

TINNA RUBBER AND INFRASTRUCTURE LIMITED



32ND
ANNUAL REPORT
2018-19

Shri Nitin Gadkari

(Hon'ble Minister of Road Transport and Highways)

"Efforts should be made to convert waste into wealth". Waste in India is a huge problem but this can be solved through a holistic policy taking into confidence various related ministries like Highways, Urban Development and Agriculture.

"The department of Roads has made the use of 10 per cent plastic or rubber in bitumen roads mandatory."



Ms. Nirmala Sitharaman

(Hon'ble Finance Minister)

"Building physical and social infrastructure and pollution free India with green mother earth and blue skies."

"Committed to the agenda of sustainable development, 30,000 kms of PMGSY roads have been built using Green Technology, Waste Plastic and Cold Mix Technology, thereby reducing carbon footprint. With the changing economic scenario, it is important to upgrade roads connecting villages to rural markets."



GLIMPSE OF TYRE TECHNOLOGY EXPO

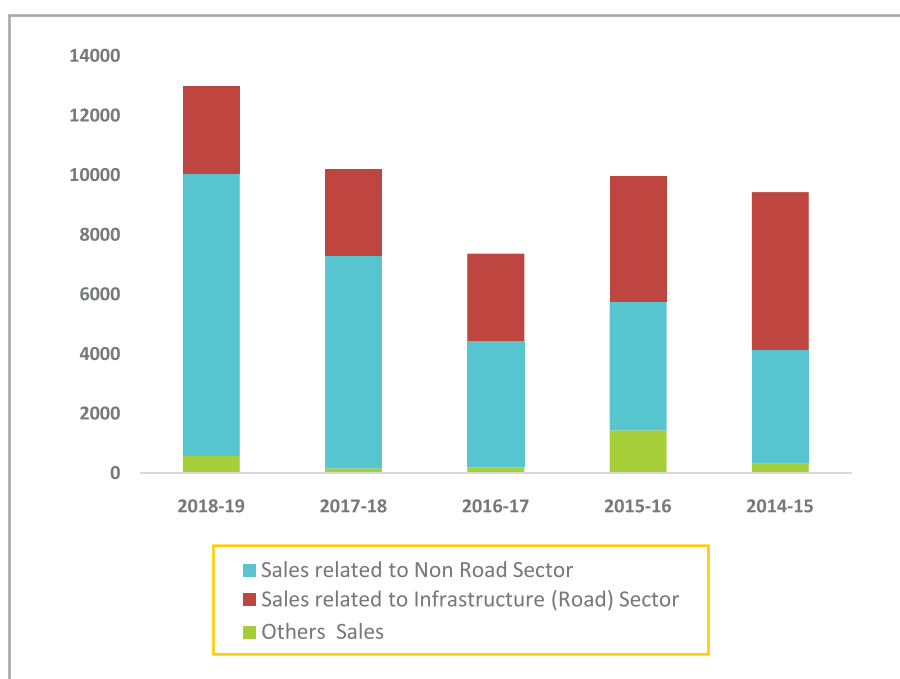
IRE RUBBER EXPO
HANNOVER GERMANY



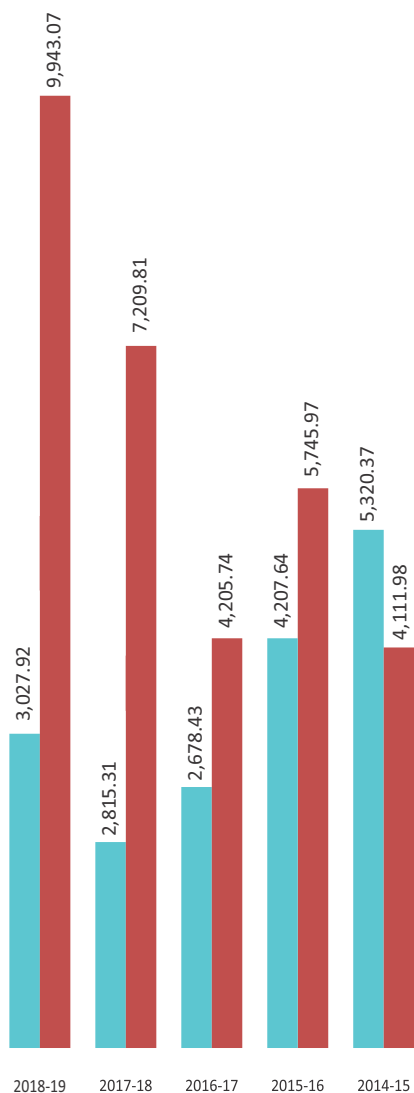
PRODUCT WISE SALES AT A GLANCE

(₹ in lakhs)

