Hopewell Tableware Private Limited

Instrument	Amount Iin Rs. Crore	Rating Action
Fund Based-Cash Credit	18.00	[ICRA]BB (Stable) ; outstanding
Fund Based-Term Loan	28.89 (enhanced from 5.00)	[ICRA]BB (Stable) ; assigned/outstanding
Non Fund Based	2.00	[ICRA]A4+ ; outstanding
Unallocated	1.11 (enhanced from Nil)	[ICRA]BB (Stable) ; assigned
Total	**50.00**	

ICRA has assigned the long-term rating of **[ICRA]BB** (pronounced ICRA double B) to the Rs. 28.89 crore[1] (enhanced from Rs 5.00 crore) term loans and Rs 1.11 crore (enhanced from Nil) unallocated limits of Hopewell Tableware Private Limited (HTPL). ICRA also has a long-term rating of **[ICRA]BB** (pronounced ICRA double B) outstanding on the Rs 18.00 crore cash credit and a short-term rating of **[ICRA]A4+** (pronounced ICRA A Four plus) outstanding on the Rs 2.00 crore non-fund based limits of HTPL. The outlook on the long-term rating is '**Stable**'.

Rating Rationale

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.

Recent results

For the financial year ended March 31, 2015, HTPL reported an operating income of Rs 70.2 crore and a profit after tax of Rs 1.3 crore. Further, as per unaudited provisional financials for the financial year ended March 31, 2016, HTPL reported operating income of Rs 48.0 crore and a net loss of Rs 18.2 crore.

August 2016

[1] 1 crore = 100 lakh = 10 million

For further details, please contact:
Analyst Contacts:
Mr. Subrata Ray (Tel. No. +91 22 6114 3408)
subrata@icraindia.com

Relationship Contacts:
Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)
jayantac@icraindia.com

Registered Office
ICRA Limited
1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office
Mr. Vivek Mathur
Mobile: +**91 9871221122**
Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 3rd Floor, Electric Mansion Appasaheb Marathe Marg, Prabhadevi Mumbai—400025, Board : +91-22-61796300; Fax: +91-22-24331390	**Kolkata** **Mr. Jayanta Roy** Mobile: **+91 9903394664** Email: jayanta@icraindia.com A-10 & 11, 3rd Floor, FMC Fortuna 234/3A, A.J.C. Bose Road Kolkata—700020 Tel +91-33-22876617/8839 22800008/22831411, Fax +91-33-22870728
Chennai **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 5th Floor, Karumuttu Centre 634 Anna Salai, Nandanam Chennai—600035 Tel: +91-44-45964300; Fax: +91-44 24343663	**Bangalore** **Bangalore** **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 'The Millenia' Tower B, Unit No. 1004,10th Floor, Level 2 12-14, 1 & 2, Murphy Road, Bangalore 560 008 Tel: +91-80-43326400; Fax: +91-80-43326409
Ahmedabad **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 907 & 908 Sakar -II, Ellisbridge, Ahmedabad- 380006 Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-79-25569231	**Pune** **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills Road, Shivajinagar,Pune-411 020 Tel: + 91-20-25561194-25560196; Fax: +91-20- 25561231
Hyderabad **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj Bhavan Road, Hyderabad—500083 Tel:- +91-40-40676500	