

December 31, 2025

Ushodaya Enterprises Private Limited: Short-term rating reaffirmed; long-term rating reaffirmed and withdrawn

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|------------------------------------|-----------------------------------|----------------------------------|---|
| Long-term – Fund-based – Term loan | 17.13 | - | [ICRA]AA (Stable); reaffirmed and withdrawn |
| Short-term – Fund-based limits | 135.00 | 135.00 | [ICRA]A1+; reaffirmed |
| Short-term – Non-fund based limits | 10.00 | 10.00 | [ICRA]A1+; reaffirmed |
| Total | 162.13 | 145.00 | |

*Instrument details are provided in Annexure I

Rationale

The rating action for Ushodaya Enterprises Private Limited (UEPL) factors in the established and strong market position of the Telugu vernacular newspaper, Eenadu, in Andhra Pradesh (A.P.) and Telangana, the robust financial risk profile with low leverage and strong liquidity position as well as the strong financial flexibility enjoyed by UEPL by being a part of the Ramoji Group and by having a majority stake in Eenadu Television Private Limited (ETPL). The ratings also consider the healthy presence of its food products under the Priya Foods brand. The operating margins are expected to continue being in the range of 10-12% in the medium term. Further, UEPL's leverage and debt coverage metrics are projected to remain robust as the company does not have external debt.

These strengths are offset by the volatility in earnings, as reflected in operating margins ranging between 10% and 22% during FY2020–FY2025 and core return on capital employed (RoCE) being impacted due to losses from the ETV Bharat division, high unpredictability in newsprint cost and advertisement revenues owing to any unexpected economic downturn. The newspaper's publication is still exposed to concentration risks as the operations are limited to A.P. and Telangana. The newspaper circulation is expected to remain below pre-Covid levels in the medium term due to the increasing penetration of the digital medium and changing media consumption habits. With the increase in digital penetration, print media is undergoing a structural challenge, however, the extent of the impact is yet to be seen. The ratings consider high operating losses from the ETV Bharat business division, a digital platform for news and infotainment in twelve languages, which was launched in March 2019. UEPL made significant investments in this division and has reported cumulative operating losses of Rs. 280-300 crore in the last five years. ICRA would continue to monitor the turnaround in operations and profitability of the loss-making business divisions.

ICRA has withdrawn the long-term rating assigned to the term loan following its full repayment and receipt of the no-objection certificate (NOC), in line with ICRA's policy on rating withdrawals.

The Stable outlook reflects ICRA's opinion that the company would continue to benefit from Eenadu's leadership position in the print division, strong debt protection metrics and liquidity position.

Key rating drivers and their description

Credit strengths

Strong market position of Eenadu newspaper in AP and Telangana – UEPL, through its Telugu newspaper Eenadu, leads the print medium in A.P and Telangana. In addition, with presence in food products across pickles, spices, instant mixes, trading in commodities and edible oil, among others, Priya Foods has a healthy presence in the food products industry in A.P. and Telangana. It, however, continues to face competition from the unorganised segment in the food division.

Strong financial profile and liquidity position – UEPL has a strong financial profile and liquidity position. The company's leverage and debt coverage metrics are expected to remain robust as it does not have external debt. In addition, it had sizeable cash and liquid investments of Rs. 1,510 crore as on March 31, 2025, against a total debt of Rs. 68 crore (including lease liability of Rs. 58 crore).

Strong financial flexibility by being a part of the Ramoji Group – The Ramoji Group, of which UEPL is a part, has diversified its business interests, with huge asset holdings in various companies such as the 1,700-acre land holding in Ramoji Film City. It enjoys strong financial flexibility as a part of the Group and has majority stake in ETPL, with a professional and experienced management team.

Credit challenges

Volatility of earnings due to fluctuations in newsprint prices – The profitability of the print business remains susceptible to newsprint prices and advertisement revenues. The main cost element for a newspaper company is the newsprint cost which has been volatile in the past, and it may not always be possible to pass on the increase to the customers. This, along with unstable advertisement revenues and losses from the ETV Bharat division, has resulted in unpredictability in earnings as reflected in operating margins ranging from 10-22% during FY2020–FY2025 and core RoCE being impacted. The newspaper's publication remains exposed to concentration risks as the operations are limited to A.P and Telangana.

