

July 25, 2025

Telangana Publications Private Limited: Ratings downgraded to [ICRA]BB+ (Stable)/[ICRA]A4+

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash credit	13.00	13.00	[ICRA]BB+ (Stable); downgraded from [ICRA]BBB- (Stable)
Long-term Fund-based – Term loans	30.00	23.76	[ICRA]BB+ (Stable); downgraded from [ICRA]BBB- (Stable)
Short term - Non-fund based	12.00	7.50	[ICRA]A4+; downgraded from [ICRA]A3
Proposed – Fund-based – Long term/Short term	10.50	-	-
Total	65.50	44.26	

*Instrument details are provided in Annexure-I

Rationale

The revision in ratings of Telangana Publications Private Limited (TPPL) factors in the significantly weaker-than-anticipated revenues in FY2025, owing to substantial moderation in advertisement and circulation revenue. While revenue is expected to grow going forward, the scale will remain under pressure in the near to medium term amid the prevailing political and economic scenario. Owing to the sharp decline in revenues, the profitability and debt metrics also deteriorated, and the expected improvement going forward is likely to be gradual.

In FY2025, the company's revenues fell sharply by 54.3% to Rs. 63.1 crore, primarily due to reduced advertisement orders from the Government of Telangana following the change in the ruling party in December 2023. Further, the decline in revenues, coupled with higher fixed costs, led to reduced operating leverage and resulted in a net loss of Rs. 16.2 crore in FY2025 compared to a net profit of Rs. 4.8 crore in FY2024, thereby weakening its debt protection metrics. The rating revision also considers the working capital-intensive nature of operations, with an increase in receivable days exacerbated by delays in receiving pending dues from the Government of Telangana. Owing to operating and net losses, TPPL's debt coverage metrics also worsened significantly. Going forward, the company is expected to register marginal revenue growth with an increase in advertising and job work income. While the operating margin is likely to expand in the current fiscal, it is unlikely to reach the high levels (witnessed during FY2021 to FY2023). Additionally, the coverage metrics are expected to improve marginally with a recovery in profitability. TPPL's ability to ramp up advertisement revenues from commercial players and improve its working capital cycle will remain key ratings monitorable.

Further, the ratings are constrained by the lack of geographical diversity in its newspaper publication business. Its high dependence on the Telangana market exposes its revenues to significant political and economic developments in the region, corporate publishing spends, and increasing competition. Moreover, the ratings continue to be constrained by the vulnerability of TPPL's operating margins to fluctuations in newsprint costs and increasing competition from digital media. Newspaper publications are witnessing a gradual slowdown in circulation and readership due to the increasing penetration of digital media, market saturation, and changing media consumption habits. As digital penetration increases, newspaper circulation volumes may undergo significant changes. However, the extent of such digital impact remains to be seen.

Nonetheless, the ratings continue to factor in TPPL's established presence in the Telugu newspaper publishing business in Telangana, with its newspaper Namaste Telangana being one of the top Telugu vernacular dailies. The ratings are further

supported by the company's comfortable capital structure, reflected in a gearing of 0.5 times and TOL/TNW of 1.0 times as on March 31, 2025. Further, the ratings consider the support from customers in the form of advances during FY2025.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company is likely to gradually ramp up its revenues and improve its earnings, aided by its established presence in the newspaper publishing business in Telangana. However, revenue and earnings are expected to remain lower than the levels witnessed in the past.

Key rating drivers and their description

Credit strengths

Established presence in Telugu newspaper publishing business in Telangana – Namaste Telangana, TPPL's flagship publication, enjoys a healthy market position in Telangana and is one of the top Telugu vernacular dailies. Since its inception in 2010, the company has maintained its readership base in Telangana, owing to its experienced management. It also publishes an English daily, Telangana Today, although there has been YoY decline in last two years.

Comfortable capital structure – TPPL's capital structure remains conservative, supported by moderate dependence on external debt and a healthy net worth. Key metrics, including total debt to TNW and TOL/TNW, stood at 0.5 times and 1.0 times, respectively, as on March 31, 2025, signifying a comfortable capital structure. With limited debt-backed capex plans in place, the capital structure is expected to remain comfortable going forward. Also, the company received support from potential customers in the form of advances in Q4 FY2025, which stood at Rs. 9.75 crore as on March 31, 2025.

