Prayag Polymers Private Limited

June 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	111.28 (Enhanced from 105.28)	CARE BBB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE BB; Stable
Short Term Bank Facilities	11.50	CARE A3	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

In the absence of the required information for monitoring the ratings, CARE Ratings Ltd (CARE). had placed the rating of bank facilities of Prayag Polymers Private Limited (PPPL) into 'ISSUER NOT COPERATING' in line with the extant SEBI guidelines. However, the entity has now submitted the requisite information. Hence, CARE Ratings Ltd has carried out a full review of the ratings and the ratings are removed from "ISSUER NOT COOPERATING" category and revised to "CARE BBB-; Stable/ CARE A3".

The revision in the ratings assigned to the bank facilities of Prayag Polymers Private Limited (PPPL) takes into consideration its consistent growth in scale of operations along with profitability margins supported by an increase in retail sales, and improved return ratios marked by comfortable return on capital employed (ROCE). The ratings, further, derive comfort from its experienced promoters and management team, company's diversified product profile and widespread distribution network. However, the ratings are constrained by its average capital structure marked by overall gearing above 1x, elongated operating cycle with high reliance on working capital borrowings and susceptibility to volatility in raw material prices.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in overall scale of operations by more than Rs. 450 crore along with maintaining ROCE at current level above 16% on a sustained basis.
- Improvement in operating cycle below 120 days leading to lower dependence on external borrowing and healthy liquidity on a sustained basis.

Negative factors

- Deterioration in scale of operations with deterioration in PBILDT margin below 9% on a sustained basis.
- Deterioration in capital structure with overall gearing above 1.70x on a sustained basis.
- Inability to tie-up additional working capital debt to create buffer amidst growing scale, which may further constrain liquidity position of the company

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects CARE Ratings' expectation of improvement in scale of operations along with sustenance of profitability margins while improving financial risk profile

Detailed description of key rating drivers:

Key strengths

Consistent growth in scale of operations

Total Operating Income (TOI) grew at a compounded annual growth rate (CAGR) of 15.1% in last 5 years ended FY25 (refers to the period from April 01 to March 31). The company's total operating income witnessed y-o-y growth by 26% in FY24 and stood at Rs. 346.79 crore (PY: 274.71 crore). This growth is primarily contributed by new product line i.e. HD pipes with TOI contribution of Rs. 70.30 Cr in FY24 (PY: Rs. 21.80 cr). However, topline remained stable in FY25 at Rs. 341.01 crore due to subdued performance in pipe division on account of challenges faced by the government in Jal Jeevan mission's implementation. Further, PPPL's operating profitability exhibited a volatile trend with a profit before interest, lease rentals, depreciation, and taxation

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

(PBILDT) margin within the range of 10-16% in the past three years ended FY25. PBILDT margin stood at 16.45% during FY25, with a year-on-year (y-o-y) improvement of 457 bps on account of increase in its retail sales, which are more margin accretive.

Comfortable return ratios
The company's return ratios continued to remain comfortable supported by the sustained increase in scale and profitability in the last two fiscals. The company also reported improvement in interest coverage ratio from 3.13x in FY24 to 3.58x in FY25. Further, ROCE improved to 18.36% (PY: 16.23%) in FY24 as a result of increased profitability.

Experienced Promoters and management team
The company is promoted by Aggarwal family with Mr. Nitin Aggarwal as its Chairman & Managing Director, who manages the overall business of the company and has 15 years of experience in the field of Bathroom fittings. He is assisted by his brother, Mr. Deepak Aggarwal, who has been with PPPL since 2008. He supervises and controls the production & operations division of the company. The promoters of the company are supported by experienced professionals.

Diversified product profile with PAN India distribution network
The Company provides ISO 9000:2015 certified quality-based designing and fabrication of Bathroom Shower, Wash Basin, Kitchen Sink, Door Stopper, CPVC Pipe Fittings and related products. Further PPPL was the pioneering manufacturer to introduce Polytetra Methylene Terapathalate (PTMT) plastic taps in the Indian market. Recently, the company has diversified into the high-density (HD) pipe segment to tap into the growing demand driven by the Government of India's Jal Jeevan Mission. Since its inception, PPPL has expanded its product portfolio from 200 to over 4,000 stock keeping units (SKUs) and is actively planning further diversification to include applications in underground drainage systems, column pipes, and casing pipes, aligning with the objectives of the AMRUT Yojana.
The company has pan India distribution network of around 1456 distributors and over 8356 dealers with presence in 28 States. PPPL sells its products to dealers and distributors who cater to customers like AIIMS (All India Institute of Medical Sciences, PWD (Public Works Department), CPWD (Central Public Works Department of India), MCD (Municipal Corporation of Delhi). The distribution network is managed by sales & marketing team of around 110 professionals. Further, the company has set up around 1500 shop-in-shops through which the company is allotted a designated space within a host retailer to sell goods under its own brand name. PPPL also provides wide range of services at over 20 locations in India in collaboration with certified plumbers across India. The products are sold under the brand name "Prayag India".

