



Rating Rationale

Ace Hardware Pvt. Limited

23rd Jan 2017

Brickwork Ratings upgrades the ratings for the Bank Loan Facilities of Ace Hardware Pvt. Ltd.

Particulars:

Facility	Previous Limit	Current Limit	Tenure	Rating	
				Previous (Nov, 15)	Assigned
Packing Credit	1.75	2.50	Short Term	BWR A3 (Pronounced as A Three)	BWR A3+ (Pronounced as A Three Plus) (Upgraded)
FOPB	4.50	6.00			
Total	6.25	8.50	Rupees Eight Crores and Fifty Lacs only		

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

Rating Upgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The ratings draw comfort from the extensive experience of the promoters in the business, consistent improvement in its top line growth, low gearing profile, absence of term debt borrowings. The ratings are, however, constrained by company's exposure to risks arising from volatility in raw material prices and forex transactions, intensely competitive nature of industry and customer concentration risks.

About the Company:

Ace Hardware Pvt. Ltd. was incorporated in 1983 by Mr Sunil Goil. The company is engaged into 100% export of door fittings hardware, with its manufacturing plant located at Ghaziabad (UP). The company is an OEM to leading international hardware brands.



Company Financial Performance

The company generated total operating revenue of Rs. 55.53 Crores in FY16 as against Rs. 51.89 Crores in FY15. The company generated Profit after Tax of Rs. 9.60 Crores in FY16 as against Rs. 7.42 Crores in FY15.

Rating History for the last three years (including withdrawn/suspended ratings)

Facility	Tenure	Rating Assigned (2017)			Rating History		
		Previous Amount (Rs. Crs)	Amount (Rs. Crs)	Rating	2016	10/11/15	2014
Non Fund Based: Packing Credit	Short Term	1.75	2.50	BWR A3+ (Pronounced as A Three Plus)	-	BWR A3	-
FOPB		4.50	6.00				
Total		6.25	8.50	Rupees Eight Crores and Fifty Lacs only			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments: NA

Any other information: NIL

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entity](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website



Analysts	Media
<u>Ashwini Mital</u> <u>Sr. G.M.</u> analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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