Zee Media Corporation Limited

September 07, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	25.00 (Reduced from 50.00)	CARE BB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of rating assigned to the bank facilities of Zee Media Corporation Limited (ZMCL) considers the company's steady operating and financial performance in FY26 (refers to the period from April 01 to March 31) and Q1 FY27 with improvement in profitability supported by content monetisation amidst continued industry-wide headwinds on growth in core advertising revenue and continued pressure on ZMCL's capital structure owing to stretched payables. ZMCL's total operating income (TOI) grew by ~22% year-over-year (y-o-y) to ₹759 crore in FY26 and profit before interest, lease rental, depreciation and taxation (PBILDT) margin improved to 13.92% in FY26 (PY: -2.90%) owing to sizeable revenue of ~₹132 crore (PY: ₹1 crore) from content monetisation in the international markets even as core advertising and subscription revenue stood flat at ₹627 crore, indicating continued headwinds. In Q1 FY27 the company has reported a TOI of ₹191 crore which is 4% y-o-y growth vis-à-vis Q1 FY26 with a PBILDT margin of 8.5%. In an attempt to support its liquidity and net worth amidst continuing losses, the company raised fresh equity capital of ₹48.87 crore from preferential issue of convertible equity share warrants in Q1 FY27 with an issue size of ₹119 crore and raised an additional ~₹34 crore in July 2026 through private placement of foreign currency convertible bonds (FCCBs). As per regulatory filings, the board has approved a total fund raise of ₹400 crore over 10 years through placement of FCCBs to identified investors. Such FCCBs are repayable in a bullet instalment after 5 years from date of issue with an option to convert into equity upon maturity and carry a coupon of 5% p.a. While the above fund-raising plans provide near-term liquidity support to meet operational capital requirements, sustained recovery in ZMCL's operating performance translating into healthy cash accruals remains a key monitorable.

The rating remains constrained by ZMCL's high working capital intensity of operations translating into a leveraged capital structure and weak debt coverage indicators. The rating also considers the sizeable contingent liabilities and exposure to regulatory risks. Nevertheless, the weaknesses are mitigated to an extent by ZMCL's established market position and track record in the news broadcasting industry.

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/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
- Sizeable crystallisation of contingent liabilities

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-5.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings expectation that the company will continue to derive benefits from established market position of news channels in their respective genres and the financial flexibility.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key weaknesses

Leveraged capital structure and stretched working capital cycle

ZMCL's capital structure remains leveraged as indicated by total outside liabilities/tangible net worth (TOL/TNW) of 2.88x as on March 31, 2026 (PY: 3.06x) with the improvement on account of reduction in borrowings following the repayment of unsecured loans from related entities and scheduled reduction in sanctioned working capital limits. The leveraged capital structure emanates from the high working capital intensity of operations as indicated by average receivables of 122 days in FY26 (PY: 117 days) and indicates reliance on high creditors to meet the working capital requirements with average payables increasing to 83 days in FY26 from 54 days in FY24. Continued weak profitability and dependence on external support with current ratio of 0.65x as on March 31, 2026 highlights the weak internal liquidity of the company. Going forward, the company's ability to pay its creditors on time and reduce reliance on creditor funding remains a key monitorable.

Profitability remains constrained by intense competition and industry-wide headwinds on revenue growth

Indian news broadcasting space is characterised by high degree of competitive intensity with several channels competing for viewership and limited corporate advertisement budget. Additionally, shifting consumer preferences towards digital media further constrains the growth prospects of linear TV over the medium term. ZMCL continues to derive ~80% its revenue from advertising on its linear (TV) network with the contribution of digital networks remaining low at ~20% over the last three years. Owing to the industry-wide headwinds, the growth in ZMCL's core advertising and subscriptions revenue remained muted at ~1% y-o-y in FY26 to Rs. 628 crore. Nevertheless, the overall operating income grew by a healthy 22% y-o-y in FY26 owing to sizeable revenue from content monetisation which also supported improvement in PBILDT margin to 13.92% translating into a PAT margin of 0.25% in FY26. In Q1 FY27 the company's PBILDT margin stood at 8.52% (PY: 11.48%). With continued weak industry outlook, ZMCL's revenue growth is expected to remain constrained over the medium term putting pressure on its profitability and cash accruals.

