

October 1, 2019

**National Stock Exchange of India Limited**  
**Listing Department**  
**Exchange Plaza, Plot No. C/1,**  
**G-Block Bandra-Kurla Complex,**  
**Bandra (E) Mumbai – 400 051**

**BSE Limited**  
**Department of Corporate Services- Listing**  
**P J Towers**  
**Dalal Street**  
**Mumbai – 400 001**

Trading Symbol: **NETWORK18**

SCRIP CODE: **532798**

**Sub: Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements)**  
**Regulation, 2015 - Credit Rating**

Dear Sirs,

We would like to inform following updates on the Credit Ratings assigned to the below detailed instruments / programme of the Company by CARE Ratings Limited ('CARE') and ICRA Limited ('ICRA'):

**CARE:**

1. Reaffirmed rating of CARE A1+ for the commercial paper programme of up to Rs. 1,500 crore - CARE letter dated September 30, 2019 attached as **Annexure I.**
2. Reaffirmed rating of CARE AAA; Stable / CARE A1+ for the long-term/ short-term bank facilities (amount reduced to Rs. 500 crore from Rs. 1,000 crore) – CARE letter dated September 30, 2019 attached as **Annexure II.**
3. Withdrawn rating for the proposed non-convertible debenture programme of Rs. 1,000 crore, at the Company's request – CARE letter dated September 30, 2019 attached as **Annexure III.**

**ICRA:**

1. Reaffirmed rating of [ICRA]A1+ for the commercial paper programme of up to Rs. 1,500 crore and short-term bank facilities of up to Rs. 500 crore
2. Revised ratings for the long-term bank facilities of up to Rs. 500 crore and the proposed long-term borrowing programme (bank Loan / non-convertible debenture) of Rs. 1,000 crore to [ICRA]AA+(Negative) from [ICRA]AAA (Stable). These long-term ratings were also withdrawn at the Company's request.

**Network18 Media & Investments Limited**

(CIN - L65910MH1996PLC280969)

Regd. office: First Floor, Empire Complex, 414- Senapati Bapat Marg, Lower Parel, Mumbai-400013

T +91 22 40019000, 66667777. W [www.nw18.com](http://www.nw18.com) E: [investors.n18@nw18.com](mailto:investors.n18@nw18.com)

Ratings rationale from ICRA dated October 1, 2019 is attached as **Annexure IV**.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,  
For **Network18 Media & Investments Limited**



**Ratnesh Rukhariyar**  
**Group Company Secretary**

Encl: a/a.

No.CARE/HO/RL/2019-20/2968  
 Mr. Ankit Jain,  
 Head - Treasury  
 Network 18 Media & Investments Ltd  
 Empire Complex, 1<sup>st</sup> Floor,  
 414, Senapati Bapat Marg,  
 Lower Parel,  
 Mumbai - 400013

September 30, 2019

**Confidential**

Dear Sir,

**Credit rating for Commercial Paper (CP) issue aggregating Rs. 1,500 crore<sup>1</sup>**

On the basis of recent developments including operational and financial performance of your company for FY19 (audited) and Q1FY20 (provisional), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating <sup>2</sup>	Rating Action
Commercial Paper (CP) issue	1500 (Rs. One Thousand Five Hundred crore only)	<b>CARE A1+ (A One Plus)</b>	<b>Reaffirmed</b>

- The CP issue would be for a maturity not exceeding one year.
- Please arrange to get the rating revalidated in case the issue is not made within **two months** from the date of this letter i.e. by November 29, 2019. Once the CP is placed, the rating is valid for the tenure of such instrument till redemption.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors

<sup>1</sup> This represents the aggregate of all CP issuances of the company outstanding at any point in time.

