

## Rating Rationale

**Arihant Prakashan**

**13<sup>th</sup> July 2017**

**Brickwork Ratings upgrades rating for the Bank Loan Facilities of Arihant Prakashan.**

### Particulars

Facility Rated	Previous Amount (Rs. Crs)	Current Review Amount (Rs. Crs)	Tenure	Previous Rating	Current rating
<b>Fund Based</b> Cash Credit	<b>22.50</b>	<b>22.50</b>	<b>Long Term</b>	BWR BB (outlook : stable)	<b>BWR BB+</b> (Pronounced as BWR Double B Plus) <b>[Outlook : Stable]</b> <b>Upgraded</b>
<b>Total</b>	<b>22.50</b>	<b>Rs 22.50 Crores (INR Twenty Two Crore and Fifty Lakh Only)</b>			

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings.

### Long Term Rating Upgraded

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The assigned rating derives comfort from promoter's extensive experience in book publications, as well as support from the parent company, Arihant Publications Pvt. Ltd., which is engaged in publishing and printing of books, consistent growth in revenues and moderate financial ratios. However, the rating is constrained by low profit margins, besides deterioration in cash conversion cycle as per FY17 provisional data.

#### Rating Outlook: Stable

BWR believes the *Arihant Prakashan's* 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

Arihant Prakashan is a proprietorship firm started in 1997, at Meerut, Uttar Pradesh. Ms. Beena Jain is the proprietor of the firm. The firm is engaged in whole sale and retail sales of books for school / college curriculum and competitive and entrance examinations of various kinds, which are published by its parent company, Arihant Publications Pvt. Ltd.

#### Company Financial Performance

Top line has improved from Rs 109.07 Cr in FY16 to Rs 126.96 Cr as per FY17 provisional data and PAT improved from Rs 1.14 Cr in FY16 to Rs 1.25 Cr as per FY17 provisional data.

**13 July 2017**

**Rating History for the last three years: (including withdrawn/suspended ratings)**

S.No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Cash Credit	Long Term	22.50	BWR BB+ (Outlook Stable)	BWR BB	NA	NA
			<b>Rs 22.50 Cr (INR Twenty Two Crore and Fifty Lakh Only)</b>				

**Status of non-cooperation with previous CRA (if applicable) – NA**

**Any other information – NIL**

**Hyperlink/Reference to applicable Criteria**

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

Analytical Contacts	Media
Ashwini Mital Sr. G. M.	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<b>Relationship Contact</b>
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	

**For print and digital media**

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



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