



Elgi Rubber Company Limited

Super A Unit • Coimbatore Private Industrial Estate • Kuruchi • Coimbatore 641 021 • India • CIN:L25119TZ2006PLC013144,
+91 (422) 432 1000 • info@in.elgirubber.com • www.elgirubber.com

Ref: ERCL/SEC/2025/NOV/05

November 20, 2025

To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai — 400 051

Dear Sirs,

Sub : Intimation regarding revision in credit rating under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Symbol : ELGIRUBCO

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations"), we would like to inform that the Company has received the following revised credit rating (Rating Upgraded) from Infomerics Valuation and Rating Limited (Infomerics) (formerly "Infomerics Valuation and Rating Private Limited") on November 20, 2025, as per the rationale attached:

Type of Instrument / Facility	Amount (Rs. in crore)	New Rating Assigned	Previous Rating
Long term Bank Facilities	171.82 (Enhanced from Rs.140.02 crore)	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BB/Negative/INC*(IVR Double B with Negative Outlook Issuer Not Cooperating)
Long term Bank Facilities – Fixed Deposit	12.00	IVR BB+/Stable (IVR Double B Plus With Stable Outlook)	IVR BB/Negative/INC*(IVR Double B with Negative Outlook Issuer Not Cooperating)
Short Term Bank Facilities	142.54 (Enhanced From Rs.124.75 Crore)	IVR A4+ (IVR Single A Four Plus)	IVR A4/INC*(IVR Single A Four; Issuer Not Cooperating)
Total	326.36 (Enhanced From Rs. 276.77 Crore)	Rupees Three Hundred and Twenty Six Crore and Thirty Six Lakhs only	

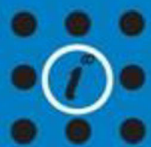
**ISSUER NOT COOPERATING; Based on best available information*

Kindly take the above information on record.

Thank you,
Yours faithfully,
For Elgi Rubber Company Limited

Faizur Rehman Allaudeen
Company Secretary & Compliance Officer
Membership No. A70055

Encl: As above



Press Release

ELGI Rubber Company Limited

November 20, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	171.82 (enhanced from Rs. 140.02 crore)	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BB/Negative/INC* (IVR Double B with Negative Outlook; Issuer Not Cooperating)	Rating Upgraded, Outlook revised, removed from Issuer Not Cooperating category	Simple
Long Term Bank Facilities – Fixed Deposit	12.00	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BB/Negative/INC* (IVR Double B with Negative Outlook; Issuer Not Cooperating)	Rating Upgraded, Outlook revised, removed from Issuer Not Cooperating category	Simple
Short Term Bank Facilities	142.54 (enhanced from Rs. 124.75 crore)	IVR A4+ (IVR Single A Four Plus)	IVR A4/INC* (IVR Single A Four; Issuer Not Cooperating)	Rating Upgraded, removed from Issuer Not Cooperating category	Simple
Total	326.36 (enhanced from Rs. 276.77 crore)	Rupees Three Hundred and Twenty-Six Crore and Thirty-Six Lakh only			

*ISSUER NOT COOPERATING; Based on best available information.

**For the purpose Press Release, “the Company” refers to ELGI Rubber Company Limited, and “the Group” collectively refers to ELGI Rubber Company Limited and its subsidiaries and step-down subsidiaries considered for consolidation.

Details of Facilities are in Annexure-1

Facilities wise lender details are at Annexure-2

Detailed explanation of covenants is at Annexure-3



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Detailed Rationale

Infomerics Valuation and Rating Limited (Formerly Infomerics Valuation and Rating Private Limited) (IVR) has upgraded the long-term rating to IVR BB+/Stable (IVR Double B Plus with Stable Outlook) and has upgraded the short-term rating to IVR A4+ (IVR A Four Plus) for the bank facilities of ELGI Rubber Company Limited (ELGI).

