

Kisan Mouldings Limited

April 09, 2019

Ratings

Facilities	Amount (Rs. Crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	208.75	CARE D (Single D)	Reaffirmed
Short-term Bank Facilities	91.25	CARE D (Single D)	Reaffirmed
Total Facilities	Rs. 300.00 (Rupees Three Hundred Crore only)		

¹Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The reaffirmation of ratings to the bank facilities of Kisan Mouldings Limited factors in the continuing delay in servicing of its debt obligation.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delays in servicing of debt obligations

There are continuing delay in debt servicing as reported by the lenders and company.

Analytical approach: Consolidated

(The company has one wholly owned subsidiary – KML Tradelinks Private Limited)

Applicable Criteria

[Criteria on assigning Outlook to Credit Rating](#)

[CARE's default recognition policy](#)

[Criteria for Short Term Instruments](#)

[Financial ratios - Non Financial Sector](#)

[Rating Methodology - Manufacturing Companies](#)

About the Company

Established in 1982, Kisan Mouldings Limited is primarily involved in manufacturing of PolyVinyl Chloride (PVC) pipes and fittings. They also manufacture custom moulded articles and moulded furniture. It processes around 50,000 metric tonnes of polymer each year. The products are marketed under its own brand viz. KISAN & KML CLASSIC through 11 branch offices spread across major cities catering to existing base of 100 distributors and 3,000 dealers' network. The company has its manufacturing units at 5 locations while its registered office is in Mumbai. They have recently entered into manufacturing of water tanks, which is operational in Maharashtra currently.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	482.21	573.21
PBILD	40.22	46.86
PAT	-1.67	0.47
Overall gearing (times)	3.96	1.15
Interest coverage (times)	1.04	1.30

A: Audited

Status of non-cooperation with previous CRA: CRISIL Limited has put the ratings assigned to the company under 'Issuer Non-cooperation' category vide their press release dated April 16, 2018 due to non-submission of information.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	108.75	CARE D
Fund-based - LT-Funded Interest term Loan	-	-	December 2020	12.50	CARE D
Fund-based - LT-Term Loan	-	-	December 2024	48.51	CARE D
Fund-based - LT-Working capital Term Loan	-	-	December 2021	38.99	CARE D
Non-fund-based - ST-Bank Guarantees	-	-	-	11.25	CARE D
Non-fund-based - ST-ILC/FLC	-	-	-	80.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	108.75	CARE D	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE B+; Stable (12-Jan-18)	-
2.	Fund-based - LT-Funded Interest term Loan	LT	12.50	CARE D	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE B+; Stable (12-Jan-18)	-
3.	Fund-based - LT-Term Loan	LT	48.51	CARE D	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE B+; Stable (12-Jan-18)	-
4.	Fund-based - LT-Working capital Term Loan	LT	38.99	CARE D	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE B+; Stable (12-Jan-18)	-
5.	Non-fund-based - ST-Bank Guarantees	ST	11.25	CARE D	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE A4 (12-Jan-18)	-
6.	Non-fund-based - ST-ILC/FLC	ST	80.00	CARE D	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE A4 (12-Jan-18)	-

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