

Kisan Mouldings Limited

July 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	50.00	CARE A (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has placed the rating assigned to long-term bank facilities of Kisan Moulding Limited (KML) on "Rating Watch with developing Implications" due to an ongoing composite scheme involving an amalgamation between KML and Apollo Pipes Limited (APL).

As per the proposed scheme of arrangement, KML will first amalgamate its wholly owned subsidiary, KML Trade links Private Limited, with itself and thereafter amalgamate into Apollo Pipes Limited, subject to requisite statutory and regulatory approvals. The proposed amalgamation is expected to consolidate the company's operations under a single listed entity, resulting in operational synergies, improved scale of operations, enhanced manufacturing and distribution capabilities, and better resource utilisation. The combined entity is also expected to benefit from stronger financial flexibility, an improved business risk profile, and greater operational efficiencies through economies of scale.

The appointed date for KML's amalgamation is April 01, 2026. CareEdge Ratings will continue to monitor developments related to this and will take a view on ratings once the scheme is finalised and its impact on KML's credit risk profiles becomes clearer.

Ratings continue to derive strength from strong strategic and operational linkages with its parent, APL, which currently holds 61.94% stake. APL's established brand, extensive distribution network, and over two decades of expertise in the PVC pipe industry has enabled KML to expand its market presence, which is expected to play a pivotal role in improving KML's operational performance going forward. APL's acquisition of a majority stake in KML and the infusion of ₹118 crore allowed KML to largely settle its debts, with current capital structure remains strong comprised working capital borrowings and minimal term loan, characterised by overall gearing of 0.2x as on March 31, 2026.

In FY26, despite volume growth, realisations remained under pressure due to polyvinyl chloride (PVC) price corrections driven by Chinese dumping and delays in imposition of anti-dumping duties, impacting margins and resulted in negative profit before interest, lease rentals, depreciation, and taxation (PBILDT). Moderation in performance is also attributable to the company's currently low-capacity utilisation, which constrained operating leverage and led to under-absorption of fixed costs. However, CareEdge Ratings expects a gradual improvement from FY27 onwards, supported by a recovery in PVC resin prices and the company's planned expansion initiatives, which remains critical from credit perspective. With the parent's support, the company is also targeting wider geographic reach, which is expected to drive higher capacity utilisation levels. CareEdge Ratings notes that proposed amalgamation and merger is likely to enhance operating efficiencies, resulting in better absorption of costs and consequent improvement in realisations and margins in the medium term.

Ratings strengths are tempered by profitability being susceptible to raw material price volatility, particularly for PVC, chlorinated PVC (CPVC), and polyethylene resins, which are sensitive to global crude oil prices and supply-demand dynamics. Ongoing geopolitical tensions may lead to volatility in fuel prices. Plastic pipes industry is highly competitive, with organised and unorganised players vying for market share due to low entry barriers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in capacity utilisation leading to increase in scale of operations and improvement in PBILDT margins on a sustained basis.
- Improvement in the credit profile of parent; APL.

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

Negative factors

- Debt-funded capital expenditure leading to moderation in net debt/ PBILDT above 2.00x beyond FY26-end.
- Inability to improve its existing scale and PBILDT margins.
- Deterioration in credit profile of the parent; APL.

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated view of the company (KML) and its subsidiary considering significant business, managerial, and financial linkages between them. Entities under consolidation are listed under Annexure-6. The rating also factors strong operational, financial, and management linkages with the parent, APL. APL has also provided a shortfall undertaking for KML's debt facilities.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Strong parentage with significant operational and financial linkages