Sales related to Infrastructure (Road) Sector	2018-19	2017-18	2016-17	2015-16	2014-15
Crumb Rubber Modifier	1,583.19	2099.86	1,864.43	3,173.48	3,364.23
Modified Bitumen	0.32	-	405.32	251.29	828.45
Emulsion	1,070.40	382.94	423.52	607.09	907.87
Job work Charges / Service Income	268.66	424.52	251.57	174.23	219.81
	2,922.58	2,907.32	2,944.84	4,206.09	5,320.36
	22.53%	28.46%	39.97%	42.26%	56.41%
Sales related to non Road Sector					
Crumb Rubber	2,961.01	2,565.88	1,845.17	2,585.60	2,498.37
Steel Scrap	1,547.25	845.06	499.59	1,351.80	1,163.78
Steel Abrasives	1,426.19	1,205.49	1,009.92	282.58	98.75
Reclaim Rubber	3,533.52	2,534.63	862.13	89.18	7.32
	9,467.97	7,151.06	4,216.81	4,309.16	3,768.22
	72.99%	69.99%	57.23%	43.29%	39.95%
Others Sales	580.43	158.60	206.00	1,438.36	343.77
	4.47%	1.55%	2.80%	14.45%	3.64%
Total	12,970.99	10,216.98	7,367.65	9,953.61	9,432.35



30% Growth in Sales compared to last year

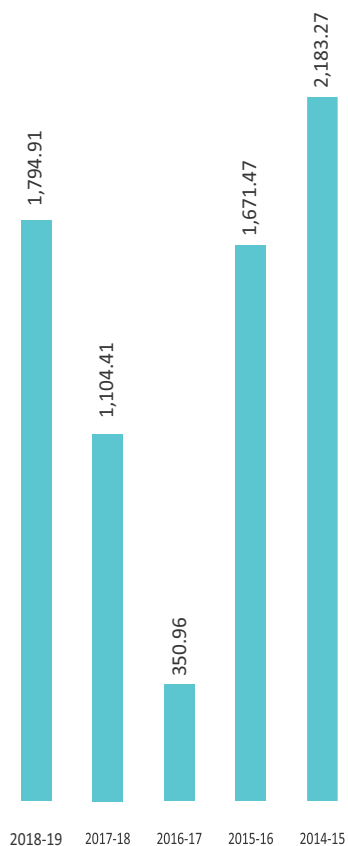


Net Sales - Road Sector

Net Sales - Non Road Sector

(₹ in lakhs)

Growth of 32% in Sales from Non Road Sector compared to F.Y. 2017-18

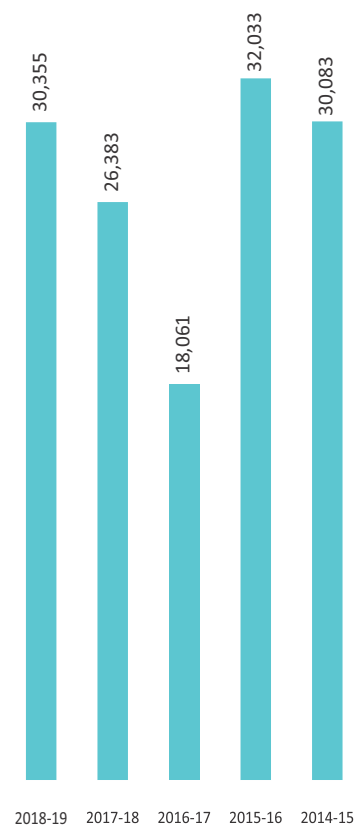


EBITDA

(₹ in lakhs)

