

Press Release

Versatile Glass Solutions LLP (VGSL)

28 March, 2018

Rating Assigned



Total Bank Facilities Rated *	Rs. 10.33 crore
Long Term Rating	SMERA B+/ Stable (Assigned)
Short Term Rating	SMERA A4 (Assigned)

*Refer Annexure for details

Rating Rationale

SMERA has assigned long term rating of '**SMERA B+** (**read as SMERA B plus**) and short term rating of '**SMERA A4** (**read as SMERA A four**) on the Rs. 10.33 crore bank facilities of Versatile Glass Solutions LLP (VGSL). The outlook is '**Stable**'.

M/s Versatile Glass Solution LLP is a limited liability partnership based out of Ahmedabad. The firm, established on April 2017 by Partners, Mr. Jaykumar Ashwinkumar Patel, Mr. Ruchit Dilipkumar Vyas and others is engaged in the manufacturing of toughened, laminated and insulated glass. The operations are expected to commence from April 2018. The firm caters to clients from across industries including aviation, commercial ports, hotels, defence and households.

Key rating drivers

Strengths

Experienced management

The partners, Mr. Jaykumar Ashwinkumar Patel and Mr. Rajesh Kumar Patel have experience of over a decade in the industry. Mr. Kartar Singh Varma, Director, has three decades of experience across in aviation, automation, glass machines & process to name a few.

Weaknesses

Off take risk

The total project cost is Rs. 14.22 crore which majorly includes plant and machinery of Rs. 9.84 crore and land and building. The cost is funded through term loan of Rs. 9.42 crore and promoter's capital of Rs. 4.80 crore.

As informed by the management, the firm has completed the project work and operations are expected to start from April 2018. The orders in hand as on date are around Rs. 5.00 crore which shall be executed post March 2018. Any delay in the commencement of operations can impact the debt servicing ability of the firm. VGSL has total installed capacity of 25 lakh square meters per annum.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of VGSL to arrive at the rating.

Outlook- Stable

SMERA believes that VGSL will have a 'Stable' outlook over the medium term owing to its experienced partners. The outlook may be revised to 'Positive' in case the firm registers higher than expected improvement in profit margins and liquidity position. Conversely, the outlook may be revised to 'Negative' in case of deterioration in profit margins and financial risk profile.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Entity in Manufacturing Sector - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History

Not Applicable

*Annexure - Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.00	SMERA B+ / Stable
Term Loan	Not Applicable	Not Applicable	Not Applicable	8.75	SMERA B+ / Stable
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	SMERA A4
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.08	SMERA A4

Contacts:

Analytical	Rating Desk
Suman Chowdhury, President- SMERA Bond Ratings Tel: 022-67141107 Email: suman.chowdhury@smera.in	Varsha Bist, Sr. Executive Tel: 022-67141160 Email: varsha.bist@smera.in
Disha N. Parmar, Rating Analyst Tel: 022-67141120 Email: disha.parmar@smera.in	

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