Network 18 Media & Investments Ltd — 15 Dec 2025 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd. (CareEdge)
Rating Change	**Reaffirmed** at CARE AAA / CARE A1+ (0 notches moved)
Outlook	**Stable** (Maintained)
Key Drivers of Change	1. **Parental Support:** 52.41% subsidiary of RIL (AAA); rating is heavily notched up due to RIL's "strategic importance" and financial flexibility. 2. **Asset Value Realization:** Post-VMPL demerger, Network18 holds a 13.54% stake in Studio18 (which owns 46.82% of JioStar), valued at **₹4,461 Cr**. 3. **Market Dominance:** Leadership in English News (CNN News18) and Business News (CNBC TV18/ Moneycontrol) with 250M+ monthly TV reach. 4. **Financial Realignment:** Revenue of **₹966 Cr** in H1FY26 reflects the new leaner news-centric structure after transferring entertainment assets to JioStar.
Rated Instruments	• **Bank Facilities (LT/ST):** ₹1,750 Cr
Key Observations	**(+)** High strategic synergy with RIL's telecom (Jio) ecosystem. **(+)** Strong liquidity: Access to parent funds + **₹117 Cr** cash/investments. **(+)** Significant indirect stake in JioStar (India's largest media entity). **(-) Weak Profitability:** H1FY26 PBILDT was a marginal **₹4 Cr** due to subdued ad demand. **(-) Thin Coverage:** Interest coverage ratio is critically low at **0.04x** (H1FY26). **(-) Ad-Dependency:** >50% of revenue is tied to cyclical/competitive advertisement markets. **(-) Gearing:** Moderate consolidated gearing at **0.64x** (Sep 2025).
Investor Impact	**Growth:** Driven by Digital (Moneycontrol) and JioStar synergies. **Margins:** Core news business remains near-breakeven; valuation is "Sum-of-the-Parts" (SOTP) heavy. **Leverage:** High standalone debt but negligible default risk due to RIL backing. **Dilution:** Low risk; RIL must maintain >50.1% stake to prevent a rating downgrade.
Agency / Cross Analysis	**Same Agency:** CARE has maintained AAA since 2022 despite recurring consolidated losses. **What changed:** The analytical focus shifted from operating cash flows to the **valuation of the JioStar stake** and parentage. Financials for FY25/H1FY26 are no longer comparable to prior years due to the massive VMPL demerger. **Conclusion:** Improvement in asset quality (JioStar) offsets the deterioration in standalone interest coverage.
Final Inference	The AAA rating is a **Parental Proxy**. While core news operations show weak standalone debt-servicing (0.04x coverage), the company serves as a strategic holding vehicle for RIL's media empire, making credit risk negligible as long as RIL retains control.