December 16, 2025

Planetcast Media Services Limited: Ratings downgraded to [ICRA]BBB+/[ICRA]A2; outlook assigned at Stable; Removed from 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	29.20	29.20	[ICRA]BBB+ (Stable); downgraded from [ICRA]A+; outlook assigned at Stable and Removed from rating watch with negative implications
Long Term- Fund based- Cash Credit	61.00	61.00	[ICRA]BBB+ (Stable); downgraded from [ICRA]A+; outlook assigned at Stable and Removed from rating watch with negative implications
Short Term- Non-fund based- Others	22.00	22.00	[ICRA]A2; downgraded from [ICRA]A1 and Removed from rating watch with negative implications
Long Term/Short Term-Fund based/ Non-Fund based- Others	30.00	30.00	[ICRA]BBB+(Stable)/[ICRA]A2; downgraded from [ICRA]A+/[ICRA]A1; outlook assigned at Stable and Removed from rating watch with negative implications
Total	**142.20**	**142.20**	

**Instrument details are provided in Annexure I*

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Planetcast Media Services Limited (PMSL) and Arugn Technologies Private Limited (ATPL; an SPV owned by the promoters of PMSL) owing to the impending merger which is likely to be concluded over the next few months. The rating action on the bank lines of PMSL follows the completion of the acquisition transaction in October 2025 wherein Arugn Technologies Private Limited (ATPL), has acquired the entire stake of the exiting investment fund AION[1]. As a part of the transaction funding, ATPL has raised Rs. 600 crore non-convertible debentures (NCD), the liability for which will be transferred onto PMSL's balance sheet post-merger. This marks a significant shift in the company's credit profile, which has historically been characterized by strong liquidity and minimal leverage. As per the terms of the NCD issuance, the merger between the two entities is required to be completed by end of December 2026.

The rating factors in the Group's established position in the Tech driven managed services (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 (excluding the recently raised NCDs on ATPL's books). The healthy profit generation and the limited external debt obligations have led to robust debt coverage metrics.

[1] While the total shareholding is 90%; only 83.4% stake has been acquired so far with approvals expected shortly for remaining 6.59%

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. 504.5 crore in FY2025 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.

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 Tech driven managed services, which is 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 Department of Telecom (DoT), the Telecom Regulatory Authority of India (TRAI), Ministry of Information and Broadcasting (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.

Moderation in coverage metrics following the addition of ATPL's debt- 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 13.8 times and DSCR of 2.5 times in FY2025. However, going forward, the coverage ratios and the capital structure will witness a moderation with the addition of Rs. 600 crore of debt raised for acquisition of AION's shareholding and other minority Shareholders. The Total Debt/OPBITDA is expected to increase to ~4.0 times in FY2026 from ~0.7 times in FY2025 and the coverage metrics are also expected to reduce significantly in FY2027 when the bullet repayment for Series A NCDs (of Rs. 155 crore) falls due and the coupon payments for both Series A with bullet repayment and Series B NCDs commence. However, ICRA also notes that PMSL has sizeable cash balance (of ~Rs. 210 crore as of September 2025) which would be utilised for the coupon and repayment obligations towards Series A NCDs. Further, there is a sizeable repayment due in FY2030 and ICRA expects the same to be refinanced given the company's steady business and financial profile.

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. 210 crore as on September 30, 2025 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. There is a sizeable debt repayment due in FY2030, however, ICRA notes that the same could be comfortably refinanced given the company's steady business and overall financial position.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company is able to demonstrate an improvement in OI with healthy profitability levels, and improvement in debt coverage metrics, while maintaining a strong credit profile and liquidity position.

Negative factors – Material deterioration in the credit metrics of PMSL 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.

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 financials of PMSL and ATPL given their common management and the impending merger between the two entities

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). In October 2025, the company's erstwhile promoters, Mr. Vyas and Mr. Jain, have acquired the entire shareholding of Aion Investments (P) Ltd in PMSL through ATPL (a Group SPV). The two entities, i.e. PMSL and ATPL are due for a merger within the next 15 months from acquisition, as per the terms of the NCDs issued on the books of ATPL. The same were raised to the fund acquisition.