APL has an established brand of 'Apollo', which it shares with APL. Apollo Tubes Limited (market leader in ERW pipes) and has over two decades' experience in PVC pipes industry holding 2-3% market share in domestic PVC pipe industry. APL has 1,000+ dealers and distributors across India. APL's strong distribution network enabled it to have a pan-India presence in its piping business. In March 2024, APL acquired a 53.57% majority stake in KML for ₹118.40 crore, utilising proceeds to facilitate a one-time settlement (OTS) with KML's lenders. APL since increased its stake to 61.94% as on March 31, 2026. This acquisition allows APL to expand its footprint in the western market and diversify geographically. APL provided a shortfall undertaking for KML's debt facilities and appointed a director and a Chief Finance Officer (CFO) from APL to KML's board to support the company's operations. In the last five years, APL consistently improved its sales volume due to increased capacity. The parent company's capacity grew from 84,000 MT in FY20 to 240,000 MT, currently. This expansion led to 17% compounded annual growth rate (CAGR) in sales volume, reaching 1,03,752 MT in FY26, and up from 44,692 MT in FY20. Consequently, the total operating income (TOI) increased at a CAGR of ~24% in the last five years, though the parent company's sales has moderated by ~7% on year-over-year (y-o-y) in FY26 mainly, on account of sharp fluctuations in PVC resin prices. However, going forward, sales and margins are expected to expand with improving scale of KML and APL, leading to economies of scale and further increase in contribution of value-added products like oriented polyvinyl chloride (OPVC) and window profile.

Support from strong parent, APL leading to improvement in operating performance

KML faced significant operational and financial challenges prior to its acquisition by APL. In the last five years, KML experienced consistent losses at PBILDT level, primarily due to inefficiencies and under-utilisation of its capacities, caused by working capital constraints. This resulted in under-absorption of fixed costs and poor gross margins. KML had a substantial debt burden of ₹250 crore, leading to higher interest costs and further strain on its financial performance. With APL's backing and availability of adequate working capital now, KML achieved profitability in FY25 (PBILDT Margin of 3.9%), despite a slowdown in the end-user industry due to the general elections in H1FY25 and limited spending on real estate and government water infrastructure projects. KML reported slight losses at operating level (₹ two crore), mainly because of weak market demand and owing to volatility in crude-linked raw material prices, driven by the West Asia crisis. While volumes remained in line with expectations, realisations have remained subdued, considering the limited pricing power due to passing increased raw material costs to customers is not feasible. Absence of natural demand resulted in increased push sales, exerting pressure on pricing and margins.

Sales volumes grew, but realisations reduced because of correction in PVC prices partially driven by heavy dumping of Chinese PVC into India. This oversupply was partly due to the US trade restrictions, which led China to divert excess production to markets such as India, forcing domestic players to cut prices. Delays in anti-dumping duties on PVC resins, partly due to massive demand from the Jal Jeevan Mission led to price volatility. The management expects an improvement in demand conditions in FY27 and is targeting a sustainable PBILDT margin of ₹5,000–6,000/tonne in the medium term.

CareEdge Ratings expects KML to benefit from APL's operational and financial support, with gradual improvement in utilisation levels and profitability.

Comfortable financial risk profile

APL and other investors have infused ~₹158 crore in KML, enabling the company to significantly reduce its debt position through a one-time settlement agreement with banks. Consequently, the company's capital structure has improved with an overall gearing of 0.2x as on March 31, 2026. The company is expected to achieve net debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) of less than 2.0x from FY27 onwards. The financial risk profile also factors the support provided by the parent, increasing the financial flexibility. APL has provided a shortfall undertaking for KML's debt facilities and is likely to provide financial support going forward.

Diversified product portfolio with wide distribution network

The company has well diversified product portfolio of polymer pipes and fittings, which includes CPVC, unplasticized PVC (UPVC), high-density polyethylene (HDPE), soil, waste, and rainwater (SWR) pipes, solvents, and irrigation systems, among others. Through its large basket of products, the company caters varied user base, such as water supply and sanitation, irrigation, plumbing, and drainage lines. Diversified user base helps the company in tiding over low demand from user industry. The company has a wide range of stock-keeping units (SKUs), including plastic pipes and fittings for building and agricultural purposes. The company has wide dealer network of 300+ dealers and 15,000+ retailers.

