



**Press Release**  
**Glass Wall Systems (India) Private Limited**  
**December 24, 2024**  
**Rating Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	79.25	ACUITE BBB-   Stable   Upgraded	-
Bank Loan Ratings	90.75	-	ACUITE A3   Upgraded
Total Outstanding Quantum (Rs. Cr)	170.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded its long-term rating to 'ACUITE BBB-' (read as ACUITE triple B minus) from 'ACUITE BB+' (read as ACUITE Double B Plus) and short-term rating to 'ACUITE A3' (read as ACUITE A three) from 'ACUITE A4+' (read as ACUITE A Four Plus) on the Rs. 170.00 Cr. bank facilities of Glass Wall Systems India Private Limited (GWSIPL). The outlook is 'Stable'.

**Rationale for Rating Upgrade**

The rating upgrade considers GWSIPL's improved operating and financial performance. The rating continues to derive comfort from the established experience of the management and its established relationship with its clients. However, the rating is constrained by GWSIPL's working capital intensive nature of operations as well as exposure to risk related to cyclical nature of real estate industry.

Going ahead, the company's ability to increase its revenue and profitability margins while improving its working capital cycle will be a key rating monitorable.

**About the Company**

Glass Wall Systems India Private Limited (GWSIPL) is a Mumbai-Maharashtra based company established in the year 2002 as a partnership firm. Later in the year 2010, the constitution of the company was changed to private limited company. The company is promoted by Mr. Jawahar Hariram Hemrajani and Mr. Kamlesh Arjunlal Choudhari. The company is engaged in providing turnkey solutions as a façade contractor. The company provides solutions for all kinds of façade work which involves architectural glass façade, ACP cladding, stone cladding and others. The company has executed more than 125 projects, developing an area of more than 1 million square meters. The company has its own manufacturing unit located at Raigad-Maharashtra.

**Unsupported Rating**

Not Applicable

**Key Rating Drivers**

**Strengths**

**Experienced management and established track record of operations**

GWSIPL has a long track record of operation of about two decades as a façade contractor. The company is promoted by Mr. Jawahar Hariram Hemrajani and Mr. Kamlesh Arjunlal Choudhari who have an experience of more than two decades in the same business. The promoters of the company are ably assisted by a second line of management which constitutes a large team of qualified and experienced professionals who manages the day-to-day operation of the company. The industry is very niche, followed by majority of the unorganized players. However, there are very limited organized renowned players who undertake the façade construction work, thereby

limiting the competition among the big players and having the advantage of higher bargaining power. The company also has ISO 9001:2015 certification. The company has completed an array of projects from all real estate segments-residential, commercial and retail. Some of the renowned projects of the company include Antilia, Reliance Petroleum Headquarter, One Indiabulls Finance Center, L&T Infotech Building and subcontracted façade work for Wankhade Stadium and 'World One'.

Acuité believes that the company will benefit from the management experience, long track record of operations and reputed clientele, over the medium term.

### **Improved Sales and Profitability**

The revenue of the company increased and stood at Rs. 282.73 crore in FY24 compared to revenue of Rs.240.51 crore in FY23. The improvement is on account of a significant increase in the orders from both domestic and export markets. In 7MFY25, the company reported a revenue of Rs. 138.56 crore. The unexecuted order book as on 31st Oct 2024 amounts to Rs. 304.78 crore. The operating profit margin of the company improved significantly and stood at 15.44 percent in FY24 compared against 4.27 percent in FY23. The improvement in operating profitability is on account of incorporation of raw material escalation clause for two of its major raw materials namely, Aluminium and Glass. Going forward, this clause shall remain effective for all of its domestic orders which will support its operating margins in the medium term. The PAT margin of the company stood higher at 7.45 percent in FY24 compared to 0.09 percent in FY23.

Acuité believes that going ahead the company's ability to improve revenue and profitability margins would be a key rating monitorable.

### **Moderate Financial Risk Profile**

The company has a moderate financial risk profile marked by moderate net worth, low gearing and healthy debt protection metrics. GWSIPL's net worth stood improved at Rs. 112.85 crore as of March 31, 2024, against Rs. 93.24 crore as of March 31, 2023, on account of accretion of profits to reserves. The company's gearing stood at 0.16 times as on March 31,2024 as against 0.50 times as on March 31, 2023, on account of decrease in the long term and short-term debt availed from banks. The company's total debt as on March 31,2024 stood at Rs. 18.48 crore as compared to Rs. 47.01 crore as on March 31, 2023; comprising of long-term debt of Rs. 8.41 crore, short-term debt of Rs. 8.50 crore and maturing debt obligations of Rs. 1.58 crore for the same period. The interest coverage ratio of the company stood at 3.89 times in FY24 against 1.40 times in FY23. DSCR stood at 3.47 times in FY2024 against 1.40 times in FY2023.