The rating derives strength by the promoters' extensive experience, the company's long operating track record, a comprehensive product portfolio, a diversified customer base, a strong global network with local presence, and stable operations with clear growth visibility. However, these strengths are partially offset by declining profitability margins, a moderate capital structure with weak debt-coverage metrics, working-capital-intensive operations, and vulnerability of profitability to raw-material price volatility.

For the Stable Outlook, IVR believes that the new state-of-the-art manufacturing facility at Sriperumbudur will start its full-fledged operations soon, which is likely to enhance the company's profitability.

IVR has principally relied on the consolidated audited financial results of Group up to FY2024 (Audited) and FY2025 (Audited) Results (refers to 1st April 2024 to 31st March 2025) and three years projected financials from FY2026 to FY2028, and publicly available information/clarifications provided by the company's management.

Upward factors

- Significant and sustained growth in scale of operations due to the full-fledged commencement of the operations of the new installed capacity with further improvement in profitability margins thereby leading to overall improvement in cash accruals.
- Sustenance of improvement in capital structure with moderation in TOL/TNW and improvement in debt protection metrics on a sustained basis.

Downward factors

- Moderation in total operating income and/or moderation in profitability due to decline in sales.
- Moderation in the capital structure with moderation in TOL/TNW and/or moderation in debt protection metrics.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters and Long Track Record of the Company:**

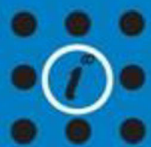
The company benefits from an experienced promoter group with deep expertise in the rubber, engineering, and manufacturing sectors. Led by Mr. Sudarsan Varadaraj, Chairman and Managing Director, with over 44 years of industry experience, the company has built a strong foundation since its incorporation in 2006. Mr. Harsha Varadaraj, Executive Director, brings financial and operational expertise from his background at the London School of Economics and PricewaterhouseCoopers, while Mr. Jairam Varadaraj, Director, adds over three decades of multi-industry leadership. Supported by a competent board of independent directors with diverse professional expertise, ELGI Rubber has consistently demonstrated sound governance and strategic vision. The group reported a revenue of Rs. 383.92 crore in FY2025, while on a standalone basis, the company achieved a CAGR of 4.63% over the past three financial years, reflecting steady and consistent growth.

- **Comprehensive Product Portfolio and Diverse Customer Base:**

The company's strength lies in its comprehensive product offerings and strong customer relationships. The company provides end-to-end solutions for the tyre retreading ecosystem, including high-productivity machinery, retreading tools, curing systems, consumables such as pre-cured tread rubber, and reclaim rubber/recycling solutions through facilities like the Whole Tyre Reclaim plant at Sriperumbudur. The company serves a diverse and global customer base, including major tyre manufacturers such as CEAT and MRF, specialist retreaders, and franchise network partners, highlighting long-standing relationships and trust. This integration of products, services, and technical support positions ELGI as a reliable and market-leading partner in the tyre retreading and rubber recycling industry.

- **Strong Global Network and Local Support:**

ELGI Rubber's strength lies in its strong global network combined with local support. Anchored in India, the company has operating subsidiaries in Brazil, the Netherlands, Sri Lanka, and the USA, enabling efficient manufacturing, sales, and technical assistance worldwide. Its franchise and partner network empowers local retreaders with access to



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machinery, consumables, technical expertise, and brand support. This strategic combination of global reach and local presence ensures consistent service quality, scalability, and reliable customer support across international markets.

- **Stable Scale of Operations with Growth Visibility:**

On a consolidated basis, the group reported a marginal decline of 0.65% in TOI to Rs. 383.92 crore in FY25, primarily due to lower sales of manufactured products across regions. However, the scale of operations will improve in future, supported by the commissioning of a new state-of-the-art facility at Sriperumbudur, enhancing tyre reclaim capacity. On a standalone basis, revenue grew 7.21% in FY25 to Rs. 227.23 crore, driven by higher volumes and realizations in Whole Tyre Reclaim, Envelope, and Bonding Gum, reflecting sustained demand and operational resilience.

