

December 15, 2023

Network18 Media & Investments Limited: Update on material event and change in limits

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	1,500.0	1,500.0	[ICRA]A1+; Outstanding
Overdraft/ Working capital demand loan	297.5	322.50	[ICRA]A1+; Outstanding
Short-term – Unallocated limits	202.5	177.50	[ICRA]A1+; Outstanding
Total	2,000.0	2,000.0	

*Instrument details are provided in Annexure-I

Rationale

On December 06, 2023, Network18 Media & Investments Limited (NW18) intimated the stock exchanges regarding a scheme of amalgamation and arrangement among Network18 Media & Investments Limited and its subsidiaries – TV18 Broadcast Limited (TV18) and e-Eighteen.Com Limited (E18). Under the scheme, E18 and TV18 will merge into Network18 with effect from April 1, 2023. The scheme seeks to achieve operational synergies, cost optimisation and increased revenue realisation. Further, Reliance Industries Limited (RIL, rated [ICRA]AAA(Stable/[ICRA]A1+) group will continue to be the majority shareholder in NW18, though RIL's shareholding in NW18 will reduce from 75% at present to 56.89% post completion of the amalgamation.

ICRA has taken cognizance of the above development and expects that the strategic importance and linkages of NW18 Group with RIL's media business will continue to remain strong. While assessing the credit profile of NW18, ICRA has factored in the consolidated financials of NW18, along with its subsidiaries (E18, TV18, Viacom18 and others), and the merger is unlikely to have any material impact on the credit profile of the rated entities. ICRA, however, will continue to monitor the developments in this respect and the impact of the same on NW18's credit risk profile.

This rationale is also being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

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

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	TV Broadcasting Corporate Credit Rating Methodology
Parent/Group support	Parent / Group Company: Reliance Industries Limited (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 financial profile of the company. The list of entities considered for consolidation as on March 31, 2023, is provided in Annexure II.

About the company

Network18 is the operating-cum-holding company of the Network18 Group with modest operations. Network18's key direct and indirect investments include TV18 (listed subsidiary), Viacom18 Media Private Limited. TV18 took operational control in the same from February 28, 2018 and hence it is consolidated into TV18 from then on. The Network18 Group includes other entities involved in the business of digital content, which operates News18.com, Firstpost and Moneycontrol, etc. Among these investments, TV18, with a strong portfolio of channels across genres, is the most significant contributor to the Group's revenues and the primary contributor to its operating profits. The standalone business profile of Network18 comprises revenues from the digital content, publishing and allied business segments. At present, the company publishes three magazines – Forbes, Overdrive and Better Photography.

Through its 51.17% subsidiary, TV18 Broadcast Limited, the Group 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. TV18's subsidiary, Viacom18 Media Private Limited houses a portfolio of entertainment channels such as Colors, Rishtey, MTV India, MTV Beats, Sports18, Comedy Central, Colors Infinity, Vh1, Nick, Sonic, Nick Jr and 10 regional entertainment channels in six geographies under the brand Colors, including various HD feeds of entertainment channels. It houses the Group's filmed entertainment business under Viacom18 Motion Pictures. The company's OTT platforms, JioCinema, is housed under Viacom18. AETN18, is a 51:49 JV between TV18 and A&E Television Networks, which operates History TV18 (an infotainment channel). Network18 is also the largest shareholder (~39%) in entertainment ticketing platform, Bookmyshow.

Key financial indicators (audited)

Network18 Consolidated	FY2022	FY2023	H1 FY2024*
Operating income (Rs. crore)	5,880.2	6,223.0	5104.4
PAT (Rs. crore)	811.6	-101.1	-146.9
OPBDIT/OI (%)	18.4%	2.2%	-5.9%
PAT/OI (%)	13.8%	-1.6%	-2.9%
Total outside liabilities/Tangible net worth (times)	1.0	2.0	0.3
Total debt/OPBDIT (times)	2.0	42.9	-11.4
Interest coverage (times)	11.2	0.6	-2.3

