



Rating Rationale

Sandhya Prakash Ltd

23rd Jan 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Sandhya Prakash Limited

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based (Proposed Term Loan)	150.00	Long Term	BWR BB (Pronounced BWR Double B) Outlook: Stable
Total	Rs.150.00 Crores (Rupees One Hundred and Fifty Crores Only.)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16 and projections up to FY18, publicly available information and information/clarification provided by the company's management.

The rating factors the promoters' extensive experience in Newspaper Printing, ability of the company in paying off short term obligations and expansion of its business by constructing a mall. However, the rating is constrained by modest profitability margins with stretched capital structure

Rating Outlook: Stable

BWR believes the **Sandhya Prakash Ltd.** 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

Sandhya Prakash Limited (SPL) was set up in 1971 by Late Shri Surendra Patel as a proprietorship concern for undertaking printing and publications of Hindi Daily Newspaper (DSP) commercial printing and packaging. All the activities were carried as different proprietorship concerns. Later in 2002, all the activities were merged in to an incorporated. In 2007, the company acquired a prime commercial property in Arera Colony Bhopal for setting up a Shopping Mall in line with the prevailing retail trend. The mall is already operational

Company Financial Performance

During FY16, company's net revenue was Rs.27.78 Crores and PAT was Rs.0.44Crores against net revenue of Rs.20.83Crores and PAT of Rs.0.39Crores in FY15. Operating profit margins and net profit margins was 16.50% and 2.10% respectively. Total Debt of the company was Rs98.99Crores. Tangible Net worth was Rs.15.79crs in FY16.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Proposed Term Loan	Long Term	150.00	BWR BB	N.A	N.A	N.A

Status of non-cooperation with previous CRA (if applicable): N.A

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from website



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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 Investors queries can be sent to 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.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.