Tinna Rubber & Infrastructure Limited

May 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	133.61 (Enhanced from 91.28)	CARE BBB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	21.62 (Enhanced from 10.80)	CARE BBB-; Stable / CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Tinna Rubber & Infrastructure Limited (TRIL) continue to derive comfort from improved operational performance marked by growing scale of operations with healthy gross cash accruals and improvement in profitability margins in the ensuing fiscal FY24 (refers to the period from April 01 to March 31). The ratings also favourably factor in experienced management coupled with long track record of operations, association with reputed and diversified customer base and its PAN India presence of manufacturing facilities with diversified product portfolio and moderate operating cycle of the company. The ratings, however, continue to remain constrained by the company's moderate financial risk profile characterised by leveraged capital structure and modest debt coverage indicators, foreign exchange fluctuation risk along with government regulatory policies, susceptibility of its margins to raw material price volatility and its fortunes linked with industries such as infrastructure and tyre industry which are cyclical in nature. The ratings also take into cognizance of the release of corporate guarantee to the tune of Rs.60.65 crore extended on behalf of its other associate entity namely; Fratelli Vineyards Limited [Formerly known as Tinna Trade Limited] (FVL).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent improvement in scale of operations as marked by total operating income of above Rs.400.00 crore on sustained basis.
- Improvement in the capital structure as marked by adjusted overall gearing ratio of below 1.25x.

Negative factors

- Decline in scale of operations by more than 20% from envisaged level and decline in profitability margins as marked by PBILDT and PAT margin below 12.00% and 4.00% respectively on sustained basis.
- Elongation in the operating cycle of the group beyond 100 days.
- Any further large increment in the form of corporate guarantee exposure to its associate concerns leading to deterioration in adjusted overall gearing ratio of above 2.25x.
- Any significant debt funded capex in the foreign subsidiaries and Joint Ventures (JVs) impacting the cash flows/liquidity of the company.

Analytical approach: Consolidated

CARE Ratings Limited has taken a consolidated approach for analysing Tinna Rubber & Infrastructure Limited (TRIL) which has two subsidiaries namely; M/s Tinna Rubber B.V., Netherlands (TBV) and M/s Global Recycle LLC, Oman (GRL). The consolidated approach is based on consolidated financials of TRIL along with its subsidiaries having common promoters and strong operational and business linkages. The list of subsidiaries consolidated is mentioned under Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects that the group will continue to benefit from the extensive experience of the promoters and management in the industry along with its established relationship with the reputed customers and expanding global footprints through various partnerships and Joint Ventures (JVs).

Detailed description of the key rating drivers:

Key strengths

Experienced promoters coupled with long track record of operations: TRIL is currently being managed by Mr. Bhupinder Kumar Sekhri, Mr. Gaurav Sekhri and Mr. Subodh Kumar Sharma. Mr. Bhupinder Kumar Sekhri (Chairman &

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

Managing Director) is a graduate with an experience of more than five decades in the rubber industry. He is ably supported by Mr. Gaurav Sekhri (Joint Managing Director), who is also a graduate from Richmond College, London (UK) and has an experience of more than two decades in the commodity trading business and other verticals, including cargo handling operations & warehousing business. The group has established a significant track record in this business, leading to long-term relationships with both suppliers and customers.

Association with reputed and diversified customer base: The group is engaged in the end of life tyres (ELT)/ waste tyres recycling business for over two decades, successfully building strong relationships with its customers. As a result of these established relationships, the group has consistently secured repeat orders from its existing customers. The group has established business alliance with reputed companies like MRF Limited (rated 'CARE AAA; Stable/ CARE A1+'), Apollo Tyres Limited, CEAT Limited (rated 'CARE AA; Positive/ CARE A1+'), JK Tyre & Industries Limited (rated 'CARE AA-; Stable / CARE A1+'), Indian Oil Corporation Limited, Hindustan Colas Limited, Alliance Tyre Group (Yokohama), Ralson Tyres, Hyundai Construction Equipment (India) Private Limited, Mahindra CIE Automotive Limited, Rico Auto Industries Limited, Zenith Industrial Rubber Products Private Limited, IJM (India) Infrastructure Limited, etc. Further, the sales to top eight customers accounted for ~27%, with no individual customer contributing more than 10% of total sales in FY24. Aided by its diversified customer base, the reliance on any single customer is diffused to a large extent.

