Prayag Polymers Limited

September 08, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	166.43 (Enhanced from 111.28)	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	RBI	11.50	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Prayag Polymers Limited (PPL) continue to derive strength from experienced promoters and PPL's long track record of industry operations, diversified product profile, and widespread distribution network. Ratings also factor in the sustained growth in scale of operations, healthy profitability margin, and completion of the manufacturing facility in West Bengal for plumbing products and storage tanks.

However, ratings continue to remain constrained by PPL's moderate financial risk profile, elongated operating cycle with high reliance on working capital borrowings, and increase in term debt, resulting in stretched liquidity. Ratings also remain constrained by profitability susceptible to raw material price volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income (TOI) to above ₹450 crore while maintaining profit before interest, lease rental, depreciation, and tax (PBILDT) above 16% on a sustained basis.
- Improvement in operating cycle below 120 days, leading to lower dependence on external borrowing and improvement in 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 Limited's (CareEdge Ratings') expectation of improvement in scale of operations and sustenance of profitability margins with improving financial risk profile.

Detailed description of key rating drivers

Key strengths

Sustenance of operating performance despite challenges in pipe division

PPL's TOI increased by ~5% to ₹355.01 crore in FY26 from ₹339.40 crore in FY25, supported by an increase in product demand. The PBILDT margin remained healthy at 17.14% in FY26 (PY: 17.15%), reflecting the company's ability to sustain profitability, despite limited contribution from the High-Density Polyethylene pipes (HDPE) segment. The performance of the pipe division continued to remain subdued due to delays and implementation challenges under the Jal Jeevan Mission and increased raw material costs in the last few months of FY26. However, PPL undertook modifications at the pipe manufacturing facility to cater to the retail segment through gardening pipes and storage tanks, from which it expects sales of ~₹5-6 crore in FY27, and higher contribution in subsequent years. The company has demonstrated its ability to pass on a substantial portion of raw material cost increases to customers, supporting its operating profitability.

[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.

Experienced promoters and operating track record
The company is promoted by the Aggarwal family and is led by Nitin Aggarwal, Chairman and Managing Director, who has ~15 years of experience in the sanitaryware industry and oversees the company's overall operations. He is supported by his brother, Deepak Aggarwal, who has been associated with the company since 2008 and supervises the production and operations functions. Promoters are further supported by a team of experienced professionals, aiding the company in its day-to-day operations and strategic decision-making.

Established market presence, diversified product portfolio, and distribution network
The company has an established presence in the sanitaryware and plumbing products segment, with a diversified product portfolio comprising bathroom showers, wash basins, kitchen sinks, door stoppers, Chlorinated Polyvinyl Chloride pipe (CPVC) fittings, and other related products. It was also among the early manufacturers to introduce Polytetra Methylene Terephthalate (PTMT) plastic taps in the Indian market. In line with its growth strategy, the company has diversified into the HDPE pipe segment to capitalise on opportunities arising from government-led infrastructure initiatives, such as the Jal Jeevan Mission. Over the years, the company has significantly expanded its product portfolio from ~200 stock-keeping units (SKUs) to over 4,000 SKUs, and continues to explore diversification into underground drainage systems, column pipes, and casing pipes.

The company markets its products under the "Prayag India" brand and has developed a wide distribution network comprising ~250 distributors and over 7,000 dealers across 28 states. Its customer base includes dealers and distributors, catering to government and institutional entities such as All India Institute of Medical Sciences, Public Works Department, Central Public Works Department and Municipal Corporation of Delhi (AIIMS, PWD, CPWD and MCD. The distribution network is supported by a sales and marketing team of ~120-140 professionals. The company has strengthened its market reach through ~1,500 shop-in-shop outlets and a service network spread across over 20 locations in India in association with certified plumbers, enhancing brand visibility, and customer engagement.

Regular capacity addition to support scale and product diversification
The company has undertaken capacity additions in the last few years and recently completed a manufacturing facility in West Bengal for plumbing pipes and storage tanks. The company received consent to operate the facility in March 2026. The project was implemented at a total cost of ~₹38-39 crore, funded through a term loan of ~₹24 crore and internal accruals of ₹14-15 crore. Commercial operations are expected to commence in November 2026, with the facility expected to contribute revenue of ~₹8-10 crore in FY27, and ~₹30 crore in FY28. The project is expected to enhance the company's manufacturing capabilities, product reach and revenue diversification in the medium term.

