

Rating Rationale

Brickwork Ratings reaffirms ratings of 'BWR BB' & 'BWR A4+' for Bank Loan Facilities of ₹ 25.00 Cr of Ace Polyplast Private Limited.

Brickwork Ratings has reaffirmed the **Ratings**¹ for Bank Loan facilities aggregating ₹25.00 Crores of Ace Polyplast Private Limited ("APPL" or "the Company") sanctioned / availed from Bank of India as follows:

Facilities	Previous Amount (₹ Cr)	Present Amount (₹ Cr)	Tenure	Rating
Fund Based				
Cash Credit (Sub Limit of LC)	(2.00)	(2.00)	Long Term	BWR BB (Pronounced BWR Double B) (Outlook : Stable) (Reaffirmed)
WCDL (Sub Limit of LC)	(2.00)	(2.00)		
Non-Fund Based				
Letter of Credit	25.00	25.00	Short Term	BWR A4+ (Pronounced BWR A Four Plus) (Reaffirmed)
Buyer's Credit (Sub Limit of LC)	(10.00)	(10.00)		
Total	25.00	25.00	(INR Twenty Five Crores only)	

BWR has essentially relied upon the audited financials of FY14, projections for FY15 and FY16 of Ace Polyplast Private Limited, publicly available information and information/clarification provided by the Company's management.

The rating reaffirmation has primarily taken into consideration the support received by the Company from its associate concern Prince Pipes & Fittings Private Limited (PPFPL), wherein the entire Sales of APPL are made. However, with the increased LC margin sought by the Banks the Company discontinued its imports for FY14 resulting in sharp decline in the Sales for FY14; the Company however has resumed imports from the second half of FY15. The ratings continue to be constrained by the low profit margins inherent to the trading business, modest scale of operations and working capital intensive nature of operations of the Company.

Company Profile:

Ace Polyplast Private Limited incorporated in 2007 began its operations in FY11 under the leadership of Mr Jayant Chheda. APPL is engaged in importing of PVC resin, CPVC, PP and PPR which is further sold to PPFPL. APPL has leased a warehouse at R.K. Puram, Bhadrabad, Haridwar, which is owned by Mr. Jayant Chheda.

PPFPL is an ISO-9001:2000 Company which manufactures PVC Pipes & Fittings, PPR Pipes & Fittings, CPVC Pipes & Fittings etc. It has manufacturing facilities at five places in India – Dadra, Athal, Chennai, Kolhapur and Haridwar.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance:

During FY14, the Company reported total operating income of ₹16.86 Cr as against that of ₹42.25 Cr in FY13. The profit after tax stood at ₹0.15 Cr as against that of ₹0.42 Cr in FY13. The tangible net worth has increased to ₹3.65 Cr in FY14 from ₹3.50 Cr in FY13. During 6 months in FY15, the Company has reported revenue of ₹17.74 Cr and PBT of ₹0.25 Cr. Further, it is expected to improve with the resumption of imports in the second half of FY15.

Rating Outlook:

The outlook which is expected to remain stable over the next twelve months shall be dependent on the cost effective measures the Company undertakes to improve its scale of operations and thereby the profitability margins. Going forward, the Company's ability to prudently diversify its geographies, expand its customer base in the long run and achieve its projections shall remain the other key rating sensitivities.

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