

Toolfab Engineering Industries Private Limited

April 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	19.92	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated February 01, 2024, placed the rating of Toolfab Engineering Industries Private Limited (TEIPL) under the 'issuer non-cooperating' category as TEIPL had failed to provide information for monitoring of the rating. TEIPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and e-mails dated December 17, 2024, January 06, 2025, February 27, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to the bank facilities of Toolfab Engineering Industries Private Limited (TEIPL) continues to be constrained by volatile PBILDT margin, working capital intensive nature of operations, exposure to customer and geographical concentration risks and highly fragmented and competitive nature of industry. The rating however derive strength from established track record of the company for more than three decades in the engineering industry with experienced promoter, financials profile marked by growth in total operating income and healthy capital structure

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on February 01, 2024 the following were the rating strengths and weaknesses (updated for the latest information available)

Key weaknesses

Volatile profitability margins

PBILDT margin has been fluctuating over the last 5 years due to volatile raw material prices. It declined sharply to 5.39% in FY23 from 16.95% in FY22 however improved to 11.20% in FY24.

Working capital intensive nature of operations

The operating cycle of the company stood elongated 71 days in FY24 as against 69 days in FY23 at the back of high average inventory days of 52 days in FY24 (PY: 57 days in FY23)

Highly fragmented and competitive nature of industry

The industry in which TEIPL operates is highly fragmented with a large number of small to medium scale unorganized players. The competition leads the companies to restrict their quotation prices or narrow down capacity utilization, thereby leading to decline in profitability.

Exposure to customer and geographical concentration risks

TEIPL's revenues are skewed towards few top customers in the wind power sector. However, dependence on a few clients had declined in FY17. Furthermore, all the customers were located in Tamil Nadu region resulting into geographical concentration risk.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Key strengths

Established track record of the company for more than three decades in the engineering industry with experienced promoters

The company has more than three decades of industry experience and the promoters of the company are associated with TEIPL since acquisition and are all well experienced in this line of business.

Financials profile marked by growth in total operating income, healthy capital structure and debt coverage indicators

The total operating income of the company stood at Rs. 112.44 crore in FY24 viz a viz Rs. 131.84 Crore in FY23. The capital structure marked by overall gearing has improved and stood at 0.82x as on March 31, 2024 viz a viz 0.93x as on March 3, 2023 on account of increase in networth base. The debt coverage indicators marked by TD/GCA stood at 3.43x in FY24 (6.19x in FY23). Further, interest coverage ratio has improved and stood comfortable at 3.64x in FY24 as against 3.31x in FY23.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Non Ferrous Metal](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Aluminium, Copper & Zinc Products

Established in 1972 at Trichy, Tamil Nadu as a partnership firm, Toolfab Engineering Industries Private Limited (TEIPL) was acquired by Mr. Madan Mohan in 1995 and was reconstituted as a private limited company in 2004. TEIPL, an ISO 9001:2008 certified company, undertakes engineering and fabrication work for wind mill towers, boiler pressure parts, mining equipment, pre-engineered buildings among others. TEIPL's manufacturing unit is located at Trichy, Tamil Nadu with an installed capacity of 50,000 metric ton per annum.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	27.40	131.84	112.44
PBILDT	4.64	7.11	12.60
PAT	0.27	1.01	5.17
Overall gearing (times)	1.01	0.93	0.82
Interest coverage (times)	3.19	3.31	3.64

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Brickwork has continued the rating assigned to the bank facilities of TEIPL into Issuer Not Cooperating category vide press release dated January 21, 2025, on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	16.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft		-	-	-	2.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft		-	-	-	1.92	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Bank Overdraft	LT	16.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (01-Feb-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (26-Dec-22)
2	Fund-based - LT-Bank Overdraft	LT	2.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (01-Feb-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (26-Dec-22)
3	Fund-based - LT-Bank Overdraft	LT	1.92	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (01-Feb-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (26-Dec-22)

*Issuer did not cooperate; based on best available information.

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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