## Rating Rationale

**Brickwork Ratings has assigned BWR BB+ (Outlook: Stable) Rating for Long Term Bank Loan Facilities and BWR A4+ Rating for Short Term Bank Loan Facilities amounting to ₹ 8.39 Cr of Hind Tools.**

Brickwork Ratings has assigned the following **Rating**[1] for Bank Credit facilities sanctioned/availed amounting to Rs.8.39 Crores by Hind Tools (or the 'Firm') :-

| Facility | Limits (₹ Cr) | Tenure | Rating |
|---|---|---|---|
| **Fund Based (FB)** | | | |
| Cash Credit | 7.00 | **Long Term** | **BWR BB+ (Pronounced BWR Double B Plus) (Outlook -Stable)** |
| Term Loans *(outstanding amount)* | 0.39 | | |
| **Total Fund Based (FB)** | **7.39** | | |
| **Non-Fund Based (NFB)** | | | |
| Letter of credit | 1.00 | **Short Term** | **BWR A4+ (Pronounced BWR A Four Plus)** |
| **Total Non-Fund Based (NFB)** | **1.00** | | |
| **Total Limits** | **8.39 (INR Eight Crores and Thirty Nine Lakhs only)** | | |

BWR has essentially relied on audited financials of Hind Tools up to FY15, projected financials for FY16, FY17, FY18, publicly available information and information/clarifications provided by the firm.
The rating reflects experienced promoter and established track record in the business with long standing relationship with diversified customer and supplier base
However, the rating is constrained by moderate scale of operations, working capital intensive nature of business, profitability susceptible to volatility in key raw material prices, moderately leveraged capital structure, intense competition from local players

**Background:**
Formed in 1988 with Mr. Jaihind J Singh and Mr. Ramdayal J Singh as partners, Hind Tools (HT) is a Nashik (Maharashtra)-based partnership firm that manufactures sheet metal parts, press tools, welded/riveted assemblies and luggage pull handles for the automobile, luggage, and engineering industries. HT is managed by Mr. Vivek Singh

**Management Profile:**
Mr. Jaihind J Singh and Mr. Ramdayal J Singh has relevant experience since 1988 and Mr. Vivek Singh has 15 years of relevant experience

**Financial Performance:**
The firm's operating income increased to Rs.40.95 crores in FY15 from Rs.32.50 crores in FY14. OPBDIT margin of the firm stood at 8.06% and net profit margin stood at 4.53% in FY15.

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

**Rating Outlook:**
The outlook is stable. Going forward, the firm's ability to increase its scale of operations while maintaining favorable capital structure with efficient working capital management and further improving its profitability would be key rating sensitivities for the firm.


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