Growth in EBITDA by 60.52% as Compared to F.Y. 2017-18

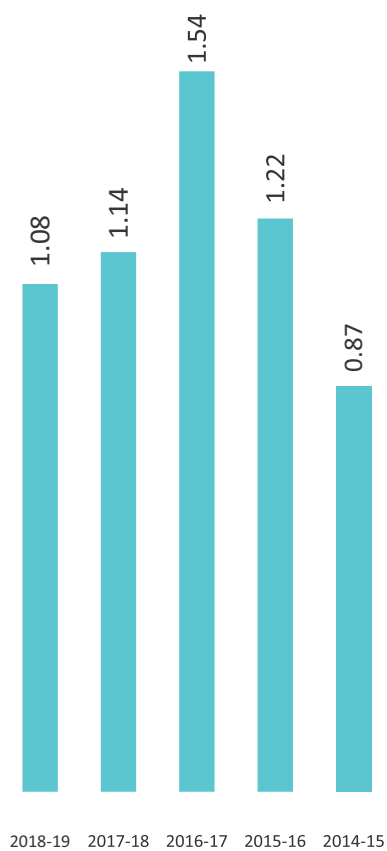
Highest EBITDA achieved in Compared to last 3 Years



Waste Tyres Crushed

(Qty. in MT)

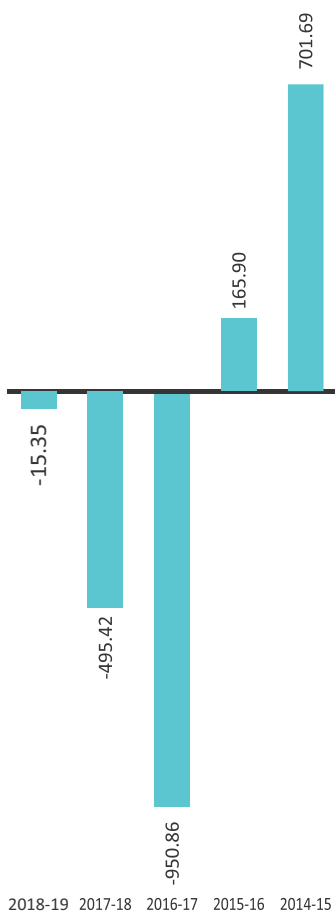
Registered Growth of 15% in Tyres Crushed between F.Y. 2017-18 & 2018-19, improving capacity utilization



Total Debt/Equity Ratio

(-)

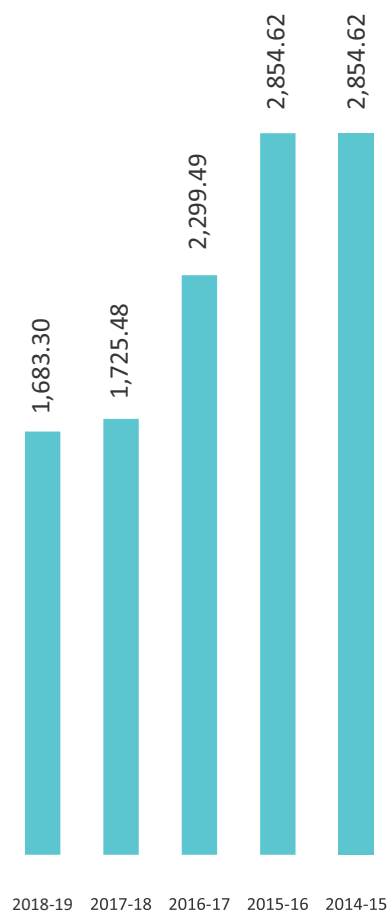
Steady Improvement in Debt Equity Ratio since F.Y. 2016-17



PAT

(₹ in lakhs)

Improvement in Profitability compared to F.Y. 2017-18



Non Core Assets

(₹ in lakhs)

Increased focus on Core Business Activities, Steady Reduction in Non - Core Assets since 2015-16

Chairman's Message



Dear Stakeholders,

It is my privilege to write to you and present the annual report for the financial year 2018-19. The year 2018 has been a very exciting year with some significant milestones for our Business. We wish to inform you that during the year your company has achieved a 29% growth in revenue and a 61% growth EBITDA.

