

Toshniwal Industries Private Limited (Revised)

April 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable / CARE A4 and Withdrawn
Long Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BB; Stable/ CARE A4' [pronounced as 'Double B; Outlook: Stable/ A Four'] assigned to the bank facilities of Toshniwal Industries Private Limited (TIPL) with immediate effect. The above action has been taken at the request of TIPL along with 'No Objection Certificate' received from the banks that has extended the facilities rated by CARE Ratings.

The rating prior to withdrawal continued to remain constrained on account of its modest scale of operations with moderate order book, leveraged capital structure, stretched liquidity and presence in a highly fragmented industry. The ratings, however, continued to favorably take into account its long track record of operations along with experienced management, reputed and well diversified customer base as well as technical tie ups with global suppliers, customized product offering and presence across diversified industries.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Rating Limited's (CARE Ratings') expectations that company shall continue to benefit from its experienced promoters and shall maintain its moderate financial risk profile in near to medium term.

Detailed description of key rating drivers:

Key weaknesses

Modest scale of operations

The scale of operations of the company remained stable and modest in FY24. During FY24, company booked TOI of Rs.55.38 crore as compared to Rs.52.01 crore in FY23. It receives regular orders from its clients.

Stiff competition due to fragmented nature of the industry with presence of many unorganized players

The company is present in the electrical equipment industry which is highly fragmented and competitive in nature with the presence of several domestic players. The high fragmentation restricts the pricing flexibility and bargaining power of players which further intensify by tender-based nature of the industry. Overall, it restricts profit margins of players.

Moderate profitability with susceptibility to raw material prices

Profitability of TIPL remained moderate in FY24 with PBILDT margin of 8.42% as compared to 9.59% in FY23. GCA nevertheless remained low at Rs.2.52 cr. in FY24 (P.Y. Rs.2.14 cr.) with limited scale of operations. Profitability of the entity remains susceptible to prices of raw material such as steel and other products required to manufacture / assemble the equipment. Company however largely factors in any envisaged increase in raw material prices while pricing the orders.

Leveraged capital structure with limited networth base

The capital structure of the company stood leveraged marked by overall gearing of 0.94x as on March 31, 2024, (1.54x as at FY23 end). Furthermore, Total outside liabilities to tangible networth (TOL/TNW) also remained high at 1.54x as on March 31, 2024 (2.13x as on March 31, 2023) due low networth base of around Rs.16.20 crore as at FY24 end. Debt coverage indicators remained modest marked by total debt to GCA of 6.03x (P.Y.10.40x), while PBILDT interest coverage remained moderate at 2.49x (P.Y.1.78x).

Key strengths

Long track record of operations with experienced and qualified management

The founders of this company initially started operations in 1948 in the name of Toshniwal Brothers in Mumbai. Subsequently, it got converted into a Private Limited constitution in 1959 and with a manufacturing unit in Ajmer. With track record of more than

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

six decades, the company has presence throughout India. Currently, the company is being managed by fourth generation. Mr. Rajeev Toshniwal, MD of the company, looks after overall affairs of the company and has more than three decades of experience in this industry. He is assisted by his son, Mr. Abhinav Toshniwal who is BE in Electrical and M.Sc. from BITS and his wife Mrs. Priti Toshniwal. Both are associated with TIPL since long. Further, TIPL has staff of more than 300 people and has dedicated team for all operations.

Reputed and well diversified customer base alongwith technical tie ups with global suppliers

The company supplies its products to diversified industrial customers across India including manufacturers engaged in steel, cement, glass, petrochemicals, power, metal etc. Major customers of the company include Bharat Heavy Electricals Limited (BHEL), Larsen & Turbo, G E Power India Ltd, National Thermal Power Corporation Private Limited (NTPC) and Ultratech Cement, amongst others. The company has also tied up with some international firms and acts as an exclusive agent and system integrator for their range of products. The company procures components from its foreign technical partners viz. Mirion, Fluke, Ohkura etc. and assembles these in Ajmer.

Customized product offering and presence across diversified industries

The company focuses on supply of high-quality temperature sensors, related product accessories and services built as per specific customer needs. Company has three broad product divisions, including instrumentation and surveillance, which together contribute around 80-85% of revenue. Customised and largely manufactured products such as sensors are included in instrumentation division, while installation of security systems is covered under surveillance division. TIPL's product portfolio consists of products both made for specific process standards and customer driven special design products. The company also specializes on redesign of current customer applications to provide higher cost- effective performance and longer life of the products. For this, the company has retained some well qualified experienced people that have worked in various sectors like glass, steel, cement, power who guides and provides solutions for temperature sensing as per customers requirement. The company has a pan-India with its marketing team of 45-50 persons.

Liquidity: Stretched

Liquidity is stretched marked by low cash accruals limiting its financial flexibility and a long operating cycle. The operating cycle of company stood elongated at 168 days in FY24 (202 days in FY23) due to high inventory days as TIPL stores enough inventories in order to fulfil the customer's requirement on time, while collection period also remained sizeable at around 108 days owing to credit offered to established client base. Furthermore, free cash and bank balance stood modest at Rs.2.60 crore as on March 31, 2024 (Rs.0.56 cr. in FY23). Company has moderate utilisation of its fund-based limits. Networth base of the company stood modest at Rs.16.20 cr. as on March 31, 2024.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment

Ajmer (Rajasthan) based TIPL was incorporated in July 1959 by (Late) Mr. G. R. Toshniwal along with his son Mr. M. G. Toshniwal. Subsequently, there is change in ownership and currently, it is looked after by fourth generation of family members. TIPL is engaged in the business of manufacturing of industrial process measurement & control instrument and the products of TIPL find application in cement, power, steel, oil and gas, glass industries. The company is also engaged in installation of security and surveillance camera. The plant of the company is ISO 9001:2008 certified.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	51.63	52.01	55.37
PBILD	4.96	4.99	4.66
PAT	1.33	1.39	1.76
Overall gearing (times)	1.73	1.54	0.94
Interest coverage (times)	1.78	1.33	2.49

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

Status of non-cooperation with previous CRA:

CRISIL reaffirmed and continued TIPL's rating under 'Issuer not cooperating category' vide its press release August 09, 2024 on account of inadequate information from the company to carry out review.

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-Term Loan		-	-	February 2026	0.00	Withdrawn
Fund-based - LT/ ST-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	0.00	Withdrawn

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-Term Loan	LT	-	-	1)CARE BB; Stable (08-Apr-25)	-	1)CARE BB; Stable (19-Mar-24)	1)CARE BB; Stable (20-Feb-23)
2	Fund-based - LT/ ST-Cash Credit	LT/ST	-	-	1)CARE BB; Stable / CARE A4 (08-Apr-25)	-	1)CARE BB; Stable / CARE A4 (19-Mar-24)	1)CARE BB; Stable / CARE A4 (20-Feb-23)

3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	1)CARE BB; Stable / CARE A4 (08-Apr-25)	-	1)CARE BB; Stable / CARE A4 (19-Mar-24)	1)CARE BB; Stable / CARE A4 (20-Feb-23)
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LT: Long term; ST: Short term; LT/ST: Long term/Short 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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	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.

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About us:

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