Key weaknesses
Moderate financial risk profile
PPL's financial risk profile remained moderate, marked by an overall gearing of 1.45x as on March 31, 2026, though marginally improved from 1.69x as on March 31, 2025. However, the capital structure continues to reflect reliance on external borrowings including term debt of ₹81.09 crore as on March 31, 2026. The company's sanctioned working capital limits increased to ₹114 crore in FY26 from ₹72 crore in FY25, with high average utilisation of 93.64% for 12 months ended June 2026. PPL is also availing funding of ~₹21-22 crore under Emergency Credit Line Guarantee Scheme (ECLGS 5.0) in FY27, to support its working capital requirements and capital expenditure. CareEdge Ratings notes unsecured loans from directors amounting to ₹27.22 crore as on March 31, 2026, of which ₹26.96 crore has been treated as subordinated debt, providing support to an extent to PPL's capital structure. Debt coverage indicators remained moderate, with total debt to gross cash accruals (GCA) (TD/GCA) and interest coverage ratio standing at 5.10x and 4.13x, respectively, as on March 31, 2026 (PY: 4.87x and 3.64x, respectively).

Working capital intensive operations
The company's operations remain working capital intensive, as reflected in the elongated collection period of 111 days in FY26 (PY: 84 days), and inventory holding period of 90 days (PY: 107 days). Elongated operating cycle is primarily attributable to the credit period of 90-120 days extended to distributors, inventory requirements across the company's product portfolio, and limited credit from suppliers. The increase in the collection period in FY26 was attributable to the decline in sales under the Jal Jeevan Mission, where receivables had a comparatively shorter realisation period. Approximately 32% of the company's annual sales were booked in Q4FY26, resulting in elevated year-end receivables of ~₹130 crore as on March 31, 2026 (PY: ₹90 crore). Receivables include ~₹16 crore outstanding from three parties for over 18 months. The company expects to recover ~₹6-7 crore of these receivables in FY27 and recognised a provision of ~₹7 crore in FY26. Consequently, the company's working capital requirements remain high and necessitate continued high reliance on bank borrowings.

Profitability susceptible to raw material price volatility

The company's profitability remains susceptible to raw material price volatility, with raw materials accounting for ~45-55% of TOI. Key raw materials comprise polymers derived from petrochemicals, prices of which are closely linked to fluctuations in crude oil prices. Although the company has demonstrated the ability to pass on majority increase in input costs through price revisions, its pricing flexibility remains constrained by the intense competition, and fragmented nature of the industry, limiting the extent of cost pass-through and exposing margins to adverse movements in raw material prices.

Liquidity: Stretched

The company's liquidity profile remains stretched, as reflected by high average utilisation of its working capital limits at ~93.64% for 12 months ended June 2026. The company has scheduled debt repayment obligations of ₹22.20 crore against projected GCA of ₹35.96 crore in FY27. The current ratio stood at 1.00x as on March 31, 2026, indicating limited liquidity cushion. However, the company is availing funding of ~₹21-22 crore under ECLGS 5.0., a portion of which is proposed to be retained as a liquidity buffer. Sustained improvement in cash flow from operations and timely infusion of unsecured loans by promoters, when required, will remain a key monitorable.

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

PPL, founded in 1986 by Virendra Aggarwal, is engaged in the manufacturing and distribution of faucet ware, sanitary-ware, and bathroom fittings. The company initially manufactured PTMT plastic faucets and subsequently diversified into chrome-plated (CP) faucets in 2008. Along with faucet, the company also manufactures plumbing products and kitchen ware. PPL's product range includes PTMT & CP Faucets, CP & PTMT Fittings, kitchen sink, pipes, bath fittings, and accessories. The company has also diversified into HD pipes segment. PPL has its manufacturing plants at Bhiwadi, Rajasthan; Varanasi, Uttar Pradesh; and Kolkata, West Bengal.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	339.40	355.01
PBILDT*	58.21	60.83
Profit after tax (PAT)	22.65	24.60
Overall gearing (x)	1.69	1.45
Interest coverage (x)	3.64	4.13

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

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to bank facilities of PPL into ISSUER NOT COOPERATING category vide press release dated June 17, 2026, considering 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

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-Cash Credit	RBI	Simple	-	-	-	-	114.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	07-02-2032	52.43	CARE BBB-; Stable
Non-fund-based - ST-BG/LC	RBI	Simple	-	-	-	-	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 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-Term Loan	LT	52.43	CARE BBB-; Stable	-	1)CARE BBB-; Stable (30-Jun-25)	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	114.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (30-Jun-25)	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 A3 (30-Jun-25)	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: 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 for clarifications.

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About us:

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