



RATING RATIONALE

30 Sep 2020

ACE Enterprises

Brickwork Ratings downgrades/reaffirms the Ratings for the Bank Loan Facilities of INR 6.00 crores of ACE Enterprises based on the best available information, as the issuer did not cooperate.

Particulars

Facilities	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (June, 2018)	Present
Fund Based	6.00	6.00	Long Term	BWR B Stable Downgraded Issuer Not Cooperating*	BWR B- Stable Downgraded Issuer Not Cooperating*
Non-Fund Based (Sub Limit)	(1.00)	(1.00)	Short Term	BWR A4 Reaffirmed Issuer Not Cooperating*	BWR A4 Reaffirmed Issuer Not Cooperating*
Total	6.00	6.00	INR Six Crores Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

Downgraded/Reaffirmed the rating to BWR B- (Stable)/A4; (Issuer Not Cooperating) based on the best available information as the issuer did not cooperate.

Ace Enterprises initial rating was done on 18.7.2014 with rating assigned BWR B+/A4 (Outlook:Stable). Rating has moved to RNR on 4.01.2017. The rating was downgraded to BWR B(Stable)/A4 under Issuer Not Cooperating on 21 June 2018.

We tried to reach out to the client via email dated 18 Sep 2020, 23 Sep 2020 and 26 Sep 2020. But they have not provided any information. Despite close follow up via Emails and phone calls, the entity has not submitted any information for the annual surveillance process. **The**



Entity has not been submitting NDS. We tried to reach the bankers of the entity, but emails to them also remain unanswered. Hence, the mandate is continued under “**Issuer Not Cooperating**” category, by downgrading/reaffirming the long term and short term rating to BWR B-/Stable/A4 (Issuer Not Cooperating)

LIMITATIONS OF THE RATING: Information availability risk is the key factor in the assessment of the credit risk as generally, non-cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR in June, 2014]

Key Parameters	Units	FY 2014	FY 2013
Result Type		Audited	Audited
Operating Revenue	INR crs.	27.92	17.21
OPBDIT	INR crs.	1.09	0.36
PAT	INR crs.	0.05	0.03
Tangible Net Worth (TNW)	INR crs.	1.09	1.87
Total Debt/TNW	Times	7.74	2.83
Current Ratio	Times	1.40	1.32

COMPANY’S PROFILE

ACE Enterprises, a **partnership** firm, was established on May 10, 2012. ACE Enterprises is promoted by the Lakra family, who have an established presence and experience in the hosiery and garments manufacturing industry. Based out of Ludhiana, the firm is presently engaged in the business of **trading of fabrics and garments**. The firm purchases yarn, gets it converted to fabric through outsourcing and then sells it to customers. The other group companies are M/s Lakra Industries Ltd, Lakra Fabrics Pvt Ltd and M/s Ariel Exports Pvt Ltd.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY [Including Withdrawal and Suspended]

Facilities	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	June, 2018	2017
Fund Based	Long Term	6.00	BWR B- Stable Downgraded Issuer Not Cooperating*	Not Rated	BWR B Stable Downgraded Issuer Not Cooperating*	Rating Not Reviewed
Non-Fund Based (Sub Limit)	Short Term	(1.00)	BWR A4 Reaffirmed Issuer Not Cooperating*	Not Rated	BWR A4 Reaffirmed Issuer Not Cooperating*	Rating not Reviewed
Total		6.00	INR Six Crores Only			

* Issuer did not cooperate, based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **What Constitutes Non-Cooperation**

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ANNEXURE I

ACE Enterprises

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Corporation Bank	Cash Credit	6.00	-	6.00
2.		Sub limit: ILC/FLC cum Buyers Credit	-	(1.00)	(1.00)
TOTAL					6.00

Total Rupees Six Crores Only.

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