

TV18 Broadcast Limited

Instrument	Amount	Rating Action
	Rs. Crore	
Long-Term/Short-Term Fund Based /Non-Fund based Limits	Rs. 354 Crore (PY: Rs 370 Crore)	Upgraded to [ICRA]AA+ (Stable) from [ICRA]A (positive)/ [ICRA]A1+ reaffirmed
Fixed Deposits Programme	Nil	Upgraded to MAA+ (Stable) from MA (positive) and placed on Notice of Withdrawal
Commercial Paper Programme	Rs. 400 Crore (includes Rs. 200 crore CP Programme reaffirmed and re-assigned structured obligation limits of Rs. 200 crore)	[ICRA]A1+ reaffirmed/ re-assigned

The ratings assigned to the Rs 354 crore (PY: Rs 370 crore) bank facilities of TV18 Broadcast Limited ('TV18' or 'the company') have been upgraded/reaffirmed at [ICRA]AA+/[ICRA]A1+ (pronounced ICRA double A plus/ICRA A one plus) from [ICRA]A/[ICRA]A1+ (pronounced ICRA A/ ICRA A one plus). The outlook on the long-term rating has been changed to "Stable" from "Positive".

The short-term rating on the Rs 200 crore Commercial Paper Programme of TV18 has been reaffirmed at [ICRA]A1+ (pronounced ICRA A one plus). ICRA has also reassigned the rating on the Rs 200 crore Commercial Paper Programme of TV18 to [ICRA]A1+ (pronounced ICRA A one plus) from [ICRA]A1+(SO) (pronounced ICRA A one plus Structured Obligation) as there is no standby facility against the same and added the same to the total Commercial Paper Programme limits that aggregate to Rs. 400 crore.

ICRA has also upgraded the rating assigned to the Fixed Deposit Programme of TV18 to MAA+ (Stable) (pronounced M double A plus with Stable outlook) from MA (Positive) (pronounced M A with Positive outlook) and placed the same on Notice of Withdrawal for six months at the request of the company. As per ICRA's policy, the ratings will be withdrawn after six months from the date of this withdrawal notice.

The revision in the long-term rating takes into consideration the strong parentage of TV18 with completion of acquisition of majority stake in holding company, Network18 (rated [ICRA]AA+, Stable, [ICRA]A1+) by Independent Media Trust (IMT) of which Reliance Industries Limited (rated [ICRA]A1+, LC: Baa2 Positive by Moody's) is the sole beneficiary. This, coupled with the strategic importance of the business to the Reliance Group being the sole investment in the media and entertainment segment augurs well for the future business growth of the company. The ratings further draw comfort from the strong financial profile of TV18 marked by robust capital structure, favourable debt protection metrics and healthy liquidity. With moderate investment plans over the near to medium term, ICRA expects the financial profile of the company to remain favourable going forward.

The ratings continue to factor in the diversified offerings of the broadcasting business across genres including entertainment channels in Hindi, English and five regional languages, business news channels in Hindi, English and Gujarati and general news channels in Hindi, English and ten regional news channels coupled with healthy market share in terms of viewership ratings resulting in healthy ad revenue growth. The ratings also draw comfort from the healthy growth in net distribution income and the expected improvement in profitability metrics on the back of further growth in subscription revenues besides reduction in carriage fee for existing channels attributable to the ongoing digitization of the cable industry.



The ratings factor in the risks inherent to the media and entertainment industry in terms of vulnerability of ad revenue driven business profile to cyclicalities in advertising spends by corporates and the working capital intensive nature of operations on account of extended receivable cycles. ICRA takes note of the rising competitive intensity with increase in total number of channels in the mass content as well as niche segment coupled with emergence of alternative content delivery platforms such as digital media resulting in fragmentation of viewership. The ability of the company to maintain its leadership position across genres and the resultant share in advertisement revenue pie shall remain a key rating sensitivity.

Company Profile

Network18 Media and Investments Limited (Network18) is a media and entertainment company with interests in television, internet, filmed entertainment, digital business, magazines, mobile content and allied businesses. Network18 manages various digital businesses including portals such as moneycontrol.com, ibnlive.com, burrrp.com, in.com and firstpost.com. It also operates digital commerce properties such as HomeShop18 and bookmyshow.com. In addition, Network18 also has presence in the publishing segment and publishes Forbes India, Overdrive, Better Interiors, and Better Photography. Network18 has also allied investments in Colosseum, Toppers, 24X7 Learning, Yatra, Ubona and other companies.

TV18 operates news channels - CNBC-TV18, CNBC Awaaz, CNBC Bajar, CNBC-TV18 Prime HD, CNN-IBN, IBN7, News18, ten regional news channels under the brand ETV and IBN-Lokmat (a Marathi regional news channel in partnership with the Lokmat group). The group has launched five regional news channels ETV Kannada, ETV Bangla, ETV Haryana/Himachal Pradesh, ETV Oriya and ETV Gujarati and one English entertainment channel – Colors Infinity and various HD Feeds of entertainment channels in the past eighteen months. TV18 also operates a joint venture with Viacom, called Viacom18 Media Private Limited, which houses a portfolio of entertainment channels - Colors, Colors HD, Rishtey, MTV India, MTV Indies, Comedy Central, Colors Infinity, Vh1, Nick, Sonic, Nick Jr, Teen Nick and Viacom18 Motion Pictures, the group's filmed entertainment business. TV18 operates another joint venture with Viacom, called Prsim TV Private Limited which operates five regional entertainment channels under the brand Colors. TV18 operates a factual entertainment channel History TV18 through a joint venture with A+E Networks.

Recent results (Consolidated):

TV18 (Consolidated) reported a net loss (after extraordinary loss of Rs 233.3 crore) of Rs 38.5 crore on an Operating Income (OI) of Rs 2,318.4 crore in 2014-15. As per published results for H1, 2015-16; TV18 (Consolidated) reported a net profit of Rs 2.6 crore on an OI of Rs 1,205.2 crore.

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