

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**

Analytical Contacts	Investor and Media Relations
<p>Nalin Raj Mehta Rating Analyst Board: +91 11 2341 2232 Ext: 109 nalinraj.m@brickworkratings.com</p> <p>Satvinder Kumar Gakhar Associate Director- Ratings Board: +91 11 2341 2232 Ext: 106 satvinder.g@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

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.

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.