

Rating Rationale

Brickwork Ratings assigns 'BWR BB+/ BWR A4+' for the Bank Credit Facility of Galaxy Offset India Private Limited

Brickwork Ratings has assigned the following **Rating¹** to the Bank Loan Facilities aggregating Rs 36.19 Crs (INR Thirty Six Crores Nineteen Lakhs Only) of Galaxy Offset India Private Limited (GOIPL or the "Company"):-

Facility	Existing Limits (₹ Cr)	Proposed Limits	Tenure	Rating
Cash Credit Limit (Fund based)	10.0	7.5	Long Term	BWR BB+ (Pronounced as Double B Plus) (Outlook: Stable)
Term loan (Fund based)	18.01			
BG (Non-fund based)	0.68		Short Term	BWR A4+ (Pronounced as single A four plus)
Total	36.19	(INR Thirty Six Crores Nineteen Lakhs Only)		

BWR has essentially relied upon the audited financials upto FY15, Provsional data upto 29 Feb 2016 projections for FY 16 and FY 17, publicly available information and information/clarification provided by the company's management.

The ratings factors in the established track record of company, experience of promoters in their line of business, and Net sales growth of ~41% over FY 14-FY 15, adequate financial risk profile marked by liquidity position, debt coverage indicators, gearing ratio and profit margins, continuation of its relationship with key customers. However, the ratings are constrained by the company's small scale of operations.

Background:

GOIPL was established in 1995 as partnership firm and converted into private limited company in 2001. It is a Delhi-based company. The company is into Printing and service activities related to printing such as in Design, Prepress, Printing and Distribution services.

The company has two printing press units in Naraina and one unit for packaging plant in IMT Manesar. Capacity utilisation is 80- 85 % for printing unit and 90 % for packaging unit. The company has offset printing press with installed capacity of 6 lakh sheet/ day as on 30 June 2015.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance:

During FY15, the company reported Net sales of Rs. 61.41 crs, as against Net sales of Rs. 43.47 crs in FY14, and Net Profit of Rs 1.41 crs in FY15 against Net Profit of Rs. 0.36crs in FY14. Net-worth stood at Rs 15.06 crs in FY15 as against Rs 12.33 crs in FY14.

Rating Outlook:

The rating reflects the established position of the company in the printing business. Going forward, ability of the company to increase the scale of operations, would be the key rating sensitivities. The outlook of the company is expected to remain stable going forward.

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