Key Rating Weaknesses

- **Decline in Profitability Margins:**

In FY25, ELGI Rubber Company Limited witnessed a temporary decline in profitability owing to operational disruptions and elevated manufacturing costs. On a consolidated basis, the EBITDA margin contracted from 5.45% in FY24 to 1.17% in FY25, while the PAT margin turned negative in FY25. Nevertheless, profitability is expected to improve steadily over FY26–FY28, driven by enhanced capacity utilization, operational stabilization at the new facility, and improved cost efficiency across operations.

- **Moderate Capital Structure and Weak Debt Coverage Indicators:**

The group's capital structure remains moderate, with the adjusted tangible net worth declining by 4.72% to Rs. 92.61 crore as of March 31, 2025, primarily due to losses incurred and lower foreign currency translation gains. While leverage improved slightly, with TOL/ATNW at 3.68x as on March 31, 2025 (FY24: 3.87x) and overall gearing at 2.91x as on March 31, 2025 (FY24: 3.16x), the debt coverage indicators weakened considerably. The ISCR fell to 0.19x in FY25 (FY24: 0.97x) and the DSCR declined to 0.28x (FY24: 0.57x), reflecting reduced profitability and higher finance costs.

- **Working Capital Intensive Nature of Operations:**

The group's operations continue to remain working capital intensive, as reflected in the elongation of its operating cycle to 131 days in FY25 from 126 days in FY24. This was primarily due to a shorter average creditors period (43 days in FY25 vs. 45 days in FY24)



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and a marginal increase in inventory holding (112 days in FY25 vs. 110 days in FY24). Although the year-on-year variation across working capital components was modest (2–3 days), the extended cycle underscores the high dependence on working capital to support operations.

- **Susceptibility of Profitability to Raw Material Price Volatility:**

The company's profitability remains vulnerable to fluctuations in raw material prices, which can significantly impact operating margins. Key inputs used in tyre retreading and rubber processing are subject to high price volatility, influenced by global crude oil trends and supply-demand dynamics. Although this risk is partially mitigated through long-standing customer relationships, price escalation clauses, and the ability to pass on cost variations in both directions, sudden spikes in input costs can still pressure margins. Furthermore, while shorter-duration contracts allow some flexibility in adjusting prices, sustained volatility poses a continued risk to profitability stability.

Analytical Approach: For arriving at the ratings, IVR has analysed ELGI's credit profile by considering the consolidated financial statements of the company.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

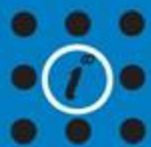
[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria for Combining of Group Companies](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)



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Liquidity – Adequate

The group has projected to maintain an adequate level of inflow post commencement of the manufacturing facility. The group is expected to earn gross cash accrual in the range of Rs. 44.00 crore – Rs. 50.00 crore as against its debt servicing obligation of ~Rs. 43.13 crore – Rs. 16.67 crore FY26-28. The overall working capital limits are utilized to the extent of 87.12% during the past 12 months ended October 2025 indicating moderate utilization indicating an adequate liquidity buffer. The current ratio reported by the group is 1.10x in FY25. All these factors reflect adequate liquidity position of the group.

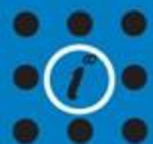
About the Company

ELGI Rubber Company Limited, listed on the NSE, is a global provider of tyre retreading and rubber recycling solutions. Established in 2006, the company offers end-to-end products and services including materials, machinery, consumables, and technical support, along with reclaim rubber for sustainable tyre recycling. Headquartered in India, it operates six manufacturing units in Tamil Nadu and Kerala and manages subsidiaries across the USA, Kenya, Bangladesh, Brazil, the Netherlands, Australia and Sri Lanka. With integrated capabilities spanning raw materials to technical services and a broad franchise network, ELGI Rubber holds a strong competitive position in both domestic and international markets.

