

DB Corp Limited

September 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	148.25	CARE AA+; Stable	Reaffirmed
Long-term / Short-term bank facilities	126.00	CARE AA+; Stable/CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of DB Corp Limited (DBCL) continues to derive strength from market leadership position in Hindi print media industry under its flagship brand "Dainik Bhaskar" (DB). Ratings also factor in the robust financial risk profile characterised by low debt, resulting in strong debt coverage indicators and liquidity position supported by significant free cash balance/liquid investments. Ratings continue to draw strength from the company's experienced promoters and management.

Ratings also factor the company's resilient financial performance, underpinned by stable advertisement revenues (excluding Government's election-related advertisement income in FY24, other sectors have remained stable), stable newsprint prices, and initiatives undertaken to improve circulation copies and market presence. The company reported a marginal decline in Total Operating Income (TOI) to ₹2,339 crore in FY25 from ₹2,402 crore in FY24, primarily due to healthy advertisement revenue stemming from election-related spending in FY24. Advertisement revenue contracted by 3.54% YoY to ₹1,690 crore, impacted by a challenging macroeconomic environment and sector-specific headwinds, particularly in Q4FY25. Government ad spends declined by approximately 18–20%, reflecting the absence of election-led demand seen in FY24. Additionally, deferred campaigns ahead of the upcoming General Elections, liquidity constraints in Tier-2 and Tier-3 markets, and overall softness in ad spending further weighed on recovery. Operating profitability declined by 12.2% YoY to ₹547 crore, with profit before interest, lease rentals, depreciation and taxation (PBILDT) margins softening to 23.39% from 25.93%, impacted by lower ad volumes and elevated operating expenses. Newsprint, a key cost component constituting ~36% of operating costs, saw average prices soften to ₹47,561/MT in FY25 from ₹51,917/MT in FY24, offering partial relief to margins despite continued pressure from volume requirements and import premiums of ~15%. The company remains net debt-free, supported by a strong capital structure with overall gearing of 0.13x, healthy coverage metrics including interest coverage of 22.12x, and gross cash accruals (GCA) of ₹466.90 crore. Liquidity remains strong, backed by ₹1,068 crore in unencumbered cash and liquid investments and nil utilisation of fund-based working capital limits. In the digital segment, notable increase in Monthly Average Users (MAU) for the company's news application, reaching 22 million in May 2025 demonstrates platform's rising user acceptability and strong market positioning. The company has also been granted 14 new radio licenses valid for a period of 15 years in August 2025.

CARE Ratings Limited (CareEdge Ratings) expects the company to maintain healthy profitability aided by its market leadership position and stable newsprint prices in the short-to-medium term.

The above rating strengths are however offset by susceptibility of profitability margins to newsprint prices, stretched debtors' position, forex fluctuations, and economic cycles affecting especially advertising segment. Ratings also factor challenges faced by newspapers in the age of digital communication.

Rating sensitivities: Factors likely to lead to rating actions
Positive factors

- Improvement in circulation and advertisement revenue and diversifying revenue streams from digital media platform leading to substantial increase in market share/readership.
- Improvement in PBILDT margin while maintaining return on capital employed (ROCE) above 30% on a sustained basis.

Negative factors

- The PBILDT margin declining below 13% on a sustained basis.
- Debtor cycle stretching beyond 120 days on a sustained basis, impacting its liquidity.
- Substantial decline in the market share/readership resulting in sustained decline in its TOI.

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

Analytical approach: Consolidated; CareEdge Ratings has considered consolidated financials of DBCL and its subsidiaries as subsidiaries are in a similar business. However, the scale of operations in these subsidiaries is negligible. The list of entities which have been consolidated is placed in Annexure-6.

Outlook: Stable

The company is expected to maintain its strong business risk profile aided by its market leadership position. Healthy cash accruals, strong cash and bank balances, and minimal debt support its robust liquidity and financial risk profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and strong execution skills

DBCL's promoters have been in the print media business for over five decades, since the first edition of DB was launched in 1958. Sudhir Agarwal, promoter and managing director of DBCL, has been instrumental in pursuing growth opportunities and demonstrated strong execution skills, while expanding in new markets and launch of new editions. DBCL with its publications has presence in 12 states in north, central, and west India and across three languages (Hindi, Gujarati, and Marathi).

Strong brand presence

DBCL continues to maintain a strong business profile, supported by its leadership in the print media segment and growing digital presence. As on March 31, 2025, DBCL operates 51 printing centres equipped with 84 state-of-the-art machines and an installed capacity of approximately 32.93 lakh copies per hour. The company has a readership base of ~66.3 million across 12 states in northern, western, and central India. As per the Audit Bureau of Circulation (ABC) survey for CY2024, the DB Group remains the largest circulated newspaper group in India, with DB ranked #1 in overall and Hindi-language circulation.

