

Press Release

Radiance Flex Images Private Limited

D-U-N-S® Number: 67-548-2917



January 22, 2019

Rating Assigned

Total Bank Facilities Rated*	Rs. 6.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) to the Rs. 6.00 crore bank facilities of RADIANCE FLEX IMAGES PRIVATE LIMITED (RFPL). The outlook is '**Stable**'.

The Chandigarh based, RFPL was incorporated in 2016 by Mr. Rahul Aggarwal, Mr. Rohit Aggarwal, Mr. Rajath Seth and Mr. Harmesh Kumar Goel. The company is engaged in manufacturing of customised flex labels. The company currently caters to Pharma and Distillery companies such as Chandigarh Distillers and Bottlers Limited and King Distillers Private Limited, among others.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of RFPL to arrive at the rating.

Key Rating Drivers

Strengths

- **Experienced management**

The 4 Directors have more than 2 decades of experience in similar line of business through their respective firms.

Weaknesses

- **Nascent and small scale of operations**

RFPL was incorporated in May, 2016 with its operations starting in October 2017. The scale of operations is relatively smaller as shown by operating income of Rs.1.28 crore as on year ending 2018. Till December 2018, the company has booked revenue of Rs. 4.00 crore (approximately).

- **Moderate financial risk profile**

RFPL has moderate financial risk profile as marked by net worth of Rs.2.11 crore in FY2018. Net worth includes Rs.1.21 crore from Directors treated as quasi equity. Total debt of the company is ~Rs.6.53 crore, of which long term debt consists of Rs.4.85 crore, short term working capital facility of Rs.1.00 crore and balance is in the form of unsecured loans from Directors. With existing debt, the gearing of the company stood at 3.10 times as on 31 March, 2018. Interest Coverage Ratio (ICR) stood at 2.57 times as on 31 March, 2018.

Outlook: Stable

Acuité believes that RFPL will maintain a 'Stable' business risk profile on account of the management's experience. The outlook may be revised to 'Positive' in case of optimal utilisation of capacity leading to improvement in revenues and accruals. Conversely, the outlook may be revised to 'Negative' in case of any deterioration in the scale of operations or financial risk profile of the company.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	1.28	0.00
EBITDA	Rs. Cr.	0.20	-0.01
PAT	Rs. Cr.	-0.68	0.00
EBITDA Margin	(%)	15.93	0.00
PAT Margin	(%)	-53.29	0.00
ROCE	(%)	-34.25	-0.43
Total Debt/Tangible Net Worth	Times	3.10	0.12
PBDIT/Interest	Times	2.57	0.00
Total Debt/PBDIT	Times	11.02	-48.83
Gross Current Assets (Days)	Days	303	0

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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	1.00	ACUITE B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	4.85	ACUITE B / Stable
Proposed	Not Applicable	Not Applicable	Not Applicable	0.15	ACUITE B / Stable

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About Acuité Ratings & Research:

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