The Period under review

The FY 2018-19, Your Company focused on reducing debt burden and this is reflected in favorable Debt/ equity ratio of Company. During the year your company made a significant improvement in the marketing of its products to the Non Road sector as well as in Road Sector and achieved higher growth in sales. Encouraged by positive response from its customers your company has set up new reclaim rubber plant at our Chennai location. A new Finance Budget has been presented with a vision for India to become a \$5 trillion economy by 2025. During the budget speech of the Honorable Finance Minister for 2019-20, The FM made a specific mention about building physical and social infrastructure and pollution free India “with green mother earth and blue skies.” There have been substantial allocations made, especially in Infrastructure, which should help the Road Construction Industry which should augur well for us as we expect higher sales of our products to the Road sector

Tinna has been a part of the societal, economic and other changes, the Country has witnessed. Your Company is the only company in India which is fully integrated in sourcing of waste/ELT tyres processing & manufacturing value added products from Rubber and Steel and the only manufacturer in India, possibly in the world to make Micronised Rubber Powder as fine as 120 mesh in ambient conditions. Your Company has also commenced production of Coated Rubber Crumb at Panipat Plant. This is a highly specialised product using a proprietary chemical compound that can be used in making rubber compounds economically without compromising on the properties.

The Company has stabilized its steel wire processing plant to make value added Hi Carbon Steel Abrasives from the scrap wire segregated from end of life (waste) tyres. These are extensively used for shot blasting, shot peening and other surface treatment applications. The most notable accomplishment, is our ability to successfully diversify the Company's revenue verticals and as a result, reducing the Company's dependency on the road and infrastructure sector. In earlier years Crumb Rubber Modifier (CRM) and other road related products having application in the infrastructure sector has been the mainstay of the Company's sales mix. The management consciously decided to reduce its dependence on this sector. During the financial year 2018-19, the contribution of non-road sector rose to approximately 77% compared to 23% in the financial year 2013-14 This was

achieved by management vision, extensive research & development and qualitative improvements to Crumb Rubber and commencement of manufacturing of Hi carbon steel abrasives & Hi Tensile Reclaim Rubber.

During the year, your Company participated in the largest Rubber Fair in India as co-sponsor to the event and also exhibited in World's biggest tyre Technology show in Hannover in Germany. Your Company's efforts have resulted in successful execution of export contract for supply of products to Thailand, Turkey and Sri Lanka. We expect to see rise in Company's Export during the year 2019-20 and your Company is exploring opportunity for export in USA, Brazil, and Russia and European market. Further, globally demand for REACH (Registration, Evaluation, Authorisation and Restrictions of Chemicals) compliant products is increasing, we are well placed to benefit from it. Further efforts are being made to improve the exports business and increase our market share.

Indian and Global Economy

The Global Trade growth has been sluggish from the past couple of years, mainly due to slow and uneven economic recovery in major developed economies and moderate growth in developing economies. The GDP growth for the fiscal year 2018-19 is at a 6.9% in the current fiscal, mainly due to the poor performance of agriculture and manufacturing sector, as against 7.1% in the last fiscal.

However according to World bank's Report, India's GDP growth is expected to grow moderately to 7.50 % during Financial Year 2019-2020 and your Company strongly believes that the continued investment in infrastructure development, improved export performance and strong domestic demand will fuel the growth of the India economy further and surpass the projected GDP growth.

During last year, Natural rubber consumption increased to 1,211,940 tonnes in 2018-19 from 1,112,210 tonnes in 2017-18. Import of Natural Rubber touched an all-time high of 582,381 tonnes in 2018-19, an increase of 24 percent as compared to 2017-18. Rubber Board projects a 10 per cent rise in natural rubber production in the country at 750,000 tonnes in 2019-20 as against 648,000 tonnes in the previous fiscal. Tinnar is a leading manufacturer of Crumb Rubber Powder and Reclaim Rubber which to an extent acts as a substitute to Natural Rubber. Higher consumption of natural rubber shows the favourable potential of demand for recycled rubber materials which is a very positive sign for our business.

