

## Press Release

**Saadhika Creations Glass Private Limited**

November 19, 2018



### Rating Assigned

<b>Total Bank Facilities Rated*</b>	Rs. 7.33 Cr.
<b>Long Term Rating</b>	ACUITE B / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs. 7.33 crore bank facilities of Saadhika Creations Glass Private Limited. The outlook is '**Stable**'.

Saadhika Creations Glass Private Limited (SCGPL) is a Bangalore based company incorporated in the year 2016 by Mr. G. Murali Mohan, Mrs. Rekha Murali Mohan and Mr. M. Gangadhar. The company is engaged in manufacturing, crafting and trading of architectural glass, toughened glass, safety glass, process glass, stain glass, screen glass, beveled glass, to name a few. The unit is located in Bangalore and has installed capacity of ~200 sq. mt. per day.

### Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Saadhika Creations Glass Private Limited to arrive at the rating.

### Key Rating Drivers

#### Strengths

- **Experienced Management**

SCGPL is promoted by Mr. G Murali Mohan and family. The promoters have experience of over a decade in the glass processing industry.

#### Weaknesses

- **Nascent Stage of Operations**

SCGPL started its operations in May 2018 and has generated revenue of ~Rs.1.20 crore till October, 2018. The operations are in initial stage and the company will have to demonstrate optimal capacity utilization so as to generate cash flows commensurate with its debt obligation.

- **Off take Risk**

The company is manufacturing glasses of different types for household and industrial purposes. The company is likely to face stiff competition from large and established players in the industry. Acuité believes that the promoter's extensive experience in the industry is likely support off take risk.

#### Outlook: Stable

Acuité believes that SCGPL will maintain a 'Stable' outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case company is successful in achieving the revenues as envisaged and demonstrates moderate profitability. Conversely, the outlook may be revised to 'Negative' in case of any headwinds faced in scaling up of operations or in case of lower than expected generation of accruals.

### About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	NA	NA	NA
EBITDA	Rs. Cr.	NA	NA	NA
PAT	Rs. Cr.	NA	NA	NA
EBITDA Margin	(%)	NA	NA	NA
PAT Margin	(%)	NA	NA	NA
ROCE	(%)	NA	NA	NA
Total Debt/Tangible Net Worth	Times	NA	NA	NA
PBDIT/Interest	Times	NA	NA	NA
Total Debt/PBDIT	Times	NA	NA	NA
Gross Current Assets (Days)	Days	NA	NA	NA

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

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

### Note on complexity levels of the rated instrument

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

### Rating History (Upto last three years)

Not Applicable

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	3.23	ACUITE B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	3.30	ACUITE B / Stable

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### About Acuité Ratings & Research:

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