



## Rating Rationale

### Standard Press India Pvt Ltd

1<sup>st</sup> Feb 2017

#### Brickwork Ratings assigns ratings for the Bank Loan Facilities of Standard Press India Pvt Ltd (SPIPL)

#### Particulars

Facility	Amount (₹ Crs)	Tenure	Rating
<b><u>Fund Based</u></b>			
Cash Credit	15.25	Long Term	BWR BB+ (Pronounced BWR Double B Plus)  Outlook: Stable
Term Loan	0.23		
<b>FDB/FBE/PC</b>	<b>(4.00)</b>	Short Term	BWR A4+ (Pronounced BWR A Four Plus)
<b><u>Non-Fund Based</u></b>			
Bank Guarantee	0.25		
LC/ Buyers Credit	10.00		
<b>Total</b>	<b>25.73</b>		<b>(INR Twenty-Five Crores and Seventy-Three Lakhs only)</b>

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

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

BWR has principally relied upon the audited financial results up to FY16 and projected financials of FY17 & FY18 of Standard Press India Private Limited, publicly available information and information/clarifications provided by the company.

The ratings reflect the extensive industry experience of the directors and competent management, long track record of operations with established and repeated customer base. The ratings are, however, constrained by fragmented nature and intense competition in this sector, declining profit margins.

The ability of the company to increase its profitability sustain its sales turnover amidst competition in the paper printing industry would be the key rating sensitivity factors.

#### Rating Outlook: Stable

BWR believes the **Standard Press India Pvt 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

SPIPL belongs to the Standard group of companies and was promoted by Mr. Yennarkay R. Ravindran and his son Mr. Yennarkay R. Chiranjeevirathnam. The other entity in the group is Standard Firework Private Limited, manufacturers of crackers and fireworks. The promoters started these business operations, in 1993, initially through a partnership firm in the name of 'Standard Press (SP)' which was subsequently converted into a private limited company viz., SPIPL in 1997. The unit is located across 60000 Square feet area. SPIPL is engaged in printing dictionaries, notebooks, calendars, diaries, brochures, manuals and specialized customized products viz., Coloring Books, Die Cut Books, pop-up books, mono carton boxes for corporates and publishing houses. Over the last few years, the company has started printing and selling its own brand of notebooks and diaries under the brand names of 'Standard' and 'Peacock', which are sold through retail/wholesale model. Most of the production is against orders only, except for the diaries.

### Company Financial Performance

Total Operating Income decreased from ₹50.50 Cr in FY15 to ₹47.30 Cr in FY16. Net loss of the Company in FY16 increased to -₹5.54 Cr from -₹2.23 Cr in FY15. Cash loss of the Company in FY16 is -3.02 Cr as against cash profit of ₹0.97 Cr in FY15. The Company's Net worth stood at ₹11.09 Cr 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.	Cash Credit	Long Term	15.25	BWR BB+	NA	NA	NA
2.	Term Loan		0.23				
3.	FDB/FBE/PC	Short Term	(4.00)	BWR A4+			
4.	Bank Guarantee		0.25				
5.	LC/Buyers Credit		10.00				



## Hyperlink/Reference to applicable Criteria

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

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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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