Value added Stakeholders

I am delighted to inform you that our esteemed list of customers include leaders in tyre industry, where there is two to three years process to commence commercial supplies. This creates a time based entry barrier for others. **Our fine grade high quality crumb rubber as well as High Tensile Reclaim Rubber is being supplied to prestigious customers like SEMPERTRANS, MRF, APOLLO, TVS Srichakra, CEAT, JK TYRES amongst others.** The auto components industry is also bound to grow as India consolidates its position as a manufacturing hub. This will result in higher demand for steel abrasives.

Looking Forward:

We look forward to having an improved performance from the later part of year 2019-20. During the year 2019-2020 Your Company will focus on Branding including on creating brand presence in the B2B space. I wish to highlight that Exports and branding will be a key focus of Management in the Current Year. This will be the year to exploit benefits from economics of scale and establish a formidable presence in the market for recycled rubber products in the non-road sector. Over the last couple of years, we have made substantive investments to mitigate risks associated with our business and have laid the foundation for solid growth.

The year 2018-19 brings some favorable outcome as expected in road sector due to implementation of some government policies and this has been reflected in our revenues from Road Sector and we hope that during the year 2019-20, Various initiative and new reforms of government is going to be implemented as envisaged in budget speech by Hon'ble Finance Minister. Your company also introduced new technologies and two specialized grades of Emulsion such as Micro Surfacing, Recycling grades Emulsion and Eco-Friendly cold mix emulsion for rural road and we hope that Your Company will witness accelerate growth from road sector. We believe a new policy is in the works which will mandate use of Modified Bitumen in making new roads. This will create accelerated demand for our product Modified Bitumen.

The Company has articulated its ambition in its Vision and Mission statements, which I would look to share with you:

- **Our Vision is 'To continuously innovate and apply environment friendly technologies for conversion of waste into value added products with the aim to maximize stakeholder value.'**
- **Our Mission is 'To become the largest fully integrated waste tyre recycling company in India and amongst the top 10 in the World by 2020'.**

I am aware that it has not been an easy journey and I would like to thank our employees, management team, customers, suppliers and all other stakeholders for their hard work and commitment at this important time of the company's journey.

I would also like to thank you for your continued trust, confidence and support as we turn this business around and deliver the results that we all look forward to.

CHAIRMAN

Place: New Delhi
Date: 10th August, 2019

CORPORATE INFORMATION

BOARD OF DIRECTORS:	Mr. Bhupinder Kumar Sekhri Mr. Gaurav Sekhri# Mr. Nirmal Jyoti Chatterjee* Mr. Vivek Kohli Mr. Ashish Madan Mr. Ashok Kumar Sood Mr. Rajender Parshad Indoria Mrs. Promila Kumar	Managing Director Director Whole Time Director Independent Director Independent Director Independent Director Independent Director Women Director (Non-Independent)
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#Mr. Gaurav Sekhri appointed w.e.f. 3rd October, 2018, *Mr. Nirmal Jyoti Chatterjee appointed w.e.f. 11th January, 2019.

CORPORATE IDENTITY NUMBER:	L51909DL1987PLC027186
REGISTERED OFFICE:	Tinna House, No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030.
STATUTORY AUDITORS:	M/S V.R. Bansal & Associates, Chartered Accountants, New Delhi.
BANKERS:	Syndicate Bank, Vasant Vihar, New Delhi.
CHIEF FINANCIAL OFFICER:	Mr. Ravindra Chhabra
COMPANY SECRETARY & COMPLIANCE OFFICER:	Mr. Vaibhav Pandey
REGISTRAR & SHARE TRANSFER AGENT:	M/S Alankit Assignments Limited 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055.
E-MAIL & WEBSITE:	investor@tinna.in, www.tinna.in

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