Rating Rationale

The Safire Offset Printers (SOP) **8 Nov 2018**

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹15.64 Crores of The Safire Offset Printers (SOP)

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (May 2017)	Present
Fund based	15.00	15.14	Long Term	BWR D (Pronounced as BWR D)	BWR D (Pronounced as BWR D) Reaffirmed
Non Fund Based	2.00	0.50	Short Term		
Total	17.00	15.64	INR Fifteen Crores and Sixty Four Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Long term rating upgraded, short term rating assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financial results up to FY17, provisional financial of FY18 and publicly available information and information/clarifications provided by the firm.

The reaffirmation of the rating has factored the extensive industry experience of partners and long track record of operations. The ratings are, however, constrained by ongoing delay in debt servicing on account stressed liquidity position of the firm. The ability of the firm to improve its liquidity, timely realization of receivables and regularize its bank loan accounts will be the key rating sensitives.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **The Safire Offset Printers** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the firm

M/s The Safire Offset Printers , a partnership firm was established in 1989 . The printing press is located in Sivakasi, Tamilnadu. The firm is engaged in offset printing of film posters, brochures, calendars, text books, and school magazines.

Firm's Financial Performance

As per provisional FY18, the firm has achieved sales of Rs.49.79 crs

Key Parameters	Units	2017	2016
Result Type		**Audited**	**Audited**
Operating Revenue	₹ Cr	45.82	46.57
EBITDA	₹ Cr	6.78	6.31
PAT	₹ Cr	1.11	1.19
Tangible Net worth	₹ Cr	8.84	13.86
Total Debt/Tangible Net worth	Times	1.88	1.25
Current Ratio	Times	1.15	1.29

Rating History for the last three years

S.No	Instrument /Facility	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	May 2017	2016	2015
1	Cash Credit	Long Term	10.00	BWR D (Pronounced BWR D) Reaffirmed	BWR D (Pronounced BWR D)	NIL	NIL
2	Term Loan	Long Term	5.14*				
3	Bank Guarantee	Short Term	0.50				
	Total		**15.64**	**₹ Fifteen Crores and Sixty Four Lakhs Only**			

***Term loan o/s as on 30.10.18**

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Infrastructure Sector**
- **Short Term Debt**

8 Nov 2018

For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:
BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.
BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

8 Nov 2018