

May 09, 2022

## Viacom18 Media Private Limited: Update on Material Event

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Commercial Paper Programme	500.0	500.0	[ICRA]A1+
Short-term, Fund-based/Non fund based Limits	1865.0	1940.0	[ICRA]A1+
Short-term - Unallocated	75.7	0.7	[ICRA]A1+
<b>Total</b>	<b>2,440.7</b>	<b>2,440.7</b>	

\*Instrument details are provided in Annexure-1

### Rationale

On April 27, 2022, TV18 Broadcast Limited (TV18) intimated the stock exchange regarding strategic partnership between Reliance Industries Limited, RIL (rated [ICRA]AAA (Stable)/[ICRA]A1+), Bodhi Tree Systems and Paramount Global (rated Baa2 (Stable) by Moody's) and plans of Bodhi Tree Systems and Reliance Projects & Property Management Services, a wholly owned subsidiary of RIL, to invest Rs 13,500 crore and Rs 1,645 crore respectively in Viacom18 Media Private Limited (Viacom18). The entire investment will be a fresh infusion in Viacom18 and proceeds from the same will largely be used to make investments across digital, sports, and regional entertainment businesses which is expected to support the company's long-term growth path. Additionally, the JioCinema OTT app will be transferred to Viacom18. The company expects to close the transaction within six months, subject to requisite approvals.

ICRA has taken cognizance of the above development and expects that the strategic importance and linkages of Viacom18 with RIL's media business will continue to remain strong.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

### Analytical approach

Analytical Approach	Comments
<b>Applicable Rating Methodologies</b>	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Media Broadcasting Industry</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a> <a href="#">ICRA approach for rating commercial paper</a> <a href="#">Consolidation and Rating approach</a>
<b>Parent/Group Support</b>	<p>Parent / Group Company: RIL Group. IMT, of which RIL is the sole beneficiary, holds a majority stake in Network18, which has a 51.17% stake in TV18. Viacom18 is a step subsidiary of Network18.</p> <p>ICRA expects TV18 to continue extending timely financial support to Viacom18, should there be a need, as they are a key player in the media value-chain that RIL is focusing on.</p>
<b>Consolidation/Standalone</b>	<p>The rating is based on the consolidated financial profile of the company. The list of entities considered for consolidation as on March 31, 2021, is provided in Annexure 2.</p>

## About the company

Incorporated in 1995, Viacom18 Media Private Limited is a 51:49 JV between TV18 Broadcast Limited and ViacomCBS. On February 28, 2018, TV18 increased its stake in Viacom18 to 51% from 50%, thereby making it a subsidiary of the company. Viacom18 is present in the television broadcasting space with a presence across the Hindi GEC space and niche genres such as youth, kids and English GEC. In the Hindi GEC space, it operates channels such as Colors, Colors HD, Colors Rishtey and Rishtey Cineplex, while it is present in the English GEC segment through Comedy Central, Vh1 and Colors Infinity. In the youth genre, it has channels such as MTV and MTV Beats; while in the children's genre, its portfolio is represented by channels such as Sonic, Nickelodeon and Nick Jr. During September 2016, Viacom18 concluded the merger of Prism TV (a JV between Nickelodeon Asia Holdings Pte Ltd, a Viacom Inc. company, and TV18) with itself, effective from April 01, 2015. It has 10 regional entertainment channels in six geographies under the brand Colors, including various HD feeds of entertainment channels.

Viacom18 also has a presence in the film production and distribution business under a division, Viacom 18 Motion Pictures. In addition to domestic film production and distribution, the company is also the sole distributor of all Paramount films in the Indian subcontinent. IndiaCast Media Distribution Pvt Ltd (IndiaCast), a JV between Viacom18 and TV18, is a content asset monetisation company, which manages the distribution and monetisation of the company's international business.

## Key financial indicators (audited)

Consolidated	FY2020	FY2021
Operating Income (Rs. crore)	3,871.7	3,276.3
PAT (Rs. crore)	353.6	583.1
OPBDIT/OI (%)	14.7%	18.3%
PAT/OI (%)	9.1%	17.8%
Total Outside Liabilities/Tangible Net Worth (times)	1.6	0.8
Total Debt/OPBDIT (times)	1.74	0.33
Interest Coverage (times)	7.4	14.3

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

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

## Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020
						May 09, 2022	Nov 26, 2021	Apr 29, 2021	Nov 09, 2020
1	Commercial Paper Programme	Short-term	500.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Fund-based / Non-fund Based Limits	Short-term	1,940.0	--	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Fund-based / Non-fund Based Limits	Long-term/Short-term	-	-					[ICRA]AAA (Stable) Withdrawn/ [ICRA]A1+
4	Unallocated Limits	Short-term	0.7	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial Paper Programme	Very Simple
Fund-based /Non-fund Based Limits	Very Simple /Simple
Unallocated Limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument details

ISIN No/Banker Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Overdraft / Working Capital Demand Loan / Letter of Credit / Bank Guarantee	NA	NA	NA	1,940.0	[ICRA]A1+
NA	Short-term Unallocated Limits	NA	NA	NA	0.7	[ICRA]A1+
Yet to be placed	Commercial Paper Programme	NA	NA	NA	500.0	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure-2: List of entities considered for consolidated analysis (As on March 31, 2021)

Company Name	LTHL Ownership	Consolidation Approach
Viacom18 Media (UK) Limited	100.00	Full Consolidation
Viacom18 US Inc	100.00	Full Consolidation
Roptonal Limited	100.00	Full Consolidation
Indiacast Media Distribution Private Limited	50.0	Equity Method

Source: Company

## ANALYST CONTACTS

**Rajeshwar.Burla**

+91 40 4067 6527

[rajeshwar.burla@icraindia.com](mailto:rajeshwar.burla@icraindia.com)

**Ashish Modani**

+91 22 6114 3414

[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Jay Sheth**

+91 22 6114 3419

[Jay.sheth@icraindia.com](mailto:Jay.sheth@icraindia.com)

**Rohit Agarwal**

+91 22 6169 3329

[rohit.agarwal@icraindia.com](mailto:rohit.agarwal@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## 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.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2022 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.