Credit challenges

Weak demand scenario, given reduction in advertisement volumes from existing clientele – TPPL generates its revenue primarily through advertising and newspaper circulation, with advertising income historically accounting for 70–80% of its total revenue. However, following the change in the ruling party in the state in December 2023, there has been a significant dip in advertisement orders from the Government of Telangana. Consequently, advertising revenue dropped sharply to Rs. 40.3 crore in FY2025, compared to Rs. 106.7 crore in FY2024. Nonetheless, a gradual recovery in advertising income is anticipated, driven by an expected increase in advertising orders from political parties.

Elongation in working capital cycle amid deterioration in financial risk profile – TPPL's operations are characterised by high working capital requirements, primarily due to elongated receivable cycles. This has led to an increase in working capital intensity to 39.5% in FY2025 from 26.5% in FY2024. The company's working capital intensity is expected to remain elevated, which is largely attributable to delayed payments from government entities. As on March 31, 2025, receivables from the government constituted approximately 72% of total outstanding debtors, which are expected to be recovered gradually. Furthermore, the sharp decline in revenue, coupled with a relatively high fixed cost base, resulted in a cash loss in FY2025, adversely impacting TPPL's financial risk profile and debt metrics. However, the margins are expected to improve moderately with the anticipated increase in revenues. Additionally, the coverage metrics are likely to improve marginally with the expected recovery in profitability.

Operating margins vulnerable to newsprint prices and increasing competition from digital media – TPPL's operating margins are vulnerable to fluctuations in newsprint costs. In addition, newspaper publications are witnessing a gradual slowdown in circulation and readership due to the increasing penetration of digital media, market saturation and changing media consumption habits. As digital penetration increases, circulation volumes of newspapers may undergo considerable changes. However, the extent of such digital impact remains to be seen. TPPL remains dependent on Telangana, exposing its revenues to significant political and economic developments in the state, as well as publishing spends by corporates and increasing competition from digital media.

Liquidity position: Stretched

TPPL's liquidity position is likely to remain stretched owing to lower earnings and high working capital requirements amid elevated receivable days. TPPL's average working capital utilisation remained high at 90.6% in the past 12 months ending June 2025, resulting in a limited cushion of Rs. 1.2 crore during the same period. However, liquidity is, to some extent, supported by TPPL's free cash and bank balances (including free fixed deposits) of Rs. 9.4 crore as on March 31, 2025. Further, the company has repayment obligations of Rs. 2.1 crore in FY2026. While liquidity in the immediate future is expected to be supported by incremental advertising income, TPPL's ability to scale up operations and effectively manage its working capital cycle would remain a monitorable. TPPL does not have any major capex plans in the medium term.

Rating sensitivities

Positive factors – TPPL's ratings may be upgraded if the company registers a significant growth in revenues and improves its profitability and debt protection metrics, while maintaining a comfortable capital structure. In addition, the ratings may be upgraded if there is a significant improvement in the working capital cycle, strengthening the liquidity position.

Negative factors – Pressure on TPPL's ratings could arise if there is sustained weakness in its operating performance or an elongation of its working capital cycle, adversely impacting its debt protection metrics and liquidity position. Further, any large debt-funded capital expenditure could also exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Print Media
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Telangana Publications Private Limited (TPPL) was established in 2010, by Mr. D. Damodar Rao, Mr. K. Chandrasekhar Rao and their family members, to print and publish the Telugu daily newspaper Namasthe Telangana. Later, in 2016, the company started an English daily, Telangana Today. The company is based in Hyderabad, Telangana. The major shareholders of TPPL include Athome Hospitality Services Private Limited (67.1%) and Mr. K. Chandrasekhar Rao (13%).

Key financial indicators (audited)

TPPL	FY2024	FY2025*
Operating income	138.0	63.1
PAT	4.8	-16.2
OPBDIT/OI (%)	8.9%	-14.5%
PAT/OI (%)	3.5%	-25.8%
Total outside liabilities/Tangible net worth (times)	1.0	1.0
Total debt/OPBDIT (times)	3.8	-4.0
Interest coverage (times)	3.4	-2.8

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:

CRA	Ratings	Date of PR
Brickworks	[BWR]B-(Stable)/[BWR]A4, Downgraded/Reaffirmed and Issuer Not Cooperating	May 09, 2025

