Zee Media Corporation Limited

August 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	50.00	CARE BB; Stable	Reaffirmed; Outlook revised from Negative

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings and revision in outlook to Stable from Negative considers the improvement in Zee Media Corporation Limited's (ZMCL) financial performance in FY25 (refers to the period from April 01 to March 31) and Q1 FY26 as reflected in reduction of operating losses, improvement in liquidity buffer aided by implementation of fund-raising plans and reduction in debt repayment obligations owing to scheduled repayments. While ZMCL's total operating income (TOI) declined marginally by ~2.5% YoY to ₹622 crore in FY25 due to industry-wide headwinds, its PBILDT loss narrowed to ₹18 crore, aided by cost rationalization initiatives. In Q1 FY26, the company reported ~7% YoY revenue growth with a recovery in PBILDT margin to ~11.5%. The company's ability to sustain its profitability in the coming quarters, translating into healthy cash accruals remains a key rating sensitivity. The company also redeemed the non-convertible debentures (NCDs) amounting to ₹102 crore during FY25, partly financed by ₹50 crore raised through preferential issue of fully convertible equity share warrants (part of a ₹200 crore issue). CARE Ratings Limited (CareEdge Ratings) notes the sizeable liquidity cushion available to the company in the near term with ~₹150 crore expected to be received in FY26 on conversion of subscribed equity share warrants and issue of Foreign Currency Convertible Bonds (FCCBs) aggregating to ~₹400 crore, as approved by the board, in tranches over the coming years.

The ratings continue to derive strength from ZMCL's experienced promoter group, its established track record, and a well-diversified portfolio in the Indian television broadcasting space. However, the ratings remain constrained by continued losses at the PAT level, elevated marketing and distribution costs, a leveraged capital structure, and weak debt coverage indicators.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of PBILDT margin above 8% while maintaining scale of operations translating into healthy cash accruals
- TOL/Adjusted TNW less than 1.8x on a sustained basis

Negative factors

- Continued PBILDT losses or delay in raising of planned funds impacting the liquidity profile and net worth
- Any new corporate guarantee extended to any of its group companies

Analytical approach: Consolidated

For arriving at the rating, CareEdge Ratings has considered the consolidated financial statements of ZMCL owing to financial and operational linkages between the company and its subsidiaries and associates as detailed in Annexure-6.

Outlook: Stable

The outlook is revised to Stable considering the improvement in ZMCL's performance as indicated by reducing losses in FY25 and Q1 FY26 and expectations of liquidity cushion through approved fund-raising plans.

Detailed description of key rating drivers:

Key weaknesses

Sustained net losses in last three years albeit reduction in PBILDT loss in FY25

ZMCL reported a net loss of ₹119.42 crore in FY25, marking a 21% increase over the ₹98.43 crore loss recorded in FY24 primarily driven by a decline in advertising revenue and rise in deferred tax. Although ZMCL re-entered the BARC ecosystem in October 2023, the benefit of this move did not immediately reflect in its top line. Additionally, the company incurred higher distribution and marketing expenses during the year, following its exit from Zee's bouquet of channels, further straining profitability. However, there has been some operational improvement with PBILDT losses narrowed to ₹18.00 crore in FY25 from ₹39.15 crore in FY24, indicating early signs of recovery. Going forward, ZMCL's ability to sustainably improve its operating performance and transition to profitability will remain a key monitorable.

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

Leveraged capital structure and weak coverage metrics

ZMCL continues to face pressure on its capital structure and debt coverage indicators, with further deterioration noted in FY25. The company's tangible net worth remained negative during the year, primarily due to accumulated losses over the past three fiscals and the impact of ₹170 crore worth of intangible assets recognized in FY24 following the transfer of trademarks from DMCL. This has resulted in high leverage metrics, with TOL/TNW at -28.12 times in FY25 (PY: -29.52 times) and overall gearing at -7.40 times (FY24: -10.70 times). On an adjusted basis (including intangible assets), there was a slight improvement in overall gearing to 0.79x in FY25 from 0.85x in FY24, although TOL/TNW (adjusted) deteriorated to 2.99x from 2.35x. Operationally, while ZMCL's PBILDT losses narrowed to ₹18.02 crore in FY25 from ₹39 crore in FY24, the company was unable to report profit, with interest coverage stood at -0.59x in FY25 (FY24: -1.62x), underscoring continued stress in debt servicing capability. Despite marginal operational improvement, ZMCL's capital structure remains stretched, and its dependence on external support highlights the weak internal liquidity profile.

