

Topline Lamination Private Limited

September 22, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	5.57 (Enhanced from 3.00)	CARE BBB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B-; Stable
Long-term / Short-term bank facilities	17.08 (Enhanced from 5.00)	CARE BBB-; Stable / CARE A3	Rating removed from ISSUER NOT COOPERATING category and LT rating upgraded from CARE B-; Stable and ST rating assigned
Short-term bank facilities	0.10	CARE A3	Assigned
Short-term bank facilities	51.00 (Enhanced from 9.75)	CARE A3	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings previously assigned to bank facilities of Topline Lamination Private Limited (TLPL) were denoted as 'CARE B-; Stable; ISSUER NOT COOPERATING / CARE A4; ISSUER NOT COOPERATING', as the company did not provide the requisite information for monitoring ratings. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings Limited (CareEdge Ratings) had reviewed ratings based on the best available information. However, the company has now submitted the requisite information to monitor ratings, and CareEdge Ratings has carried out a full review of ratings, which now stand at 'CARE BBB-; Stable/ CARE A3'.

Revision in ratings assigned to bank facilities of TLPL factors volume-backed growth in its scale of operations in the last few years ended FY25 (refers to April 1 to March 31) while maintaining moderate profitability, resulting in steady cash accruals. Ratings further derive strength from the comfortable capital structure and debt coverage indicators and adequate liquidity. Ratings continue to derive strength from experienced promoters with established track record in the transformer lamination industry. However, ratings are constrained considering its moderate scale of operation, susceptibility of the profitability to the volatile raw material prices, and foreign exchange fluctuation and large working capital (WC) requirement.

The rating assigned to one of the term loan has been withdrawn based on the bank's no dues certificate shared by the company.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) above ₹300 crore and profit before interest, lease, depreciation and tax (PBILDT) margin above 10% on sustained basis.
- Overall gearing below 0.50x on sustained basis.

Negative factors

- Significant decline in the TOI or decline in the PBILDT margin below 6% on a sustained basis.
- Overall gearing above 1x on sustained basis.
- Significant increase in WC requirements and resultant weakening of liquidity position.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that the company will continue to benefit from the experienced promoters and sustain its moderate financial risk profile in near-to-medium term, supported by growing scale of operations and moderate profitability.

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

Detailed description of key rating drivers:**Key strengths****Vast experience of promoters in the transformer lamination industry**

TLPL's overall affairs are managed by its directors and brothers, Saurabh Gupta and Akash Gupta. Both promoters of JAPL have over two decades of experience in manufacturing transformer lamination. Promoter's vast presence in the industry has been instrumental in creating long-standing relationships with established customers. TLPL's promoters are also partners in Topline Overseas, which is engaged in the same line of business.

Volume-backed growth in the scale of operations with moderate profitability margin

TLPL's TOI registered a robust compound annual growth rate (CAGR) of ~48% in the last five years, reaching ₹179.02 crore in FY25. This growth was primarily driven by an increase in sales volume, supported by the company's strategic expansion into catering high-capacity transformers.

TLPL's profitability has shown a volatile trend in the last five years, with PBILDT margins ranging between 7.20% and 11.40% from FY21 to FY25. In FY25, the PBILDT margin improved by 204 bps to 10.87%, supported by a decline in raw material prices and improved absorption of fixed costs due to economies of scale. Similarly, the PAT margin rose to 6.25% in FY25 (FY24: 4.84%). In-line with the growing scale and moderate profitability, gross cash accruals (GCA) also grew from ~₹4 crore in FY22 to ~₹12 crore in FY25.

Comfortable capital structure and debt coverage indicators

TLPL's capital structure remained comfortable marked by overall gearing of 0.89x as on March 31, 2025, and 0.72x as on March 31, 2024. The moderation in overall gearing as on March 31, 2025, y-o-y, was due to increase in the WC borrowing with the increase in the inventory level to support the growing scale. Debt coverage indicators remained comfortable marked by total debt to GCA (TDGCA) and PBILDT interest coverage at 2.80x (FY24: 2.57x) and 5.35x (FY24: 6.72x), respectively, in FY25.

Key weaknesses**Moderate scale of operation with profitability susceptible to volatile raw material prices and foreign exchange rates**

Despite growing scale, TLPL operates on the moderate scale, in the overall capital goods industry. Also, its tangible net worth (TNW) remains moderate at ~₹39 crore as on March 31, 2025, limiting its financial flexibility.