Key financial indicators (audited)

PMSL (Consolidated)	FY2024	FY2025	H1FY2026*
Operating income	463.4	504.2	254.2
PAT	40.7	64.8	24.9
OPBDIT/OI	33.1%	34.9%	29.1%
PAT/OI	8.0%	12.8%	9.8%
Total outside liabilities/Tangible net worth (times)	0.7	0.5	-
Total debt/OPBDIT (times)	0.9	0.7	-
Interest coverage (times)	12.6	13.8	14.5

*Source: Company, ICRA Research; * Provisional numbers; 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							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 16, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based-Term Loan	Long Term	29.20	[ICRA]BBB+ (Stable)	Sep 08, 2025	[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]BBB+ (Stable)	Sep 08, 2025	[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]A2	Sep 08, 2025	[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]BBB+ (Stable)/ [ICRA]A2	Sep 08, 2025	[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
Short Term- Non-fund based-Others	Simple
Long Term/Short Term-Fund based/ Non-Fund based- Others	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]

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]BBB+ (Stable)
NA	Long Term- Fund based- Cash Credit	NA	NA	NA	61.00	[ICRA]BBB+ (Stable)
NA	Short Term- Non-fund based- Others	-	-	-	22.00	[ICRA]A2
NA	Long Term/Short Term-Fund based/ Non-Fund based- Others	-	-	-	30.00	[ICRA]BBB+ (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	ownership	Consolidation approach
Planetcast International Pte. Limited	100.00%	Full consolidation
Planetcast Broadcasting Services Limited	100.00%	Full consolidation
Planetcast Content Services Limited	100.00%	Full consolidation
Arugn Technologies Private Limited*	83.4%	Full consolidation
Desynova Digital Private Limited	86.67%	Full consolidation
Switch Media	100.00%	Full consolidation

*Source: Company; *: the merger between the two entities is required to be completed by end of December 2026, however, ICRA has taken consolidated view*

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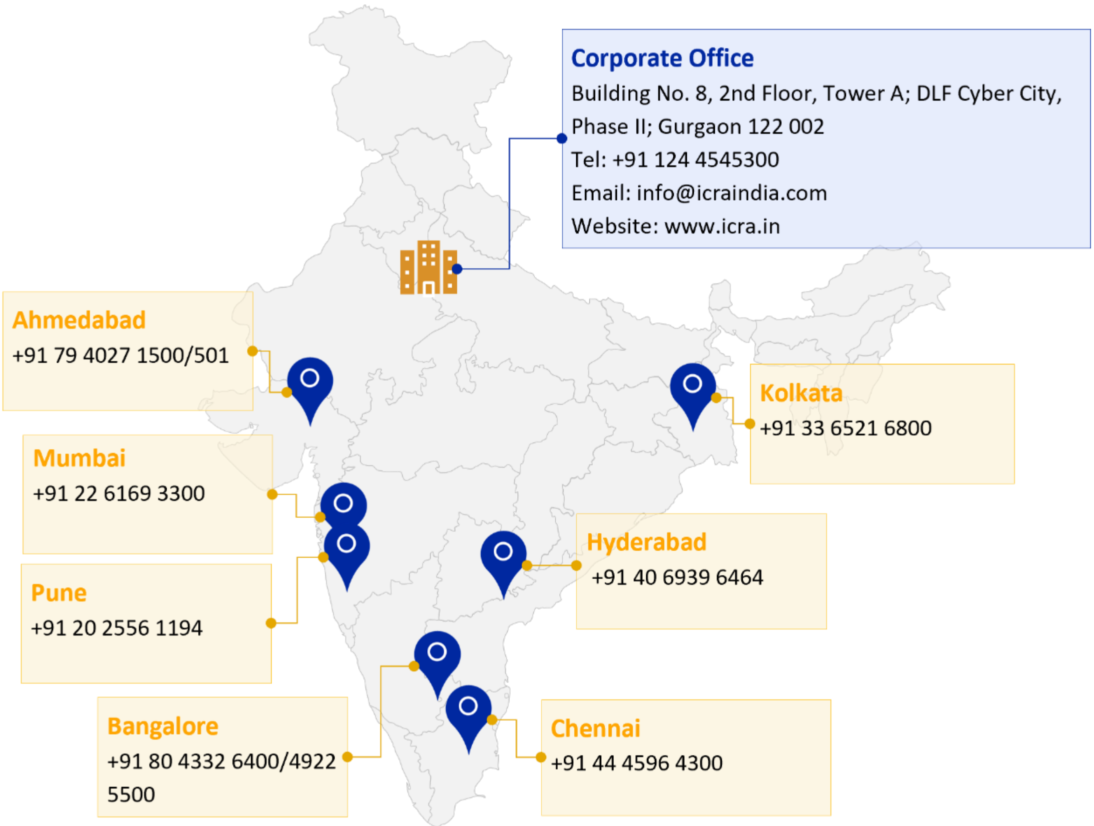

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