

RATING RATIONALE

29 Jan 2020

Ace Hardware Pvt Ltd

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹ 8.50 crores of Ace Hardware Pvt Ltd based on best available information, as Issuer did not Cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Mar'18)	Present
Fund based Packing Credit	2.50	2.50	Short Term	BWR A3+	BWR A3 Issuer did not cooperate*
Non fund based FOBP (FOUBP)	6.00 (0.50)	6.00 (0.50)			
Total	8.50	8.50	INR Eight Crores and Fifty Lakhs only.		

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

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

Complete Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Initial rating for bank loan facilities of Rs. 8.50 crs availed from Punjab National Bank was done in November 2015 with rating assigned BWR A3. The rating was due for a review in March 2019 and was moved to Rating Not Reviewed Category in July 2019. BWR took up with the issuer to provide required information by emails and phone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating and hence, BWR has downgraded the rating to BWR A3 Issuer Did Not Cooperate.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings 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 [As available in March 2018]

Key Parameters	Units	FY16	FY17
Result Type		Audited	Audited
Net Sales	Rs in Crs	55.53	58.86
EBITDA	Rs in Crs	13.79	17.15
PAT	Rs in Crs	9.60	13.04
Tangible Net Worth	Rs in Crs	35.12	43.34
TOL/TNW	Times	0.27	0.21
Current Ratio	Times	3.81	4.89

COMPANY PROFILE [As available in March 2018]

Ace Hardware is a private limited company started in the year 1983 by Mr Sunil Goil, Mrs Minakshi Goil and Mrs Nakul Goil. The company is engaged in manufacturing and 100% exports of premium quality door hardware of various designs. The manufacturing unit is located at Ghaziabad, Uttar Pradesh. The company is an OEM to leading international hardware brands and has a proven track record besides enjoying very good repute in the international market. The company has plans to expand its market to the Gulf, South American markets and other countries.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY

Facilities	Current Rating (2020)			Rating History		
	Amount (₹ Cr)	Tenure (Long Term/ Short Term)	Rating	2019	2018	2017 [^]
Fund Based Packing Credit	2.50	ShortTerm	BWR A3 Issuer did not Cooperate* Downgraded	Rating Not Reviewed	BWR A3+ Reaffirmed	BWR A3+ Upgraded
Non fund Based FOBP/FOBNLC (FOUBP)	6.00 (0.50)					
Total	8.50	INR Eight Crores and Fifty Lakhs only.				

***Issuer did not Cooperate; Based on best available information**

[^]Initial Rating of BWR A3 was assigned in November 2015



Any other 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](#)

For any other criteria obtain hyperlinks from website

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ANNEXURE I

[Ace Hardware Pvt Ltd]

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.	Punjab National Bank	Packing Credit	-	2.50	2.50
2.		FOBP	-	6.00	6.00
3.		(FOUBP)	-	(0.50)	(0.50)
Total			-	8.50	8.50

INR Eight Crores and Fifty Lakhs 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.

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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 reason.