<sup>2</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**CARE Ratings Limited**  
 (Formerly known as Credit Analysis & Research Limited)


5. The rationale for the rating will be communicated to you separately.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

  
[Surabhi Nahar]  
Manager

[surabhi.nahar@careratings.com](mailto:surabhi.nahar@careratings.com)

Yours faithfully,  
  
[Sharmila Jain]  
Deputy General Manager  
[sharmila.jain@careratings.com](mailto:sharmila.jain@careratings.com)

**CARE Ratings Limited**  
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Encl.: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

No. CARE/HO/RL/2019-20/2970  
 Mr. Ankit Jain,  
 Head - Treasury  
 Network 18 Media & Investments Ltd  
 Empire Complex, 1<sup>st</sup> Floor,  
 414, Senapati Bapat Marg,  
 Lower Parel,  
 Mumbai - 400013

September 30, 2019

**Confidential**

Dear Sir,

**Credit rating for bank facilities**

On the basis of recent developments including operational and financial performance of your company for FY19 (audited) and Q1FY20 (provisional), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term/Short-term Bank Facilities	500 (reduced from 1,000)	CARE AAA; Stable/CARE A1+ (Triple A; Outlook: Stable/A One Plus)	Reaffirmed
<b>Total</b>	<b>500</b> (Rs. Five Hundred crore only)		

2. Refer **Annexure 1** for details of rated facilities.
3. The rationale for the rating will be communicated to you separately.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

<sup>2</sup> As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019



5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to sanction, renew, disburse or recall any bank facilities.
10. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

*NS*

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**CARE Ratings Limited**  
(Formerly known as Credit Analysis & Research Limited)

Thanking you,

Yours faithfully,

  
[Surabhi Nahar]

Manager  
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[Sharmila Jain]

Deputy General Manager  
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**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

No. CARE/HO/RL/2019-20/2996

Mr. Ankit Jain,  
Head - Treasury  
Network 18 Media & Investments Ltd  
Empire Complex, 1<sup>st</sup> Floor,  
414, Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400013

September 30, 2019

**Confidential**

Dear Sir,

**Withdrawal of rating assigned to the proposed NCD issue of Network18 Media & Investments Ltd.**

We have noted that Network18 Media & Investments Ltd. has requested to withdraw the rating assigned to the aforementioned NCD since it has not been placed and there is no outstanding under the said issue as on date. Taking cognizance of this, we hereby withdraw our rating for Network18 Media & Investments Ltd.'s NCD issue, with immediate effect.

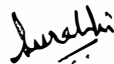
2. As per our normal procedure, we will be announcing the withdrawal of the rating through a Press Release. **Meanwhile, please ensure that the ratings are not used hereafter, for any purpose whatsoever.**

3. In case of any future rating requirements, we will be happy to offer our services.

If you need any clarification, you are welcome to approach us in this regard.

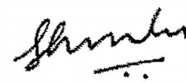
Thanking you,

Yours faithfully,



[Surabhi Nahar]  
Manager

[surabhi.nahar@careratings.com](mailto:surabhi.nahar@careratings.com)



[Sharmila Jain]

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**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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## Network18 Media & Investments Limited

October 01, 2019

### Network18 Media & Investments Limited: Short-term rating of [ICRA]A1+ reaffirmed; long-term rating downgraded to [ICRA]AA+ (Negative) and withdrawn

#### 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+ reaffirmed
Long-term / Short-term, Fund-based / Non-fund Based Bank Facilities	500.0	500.0	Short-term rating of [ICRA]A1+ reaffirmed; long-term rating downgraded to [ICRA]AA+ (Negative) from [ICRA]AAA (Stable) and withdrawn
Long-term Borrowing Programme (Bank Loan / Non-convertible Debenture Programme)	1,000.0	0.0	Downgraded to [ICRA]AA+ (Negative) from [ICRA]AAA (Stable) and withdrawn
<b>Total</b>	<b>3,000.0</b>	<b>2,000.0</b>	

\*Instrument details are provided in Annexure-1

#### Rationale

ICRA has re-affirmed the short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) assigned to Network18 Media & Investments Limited (Network18)'s commercial paper programme of Rs. 1,500 crore and bank facilities of Rs. 500 crore. ICRA has also downgraded the long-term rating assigned on Network18's proposed long-term borrowing programme of Rs. 1,000 crore to [ICRA]AA+ (pronounced ICRA double A plus) with a Negative outlook from [ICRA]AAA (pronounced ICRA triple A) with Stable outlook and withdrawn the same, as there is no amount outstanding against the rated instrument and as desired by the company. Further, the long-term rating on Network18's Rs. 500.0 crore bank facilities has also been downgraded to [ICRA]AA+ (Negative) from [ICRA]AAA (Stable) and withdrawn, in accordance with ICRA's policy on withdrawal and suspension based on the no objection certificates provided by the company's bankers and as desired by the company.

