

## Prime Focus Limited

January 05, 2018

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities – Stand By Line of Credit@	-	-	<b>Withdrawn</b>

*\*Details of instruments/facilities in Annexure-1*

*@backed by unconditional and irrevocable corporate guarantee by Reliance Capital Limited. The rating is Provisional subject to the necessary documents being executed and the final rating would be assigned on submission and verification of executed documents to the satisfaction of CARE.*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of **'Provisional CARE AA+ (SO) [Provisional Double A Plus (Structured Obligation)]**; **Credit Watch with Developing Implications** assigned to the proposed bank facilities of Prime Focus Limited (PFL) with immediate effect. The above action has been taken at the request of PFL conforming no outstanding on the proposed bank facilities rated by CARE

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company – PFL

Prime Focus Limited (PFL), an integrated media services company, incorporated in 1997 by merger of two proprietary concerns of founder promoters, Mr. Naresh Malhotra and Mr. Namit Malhotra. In its initial phase PFL was providing post production services for TV serials and has gradually emerged as a one of the global visual entertainment services company, with its facilities spanning across India, UK, USA and Canada. It provides end-to-end creative services (visual effects, stereo 3D conversion, animation), technology products & services (Media ERP Suite and Cloud-enabled media services), production services (equipment rental) and post production services (Digital Intermediate, sound, picture post) to Studios, Broadcast and Advertising industries.

### About the Guarantor - RCL

Reliance Capital Ltd. (RCL) is the company of Reliance Group in the financial services space. It is one of India's leading private sector financial services companies and ranks amongst the top private sector financial services companies in terms of net worth. RCL will be converted into a 'Core Investment Company' subject to necessary approvals from RBI. Reliance Capital has interests in asset management and mutual funds; life and general insurance; commercial and home finance; equities & commodities broking; investment banking; wealth management services; distribution of financial products; exchanges; private equity; asset reconstruction; proprietary investments and other activities in financial services. On a standalone basis, RCL's networth stands at Rs.13,701crore as on March 31, 2017.

Brief Financials (Rs. crore)	FY16 (Audited)	FY17 (Audited)
Total operating income	4076	1954
PAT	977	419
Interest coverage (times)	1.5	1.4
Total Assets	36354	33266
Net NPA (%)	1.7	0.0
ROTA (%)	2.7	1.2

\*Audited figures of FY16 and FY17 are not comparable as FY17 financials are exclusive of commercial finance business on account of its demerger from RCL

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

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**Any other information:** Not Applicable

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn

**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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	-	-	1)Provisional CARE AA+ (SO) (Under Credit watch with Developing Implications) (24-Jul-17) 2)Provisional CARE AA+ (SO); Stable (05-Apr-17)	1)Provisional CARE AAA (SO) (Under Credit watch with Developing Implications) (20-Jan-17) 2)Provisional CARE AAA (SO) (Under Credit Watch) (06-Apr-16)	-	-

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