

November 06, 2025

Sakal Media Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund based – Cash credit	84.00	84.00	[ICRA]A- (Stable); reaffirmed
Non-fund based	9.00	9.00	[ICRA]A2+; reaffirmed
Unallocated limits	27.00	27.00	[ICRA]A- (Stable)/ [ICRA]A2+; reaffirmed
Total	120.00	120.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has consolidated Sakal Papers Private Limited (SPPL), which is an asset-holding entity, into Sakal Media Private Limited (SMPL), to arrive at the ratings (together referred to as SMPL or company). SMPL was formed by demerging the print media business of SPPL, effective from March 31, 2017. After the demerger, the land and buildings are held by SPPL, and SMPL utilises these fixed assets for its operations. Further, the two companies have a common management and derive significant operational and financial synergies. Moreover, SPPL has given corporate guarantees for SMPL's bank lines.

The reaffirmation of ratings for SMPL continues to reflect the strong brand recognition of SMPL's flagship publication, Sakal, a leading Marathi newspaper, and its leadership position in the Pune market. The company benefits from its experienced management and editorial teams. The ratings also factor in SMPL's comfortable financial risk profile, characterised by low external debt and comfortable debt coverage indicators.

The ratings are, however, constrained by SMPL's reliance on a single publication, with Sakal accounting for ~92% of circulation volumes and ~95% of circulation revenues in FY2025 as well as its continued dependence on a single region. SMPL's geographical concentration makes it vulnerable to risks related to the micro-market. Moreover, the company's profitability is susceptible to adverse movements in global newsprint prices and foreign exchange fluctuations. ICRA also notes that the company's advertisement revenues are susceptible to various exogenous factors such as socio-political events and economic cycles. Further, SMPL's operations have remained working capital intensive due to elevated receivables and high inventory holding. Thus, timely recovery from debtors remains a key monitorable factor. The ratings are also constrained by substantial investments made by the Group in real estate and other Group companies, the quantum and recoverability of which remain crucial. Any major write-off in such non-core investments could negatively impact the entity's profitability and capital structure.

The Stable outlook on the long-term rating reflects ICRA's opinion that SMPL will continue to benefit from its established market position and healthy brand recognition among the leading Marathi dailies.

Key rating drivers and their description

Credit strengths

Established market position in Maharashtra – Sakal, the flagship publication of SMPL, enjoys a strong market position and brand recall in Maharashtra, remaining one of the most widely read Marathi dailies. The strong brand recall of its publications is attributable to its established presence (since 1932) and experienced management.

Diversified presence across media platforms – SMPL has a presence across multiple media platforms, including Marathi and English print, television (through Saam TV), digital news (E-Sakal) and events. This diversification provides operational synergies by leveraging the Sakal brand with access to advanced technology and infrastructure, along with common marketing teams.

Healthy financial risk profile – SMPL's capital structure remains healthy, supported by favourable operating performance in FY2025. The company's print business witnessed a 6% Year-on-Year (YoY) increase in volumes in FY2025, along with ~14% growth in advertisement volumes. Overall, SMPL's revenue witnessed a Year-on-Year (YoY) growth of 15% to Rs. 596.6 crore in FY2025, and its operating margin remained stable at 8.3% in FY2025, supported by operating leverage benefits. The company's strong equity base and limited external liabilities, led to a TOL/TNW of 0.6 times and an interest cover of 11.7 times as on March 31, 2025. With low leverage and healthy accruals, ICRA expects SMPL's credit profile to remain comfortable, going forward as well.

Credit challenges

High geographical concentration; large dependence on single publication – SMPL has a sizeable concentration in the Pune region and derives significant advertisement revenue from this market, making it vulnerable to the risks associated with the micro-market. The company publishes three dailies in Marathi and English, with distribution primarily in Maharashtra with limited distribution in Goa. Additionally, its dependence on a single publication limits its bargaining power.

