



The Indian Express Limited

Instrument	Amount	Rating Action
		February 2015
Term Loans	Rs. 48.09 crore (Enhanced from Rs 32.01 crore)	[ICRA]BBB+ (Stable) Reaffirmed
Cash Credit	Rs. 35.00 crore (Enhanced from Rs. 32.00 crore)	[ICRA]BBB+ (Stable) Reaffirmed
Unallocated Limits	Rs. 46.91 crore (Reduced from Rs. 65.99 crore)	[ICRA]BBB+ (Stable) Reaffirmed

Source: ICRA

The long term rating assigned to the Rs 48.09 crore* (PY: Rs 32.01 crore) term loans; Rs 35.00 crore (enhanced from Rs 32.00 crore) long-term fund based facilities and Rs 46.91 crore (PY: Rs 65.99 crore) long-term unallocated facilities of The Indian Express Limited ('TIEL' or 'the company') has been reaffirmed at [ICRA]BBB+ (pronounced ICRA triple B plus)[†]. The outlook on the long-term rating is 'Stable'.

The rating reaffirmation continues to factor in the consistent growth in circulation revenues of the company aided by higher penetration in existing markets and increase in cover price of flagship publication in matured markets; strong brand recall and established market position of key publications, The Indian Express, The Financial Express and LokSatta in their respective genres and liquidity position. The rating, however, continues to be constrained on account of the susceptibility of operating margins to global newsprint prices and foreign exchange fluctuations on account of high dependence on imported newsprint; advertisement revenue driven revenue profile which exposes the revenues to risks associated with economic cyclicity as well as political events given significant dependence on tender ad space. The coverage indicators of the company have remained volatile over the years in line with volatility in profit margins on account of one-time write-offs and the same constrains the rating further. ICRA further takes note of the one-time impact with respect to provision for arrears to be paid under the Majithia Wage Board recommendations which have constrained the profitability of the company in FY2014, the cash outflows for which are expected to be spread over the near term in line with settlements negotiated with respective unions. Nonetheless, a new management team and effective cost control measures undertaken by the company are expected to support the margins of the company going forward.

Company Profile

The Indian Express Limited (TIEL) is a media conglomerate having 30 national editions and 3 language dailies that reach over 5 million readers across the country. The company has been in operations since 1932 and was owned by the print media baron – Ramnath Goenka till his death in 1991. Pursuant to a family settlement and restructuring within the Express Group, TIEL manages the print media business in all parts of the country except South India. The rental business of the group is managed by an associate company. Currently, Late Ramnath Goenka's grandson Viveck Goenka is the Chairman. The company has a strong publication portfolio including 'The Indian Express', 'LokSatta', 'Screen', 'Jansatta', 'Financial Express' and a portfolio of industrial journal and magazines. The company also organizes renowned film performance awards – 'Screen' awards.

TIEL is quite strong on the content front and has a highly renowned editorial team. The team of editors includes renowned names like Raj Kamal Jha, Unni Rajan Shankar, Girish Kuber, OM Thanvi and Sunil Jain. TIEL has marketing offices in Mumbai, Kolkata and Delhi as well as 14 publication centers across India. It employs ~ 2500 people and has three fully owned subsidiaries and a partly held subsidiary.

* 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's Website www.icra.in or other ICRA Rating Publications



Recent Results

As per audited results, TIEL reported a net loss of Rs 12.89 crore on an Operating Income (OI) of Rs 387.63 crore in FY2014 as against a Profit after Tax (PAT) of Rs 16.12 crore on an Operating Income (OI) of Rs 362.01 crore in FY 2013. Also, as per provisional numbers for H1 FY15, the company reported an OI of Rs 202.36 crore and Profit before Depreciation, Interest and Tax (PBDIT) of Rs 20.66 crore.

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