



Press Release
LAMINA INTERNATIONAL
May 16, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.85	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	7.85	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its short-term rating of 'ACUITE A4+' (read as ACUITE A four plus) on the Rs. 7.85 crore bank facilities of Lamina International (LI).

Rationale for rating reaffirmation

The rating reaffirmation considers moderation in operating performance of the group while maintaining moderate financial risk profile and adequate liquidity position. Further, the rating draws comfort from the experience management and long operational track record of the group. However, rating is constrained by working capital intensive operations, high dependence on performance of end user industry, susceptibility of profitability to volatility in raw material prices and forex fluctuation risk.

About the Company

Established in 1992, Lamina International (LI) is a partnership firm engaged in the exporting of leaf springs and iron castings. It exports products manufactured by Lamina Foundries Limited (LFL) and Lamina Suspension Products Limited (LSPL). Around 90 percent of the products are from LSPL, and the rest are from LFL. The day-to-day operations are managed by its partners, Mr. Nitte Vinaya Hegde, Mr. Guruprasad Adyanthaya, and Mr. Tonse Ramesh Shenoy, who have extensive experience spanning more than four decades in the casting industry. It mainly exports to the USA, the UAE, and Germany. It has a registered office in Karnataka.

About the Group

Lamina Foundries Limited (LFL)

Incorporated in 1981, Karnataka-based Lamina Foundries Limited (LFL) is engaged in manufacturing iron castings such as auto brake drums, motor bodies, flywheels, valve bodies etc. and catered to the needs of domestic customers until 1990. The company entered the export market since 1990 by exporting machined Brake Drums to Germany. The company has secured business with TATA Motors Limited, Ashok Leyland, Automotive Axles Limited to name a few whereas export accounts for ~ 30 per cent in total sales. The company has an installed manufacturing capacity of 17200 Tn, and the unit is set up in Karnataka. Mr. Vishal Hegde and Mr. Gopalkrishna Shenoy are the Managing Directors of the company.

Lamina Suspension Products Limited (LSPL)

Lamina Suspension Products Limited (LSPL) incorporated in 1976 is engaged in manufacturing and sales of automobile leaf springs. Lamina Foundries Limited (LFL) was incorporated in 1981 and is engaged in manufacturing of iron castings such as motor bodies, flywheels, valve bodies etc. Lamina International (LI) was incorporated in the year 1992 is a partnership firm engaged in exporting of leaf springs and iron castings.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered the consolidated business and financial risk profile of Lamina Foundries Limited (LFL), Lamina Suspension Products Limited (LSPL) and Lamina International (LI) together referred as 'Lamina Group'(LG). The consolidation is mainly on account of operational linkages and common management.

Key Rating Drivers

Strengths

Long operational track record and extensive promoters experience

Lamina group commenced operations from 1976. The group is promoted by its directors, Mr. Nitte Vinaya Hegde, Mr. Guruprasad Adyanthaya and Mr. Tonse Ramesh Shenoy who possess experience of more than four decades in casting industry. The extensive experience has enabled the company forge healthy relationships with customers and suppliers and has helped in getting recurring orders from its customers. The same can be reflected in its customer profile which includes names like Tata Motors, Ashok Leyland, Mahindra & Mahindra etc. along with some new one's such as Navistar (USA), Simpsons, which has helped them in developing the presence in domestic as well as international markets. Acuite believes that Lamina Group will continue to benefit from its experienced management to strengthen its business risk profile over the medium term.

Moderation in revenues while maintaining profitability margins

The group's revenue moderated and stood at Rs.221.96 Cr. in FY24, as against Rs.226.59 Cr. in FY23. The group's revenue stood at ~Rs.243 Cr. in FY25. The marginal decline in the revenues in FY24 is due to price realisations and decrease in the demand of the products. Along with this the Group has also added some new customers to their customer portfolio such as Navistar (USA), Simpsons and among others. For, Lamina Foundries Limited (LFL), approx. 30 percent of revenue is achieved from Ashok Leyland and TATA motors. The Groups' EBITDA margin stood at 9.52 percent in FY2024 as against 7.98 percent in the previous year FY2023. The reason of improvement in EBITDA margins is due to better absorption of power cost and other expenses. The PAT margins stood at 2.56 percent in FY2024 as against 1.89 percent in FY2023. In FY2025 (Est.) the group estimated to achieve EBITA of 8.90 percent. Acuite believes that the operating performance of the group would improve steadily over the medium term on account of addition of new customers.

