

**CARE/HO/RL/2019-20/4992**

**Mr. Suresh Purohit**  
**Chief Financial Officer**  
**Kisan Mouldings Limited**  
26-A, 3<sup>rd</sup> Floor, K-Wing, Tex Centre,  
Off Saki Vihar Road, Chandivali,  
Andheri East – 400 071  
Mumbai, Maharashtra

March 27, 2020

**Confidential**

Dear Sir,

**Credit Rating for Bank facilities**

This is with reference to our rating agreement dated December 21, 2017, wherein you had agreed to provide information and pay annual surveillance fee to monitor and conduct the surveillance/review of the rating over the lifetime of rated bank facilities.

2. In the absence of adequate co-operation from your end despite repeated requests, CARE has reviewed the rating(s) as follows:

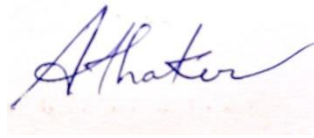
<b>Facilities</b>	<b>Amount (Rs. Crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Rating Action</b>
Long-term Bank Facilities	208.75	<b>CARE D; ISSUER NOT COOPERATING (Single D)</b>	<b>Issuer Not Cooperating; Based on best available information</b>
Short-term Bank Facilities	91.25	<b>CARE D; ISSUER NOT COOPERATING (Single D)</b>	<b>Issuer Not Cooperating; Based on best available information</b>
<b>Total facilities</b>	<b>300.00 (Rupees Three Hundred Crore only)</b>		

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

3. We would be issuing a press release shortly to inform the regulators, investors and public at large. A draft of the Press Release is enclosed.

Thanking you,

Yours faithfully,



**Akash Thaker**  
Deputy Manager  
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**Hitesh Avachat**  
Senior Manager  
hitesh.avachat@careratings.com

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**Annexure 1**  
**Details of Rated Facilities**

**1. Long-term facilities**

**1. A. Term loans**

*(Rs. Crore)*

Sr. No	Lender	Type of facility	Rated Amount	Debt Repayment Terms
1.	ICICI Bank	Fund-based – LT – Rupee term loan	25.26	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	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	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



Sr. No	Lender	Type of facility	Rated Amount	Remarks
14	Shamrao Vithal Co-operative bank limited	Fund-based – LT – Rupee term loan	0.11	6 years (2 years moratorium) – repayment from January 2017
15		Fund-based – LT – Rupee term loan II	1.90	4 years 9 months (2 years moratorium) – repayment 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	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	
		<b>Total</b>	<b>100.00</b>	



**Annexure 1 (Contnd.)**
**1. B. Fund Based limits sanctioned**

Sr. No.	Name of Bank	Fund Based Limits (Rs. Crore)		
		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
	<b>Total</b>	<b>108.75</b>		<b>108.75</b>

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

**2. Short-term facilities**
**2. A. Non-Fund Based limits**

Sr. No.	Name of Bank	Non Fund Based Limits (Rs. Crore)		
		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
	<b>Total</b>	<b>80.00</b>	<b>11.25</b>	<b>91.25</b>

**Total short-term facilities (2) = Rs 91.25 crore**

**Total facilities (1 + 2) = Rs. 300.00 crore**



**Annexure 2**  
**Press Release**  
**Kisan Mouldings Limited**

**Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>[1]</sup>	Rating Action
Long term bank facilities	208.75	<b>CARE D; ISSUER NOT COOPERATING (Single D)</b>	<b>Issuer Not Cooperating; Based on best available information</b>
Short term bank facilities	91.25	<b>CARE D; ISSUER NOT COOPERATING (Single D)</b>	<b>Issuer Not Cooperating; Based on best available information</b>
<b>Total</b>	<b>300.00</b> <b>(Rupees Three hundred crores only)</b>		

*Details of facilities as per Annexure-1*

**Detailed rating rationale & key rating drivers**

CARE has been seeking information from Kisan Mouldings Limited to monitor the rating vide emails dated January 09, 2020, February 03, 2020, February 17, 2020, March 09, 2020, March 12, 2020, March 13, 2020, March 16, 2020, March 17, 2020; and numerous telephonic interactions. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. The company has also not paid the surveillance fees for the rating exercise as agreed in its Rating Agreement. In line with the extant SEBI (Securities and Exchange Board of India) guidelines, CARE has reviewed the ratings on the basis of best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on the company's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING**.

*Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).*

**Detailed description of key rating drivers:**

At the time of last rating on April 09, 2019, the following were the ratings weaknesses.

**Key Rating Weaknesses**

***Delays in servicing of debt obligation***

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

**Analytical approach:** Consolidated

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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

**Applicable Criteria**

**Policy in respect of Non-Cooperation by issuer**

**Criteria on assigning Credit Watch**

**CARE's Policy on Default Recognition**

**About the Company**

Established in the year 1982, Kisan Mouldings Limited is primarily involved in manufacturing of PolyVinyl Chloride (PVC) pipes and fittings. They also manufacture custom moulded articles, moulded furniture and water tanks. The company 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 with 100 distributors and 3,000 dealers' network. It has 5 manufacturing units located in Maharashtra, Karnataka, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli.

<b>Brief Financials</b>	<b>FY18 (A)</b>	<b>FY19 (A)</b>
Total Operating Income	562.88	534.70
PBILDT	45.10	31.94
PAT	0.42	-9.68
Overall Gearing (times)	1.24	1.26
Interest Coverage (times)	1.26	0.98

*A – Audited*

The financials has been reclassified as per CARE standards.

**Status of non-cooperation with previous CRA:** CRISIL Limited continues to put the ratings assigned to Kisan Mouldings Limited under 'Non-Cooperation' category vide press release dated July 24, 2019, due to non-submission of information.

**Any other information:** Not Applicable

**Rating History:** 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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

**Analyst Contact**

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over nearly 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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



**Annexure-1: Details of Instruments/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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Funded Interest term Loan	-	-	-	12.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	-	48.51	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Working capital Term Loan	-	-	-	38.99	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	11.25	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-ILC/FLC	-	-	-	80.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

**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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (09-Apr-19) 2)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE B+; Stable (12-Jan-18)	-

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
2.	Fund-based - LT-Funded Interest term Loan	LT	12.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (09-Apr-19) 2)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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (09-Apr-19) 2)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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (09-Apr-19) 2)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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (09-Apr-19) 2)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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (09-Apr-19) 2)CARE D; ISSUER NOT COOPERATING* (03-Apr-19)	1)CARE D (06-Sep-18)	1)CARE A4 (12-Jan-18)	-

