Kriti Industries (India) Limited

August 20, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	219.00 (Reduced from 229.00)	CARE BBB+; Negative / CARE A2	Reaffirmed; Outlook revised from Stable
Long-term bank facilities	RBI	10.33 (Reduced from 21.58)	CARE BBB+; Negative	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	RBI	5.50 (Reduced from 5.75)	CARE A2	Reaffirmed

Details of 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 vast experience of its promoters with established operations in plastic pipes and fittings industry, widespread distribution network and adequate liquidity.

However, ratings continue to remain constrained due to moderation in KIL's scale of operations in FY26 (FY refers to period from April 01 to March 31) and Q1FY27, moderation in profitability with net loss reported in Q1FY27 with profitability being susceptible to volatile raw material prices and foreign exchange fluctuation risk, moderate financial risk profile, 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.
- 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: Negative

The 'Negative' outlook on the long-term rating of KIL reflects CARE Ratings Limited's (CareEdge Ratings) expectation of moderation in scale of operations and profitability, which may result in weakening debt coverage indicators. The outlook may be revised to 'Stable' in case the company is able to report better than envisaged scale of operations and profitability leading to improvement in its debt coverage indicators.

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

[1]SEBI: 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

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

Mehta, whole-time Director, in managing overall operations. The company's directors are well-qualified and have over three decades of industry experience.

KIL's 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 extended loans and advances of ₹24 crore to KIL as of March 31, 2026, and made an equity infusion of ₹19 crore in FY26 through conversion of warrants. KNL also has free cash and bank balance (including liquid investments) of over ₹50 crore as on March 31, 2026.

Established operations in plastic pipes and fittings with wide-spread distribution network

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 major revenue generating states. KIL sells PVC pipes under the brand name of "Kasta". However, KIL's revenue was concentrated with agriculture sector (including micro-drip irrigation; seasonal in nature) contributing 78% of net sales in FY26 followed by 15% from infrastructure/ building products and balance from industrial (CGD and telecom companies) sector.

Key weaknesses

Moderation in scale of operations with net loss reported in Q1FY27

KIL's scale of operations as marked by its TOI declined by 19% y-o-y from ₹722 crore in FY25 to ₹588 crore in FY26 (₹867 crore in FY24) due to weaker demand in second and third quarter of FY26. Overall sales volume was impacted due to unprecedented rains in Q2FY26, which continued till October affecting its major revenue contributing segment. Agriculture segment in both quarters. However, the company reported 207 bps y-o-y increase in its PBILDT margin to 6.07% in FY26 due to benefit derived from raw material price volatility.

In Q1FY27, the company witnessed 23% y-o-y decline in revenue to ₹173 crore (PY: ₹224 crore), primarily due to moderation in demand from agriculture sector. Consequently, the company's PBILDT margin moderated by 385 bps y-o-y from 6.93% in Q1FY26 to 3.08% in Q1FY27 due to raw material price volatility and lower absorption of fixed costs on reduced scale of operations. As a result, the company reported net loss of ₹2.28 crore in Q1FY27 (PY: ₹7.20 crore) in one of its peak season quarters.

Moderate financial risk profile

KIL's capital structure as marked by its overall gearing ratio remained moderate at 0.91x as on March 31, 2026, against 1.13x as on March 31, 2025, owing to increase in tangible net worth (with partial warrant conversion proceeds of ₹19 crore) and reduction in unsecured loans from related parties and term debt as on March 31, 2026. KIL prepaid large part of its term loan in FY26 and as on March 31, 2026, it had outstanding term debt of only ₹0.71 crore.

In FY26, the company's debt coverage indicators continued to remain moderate as marked by interest coverage ratio of 2.31x (PY: 1.21x) and total debt to gross cash accruals (TD/GCA) of 11.82x (PY: 27.99x). However, in Q1FY27, interest coverage ratio weakened in line with moderation in operating profit to 1.34x (PY: 3.32x).

CareEdge Ratings expects the company's capital structure and debt coverage indicators to remain moderate in the medium term, in absence of planned major debt-funded capex.

