



February 12, 2018

**National Stock Exchange of India Limited,  
Listing Department,  
Exchange Plaza, Plot No. C/1,  
G-Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai-400051**

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

**Trading Symbol : TV18BRDCST**

**SCRIP CODE: 532800**

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

Dear Sir / Madam,

This is to inform you that CARE Ratings Limited (CARE), the Credit Rating Agency, has reaffirmed the credit rating of '**CARE A1+ (A One Plus)**' to the Company's Commercial Paper issue of Rs. 600 crore (enhanced from Rs. 400 crore).

We are enclosing the rating release issued by CARE.

You are requested to kindly take the above information on record.

Thanking you

Yours faithfully,  
**For TV18 Broadcast Limited**

**Deepak Gupta  
Company Secretary**

Encl: as above

**TV18 Broadcast Limited  
(CIN - L74300MH2005PLC281753)**

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**Annexure  
Press Release  
TV18 Broadcast Limited**

**Ratings**

Instruments	Amount (Rs. crore)	Rating <sup>3</sup>	Rating Action
Commercial Paper (Standalone)	600.00 (enhanced from Rs. 400 crore)	CARE A1+ [A One Plus]	Reaffirmed
<b>Total</b>	<b>600.00</b> <b>(Rs. Six Hundred crore only)</b>		

*Details of instrument in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The rating assigned to the commercial paper issue of TV18 Broadcast Limited take into consideration the strong The rating assigned to the commercial paper issue of TV18 Broadcast Limited take into consideration the strong parentage of the company (RIL group) and strategic importance of the business to the RIL group since it is the largest investment of the group into media and entertainment segment. The rating also takes into consideration the strong channel portfolio of the TV18 coupled with leadership position of the company in various segments of broadcasting and digital industry. The recent earnings profile of the company have been relatively weak on account of gestation losses in new channels and sustained investments in digital content.

A strong parentage and the company's ability to achieve sustainable profitability while maintaining its leadership position remain the key rating sensitivities. Further, the ratings are also sensitive to the recovery in advertisement revenues post GST implications.

**Detailed description of the key rating drivers**

**Key Rating Strengths**

**Financially strong and resourceful parentage:** TV18 Broadcast Limited is a subsidiary of Network18 Media & Investments Limited (Network 18). Independent Media Trust, whose sole beneficiary is RIL, holds a majority stake in Network18.

RIL, the flagship company of Reliance (Mukesh D. Ambani) group, is India's largest private sector enterprise with businesses across the energy and materials value chain, along with a significant and growing presence in retail and telecom sectors. It is the first Indian private sector company to feature in Fortune Global 500 list of 'World's Largest Corporations' and has been consistently featuring in it for the last ten consecutive years. Network18 Group is one of the leaders in the Indian Media & Entertainment industry with top five ranking in most of the segment it operates.

**Strategic importance of the business to the RIL Group:** The media and entertainment business is a key element to RIL group's approach to expand their growth in the field of telecom and digital outreach. It is a strategically important business for the group as it is its primary investment in the media segment and considered vital for the further growth of the group.

**Strong and large portfolio of channels with market leading viewership across genres:** TV18 owns and operates the largest network of channels – 51 in India spanning news and entertainment. In addition to this, they also cater to the global Indian audience through 16 international feeds. TV18 is a leader in Business news segment and its regional news cluster of 14 channels has the highest reach in India; while its joint venture (Viacom18 Media Pvt. Ltd) is a leader in several genres of Entertainment, including Hindi/English/Regional/Youth & Music/Kids.



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

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(Formerly known as Credit Analysis & Research Limited)

### Key Rating Weaknesses

**Gestation losses for new channels in broadcasting business:** During FY17, the company and its subsidiaries had launched three regional news channels, and a lifestyle channel. Similarly JV Viacom18 launched channels for Hindi movies, music and Kannada entertainment, and also its OTT platform VOOT. New channels usually have a turnaround time of 3-4 years and thus, going forward as these properties gain traction the gestation losses would reduce.

**Recovery in advertisement revenues and risks inherent to cyclicity in the media business:** The company derives its major income from broadcasting business, which is sensitive to ad rates and volumes which in turn are influenced by the broader economic cycle. During FY17, advertisement revenues have seen a decline owing to reduced spend in ad-industry, especially from the regional market. As the market is reviving from the GST implications, consumer and advertising spending are recovering; though may take some more time before stabilizing.

### Analytical approach: Consolidated

TV18 Broadcast Limited and its subsidiaries have been consolidated.

### Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Short Term Instruments

Rating Methodology: Factoring Linkages in Ratings

Rating Methodology - Service Sector Companies

Financial ratios – Non-Financial Sector

### About the Company

TV18 Broadcast Limited is the broadcasting arm of Network 18 Media & Investments Limited. Network18 is a media and entertainment company with interests across television, digital content, filmed entertainment, e-commerce magazines and allied businesses. Independent Media Trust (whose sole beneficiary is Reliance Industries Ltd (RIL) (rated CARE AAA; Stable/A1+) acquired 73.16% stake in Network18 (directly and indirectly) in May/June 2014. Network18 owns 51.16% in TV18.

TV18 currently operates five news channels viz. CNN News18 and News18 India in the realm of general news and CNBC-TV18, CNBC Awaaz and CNBC-TV18 Prime HD in the business news category. It also operates 14 regional news channels across India through a 100% subsidiary.

The company also has 50:50 joint venture with US-based broadcaster Viacom called Viacom18 Media Private Limited (VMPL; rated CARE AA/A1+) through which the company operates an array of entertainment channels. The entertainment portfolio comprises Hindi general entertainment channels, English entertainment, movies, youth and musical entertainment, kids genre and six regional entertainment channels as well. This includes leading channels like Colors, MTV and Nickelodeon; and OTT video-on-demand platform VOOT.

TV18 and Viacom18 have also formed a strategic joint venture called IndiaCast which drives domestic and international channel distribution, placement services and content syndication for the group's channels as well as for other broadcasters. The group also has a presence in the movie business too, which it operates through Viacom18 Motion Pictures.

History TV18 is another infotainment channel, operated by AETN18, in which TV18 has a 51% stake with the remaining stake being held by AETN networks. The JV has also commercially launched a lifestyle channel named FYI TV18, in July 2016.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	1038.60	1039.90
PBILDT	244.71	91.72
PAT	212.11	-2.32
Overall gearing (times)	0.07	0.11

A: Audited

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*Classification as per CARE Standards*

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

**Rating History for last three years: Please refer Annexure-2**

***Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**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.

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**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper	-	-	-	600.00	CARE A1+

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Commercial Paper	ST	600.00	CARE A1+	1)CARE A1+ (18-Oct-17)	-	-	-

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