

September 14, 2018

To
BSE Ltd,
Corporate Relationship Department
P J Towers, Dalal Street,
Mumbai – 400 001,

Scrip Code: 530145

Sub.: Intimation of Revision in Ratings

Dear Sir,

In terms of Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that CARE Ratings Limited (CARE) has revised (downgraded) its ratings on the bank facilities of the Company as follows:

Facilities	Amount (Rs. Crore)	Ratings	Rating Action
Long-term Bank Facilities	208.75	CARE D (Single D)	Revised from CARE B+; Stable (Single B Plus; Outlook: Stable)
Short-term Bank Facilities	91.25	CARE D (Single D)	Revised from CARE A4; Stable (A Four; Outlook: Stable)
Total Facilities	300.00 Crores (Rupees Three Hundred Crores only)		

The revision in the ratings assigned by the CARE to the bank facilities of Kisan Mouldings Limited is on account of delays in servicing of debt obligations.

The Rating Rationale of CARE for revision in credit rating is enclosed.

This is for your information and records.

Thanking you,
Yours truly,
FOR KISAN MOULDINGS LIMITED


.....
SANJEEV A AGGARWAL
CHAIRMAN & MANAGING DIRECTOR
(DIN: 00064076)



ENCL: AS ABOVE

No. CARE/HO/RR/2018-19/1744

Shri Amit Sudhakar
Chief Financial Officer
Kisan Mouldings Limited
26-A, 3rd Floor, K-Wing, Tax Centre,
Off Saki Vihar Road, Chandivali,
Andheri East – 400 071
Mumbai, Maharashtra

September 10, 2018

Dear Sir,

Credit rating of Kisan Mouldings Limited for Rs. 300.00 crore

Please refer to our letter dated September 06, 2018 on the above subject.

2. The rationale for the ratings is attached as an **Annexure-I**.
3. We request you to peruse the annexed document and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by September 10, 2018, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



Mr Nitin Jha
Senior Manager

Encl.: As above

Annexure-I
Rating Rationale
Kisan Mouldings Limited

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	208.75	CARE D (Single D)	Revised from CARE B+; Stable (Single B Plus; Outlook: Stable)
Short-term Bank Facilities	91.25	CARE D (Single D)	Revised from CARE A4 (A Four)
Total Facilities	Rs. 300.00 crore (Rupees Three Hundred crore only)		

Rating Rationale

The revision in the ratings assigned to the bank facilities of Kisan Mouldings Limited is on account of delays in servicing of debt obligations.

Background

Established in 1982, Kisan Mouldings Limited (KML) 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. KML 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.

Analytical approach: Consolidated

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



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Credit Risk Assessment

Delays in servicing of debt obligations

There have been instances of delays reported by the Auditor.

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Financial Performance

	(Rs. Cr)		
For the period ended / as at March 31,	2016	2017	2018
	(12m, A)	(12m, A)	(12m, A)
<u>Working Results</u>			
Net Sales	463.89	479.07	556.15
Total Operating income	469.54	481.50	562.88
PBILDT	32.41	37.12	45.10
Interest	37.32	38.06	35.93
Depreciation	14.53	12.08	14.14
PBT	-19.43	-12.96	-4.43
PAT (after deferred tax)	-15.32	-0.91	0.43
Gross Cash Accruals	-5.28	-0.97	10.79
<u>Financial Position</u>			
Equity Capital	20.33	28.86	33.86
Networth	41.60	114.92	174.28
Total capital employed	281.36	332.11	373.65
<u>Key Ratios</u>			
<i>Growth</i>			
Growth in Total income (%)	NM	3.27	16.09
Growth in PAT (after D.Tax) (%)	NM	-94.05	-146.90
<i>Profitability</i>			
PBILDT/Total Op. income (%)	6.90	7.71	8.01
PAT (after deferred tax)/ Total income (%)	-3.26	-0.19	0.08
ROCE (%)	NM	8.20	8.94
Average cost of borrowing (%)	NM	16.40	16.08
<i>Solvency</i>			
Long-term Debt Equity ratio (times)	2.87	1.01	0.58
Overall gearing ratio (times)	5.62	2.00	1.24
Interest coverage (times)	0.87	0.98	1.26
Term debt/Gross cash accruals (years)	-22.61	-119.22	9.39
<i>Liquidity</i>			
Current ratio (times)	1.10	1.03	1.15
Quick ratio (times)	0.59	0.54	0.57
<i>Turnover</i>			
Average collection period (days)	NM	88	92
Average creditors (days)	NM	84	92
Average inventory (days)	NM	123	125
Operating cycle (days)	NM	127	124

A: Audited ; NM: Not meaningful



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Details of Rated Facilities

1. Long-term facilities

1. A. Term loans

(Rs. Crore)

