

## Kriti Industries (India) Limited

October 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	21.58 (Reduced from 49.56)	CARE BBB+; Stable	Reaffirmed
Long-term / Short-term bank facilities	229.00	CARE BBB+; Stable / CARE A2	Reaffirmed
Short-term bank facilities	5.75	CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Kriti Industries (India) Limited (KIL) continue to derive strength from the promoters' vast experience, with established operations in plastic pipes and fittings industry, widespread distribution network with diversified application, and stable demand outlook for the plastic pipes industry. Ratings also factor in KIL's moderate scale of operations and adequate liquidity.

However, ratings continue to remain constrained due to moderation in its profitability which is susceptible to volatile raw material prices and foreign exchange fluctuation risk, moderate capital structure with weakening of debt coverage indicators, seasonality associated with demand for KIL's products, and its presence in a highly competitive plastic pipes manufacturing industry.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant increase in its scale of operations to over ₹1,000 crore through greater geographical diversification and improvement in its profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin to over 10% on a sustained basis.
- Improvement in capital structure with overall gearing below 0.75x and total outside liability to total net worth (TOL/TNW) below 1.50x on a sustained basis.

#### Negative factors

- Significant decline in scale of operations and moderation in PBILDT margin below 5% on a sustained basis.
- Any debt-funded capex or stretch in working capital requirements leading to deterioration in its overall gearing beyond 1.75x on a sustained basis.
- Elongation in its gross operating days beyond 180 days on a sustained basis.
- Inability of its group company, Kriti Nutrients Limited (KNL), to provide need-based funding support.

### Analytical approach: Standalone

#### Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that KIL will continue to benefit from its established presence in the pipe industry and its widespread distribution network.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced and competent management having over three decades of industry experience

Shiv Singh Mehta, a qualified engineer with a master's degree in business administration, is KIL's Chairman and Managing Director, managing the company's overall operations. He is assisted by his son, Saurabh Singh Mehta, Director, and his wife, Purnima Mehta, whole-time Director, in managing the overall operations. The company's directors are well qualified and have over three decades of industry experience.

Its group company, Kriti Nutrients Limited (KNL; rated 'CARE A-; Stable/CARE A2+'), is engaged in edible oil refining, solvent extraction, and manufacturing soya value-added products at its manufacturing facility in Madhya Pradesh. KNL has infused loans and advances of ₹24.35 crore in KIL and equity infusion of ~₹51.52 crore as on June 30, 2025. KNL also has free cash and bank balance (including liquid investments) of over ₹50 crore as on March 31, 2025, and as per management articulation, KNL will continue to support operations of KIL and infuse need-based support, if required.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### **Established operations in plastic pipes and fittings, wide-spread distribution network and diversified clientele**

KIL has over three decades of track record in the plastic pipe industry. In terms of capacity, it has 25 extrusion lines for polyvinyl chloride (PVC), 16 extrusion lines for high-density polyethylene (HDPE) and drip irrigation, and 30 injection moulding machines. The company's product profile includes PVC-based irrigation pipes, chlorinated PVC (CPVC)-based building products, low-density polyethylene (LDPE)-based micro-irrigation application pipes, medium-density polyethylene (MDPE)-based gas distribution pipes, HDPE-based transportation application pipes, and drip irrigation systems, among others. It has the capacity of manufacturing polymer extruded pipes from 20 mm to 710 mm diameter.

KIL has a wide distribution network with over 400 dealers spread across 16 states in the country, with central India mainly Madhya Pradesh, Maharashtra, and Rajasthan being the major revenue generating states. KIL sells PVC pipes under the brand name of "Kasta". The share of agriculture sector (including micro-drip irrigation) in net sales continues to remain high at 75% of net sales in FY25 followed by 16% from infrastructure/ building products and balance from industrial (city gas distribution [CGD] and telecom companies) sector.

### **Moderate scale of operations despite lower profitability in FY25**

KIL's total operating income (TOI) declined to ₹722.49 crore compared to ₹867.10 crore in FY25 due to declining PVC price trend resulting in lower sales realisation. However, the company has reported 28% growth in the sales volume of its building products and 5% growth in agriculture segment Y-o-Y. Both the segments together contributed over 70% of total revenue in the last three years. KIL has small presence in the micro irrigation and industrial product segments and both are expected to remain at similar level. The company's TOI declined to ₹224.06 crore in Q1FY26 compared to ₹257.16 crore in Q1FY25 due to decline in sales volume in agriculture and building product segment on the back of arrival of early monsoon impacting sales.