TLPL's margins are primarily affected by the fluctuations in CRGO steel prices, which is the company's major raw material. TLPL operates in a highly competitive industry with large numbers of players, which limits its bargaining power against its customers. TLPL does not have back-to-back raw material procurement policy, and hence, sudden adverse movement in the raw material price may affect profitability margins. The company is exposed to fluctuations in foreign exchange (forex) rates, as a part of the raw material requirement is met through imports.

Large WC requirement

The company has WC intensive operations due to high inventory holding requirement and moderate debtor days. While this is offset by negotiation of better credit terms from suppliers, resulting in moderate operating cycle of 33 days in FY25. Gross current asset days remains high at 167 days in FY25 (180 days in FY24). Though overall GCA of the company grew over the years, partly funding the WC requirement, some part of it was also funded through working capital borrowing resulting in increase in the WC debt.

Liquidity: Adequate

TLPL's liquidity remained adequate marked by adequate GCA against debt repayment obligations. TLPL is expected to achieve GCA of ~₹15-17 crore, against scheduled term debt repayment of ₹1.89 crore in FY26. The average utilisation of its fund based, and non-fund-based WC borrowings remained moderate at ~47% and ~76%, respectively, in the last 12 months period ended July 31, 2025. TLPL reported negative cash flow from operations (CFO) ₹5.85 crore as on March 31, 2025. Current ratio remained at 1.56x and quick ratio at 1.04x on March 31, 2025.

Assumptions/Covenants: Not applicable

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

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	Industrial products	Other industrial products

Jaipur (Rajasthan)-based TLPL was incorporated in 2004 by Saurabh Gupta and his brother, Akash Gupta, for the purpose to take over the proprietorship concern, T.I. Industries (TII), which was formed by Saurabh Gupta in 2001. TLPL is engaged in manufacturing transformer core laminations made of cold rolled grain oriented (CRGO) steel, which has applications in the power and distribution transformer. It has four manufacturing plants at Jaipur, Rajasthan.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	134.74	179.02	54.62
PBILDT	11.90	19.46	NA
PAT	6.52	11.18	NA
Overall gearing (times)	0.72	0.89	NA
Interest coverage (times)	6.72	5.35	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: ICRA Rating has conducted the review and has maintained ratings as “Not Cooperating” vide their press releases dated October 28, 2024, considering their inability to carry out a review in the absence of requisite information.

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	-	-	-	09-09-2031	5.57	CARE BBB-; Stable
Fund-based - LT/ ST-Cash Credit	-	-	-	-	17.08	CARE BBB-; Stable / CARE A3
Fund-based - ST-Standby Line of Credit	-	-	-	-	1.00	CARE A3
Non-fund-based - ST-Credit Exposure Limit	-	-	-	-	0.10	CARE A3
Non-fund-based - ST-Letter of credit	-	-	-	-	50.00	CARE A3

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/ ST-Cash Credit	LT/ST	17.08	CARE BBB-; Stable / CARE A3	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (25-Sep-24)	1)CARE B; Stable; ISSUER NOT COOPERATING * (18-Aug-23)	1)CARE B; Stable; ISSUER NOT COOPERATING * (04-Aug-22)
2	Non-fund-based - ST-Letter of credit	ST	50.00	CARE A3	-	1)CARE A4; ISSUER NOT COOPERATING * (25-Sep-24)	1)CARE A4; ISSUER NOT COOPERATING * (18-Aug-23)	1)CARE A4; ISSUER NOT COOPERATING * (04-Aug-22)
3	Fund-based - ST-Standby Line of Credit	ST	1.00	CARE A3	-	1)CARE A4; ISSUER NOT COOPERATING * (25-Sep-24)	1)CARE A4; ISSUER NOT COOPERATING * (18-Aug-23)	1)CARE A4; ISSUER NOT COOPERATING * (04-Aug-22)
4	Fund-based - LT-Term Loan	LT	5.57	CARE BBB-; Stable	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (25-Sep-24)	1)CARE B; Stable; ISSUER NOT COOPERATING * (18-Aug-23)	1)CARE B; Stable; ISSUER NOT COOPERATING * (04-Aug-22)
5	Non-fund-based - ST-Credit Exposure Limit	ST	0.10	CARE A3				

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

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	Fund-based - ST-Standby Line of Credit	Simple
4	Non-fund-based - ST-Credit Exposure Limit	Simple
5	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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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