

DECEMBER 07, 2016

## CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF SANJIV PRAKASHAN

**Rating**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Long-term bank facilities	18.44 (Reduced from 19.48)	<b>CARE BBB-; Stable (Triple B Minus; Outlook: Stable)</b>	Reaffirmed
<b>Total Facilities</b>	<b>18.44</b> <b>(Rupees Eighteen crore and forty four lakh only)</b>		

**Rating Rationale**

The rating assigned to the bank facilities of Sanjiv Prakashan (SPR) continues to take comfort from the vast experience of the partners in the publishing industry with special focus on guidance books for schools and universities, its established track record of operations, renowned brand name in Rajasthan with strong marketing network and healthy profitability margins. The rating of SPR also factors in the marginal improvement in leverage as on Mar. 31, 2016

The rating, however, continues to remain constrained on account of SPR's constitution as a partnership concern which led to risk of withdrawal of capital, elongated operating cycle and vulnerability of margins to fluctuations in the prices of paper. The rating is further constrained due to marginal decline in TOI of the firm in FY16 (FY refers to the period from April 1 to March 31) over FY15 due to inherent seasonality of revenues.

The ability of SPR to increase its scale of operations while maintaining its profitability and improvement in solvency position with better management of working capital will be the key rating sensitivities.

**Background**

Jaipur (Rajasthan) based Sanjiv Prakashan (SPR) was formed in 1993 as a partnership concern by Mr. Manoj Mittal and Mr. Pradeep Mittal. SPR is a renowned educational publishing house and is engaged in the publishing of passbooks (guidance books for main course curriculum) for schools and universities. It sells all the passbooks under the brand name of "Sanjiv Passbook" and has more than 200 titles across segments. "Sanjiv Passbook" provides solution to the questions relevant for examination in the simple and easy language to the students. It publishes passbooks for school from III standard to XII standard based on Rajasthan Board of Secondary Education (RBSE) curriculum in all the subjects. Further, it also publishes passbooks for universities like Rajasthan University for B.A., M.A. and M. Ed courses. It outsources its entire printing requirement to printers in and around Jaipur. The promoters of SPR also promoted Mittal Prakashan Private Limited (MPPL; incorporated in 1997), Jaipur Ruby Hotel & Resorts Private Limited (JRHRPL; incorporated in 2008), Adarsh Prakashan (ADP; formed in 2010) and Anand International College of Engineering (AICE; formed in 2010).

Further, the firm set up a 2.00 Megawatt (MW) solar power plant at Kolayat (Rajasthan) under Renewable Energy Certificate (REC) mechanism. It entered into Power Purchase Agreement (PPA) with Jodhpur Vidhyut Vitran Nigam Limited [JdVVNL, rated CARE A- (SO)] for supply of entire electricity produced by the plant valid till March 31, 2019.

During FY16 (FY refers to the period April 1 to March 31), SPR has reported a total operating income of Rs. 51.42 crore as against Rs. 52.85 crore during FY15 and PAT of Rs. 1.89 crore during FY16 as against Rs. 2.94 crore during FY15.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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