

Hopewell Tableware Private Limited

Instrument	Amount in 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 crore¹ (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

© Copyright, 2016, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**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