Stretched working capital cycle and intense industry competition

ZMCL's working capital cycle remains stretched, as the company continues to rely on delaying payments to trade creditors and other expenses to manage liquidity amid operating losses in FY25. Receivable days further increased to 117 days as on March 31, 2025 (PY: 98 days). This pressure is expected to persist in the near term due to highly competitive news broadcasting industry, which is witnessing rapid technological shifts and the emergence of new digital platforms. Going forward, the company's ability to pay its creditors on time and reduce reliance on creditor funding remains a key monitorable.

Key strengths

Wide distribution platform with a bouquet of national and international channels

Over the last two decades, ZMCL has developed a diversified portfolio of global, national, regional channels, allowing it to cater to a broad and varied audience base across geographies. In addition to its television presence, the company has established a multi-lingual digital news platform which delivers news content in nine languages: Hindi, English, Marathi, Bengali, Tamil, Telugu, Malayalam, Kannada, and Gujarati. Its global channel, WION, has expanded its international reach focusing on Asian news coverage and is now available on Etisalat across the MENA region and on Sky Channel in the UK. This multi-platform, multi-language presence enhances ZMCL's ability to engage with diverse viewer segments and strengthens its position in both domestic and international markets.

Liquidity: Stretched

ZMCL's liquidity remains stretched marked by continued net losses and modest internal accruals amidst stretch in trade payables. As of FY25, ZMCL maintained a free cash and bank balance of ₹13–14 crore and had unutilized working capital limits of approximately ₹7 crore, offering some short-term liquidity cushion. Additionally, the balance ₹150 crore from the warrant issue is expected to be received during FY26, and the proposed ₹400 crore Foreign Currency Convertible Bonds (FCCBs) may enhance liquidity, subject to timely execution. However, given the company's dependence on external funding sources, its liquidity profile is expected to remain under pressure in the near term.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Consolidation
Definition of Default
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	Entertainment	TV Broadcasting & Software Production

Zee Media Corporation Limited (ZMCL) was incorporated on August 27, 1999, and is one of the largest private news networks in the country with a portfolio of Global, National and Regional channels and various multi-lingual digital properties. It is a pioneer in the news broadcasting space with a bouquet of 20 channels, 36 digital properties and 14 digital apps across multiple languages. The Company's coverage extends across a wide array of channels, encompassing diverse genres and languages that reach audiences nationwide and across multiple overseas geographies. This reach is amplified through the robust digital ecosystem of websites and mobile applications, held under a wholly owned subsidiary "Indiadotcom Digital Private Limited.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1 FY26 (UA)
Total operating income	638.29	621.92	182.36
PBILDT	-39.15	-18.02	19.78
PAT	-98.43	-119.42	-8.81
Overall gearing (times)	-10.69	-7.40	NA
Interest coverage (times)	-1.62	-0.59	4.20

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Brief Standalone Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1 FY26 (UA)
Total operating income	457.71	454.89	141.52
PBILDT	-48.58	-28.95	-4.34
PAT	-85.99	-100.35	-6.62
Overall gearing (times)	0.81	0.59	NA
Interest coverage (times)	-2.13	-0.97	-0.93

A: Audited UA: Unaudited NA: Not available; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	50.00	CARE BB; Stable

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	-	-	-	1)Withdrawn (09-Jul-24)	1)CARE BB+; Stable (07-Jul-23)	1)CARE BB+; Stable (05-Aug-22)
2	Fund-based - LT-Cash Credit	LT	50.00	CARE BB; Stable	-	1)CARE BB; Negative (09-Jul-24)	1)CARE BB+; Stable (07-Jul-23)	1)CARE BB+; Stable (05-Aug-22)

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-Cash Credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Zee Akash News Private Limited	Full	Subsidiary
2	India Dotcom India Private Limited	Full	Subsidiary
3	Zee Media Inc	Full	Subsidiary
4	Pinews Digital Private Limited	Full	Subsidiary
5	Today Retail Network Private Limited	Moderate	Associate
6	Today Merchandise Private Limited	Moderate	Associate

Note: As on June 30, 2025

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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About us:
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