

February 28, 2020

Network18 Media & Investments Limited - Update on Material Event

Summary of Rating Action

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
Short-term, Fund-based / Non-fund Based Bank Facilities	500.0	500.0	[ICRA]A1+; outstanding
Total	2,000.0	2,000.0	

*Instrument details are provided in Annexure-1

Material Event

On February 17, 2020, Network18 Media & Investments Limited (Network18) intimated the stock exchanges regarding a scheme of amalgamation and arrangement amongst Network18, TV18 Broadcast Limited (TV18), DEN Networks Limited (DEN) and Hathway Cable & Datacom Limited (Hathway). Under the scheme, DEN, Hathway and TV18 will merge into Network18 with effect from February 1, 2020, subject to receipt of necessary approvals. The scheme seeks to consolidate Reliance Industries Limited's (RIL, rated [ICRA]AAA (Stable) / [ICRA]A1+ and Baa2 Stable by Moody's Investors Service) media and distribution business spread across multiple entities into Network18.

Impact of the Material Event

The rating remains unchanged at the earlier level of [ICRA]A1+. ICRA will continue to monitor the developments until the conclusion of the transaction which is estimated by Q2 FY2021.

The rating continues to favourably factor in Network18's strong parentage, which lends support to the company's financial profile and provides significant refinancing ability. The media and digital businesses [under Network18 and its subsidiary TV18] are strategically important to RIL's ecosystem approach to digital outreach. Independent Media Trust (IMT), of which RIL is the sole beneficiary, holds a majority stake (73.15%) in Network18. During FY2018, TV18 raised its stake in Viacom18 Media Private Limited (Viacom18), its joint venture (JV) with Viacom Inc., to 51% from 50%, thereby gaining operational control of the JV, further reiterating the RIL Group's commitment to the media business. The Network18 Group has diversified presence across media segments and genres including television, films, publishing and internet and is the largest investment of the RIL Group in the media and entertainment segment.

The previous detailed rating rationale is available on the following link: [Click here](#)

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
NA	Commercial Paper Programme	NA	NA	7-364 days	1,500.0	[ICRA]A1+
NA	Overdraft / Working Capital Demand Loan	NA	NA	NA	30.0	[ICRA]A1+
NA	Short-term Unallocated Limits	NA	NA	NA	470.0	[ICRA]A1+

Source: Network18

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