Financials (Consolidated):

	(Rs. crore)	
For the year ended*/As on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	386.45	383.92
EBITDA	21.06	4.49
PAT	11.66	-4.36
Total Debt	306.94	269.80
Adjusted Tangible Net worth	97.20	92.61
EBITDA Margin (%)	5.45	1.17
PAT Margin (%)	2.85	-1.09
Overall Gearing Ratio (x)	3.16	2.91
Interest Coverage Ratio (x)	0.97	0.19

**Classification as per Infomerics' standards*



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Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	211.93	227.22
EBITDA	15.05	13.31
PAT	17.93	-4.26
Total Debt	165.07	155.27
Adjusted Tangible Net worth	218.07	217.22
EBITDA Margin (%)	7.10	5.86
PAT Margin (%)	7.78	-1.79
Overall Gearing Ratio (x)	0.76	0.71
Interest Coverage Ratio (x)	1.13	0.97

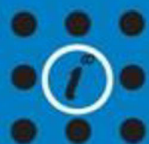
*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: NIL

Any other information: NIL

Rating History for last three years:

Sr. No.	Name of Instruments/Facilities	Current Ratings (Year 2025-2026)				Rating History for the past 3 years				
		Type	Amount outstanding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24			Date(s) & Rating(s) assigned in 2022-23
				Current Rating	June 05, 2025		(August 22, 2024)	(Feb 21, 2024)	(Oct 31, 2023)	
1.	Fund Based	Long Term	171.82	IVR BB+/Stable	IVR BB/Negative / INC*	IVR BB+/Negative/ INC*	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Stable	-
2.	Fixed Deposit	Long Term	12.00	IVR BB+/Stable	IVR BB/Negative / INC*	IVR BB+/Negative / INC*	IVR BBB-/Negative	IVR BBB-/Stable	-	-



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Sr. No.	Name of Instruments/Facilities	Current Ratings (Year 2025-2026)				Rating History for the past 3 years				
		Type	Amount outstanding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24			Date(s) & Rating(s) assigned in 2022-23
				Current Rating	June 05, 2025	(August 22, 2024)	(Feb 21, 2024)	(Oct 31, 2023)	(Jul 18, 2023)	
3.	Non-Fund Based	Short Term	142.54	IVR A4+	IVR A4/ INC*	IVR A4+/ INC*	IVR A3	IVR A3	IVR A3	-

**Issuer not cooperating; based on best available information.*

Name and Contact Details of the Rating Analyst:

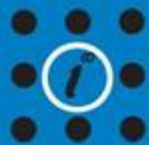
Name: Om Prakash Jain
Tel: (011) 45579024
Email: opjain@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) (Formerly Infomerics Valuation and Rating Private Limited) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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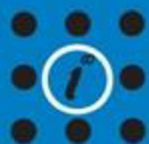
Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coup on Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	2026	1.59	IVR BB+/Stable
Term Loan	-	-	2027	6.96	IVR BB+/Stable
Term Loan	-	-	2028	28.17	IVR BB+/Stable
Term Loan	-	-	2029	21.55	IVR BB+/Stable
Term Loan	-	-	2030	18.68	IVR BB+/Stable
Term Loan	-	-	2037	9.87	IVR BB+/Stable
Cash Credit	-	-	Revolving	85.00	IVR BB+/Stable
Fixed Deposit	-	-	-	12.00	IVR BB+/Stable
SBLC	-	-	-	124.54	IVR A4+
LC	-	-	-	18.00	IVR A4+



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Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_ELGI_Rubber_20_Nov25_a13ecad70e.pdf

Annexure 3: Detailed explanation of covenants of the rated securities/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Consolidation Approach
ELGI Rubber Company LLC, USA	Full Consolidation
ELGI Rubber Company Limited, Kenya	Full Consolidation
ELGI Rubber Company Limited, Sri Lanka	Full Consolidation
Treadsdirect Limited, Bangladesh	Full Consolidation
Borrachas E Equipamentos ELGI LTDA, Brazil	Full Consolidation
Pincott International PTY Limited, Australia	Full Consolidation
ELGI Rubber Company Holdings B.V., Netherlands	Full Consolidation
Rubber Resources B.V., Netherlands	Full Consolidation
ELGI Rubber Company B.V., Netherlands	Full Consolidation

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [Complexity Level of Rated Instruments/Facilities](#).