Sizeable contingent liabilities and exposure to regulatory risks

The company has sizeable contingent liabilities of ~Rs. 610 crore as on March 31, 2026 which is 279% of its reported net worth. Among these, a sizeable portion of Rs. 583 crore relates to receipt of notices of claims/lawsuits filed against the company relating to infringement of copyrights, defamation suits etc. in relation to programs telecasted while the balance is largely towards disputed tax matters. Management does not expect any material crystallisation of the contingent liabilities. Any crystallisation of the sizeable contingent liabilities could put pressure on the company's liquidity and remains a key monitorable. The TV broadcasting industry in India is susceptible to regulatory risk with the Telecom Regulatory Authority of India (TRAI) regulating pricing of channel subscriptions and advertisement slot timings among other. Any change in regulations could have an adverse impact on ZMCL's business and financial performance.

Key strengths

Established market position of news channels in their respective genres

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. Its flagship Hindi news channel, Zee News, continues to command a healthy brand recall and wide audience reach in the country. 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, multilanguage presence enhances ZMCL's ability to engage with diverse viewer segments and strengthens its position in both domestic and international markets. The established presence across national and regional markets provides the company with a diversified viewer base and strengthens its competitive position in the news broadcasting industry.

Liquidity: Stretched

ZMCL's liquidity remains stretched, marked by weak profitability and accruals amidst continuing stretch in trade payables. As on March 31, 2026, the company had free cash and bank balances of ~₹9 crore, providing a modest short-term liquidity cushion. The company has near-term visibility on probable receipt of funds through approved fund-raising plans owing to ₹70.13 crore receivable from conversion of outstanding share warrants and planned placement of FCCBs over the next five years. However, ZMCL's current ratio remains adverse at 0.65x as on March 31, 2026 indicating continued dependence on external funding sources to meet its liquidity requirements.

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

Macro-economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Media, Entertainment & Publication	Entertainment	TV Broadcasting & Software Production

Zee Media Corporation Limited (ZMCL) is among India's leading news organization with interests in global, national and regional news channels and digital news publishing with its flagship Hindi news channel – 'Zee News'. It operates a bouquet of TV and digital properties encompassing 16 TV news channels (1 global, 4 national and 11 regional channels), 3 digital-only news channels and multiple websites along with 14 mobile applications. ZMCL was incorporated as Zee Sports Limited on August 27, 1999, and was later renamed as Zee News Limited with effect from May 27, 2004, and thereafter to Zee Media Corporation Limited with effect from July 6, 2013.

Brief Financials (Consolidated) - ₹ crore	March 31, 2025 (A)	March 31, 2026 (A)	Q1 FY27 (UA)
Total operating income	621.92	759.18	190.85
PBILDT*	-18.02	105.71	16.26
PAT	-119.42	1.90	-12.12
Overall gearing (times)	0.80	0.38	NA
Interest coverage (times)	-0.59	5.43	3.19

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'
PBILDT: Profit before interest, lease, depreciation, and tax

Brief Financials (Standalone) - ₹ crore	March 31, 2025 (A)	March 31, 2026 (A)	Q1 FY27 (UA)
Total operating income	454.89	571.53	132.33
PBILDT*	-28.95	98.16	14.98
PAT	-100.35	16.93	-8.82
Overall gearing (times)	0.40	0.19	NA
Interest coverage (times)	-0.97	5.25	3.03

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'
PBILDT: Profit before interest, lease, depreciation, and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-	-	-	-	25.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (09-Jul-24)	1)CARE BB+; Stable (07-Jul-23)
2	Fund-based - LT-Cash Credit	LT	25.00	CARE BB; Stable	-	1)CARE BB; Stable (04-Aug-25)	1)CARE BB; Negative (09-Jul-24)	1)CARE BB+; Stable (07-Jul-23)

LT: Long term

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

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated

Name of the entity	Extent of consolidation	Rationale for consolidation
Zee Akaash News Private Limited	Full	Wholly owned subsidiary
Indiadotcom Digital Private Limited	Full	Wholly owned subsidiary
Pinewz Digital Private Limited (Formerly Pinews Digital Private Limited)	Full	Wholly owned subsidiary
Today Merchandise Private Limited	Moderate	Associate
Today Retail Network Private Limited	Moderate	Associate

Source: FY26 Annual Report

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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About us:
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