Key weaknesses

High reliance on external debt
The capital structure of the company is average as marked by overall gearing ratio at 1.44x (PY: 1.58x) in FY25 with high reliance on external debt. The company's debt profile includes unsecured loans from directors, with an outstanding balance of ₹32.78 crore as on March 31, 2025, out of which ₹15.98 crore is classified as subordinated debt.
Further, company is currently undertaking capex amounting to Rs. 16 crore for the purpose of setting up new plant for manufacturing of pipes in West Bengal. The same is being funded by debt of Rs. 7.50 crore and rest from internal accruals. Date of commencement of commercial operations (DCCO) is anticipated by October 2025. Going forward, the capital structure is expected to improve with minimal debt funded capex anticipated, profit accretion to reserves and repayment of term debt.

Elongated operating cycle
The operations of PPPL are working capital intensive in nature due to large inventory as reflected by inventory holding of 111 days (PY: 107 days) in FY25. The company has to maintain the inventory of finished and semi-finished goods which reflects more than 4000 stock keeping units (SKU's) of different dimensions and design. The high inventory level is also required to cater to meet the market demand. The creditors include raw material suppliers which stood at 64 days (PY: 54 days) in FY25. The working capital cycle of the company stood elongated at 134 days (PY: 117 days) during FY25.

Susceptibility to volatility in raw material prices
Raw material costs account for nearly ~45%-55% of total operating income. Polymers, derived from Petrochemicals, constitute larger portion of raw material and costs of these polymers are subject to volatility in crude oil prices. Thus, PPPL's profitability is exposed to the volatility in prices of raw materials. Furthermore, with high competition and fragmented nature of industry limit the company to pass on the increase pricing effect completely to the customers.

Liquidity: Stretched
The liquidity profile of the company remains stretched marked by high average utilisation of working capital limits which stood at ~95.28% for the trailing 12 months ending March 2025. The company has schedule debt servicing of Rs. 21.79 Cr against the projected gross cash accruals of Rs. 37.95 Cr in FY26. Current ratio stood moderate at 1.26x (PY: 1.11x) for FY25. The company enhanced its working capital limits to Rs. 72 Cr in September 2024 to support its growing scale of operations. Additionally, company also availed ad hoc limits of 2-2.5 Cr to support the operations. The sustained improvement in operational cash flows and additional enhancement in working capital limits to ease liquidity pressure shall be a key monitorable going ahead.

Applicable criteria

[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
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials

Prayag Polymers Private Limited (PPPL), founded in 1986 by Mr. Virendra Aggarwal, is a manufacturer and distributer of Faucet ware, Sanitary-ware and bathroom fittings. Earlier, the company had focused on a single product – PTMT Plastic Faucets but after 2008 the company started manufacturing CP (Chrome plated) Faucets. Along with Faucet, the company also manufactures Plumbing products and Kitchen ware. The Product Range of PPPL includes PTMT & CP Faucets, CP & PTMT Fittings, Kitchen Sink, Pipes, Bath Fittings & Accessories. The company has also diversified into HD pipes segment. PPPL has its manufacturing plant located at Bhiwadi in Rajasthan.

Particular	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	274.71	346.79	341.01
PBILDT	27.47	41.18	56.09
PAT	7.97	15.02	23.29
Overall gearing (times)	1.33	1.58	1.44
Interest coverage (times)	2.72	3.13	3.58

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of PPPL into ISSUER NOT COOPERATING category vide press release dated April 16, 2025 on account of its inability to carry out a review in the absence of requisite information from the company.

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-Cash Credit		-	-	-	72.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	July 2027	39.28	CARE BBB-; Stable
Non-fund-based - ST-BG/LC		-	-	-	11.50	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	39.28	CARE BBB-; Stable	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (31-Mar-25)	1)CARE BBB-; Negative (27-Mar-24) 2)CARE BBB-; Stable (04-Apr-23)	-
2	Fund-based - LT-Cash Credit	LT	72.00	CARE BBB-; Stable	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (31-Mar-25)	1)CARE BBB-; Negative (27-Mar-24) 2)CARE BBB-; Stable (04-Apr-23)	-
3	Non-fund-based - ST-BG/LC	ST	11.50	CARE A3	-	1)CARE A4; ISSUER NOT COOPERATING* (31-Mar-25)	1)CARE A3 (27-Mar-24) 2)CARE A3 (04-Apr-23)	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

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

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.

Contact us

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About us:
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