

December 13, 2024

## Network18 Media & Investments Limited: Bank Facilities rating reaffirmed and Commercial Paper rating reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	2250.00	2750.00	[ICRA]A1+; reaffirmed and assigned for enhanced amount
Short-term – Overdraft/ WCDL	1195.00	1195.00	[ICRA]A1+; reaffirmed
Short-term – Non-fund based limits	55.00	55.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>3500.00</b>	<b>4000.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating reaffirmation / assignment continues to factor in Network18 Media & Investments Limited's (Network18) strategic importance as well as financial and managerial linkages with its parent entity Reliance Industries Limited's (RIL, rated [ICRA]AAA (Stable) / [ICRA]A1+). Independent Media Trust (IMT), of which RIL is the sole beneficiary, and other promoter group entities, together holds a majority stake (56.89%) in Network18. The media businesses under Network18 remain strategically important to RIL's digital ecosystem. Being a part of the RIL Group lends exceptional financial flexibility to the company, which is demonstrated by the track-record of raising funds at competitive rates in the market. The strong managerial linkage is evident from the presence of senior management from the RIL Group on the board of Network18.

Network18 has a strong and diversified presence across media segments including television, publishing, and digital media and is one of the largest assets of the RIL Group in the media and entertainment segment. It has a strong bouquet of news channels across languages with a healthy market share in viewership. Its digital businesses houses assets such as News18.com, Moneycontrol, Firstpost, Cnbctv18.com, etc. Its key investments include Viacom18 Media Private Limited (Viacom18), which is involved in the Entertainment business; BookMyShow, which is involved in the business of digital commerce, and Eenadu Television (owns and operates Telugu entertainment and news channels). ICRA expects Network18's revenues to grow by 8-10% in FY2025 led by the strong market position of channels along with a healthy increase in revenue from the digital business. This should also enable the company to improve its operating profitability.

As of March 2024, Network18 holds 50.994% stake in Viacom18. However, on a fully diluted basis, post conversion of the compulsory convertible preference shares (CCPS), RIL, excluding Network18, will hold 70.49% in Viacom18. RIL has intimated its intent to convert the CCPS into equity shares of Viacom18, leading to Viacom18 becoming a direct subsidiary of Reliance. Network18 will cease to exercise control over Viacom18, however, will continue to hold 13.54% stake.

The rating strengths are offset by the modest operating profitability and debt protection metrics of Network18, which are likely to remain under pressure over the medium term due to significant investments in digital initiatives. While the TV news business generates healthy operating profits, losses from the print and digital businesses lead to moderation in operating profitability at the Network18 group. The investments towards content development and distribution reach, given the significant potential of the digital platform, are likely to continue in the medium term resulting in the overall free cash flows to remain muted. The company's ability to maintain its market share for its key news channels, along with continued investments in digital initiatives will be the critical drivers for its overall revenue growth and profitability. ICRA notes the relatively higher debt levels over the last few years is resulting in its inability to cover its finance costs from its operating cash flows. The Company's ability to reduce its debt level remains a key monitorable.

The rating remains exposed to refinancing risks as Network18's entire debt is short term in nature. ICRA, nevertheless, derives comfort from the company's demonstrated track record to refinance its debt and the strong parentage, which provides considerable refinancing ability. Further, the credit profile remains exposed to risks inherent in the media and entertainment industry, wherein a part of revenue remains vulnerable to cyclicity in advertisement spends by corporates and the stiff competition including that from the digital players.

## Key rating drivers and their description

### Credit strengths

**Strong parentage; strategically important business for RIL in media sector** – ICRA derive strong comfort from the parentage of Network18, given its strategic importance as well as financial and managerial linkages with its parent entity - RIL. IMT, of which RIL is the sole beneficiary, and other promoter group entities, together holds a majority stake (56.89%) in Network18, post the completion of merger with subsidiaries, TV18 Broadcast Ltd. and e-Eighteen.com Limited. The media businesses under Network18 remains strategically important to RIL's digital ecosystem. Being a part of the RIL Group lends support to the company's financial profile and provides significant refinancing ability. The strong managerial linkage is evident from the presence of senior management from the RIL Group on the board of Network18.

**Network18 Group has diversified media platforms including television, publishing and digital** – Network18 is the operating and holding company of the Network18 Group and comprises TV news, digital content, publishing and allied business segments. Its key investments include Viacom18 Media Private Limited (Viacom18) involved in the entertainment business; BookMyShow, which is involved in the business of digital commerce, and Eenadu Television (owns and operates Telugu entertainment and news channels).

