

Hopewell Tableware Private Limited

Instrument	Amount In Rs. Crore	Rating Action
Fund Based-Cash Credit	18.00	[ICRA]BB (Stable) ; assigned
Fund Based-Term Loan	5.00	[ICRA]BB (Stable) ; assigned
Non Fund Based	2.00	[ICRA]A4+ ; assigned
Total	25.00	

ICRA has assigned a long-term rating of **[ICRA]BB** (pronounced ICRA B) to the Rs. 23.00 crore¹ fund based cash credit limit and term loan facility of Hopewell Tableware Private Limited (HTPL). ICRA has assigned a short-term rating of **[ICRA]A4+** (pronounced ICRA A Four plus) to the Rs 2.00 crore non-fund based facility of HTPL. The outlook on the long-term rating is 'Stable'.

The assigned ratings factor in the strong parentage of HTPL post takeover by Borosil Glass Works Limited (BGWL) in January 2016; expected benefits arising from the established brand name and distribution network of BGWL; improvement initiatives undertaken by the new management related to cost optimization as well as quality control; and sizeable financial support already provided by BGWL to HTPL to strengthen its balance sheet.

The assigned ratings, however, are constrained by HTPL's weak financial profile as characterized by volatility in revenues and profitability witnessed in the past on account of operational inefficiencies; leveraged capital structure and stretched coverage indicators coupled with weak credit history prior to takeover by BGWL. The ratings also factor in the working capital intensive nature of operations on account of high inventory requirements and long receivables; and exposure to substitution risk from other types of tableware although the risk is partly mitigated by superior quality and cost competitiveness of opalware. ICRA also notes that HTPL has sizeable repayments lined up in the near to medium term and hence turning around of operations along with continued financial support from the parent – BGWL, will be key from the credit perspective.

Company Profile

Hopewell Tableware Private Limited (HTPL or the company) was established in 2010 and was promoted by Mr. Swapan Guha (a technocrat and Padma shri awardee) along with Mr. Premsingh Shekhawat (Founder and Chairman of Bajore group of companies) and others. The company initially started with manufacture of Melamine in 2011-12. Later it entered into Opalware business and decided to set up Opal glass manufacturing facility due to greater opportunities. Melamine production was suspended and only opal glass was being made from 2013-14. In January 2016, the earlier promoters exited the company and entire stake was acquired by Borosil Glass Works Limited (BGWL). HTPL's manufacturing unit is located in Rajasthan and is equipped with a furnace capacity of 40 metric tonnes per day (MTPD), two spinning lines and a pressing line.

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¹ 1 crore = 100 lakh = 10 million



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