The revision in the long-term rating and outlook factors in the continued weak consolidated financial risk profile of Network18 as reflected in its stretched debt protection metrics and weak return indicators during FY2019. Network18's profitability has remained weak due to gestation losses from the new channel launches (Colors Tamil and Colors Kannada Cinema recently) in the broadcasting business and losses incurred for expansion of its various digital initiatives (VOOT International / VOOT Kids, News18.com, firstpost.com and cricketnext). Despite ~41% YoY reduction in losses in the regional news portfolio to Rs. 74.0 crore in FY2019, it remains in the scale-up mode and is expected to break even in the near to medium term. Apart from the above investments, which remain in gestation, recurring funding commitments to support investment requirements of its key associate companies (bookmyshow.com and Homeshop18 which they exited in Q1 FY2020) and increase in working capital requirements for the broadcasting business has resulted in an increase in Network18's consolidated debt to Rs. 3,045.4 crore as on March 31, 2019 from Rs. 2,203.3 crore as on March 31, 2018. Coupled with weak profitability further impacted by the flux around the Telecom Regulatory Authority of India (TRAI's) new tariff order (NTO) implementation in Q4 FY2019, this has strained the cash flows and debt coverage indicators for

Network18. ICRA expects the cash burn on a consolidated level to continue over the medium term till the operations of the new channels and the digital businesses scale up further. Also, with the broadcasting business driving the bulk (around 97%) of the revenues for Network18 (consolidated), the revenue growth is linked to inherent seasonality and cyclicity in advertisement revenues. However, the ratings draw comfort from the healthy net distribution income and the expected growth in subscription revenues (which are relatively more stable) attributable to the implementation of NTO in FY2019.

The challenges are, to a large extent mitigated by 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 Broadcast Limited (TV18)] are strategically important to Reliance Industries Limited's (RIL's) ecosystem approach to digital outreach. Independent Media Trust (IMT), of which RIL (rated [ICRA]AAA (Stable) / [ICRA]A1+ and Baa2 Stable by Moody's Investors Service) 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. ICRA notes the scheme of amalgamation, wherein the company has merged most of its wholly-owned subsidiaries with itself during FY2019, which has streamlined its Group structure and resulted in tax efficiencies.

## Key rating drivers and their description

### Credit strengths

**Strong parentage of Network18** - ICRA derives strong comfort from the parentage of Network18. IMT, of which RIL is the sole beneficiary, holds a majority stake in Network18. RIL is India's largest private sector enterprise with presence across the energy value chain, apart from its presence in retail, oil marketing and telecom segments. ICRA expects the RIL Group to continue providing support, whenever required, to Network18, as it is a key player in the media value chain that RIL is focusing on.

**Strategically important business of the RIL Group as its largest investment in the media and entertainment sector, and a key content provider for telecom operators** - The RIL management considers the media businesses as a key element for the Group's telecom thrust and the digital businesses. The latter is likely to benefit from the synergies with the telecom venture and the overall increasing 4G and broadband penetration. The RIL Group's commitment to the media business was reiterated by the increase in stake during Q4 FY2018 in TV18's key JV, Viacom18, to 51% from 50%, thereby providing operational control to TV18.

**Holding company of Network18 Group, with diversified media platforms including TV, films, publishing and digital** - Network18 is the operating and holding company of the Network18 Group. Network18's key direct and indirect investments include TV18 (listed subsidiary), Viacom18 (a 51-49 JV between TV18 and Viacom Inc.), moneycontrol.com and key associate BookMyShow, involved in the business of digital commerce. Amongst these investments, TV18 (including Viacom18), with a strong portfolio of channels across genres, is the most significant driver of the Group's revenues (~97%) and is also 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 Group publishes four magazines—Forbes, Overdrive, Better Interiors and Better Photography.