Key weaknesses

Profitability susceptible to raw material price volatility

Polyethylene (PE), PVC and CPVC resin are key raw materials used in the plastic pipes industry; their prices depend on crude oil price movements and global demand-supply dynamics. Thus, KML is exposed to fluctuation in raw material prices. Substantial and sharp fall in raw material cost leads to inventory losses for plastic pipes players. Ability to consistently maintain gross margin amidst raw material volatility remains crucial for success of plastic pipe manufactures.

Highly competitive plastic pipes industry with low entry barriers

The Indian plastic pipes industry is highly competitive with market share of unorganised players, comprising ~30-35% of the industry. A significant portion of the industry comprises unorganised segment, considering low-entry barriers in the plastic pipes industry and commoditised product, leading to low product differentiation. Indian plastic pipe industry primarily derives its demand from infrastructure/construction and agriculture sector and replacement/substitution of metal pipes by cost-effective plastic pipes. Volatile international prices of PVC resins, exchange rate fluctuations and supply chain management, provides organised players an upper hand compared to unorganised players in risk management, because they enjoy established long-term relationships with raw material suppliers. This leads to market share gain for organised players.

Liquidity: Adequate

The company's liquidity is expected to remain adequate marked by cash and bank balance of ~ ₹1.92 crore in FY26, against minimal term debt repayment obligations. The company's minor routine capex can be easily funded through internal accruals. The company moderate utilisation of working capital limits with 87% utilisation for past 12 months ending January 2026. Thus, its unutilised bank lines are adequate to meet its incremental working capital needs. The company's liquidity is also supported by its parent, APL, which is likely to provide support in case of exigency.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Factoring Linkages](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Nonfinancial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Plastic products - industrial

KML is a well-known brand in PVC pipes, fittings, and allied products, was incorporated in 1989 as Sanwaria Synthetics Private Limited and later converted to a public limited company in 1993, acquiring its current name in November 1993. Their product

range includes CPVC, UPVC, HDPE, SWR, solvents, and irrigation systems, among others. KML has been successfully manufacturing and marketing its products under brand names, 'KISAN' and 'KML CLASSIC'. It has manufacturing facilities in Silvassa, Dadra and Nagar Haveli, Tarapur, Maharashtra, Baddi, Himachal Pradesh, Dewas, Madhya Pradesh, Raipur, Chhattisgarh, and Tumkur, Karnataka.

Brief Financials-Consolidated (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	273.46	250.07
PBILDT*	10.74	-1.87
Profit after tax (PAT)	3.39	-7.43
Overall gearing (x)	0.2	0.2
Interest coverage (x)	6.0	NM

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 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		-	-	-	50.00	CARE A (RWD)

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (30-Aug-24)	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-23)
2	Fund-based - LT-Funded Interest term Loan	LT	-	-	-	-	1)Withdrawn (30-Aug-24)	1)CARE D; ISSUER NOT

								COOPERATING * (28-Jul-23)
3	Fund-based - LT- Term Loan	LT	-	-	-	-	1)Withdrawn (30-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (28-Jul-23)
4	Fund-based - LT- Working capital Term Loan	LT	-	-	-	-	1)Withdrawn (30-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (28-Jul-23)
5	Non-fund-based - ST-Bank Guarantee	ST	-	-	-	-	1)CARE D; ISSUER NOT COOPERATING * (30-Aug-24) 2)Withdrawn (30-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (28-Jul-23)
6	Non-fund-based - ST-ILC/FLC	ST	-	-	-	-	1)Withdrawn (30-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (28-Jul-23)
7	Fund-based - LT- Cash Credit	LT	50.00	CARE A (RWD)	1)CARE A; Stable (10-Apr- 26)	1)CARE A; Stable (09-Apr- 25)	-	-

*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

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	KML Tradelinks Private Limited	Full	Wholly owned Subsidiary

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

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