

## Jaipur Tuffen Glass Industries Private Limited

March 09, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	13.02	<b>CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)</b>	Rating moved to ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>13.02 (Rs. Thirteen Crore And Two Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

Jaipur Tuffen Glass Industries Private Limited (JTPL) has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd's rating on JTPL's bank facilities will now be denoted as **CARE B-; Stable; ISSUER NOT COOPERATING\***.

### Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating assigned to the bank facilities of Jaipur Tuffen Glass Industries Private Limited (JTPL) continues to remain constrained on account of its small scale of operations with net loss in FY21 (FY refers to the period April 01 to March 31), weak solvency position as well as debt coverage parameters. The rating, further, continues to remain constrained on account of its presence in the highly competitive and fragmented glass industry. The rating, however, continues to derive strength from experienced management in the glass industry.

### Detailed description of the key rating drivers

At the time of last rating on January 05, 2021 the following were the rating strengths and weaknesses (updated from information available from client):

#### Key Rating Weakness

##### ***Small scale of operations with net loss***

The overall scale of operations of the JTPL was in line with FY20 and remained small marked by its total operating income (TOI). JTPL posted a TOI of Rs.16.11 crore as per audited result of FY21 compared to Rs. 16.61 crore in FY20. However, JTPL has been able to curtail its losses from last year as a result of lower cost of sales along with lower interest costs and reported a net loss of Rs. 0.003 crores in FY21 as compared to a loss of Rs. 0.54 crore last year. Resultantly, gross cash accruals (GCA) has also increase marginally from Rs.1.06 crore in FY20 to Rs.1.38 crore in FY21.

##### ***Weak solvency position as well as debt coverage indicators***

The capital structure of JTPL remained highly leveraged with an overall gearing stood at 5.25 times as on March 31, 2021, deteriorating from 4.84 times as on March 31, 2020 on account of increase in debt level by availing additional vehicle and MSME loans in FY21 along with low tangible net-worth base.

JTPL's the debt coverage indicators have improved marginally, on account of increase in GCA levels, but remained weak marked by total debt/ GCA of 12.15 years as on March 31, 2021 (P.Y. 14.53 years). Further, Interest coverage ratio also stood moderate at 2.24 times in FY21 improving from 1.84 times in FY20 mainly due to lower interest costs in FY21.

##### ***Presence in the highly competitive and fragmented industry***

The company operates in the highly competitive industry with presence of many small and mid-size players in the industry lead to high level fragmentation in the industry. The intense competition in the industry leads to competitive pricing strategy adopted by the company resulted in low profit margins. The same has further leads to liberal credit policies adopted by the company due to low bargaining power of the company against its customers.

#### Key rating Strength

##### ***Experienced management in the glass industry***

Overall affairs of the company are looked after by the directors, Mr Satish Shah and Mr. Shailesh Shah who have around two decades of experience in the glass industry. Further, the promoters of JTPL have been engaged in the glass industry since 1974 through its group concerns, M/s Jaipur Glass House (JGH) and M/s Glass Art Palace (GAP).

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

**Analytical approach:** Standalone**Applicable criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology - Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

**About the company**

Jaipur-based (Rajasthan) Jaipur Tuffen Glass Industries Private Limited (JTPL) was incorporated in November, 2013 by Mr. Shailesh Shah, Mr. Bal Kishan Shah, Mr. Satish Shah and Mrs. Vimla Shah. The company has commenced its commercial operations from July, 2017. JTPL is engaged in manufacturing of toughened glass, heat-strengthened glass, laminated glass and insulated glass. Toughened glass finds its applications in automobiles, buildings & structures, food service & restaurants, etc. whereas insulated glass finds its applications in commercial & residential fixed & operable windows, curtain walls, storefronts, sloped/overhead glazing etc. The products manufactured by the company are sold across India.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	9MFY22(Prov.)
Total operating income	16.61	16.11	NA
PBILDT	2.33	2.50	NA
PAT	-0.54	-0.00#	NA
Overall gearing (times)	4.84	5.25	NA
Interest coverage (times)	1.84	2.24	NA

A: Audited, Prov.: Provisional, NA: Not available; #loss in thousand

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Please refer Annexure-3

**Complexity level of various instruments rated for this company:** Please refer Annexure-4

**Annexure-1: Details of Instruments / Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	October 2024	8.02	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information

**Annexure-2: Rating History of last three years**

Sr. No	Name of the Instrument /Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	8.02	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable (05-Jan-21) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (25-May-20)	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (05-Mar-19)
2	Fund-based - LT-Cash Credit	LT	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable (05-Jan-21) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (25-May-20)	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (05-Mar-19)

\*Issuer did not cooperate; based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure-5: Bank Lender Details for this Company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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### About CARE Ratings Limited:

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