The company's PBILDT margin deteriorated to 4.00% in FY25 compared to 7.25% in FY24 which was primarily considering inventory losses due to declining price trend of raw material and lower spread realised due to higher purchase price of imported raw material. Additionally, the company's profitability was also impacted by increase in employee cost, marketing spend and excess freight incurred for expanding in new geographical locations. However, PBILDT margin improved to 6.73% in Q1FY26 with stabilisation of PVC prices and rationalisation of excess cost incurred in FY25. CareEdge Ratings expects KIL's PBILDT margin to remain in the range of 6-7% in the near term.

### **Stable demand outlook**

Demand for pipes is catalysed by growth of agricultural, real estate, petroleum, gas, and telecom industries. Demand outlook for the Indian plastic pipes industry is expected to be stable with increase in government spending on construction and infrastructure and a thrust to the agriculture sector by higher targeted production and productivity and more availability of credit with focus on micro-irrigation segment supported by schemes such as Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Jal Shakti Abhiyan, and Jal Jeevan Mission among others. Har Ghar Nal se Jal initiative aims to provide piped water supply to every household in rural India, which will also drive demand for the pipe industry. A rise in population, growing urbanisation, and increasing income level is projected to drive the demand for the housing sector, which in turn, could drive the demand for PVC pipes and fittings.

### **Key weaknesses**

#### **Moderate capital structure and weakening of debt coverage indicators**

KIL's capital structure continued to remain moderate marked by overall gearing of 1.13x as on March 31, 2025 (PY: 1.61x). With decline in profitability, debt coverage indicators deteriorated marked by PBILDT interest coverage of 1.21x and total debt to gross cash accruals (TD/GCA) of 27.99x in FY25 (PY: 2.86x and 5.77x, respectively). However, with increased profitability in Q1FY26, PBILDT interest coverage improved to 3.22x.

KIL has received ₹18.93 crore for subscription of warrants in Q1FY26, which shall be used for capex/general corporate purpose. The capex shall be towards expansion of capacity for building products and column pipes. CareEdge Ratings expects the capital structure to be moderate in the near term; however, it is expected to improve over time with augmentation of net worth base and no planned debt-funded capex.

#### **Susceptibility of profitability to volatile raw material prices and foreign exchange fluctuation risk**

Raw material is the major cost for KIL, which accounted for ~80% of the total cost of sales in FY25. The primary raw material consumed by KIL is PVC resin, which is a crude derivative and its price is directly linked to the crude oil price movement which remained volatile and high inventory holding due to seasonality, affects realisation and consequently the company's profitability. Domestic manufacturers are also affected by forex volatility affecting crude oil prices and import duty changes on polymers. A significant portion of the total polymer requirement in India is met through imports due to inadequate domestic manufacturing capacity. KIL majorly procures its PVC requirement domestically from Reliance Industries Limited (RIL), while some portion of requirement is also met through imports, thus exposing it to supplier concentration risk and volatility in foreign exchange (~9%

of its raw material requirement was met from import market in FY25 [PY: 8%] with nil export). However, the company enters forward contracts for hedging foreign exchange exposures against imports, partially mitigating the risk.

### Competitive industry landscape and seasonality associated with business

A significant portion of the Indian plastic pipes industry comprises unorganised players considering low entry barriers and commoditised product resulting in high competition and limited pricing power. KIL faces stiff competition from much larger organised sector players with nationwide brands, such as 'Astral', 'Prince', 'Finolex', 'Supreme', and 'Ashirwad', among others. High competitive intensity restricts profitability margins of the smaller plastic pipe manufacturers with regional presence. However, KIL has good presence in Madhya Pradesh and Rajasthan where its brand 'Kasta' enjoys good market share, especially in the agriculture segment. The company's sales are seasonal with Q1 (pre-monsoon) and Q3 (post-monsoon) together contributing ~60-65% of annual sales when there is high demand from agriculture, construction, and infrastructure segments.

### Liquidity: Adequate

KIL has adequate liquidity with healthy cash accruals against its debt repayment obligations and cushion available from unutilised working capital limits. It is expected to earn GCA of ~₹28 - 40 crore against its debt repayment obligation of ₹3 -13 crore in the medium term. Average fund and non-fund-based working capital utilisation remained moderate at 59% and 72% for past 12 months ended June 2025. KIL reported healthy cashflow from operations (CFO) of ₹33.49 crore in FY25 compared to ₹57.09 crore in FY24.