Source: Company, ICRA Research. PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2024)					Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as on Oct 20, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022		Date & rating in FY2021
					Dec 15, 2023	Nov 24, 2023		Nov 30, 2022	Nov 26, 2021	
1	Commercial paper programme	Short term	1,500.0	1475.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Fund-based limits	Short term	322.50	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Unallocated limits	Short term	177.50	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Commercial paper programme	Very Simple
Overdraft / Working capital demand loan	Simple
Short-term – Unallocated limits	Not Applicable

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	322.50	[ICRA]A1+
NA	Short-term – Unallocated limits	NA	NA	NA	177.50	[ICRA]A1+
INE870H14QR6	Commercial paper	28-Jul-23	7.04%	25-Oct-23	125.00	[ICRA]A1+
INE870H14QS4	Commercial paper	28-Jul-23	7.04%	27-Oct-23	50.00	[ICRA]A1+
INE870H14QT2	Commercial paper	31-Jul-23	7.04%	30-Oct-23	50.00	[ICRA]A1+
INE870H14QT2	Commercial paper	31-Jul-23	7.04%	30-Oct-23	50.00	[ICRA]A1+
INE870H14QW6	Commercial paper	10-Aug-23	7.08%	6-Nov-23	100.00	[ICRA]A1+
INE870H14QX4	Commercial paper	11-Aug-23	7.08%	7-Nov-23	50.00	[ICRA]A1+
INE870H14QX4	Commercial paper	11-Aug-23	7.08%	7-Nov-23	25.00	[ICRA]A1+
INE870H14QV8	Commercial paper	11-Aug-23	7.08%	8-Nov-23	50.00	[ICRA]A1+
INE870H14QU0	Commercial paper	14-Aug-23	7.08%	10-Nov-23	100.00	[ICRA]A1+
INE870H14QV8	Commercial paper	14-Aug-23	7.08%	8-Nov-23	50.00	[ICRA]A1+
INE870H14QY2	Commercial paper	17-Aug-23	7.08%	13-Nov-23	50.00	[ICRA]A1+
INE870H14QZ9	Commercial paper	25-Aug-23	7.15%	24-Nov-23	100.00	[ICRA]A1+
INE870H14QZ9	Commercial paper	28-Aug-23	7.15%	24-Nov-23	75.00	[ICRA]A1+
INE870H14QZ9	Commercial paper	29-Aug-23	7.15%	28-Nov-23	75.00	[ICRA]A1+
INE870H14RB8	Commercial paper	1-Sep-23	7.13%	1-Dec-23	50.00	[ICRA]A1+
INE870H14RC6	Commercial paper	5-Sep-23	7.13%	5-Dec-23	50.00	[ICRA]A1+
INE870H14RD4	Commercial paper	6-Sep-23	7.09%	6-Dec-23	50.00	[ICRA]A1+
INE870H14RD4	Commercial paper	6-Sep-23	7.09%	6-Dec-23	50.00	[ICRA]A1+
INE870H14RF9	Commercial paper	8-Sep-23	7.09%	8-Dec-23	25.00	[ICRA]A1+
INE870H14RE2	Commercial paper	11-Sep-23	7.09%	11-Dec-23	50.00	[ICRA]A1+
INE870H14RI3	Commercial paper	25-Sep-23	7.07%	22-Dec-23	100.00	[ICRA]A1+
INE870H14RH5	Commercial paper	27-Sep-23	7.07%	27-Dec-23	100.00	[ICRA]A1+
INE870H14RH5	Commercial paper	28-Sep-23	7.07%	27-Dec-23	50.00	[ICRA]A1+
Yet to be placed	Commercial paper	NA	NA	NA	25	[ICRA]A1+