Sr. No	Lender	Type of facility	Rated Amount	Remarks	Debt Repayment Terms
1	ICICI Bank	Fund-based – LT – Rupee term loan	25.26	Outstanding as on Dec 31, 2017	10 years (2 years moratorium) – repayment from Jan 31, 2017
2		Fund-based – LT – Working capital term loan	0.97		7 years (2 years moratorium) – repayment from Jan 31, 2017
3		Fund-based – LT – Funded interest term loan I	3.70		6 years (2 years moratorium) – repayment from Jan 31, 2017
4		Fund-based – LT – Funded interest term loan II	0.12		6 years (2 years moratorium) – repayment from Jan 31, 2017
5	IDBI Bank	Fund-based – LT – Rupee term loan	6.67	Outstanding as on Dec 31, 2017	5 years (2 years moratorium) – repayment from Jan 01, 2017
6		Fund-based – LT – Working capital term loan	7.80		7 years (2 years moratorium) – repayment from Jan 01, 2017
7		Fund-based – LT – Funded interest term loan I	1.25		6 years (2 years moratorium) – repayment from Jan 01, 2017
8		Fund-based – LT – Funded interest term loan II	1.00		6 years (2 years moratorium) – repayment from Jan 01, 2017
9	Punjab National Bank	Fund-based – LT – Term loan II	3.09	Outstanding as on Dec 31, 2017	4 years (2 years moratorium) – repayment from Jan 2017
10		Fund-based – LT – Term loan III	3.46		4 years (2 years moratorium) – repayment from Jan 2017
11		Fund-based – LT – Funded interest term loan I	1.16		6 years (2 years moratorium) – repayment from Jan 2017
12		Fund-based – LT – Working capital term loan	11.70		7 years (2 years moratorium) – repayment from Jan 2017
13		Fund-based – LT – Funded interest term loan II	1.50		6 years (2 years moratorium) – repayment from Jan 2017
14	Shamrao Vithal	Fund-based – LT – Rupee term loan	0.11	Outstanding as on Dec 31, 2017	6 years (2 years moratorium) – repayment from January 2017
15	Co-operative	Fund-based – LT – Rupee term loan II	1.90		4 years 9 months (2 years moratorium) – repayment

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	Bank Limited				from Jan 2017
16		Fund-based – LT – Rupee term loan III	4.69		8 years 11 months (2 years moratorium) – repayment from Jan 2017
17		Fund-based – LT – Working capital term loan	8.77		7 years (2 years moratorium) – repayment from January 2017
18		Fund-based – LT – Funded interest term loan I	1.12		5 years 3 months (2 years moratorium) – repayment from January 2017
19		Fund-based – LT – Funded interest term loan II	1.06		
20	Union Bank of India	Fund-based – LT – Term loan	0.60	Outstanding as on Dec 31, 2017	6 years (2 years moratorium) – repayment from Jan 01, 2017
21		Fund-based – LT – Working capital term loan	9.75		7 years (2 years moratorium) – repayment from Jan 01, 2017
22		Fund-based – LT – Funded interest term loan I	0.33		7 years (2 years moratorium) – repayment from January 2017
23		Fund-based – LT – Funded interest term loan II	1.25		4 years (2 years moratorium) – repayment from January 2017
24	Proposed		2.73	Proposed	
	Total facilities		100.00		

1. B. Fund-based limits sanctioned

(Rs. Crore)

Sr. No.	Name of Bank	Fund-based Limits		
		Cash Credit	Others	Total fund-based limits
1	ICICI Bank	4.00	-	4.00
2	IDBI Bank	14.50	-	14.50
3	Punjab National Bank	35.00	-	35.00
4	Shamrao Vithal Co-operative bank limited	34.50	-	34.50
5	Union bank of India	19.00	-	19.00
6	Proposed	1.75	-	1.75
	TOTAL	108.75		108.75

*CC=Cash credit

Total Long-term facilities as at (1.A.+ 1.B) = Rs.208.75 crore

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2. Short-term facilities

2. A. Non-fund-based limits

(Rs. Crore)

Sr. No.	Name of Bank	Non-fund-based Limits		
		Letter of credit	Bank Guarantee	Total
1	IDBI Bank	19.00	-	19.00
2	Punjab National Bank	13.75	5.55	19.30
3	Shamrao Vithal Co-operative Bank Limited	2.00	-	2.00
4	Union bank of India	22.00	0.70	22.70
5	Additional amount to be proposed	23.25	5.00	28.25
	TOTAL	80.00	11.25	91.25

Total Short-term facilities (2.A) = Rs.91.25 crore

Total Facilities (1+2) = Rs.300 crore

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 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.



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