# Kurvi Polymers LLP

February 12, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term / Short-term bank facilities | 30.00 | CARE BB+; Stable / CARE A4+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Kurvi Polymers LLP (KPL) is considering the company's limited scale of operations in the form of commission income, leveraged capital structure on a low net worth base, and weak debt coverage indicators. Ratings are further constrained by KPL's presence in a highly fragmented industry with competition from independent and del credere agents (DCA), and its constitution as a Limited Liability Partnership (LLP).

However, ratings continue to derive strength from KPL's experienced promoters, efficient trade receivables management with low collection risk, healthy profitability, and a stable industry demand outlook.

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

### Positive factors

- Significant increase in total operating income (TOI) and profit below interest, lease, depreciation and tax (PBILDT) margin above 35% on a sustained basis.
- Improvement in its capital structure marked by overall gearing below unity and net worth base of over ₹50 crore on a sustained basis.

### Negative factors

- Any significant decline in scale of operations or profitability.
- Any withdrawal of funds by promoters putting pressure on liquidity.
- Gross sales adjusted collection period of above 20 days on a sustained basis.

## Analytical approach: Standalone

## Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects that the firm shall continue to benefit from its established relationship with Indian Oil Corporation Limited (IOCL) and experienced promoters in the polymer industry.

## Detailed description of key rating drivers:

## Key weaknesses

### Modest scale of operations despite healthy profitability

KPL's TOI increased by 23% y-o-y and stood at ₹4.70 crore in FY25 against ₹3.82 crore in FY24. Out of this, TOI of ₹1.95 crore is in the form of commission income from the del credere agency of IOCL and the corresponding gross sales for FY25 is ₹642.32 crore (PY: ₹576.00 crore), while the balance ₹2.11 crore is from trading activities and ₹0.64 crore is incentives from IOCL for early payments.

PBILDT margin remained healthy at 33% in FY25. It moderated from FY24 levels due to higher trading sales and lower early payment incentive from IOCL in FY25, while the income from del credere commission largely remained stable.

Intense competition in the polymer trading segment continues to constrain growth and margin expansion. Net profitability remained moderate return on capital employed (ROCE) of 7.52% in FY25 (FY24: 10.62%).

### Leveraged capital structure and weak debt coverage indicators

The capital structure stood leveraged, marked by an overall gearing of 4.73x [PY: 4.39x] as on March 31, 2025. The deterioration was considering higher utilisation of fund-based working capital limits and reliance on unsecured loans from other parties. The

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

company's debt profile consists of working capital borrowings of ₹19.23 crore and USL from related parties of ₹2.30 crore [PY: ₹2.00 crore]. The total outside liabilities to net worth also stood high at 4.79x as on March 31, 2025 (4.5x as on March 31, 2024).

Debt coverage indicators continued to remain weak, as marked by PBILDT interest coverage of 0.98x in FY25 (1.10x in FY24) and very high total debt to gross cash accruals (TD/GCA) of 78.96x in FY25 (43.26x in FY24).

**Highly fragmented industry with competition from independent and DCAs**
The firm operates in a highly competitive and fragmented market. It not only competes with the DCAs of large companies but also with other local polymer traders resulting in severe pricing pressure; however, since KPL (through Sigma Chemicals) has long-standing relation with one of the polymer market leaders – Indian Oil Corporation Limited, this risk reduces to larger extent.

**Constitution as Limited Liability Partnership**
The constitution as a limited liability partnership firm restricts KPL's overall financial flexibility in terms of limited access to external funds for future expansion plans. Further, there is inherent risk of possibility of withdrawal of capital in times of personal contingency as it has limited ability to raise capital and poor succession planning may result in dissolution of the firm in case of death/insolvency of partner.

## Key strengths
**Experienced promoters**
KPL was formed in April 2022 and had taken over established proprietary business of Sigma Chemicals (SC). KPL has three partners, Vijay Goyal, Nina Goyal, and Harshit Agrawal.

