



Press Release

Trimula Industries Limited

July 16, 2025

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	157.67 (Decreased from Rs 165.97 crore)	IVR BB-/Stable (IVR Double B Minus; with Stable Outlook)	IVR BB-/Stable (IVR Double B Minus; with Stable Outlook)	Reaffirmed	Simple
Proposed Long Term Facilities	0.00(Decreased from Rs 22.00 crore)	-	IVR BB-/Stable (IVR Double B Minus; with Stable Outlook)	Withdrawn	Simple
Short Term Facilities	51.15	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
Total	208.82(Rupees Two-Hundred and Eight Crore and Eighty-Two Lakh)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of Trimula Industries Limited on account of the moderate scale of operations.

The company continues to derive benefits from the experience of the management and long-standing relationship with customers.

The ratings are however constrained due to subdued profitability with margins showing modest recovery but still trailing significantly behind historical levels, leveraged capital structure and debt protection metrics, moderate capacity utilization, susceptibility of operating margin to volatility in raw material prices, cyclicity in the steel industry, and highly competitive nature of Industry.



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The 'Stable' outlook indicates that Trimula Industries Limited is expected to continue to get benefits out of the experience of promoter along with the long-standing relationship with customers.

The withdrawal of the rating assigned to the proposed long-term facility considers the company's request for withdrawal through email dated July 02, 2025, as they are not availed. The rating withdrawn is in line with Infomerics' policy on withdrawal of rating and as requested by the company.

Key Rating Sensitivities:

- **Upward Factors**

- Improvement in plant capacity utilization on a sustained basis and thereby reducing costs leading to the overall improvement in the profitability & debt protection metrics.

- **Downward Factors:**

- Decline in operating income and/or profitability impacting the debt coverage indicators and/or deterioration in the financial risk profile on a sustained basis. Or
- Any significant rise in working capital intensity or unplanned capex leading to a deterioration in the liquidity position on a sustained basis.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced management

The company is promoted and managed by Mr. Ratan Kumar Singh, Whole-Time Director of TIL, who oversees the day-to-day operations. With nearly three decades of experience in the steel industry, his leadership brings valuable industry insight and operational expertise. Over the years, the company has cultivated strong relationships with key raw material suppliers including iron ore and coal and built a reliable customer base for its sponge iron and billet products.



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Long standing relationship with customers

The company has well established relationship with the customers and majorly distributing in the states of Uttar Pradesh, Punjab, Gujarat and Rajasthan. Having operated in this industry since years now, the company has established a strong relation with its customers.

Moderate scale of operations

Total operating income of the company has improved at a CAGR of ~15.49% during FY22 to FY25(P). The company's operating revenue has declined from Rs. 466.21 crores in FY24[refers to period April 01, 2023, to March 31, 2024] to Rs.363.27 crores in FY25(P)[refers to period April 01, 2024, to March 31, 2025]. This is mainly due to significant decrease in the sales volume in sponge iron and steel price. Infomerics anticipates further revenue growth in FY26 and beyond, with the company already achieving approximately Rs. 98 Crore in revenue as of June 30, 2025, in Q1FY26

Key Rating Weaknesses

Subdued profitability with margins showing modest recovery but still trailing significantly behind historical levels

The company reported an EBITDA of Rs.12.57 crore in FY25(P), up from Rs.3.30 crore in FY24, with EBITDA margins improving to 3.46% from 0.71%. While profitability has improved year-on-year, margins remain significantly below historical levels. Going forward, margins are expected to strengthen with increased billet production, which typically yields higher profitability.