The company's operations are highly working capital intensive with gross current assets days of ~135 days in FY25 (FY24: 112 days), primarily due to higher inventory holding period because of the seasonality associated with agri-products, its diverse product offerings, and requirement to keep the minimum inventory level per demand estimate. Owing to seasonality associated with its agriculture business segment, KIL must hold inventory prior to the season commences. However, it has efficient collection period. The company usually avails letter of credit (LC) facility with an usance period of 90 days, allowing longer credit period with its suppliers. KIL's operating cycle increased from 48 days in FY25 from 38 days in FY24.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### 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
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

Promoted by Shiv Singh Mehta in 1982, KIL (CIN: L25206MP1990PLC005732) is engaged in manufacturing plastic pipes, ducts, and mouldings. In January 2010, KIL's solvent extraction division was demerged into separate listed entity, Kriti Nutrients Limited and its auto component manufacturing division was hived off in a 100% subsidiary named Kriti Auto and Engineering Plastic Private Limited (KAEPPL), assets of which are sold off. KIL manufactures plastic pipes, ducts and fittings made of PVC/LDPE/MDPE and HDPE, which caters the demand of agriculture, gas, telecom, and infrastructure segment. Pipes manufactured by KIL are sold under brand name of "Kasta". The company's facilities are in Pithampur, Madhya Pradesh, with a total installed capacity of 149,400 metric tonne per annum (MTPA) as on March 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	867.10	722.49	224.06
PBILDT	59.95	28.92	15.09
PAT	21.41	-4.50	7.20
Overall gearing (times)	1.61	1.13	NA

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Interest coverage (times)	2.86	1.21	3.22

A: Audited, UA: Unaudited, NA: Not Available; Note: these are latest available financial results

**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

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	54.00	CARE BBB+; Stable / CARE A2
Fund-based - ST-Standby Line of Credit		-	-	-	2.00	CARE A2
Fund-based/Non-fund-based-LT/ST		-	-	-	40.00	CARE BBB+; Stable / CARE A2
Non-fund-based - LT/ ST-BG/LC		-	-	-	135.00	CARE BBB+; Stable / CARE A2
Non-fund-based - ST-Credit Exposure Limit		-	-	-	3.75	CARE A2
Term Loan-Long Term		-	-	31/03/2028	21.58	CARE BBB+; Stable

**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/ ST-Cash Credit	LT/ST	54.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (24-Sep-24)	1)CARE BBB+; Stable (22-Mar-24) 2)CARE BBB; Stable (01-Sep-23)	1)CARE BBB; Stable (18-Nov-22) 2)CARE BBB+; Negative (16-Sep-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	135.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (24-Sep-24)	1)CARE BBB+; Stable / CARE A2 (22-Mar-24) 2)CARE BBB; Stable / CARE A3+ (01-Sep-23)	1)CARE BBB; Stable / CARE A3+ (18-Nov-22) 2)CARE BBB+; Negative / CARE A2 (16-Sep-22)
3	Term Loan-Long Term	LT	21.58	CARE BBB+; Stable	-	1)CARE BBB+; Stable (24-Sep-24)	1)CARE BBB+; Stable (22-Mar-24) 2)CARE BBB; Stable (01-Sep-23)	1)CARE BBB; Stable (18-Nov-22) 2)CARE BBB+; Negative (16-Sep-22)
4	Fund-based - ST-Standby Line of Credit	ST	2.00	CARE A2	-	1)CARE A2 (24-Sep-24)	1)CARE A2 (22-Mar-24) 2)CARE A3+ (01-Sep-23)	1)CARE A3+ (18-Nov-22) 2)CARE A2 (16-Sep-22)
5	Non-fund-based - ST-Credit Exposure Limit	ST	3.75	CARE A2	-	1)CARE A2 (24-Sep-24)	1)CARE A2 (22-Mar-24) 2)CARE A3+ (01-Sep-23)	1)CARE A3+ (18-Nov-22) 2)CARE A2 (16-Sep-22)
6	Fund-based/Non-fund-based-LT/ST	LT/ST	40.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (24-Sep-24)	-	-

LT: Long term; ST: Short 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/ ST-Cash Credit	Simple
2	Fund-based - ST-Standby Line of Credit	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Non-fund-based - ST-Credit Exposure Limit	Simple
6	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**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](mailto:care@careedge.in) for clarifications.

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