Any other information: None
Rating history for past three years

Instrument	FY2026 (current ratings)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	July 25, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	13.00	[ICRA]BB+ (Stable)	10-APR-2024	[ICRA]BBB - (Stable)	13-JUN-2023	[ICRA]BBB (Stable)	01-JUN-2022	[ICRA]BBB (Stable)
Term loans	Long term	23.76	[ICRA]BB+ (Stable)	10-APR-2024	[ICRA]BBB - (Stable)	13-JUN-2023	[ICRA]BBB (Stable)	01-JUN-2022	[ICRA]BBB (Stable)
Non-fund based	Short term	7.50	[ICRA]A4+	10-APR-2024	[ICRA]A3	13-JUN-2023	[ICRA]A3+	01-JUN-2022	[ICRA]A3+
Proposed-Fund based	Long term/Short term	-	-	10-APR-2024	[ICRA]BBB - (Stable)/[ICRA]A3	13-JUN-2023	[ICRA]BBB (Stable)/[ICRA]A3+	01-JUN-2022	[ICRA]BBB (Stable)/[ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Term loan	Simple
Short-term – Non-fund based	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](#)

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 - Cash credit	NA	NA	NA	13.00	[ICRA]BB+ (Stable)
NA	Long-term Fund-based – Term loans	FY2022	NA	FY2037	23.76	[ICRA]BB+ (Stable)
NA	Short-term – Non fund based	NA	NA	NA	7.50	[ICRA]A4+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis- Not Applicable

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Nishant Misra

+91 124 4545 862

nishant.misra@icraindia.com

Vilasagaram Nandakishore

+91 40 6939 6407

vilasagaram.nandakishore@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

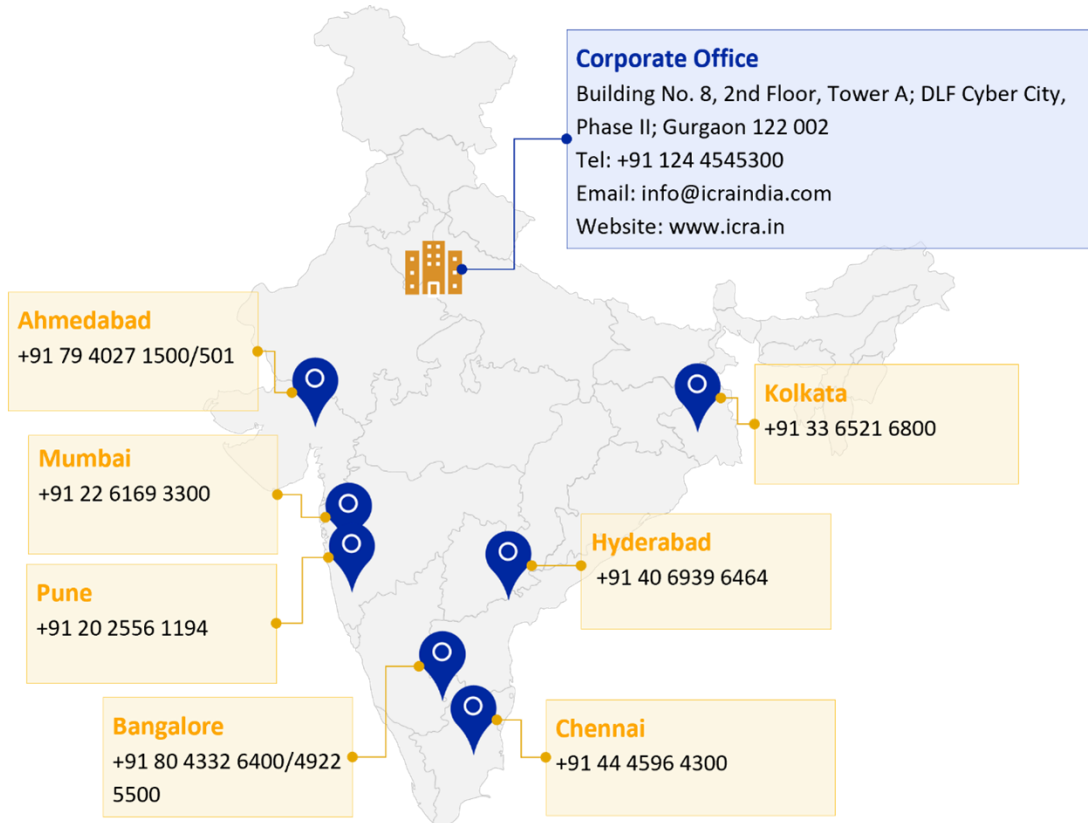


Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.