Tinna Rubber & Infrastructure Limited

October 13, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	137.86 (Enhanced from 129.80)	CARE BBB-; Stable	Reaffirmed
Long-term / Short-term bank facilities	17.37 (Reduced from 21.62)	CARE BBB-; Stable / CARE A3	Reaffirmed
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Tinna Rubber & Infrastructure Limited (TRIL) continue to derive strength from its experienced management with long track record of operations, association with a reputed and diversified customer base, pan-India manufacturing facilities, diversified product portfolio and a moderate operating cycle. Ratings also take comfort from growing scale of operations with moderate profitability margins in fiscal FY25 (refers to April 01 to March 31), which is expected to continue in the medium term.

However, ratings continue to remain constrained by the company's moderate financial risk profile characterised by leveraged capital structure, modest debt coverage indicators, foreign exchange fluctuation risk, government regulatory policies, margins susceptible to raw material price volatility and its fortunes linked with industries such as infrastructure and tyre industry, which are cyclical in nature. Ratings also take cognisance of TRIL's sizeable capex of ~₹100 crore in FY26, to be funded through a mix of internal accruals, term loans and funds raised through qualified institutional placement (QIP). Financial closure of capex plans and timely execution and stabilisation within the project cost, shall remain a key monitorable.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to working capital term loan facility of TRIL with immediate effect, as the company has repaid the aforementioned loan in full and there is no amount outstanding under the said loan as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent improvement in scale of operations while maintaining its profitability margins on a sustained basis.
- Improvement in the total outside liabilities to total net worth (TOL/TNW) below 1.00x on a sustained basis.

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.
- Major investments/ loans and advances to related affiliates/subsidiaries leading to deterioration in adjusted overall gearing ratio of above 1.25x.
- Any significant debt funded capex in the foreign subsidiaries and joint ventures (JVs) impacting the cash flows/ liquidity of the company.

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated approach for analysing TRIL, which has one subsidiary, M/s Global Recycle LLC, Oman (GRL) and one associate, T P Buildtech Private Limited. TRIL also has two newly incorporated entities; a wholly owned subsidiary, Tinna Rubber Arabia Limited, Saudi Arabia and a JV, Mbodla Investments (Pty) Limited, South Africa. The consolidated approach is based on TRIL's consolidated financials (group), considering the common promoter group and strong operational and business linkages across these entities. The list of entities consolidated is mentioned under Annexure-6.

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

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectations that the group will continue to benefit from the extensive experience of its promoters and management, its established relationships with reputed customers, and growing products demand.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and long track record of operations: TRIL is currently being managed by Bhupinder Kumar Sekhri, Gaurav Sekhri and Subodh Kumar Sharma. Bhupinder Kumar Sekhri (Chairman & Managing Director) is a graduate with an experience of over five decades in the rubber industry. He is ably supported by Gaurav Sekhri (Joint Managing Director), who is a graduate from Richmond College, London (UK) and has experience of over two decades in the commodity trading business and other verticals, including cargo handling operations and warehousing businesses. The group has established a significant track record in this business, leading to long-term relationships with suppliers and customers.

Association with reputed and diversified customer base: The group has been engaged in 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 such as 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, and IJM (India) Infrastructure Limited, among others. Sales to top ten customers accounted for ~36%, with no single customer contributing over 10% of total sales in FY25. This diversified customer base mitigates dependence on few clients to a large extent.

Pan-India manufacturing facilities with a diversified product portfolio: The group established its pan-India presence by strategically setting up its own six manufacturing facilities across different geographic locations in India and outside India. It has five locations in India; Panipat (Haryana) in the north, Gummindipoondi (Tamil Nadu) in the south, Haldia (West Bengal) in the east, Wada and Varle (Maharashtra) in western India, and one overseas plant in the Sultanate of Oman. This geographic spread enables deeper market penetration, proximity to a large customer base, availability of raw materials at effective prices and reduced logistics costs, which helps generating adequate profitability margins for the group.

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, and Thermo Plastic Elastomer (TPE), among others, primarily used in infrastructure and automotive industries. From Q3FY25, the group added new products/ processes in its portfolio, which includes steel scrap cleaning/ tyre scrap processing, variants of micronized rubber powder (MRP) and TPE such as Polymer Composites (Engineering Plastics, Commodity Grade Plastics) and Masterbatch. It helps the group in mitigating overall risk by not relying on a single/ few products.