Profitability susceptible to volatile raw material prices and foreign exchange fluctuation risk

Raw material is the major cost for KIL, which accounted for ~82% of total cost of sales in FY26. Primary raw material consumed by KIL is PVC resin, 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, affecting 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 while some portion of requirement is also met through imports thus exposing it to supplier concentration risk and volatility in foreign exchange (~2% of its raw material requirement was met from import market in FY26 [PY: 9%] 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 of 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 including '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 Maharashtra, 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's liquidity position remained adequate marked by moderate cash accruals, cash flow from operations (CFO), and liquid funds against low debt repayment obligation.

KIL reported moderate net cash accruals (NCA) of ₹17 crore in FY26 and expected to generate NCA of ~₹17-25 crore from FY27-FY29 against scheduled debt repayment obligation of ~₹0.60 crore each in the same period. The company's CFO moderated from ₹33 crore in FY25 to ₹22 crore in FY26, owing to increase in inventory level as on March 31, 2026. The company reported unencumbered cash and bank balance of ₹5 crore as on March 31, 2026. Average fund-based and non-fund-based working capital limits utilisation remained moderate at 61% and 73% respectively for 12 months ended June 2026.

The company's operations are highly working capital intensive with gross current assets days of 162 days in FY26 against 135 days in FY25, 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 to 57 days in FY26 in line with increase in inventory holding period.

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, KNL 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 1,49,400 metric tonne per annum (MTPA) as on March 31, 2026.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	722.49	587.91	173.11
PBILDT	28.92	35.68	5.33
PAT	-4.50	1.07	-2.28
Overall gearing (times)	1.13	0.91	NA
Interest coverage (times)	1.21	2.31	1.34

A: Audited; UA: Unaudited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Cash Credit	RBI	Simple	-		-	-	54.00	CARE BBB+; Negative / CARE A2
Fund-based - ST-Standby Line of Credit	RBI	Simple	-		-	-	2.00	CARE A2
Fund-based/Non-fund-based-LT/ST	RBI	Simple	-		-	-	30.00	CARE BBB+; Negative / CARE A2
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	135.00	CARE BBB+; Negative / CARE A2
Non-fund-based - ST-Credit Exposure Limit	RBI	Simple	-		-	-	3.50	CARE A2
Term Loan-Long Term	RBI	Simple	-		-	31-03-2027	10.33	CARE BBB+; Negative

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/ ST-Cash Credit	LT/ST	54.00	CARE BBB+; Negative / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (01-Oct-25)	1)CARE BBB+; Stable / CARE A2 (24-Sep-24)	1)CARE BBB+; Stable (22-Mar-24) 2)CARE BBB; Stable (01-Sep-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	135.00	CARE BBB+; Negative / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (01-Oct-25)	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)
3	Term Loan-Long Term	LT	10.33	CARE BBB+; Negative	-	1)CARE BBB+; Stable (01-Oct-25)	1)CARE BBB+; Stable (24-Sep-24)	1)CARE BBB+; Stable (22-Mar-24) 2)CARE BBB; Stable (01-Sep-23)
4	Fund-based - ST-Standby Line of Credit	ST	2.00	CARE A2	-	1)CARE A2 (01-Oct-25)	1)CARE A2 (24-Sep-24)	1)CARE A2 (22-Mar-24) 2)CARE A3+ (01-Sep-23)
5	Non-fund-based - ST-Credit Exposure Limit	ST	3.50	CARE A2	-	1)CARE A2 (01-Oct-25)	1)CARE A2 (24-Sep-24)	1)CARE A2 (22-Mar-24) 2)CARE A3+ (01-Sep-23)
6	Fund-based/Non-fund-based-LT/ST	LT/ST	30.00	CARE BBB+; Negative	-	1)CARE BBB+;	1)CARE BBB+;	-

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
				/ CARE A2		Stable / CARE A2 (01-Oct-25)	Stable / CARE A2 (24-Sep-24)	

LT/ST: Long term/Short term, LT: Lont term, ST: Short term.

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

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated: Not applicable

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.

Contact us

Media Contact	Analytical Contacts
Name: Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Name: Kalpesh Patel Director **CARE Ratings Limited** Phone: +91-79-4026 5611 E-mail: Kalpesh.patel@careedge.in
Relationship Contact Name: Saikat Roy Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Name: Anuja Parikh Associate Director **CARE Ratings Limited** Phone: +91-79-4026 5616 E-mail: anuja.parikh@careedge.in Name: Harsh Desai Assistant Director **CARE Ratings Limited** E-mail: harsh.desai@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com