PAN India presence of manufacturing facilities with diversified product portfolio: The group has established its PAN India presence by strategically setting up its own six manufacturing facilities across different geographic locations in India as well as outside India. It has five locations in India; at Panipat (Haryana) in North, at Gummindipoondi (Tamil Nadu) in South, at Haldia (West Bengal) in east and at Wada and Varle (Maharashtra) in Western India along with one overseas plant in Sultanate of Oman. Thus, group derives the comfort in terms of better market penetration and easy accessibility to a large customer base as well as ready availability of raw materials at effective prices coupled with benefits derived from lower logistic expenditures (both on transportation and storage) which in turn, helps in improving the profitability margins of the group over the medium term.

The group has diversified product portfolio which includes crumb rubber modifier (CRM), micronized rubber powder, reclaimed rubber/ ultrafine crumb rubber compound, crumb rubber modified bitumen (CRMB), Hi carbon steel abrasives, polymer composites, Thermo Plastic Elastomer (TPE), etc. primarily used in infrastructure and automotive industry. Further, from Q3 of FY25, the group made addition of new products/process in its product profile which includes steel scrap cleaning/tyre scrap processing, variants of micronized rubber powder (MRP) and Thermo Plastic Elastomer (TPE) such as Polymer Composites (Engineering Plastics, Commodity Grade Plastics) and Masterbatch.

Improved operational performance: The scale of operations of the group has been on a growing trend registering a compounded annual growth rate (CAGR) of 23.63% over the past 3 fiscals ending FY24. The group's total operating income (TOI) stood at Rs.363.09 crore in FY24 primarily on account of growth in volume sales due to healthy demand for the products with government impetus on spending infrastructure projects along with addition in customer base. The group has a healthy gross cash accruals (GCA) which stood at Rs.46.82 crore in FY24. In 9MFY25 (refers to the period from April 1, 2024 to December 31, 2024; based on unaudited results), the group's TOI has further improved at a growth rate of ~4% over previous fiscal and stood at Rs.376.45 crore. The group's product demand is anticipated to grow positively, driven by several factors. These include increased government spending on infrastructure, particularly road and highway construction, and a rise in customer orders from the tyre industry. Additionally, the introduction of new products to the group's existing portfolio and the high utilization of its current and new capacities will contribute to this growth. As a result, the group's operations are expected to scale up in the near term.

The profitability margins of the company largely depend upon the type of products sold to different sectors wherein the group derives benefits from its PAN India presence through its manufacturing facilities making it one of the largest manufacturers of crumb rubber powder. The profitability margins of the group have improved as marked by PBILDT and PAT margin which stood at 17.46% and 11.10% respectively, in FY24. The improvement is on account of economies of scale achieved due to volume growth in scale of operations. Further, the group has also derived benefits due to sale of Extended Producer Responsibility (EPR) credits which stood at Rs.6.60 crore in FY24. During 9MFY25, the profitability margins of the group moderated as marked by PBILDT and PAT margin stood at 16.43% and 9.74% respectively.

Moderate operating cycle: The operations of the group stood moderate as marked by operating cycle of 50 days for FY24 on account of efficient management of its inventory holding coupled with timely realization from its customers. Owing to large product portfolio, the group is required to maintain adequate inventory at each processing stage for smooth running of its production processes and to ensure prompt delivery to its customers resulting in an average inventory holding period of around 52 days for FY24. The group has to offer liberal credit period of around 1-2 months to its customers as majority of them are large sized players which possess high bargaining power as compared to other clients of group resulting in an average collection period of 31 days for FY24. The group receives payable period of around 1-2 month from its suppliers resulting in an average creditor's period of 33 days for FY24.

Key weaknesses

Moderate financial risk profile: The financial risk profile of the group though improving, stood moderate as marked by leveraged capital structure and modest debt coverage indicators. The adjusted overall gearing ratio stood at 1.52x as on March 31, 2024 showing improvement from 2.18x as on March 31, 2023 primarily on account of release of corporate guarantee extended to one of its associate entity coupled with accretion of profits to net reserves. As on December 31, 2024, it stood at 1.47x. In January, 2025, the corporate guarantee given on behalf of its other associate entity namely; "Fratelli Vineyards Limited [Formerly known as Tinna Trade Limited] (FVL)" to the tune of Rs.60.65 crore has been released. Consequent to the release of aforesaid corporate guarantee, there is no corporate guarantee outstanding on the TRIL as on date.
Further, the debt coverage indicators of the group continue to remain modest as marked by interest coverage ratio and adjusted total debt to GCA of 8.36x and 3.13x respectively, for FY24. During 9MFY25, it has moderated, and the interest coverage ratio stood and adjusted total debt to GCA stood at 7.34x and 3.33x respectively.