Weaknesses

Working Capital Intensive Operations

The operations of Lamina Group are working capital intensive with Gross Current Assets (GCA) at 176 days as on March 31, 2024, as against 181 days as on March 31, 2023. The inventory holding days stood at 114 days as on March 31, 2024, as against 110 days as on March 31, 2023. The average inventory holding period of the group is around 120-140 days. The inventory majorly consists of raw materials and work in progress. The debtor days stood at 47 days as on March 31, 2024, as against 52 days as on March 31, 2023. Average credit period allowed to the customers are around 90 days. The creditors days stood at 45 days as on March 31, 2024, as against 74 days as on March 31, 2023. Average creditor period received from the suppliers is around 90 days. Working capital requirement is funded through bank lines, the average utilisation of bank facilities stood moderate ~77 percent for last 6 months ended as of March 2025. Acuite believes, the operations of the group will remain working capital intensive over the medium term on account of high inventory requirements.

Moderate Financial risk profile

The group has moderate financial risk profile marked by moderate net worth, gearing and debt protection metrics. The tangible net worth of the group stood at Rs. 32.92 Cr. as on March 31, 2024 (includes quasi equity of Rs.16.91 Cr.), as against Rs. 28.46 Cr. as on March 31, 2022 (includes quasi equity of Rs. 16.91 Cr.). The group's gearing stood at 2.90 times as on March 31, 2024, as against 2.81 times in the March 31, 2023. The total debt of Rs.95.35 Cr. as on March 31, 2024, consists of long-term borrowings of Rs.16.83 Cr, short-term debt of Rs.33.52 Cr, unsecured loan of Rs.41.23 Cr. and CPLTD of Rs.3.77 Cr. Further, the interest coverage ratio (ICR) stood at 1.84 times in FY2024 as against 1.75 times in FY2023. The DSCR stood at 1.55 times in FY2024 as against 1.43 times in FY2023. Total outside Liabilities/Total Net Worth (TOL/TNW) of the group stood at 4.20 times as on 31 March, 2024 as against 4.66 times as on 31 March, 2023. Net Cash Accruals to Total Debt (NCA/TD) of the group stood at 0.10 times for FY2024 and FY2023. Acuite believes that the financial risk profile of the group is likely to remain moderate in the medium term on account of no major debt funded capex.

Susceptibility of profitability to volatility in raw material prices, forex fluctuations and high dependence on end user industry

The group is highly susceptible to volatility in raw material prices. This sector relies heavily on materials like steel, aluminium, and plastics, whose prices fluctuate due to various factors such as supply chain disruptions, geopolitical tensions, and changes in global demand. The inherent unpredictability of these price changes poses a significant risk, necessitating robust risk management strategies to mitigate potential financial impacts. Exports account for ~ 65 per cent in total group revenue in FY25, thus it is exposed to foreign exchange (forex) risk as it

does not hedge its exposure to exchange rate fluctuations risk. Acuite believes, the profit margins of the group likely to remain exposed to inherent cyclicalities in the steel industry, volatility in raw material prices and forex risk. Since the company is catering exclusively to the automobile industry for the demand of its products, the fortune of the Lamina group is highly dependent on the performance and cyclicalities in the end user industry.

Rating Sensitivities

- Continuous improvement in revenues and profitability margins
- Deterioration in working capital cycle
- Changes in Financial risk profile

Liquidity Position

Adequate

The group's liquidity position is adequate, marked by sufficient net cash accruals against its maturity debt obligations. The group generated net cash accruals of Rs.9.09 Cr. in FY24 against its maturity repayment obligations of Rs.1.60 Cr. in the same tenure. In addition, it is expected to generate sufficient cash accrual in the range of Rs.11-14 Cr. against the maturing repayment obligations of Rs.4-5 Cr. over the medium term. The average utilization of the working capital facilities stood moderate at ~77 percent for last 6 months ended as of March 2025. The group maintains unencumbered cash and bank balances of Rs.2.28 Cr. as on March 31, 2024. The current ratio of the group stands at 1.40 times as on March 31, 2024 as against 1.48 times as on March 31, 2023.

Outlook: Not Applicable.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	221.96	226.59
PAT	Rs. Cr.	5.68	4.28
PAT Margin	(%)	2.56	1.89
Total Debt/Tangible Net Worth	Times	2.90	2.81
PBDIT/Interest	Times	1.84	1.75

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 May 2024	PC/PCFC	Short Term	1.85	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
06 Jul 2023	PC/PCFC	Short Term	1.85	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
01 Jun 2023	PC/PCFC	Short Term	1.85	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
03 Mar 2022	PC/PCFC	Short Term	1.85	ACUITE A4+ (Upgraded from ACUITE A4)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Upgraded from ACUITE A4)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A4+ Reaffirmed
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.85	Simple	ACUITE A4+ Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No	Company Name
1	Lamina International (LI)
2	Lamina Foundries Limited (LFL)
3	Lamina Suspension Products Limited (LSPL)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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