

September 08, 2025

Planetcast Media Services Limited: Ratings placed on rating watch with negative implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term- Fund Based- Term Loan	54.20	29.20	[ICRA]A+; placed on rating watch with negative implications
Long Term- Fund based- Cash Credit	61.00	61.00	[ICRA]A+; placed on rating watch with negative implications
Short Term- Non-fund based- Others	22.00	22.00	[ICRA]A1; placed on rating watch with negative implications
Long Term/Short Term-Fund based/ Non-Fund based- Others	60.00	30.00	[ICRA]A+/[ICRA]A1; placed on rating watch with negative implications
Total	197.20	142.20	

*Instrument details are provided in Annexure I

Rationale

The rating action on the bank lines of Planetcast Media Services Limited (PMSL) follows the anticipated impact of the proposed exit of the existing investor, AION Capital Partners. The terms, structure, and acquirer for the stake are still uncertain, and hence, the impact on PMSL's credit profile and liquidity cannot be reasonably ascertained at this stage. ICRA notes that while the detailed contours of the transaction are yet to be finalised, however any leveraged buyout can result in addition of debt on the balance sheet of PMSL, thereby moderating PMSL's credit profile, which has historically been characterized by strong liquidity and minimal leverage. ICRA will continue to closely monitor developments and will take appropriate rating action once greater clarity emerges and the transaction reaches a definitive conclusion.

ICRA has considered the consolidated financials of Planetcast Media Services Limited (PMSL) while assigning the credit ratings. The rating factors in the Group's established position in the satellite broadcasting (teleport and playout services) and digital satellite news gathering (DSNG) industries. The Group has a reputed customer base that includes major broadcasting groups that avail its services because of its established market position and long-standing presence.

The ratings also draw comfort from the steady cash accruals over the years, driven by the Group's healthy scale of operations and moderate working capital intensity, which has limited its reliance on external debt and resulted in a comfortable capital structure. The healthy profit generation and the limited external debt obligations have led to robust debt coverage metrics.

The ratings are constrained by intense competition from both international players and broadcasters with captive operations. The Group also has a client concentration risk with the top 10 customers accounting for around 70% of the revenues, with the Star Group being the highest revenue contributor. Nonetheless, the Group's strong market position in the industry and its long relations with the clients limit the risk of losing customers to competition. However, the revenue generation remains susceptible to customers moving to their captive bandwidth, especially with the consolidation seen in the media industry. Further, the revenues are sensitive to changes in Government regulations and policies.

Key rating drivers and their description

Credit strengths

Established market position – The Group has established itself as a leading teleport and DSNG services provider over the last two decades, having commenced operations in March 1998. Over time, the Group has garnered a sizeable market share in the industry with leading broadcasting groups in its client base. Moreover, while it has increased its wallet share among its broadcasters, it has also been expanding geographically through inorganic acquisitions, the most recent ones being Australia based entity, Switch Media, which is into OTT services and Desynova Digital Private Limited.

Healthy scale of operations – The Group is a leading third-party teleport service provider in the country and has established a strong clientele over the years. Many major broadcasting groups are using its teleport services and gradually expanding the service mix, which has resulted in a healthy scale of business for the Group with a consolidated OI of Rs. 504.2 crore in FY2025[P] and a ~9% YoY growth in revenue. The revenue growth was driven by higher revenue from acquisition of a company involved in providing post-production services. The Group is increasing its focus on new age business services, including digital streaming, cloud-based playout and post-production services, with better profit margin profiles that will further support the growth in its scale of operations and profits.

Robust profitability and coverage metrics- The Group's established market position helps it command a premium pricing for its services, evident from its strong profitability metrics with a healthy RoCE on a sustained basis in the last decade. Further, steady cash accruals, which have limited the Group's reliance on outside debt, have resulted in a healthy leverage profile. The Group's debt metric continues to be healthy with interest coverage ratio of 13.9 times and DSCR of 2.6 times in FY2025 [P]. Going forward, the coverage ratios and the capital structure are expected to remain comfortable, considering the healthy scale of operations and the profitability of the business.

Credit challenges

Client concentration risk – PMSL has moderate client concentration with the top five customers contributing 40–45% to the revenues over the past few fiscals, with the single-largest customer having a 35-40% share. However, given PMSL's strong market position and ability to offer value-added service, the risk of customers moving out to competition is mitigated to an extent. Nevertheless, the risk of customers moving to their captive bandwidth continues, especially due to the consolidation in the media industry, following which the Group lost some business from its largest customer in the previous fiscals.