Growing scale of operations with moderate profitability margins: TOI grew at a compounded annual growth rate (CAGR) of ~31% for three fiscals ending FY25. The group reported TOI of ₹506.18 crore in FY25 (FY refers to April 01 to March 31) against ₹363.09 crore in FY24. Growth has been primarily driven by higher sales volumes due to healthy demand of the products with government impetus on spending infrastructure projects and addition in customer base from industrial segment due to sustainable nature of product. Further, the company has achieved TOI of ₹130.27 crore in Q1FY26 (refers to April 01, 2025, to June 30, 2025; based on unaudited results). Introduction of new products to the group's existing portfolio and higher utilisation of existing and newly added capacities are expected to further accelerate growth.

Despite growing scale of operations, the group's profitability margins declined in FY25, however, it continues to remain moderate as marked by PBILDT and PAT margin of 15.36% and 9.55% respectively, in FY25 against 17.46% and 11.10% respectively, in FY24. This was due to elevated raw material prices driven by increased ocean freight rates, which could not be fully passed on to customers and the underutilisation of its existing plant capacities. The group also derived benefits due to sale of extended producer responsibility (EPR) credits which stood at ₹29.56 crore in FY25.

Moderate operating cycle: Operating cycle of the group improved though it remained moderate at 41 days in FY25 due to timely realisation of payment from its customers. However, owing to a 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 ~48 days for FY25. The group has to offer liberal credit period of ~1-2 months to its customers as majority are large players, which possess high bargaining power, resulting in an average collection period of 27 days for FY25 (PY: 31 days). The group receives payable period of ~1-2 months from its suppliers, resulting in an average creditor's period of 34 days for FY25.

Key weaknesses

Exposed to project execution and stabilisation risks from sizable planned capex: In FY26, the company is undertaking capex plans with overall project cost of ~₹100.00 crore. It includes new pyrolysis plant of ₹40.00 crore at its existing plant's location, ~₹12.00 crore for solar installation, construction of a new office in Delhi, new warehousing/ godown facility at Sapane (Maharashtra) and other routine capex. Capex is proposed to be funded through funds received from QIPs (₹35.00 crore), term loan of ~₹20.34 crore and rest through internal accruals. The debt is yet to be tied-up. The projects are expected to get commissioned by Q4FY26. As on August 31, 2025, the company has already incurred ~₹49.00 crore (~49% of the estimated total capex cost) towards construction of building and advances paid for plant & machineries. This has been funded through funds received from QIP of ~₹25.00 crore and rest through internal accruals. Its ability to commission ongoing projects within the budgeted cost and time remains monitorable.

Moderate financial risk profile: The group's financial risk profile stood moderate as marked by overall gearing ratio of 0.76x as on March 31, 2025, owing to regular capex being undertaken with higher utilisation of working capital borrowing to fund the growing scale of operations. Due to partly debt-funded capex in FY26 and anticipated higher working capital requirements to support scale, the capital structure is expected to remain moderate in FY26 and FY27. The group's debt coverage indicators continue to remain modest as marked by total debt to gross cash accruals (TD/GCA) of 2.25x in FY25.

Profitability remains exposed to volatility in raw material price: The raw materials used in manufacturing products constitute over 55% of the total cost of production in FY25. Hence, sharp raw material price volatility may negatively impact the group's profitability. Products are manufactured from recycling 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 prices of natural / synthetic rubber (NR / SR), as decline in NR/SR price would translate to pressure on prices of products manufactured by the group. Though, the group tries to pass on price volatility to end-users; since price revision is undertaken quarterly, based on 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 its profitability.

Exposed to foreign exchange rate fluctuation and regulatory risks: The group's business operations involve imports and exports, resulting in sales realisation and cash outflow in foreign currency. The group exports its product in overseas market such as Thailand, Brazil, Nepal, Argentina, and Sri Lanka, among others and export contribution to total sales stood ~6% for FY25 (PY: 7%). The group's import of raw material stood ~55% of total purchases for FY25, exposing the group to the fluctuation in exchange rates. Being an importer and exporter, foreign currency risk is partially mitigated through a natural hedge, however, in the absence of hedging policies adopted by the group, its operating margins and cash accruals remain vulnerable to adverse fluctuation in exchange rates. However, the group recorded a gain of ₹0.84 crore in FY25 due to favourable foreign currency fluctuations. Moreover, there are restrictions and regulatory approvals required for the import of major raw material, waste tyres/ ELT. The recent Red Sea crisis led to logistical challenges for companies with significant increase in freight costs, which adversely impacted the group's operating margins in FY25. However, this was offset by the monetisation of EPR credits in the same year.

