



Press Release

Prince Corp Private Limited

September 13, 2024

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	131.46	IVR D (IVR Single D)	IVR BB+/ Stable (IVR Double B Plus with Stable outlook)	Downgraded	Simple
Short-term Bank Facilities	45.40	IVR D (IVR Single D)	IVR A4+ (IVR A Four Plus)	Downgraded	Simple
Total	176.86 (Rs. One Hundred Seventy-Six crore and Eighty-Six Lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The downgrade of the ratings assigned to the bank facilities of Prince Corp Private Limited (PCPL) is on account of delays witnessed in the debt servicing of bank facilities. However, the ratings also continue to derive comfort from experienced promoter and long track record of the company and satisfactory demand of the manufactured products with established brand name. These rating strengths continues to remain partially offset by its susceptibility of profitability to volatility in the prices of raw materials and finished goods, intense competition and working capital intensive nature of business

Key Rating Sensitivities:

Upward Factors

- Regularization of debt servicing track record of the facilities availed by the company for a period of 90 days on a continuous basis.

Downward Factors

- NA



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoter and long track record of the company

PCPL was incorporated in 1992 by Mr. Raakesh Chheda, who have experience of more than a three decades in the business of manufacturing of plastic ware products. PCPL has a long operational track record of more than five decades in the plastic manufacturing business. Prior to PCPL, the company was known as Princeware International Private Limited, which was incorporated in 1971 and was engaged in the same line of business. Infomerics believes that the group will continue to get support through the promoter's extensive industry experience and established relation with its customers over the medium term.

Key Rating Weaknesses

Instances of delays witnessed in FY24

There have been instances of delays in debt servicing obligations during the FY24 (refers to period April 1st, 2023, to Mar 31st, 2024) owing to liquidity issues.

Relatively moderate scale of current operations

The scale of operation has been moderated further in FY24, where Total Operating Income (TOI) was ended at ~Rs.202 crore. Moderate scale of operation limits the financial flexibility in the time of stress.

Susceptibility of profitability to volatility in the prices of raw materials and finished goods

The price of petro-products has seen a lot of volatility over the last three years. The price of plastic geraniols, which is one of the main raw materials required for PCPL, has witnessed volatility in the recent past. Similarly, the price realisation also linked to the input prices, where there could be squeezing of margin when the input cost increase is not fully absorbed in the selling prices.

Intense competition



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The plastic ware manufacturing industry is characterised by limited entry barriers and intense competition from numerous small unorganised and organised players. However, PCPL's preferred supplier status and its reputed customers and a long working relationship with the existing clients provide it with some competitive advantage.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Poor

The liquidity position of the company remains poor since delays in the debt servicing obligations have been observed.

About the Company

Prince Corp Private Limited (Erstwhile Princeware International Private Ltd) is a Mumbai (India) based multinational organization engaged in the manufacturing & marketing of Kitchenware & other home ware products under the "Princeware" brand. The Company is owned & managed by Mr. Raakesh Chheda who is part of Kishore Chheda Group which has been in plasticware business for more than 40 years.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	169.12	201.78
EBITDA	26.37	28.61
PAT	3.22	5.34
Total Debt	136.47	152.33
Adjusted Tangible Net Worth	55.31	60.75
EBITDA Margin (%)	15.59	14.18
PAT Margin (%)	1.88	2.61



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Overall Gearing Ratio (x)	2.47	2.51
Interest Coverage (x)	1.54	1.38

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: ACUI TE vide its press release dated October 30, 2023, has continued the ratings under Issuer Not Cooperating category due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Sept. 06, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Jun 28, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Term loans	Long Term	15.40	IVR D	IVR BB+/Stable	IVR BBB-/Stable	-
2.	Cash Credit	Long Term	80.50	IVR D	IVR BB+/Stable	IVR BBB-/Stable	-
3.	GECL	Long Term	28.06	IVR D	IVR BB+/Stable	IVR BBB-/Stable	-
4.	WCTL	Long Term	7.50	IVR D	IVR BB+/Stable	IVR BBB-/Stable	-
5.	LC	Short Term	38.40	IVR D	IVR A4+	IVR A3	-
6.	BG	Short Term	2.00	IVR D	IVR A4+	IVR A3	-
7.	LC/BG	Short Term	5.00	IVR D	IVR A4+	IVR A3	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics



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commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details:

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
GECL Loan 1		-	-	Feb 2028	11.00	IVR D
Cash Credit		-	-	-	36.00	IVR D
GECL Loan 2		-	-	Nov 2027	2.86	IVR D
GECL Loan 3		-	-	Nov 2027	6.86	IVR D
GECL Loan 4		-	-	May 2028	3.59	IVR D
Cash Credit		-	-	-	9.00	IVR D
Term Loan		-	-	Feb 2025	1.40	IVR D
Cash Credit		-	-	-	20.00	IVR D
GECL Loan 5		-	-	Jan 2027	2.50	IVR D
GECL Loan 6		-	-	Feb 2028	1.25	IVR D



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WCTL		-	-	-	7.50	IVR D
Term Loan		-	-	May 2029	14.00	IVR D
Cash Credit		-	-	-	7.50	IVR D
Cash Credit		-	-	-	8.00	IVR D
Letter of Credit		-	-	-	32.00	IVR D
BG		-	-	-	2.00	IVR D
LC/BG		-	-	-	5.00	IVR D
Letter of Credit		-	-	-	6.40	IVR D

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-PrinceCorp-sep24.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.