



Rating Rationale

Abhimaani Prakashana (Colour Printing)

29 Mar 2019

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 6.48 Crores of Abhimaani Prakashana (Colour Printing).

Particulars

Issue	Amount sanctioned (₹ Crs)	Present Amount Rated (₹ Crs)	Tenure	Rating Recommended
Working Capital - OD	4.00	4.00	Long Term	BWR B+ <i>(Pronounced as BWR single B plus)</i> Outlook: Stable
Term Loan-1	0.48	0.48	Short Term	
SBP	-	2.00		BWR A4 <i>(Pronounced as BWR A Four)</i>
Total		6.48	INR SIX CRORES AND FORTY-EIGHT LAKH ONLY	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating under Credit Watch with Positive

Rationale/Description of Key Rating Drivers/Rating sensitivities: BWR has essentially relied upon the audited financial results of the company upon FY18, provisional financials of FY19, publicly available information and information/clarifications provided by the management.

The rating draws strength from the experienced management, the established track record and brand image of the Abhimaani group and in revenue. these rating strengths and partially offset by the moderate scale of operations, low profitability, Fragmented and competitive industry and working capital intensive operations.

Credit Strengths:

Established position in the printing industry:



Mr T Venkatesh is a first-generation entrepreneur and a qualified technocrat with experience of over three decades in the printing industry. He started with a small local weekly and then expanded over the years. Abhimaani Prakashana(colour printing) currently offers a wide range of printing facilities that include offset printing, flexographic printing, silk screen printing, hot foil stamping, and cold foil stamping.

Credit weakness:

Moderate scale of operations

Owing to low entry barriers and large demand from the packaging industry, the printing industry in India has a large number of players, leading to high fragmentation in the industry.

The operations are expected to remain working capital intensive going ahead mainly due to slow payments received from debtors.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes the **Abhimaani Prakashana (Colour Printing)** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Abhimaani prakashana (colour printing) was established in 1993, Abhimaani Prakashana (colour printing) is a part of Abhimaani Group of industries, Abhimaani prakashana(colour printing) has state of the art facilities including a prepress and two printing units in Rajajinagar and Peenya Industrial Estate, Bengaluru. It provides one-stop Solutions for an entire range of printing jobs Abhimaani prakashana(colour printing) is engaged in Printing of Books, Newspapers, Calendars, Diaries, Corporate Brochures, Posters, Folders, Leaflets and Magazines.

Company Financial Performance

(Financial information of latest two financial years to be given along with key performance indicators)

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type			
Operating Revenue	₹ Cr	14.66	3.91
EBITDA	₹ Cr	2.08	1.60
PAT	₹ Cr	0.24	0.06
Tangible Net worth	₹ Cr	6.53	1.68
Total Debt/Tangible Net worth	Times	1.68	6.07
Current Ratio	Times	4.66	4.54

Rating History for the last three years

S. No	Instrument /Facility	Current Rating			ratings	Rating History		
		Type (Long Term/ Short Term)	Amount sanctioned (₹ Crs)	Present Amount Rated (₹ Crs)		Date, Mont h, Year	Date, Mont h, Year	Date, Mont h, Year
1	Working Capital - OD	Long Term	4.00	4.00	BWR B+ (Pronounced as BWR single B plus) Outlook: Stable BWR A4 (Pronounced as BWR A Four)	NIL		
2	Term Loan-1	Short Term	0.48	0.48				
3	SBP		-	2.00				
	Total			6.48	INR SIX CRORES AND FORTY-EIGHT LAKH ONLY			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments



Any other information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.



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