# Press Release

## Forbes Precision Tools and Machine Parts Limited

**February 19, 2026**

**Ratings**

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|---|---|---|---|---|---|
| Long Term Bank Facilities | 16.20 (enhanced from Rs 4.46 cr) | IVR BBB/Stable (IVR Triple B with stable Outlook) | IVR BBB/Stable (IVR Triple B with stable Outlook) | **Reaffirmed** | Simple |
| Proposed Long Term Bank Facilities | 24.34 (reduced from Rs 40.54 cr) | IVR BBB/Stable (IVR Triple B with stable Outlook) | IVR BBB/Stable (IVR Triple B with stable Outlook) | **Reaffirmed** | Simple |
| Proposed Short Term Bank Facilities | 10.00 | IVR A3+ (IVR A three Plus) | IVR A3+ (IVR A three Plus) | **Reaffirmed** | Simple |
| **Total** | **50.54 (Rupees Fifty Crore Fifty Four lakhs 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**

Infomerics Ratings has reaffirmed its rating to the Bank facilities of Forbes Precision Tools and Machine Parts Limited (FPTL). The ratings continue to draw comfort from healthy capital structure alongwith comfortable coverage indicators, established position in industry with extensive cutting tool applications spanning different sectors and experienced management. However, the ratings continue to remain constrained on account of moderate scale of business with operations and susceptibility to volatile raw material prices.

The stable outlook reflects expectation of stable performance supported by established clientele.

**Key Rating Sensitivities:**

**Upward Factors**

- Significant growth in scale of operation while sustaining profitability
- Effective working capital management with improvement in operating cycle.

**Downward Factors**

- Significant decline in operating income and/or profitability impacting the debt coverage indicators.
- Substantial debt funded capex impacting the debt protection metrics.

**List of Key Rating Drivers with Detailed Description**

**Key Rating Strengths**

**Healthy Capital Structure and comfortable coverage**

The financial risk profile of FPTL remains healthy. Total debt as on Mar 31,2025, stood at Rs 19.68 crore against Rs 5.42 crore as on March 31,2024. The increase in debt is due to the fresh term loan availed by FPTL from Zoroastrian Co-op Bank Ltd for Rs 17.00 crore towards the capex. Even after additions in term debt, the solvency ratios comprising of debt: equity, TOL:TNW and overall gearing ratio stood below 1 as on March 31,2025 on account of robust networth. Debt coverage ratios also remained comfortable comprising of interest coverage ratios improving from 44.28x in FY24 (refers to a period from April 01, 2023 to March 31,2024) to 45.25x in FY25. DSCR for FY25 though declined to 11.86x owing to debt funded capex, still remains comfortable. Further, the capital structure and coverage ratios is expected to remain stable for FY26.

**Established position in industry with extensive cutting tool applications spanning different sectors**

Forbes engineering business established in the year 1767. Over the years, the management of the company moved from the Forbes family (1767-1949) to the Campbells to the Tata Group (1949-2002) and now finally to the well-known Shapoorji Pallonji Group(2002 onwards), leaders in infrastructure, construction and real estate businesses, amongst many others. FPTL is engaged in manufacturing precision engineering tools under the brand TOTEM for threading, milling, drilling, and deburring for industrial applications with state-of-the-art manufacturing facilities in Waluj, Chhatrapati Sambhajinagar. It has the large distribution network in the country. Additionally, it undertakes marketing of its varied products under four brand names viz.

TOTEM for HSS Taps/HPT, carbide tools, rotary burrs, HSS drill, CST/Dies, BBBB for spring washers, Forbes KENDO for hand tools.

The company is concentrating on value-added segments that offer cutting tools with standard and application-based tooling solutions. Given the demand of precision tools across various sectors, including aerospace, defence, oil and gas, and infrastructure development both in India and internationally, there are substantial opportunities for accelerated growth.

**Experienced Management**

The directors of the company have vast experience, for more than three decades, in varied segments of business. Mr Mahesh Tahilyani, Managing Director, has work experience of about four decades. The top management is effectively supported by a skilled second-line management team that brings extensive operational expertise. The management's long-standing presence in the industry has enabled them to develop significant business acumen, contributing to the smooth functioning of FPTL.

