



Vasan Publications Private Limited

Rating History

Instruments	Amounts (Rs. crore)	Ratings	
		March 2011	-
Term Loans	15.5	LBBB- (Stable)	
Fund based facilities	8.0	LBBB- (Stable)	
Non fund based facilities	0.2	LBBB- (Stable)	
Fund based facilities	3.2	A3	
Non fund based facilities	7.5	A3	

ICRA has assigned LBBB- (pronounced as L triple B minus) [†] rating to the Rs. 15.5 crore¹ term loans, Rs. 8.0 crore long term fund based facilities and Rs. 0.2 crore long term non fund based facilities of Vasana Publications Private Limited (“VPPL”/ “the Company”). ICRA has also assigned A3 (pronounced as A three) rating to the Rs. 3.2 crore short term fund based facilities and Rs. 7.5 crore short term non-fund based facilities of VPPL. The outlook on the long term rating is stable.

The assigned ratings factor in the established track record of VPPL and its management with more than 60 years of experience in the Indian magazine publishing market, strong editorial talent and the dominant market position of the company’s magazines in their respective segments with the Ananda Vikatan, the flagship magazine being under circulation for more than eighty years. Also four of the company’s magazines are amongst the top ten Tamil magazines according to the 2010 Q3 IRS survey. The ratings also draw comfort from the improvement in operating margins and accruals in the current fiscal on account of higher share of revenues from advertisements and initiatives taken to reduce costs despite rising newsprint prices. The ratings also consider the favourable outlook for the Indian print media industry with potential for regional players on the back of increasing purchasing power and rising literacy levels. The ratings are, however, constrained by the moderate financial profile of the company characterized by high gearing and stretched working capital indicators. The ratings also consider the company’s exposure to the volatility in international newsprint prices with limited ability to pass on increase in costs apart from exposure to currency risks in the absence of hedging strategies. The ratings also take into consideration the highly competitive nature of operating environment, especially with entry of new players, uncertain economic environment exerting pressure on advertisement spends and volatile newsprint prices.

Company Profile

Vasana Publications Private Limited traces its origin to 1926, when its flagship magazine, Ananda Vikatan was promoted by Mr. Puthur Vaithyanatha Iyer as a monthly magazine catering to about 1500-odd yearly subscribers. Ananda Vikatan was later bought by Mr. S S Vasana (founder of VPPL) in the year 1928. However, formal incorporation of the company in the name “Vasana Publications Private Limited” was done only in April, 1946.

VPPL’s chairman, Mr. S Balasubramanian has been in charge of the publishing business since 1956 and has also been instrumental in diversification of the group into other media related business activities in the last one decade. VPPL, over the years has built a repertoire of magazines in Tamil catering to general masses covering issues on literatures, short stories, film reviews, etc., special magazines for women, kids, on segments like politics, spirituality, auto, finance and agriculture. The following eight magazines are published by VPPL: Ananda Vikatan (weekly), Aval Vikatan (twice a week), Junior Vikatan (fortnightly), Chutti Vikatan (fortnightly), Sakthi Vikatan (bi-monthly) Nanayam Vikatan (weekly) Motor Vikatan (monthly) and Pasumai Vikatan (fortnightly)

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

¹100 lakh = 1 crore = 10 million



Most of the above mentioned magazines command higher circulations than other Tamil magazines in the respective segments. The group also has other companies operating in the media segment including Vikatan Tele Vistas Private Limited, Vikatan Media Services Private Limited, Vikatan.com Private Limited, Vikatan Publishing Solutions Private Limited and Vasana Print Products Private Limited.

Recent results

VPPL reported a profit after tax (PAT) of Rs.1.3 crore on operating income of Rs. 57.5 crore during 2009-10, against a negative PAT of Rs.1.6 crore on operating income of Rs. 61.4 crore for the corresponding previous fiscal. VPPL also recorded a profit before tax (PBT) of Rs. 3.8 crore on operating income of Rs. 29.4 crore for the half year ended September 2010.

March 2011

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