

## Press Release

### Brickwork Ratings assigns “BWR BB /Stable/A4+” for Ace Polyplast Pvt Ltd’s Proposed Bank Loan Facilities of ₹ 25 Crores (INR Twenty Five Crores only)

**BLR Issue Rating: BWR BB/A4+**

**Outlook : Stable**

Brickwork Ratings (BWR) has assigned **BWR BB (Stable)** (Pronounced Double “B” with “Stable” Outlook) and **BWR A4+** (pronounced “A” four plus) rating for **Ace Polyplast Pvt. Ltd.’s** (“APPL” or “the Company”) proposed Bank Facilities of ₹ 25 Crores.

Facilities	Amount (₹ Crore)	Ratings	
Cash Credit (Sub limit of Letter of Credit) Long Term Facility	4.0	BWR BB/Stable	‘BWR BB’ stands for an instrument that is considered to have <b>moderate</b> degree of safety regarding timely servicing of financial obligations. Such instruments carry medium credit risk.
Letter of Credit Short Term Facility	25.0	BWR A4+	“BWR A4+” stands for an instrument that is considered to have <b>minimal degree</b> of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.

The rating factors, inter alia, the experienced management team, strong demand of PVC resin in the domestic market, and low gearing. However, the rating is constrained by low profit margins, firm’s working-capital-intensive operations, small net worth, exposure to foreign exchange risk and high customer concentration.

Ace Polyplast Pvt Ltd (APPL) was incorporated in the year 2007; however it began its business in FY11. APPL is a part of Prince Group and is engaged in trading activity of importing PVC resin, CPVC, PP and PPR and selling it in domestic market. APPL has leased out a warehouse at Shivalik Nagar, Haridwar, which is owned by one of its promoter Mr. Parag Chheda. APPL over

the last 3 years is selling significant portion of imports to its associate company Prince Pipes and Fittings Ltd. (PPFL). It is an ISO-9001:2000 Company, which manufactures PVC Pipes & Fittings, PPR Pipes & Fittings, CPVC Pipes & Fittings etc. It has manufacturing facilities at three places in India – Dadra, Athal and Haridwar.

APPL's sales grew by 294% to ₹ 41.43 Crores in FY12 from ₹ 10.52 Crores in FY11. However, this growth was not matched by the corresponding growth in PAT margin, which dropped down to 1% in FY12 as compared to 2% in FY11. This was mainly on account of foreign exchange loss of ₹ 0.22 Crores in FY12 due to volatility in currency exchange rates during the period.

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