

Western India Media Private Limited: Assigned

Facilities	Amount (Rs Crore)	Rating/Outlook
Cash Credit	2.00*	SMERA B-/Stable (Assigned)
Term Loan	4.50	SMERA B-/Stable (Assigned)

* Inland letter of credit/foreign letter of credit as a sub limit of Cash credit up to Rs.1.50 crore.

SMERA has assigned long term rating of '**SMERA B-**' (read as **SMERA B minus**) on the above mentioned bank facilities of Western India Media Private Limited (WIMPL). The outlook is '**Stable**'. The rating is constrained by the company's average financial risk profile, stretched working capital cycle and decline in revenues. However, the rating draws comfort from the experienced management.

WIMPL, incorporated in 2011, is a Surat-based publisher and distributor of 'Gujarat Guardian', a Gujarati language newspaper. The revenues declined significantly to Rs.8.25 crore (Provisional) in FY2016 from Rs.18.34 crore in FY2015 with the company limiting newspaper distribution to five districts of Gujarat from the earlier seven.

The company has average financial profile marked by moderate networth of Rs.4.72 crore (Provisional) as on March 31, 2016. The Interest coverage ratio (ICR) stood at 5.22 times and debt service coverage ratio at 2.39 times. The net cash accruals to total debt (NCA/TD) stood at 0.76 times for FY2015-16. Further, the gross current assets (GCA) were high at 424 days for FY2016 due to stretched accounts receivables for FY2016.

However, the rating draws comfort from the experienced management. Mr. Manoj Mistry, Director has over two decades of experience in the print media industry.

Rating Sensitivity Factors

- Scaling up operations while maintaining adequate profitability
- Improvement in the financial risk profile
- Efficient working capital cycle

Outlook-Stable

SMERA believes that WIMPL will maintain a stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company achieves higher than expected revenues while maintaining profitability. Conversely, the outlook may be revised to 'Negative' in case of lower than expected cash accruals resulting in a stretched liquidity profile.

About the Company

WIMPL, incorporated in 2011 is a Surat-based publisher and distributor of 'Gujarat Guardian', a Gujarati daily. The company is headed by Mr. Manoj Mistry, Director.

For FY2015-16, the company reported profit after tax (PAT) of Rs.1.97 crore (Provisional) on operating income of Rs.8.25 crore, as compared to PAT of Rs.1.94 crore on operating income of Rs.18.34 crore in the previous year.

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ABOUT SMERA

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