Operations remain sensitive to changes in Government regulations and policies – The Group operates in the VSAT and media industries, both of which are sensitive to changes in Government regulations and policies. Further, the Group is required to obtain several licences for its activities. Additionally, its operations are supervised by the DoT, the Telecom Regulatory Authority of India (TRAI), MIB and several other Government departments.

Intense competition – As a teleport and playout service provider, the Group faces competition, largely from broadcasters with captive operations as also from independent players. However, the company's experienced management, technically qualified team of professionals and established relationships with customers help it manage competition effectively. There are many players in DSNG and system integrator services that pose competition to the Group. However, its strong technical capabilities provide it with a competitive advantage.

Liquidity position: Adequate

The Group's liquidity position is adequate on the back of comfortable cash flow from operations, supported by free cash and bank balance of Rs. 181.6 crore as on March 31, 2025 [P] and sizeable cushion in working capital limits. The company has moderate annual debt repayments lined up over the medium term which can be comfortably met from its cash flow from operations.

Rating sensitivities

Positive Factors - ICRA could resolve the watch once more clarity emerges on the transaction.

Negative Factors - Material deterioration in the credit metrics of PMSL and pressure on liquidity on account of the proposed transaction as more clarity emerges, will result in negative rating action. Further, a sharp decline in OI and/or weakening of the business position, resulting in a deterioration of the profitability on a sustained basis could adversely impact the ratings. Additionally, any significant upstreaming to the shareholders impacting the liquidity can lead to a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated the financials of PMSL. List of companies given in Annexure-II

About the company

PMSL, incorporated in 1996, is a leading media technology service provider under licence from MIB, Government of India (GoI). It provides up-linking and playout services to major broadcasters in the country. It provides comprehensive, customised solutions across content management operations (including content storage, enrichment, post-production, OTT and automated playout) and distribution (including satellite broadcasting/uplinking digital streaming and cloud distribution).

Key financial indicators (audited)

PMSL (Consolidated)	FY2024	FY2025 Prov*
Operating income	463.4	504.2
PAT	40.7	68.6
OPBDIT/OI	33.0%	35.3%
PAT/OI	8.8%	13.6%
Total outside liabilities/Tangible net worth (times)	0.6	0.5
Total debt/OPBDIT (times)	0.9	0.7
Interest coverage (times)	12.6	13.9

Source: Company, ICRA Research; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Sep 08, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based Term loans	Long Term	29.20	[ICRA]A+; rating watch with negative implications	-	-	July 16, 2024	[ICRA] A+(Stable)	May 16, 2023	[ICRA] A+(Stable)	-	-
Fund-based Cash credit	Long Term	61.00	[ICRA]A+; rating watch with negative implications	-	-	July 16, 2024	[ICRA] A+(Stable)	May 16, 2023	[ICRA] A+(Stable)	-	-
Non-fund-based Others	Short Term	22.00	[ICRA]A1; rating watch with negative implications	-	-	July 16, 2024	[ICRA]A1	May 16, 2023	[ICRA]A1	-	-
Fund-based/Non-fund based - Others	Long Term/ Short Term	30.00	[ICRA]A+/ [ICRA]A1; rating watch with negative implications	-	-	July 16, 2024	[ICRA] A+(Stable)/ [ICRA]A1	May 16, 2023	[ICRA] A+(Stable)/ [ICRA]A1	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Long-term fund-based – Cash credit	Simple
Long-term/ Short-term fund-based/Non-fund-based - Others	Simple
Short-term non-fund based - Others	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](https://www.icra.in)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term – Fund-based- Term loan	FY21-FY23	8.15%-10.36%	FY26-FY28	29.20	[ICRA]A+; rating watch with negative implications
NA	Long term – Fund-based- Cash credit	NA	NA	NA	61.00	[ICRA]A+; rating watch with negative implications
NA	Short term- Non-fund based- Others	-	-	-	22.00	[ICRA]A1; rating watch with negative implications
NA	Long term/Short term – Fund-based/Non-fund based - Others	-	-	-	30.00	[ICRA]A+/[ICRA]A1; rating watch with negative implications

Source: Company.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company	Ownership	Consolidation Approach
Planetcast Technologies Limited	100%	Full Consolidation
Planetcast International Pte. Limited	100%	Full Consolidation
Planetcast Broadcasting Services Limited	100%	Full Consolidation
Planetcast Content Services Limited	100%	Full Consolidation
Desynova Digital Private Limited	86.67%	Full Consolidation
Switch Media	80%	Full Consolidation

Source: Company

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