Source: Company

Annexure-II: List of entities considered for consolidated analysis

Company Name	Relation	Ownership	Consolidation Approach
Network18 Media Trust	Subsidiary	100.00%	Full Consolidation
TV18 Broadcast Limited	Subsidiary	51.17%	Full Consolidation
Infomedia Press Limited	Subsidiary	50.69%	Full Consolidation
AETN18 Media Private Limited	Subsidiary of TV18	26.10%	Full Consolidation
e-Eighteen.com Limited	Subsidiary	91.95%	Full Consolidation
Moneycontrol Dot Com India Limited	Subsidiary of E-Eighteen.com	91.95%	Full Consolidation
NW18 HSN Holdings Plc	Associate	40.69%	Equity Method
Colosceum Media Private Limited	Subsidiary	100.00%	Full Consolidation
Greycells18 Media Limited	Subsidiary	89.69%	Full Consolidation
IBN Lokmat News Private Limited	Joint Venture of TV18	25.58%	Equity Method
Viacom18 Media Private Limited (Viacom18)	Subsidiary of TV18	26.10%	Full Consolidation
Viacom18 Media (UK) Limited	Subsidiary of Viacom18	26.10%	Full Consolidation
Viacom18 US Inc	Subsidiary of Viacom18	26.10%	Full Consolidation
Roptonal Limited	Subsidiary of Viacom18	26.10%	Full Consolidation
Indiacast Media Distribution Private Limited (Indiacast)	Subsidiary of TV18	38.63%	Full Consolidation
Indiacast UK Ltd	Subsidiary of Indiacast	38.63%	Full Consolidation
Indiacast US Ltd	Subsidiary of Indiacast	38.63%	Full Consolidation
Ubona Technologies Private Limited	Joint venture	50.00%	Equity Method
Eenadu Television Private Limited	Associate of TV18	12.54%	Equity Method
Big Tree Entertainment Private Limited	Associate of TV18	39.29%	Equity Method

Company Name	Relation	Ownership	Consolidation Approach
Spacebound Web labs Private Limited	Subsidiary of associate Big Tree Entertainment Private Limited	23.57%	Equity Method
Big Tree Entertainment Singapore Pte Ltd.	Subsidiary of associate Big Tree Entertainment Private Limited	35.35%	Equity Method
Fantain Sports Private Limited	Subsidiary of associate Big Tree Entertainment Private Limited	29.82%	Equity Method
PT Big Tree Entertainment Indonesia @	Subsidiary of associate Big Tree Entertainment Singapore PTE Limited	35.35%	Equity Method
Big Tree Entertainment Lanka (Pvt) Limited	Subsidiary of Big Tree Entertainment Singapore PTE Limited	35.35%	Equity Method
Dyulok Technologies Private Limited	Subsidiary of associate Big Tree Entertainment Private Limited	37.55%	Equity Method
Foodfesta Wellcare Private Limited	Subsidiary of associate Big Tree Entertainment Private Limited	39.29%	Equity Method
Big Tree Entertainment DMCC	Subsidiary of Big Tree Entertainment Singapore PTE Limited	35.35%	Equity Method
Townscript USA, Inc.	Subsidiary of Dyulok Technologies Private Limited	37.55%	Equity Method
Townscript PTE. Limited, Singapore	Subsidiaries of Dyulok Technologies Private Limited	37.55%	Equity Method
Bookmyshow Live Private Limited (earlier known as Nomobo Entertainment Private Limited)	Subsidiary of associate Big Tree Entertainment Private Limited	39.29%	Equity Method
Big Tree Sport & Recreational Events Tickets Selling L.L.C	Subsidiary of Big Tree Entertainment Singapore PTE Limited	17.32%	Equity Method
Bookmyshow Venues Management Private Limited (earlier known as Go2space Event Management Private Limited)	Subsidiary of Big Tree Entertainment Private Limited	39.29%	Equity Method
Bookmyshow SDN. BHD	Subsidiary of Big Tree Entertainment Singapore PTE.Limited	35.35%	Equity Method
TribeVibe Entertainment Private Limited#	Subsidiary of Bookmyshow Live Private Limited	21.54%	Equity Method
Media18 Distribution Services Limited	Subsidiary	100.00%	Full Consolidation
Web18 Digital Services Limited	Subsidiary	100.00%	Full Consolidation
Digital18 Media Limited	Subsidiary	100.00%	Full Consolidation
Popclub Vision Tech Private Limited (Formerly Preebee Lifestyle Private Limited)	Subsidiary of associate Big Tree Entertainment Private Limited	23.57%	Equity Method

@ 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 held by Bookmyshow Live Private Limited and 4% shareholding is held by Dyulok Technologies Private

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