Leveraged capital structure and debt protection metrics

The company has reported net losses in FY25(P), which has adversely impacted its tangible net worth (TNW). The agency has treated unsecured loans from promoters/directors—amounting to ₹91.93 crore—as quasi equity basis the subordination clause in the sanction letter of the lender, which is also supported by an undertaking. The capital structure remains modest, with the long-term debt-to-equity ratio rising to 3.17x in FY25(P) from 2.26x in FY24. Overall gearing on ATNW stood at 4.48x in FY25(P), up from 3.20x in FY24, while TOL/ATNW increased to 8.21x in FY25(P) from 5.02x in FY 24. Debt protection metrics such as interest



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coverage and DSCR remained below unity at 0.57x and 0.45x respectively in FY25(P) (0.12x and 0.11x in FY24).

Moderate capacity utilization

The capacity utilization of the sponge iron plant ranges from 64% to 71% in the period from FY23 to FY25(P). This constrains the company to have the advantage of economies of scale and thus increasing costs.

Susceptibility of operating margin to volatility in raw material prices

The major raw material required for manufacturing of Sponge Iron are coal, iron ore and Iron ore pellets. The raw material forms major cost of the company and their prices are volatile in nature. Further steel industry is also highly volatile and prone to fluctuations based on global demand supply situations and other macro-economic factors.

Cyclical in the steel industry

The domestic steel industry is cyclical in nature and is likely to impact the cash flows of the steel and iron industry players, including TIL. Further, the company's operations are vulnerable to any adverse change in the global demand-supply dynamics.

Highly competitive nature of Industry

The company is exposed to risks such as global steel industry performance, local regulations/duties, trade wars, etc. However, the company has been able to establish a strong presence with the quality of its products and its long-standing relationship with the customers.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating Outlook](#)

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

[Policy on withdrawal of ratings](#)

[Policy on Default Recognition](#)



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Liquidity: Stretched

The company's liquidity position is stretched with GCA of Rs. -8.91 crore in FY25(P). The average fund based working capital utilisation remained at near maximum levels in the past twelve months ended May 2025. The company's current ratio stood at 0.54x as on 31 March 2025(P). However, the expected GCA is Rs. 32.34 crore and Rs. 42.92 crore in FY26 and FY27, which are adequate to cover the debt obligation of Rs.8.28 crore and Rs.10.72 crore in FY26 and FY27. Additionally, the company has cash and cash equivalents of Rs 0.93 Crore as on 31 May 2025.

About the Company

Trimula industries Limited (TIL or the company) is incorporated on 14th August 1996 by promoter Mr. Ratan Singh. The company manufactures sponge iron and billets at its manufacturing unit in Singrauli, Madhya Pradesh. Trimula Industries Limited has structural steel and integrated facilities like Power Plant, Steel Melting shop, Sponge Iron, Rolling Mills and Coal Washery.

Financials (Standalone):

	Rs. Crore	
For the year ended* / As on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	466.21	363.27
EBITDA	3.30	12.57
PAT	-36.31	-23.31
Total Debt	240.08	232.20
Tangible Net worth	75.14	51.85
EBIDTA Margin (%)	0.71	3.46
PAT Margin (%)	-7.78	-6.40
Overall Gearing ratio (X)	3.20	4.48
Interest coverage (x)	0.12	0.57

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: None



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Rating History for last 3 years:

Sr. No.	Name of Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (24 April 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	Cash Credit	Long Term	70.00	IVR BB-/ Stable	IVR BB-/ Stable	-	-
2	Term Loans	Long Term	87.67	IVR BB-/ Stable	IVR BB-/ Stable	-	-
3	Proposed term loan	Long Term	22.00	Withdrawn	IVR BB-/ Stable	-	-
4	Bank Guarantee	Short Term	51.15	IVR A4	IVR A4	-	-

Analytical contacts:

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.



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

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Annexure 1: Facility details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	Revolving	70.00	IVR BB-/Stable
Term Loans	-	-	-	Up to September 2032	87.67	IVR BB-/Stable
Bank Guarantee	-	-	-	-	51.15	IVR A4

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Trimula-Industries-16july25.pdf>

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

Annexure 4: List of companies considered for consolidated analysis: Not Applicable



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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 www.infomerics.com.