Susceptibility of operating profit margins to global newsprint prices and forex fluctuations; large part of net worth deployed in non-core assets drags return indicators – The Group invested ~Rs. 277 crore in a variety of non-current investments (constituting ~50% of the consolidated net worth) as of March 2025. These investments are made through preference shares, optional convertible debentures, partnership stakes and inter-corporate deposits. The quantum and recoverability of such investments remain key rating monitorable factors. Moreover, the company's profitability remains susceptible to adverse movements in global newsprint prices and foreign exchange fluctuations as it imports 70% of its newsprint material requirements. ICRA also notes that the company's advertisement revenues remain susceptible to various exogenous factors such as socio-political events and economic cycles.

Competition from digital media, structural shift towards alternative media platforms – The growing popularity of digital platforms, in line with changing media consumption habits, is likely to keep impacting the growth prospects of SMPL's Marathi daily, Sakal, the primary revenue driver. Although the company has made a digital presence through E-Sakal, which became the No. 1 Marathi news and information publisher as per the latest Comscore data for January 2025, its contribution to revenue remains minimal. The company's ability to scale-up and sustain alternate revenue streams, such as digital news, broadcasting and event business would be a key rating monitorable.

Liquidity position: Adequate

SMPL's liquidity is likely to remain adequate, given the expectation of steady cash accruals, supported by free cash of Rs. 10.4 crore as on March 31, 2025, and cushion of ~Rs. 43 crore in fund-based working capital limits. In the absence of any major capex/investment plans and continued limited reliance on external borrowings, the company's liquidity position is expected to remain comfortable.

Rating sensitivities

Positive factors – ICRA could upgrade the company's ratings in case of significant increase in its scale of operations and profitability metrics along with greater diversification in its business profile. Further, the recoupment of investments in non-core assets resulting in material improvement in liquidity, on a sustained basis, could also be a rating positive.

Negative factors – Pressure on the company's ratings could arise in case of a material decline in scale or profitability, impacting cash accruals. Additionally, any major debt-funded capex, stretch in the cash conversion cycle or investment/write-offs in investments that weaken its credit metrics could also exert pressure on SMPL's ratings. A specific credit metric that could

trigger a downgrade is TOL/Adjusted TNW (viz., TNW adjusted for non-core investments) more than 1.5 times, on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Print Media
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation; The ratings are based on the consolidated financial statements of Sakal Media Private Limited (SMPL) and Sakal Papers Private Limited (SPPL). There are strong operational, financial, and managerial linkages between the entities. Moreover, SPPL has mortgaged its assets for bank facilities of SMPL. Further, SMPL has given a corporate guarantee for 50% of the bank lines of Palladium Consulting India Private Limited (PCIPL) and, thus, a support towards the debt servicing of this entity has been considered. The list of companies that are considered to arrive at the ratings are shared in Annexure II.

About the company

SMPL is a Maharashtra-based newspaper publishing house that circulates newspapers in Marathi and English. Its flagship publication, Sakal, is a daily Marathi newspaper with a strong presence in the state. Other publications of SMPL include Gomantak and Gomantak Times (Marathi and English newspapers, respectively, published in Goa), Agrowon (Marathi newspaper for farmers), Saptahik Sakal (Marathi weekly magazine) and Tanishka (Marathi women's magazine). SMPL also operates a broadcasting media business under Saam TV, a Marathi news channel. Besides the media business, SMPL organises events and exhibitions in different cities across Maharashtra, with Sakal Utsav organised in Pune being a popular shopping event.

Incorporated in March 2017, SMPL is an entity demerged from SPPL. SPPL was initially involved in printing, newspaper publishing and broadcasting businesses. Following the demerger, SPPL's business activities were transferred to SMPL, while SPPL remained the asset-holding company.

Key financial indicators (audited)