Foreign exchange fluctuation risk along with government regulatory policies: The business operations of the group involve both imports and exports resulting in sales realization and cash outflow in foreign currency. The group exports its product in overseas market such as Thailand, Turkey, South Africa, Brazil, Australia, Sri Lanka, etc. and export contribution to total sales stood around 7% for FY24 (PY: 6%). The group's import of raw material stood around 53% of total purchases for FY24, thereby, exposing group to the fluctuation in exchange rates. Being an importer and exporter, the foreign currency risk is partially mitigated through a natural hedge, however, in the absence of any hedging policies adopted by the group, the group's operating margins and cash accruals remains vulnerable to the adverse fluctuation in exchange rates. Further, the group has recorded gain of Rs.0.07 crore in FY24 due to favourable foreign currency fluctuations. Moreover, there are restrictions and regulatory approvals required for the import of major raw material i.e., waste tyres/ end of life tyres (ELT). Further, the recent red sea crisis led to logistical challenges for the companies with significant increase in the freight costs which has adversely impacted the operating margins of the group. However, the same will be offset by the monetization of the Extended Producer Responsibility (EPR) credits during the year.

Raw material price volatility risk: The raw materials used in the manufacturing of products constitutes more than 55% of the total cost of production for FY24 hence, any sharp volatility in raw material prices may negatively impact the group's profitability. The products are manufactured from recycling of end of life tyres (ELT), mainly radial (TBR) tyres which are discarded after use in Medium and Heavy Commercial Vehicles (MHCV). These tyres have higher recyclable contents with better quality of rubber. This exposes the group to volatility in the prices of natural / synthetic rubber (NR / SR), as any decline in the price of NR/SR would translate into pressure on the prices of products manufactured by the group. Though, the group tries to pass on the price volatility to the end users; since, the price revision is undertaken on quarterly basis based on the input prices. However, there is a time lag of a quarter to pass on the incremental raw material price change, which exposes the group to sudden adverse fluctuations in raw material prices leading to pressure on the profitability of the group. Thus, the profitability of the group will largely depend on the ability of the group to absorb the increase in raw material prices.

Fortunes linked majorly to industries which are cyclical in nature: The fortunes of the group are closely linked with demand emanating from road construction and tyre manufacturing segment, which in turn is highly dependent upon the growth in the infrastructure and automotive industry. These segments have contributed more than 50% of its revenue in FY24 and 9MFY25 alone from these industries. The prospects of these industries are strongly corelated to economic cycles and in-turn exposed to cyclical demand patterns inherent to the industry. In times of downturn, these products may witness decline in demand, which may put pressure on the growth of the group. However, this risk is mitigated to some extent since, the group is catering to other industries as well and thus, diversifying the risk to other sectors as well.

Liquidity: Adequate

The liquidity position of the group remained adequate characterized by sufficient cushion in accruals vis-à-vis repayment obligations. The group has reported net cash accruals (NCA) to the extent of Rs.37.40 crore during FY24, Rs.43.53 crore during 9MFY25 and is expected to generate envisage NCA of ~Rs.45.00 crore for FY25 against repayment obligations of ~Rs.9.24 crore in same year. Further, the average utilization of its working capital limits stood around 75% for the past 12 month's period ending March, 2025. The company has free cash and bank balances which stood at Rs.6.99 crore as on December 31, 2025. The company had undertaken capex of ~Rs.43.00 crore at its existing Varle and Wada plant (Maharashtra) for the enhancement of its existing installed capacity, installation of the solar plant to save power cost and addition of new product line. It was funded through term loan of Rs.27.34 crore and rest through internal accruals. The facilities related to Varle Plant and Wada Plant has been operational from Q4 of FY25 and TPE plant will be commissioned from Q1FY26.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Rubber