**Strong bouquet of channels across genres with healthy market share in viewership** – Network18, on standalone level, has a strong bouquet of channels across genres with a healthy market share in viewership (11.9%<sup>1</sup> for news network). The Group has general and business news channels—CNBC TV18, CNBC TV18 Prime HD, CNBC Awaaz, CNBC Bajar, CNN News18, News18 India and 14 regional news channels under the News18 umbrella including News18 Lokmat, which is a Marathi regional news channel in partnership with the Lokmat Group. It also publishes two magazines –Forbes and Overdrive and its digital businesses houses assets such as Moneycontrol, Firstpost, News18, etc. The Group's ability to maintain the market share for the news business and strengthen the viewership share of the digital business will be important to drive its revenue growth and overall profitability.

### Credit challenges

**Modest operating profitability; exposed to refinancing risk** – Network18, on standalone level, had a modest operating profitability in H1 FY2025 and FY2024. While the TV news business generates healthy operating profits, losses from the print and digital businesses moderates the operating profitability. ICRA notes that the relatively high debt levels over the last few years is resulting in insufficient operational cash flows to cover its finance costs. The ability to reduce their debt level either through fund infusion or improvement in profitability remains a key monitorable. With its entire debt being short term in nature, the Network18 Group is exposed to refinancing risks. ICRA, nevertheless, derives strong comfort from the demonstrated track record of refinancing its debt at competitive rates in the past and the Group's parentage, which lends support to its financial profile and provides significant refinancing ability.

**Vulnerability of advertisement revenues to economic slowdown, viewership trends and competition** – The media and entertainment industry remains vulnerable to cyclicity in advertisement spends by the corporates and rising competition from digital players. The above factors challenge the company's ability to retain the market share and by implication, its advertisement revenue share. Therefore, the macro-economic prospects will be critical to drive the overall industry as well as Network18's advertisement revenue growth. The company has been making investments towards content development and

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<sup>1</sup> Source: BARC | TG: 15+ | Market: All India | Wk 39'24

distribution, given the significant potential of the digital platform. Continued investments in digital initiatives will also be the critical drivers for its revenue growth and profitability.

## Environmental and social consideration

**Environmental considerations** – Network18 is involved in the broadcasting business. Given the nature of business, exposure to environmental risk is low. The company adheres to applicable regulation/guidelines issued by the Ministry of Information and Broadcasting and Telecom Regulatory Authority of India in rendering its services.

**Social considerations** - The companies remain exposed to moderate social risks, such as changes in consumer engagement practices and preference (like shift towards OTT platform) as well as privacy-related issue. The same could result in higher operating cost as well as capital investment requirements for the company.

## Liquidity position: Adequate

The company’s liquidity position remains adequate with unutilised fund-based bank lines of ~Rs. 761 crore at the standalone level as on November 30, 2024. It does not have any long-term debt repayments and has a track record of timely repayment of short-term debt at competitive rates. Further, ICRA expects the Network18’s ultimate parent, RIL, to extend timely financial support to it, should there be a need.

## Rating sensitivities

**Positive factors** – Not Applicable.

**Negative factors** – Negative pressure on the rating of Network18 could arise if there is change in the credit profile of the ultimate parent company, RIL or weakening in linkages with RIL. Further any significant weakening in operating and/or financial performance of Network18 including sharp decline in liquidity might result in downward pressure on the rating.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">TV Broadcasting</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Parent / Group Company: RIL Independent Media Trust, of which RIL is the sole beneficiary, holds a majority stake in Network18. ICRA expects the RIL Group to continue extending timely financial support to Network18 Group, should there be a need, as they are a key player in the telecom and media value-chain that RIL is focusing on.
Consolidation/Standalone	The rating is based on the consolidated business and financial profile of the company. The list of entities considered for consolidation is provided in Annexure II.

## About the company

With effect from October 03, 2024, TV18 Broadcast Limited and E-eighteen.com Limited have amalgamated with Network18. The standalone business profile of Network18 now comprises TV news, digital content, publishing and allied business segments. The company operates news channels like – CNBC TV18, CNBC Awaaz, CNBC Bajar, CNBC TV18 Prime HD, CNN News18, News18 India, and 14 regional news channels under the News18 umbrella including News18 Lokmat - a Marathi regional news channel in partnership with the Lokmat Group. Its digital businesses houses assets such as Moneycontrol, Firstpost, News18, etc. Further, it also publishes two magazines – Forbes and Overdrive.

