

Press Release

Creative Toughened Glass Private Limited

December 03, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 15.74 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B**' (read as **ACUITE B**) to the Rs. 15.74 crore bank facilities of Creative Toughened Glass Private Limited. The outlook is '**Stable**'.

Creative Toughened Glass Private Limited (CTGPL) was incorporated in 2012 by Mr. Vipul Desai, Mr. Vijay Brahmakshatriya, Mr. Deepak Modi and Mr. Chetan Chauhan. The company is setting up a unit in Savli (Gujarat) for manufacturing of toughened glass.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of Creative Toughened Glass Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

- **Experienced management**

CTGPL is into glass and glassware industry. The directors have an experience of over two decades in the aforementioned industry. Mr. Vipul Desai is into trading of glass, Mr. Vijay Brahmakshatriya has an experience of over a decade in construction industry, Mr. Dipak Modi is a fabricator, he is into fixation of glasses and Mr. Chetan Chauhan has over two decades of experience in marketing. Acuite believes that the experience of the management will help the company to establish long term relations with new customers and suppliers.

Weaknesses

- **Project implementation risk**

CTGPL is building a unit for manufacturing of toughened glass at a project cost of Rs.15.75 crore to be funded through a term loan of Rs.11.00 crore and promoters' contribution of Rs.4.75 crore. The construction for this unit has already commenced and the project is expected to be completed by FY2019. As on 03 November, 2018, Rs.1.92 crore has already been incurred towards building of premise. The project has been funded through promoters' contribution and financial closure is pending. Acuite believes that timely completion of the project without any time and cost overruns will be a key rating sensitivity.

- **Offtake risk**

CTGPL expects the unit to be functional from FY2020. The company is into fragmented industry with other established manufacturers in glassware industry. Acuite believes that the company's ability to attract new customers by creating quality products will remain critical.

Outlook: Stable

Acuite believes that the outlook on CTGPL will remain 'Stable' over the medium term as the company will continue to benefit on account of the experienced promoters. The outlook may be revised to 'Positive' in case the company is successful in starting the commercial operations as per schedule. Conversely, the outlook may be revised to 'Negative' in case of significant time or cost overruns or any significant decline in credit profile of the company.

About the Rated Entity - Key Financials

The project is expected to commence commercial operations in FY2020.

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>
- 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
Proposed	Not Applicable	Not Applicable	Not Applicable	15.74	ACUITE B / Stable

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Aditi Ashwin Shah Analyst - Rating Operations Tel: 02249294063 Aditi.Shah@acuiterratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuité Ratings & Research:

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