Acuité believes that the ability of GWSIPL to maintain its financial risk profile over the medium term will remain a key rating sensitivity factor.

## **Weaknesses**

### **Working capital intensive operations**

The company has intensive working capital operations with average gross current asset (GCA) days at 217 days in FY2024 against 271 days in FY2023. Inventory days stood at 42 days in FY2024 against 34 days in FY2023.. The debtor days stood lower at 129 days for FY24 against 154 days for FY23. The company has increased its advance mobilization collections from 10 per cent to 20 per cent, which in turn reduces the company's reliance on working capital limits. The creditor days of the company stood at 96 days for FY24 as against 122 days in FY23. The company has not utilised its fund-based limits in last 8 months ended October 2024.

Acuité believes that the ability of GWSIPL to continuously improve its working capital cycle over the medium term will remain a key rating sensitivity factor.

### **Exposure to risk related to cyclical nature of real estate industry**

The company caters to all the segments of real estate sector. However, there is a risk associated to the residential segment in terms of realization of payment. The residential real estate segment is subject to the cyclical nature of real estate business (drop in property prices) and interest rate risk, among others, which could affect the operations of the developer, delaying payments to GWSIPL. However, to mitigate the risk of real estate cyclicity the company is currently focusing on the infrastructural projects (Commercial and Corporate Parks) from institutional clients having better credit quality and diversifying to exports.

## **Rating Sensitivities**

- Substantial improvement in revenues and profitability.
- Improvement in the working capital cycle.
- Changes in the financial risk profile.

## **Liquidity Position**

### **Adequate**

Liquidity is adequately backed by GWSIPL's net cash accruals, which stood at Rs. 24.12 crore as on March 31, 2024, against maturing debt repayment obligation of Rs. 1.06 Cr. for the same period. Going forward the NCA are expected in the range of Rs.35 to Rs. 50 crore for period FY2025-FY2026 against its repayment obligation of around Rs. 1.5 to Rs. 2.5 crore during the same period. The cash and bank balances of the company stood at Rs. 6.87 Cr. as on March 31, 2024. The current ratio stood at 1.29 times as on March 31, 2024. The company also has unutilised working capital limits to the tune of Rs. 45.25 Crore.

Acuité believes that going forward the liquidity of GWSIPL is likely to remain adequate over the medium term on account of sufficient cash accruals against its maturing debt obligations for the same period.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	282.73	240.51
PAT	Rs. Cr.	21.07	0.21
PAT Margin	(%)	7.45	0.09
Total Debt/Tangible Net Worth	Times	0.16	0.50
PBDIT/Interest	Times	3.89	1.40

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Nov 2024	Bank Guarantee (BLR)	Short Term	70.75	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Proposed Short Term Bank Facility	Short Term	20.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Cash Credit	Long Term	15.25	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Proposed Long Term Bank Facility	Long Term	34.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
19 Aug 2023	Bank Guarantee (BLR)	Short Term	70.75	ACUITE A3 (Downgraded from ACUITE A2)
	Proposed Short Term Bank Facility	Short Term	20.00	ACUITE A3 (Downgraded from ACUITE A2)
	Cash Credit	Long Term	30.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	15.25	ACUITE BBB-   Stable (Downgraded from ACUITE BBB+   Stable)
	Proposed Long Term Bank Facility	Long Term	34.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB+   Stable)
23 May 2022	Bank Guarantee (BLR)	Short Term	24.75	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	83.00	ACUITE A2 (Reaffirmed)
	Secured Overdraft	Long Term	0.25	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	17.00	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	3.00	ACUITE BBB+   Stable (Reaffirmed)
30 Apr 2021	Bank Guarantee (BLR)	Short Term	83.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	8.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	17.00	ACUITE BBB+   Stable (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB+   Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE BBB+   Stable (Assigned)
	Secured Overdraft	Long Term	9.00	ACUITE BBB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A3   Upgraded ( from ACUITE A4+ )
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.25	Simple	ACUITE BBB-   Stable   Upgraded ( from ACUITE BB+ )
TJSB Sahakari Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BBB-   Stable   Upgraded ( from ACUITE BB+ )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	34.00	Simple	ACUITE BBB-   Stable   Upgraded ( from ACUITE BB+ )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.75	Simple	ACUITE A3   Upgraded ( from ACUITE A4+ )

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### About Acuité Ratings & Research

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