of adequate information regarding performance of Diligent Media Corporation Limited (DMCL) 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 the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with DMCL, 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 SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

ICRA has withdrawn the [ICRA]A4 (pronounced ICRA A four) rating assigned to the Rs. 20 crore, non-fund based facility of DMCL as there is no amount outstanding against the rated instrument.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent / Group Support	Not applicable
Consolidation / Standalone	Not applicable

About the company

Until October 09, 2019, DMCL published DNA, an English daily newspaper, which was circulated in Mumbai and Ahmedabad.

As per a scheme of arrangement and amalgamation among ZMCL, DMCL, Mediavest India Private Limited and Pri-Media Services Private Limited, ZMCL's demerged print media undertaking has been vested with DMCL, while Mediavest India Private Limited and Pri-Media Services Private Limited have been amalgamated with DMCL with effect from April 01, 2017. Further, DMCL was listed on the stock exchange in December 2017, with a mirror shareholding of ZMCL. As on December 31, 2019, the promoters held a 62.17% stake in DMCL.

With effect from October 10, 2019, the company has ceased the print publication of all editions of DNA. It shall, however, continue to concentrate on publication through its digital platform– dnaindia.com.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)#	Current Rating (FY2021) Date & Rating	Chronology of Rating History for the Past 3 years							
					Date & Rating in FY2020			Date & Rating in FY2019		Date & Rating in FY2018		
				20-Apr-20	12-Dec-19	18-Oct-19	09-Aug-19	22-May-19	04-Feb-19	10-Dec-18	06-Nov-17	11-Oct-17
1	NCD Programme	250.0	250.0	[ICRA]C- ISSUER NOT COOPERATING*	[ICRA]B (Negative)	[ICRA]BB(CE) (Negative)	[ICRA]BBB-(SO)(Negative)	[ICRA]A-(SO) (Negative)	[ICRA]A(SO)@	[ICRA]A(SO) (Stable)	[ICRA]A(SO) (Stable)	[ICRA]A(SO) (Negative)
2	Non-fund Based Facility	20.0	-	[ICRA]A4; withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A3(SO)	[ICRA]A2+(SO)	[ICRA]A2+(SO)@	[ICRA]A2+(SO)	[ICRA]A2+(SO)	[ICRA]A2+(SO)

#As on March 31, 2020; *Issuer did not co-operate; based on best available information; @: On rating Watch with Negative Implications

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. Earlier, the rating symbol for this instrument/facility used to be accompanied by the (SO) suffix. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned.

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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