**NTO to have positive effects over the near to long-term** – The implementation of the NTO is a positive for TV18 and the Network18 Group in the near to long-term. The new regime resulted in increased transparency on channel pricing and content deals with the multiple system operators (MSOs) and direct-to-home (DTH) players. This has provided a fillip to the Network18 Group's subscription revenues, as evident during Q1 FY2020 when it reported a 48% YoY growth in

subscription revenues. The subscription revenue growth in FY2020 is expected to help the company partly offset the temporary pullback in advertising revenues due to the ongoing economic slowdown and conversion of its free-to-air (FTA) channels to pay channels and lend stability to its revenues over the long-term.

## Credit challenges

**Weak standalone financial profile of the company; dependence on refinancing largely mitigated by financial support from TV18 and refinancing ability due to strong parentage** – Network18 is largely a holding company with modest standalone operations. In the past few years, the debt levels of the company have increased considerably in view of the losses at standalone level and the recurring funding requirements to support the expansion / losses of its subsidiaries and associates, chiefly, Homeshop18 (now exited) and bookmyshow.com. The company has exited Homeshop18 completely in Q1 FY2020 (after writing off nearly Rs. 579 crore) and had made the recent large investment in bookmyshow.com in Q1 FY2019; thus no major investment requirements are expected in the next 12-18 months. Though Network18 has a valuable asset (bookmyshow.com) on its balance sheet, in the absence of any material cash flows through divestment or stake sale proceeds of its associates, the company's debt levels are unlikely to reduce in the medium term. With a limited cash generation ability of its own, the standalone entity requires significant refinancing apart from financial support from its subsidiary TV18, which has healthy cash generation ability. ICRA also derives strong comfort from the company's parentage, which lends support to the company's financial profile and provides significant refinancing ability.

**Gestation losses of new channels, continued investments in various digital businesses affect profitability, debt protection metrics** - The Group had launched three news channels, three regional entertainment channels (including two high definition or HD feeds) and one infotainment channel in FY2017. Furthermore, it launched a Tamil general entertainment channel in Q4 FY2018 and a Kannada movie channel during Q2 FY2019 and VOOT international, a digital initiative in Q4 FY2019; VOOT kids was subsequently soft-launched in Q1 FY2020. The gestation phase of these channels and of the digital initiatives has constrained the improvement in its profitability. Additionally, its regional news portfolio remains in scale-up mode; an increase in the Government and the election-related advertising spends nevertheless helped prune losses for the regional news portfolio in FY2019. Though there was a general improvement in the advertising environment during Q2 and Q3 FY2019, during Q4 FY2019, the disruption in viewership due to the implementation of the new tariff order and conversion of FTA channels to pay channels led to adverse short-term impact on advertising and subscription revenues. This resulted in a drag on the overall revenues and profitability during FY2019.

Network18's investment in digital properties, News18.com, Firstpost, and its over-the-top (OTT) application, VOOT (under Viacom18) and other digital initiatives resulted in losses for the Group and are likely to remain in investment mode (largely in the nature of operating expenditure), given their significant potential and advertising revenue shift towards digital. Its ability to monetise the above through a sustainable business model in the medium term will be crucial, as the digital advertising market is expected to be significant. ICRA will monitor the performance of the digital businesses as it remains the key to reduce the cash burn and improve the overall profitability for the Group. The profitability pressure and increase in debt levels has resulted in a strain on the company's debt protection metrics during FY2019, which is likely to continue in the near to medium term.

**Rising competition in both mass and niche content channels restricts market share and advertisement revenue share** - The media and entertainment industry remains linked to the cyclicity in advertising spends by corporates. In addition, with increasing competition across genres and the 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 and the resultant share in advertisement revenue pie will remain crucial.

## Liquidity position: Adequate

At the Network18 standalone level, the company's liquidity is constrained since it has a modest level of operations and is making losses due to investments in digital and funding requirements of its subsidiary / associate companies. Thus, the company is largely dependent on refinancing and raising additional debt for its incremental funding requirements. It nevertheless gets financial support from its subsidiary, TV18, which has been extending loans and advances (Rs. 275.0 crore in FY2019) to Network18 to support its operations. The company also has access to unutilised standalone fund-based bank lines (Rs. 92.0 crore as on July 31, 2019), which provide some cushion. ICRA, however, derives significant comfort from the company's strong parentage which can help it meet any short-term funding mismatch and provides considerable financing flexibility.