Vijay Goyal was proprietor of SC and holds over three decades of experience in polymer trading industry. Another partner, Nina Goyal holds experience of around two decades in varied businesses such as polymer and other chemicals trading. All three partners jointly manage the overall operations and KPL's management.

**Efficient debtor management**
Average collection period (calculated basis gross sales) remained at 10 days for FY25 and 12 days for FY24. The debtor risk is mitigated to large extent since in maximum cases (~90%) trade receivables are backed by Letter of Credit (LC)/Post-dated cheques (PDC). Also, the firm has established long-term relationship with these customers, and it follows a practice of insuring its receivables, which helps in mitigating the debtor risk significantly. However, major delinquency in receivable could have an adverse impact on profitability and cash flow of the entity.

**Stable industry demand outlook**
Long-term domestic demand outlook remains stable owing to an increased demand from end-user industries such as automobiles, fast-moving consumer goods (FMCG), packaging, and pharmaceuticals. While there has been growth in domestic supply leading to increased competitive pressure, the domestic supply still lags demand and import dependence is expected to continue.

## **Liquidity**: Stretched
Liquidity for KPL remains stretched, as indicated by thin GCA of ₹0.27 crore in FY25 and high utilisation of working capital limits, given the company's working capital intensive operations. The fund-based working capital limits of ₹20 crore were utilised at ~80% in the six months ended December 31, 2025. Cash flow from operations improved to ₹3.39 crore in FY25 from a negative ₹3.13 crore in FY24 due to better receivable realisations. Free cash and bank balances stood modest at ₹3.00 crore as on March 31, 2025, with no scheduled repayments. Despite comfortable current and quick ratios of 1.12x, operations remain working capital intensive, with net working capital forming 71% of capital employed.

## **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](#)
[Financial Ratios – Non financial Sector](#)
[Short Term Instruments](#)
[Wholesale Trading](#)

## About the company and industry
## Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Services | Services | Commercial Services and Supplies | Diversified Commercial Services |

Indore, Madhya Pradesh-based KPL was formed on April 20, 2022 by Vijay Goyal, Nina Goyal, and Harshit Agrawal. KPL took over existing business of SC (Proprietor: Vijay Goyal), which was a DCA of IOCL for trading polymers. The business was transferred from SC to KPL in October 2022. KPL also owns two dealer-operated polymer warehouses (DOPW) at Indore, Madhya Pradesh, and Raipur, Chhattisgarh, on lease-hold basis.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) |
|---|---|---|
| Total operating income | 3.82 | 4.70 |
| PBILDT* | 1.76 | 1.57 |
| Profit after tax (PAT) | 0.49 | 0.26 |
| Overall gearing (x) | 4.39 | 4.73 |
| Interest coverage (x) | 1.10 | 0.98 |

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

**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 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/ ST-Working Capital Limits | - | - | - | - | 20.00 | CARE BB+; Stable / CARE A4+ |
| Non-fund-based - LT/ ST-Bank Guarantee | - | - | - | - | 10.00 | CARE BB+; Stable / CARE A4+ |

## 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-Working Capital Limits | LT/ST | 20.00 | CARE BB+; Stable / CARE A4+ | 1)CARE BB+; Stable / CARE A4+ (08-Apr-25) | 1)CARE BB+; Stable / CARE A4+ (01-Apr-24) | - | 1) CARE BB+; Stable / CARE A4+ (27-Jan-23) |
| 2 | Non-fund-based - LT/ ST-Bank Guarantee | LT/ST | 10.00 | CARE BB+; Stable / CARE A4+ | 1)CARE BB+; Stable / CARE A4+ (08-Apr-25) | 1)CARE BB+; Stable / CARE A4+ (01-Apr-24) | - | - |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated facilities:** Not applicable

## Annexure-4: Complexity level of instruments rated

| Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|
| 1 | Fund-based - LT/ ST-Working Capital Limits | Simple |
| 2 | Non-fund-based - LT/ ST-Bank Guarantee | Simple |

## Annexure-5: Lender details

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|---|
| 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 for clarifications.

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**About us:**
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