DBCL has also emerged as the fastest-growing news app in India, as per ComScore trends. As of May 2025, the company reported 21.55 million monthly active users across its digital platforms, with the DB app alone accounting for 18.2 million users. The company continues to invest in digital innovation, including mobile-native video content and targeted expansion in Tier-II and III markets such as Uttar Pradesh. These efforts are aimed at enhancing user engagement and retention, while also exploring monetisation strategies to mitigate risks associated with advertisement revenue volatility and competition from alternate media formats, including TV, OTT, and mobile platforms.

Resilient operating performance despite high base effect and economic slowdown

DBCL reported a marginal decline in TOI to ₹2,339 crore in FY25 from ₹2,402 crore in FY24, primarily due to healthy advertisement revenue stemming from election-related spending in FY24. Advertisement revenue contracted by 3.54% YoY to ₹1,690 crore, impacted by macroeconomic pressures and sector-specific challenges, particularly in Q4FY25. The decline was further driven by the absence of election-led ad spending, deferred campaigns ahead of the upcoming General Elections, liquidity constraints in Tier-2 and Tier-3 markets, and overall softness in advertising demand. Despite these pressures, sectors such as automobile, real estate, education, and healthcare continued to support ad performance. In Q1FY26, TOI declined further by 5.15% YoY, led by a 7.06% drop in advertisement revenue. The share of government and political ads in the overall mix fell from 27% to 16%, representing a 40% contraction.

Circulation revenue remained relatively stable at ₹473 crore in FY25, down 1.25% from ₹479 crore in FY24. While the average realisation per copy moderated to ₹3.15 from ₹3.25, annual circulation volumes declined by 5% to 14,139 lakh copies, impacted by structural shifts in consumer behaviour and reduced institutional demand post-COVID-19. Despite these headwinds, DBCL sustained its leadership in key Hindi-speaking markets and maintained circulation volumes in Q1FY26 at ~40 lakh copies, with revenue growing marginally to ₹120 crore. The company's ability to preserve volumes amid pricing constraints and seasonal softness reflects operational resilience, though the segment remains volume-driven with limited pricing flexibility.

Moderation in profitability amid softening newsprint prices

The company's operating profitability remained primarily advertisement-driven, consistent with industry dynamics, as circulation revenues continued to contribute modestly due to decline in circulation copies and strategic low cover pricing aimed at retaining readership. The company reported a 12.2% decline in PBILDT to ₹547 crore (FY24: ₹623 crore), with margins moderating to 23.39% from 25.93% in the previous year. This decline was largely attributable to revenue tapering in the second half of the year and increased operating expenses, including personnel costs and investments in circulation and digital initiatives.

Newsprint continued to be a major cost component, accounting for approximately 36% of total operating costs in FY25. While average newsprint prices softened to ₹47,561/MT from ₹51,917/MT in FY24—an 8.4% decline year-on-year—cost pressures

remained due to volume requirements and limited pricing flexibility. DBCL sources around 70–75% of its newsprint domestically, with the remaining imported from countries such as Russia, Malaysia, Canada and Europe at a ~15% premium. The moderation in newsprint prices, supported by stable supply conditions in Asia-Pacific markets despite geopolitical risks, provided partial relief to margins. However, the absence of election-related advertising and early-stage monetisation of digital platforms continued to weigh on overall profitability.

Strong financial risk profile

The entity continues to maintain a robust capital structure and strong debt protection metrics, with minimal reliance on external borrowings. As on March 31, 2025, the tangible net worth stood at ₹2,176 crore (excluding intangible assets such as software, copyrights, and licenses), supporting an overall gearing of 0.13x (PY: 0.12x). Debt coverage indicators remained healthy, with an interest coverage ratio of 22.12x in FY25 (PY: 26.61x) and total debt to GCA at 0.61x (PY: 0.48x). The entity remained net debt negative as on March 31, 2025, with no term debt obligations. Outstanding debt comprises only working capital borrowings, buyer's credit for raw material imports, and lease liabilities. No debt-funded capex is planned in the near term. Furthermore, the entity reported cash and liquid investments of ₹1,068 crore as on March 31, 2025, despite a significantly higher dividend payout of ₹356 crore during FY25 (PY: ₹142 crore), reflecting strong internal accrual generation and prudent financial management.

Key weaknesses

Elevated debtors' position continues

DBCL's debtor position remains elevated with average collection period of 75 days in FY25 (FY24: 74 days) with ~30% receivables outstanding for over six months. Debtors comprise primarily of advertising debtors with majority collections pending from government agencies. Collection from government takes a longer time as compared to that from corporate debtors. Total outstanding debtors declined to ₹452.09 crore in FY25 (FY24: ₹509.97 crore).

