March 08, 2024

TV18 Broadcast Limited: Update on material event and change in limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	750.00	750.00	[ICRA]A1+; Outstanding
Short-term – Fund-based limits	375.00	445.00	[ICRA]A1+; Outstanding
Short-term – Non-fund based limits	55.00	55.00	[ICRA]A1+; Outstanding
Short-term – Unallocated limits	320.00	250.00	[ICRA]A1+; Outstanding
Total	**1,500.00**	**1,500.00**	

**Instrument details are provided in Annexure I*

Rationale

On February 28, 2024, TV18 Broadcast Limited, which is a subsidiary of Network18 Media & Investments Ltd (NW18), intimated the stock exchanges regarding the strategic joint venture (JV) between Reliance Industries Limited (RIL, rated [ICRA]AAA(Stable)/[ICRA]A1+), Viacom 18 Media Private Limited (Viacom18 (rated [ICRA]A1+), a subsidiary of TV18) and The Walt Disney Company (Disney). As part of the transaction, the media undertaking of Viacom18 will be merged into Star India Private Limited (SIPL) through a court approved Scheme of Arrangement. In addition, RIL will invest Rs. 11,500 crore in the JV to fund its growth plans. Post completion of the deal, the JV will be controlled by RIL with Mrs. Nita Ambani as the Chairperson of the JV. The JV will be jointly held by RIL (16.34%), Viacom18 (46.82%) and Disney (36.84%).

ICRA has taken cognisance of the above development and the expects business position of the NW18 Group to benefit from the consequent merger and become a dominant player in the Indian Media industry. ICRA will continue to monitor the developments in this respect and the impact of the same on TV18'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

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	9M FY2024*
Operating income (Rs. crore)	5,526.2	5,912.1	6646.4
PAT (Rs. crore)	872.5	82.4	-78.9
OPBDIT/OI (%)	18.8%	3.3%	-6.0%
PAT/OI (%)	15.8%	1.4%	-1.2%
Total outside liabilities/Tangible net worth (times)	0.5	1.2	NA
Total debt/OPBDIT (times)	0.6	21.5	NA
Interest coverage (times)	27.3	1.7	-3.6

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; NA: Not available*

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	
					Mar 08, 2024	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+	[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+	[ICRA]A1+	[ICRA]A1+
3	Unallocated limits	Short term	250.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Fund-based limits	Short term	445.0	-	[ICRA]A1+	[ICRA]A1+	[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	445.0	[ICRA]A1+
NA	Short-term – Non-fund based limits	NA	NA	NA	55.0	[ICRA]A1+
NA	Short-term – Unallocated limits	NA	NA	NA	250.0	[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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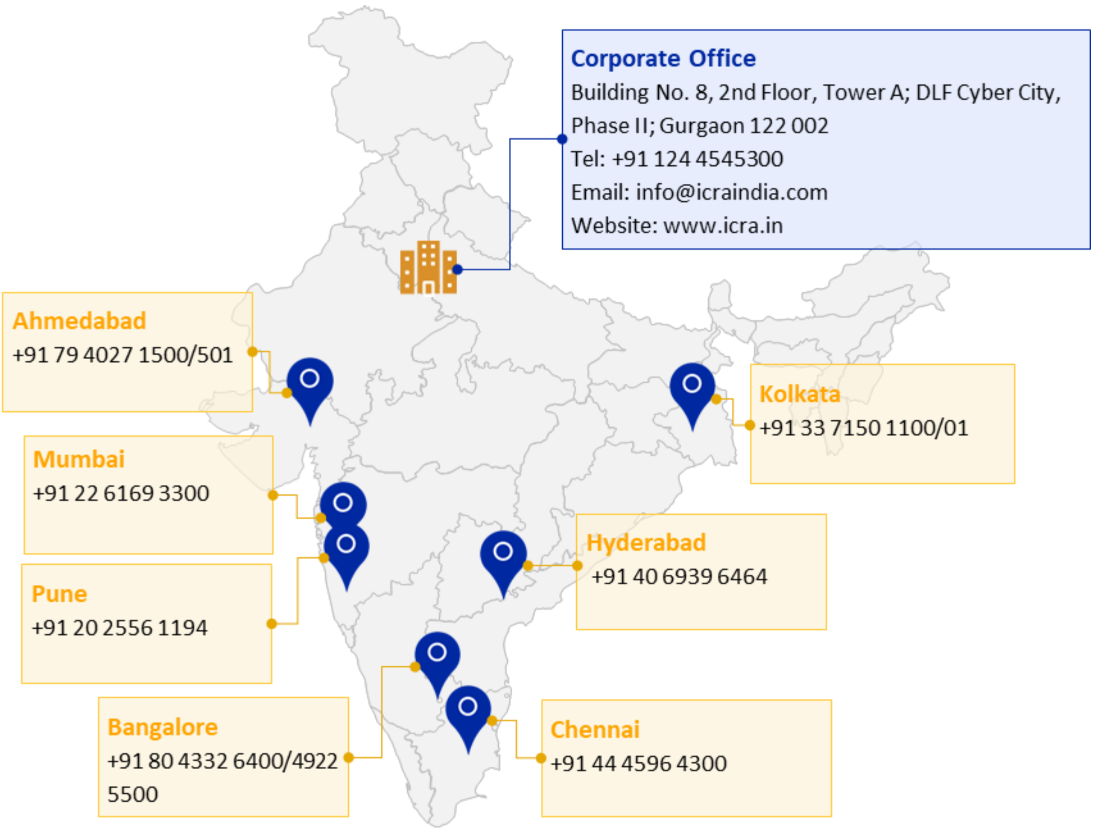

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