

JANUARY 09, 2015

CARE ASSIGNS 'CARE A4' RATING TO THE SHORT TERM BANK FACILITIES AND REAFFIRMS THE RATING ASSIGNED TO THE LONG TERM BANK FACILITIES OF CHANDAN GLASS TRADERS

Ratings

| Facilities | Amount (Rs. crore) | Ratings ¹ | Remarks |
|----------------------------|----------------------------------|--------------------------------------|------------|
| Long term Bank Facilities | 11.25 (enhanced from 8.10) | CARE BB- (Double B Minus) | Reaffirmed |
| Short term Bank Facilities | 2 | CARE A4 (A Four) | Assigned |
| Total Facilities | 13.25 | | |

The ratings assigned by CARE are based on the capital deployed by the partners and the financial strength of the firm at present. The ratings may undergo any change in case of the withdrawal of the capital or the unsecured loan brought in by the partners in addition to the financial performance and other relevant factors.

Rating Rationale

The ratings assigned to the bank facilities of Chandan Glass Traders (CGT) continue to remain constrained by the small scale of operations and constitution of the entity as a partnership firm. The ratings are further constrained by its low profitability inherent in trading business.

The ratings, however, draw strength from the wide experience of the promoters in the trading of glass, its established marketing and distribution network along with diversified customer base. The ratings further draw strength from CGT's moderately leveraged capital structure and solvency indicators.

The ability of the firm to increase its scale of operations and improvement in its profit margins is the key rating sensitivity.

Background

The firm was established in the year 1955 as a proprietorship concern and was later on reconstituted as a partnership concern in the name of Chandan Glass Traders (CGT). CGT is promoted by Mr Prem Idnani and Mr Rajesh Idnani to undertake wholesale trading of all types of glass products, viz, building glasses, decorative glasses, glass sheet, float glass, toughened glass, glass putty (lambi), glass fitting and glass hardware and caters to the demand of builders, government contractors, window manufacturers through its own channel of 600 glass dealers which spans across Maharashtra.

In FY14 (refers to the period April1 to March 31), the company reported a total operating income of Rs.61.75 crore and net profit of Rs.0.92 crore as against a total operating income of Rs.61.78 crore and net profit of Rs.0.83 crore in FY13.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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