Margins susceptible to newsprint prices, other inherent risk factors continue

Newsprint constitutes a key raw material accounting for ~50% of the operating cost for newspaper companies. Several factors led to the shortage in availability, including rise in freight rates, rupee depreciation, and fall in supplies following ongoing Russia Ukraine conflict, especially since Russia is one of the key global suppliers of newsprint. Apart from volatility in newsprint prices, rupee-dollar fluctuations could also impact the company's profitability since considerable portion of newsprint is imported. Furthermore, the operating margins remain vulnerable to the economic downturns, as advertisement revenue is linked to economic conditions. High inflationary environment and volatility in commodity prices could cause businesses to trim the advertisement spending to offset rising costs in their operations, which could thus impact advertisement revenues. The company is also exposed to intense competition among major print media players, which has been further exacerbated by the growing presence of TV/digital media platforms. The company's ability to adapt to rapidly changing industry dynamics and trends would be critical.

Liquidity: Strong

DBCL's liquidity profile remains strong, supported by healthy GCA of ₹466.90 crore in FY25 and the absence of long-term debt obligations, apart from lease liabilities. As on March 31, 2025, the company held unencumbered cash and investments of ₹1,068 crore, primarily maintained in bank deposits, fixed deposits, and mutual funds. Prudent liquidity management is reflected in the nil utilisation of fund-based working capital limits over the 12 months ended June 30, 2025. Management has indicated that the robust cash reserves will be retained within the company. Additionally, DBCL imports around 25–30% of its newsprint requirements and benefits from favourable credit terms—7 to 45 days from domestic suppliers and 60 to 90 days from international vendors—further supporting its working capital cycle.

Environment, social, and governance (ESG) risks

Parameters	Risk factors
Environmental	DBCL is committed to keeping minimum environmental impact for which it follows defined waste management processes. Newspaper being the world's most recycled material, the company has in place a structured mechanism for selling waste newspapers to newsprint manufacturers / traders for the purpose of recycling. Also, water waste from the company's various printing units is used for irrigation of plants thereby warranting effective waste management.
Social	DBCL's social initiatives are focussed on environmental protection and helping the underprivileged sections of our society
Governance	The company follows high standards of corporate governance. However, there has been an incident in the past where Income Tax carried out a search on the company's premises.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Media, entertainment and publication	Media	Print media

DBCL is one of the leading print media companies in India, which started operations in 1958 with the launch of its first edition of Hindi newspaper in Bhopal, Madhya Pradesh. Currently, the company publishes five newspapers with 61 editions and 211 subeditions in three languages, including, Hindi, Gujarati, and Marathi across 12 states in India. DBCL's newspaper portfolio includes DB (43 editions), Divya Bhaskar (8 editions), Divya Marathi (6 editions), Saurashtra Samachar (1 edition), and DB Star (4 editions). Other than newspapers, DBCL also publishes certain periodicals, including Bal Bhaskar, Young Bhaskar, Madhurima, AHA! Zindagi, Kalash, Dharma Darshan, and Navrang, and its newspapers. DBCL has 51 printing units in the states of Rajasthan, Gujarat, Chandigarh, Punjab, Haryana, Himachal Pradesh, Madhya Pradesh, Chhattisgarh, Jharkhand, Maharashtra, and Bihar. DBCL also has radio licenses for 44 cities across seven states, under brand name 'My FM'. Apart from printing, publishing and radio businesses, DBCL also has presence in the digital media with four portals and three mobile apps and event management; however, these businesses form a smaller portion of DBCL's total revenue.

Brief Financials (Consolidated) (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	2402.09	2339.11	559.45
PBILDT	622.91	547.09	110.62
PAT	425.52	370.98	80.84
Overall gearing (times)	0.12	0.13	-
Interest coverage (times)	26.61	22.12	16.96

A: Audited UA: Unaudited; 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		-	-	-	148.25	CARE AA+; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	126.00	CARE AA+; Stable / CARE A1+

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-Cash Credit	LT	148.25	CARE AA+; Stable	-	1)CARE AA+; Stable (07-Oct-24)	1)CARE AA+; Stable (08-Aug-23)	1)CARE AA+; Stable (09-Aug-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	126.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (07-Oct-24)	1)CARE AA+; Stable / CARE A1+ (08-Aug-23)	1)CARE AA+; Stable / CARE A1+ (09-Aug-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short 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
2	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view 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	DB Infomedia Private Limited	Full	Wholly owned subsidiary
2	I Media Corp Limited	Full	Subsidiary of DB Infomedia Private Limited

Note on complexity levels of rated instruments: CareEdge 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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