Press Release

Brickwork Ratings assigns 'BWR BB+' & 'BWR A4+' for the Bank Credit Facilities amounting to ₹ 14.85 Cr of Perfect Boring Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Ratings**[1] for the Bank Credit facilities of Perfect Boring Private Limited ("PBPL" or "the Company").

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based CC	**9.00**	**Long Term**	**BWR BB+** (BWR Double B Plus) **Outlook: Stable**
Non Fund Based BG LC (I/F) DP/DA	 3.75 5.25	**Short Term**	**BWR A4+** (BWR A Four Plus)
Max NFB Limit	**5.85**		
Total	**14.85 (INR Fourteen Crores & Eighty Five Lakhs only)**		

The ratings assigned to the bank facilities of PBPL favourably factors the benefits that the company derives from the vast experience of its promoters, established corporate clientele stable growth in revenue and healthy profitability on account of customers bearing the risk of fluctuations in raw material prices. The ratings are primarily constrained on account of its modest scale of operations, working capital intensive nature of operations, stretched receivables reflected in weak current ratio and current slowdown in overall manufacturing sector.

Background

Perfect Boring Private Limited was started in 2001 by Mr. Vasantkumar J. Modi who has over two decades of experience in machining and fabrication industry. Presently company is engaged in the business of precision machining and fabrication activities for various sectors such as pharmaceuticals, sugar, textile, road construction, earthmoving, cement and engineering units etc. PBPL has two machining units and a fabrication unit in GIDC Vatva, Ahmedabad

Financial Performance

PBPLS's revenues grew by 18% from ₹ 24.84 crores in FY12 to ₹ 29.34 crores in FY13. This growth has been spurred by higher order execution. The firm has witnessed slight increase in operating margins as reflected in EBITDA/OI of 28.52% for 12 month period ending March 2013 against 25.42% reported for financial year 2011-12. As per FY 13 provisional, PAT stood at ₹ 3.19 crores against ₹ 2.36 crores in FY12. Despite of increase in

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

interest cost PBPL maintained historic NPM which has increased marginally to 10.87% in FY 13 from 9.49% in FY 12.

Rating Outlook

PBPL has established track record of operation of about a decade in the industry with healthy profitability. However liquidity position of the company is below average which is reflected in higher utilization of working capital facility and free cash outflows on account of continuing capex .The ability of the company to manage its working capital effectively while sustaining its revenue growth and profitability, diversifying its customer base and prudent management of receivables will be the key rating sensitivities

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