

July 03, 2020

Diligent Media Corporation Limited: Rating downgraded to [ICRA]D Issuer Not Cooperating, rating continues to remain under Issuer Not Cooperating category

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]D ISSUER NOT COOPERATING*, rating continues to remain under Issuer Not cooperating category; revised from [ICRA]C-ISSUER NOT COOPERATING*
Total	250.0	250.0	

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

Rationale

The rating downgrade reflects the default by Diligent Media Corporation Limited (DMCL) in servicing the NCD repayment of Rs. 438.9 crore (including redemption premium) due on June 30, 2020. As informed by the debenture trustee to ICRA, DMCL has not made the requisite payment on the due date. Furthermore, since the NCD was backed by the corporate guarantee of Zee Media Corporation Limited (ZMCL), the same was also invoked; however, no payments were received from ZMCL.

The rating for Rs. 250-crore NCD of DMCL continues to remain under 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D ISSUER NOT COOPERATING". 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 ICRA's policy in respect of non-cooperation by a rated entity (available at www.icra.in), a rating view has been taken on the entity based on the best available information.

Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

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

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate rating methodology Policy in respect of non-cooperation by the rated entity Policy on default recognition
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 March 31, 2020, 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)		Chronology of Rating History for the Past 3 years							
				Date & Rating 03-July-20	Date & Rating 20-Apr-20	Date & Rating in FY2020				Date & Rating in FY2019		Date & Rating in FY2018	
						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	Long-term	250.0	250.0	[ICRA]D ISSUER NOT COOPERATING*	[ICRA]C- ISSUER NOT COOPERATING*	[ICRA]B (Negative)	[ICRA]BB(CE) (Negative)	[ICRA]BBB-(SO)(Negative)	[ICRA]A-(SO) (Negative)	[ICRA]A(SO)@ (Stable)	[ICRA]A(SO) (Stable)	[ICRA]A(SO) (Negative)
2	Non-fund Based Facility	Short-term	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 June 30, 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

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE082T07017	NCD	June 30, 2015	11.9%	June 30, 2020	50.0	[ICRA]D ISSUER NOT COOPERATING*
INE082T07025	NCD	June 30, 2015	11.9%	June 30, 2020	75.0	[ICRA]D ISSUER NOT COOPERATING*
INE082T07033	NCD	June 30, 2015	11.9%	June 30, 2020	125.0	[ICRA]D ISSUER NOT COOPERATING*

Source: Diligent Media Corporation Limited

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About ICRA Limited:

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