

VRL Media Private Limited

July 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	74.60	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from VRL Media Private Limited (VRLM) to monitor the rating vide e-mail communications/letters dated April 28, 2025, June 05, 2025, June 11, 2025, June 19, 2025, June 20, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The rating on VRLM bank facilities will now be denoted as CARE BB+; Stable; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating has been revised on account of the absence of latest information pertaining to the company, such as operational information, liquidity profile, etc. in order to ascertain its ability to timely repay debt.

Detailed description of the key rating drivers

At the time of last rating on May 29, 2024, the following were the rating strengths and weaknesses

Key strengths

Strong promoter support and long track experience of promoter group

VRLM was promoted by the promoter of India's largest logistic firm VRL group, Vijay Sankeshwar till 2022 and is now being managed by the next generation promoters Anand Sankeshwar and Shiva Sankeshwar. VRLM under leadership of Vijay Sankeshwar has established itself as one of the prominent print media players in Karnataka. Vijayvani is the leading Kannada newspaper and has highest readership and circulation in Karnataka. Promoters of the company have been infusing funds as and when required in form of equity and unsecured loans to support business operations. In FY24, promoters have infused equity of ₹ 5 crore and unsecured loan of ₹12 crore.

Strong presence of brand 'Vijayavani' in Karnataka with dominant position in regional newsprint media

Vijayavani has a strong brand presence in Karnataka and is one of the most widely read Kannada newspapers in the state since a decade. The credit profile continues to favourably factor in VRLM's established position in the vernacular media segment. VRLM has developed strong readership over just 12 years and is anticipated to maintain its leadership position in the future also.

Expected improvement in debt coverage indicators

Owing to high competition in the TV channel segment in industry, the company incurred losses from its TV channel 'DIGHVIJAY 24*7 News'. The company reported EBIDTA in the range of negative ₹10-22 crore, which impacted the overall company's profitability resulting in decline in net worth. However, in FY24 VRLM sold the division and witnessed improvement in profitability and capital structure. Total operating liability to total net worth (TOL/TNW) improved to 4.94x as on March 31, 2024 (March 31, 2023: 8.95x). Since the company has now sold off its TV segment and does not have plans of film production in future, therefore VRLM's profitability is expected to improve in projected years aided by healthy EBIDTA from 'Vijayavani'. With scheduled debt repayments and expected improvement in operating cashflows, capital structure and debt coverage indicators are expected to improve significantly in the near-to-medium term.

Key weaknesses

Moderate scale of operations due to its limited presence in the highly competitive Karnataka market

Since its incorporation, VRLM has focused only in Karnataka, which has restricted its scale to a moderate level and exposes it to risk associated with change in readership/ advertisement trends or economic condition in one single region. However, VRLM has developed strong readership over years of operation. VRLM used to generate income of around ₹80 crore from sales of newspaper in 2018-2019 that is in pre-COVID period. However, sales were impacted in COVID and since then income from sales of newspaper

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

is steady around ₹56-57 crore. The company majorly generates income from advertisement, which is always above ₹100 crore expect in the peak COVID period. On an average, EBIDTA from Newspaper segment is around ₹25 crore for the last four years. With expectation of rise in ad spend by corporates and by the government considering 2024 Lok Sabha elections, advertisement revenue is expected to grow in current fiscal, however, the circulation and readership movement of 'Vijayvani' in future will be a key monitorable.

High competition from digital and TV media platforms

The newspaper industry impacted significantly in COVID, and the physical print business is yet to revert to the pre-COVID levels impacted by structural factors such as shift of preference among readers to read news in electronic/digital form through mobile applications or website has resulted in some decline in circulation. Growing popularity of digital platforms, in line with changing media consumption habits, is likely to be a major challenge to the print media industry. Demand for more real-time, personalised news content in agile formats is increasing rapidly, advertisers also prefer digital platforms for getting targeted campaigns and real-time data on reach, as low cost of production of digital content (as no RM or distribution costs) makes it more profit accretive for publishers.

Profitability susceptible to newsprint price volatility and foreign exchange fluctuations

The major raw material cost for the company is newsprint (NP), which accounts for around 30% of the TOI. VRLM remains susceptible to newsprint cost volatility and foreign exchange fluctuations as majority of the raw material is imported. From FY21, costs of newsprint started increasing steeply in the wake of depressed demand for print media in the pandemic. Again, owing to geopolitical factors newsprint prices witnessed hike in FY23, which resulted in high import price in FY23. However, since Q4FY23 prices started correcting and in FY24 newspaper prices declined significantly. Impact of fluctuation of newsprint prices on the company's profitability margins is a monitorable factor.

Cyclicality associated with advertisement revenue

VRLM's presence in only one state, Karnataka, restricts its revenue growth and the revenue generated from newspaper publication usually covers only certain part of the cost of newsprint consumed in publication. VRLM heavily depends on advertisement revenues to drive growth and profitability, constituting around 66%-69% of VRLM's TOI. VRLM over a track record of more than a decade of operation has built very broad customer base and does not depend on few customers for its advertisement income which safeguards company's revenue from customer concentration risk.

Analytical approach: Standalone

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Media, Entertainment & Publication	Media	Print Media

VRLM is into printing and publishing Kannada Daily Newspaper in the name and style of "Vijayavani". VRLM is current managed by Anand Sankeshwar, and Shiva Sankeshwar. Vijayavani is a leading Daily Kannada newspaper in Karnataka. Vijayavani was aunched in April 2012 and presently has 10 city editions in Karnataka including Bengaluru, Mangaluru, Hubballi, Mysuru, Belagavi, Vijayapura, Gangavathi, Chitradurga, Shivamogga, and Kalaburgi.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	196.55	167.32
PBILDT	2.77	21.05
PAT	-22.03	13.85
Overall gearing (times)	7.35	3.63
Interest coverage (times)	0.37	3.21

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft	-	-	-	-	7.25	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	41.45	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	November 2028	25.90	CARE BB+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	25.90	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (29-May-24)	-	-
2	Fund-based - LT-Bank Overdraft	LT	7.25	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (29-May-24)	-	-
3	Fund-based - LT-Cash Credit	LT	41.45	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (29-May-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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