December 15, 2023

TV18 Broadcast Limited: Update on material event

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	750.00	750.00	[ICRA]A1+; Outstanding
Fund-based limits	375.00	375.00	[ICRA]A1+; Outstanding
Non-fund based limits	55.00	55.00	[ICRA]A1+; Outstanding
Short-term – Unallocated limits	320.00	320.00	[ICRA]A1+; Outstanding
Total	**1,500.00**	**1,500.00**	

**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 the shareholding 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 Viacom18's credit risk profile.

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, which has a 51.17% stake in TV18. 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

TV18 Broadcast Limited is the broadcast arm of the media conglomerate – Network18 Media & Investments Limited. TV18 operates the 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 Studios and JioCinema, which is the company's OTT platform.

Key financial indicators (audited)

TV18 Consolidated	FY2022	FY2023	H1 FY2024*
Operating income (Rs. crore)	5,526.2	5,912.1	4,970.2
PAT (Rs. crore)	872.5	82.4	-7.3
OPBDIT/OI (%)	18.8%	3.3%	-5.1%
PAT/OI (%)	15.8%	1.4%	-0.1%
Total outside liabilities/Tangible net worth (times)	0.5	1.2	0.2
Total debt/OPBDIT (times)	0.6	21.5	-6.5
Interest coverage (times)	27.3	1.7	-3.6

*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	Apr 29, 2021	Nov 09, 2020 Apr 14, 2020
1	Commercial paper programme	Short term	750.0	500.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Non-fund based limits	Short term	55.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Unallocated limits	Short term	320.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Fund-based limits	Short term	375.0	-	[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
Fund-based limits	Simple
Non-fund based limits	Very 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	**Short-term – Fund-based limits**	NA	NA	NA	375.0	[ICRA]A1+
NA	**Short-term – Non-fund based limits**	NA	NA	NA	55.0	[ICRA]A1+
NA	**Short-term – Unallocated limits**	NA	NA	NA	320.0	[ICRA]A1+
INE886H14IR9	**Commercial paper**	28-Jul-23	7.04%	26-Oct-23	100.0	[ICRA]A1+
INE886H14IS7	**Commercial paper**	31-Jul-23	7.04%	30-Oct-23	25.0	[ICRA]A1+
INE886H14IS7	**Commercial paper**	31-Jul-23	7.04%	30-Oct-23	50.0	[ICRA]A1+
INE886H14IT5	**Commercial paper**	1-Sep-23	7.13%	1-Dec-23	100.0	[ICRA]A1+
INE886H14IU3	**Commercial paper**	5-Sep-23	7.13%	5-Dec-23	50.0	[ICRA]A1+
INE886H14IV1	**Commercial paper**	8-Sep-23	7.09%	8-Dec-23	50.0	[ICRA]A1+
INE886H14IW9	**Commercial paper**	11-Sep-23	7.09%	11-Dec-23	75.0	[ICRA]A1+
INE886H14IX7	**Commercial paper**	27-Sep-23	7.07%	27-Dec-23	50.0	[ICRA]A1+
Yet to be placed	**Commercial paper**	NA	NA	NA	250.0	[ICRA]A1+

Source: Company

Annexure II: List of entities considered for consolidated analysis (As on March 31, 2023)

Company Name	Relation	Ownership	Consolidation Approach
AETN18 Media Private Limited	Subsidiary	51.00%	Full Consolidation
IBN Lokmat News Private Limited	Joint Venture	50.00%	Equity Method
Viacom18 Media Private Limited (Viacom18)	Subsidiary	51.00%	Full Consolidation
Viacom18 Media (UK) Limited	Subsidiary of Viacom18	51.00%	Full Consolidation
Viacom18 US Inc	Subsidiary of Viacom18	51.00%	Full Consolidation
Roptonal Limited	Subsidiary of Viacom18	51.00%	Full Consolidation
Indiacast Media Distribution Private Limited (Indiacast)#	Subsidiary	75.50%	Full Consolidation
Indiacast UK Ltd	Subsidiary of IndiaCast Media	75.50%	Full Consolidation
Indiacast US Ltd	Subsidiary of IndiaCast Media	75.50%	Full Consolidation
Eenadu Television Private Limited	Associate	24.50%	Equity Method

Source: Company

 # The Company holds 50% of the shareholding through Viacom 18 Media Private Limited and 50% directly.

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About ICRA Limited:

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