

Rich Prints Private Limited

| Instrument | Amount (Rs. Crore) | Ratings Action |
|---------------------------------|-----------------------|---|
| Long Term Fund Based Limits- CC | 7.00 | [ICRA]BB- (Stable); reaffirmed |
| Long Term Fund Based -TL | 12.67 | [ICRA]BB- (Stable); reaffirmed |
| Short Term Non Fund Based - BG | 0.65 | [ICRA]A4; reaffirmed |
| Unallocated Amount | 7.52 | [ICRA]BB- (Stable)/[ICRA]A4 ; reaffirmed |
| Total | 27.84 | |

ICRA has reaffirmed the long term rating of [ICRA]BB- (pronounced as ICRA double B minus) ¹ to the Rs. 19.67 cr long term fund based facilities and a short term rating of [ICRA]A4 (pronounced as ICRA A four) to the Rs. 0.65 cr² short term non fund based facility of Rich Prints Pvt. Ltd (RPPL). ICRA has also reaffirmed the ratings of [ICRA]BB-/ [ICRA]A4 to the unallocated amount of Rs. 7.52 cr. The outlook on the long term rating is 'Stable'.

The reaffirmation of rating takes into account the strong experience of promoters in the printing and packaging industry and Rich Prints Private Limited (RPPL or the company) reputed customer base. ICRA also derives comfort from the financial support from its group concern and its reputed customer base.

These strengths are however offset by RPPL's moderate size of operations, thin net profitability following high depreciation and interest costs and stretched capital structure and high working capital intensity. ICRA also takes note of the exposure of the company's profitability to movement in key raw material prices owing to its weak pricing flexibility and fixed price contracts with major customers and vulnerability of top-line to the performance of the pharmaceutical industry and competition from other organized and unorganized players in the industry.

ICRA expects RPPL's revenues to improve by over 10% in FY 2016-17 compared to that during FY 2015-16. RPPL's operating profits would remain moderate owing to high value added products. The relatively decreasing depreciation and interest expenses as a consequence of the debt repayments are expected to translate into improved net profitability.

About the Company

Rich Prints Pvt. Ltd. (RPPL) is mainly involved in printing of packaged cartons. RPPL carries out printing and post printing activities and manufactures printed cartons, outserts, inserts, medication guide, doctor sampling wrap bands, labels, leaflets and brochures. The printing and packaging is done for the pharmaceutical, FMCG and cosmetic industries for their plants located mainly in Maharashtra and Gujarat. The company has its registered office in Mumbai and a manufacturing facility at Bhilad, Gujarat.

RPPL has a group company 'Rich Prints Pvt. Ltd.' based in Baddi, Himachal Pradesh which is into the same line of business. It mainly caters to the pharmaceuticals industry in Baddi. ROPL holds ~7% stake in RPPL.

Recent Results

RPPL reported a profit after tax of Rs. 0.14 Crore on an operating income of Rs. 29.13 Crore as on 31st March 2015 and a net profit of Rs. 0.93 crore on an operating income of Rs. 26.63 crore for the period ending 30th December 2015 as per provisional figures.

May 2016

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

² 100 lakh = 1 crore = 10 million



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