Fortunes linked majorly to industries that are cyclical in nature: The group's fortunes are closely linked with demand emanating from road construction and tyre manufacturing segment, which highly depend on growth in infrastructure and automotive industries. These segments have contributed over 50% of group's revenue in FY25 and Q1FY26. Prospects of these industries are highly 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 group's growth. However, this risk is mitigated to some extent since the group is also catering to other industries, diversifying the risk to other sectors as well.

Liquidity: Adequate

The group's liquidity position is adequate characterised by sufficient cushion in accruals against repayment obligations. The company has reported GCA of ₹59.85 crore in FY25, ₹14.80 crore in Q1FY26 and is expected to generate GCA of ~₹68.00 crore in FY26 against repayment obligations of ₹12.45 crore in same year. Further, average utilisation of its working capital limits stood ~70-75% for 12 months ending August 2025. However, the company is undertaking overall capex of ~₹100.00 crore in FY26, which is proposed to be funded through term loan of ₹20.34 crore, funds received from QIP of ~₹35.00 crore and remaining ~₹45.00 crore through internal accruals. This would leave a limited buffer in free cash accruals, and cost overruns or additional capex beyond planned levels, would exert pressure on liquidity position and thus remains a key monitorable.

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
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

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

A Delhi-based listed public company incorporated in March 1987 (formerly Tinna Overseas Limited), TRIL is engaged in recycling ELT and waste tyres to produce a wide range of value-added products including crumb rubber modifiers, micronized rubber powder, reclaimed rubber compounds, modified bitumen, steel abrasives, and polymer composites. The company has an installed capacity to process 1,85,000 MTs per annum of ELT/ waste tyres as on March 31, 2025.

The group includes two associate entities, Fratelli Vineyards Limited (formerly Tinna Trade Limited), engaged in commodity trading, and TP Buildtech Private Limited, engaged in construction chemicals. It also operates one overseas subsidiary, Global Recycle LLC, Oman, acquired in March 2023, with a processing capacity of 18,000 MT per annum. In FY25, TRIL established a wholly owned subsidiary in Saudi Arabia, Tinna Rubber Arabia Limited to set up a 24,000 MT per annum tyre recycling plant expected to commence operations by Q4FY27. The group entered a joint venture in South Africa with Lionshare Holdings and Mbodla Investments to develop a recycling facility, which began its first phase of operations in Q1FY26.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)*
Total operating income	363.09	506.18	130.27
PBILDT	63.40	77.73	21.14
PAT	40.29	48.36	11.74
Overall gearing (times)	0.68	0.76	NA
Interest coverage (times)	8.36	6.77	6.95

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results
*refers to period from April 01, 2025 to June 30, 2025.

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

CareEdge RATINGS

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	-	-	-	December, 2034	63.86	CARE BBB-; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	74.00	CARE BBB-; Stable
Fund-based - LT-Working capital Term Loan	-	-	-	November, 2027	0.00	Withdrawn
Fund-based/Non-fund-based-LT/ST	-	-	-	-	5.37	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-BG/LC		-	-	-	12.00	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	63.86	CARE BBB-; Stable	1)CARE BBB-; Stable (02-May-25)	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	-	-	1)CARE BBB-; Stable (02-May-25)	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)
3	Fund-based - LT-Working Capital Limits	LT	74.00	CARE BBB-; Stable	1)CARE BBB-; Stable (02-May-25)	1)CARE BBB-; Stable (04-Oct-24)	1)CARE BB+; Stable (03-Jan-24)	1)CARE BB; Stable (19-Oct-22)

							2)CARE BB+; Stable (16-Aug-23)	
4	Non-fund-based - LT/ ST-BG/LC	LT/ST	12.00	CARE BBB-; Stable / CARE A3	1)CARE BBB-; Stable / CARE A3 (02-May-25)	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	5.37	CARE BBB-; Stable / CARE A3	1)CARE BBB-; Stable / CARE A3 (02-May-25)	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 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	Global Recycle LLC	Full	Subsidiary
2	Tinna Rubber Arabia Limited	Full	Wholly owned subsidiary
3	Mbodla Investments (Pty) Ltd	Moderate	Joint venture
4	T P Buildtech Private Limited	Moderate	Associate

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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3444 E-mail: ankur.sachdeva@careedge.in	Puneet Kansal Director **CARE Ratings Limited** Phone: +91- 120-445 2018 E-mail: puneet.kansal@careedge.in Sandeep Aggarwal Associate Director **CARE Ratings Limited** Phone: +91- 120-445 2062 E-mail: sandeep.aggarwal@careedge.in Aashu Singh Lead Analyst **CARE Ratings Limited** E-mail: aashu.singh@careedge.in

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