Rating Rationale

Pivot Fabrique

9 May 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Rs. 5.88 Crores of Pivot Fabrique

Particulars:

Facility	Nature	Limit	Tenure	Rating Assigned
Term Loan	Fund Based	1.88	Long Term	BWR BB- (Pronounced as Double B Minus) Outlook - Stable
Cash Credit		4.00		
Total		**5.88**	**Rupees Five Crore Eighty Eight Lakhs only**	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projections up to FY18, publicly available information and information/ clarifications provided by the company.

The ratings draw comfort from the extensive experience of the partners in the industry, continuous increase in the topline in the last 3 FYs i.e. from FY14 to FY16, comfortable profitability margins and debt protection metrics. The ratings are, however, constrained by small scale of operations, low tangible net worth, and risks associated with company being in unorganized sector.

Rating Outlook: Stable

BWR believes the Pivot Fabrique's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues and profits reduce due to non implementation of the same.

About the Company

M/s Pivot Fabrique was established as a partnership firm in 1973 in Punjab. The firm was started by Mr. Gurkirpal Singh and the other partners in the firm are Mrs. Bhupinder Kaur, Ms. Ramneek Kaur and Ms. Swapan Deep Kaur. The firm is engaged in the manufacturing of auto components such as gears, shafts, axles, pivot etc. The firm's products are used by premium car manufacturers such as Maruti & Hyundai. The raw materials required for manufacturing are steel, brass and iron alloys. The manufacturing facility of the firm is located in Mohali, Punjab.

Company Financial Performance

The company generated total operating revenue of Rs. 24.38 Crores in FY16 as against Rs. 19.80 Crores in FY15. The company generated Profit after Tax of Rs. 0.48 Crores in FY16 as against Rs. 0.40 Crores in FY15

Rating History for the last three years (including withdrawn/suspended ratings)

Facility		Rating Assigned (2017)		Rating History		
	Tenure	Previous Amount (Rs.Crs)	Rating	2016	2015	2014
Fund Based: Term Loan	Long Term	1.88	BWR BB- (Pronounced as Double B Minus) Outlook - Stable	NA	NA	NA
Cash Credit		4.00				
Total		**5.88**	**Rupees Five Crore Eighty Eight Lakhs only**			

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Manufacturing Companies**
- **Short Term Debt**

For any other criteria obtain hyperlinks from website

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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.

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