Delhi based, Tinna Rubber & Infrastructure Limited (TRIL) (erstwhile known as Tinna Overseas Limited) was incorporated as a public limited company (Listed) in March, 1987. The company is engaged in the processing and recycling of the end of life tyres (ELT)/ waste tyres to produce crumb rubber powder for the manufacturing of crumb rubber modifier (CRM), micronized rubber powder, Hi tensile ultrafine reclaim rubber, reclaimed rubber/ ultrafine crumb rubber compound, crumb rubber modified bitumen (CRMB), polymer modified bitumen (PMB), bitumen emulsion, cut wire shots, Hi carbon steel abrasives, Hi carbon steel scrap, polymer composites, Thermo Plastic Elastomer (TPE), etc. The company has its own six manufacturing facilities located at Panipat (Haryana), Gummindipoondi (Tamil Nadu), Haldia (West Bengal), Wada (Maharashtra) and Varle (Maharashtra) and one in overseas country Sultanate of Oman. The company has an installed capacity to process 1,00,000 MTs per annum of end of life tyres (ELT)/ waste tyres as on March 31, 2024.
The company is having two associate entities namely; "Fratelli Vineyards Limited [Formerly known as Tinna Trade Limited]" (incorporated in 2009) engaged in the trading of agro and non-agro commodities like grains, pulses, proteins, oil seeds, edible oil and steel abrasives and "M/s TP Buildtech Private Limited (incorporated in 2012) engaged in the manufacturing of construction chemicals (admixtures) and two wholly owned subsidiaries namely; "M/s Tinna Rubber B.V., Netherlands" (established in September, 2021; project phase entity operations yet to start). It is set up with an aim to engaged in the business of waste recycling, end of life tyre recycling and trading of waste materials and "M/s Global Recycle LLC, Oman" (acquired in March, 2023 and production started in July, 2023). It was acquired with an aim to expand its end of life tyres (ELT)/ waste tyres recycling business in overseas country. In FY25, the company has also established third wholly owned subsidiary namely, "Tinna Rubber Arabia Limited, Saudi Arabia" (established in August, 2024; project phase entity) to set up a waste tyre recycling plant in Saudi Arabia at an installed capacity of 24,000 MTs per annum of tyre recycling which is expected to start its production by first half of 2026. In September, 2024, it has signed a Joint Venture Agreement with Lionshare Holdings (Pty) Ltd ("JV Partner") and Mbodla Investments (Pty) Ltd ("JVC"), Johannesburg, South Africa, to commence a recycling plant in South Africa and development and management of a tyre recycling venture in South Africa which got completed in February, 2025.

Brief Financials (₹ crore)	March 31, 2023 (A)*	March 31, 2024 (A)**	9MFY25 (UA)**#
Total operating income	296.20	363.09	376.45
PBILDT	37.97	63.40	61.84
PAT	21.26	40.29	36.68
Overall gearing (times)	0.62	0.68	0.81
Interest coverage (times)	4.71	8.36	7.34

A: Audited; UA: Unaudited; Note: these are latest available financial results.
*Standalone numbers.
**Consolidated numbers; since, subsidiary has started its production from July, 2023.
#refers to the period from April 1, 2024 to December 31, 2024.

Status of non-cooperation with previous CRA: Not Applicable

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		-	-	November, 2033	65.80	CARE BBB-; Stable
Fund-based - LT-Working Capital Limits		-	-	-	64.00	CARE BBB-; Stable
Fund-based - LT-Working capital Term Loan		-	-	November, 2027	3.81	CARE BBB-; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	1.62	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-BG/LC		-	-	-	20.00	CARE BBB-; Stable / 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-Term Loan	LT	65.80	CARE BBB-; Stable	-	1)CARE BBB-; Stable (04-Oct-24)	1)CARE BB+; Stable (03-Jan-24) 2)CARE BB+; Stable (16-Aug-23)	1)CARE BB; Stable (19-Oct-22)
2	Fund-based - LT-Working capital Term Loan	LT	3.81	CARE BBB-; Stable	-	1)CARE BBB-; Stable (04-Oct-24)	1)CARE BB+; Stable (03-Jan-24) 2)CARE	1)CARE BB; Stable (19-Oct-22)

							BB+; Stable (16-Aug-23)	
3	Fund-based - LT-Working Capital Limits	LT	64.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (04-Oct-24)	1)CARE BB+; Stable (03-Jan-24) 2)CARE BB+; Stable (16-Aug-23)	1)CARE BB; Stable (19-Oct-22)
4	Non-fund-based - LT/ ST-BG/LC	LT/ST	20.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (04-Oct-24)	1)CARE BB+; Stable / CARE A4+ (03-Jan-24) 2)CARE BB+; Stable / CARE A4+ (16-Aug-23)	1)CARE BB; Stable / CARE A4 (19-Oct-22)
5	Fund-based/Non-fund-based-LT/ST	LT/ST	1.62	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (04-Oct-24)	1)CARE BB+; Stable / CARE A4+ (03-Jan-24) 2)CARE BB+; Stable / CARE A4+ (16-Aug-23)	1)CARE BB; Stable / CARE A4 (19-Oct-22)

LT: Long 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-Working Capital Limits	Simple
3	Fund-based - LT-Working capital Term Loan	Simple
4	Fund-based/Non-fund-based-LT/ST	Simple
5	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Tinna Rubber B.V.	Full	Wholly owned subsidiary
2	Global Recycle LLC	Full	Subsidiary

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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