**Key Rating Weaknesses**

**Moderate scale of business with stable operating margins**

The TOI achieved by FPTL is Rs 232.66 crores in FY25 as against Rs 228.49 crores in FY2024. EBIDTA has marginally declined to Rs 51.13 crores for FY25 from Rs 51.37 crore in FY24 primarily due to increase in employee costs. Accordingly, EBIDTA margins have marginally declined to 21.98% in FY25 as against 22.48% in FY24 still continues to remain healthy. The precision tools industry is highly fragmented with significant competition from numerous players competing for market share. Although FPTL has established a strong brand reputation in the industry, the company needs to consistently innovate and uphold high-quality standards in order to stay competitive in the precision tools sector.

**Susceptibility to volatile raw material prices**

FPTL imports its raw materials viz. carbide, M35 steel, from China and Germany. The prices of its raw material, i.e., solid carbide, are volatile in nature, largely driven by changes in supply, global demand shifts, and geopolitical factors resulting in a risk due to any adverse fluctuations in raw material prices which may impact the profitability of the company.

**Analytical Approach:** Standalone approach

**Applicable Criteria:**

Rating Methodology for Manufacturing Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities

**Liquidity – Adequate**

The company's gross cash accruals stood at Rs. 44.68 Crore in FY25 vis-à-vis minimal repayment obligations of Rs 2.48 crore which indicates sufficient liquidity buffer available. The company has free cash and bank balance of Rs. 7.48 crore as on March 31, 2025.

**About the Company:**

Forbes Precision Tools and Machine Parts Limited (FPTL), is a listed Company incorporated as on August 13, 2022. FPTL has been carved out of Forbes & Company Limited (FCL) through scheme of arrangement involving demerger of FCL's precision tool business from its engineering arm. The scheme was implemented on March 01, 2024 (w.e.f. April 1, 2023, Appointed date) and FCL received the National Company Law Tribunal (NCLT) order approving the scheme in February 2024. FPTL is engaged in manufacturing precision engineering round tools with manufacturing facilities in Waluj, MIDC, Chhatrapati Sambhajinagar.

**Financials (Standalone):**

(Rs. crore)

| For the year ended/ As on* | 31-03-2024 | 31-03-2025 |
|---|---|---|
| | Audited | Audited |
| Total Operating Income | 228.50 | 232.66 |
| EBITDA | 51.37 | 51.13 |
| PAT | 29.70 | 28.75 |
| Total Debt | 5.42 | 19.68 |
| Adjusted Tangible Net Worth | 137.13 | 165.84 |
| EBITDA Margin (%) | 22.48 | 21.98 |
| PAT Margin (%) | 12.94 | 12.13 |
| Overall Gearing Ratio (x) | 0.04x | 0.12 |
| Interest Coverage (x) | 44.28x | 45.25x |

** Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA: None**

**Any other information: None**

**Rating History for last three years:**

| Sr. No. | Name of Facilities | Current Ratings (Year 2025-26) | | | Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in in 2022-23 |
| | | | | | **Date** (December 04,2024) | **Date** (Month XX, 20XX) | **Date** (Month XX, 20XX) |
| | | | | | Rating | Rating | Rating |
| 1. | Term Loans | Long Term Bank Facilities | 16.20 (enhanced from Rs 4.46 crore) | IVR BBB Stable | IVR BBB Stable | - | - |
| 2. | Proposed Term loan | Long Term Bank Facilities | 4.34 (reduced from Rs 20.54 cr) | IVR BBB Stable | IVR BBB Stable | - | - |
| 3 | Proposed Working Capital | Long Term Bank Facilities | 20.00 | IVR BBB Stable | IVR BBB Stable | - | - |
| 3. | Proposed Non-Fund Based | Short Term Bank Facilities | 10.00 | IVR A3+ | IVR A3+ | - | - |

**Analytical Contacts:**


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**About Infomerics:**

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

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**Annexure 1: Instrument/Facility Details**

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|---|---|---|---|---|---|---|
| Term Loans | - | - | - | - | 16.20 | IVR BBB/Stable |
| Proposed Term Loan | - | - | - | - | 4.34 | IVR BBB/Stable |
| Proposed Working Capital | - | - | - | - | 20.00 | IVR BBB/Stable |
| Proposed Non-Fund Based | - | - | - | - | 10.00 | IVR A3+ |

**Annexure 2: Facility wise lender details:**

**https://infomericstorage.blob.core.windows.net/uploads/LEN_Forbes_Precision_Tools_and_Machine_Parts19_Feb26_946dbe62a2.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