Network18’s key investments include Viacom18, which is involved in the entertainment business, BookMyShow (39.29% stake, largest shareholder), and Eenadu television (24.5% stake, owns and operates Telugu entertainment and news channels).

### Key financial indicators (audited)

Network18 Consolidated	FY2023	FY2024*	H1 FY2025*
Operating income (Rs. crore)	6223.0	9297.5	4966.1
PAT (Rs. crore)	-101.1	-435.2	-406.9
OPBDIT/OI (%)	2.2%	-7.1%	-6.6%
PAT/OI (%)	-1.6%	-4.7%	-8.2%
Total outside liabilities/Tangible net worth (times)	2.0	0.4	0.5
Total debt <sup>#</sup> /OPBDIT (times)	44.8	-12.4	-14.2
Interest coverage (times)	0.6	-2.0	-1.0

Network18 Standalone	FY2023	FY2024	H1 FY2025*
Operating income (Rs. crore)	187.2	1817.7	898.0
PAT (Rs. crore)	-186.5	-185.4	-149.1
OPBDIT/OI (%)	-29.2%	1.4%	1.1%
PAT/OI (%)	-99.6%	-10.2%	-16.6%
Total outside liabilities/Tangible net worth (times)	2.8	2.3	2.5
Total debt <sup>#</sup> /OPBDIT (times)	-47.7	108.4	154.2
Interest coverage (times)	-0.4	0.1	0.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; \*abridged; #including lease liabilities

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

**Any other information: Not applicable**

### Rating history for past three years

Instrument	Type	Current (FY2025)				Chronology of rating history for the past 3 years					
		Amount Rated (Rs crore)	Dec 13, 2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Commercial Paper Programme	Short term	2750.00	[ICRA]A1+	May 24, 2024	[ICRA]A1+	Nov 24, 2023	[ICRA]A1+	Nov 30, 2022	[ICRA]A1+	Apr 29, 2021	[ICRA]A1+
				Oct 31, 2024	[ICRA]A1+	Dec 15, 2023	[ICRA]A1+			Nov 26, 2021	[ICRA]A1+
						Mar 08, 2024	[ICRA]A1+				
Overdraft/WCDL	Short term	1195.00	[ICRA]A1+	May 24, 2024	[ICRA]A1+	Nov 24, 2023	[ICRA]A1+	Nov 30, 2022	[ICRA]A1+	Apr 29, 2021	[ICRA]A1+
				Oct 31, 2024	[ICRA]A1+	Dec 15, 2023	[ICRA]A1+			Nov 26, 2021	[ICRA]A1+
						Mar 08, 2024	[ICRA]A1+				
Non-Fund Based Limits	Short term	55.00	[ICRA]A1+	May 24, 2024	-	-	-	-	-	-	-
				Oct 31, 2024	[ICRA]A1+	-	-	-	-	-	-

<b>Unallocated Limits</b>	Short term	0.00	-	May 24, 2024	[ICRA]A1+	Nov 24, 2023	[ICRA]A1+	Nov 30, 2022	[ICRA] A1+	Apr 29, 2021	[ICRA] A1+
				Oct 31, 2024	-	Dec 15, 2023	[ICRA]A1+			Nov 26, 2021	[ICRA] A1+
						Mar 08, 2024	[ICRA]A1+				

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper programme	Very Simple
Short-term – Overdraft/ WCDL	Simple
Short-term – Non-fund based limits	Very Simple