## Rating sensitivities

**Positive triggers** – Not applicable.

**Negative triggers** – Change in the rating of the ultimate parent company, RIL or a reduction in the majority stake by RIL in Network18 or any of its key subsidiaries and/or further deterioration in Network18's consolidated financial risk profile might result in downward pressure on the ratings.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Media Broadcasting Industry</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a>
Parent / Group Support	<p><b>Parent / Group Company:</b> IMT, of which RIL is the sole beneficiary, holds a majority stake in Network18.</p> <p>ICRA expects RIL Group to continue providing support, whenever required, to Network18 as it is a key player in the media value-chain that RIL is focusing on.</p>
Consolidation / Standalone	<p>Rating is based on the consolidated financial profile of the company. As on March 31, 2019, the company had 15 subsidiaries, four associates, two JVs and 14 subsidiaries of associates that are enlisted in Annexure-2.</p>

## About the company

Network18 Media and Investments Limited is a media and entertainment company with interests in television broadcasting, internet, filmed entertainment, digital commerce, magazines, and allied businesses. Network18 manages various internet businesses, including portals such as moneycontrol.com, news18.com, firstpost.com and in.com. It also has investments in e-commerce properties such as bookmyshow.com and yatra.com. Homeshop18, which operated the digital commerce platform, ceased to be an associate with effect from June 06, 2019 and the company subsequently exited the venture by selling off its residual stake subsequently during Q1 FY2020. In addition, Network18 is also present in the publishing segment and publishes *Forbes India*, *Overdrive*, *Better Interiors* and *Better Photography* magazines. Moreover, Network18 also has allied investments in Colosseum, Toppers, Ubona and other companies.

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, News18 Lokmat (a Marathi regional news channel in partnership with the Lokmat Group) and 13 regional news channels under the News18 umbrella.

TV18 also operates a 51:49 JV with Viacom Inc., called Viacom18 Media Private Limited. Viacom18 houses a portfolio of entertainment channels such as Colors, Rishtey, MTV India, MTV Beats, Comedy Central, Colors Infinity, Vh1, Nick, Sonic, and Nick Jr and regional entertainment channels in 6 geographies under the brand Colors, including various HD feeds of entertainment channels. It also houses the Group's filmed entertainment business under Viacom18 Motion Pictures. In May 2016, Viacom18 launched VOOT, it's exclusive digital video application in the OTT space; subsequently the company launched expansions - VOOT International and VOOT kids in Q4 FY2019 and Q1 FY2020, respectively. Furthermore, in February 2018, Viacom18 launched Colors Tamil, the Group's foray into the Tamil regional entertainment market and a second movie channel and its first regional movie channel, Colors Kannada Cinema, in September 2018, taking the number of RGEs to eight. The company recently launched another movie channel, Colors Gujarati Cinema, to further strengthen its presence in the Gujarati regional space.

AETN18, a 51:49 JV between TV18 and A&E Television Networks, operates two channel brands – History TV18 (an infotainment channel), and FYI TV18 (a lifestyle channel).

Network18 is also the largest shareholder (~39%) in entertainment ticketing platform, Bookmyshow.

As per Q1 FY2020 results, Network18 (consolidated) reported net sales of Rs. 1,245.1 crore and a net loss (excluding share of profit / loss from associates / JVs and non-controlling interest) of Rs. 116.8 crore which included exceptional item of Rs. 50.0 crore on account of impairments related to Homeshop18.

### Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	1,839.0	5,116.2
**PAT (Rs. crore)	-175.9	-123.3
OPBDIT/OI (%)	-2.0%	4.2%
RoCE (%)	-0.4%	0.4%
Total Outside Liabilities/Tangible Net Worth (times)	1.2	1.6
Total Debt/OPBDIT (times)	-59.5	14.3
Interest Coverage (times)	-0.4	1.1
DSCR	-0.1	0.2

*\*FY2019 financials are not comparable to FY2018 since FY2018 includes consolidation of Viacom18 and Indiacast with effect from March 01, 2018. Also, Homeshop18 ceased to be a subsidiary and became an associate of Network18 with effect from February 15, 2018.*

*\*\*Does not include share of profits from JVs / associates and non-controlling interest.*

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None