

## Rating Rationale

### Brickwork Ratings assigns 'BWR BB-' & 'BWR A4' for the Bank Loan Facilities aggregating ₹ 23.50 Cr of Abhimaani Publications Ltd

Brickwork Ratings (BWR) has assigned the following **Ratings**<sup>1</sup> for the Bank Loan Facilities of ₹ 23.50 Cr of Abhimaani Publications Ltd (“APL” or “the Company”):

Bank Facilities	Total Amount in (₹ Cr)	Tenure	Rating
<b>Fund Based Limits</b>			
Open Cash Credit (OCC)	<b>14.50</b>	<b>Long Term</b>	<b>BWR BB-</b> (Pronounced as BWR Double B Minus)  <b>Outlook:Stable</b>
Term Loan	<b>4.00</b>		
<b>Non Fund Based Limits</b>			
Bank Guarantee	<b>5.00</b>	<b>Short Term</b>	<b>BWR A4</b> (Pronounced as BWR A Four)
<b>Total</b>	<b>23.50</b>	<b>INR Twenty Three Crores &amp; Fifty Lakhs only</b>	

BWR has essentially relied upon the audited financial results of the company up to FY14, Provisional financials of FY15, 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 growth in revenue. These rating strengths are partially offset by the moderate scale of operations, low profitability, fragmented and competitive industry and working capital intensive operations.

#### Background:

Abhimaani Publications Ltd (APL) is a Bengaluru based Publishing House incorporated in March 1988. Abhimaani Publications Ltd is a part of Abhimaani Group of industries, which includes ‘Abhimaani Vasathi’ a business class hotel in Bengaluru, ‘Abhi Vivaha’ a convention hall in Bengaluru and Abhimaani Concrete and Allied products, Bengaluru.

APL 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. APL is engaged in printing of books, newspapers, calendars, diaries, corporate brochures, posters, folders, leaflets and magazines.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

It also provides services like designing, typesetting, high-quality scanning, image manipulation, sheet fed offset printing, heatset and coldset web offset printing, automated binding, finishing and distribution. The Company exports printed text books and stationery through the Ministry of Education ( aided by the World Bank) to West Africa, the Middle East and Australia. APL publishes Ee Sanje Kannada evening daily newspaper and Aragini Kannada film tabloid. APL realizes ~80% of revenue from the Government of Karnataka. Karnataka Text book Society, Dept. Of Health & Family Welfare Services, Department of Primary and Secondary Education of Karnataka and some PSU banks are the key customers of the company.

### Management:

Mr. T Venkatesh is the Managing Director of Abhimaani Publications. He has over 2 decades of experience in printing and publishing industry. Mr. Divakar Venkatesh, Mr. Purushottam Venkatesh, Mr. Srinivas Venkatesh and Mrs. Vijayalakshmi are the Directors.

### Financial Performance:

Abhimaani Publications Ltd reported Net Operating Income of Rs.42.50 Cr and Net Profit of Rs 7.52 Cr in FY14 as against Net Operating Income of Rs.34.21 Cr and Net Profit of Rs.0.14 Cr in FY13. PAT in FY14 is mainly on account of non-operating income due to gain on sale of property. On a provisional basis, APL has reported Net Operating Income of Rs.43.97 Cr for FY15.

### Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the company's ability to scale up operations profitably, achieve geographical and customer diversification in its revenue profile and ensure effective working capital management by enhancing receivables realizations shall be the key sensitivities.

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