Continued operating losses in ETV Bharat impacting overall profits – ETV Bharat, a digital platform for news and infotainment in twelve languages, was launched in March 2019. The company made significant investments in this division and has reported cumulative operating losses of Rs. 280-300 crore in the last five years. ICRA will continue to monitor the turnaround in operations and profitability of the loss-making business divisions.

Liquidity position: Strong

UEPL's liquidity position is strong with cash and liquid investments of Rs. 1,510 crore as on March 31, 2025. Further, the company has fund-based working capital facilities of Rs. 135 crore with nil utilisation in the last 12 months. It does not have any scheduled debt repayment obligation, with term loan repaid in H1 FY2026. Further, the company has capital expenditure (capex) plans of Rs. 40 crore for the food division in FY2026 and FY2027, which will be funded through internal accruals.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Pressure on UEPL's rating may arise if there is a significant decline in revenues or operating margins or if a significant debt-funded capex weakens the debt protection metrics on a sustained basis. Any substantial depletion in the company's liquidity can also result in a rating downgrade.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Corporate Credit Rating Methodology Print Media Policy on withdrawal of credit ratings |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | The ratings are based on the company's standalone financial statements. |

About the company

Incorporated in 1974, UEPL has five divisions — Eenadu newspaper publication, Priya Foods (sale of pickles, spices, instant mixes and ready-to-eat products, commodities trading, branded edible oil trading, etc.), renewable energy (wind and solar power plants), Eenadu digital (ETV Bharat, a digital platform for news and infotainment in twelve languages) and radio (four radio FM channels in Vijayawada, Rajahmundry, Tirupati and Warangal). It held a majority stake of 50.94% in ETPL as on March 31, 2024. At present, the Ramoji Group holds a 97.56% stake in the company, while the remaining 2.44% stake is held by the Reliance Group. The Ramoji Group consists of UEPL, Ushakiron Movies Limited (Ramoji Film City, 1,700-acre land holding), Dolphin Group of Hotels, Kalanjali (Indian arts, crafts and textiles), Margadarsi Chit Fund Limited (financial services) and Mayuri Film Distributors (film distribution).

Key financial indicators (audited)

| UEPL (Standalone) | FY2024 | FY2025* |
|--|---------|---------|
| Operating income | 1,350.7 | 1,281.1 |
| PAT | 145.9 | 149.8 |
| OPBDIT/OI | 8.3% | 10.7% |
| PAT/OI | 10.8% | 11.7% |
| Total outside liabilities/Tangible net worth (times) | 0.1 | 0.1 |
| Total debt/OPBDIT (times) | 0.7 | 0.5 |
| Interest coverage (times) | 11.1 | 18.4 |

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; * 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) | Dec 31, 2025 | FY2025 | | FY2024 | | FY2023 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Fund-based term loan | Long-term | - | [ICRA]AA (Stable); Withdrawn | Feb 17, 2025 | [ICRA]AA (Stable) | Jan 29, 2024 | [ICRA]AA (Stable) | Nov 30, 2022 | [ICRA]AA (Stable) |
| Fund-based limits | Short-term | 135.00 | [ICRA]A1+ | Feb 17, 2025 | [ICRA]A1+ | Jan 29, 2024 | [ICRA]A1+ | Nov 30, 2022 | [ICRA]A1+ |
| Non-fund-based limits | Short-term | 10.00 | [ICRA]A1+ | Feb 17, 2025 | [ICRA]A1+ | Jan 29, 2024 | [ICRA]A1+ | Nov 30, 2022 | [ICRA]A1+ |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|------------------------------------|----------------------|
| Long-term – Fund-based – Term loan | Simple |
| Short-term – Fund-based limits | Simple |
| Short-term – Non-fund-based limits | 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 | Feb 2019 | NA | NA* | - | [ICRA]AA (Stable); withdrawn |
| NA | Short-term – Fund-based limits | NA | NA | NA | 135.00 | [ICRA]A1+ |
| NA | Short-term – Non-fund-based limits | NA | NA | NA | 10.00 | [ICRA]A1+ |

Source: Company; * Loan is repaid

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

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