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 analysing 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 are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Overdraft / Working capital demand loan	NA	NA	NA	1195.00	[ICRA]A1+
NA	Short-term – Non-fund based limits	NA	NA	NA	55.00	[ICRA]A1+
INE870H14TN9	Commercial paper	6-Sep-24	7.27%	6-Dec-24	125.00	[ICRA]A1+
INE870H14TM1	Commercial paper	9-Sep-24	7.27%	9-Dec-24	125.00	[ICRA]A1+
INE870H14TO7	Commercial paper	26-Sep-24	7.33%	13-Dec-24	100.00	[ICRA]A1+
INE870H14TP4	Commercial paper	27-Sep-24	7.33%	10-Dec-24	100.00	[ICRA]A1+
INE886H14JW7	Commercial paper	27-Sep-24	7.33%	13-Dec-24	100.00	[ICRA]A1+
INE870H14TQ2	Commercial paper	25-Oct-24	7.24%	15-Jan-25	150.00	[ICRA]A1+
INE870H14TR0	Commercial paper	28-Oct-24	7.24%	27-Jan-25	150.00	[ICRA]A1+
INE870H14TS8	Commercial paper	29-Oct-24	7.24%	28-Jan-25	100.00	[ICRA]A1+
INE870H14TT6	Commercial paper	5-Nov-24	7.25%	4-Feb-25	125.00	[ICRA]A1+
INE870H14TU4	Commercial paper	6-Nov-24	7.25%	5-Feb-25	75.00	[ICRA]A1+
INE870H14TW0	Commercial paper	8-Nov-24	7.21%	7-Feb-25	150.00	[ICRA]A1+
INE870H14TV2	Commercial paper	11-Nov-24	7.21%	10-Feb-25	100.00	[ICRA]A1+
INE870H14TY6	Commercial paper	27-Nov-24	7.24%	12-Feb-25	100.00	[ICRA]A1+
INE870H14TX8	Commercial paper	26-Nov-24	7.24%	14-Feb-25	200.00	[ICRA]A1+
INE870H14TZ3	Commercial paper	28-Nov-24	7.23%	27-Feb-25	100.00	[ICRA]A1+
INE870H14UA4	Commercial paper	29-Nov-24	7.23%	28-Feb-25	200.00	[ICRA]A1+
INE870H14UB2	Commercial paper	3-Dec-24	7.23%	3-Mar-25	100.00	[ICRA]A1+
INE870H14UC0	Commercial paper	3-Dec-24	7.23%	4-Mar-25	150.00	[ICRA]A1+
Yet to be placed	Commercial paper	-	-	-	500.00	[ICRA]A1+

Source: Company; as on December 03, 2024

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

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Relation	Ownership	Consolidation Approach
Network18 Media Trust	Subsidiary	100.00%	Full Consolidation
Infomedia Press Limited	Subsidiary	50.69%	Full Consolidation
Colosseum Media Private Limited	Subsidiary	100.00%	Full Consolidation
Greycells18 Media Limited	Subsidiary	89.69%	Full Consolidation
Media18 Distribution Services Limited	Subsidiary	100.00%	Full Consolidation
Web18 Digital Services Limited	Subsidiary	100.00%	Full Consolidation
Moneycontrol Dot Com India Limited	Subsidiary	100%	Full Consolidation
AETN18 Media Private Limited	Subsidiary	51.00%	Full Consolidation
NW18 HSN Holdings Plc	Associate	40.69%	Equity Method
Eenadu Television Private Limited	Associate	24.50%	Equity Method
Big Tree Entertainment Private Limited (BTEPL)	Associate	39.29%	Equity Method
IBN Lokmat News Private Limited	Joint Venture	50.00%	Equity Method
Ubona Technologies Private Limited	Joint Venture	50.00%	Equity Method
Big Tree Entertainment Singapore Pte Ltd. (BTESPL)	Subsidiary of associate BTEPL	35.35%	Equity Method
Big Tree Sport & Recreational Events Tickets Selling L.L.C	Subsidiary of associate BTEPL	19.25%	Equity Method

Company Name	Relation	Ownership	Consolidation Approach
<b>Bookmyshow Live Private Limited</b>	Subsidiary of associate BTEPL	39.29%	Equity Method
<b>Bookmyshow Venues Management Private Limited</b>	Subsidiary of associate BTEPL	39.29%	Equity Method
<b>Fantain Sports Private Limited</b>	Subsidiary of associate BTEPL	29.82%	Equity Method
<b>Foodfesta Wellcare Private Limited</b>	Subsidiary of associate BTEPL	39.29%	Equity Method
<b>Spacebound Web labs Private Limited##</b>	Subsidiary of associate BTEPL	33.40%	Equity Method
<b>Dyulok Technologies Private Limited</b>	Subsidiary of associate BTEPL	37.55%	Equity Method
<b>Popclub Vision Tech Private Limited</b>	Subsidiary of associate BTEPL	23.57%	Equity Method
<b>Peppo Technologies Pvt Ltd</b>	Subsidiary of associate BTEPL	25.15%	Equity Method
<b>Big Tree Entertainment Lanka (Pvt) Limited</b>	Subsidiary of BTESPL	35.35%	Equity Method
<b>Bookmyshow SDN. BHD</b>	Subsidiary of BTESPL	35.35%	Equity Method
<b>PT Big Tree Entertainment Indonesia@</b>	Subsidiary of BTESPL	35.35%	Equity Method
<b>Townscript USA, Inc.</b>	Subsidiaries of Dyulok Technologies Private Limited	37.55%	Equity Method
<b>Townscript PTE. Limited, Singapore</b>	Subsidiaries of Dyulok Technologies Private Limited	37.55%	Equity Method
<b>TribeVibe Entertainment Private Limited#</b>	Subsidiary of Bookmyshow Live Private Limited	21.54%	Equity Method