SMPL + SPPL – Consolidated	FY2024	FY2025
Operating income	517.2	596.6
PAT	26.0	37.6
OPBDIT/OI	8.3%	8.3%
PAT/OI	5.0%	6.3%
Total outside liabilities/Tangible net worth (times)	0.6	0.6
Total debt/OPBDIT (times)	1.2	1.0
Interest coverage (times)	8.6	11.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Nov 06, 2025	Date	Rating	Date	Rating	Date	Rating
Long term- term loans	Long Term	-	-	-	-	-	-	May-06-22	[ICRA]A-(Stable)
Long term-fund based-cash credit	Long Term	84.00	[ICRA]A-(Stable)	Aug-16-24	[ICRA]A-(Stable)	May-09-23	[ICRA]A-(Stable)	May-06-22	[ICRA]A-(Stable)
Short term-others-non fund based	Short Term	9.00	[ICRA]A2+	Aug-16-24	[ICRA]A2+	May-09-23	[ICRA]A2+	May-06-22	[ICRA]A2+
Long term / short term-unallocated	Long Term/ Short Term	27.00	[ICRA]A-(Stable)/ [ICRA]A2+	Aug-16-24	[[ICRA]A-(Stable)/ [ICRA]A2+	May-09-23	[ICRA]A-(Stable)/ [ICRA]A2+	May-06-22	[ICRA]A-(Stable)/ [ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund based Cash Credit	Simple
Short-term Non-fund based	Very simple
Long-term/Short-term Unallocated limits	Not applicable

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](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash Credit	NA	NA	NA	84.0	[ICRA]A- (Stable)
NA	Non-Fund Based	NA	NA	NA	9.0	[ICRA]A2+
NA	Unallocated Limits	NA	NA	NA	27.0	[ICRA]A- (Stable)/[ICRA]A2+

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 name	SMPL ownership	Consolidation approach
Sakal Papers Private Limited	-	Full Consolidation
Palladium Consulting India Private Limited	-	Limited Consolidation

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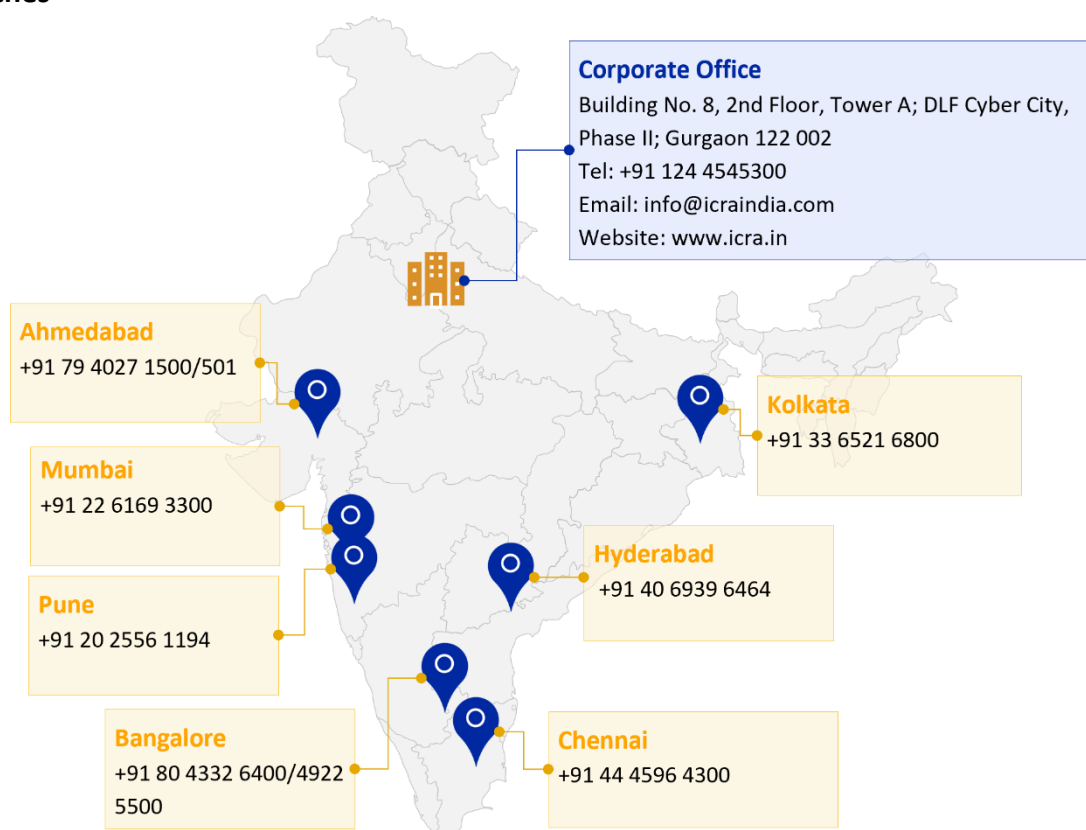
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