

August 24, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.25	SMERA BB+/Stable (Assigned)
Bank Guarantee	1.75	SMERA A4+ (Assigned)
Proposed Long Term	4.00	SMERA BB+/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA BB+**' (read as SMERA double B plus) and short term rating of '**SMERA A4+**' (read as SMERA A four plus) to the above mentioned bank facilities of Swapna Printing Works Private Limited (SPWPL). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management, healthy profit margins and financial risk profile. However, the ratings are constrained by the company's exposure to counter party risk and modest scale of operations while operating in an intensely competitive segment of the printing industry.

Outlook: Stable

SMERA believes SPWPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' in case the company expands its scale of operations while maintaining its profitability and cash accruals. The outlook may be revised to 'Negative' in case of significant decline in the company's profit margins or deterioration in the firm's debt protection metrics and working capital management.

Rating sensitivity factors

- Scaling of operations while maintaining margins
- Timely collection from debtors

About the Company

SPWPL, established in 1984, is a Kolkata-based company promoted by Mr. Buddha Dev Bhattacharya and Mr. Arunava Bhattacharya. The company prints religious and educational books, newspapers and periodicals.

For FY2013–14, SPWPL reported profit after tax (PAT) of Rs.5.52 crore on an operating income of Rs.57.16 crore, as compared with PAT of Rs.6.61 crore on an operating income of Rs.57.73 crore in FY2012–13. The company's net worth stood at Rs.29.25 crore as on March 31, 2014, as compared with Rs.26.18 crore a year earlier.

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