<sup>1</sup> RIL has intimated its intent to convert the CCPS into equity shares of Viacom18. With the conversion of CCPS, Viacom18 and its subsidiary will cease to be subsidiary of Network18.

## 85% shareholding held by Bookmyshow Live Private Limited and 0.001% is held by nominee of Big Tree Entertainment Private Limited

@ 99.99% shareholding held by Big Tree Entertainment Singapore PTE. Limited and 0.01% shareholding is held by Big Tree Entertainment Private Limited directly.

# 51% shareholding is held by Bookmyshow Live Private Limited, and 4% shareholding is held by Dyulok Technologies Private Limited

Note: Indiacast Media Distribution Private Limited was a subsidiary of Network18 until 13th November 2024 and became a fellow subsidiary effective from 14th November 2024.

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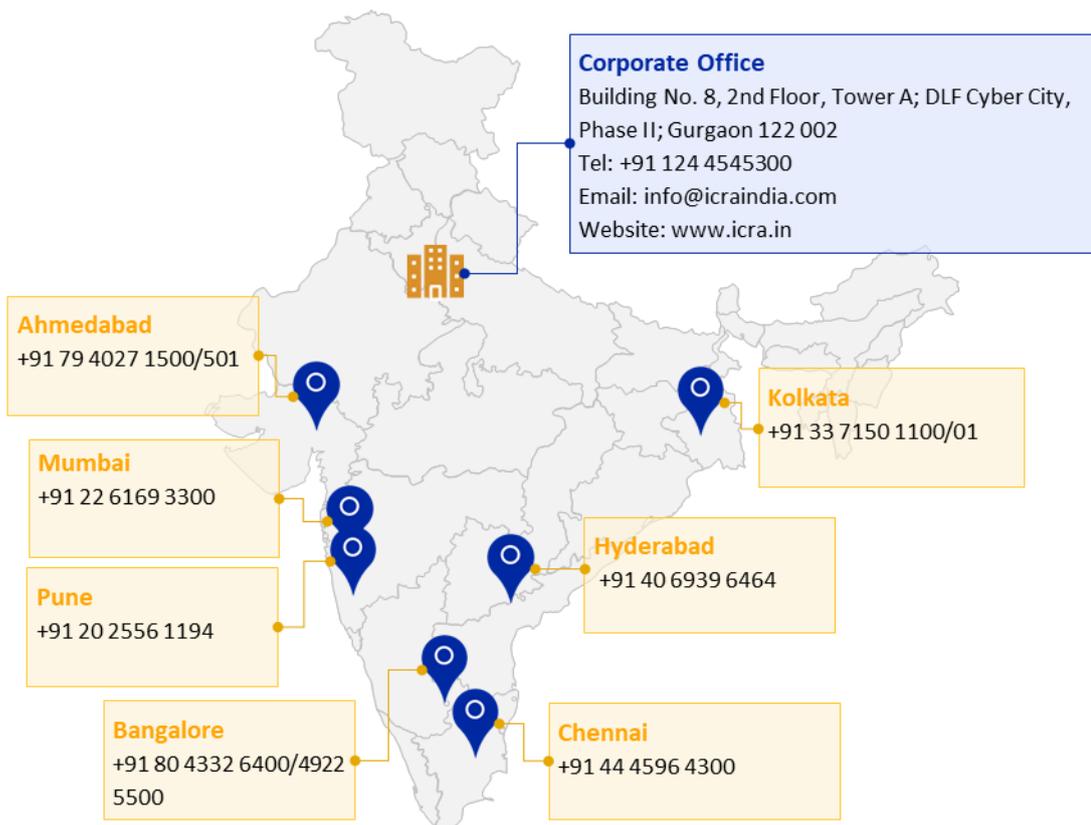
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