

Rating Rationale

December 09, 2025 | Mumbai

Prince Pipes and Fittings Limited

Ratings reaffirmed at 'Crisil A+ / Negative / Crisil A1+ '

Rating Action

Total Bank Loan Facilities Rated	Rs.768 Crore
Long Term Rating	Crisil A+/Negative (Reaffirmed)
Short Term Rating	Crisil A1+ (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil A+/Negative/Crisil A1+' ratings on the bank facilities of Prince Pipes and Fittings Limited (PPFL)

The ratings reflect the strong business risk profile marked by its market position in domestic plastic pipe industry supported by diverse product portfolio, geographically diverse capacities and presence, and strong financial risk profile. These rating strengths are partially offset by susceptibility of profitability to fluctuations in raw material prices and forex rates and exposure to intense competition

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of PPFL

Key Rating Drivers - Strengths

Strong business risk profile, supported by market position in the domestic plastic pipe industry and diverse product portfolio: The PPFL is one of the largest players in domestic plastic pipe industry business with current capacities of 4,35,222 MTPA. It has a track record of over three decades and has demonstrated technical capability in healthy ramp up of operations. The PPFL well-known brands 'Prince' and 'Trubore', and the diverse product offerings with presence in unplasticized polyvinyl chloride (UPVC), Chlorinated polyvinyl chloride (CPVC), Polypropylene random (PPR) and High-density polyethylene (HDPE) segments aiding company to grow its market position further. Furthermore, limited competition due to large capital requirement, and necessity to have well mix of product offerings, bolster the business risk profile. Future performance will be supported by additional revenue from Bath ware segment, improving domestic demand offering healthy revenue visibility. Further ramping up of these diversified business segments leading to significant contribution to overall operating profits should further improve the business risk profile of the PPFL and will remain a key monitorable over the medium term.

Geographically diverse capacities and presence: The PPFL presence is diversified with facilities in India which enables it to cater to geographically diverse customers and guard against economic downturns in specific regions. The geographically diversified presence mitigates the concentration risk. The company also has the flexibility to manufacture pipes at any of its facilities as all units have necessary certifications and accreditations, which lends support to overall operations.

Strong financial risk profile and ample liquidity: Adjusted Network was healthy at Rs. 1584.99 crores as on September 30, 2025 (Rs.1569.54 crore as on March 31, 2025), with gearing comfortable at 0.14 time as on September 30, 2025 .The total outside liabilities to adjusted network (TOL/ANW) ratio though had decreased to 0.28 time as on September 30, 2025, and it is expected to improve over the medium term driven by steady accretion to reserves, repayment of loans and moderate reliance on external debt for working capital and capex. Cash and cash equivalents of Rs 133.38 crore as on September 30, 2025, provide cushion to overall liquidity. Adjusting for such surplus, net gearing will further reduce .

Key Rating Drivers - Weaknesses

Susceptibility of profitability to fluctuations in raw material prices and forex rates: PPFL is susceptible to volatility in the prices of key raw material, PVC, which is a crude oil derivative. Any significant fluctuations in forex rates may impact profitability, which is also vulnerable to inherent volatility in the prices of raw materials (PVC and CPVC resins) that are dictated by global crude oil prices. Over the five fiscals through H1 FY26, the operating margin was 8-18%. In fiscal 2025,

the volatility in raw material prices led to a decline in operating margin to 6.5% against 11.97% in fiscal 2024 due to reporting of inventory loss. Furthermore, with operations commencing in Begusarai plant, the PPFL is well poised to have growth, and the operating margin is expected to be 8%-9.5% on account of stability in raw material prices and promotional expenses over the near to medium term.

Exposure to intense competition: The company is under intense competitive pressure because of low product differentiation and high price sensitivity. Furthermore, it faces competition from both large, established players as well as the unorganised segment. Intense competition constrains scalability, bargaining power and profitability. Which has led to negative CAGR growth ~ 2.4% for last three years ended on 31st March 2025

Liquidity Strong

Liquidity is backed by large cash accruals, moderate long-term debt, moderate bank limit utilization, and a healthy cash & bank balance. The average utilization in bank lines is 22% for 12 months ending June 2025. The cushion in bank lines will support the incremental working capital requirements. Unencumbered cash and bank balance and liquid investments were at Rs 133.38 crore as on Sept 30, 2025. Healthy cash accrual, financial flexibility and moderate capex should ensure strong liquidity over the medium term

Outlook Negative

PPFL's credit profile will remain under pressure on account of subdued operating performance with reducing operating margins

Rating sensitivity factors

Upward Factors

- Sustained growth in volumes, resulting in revenue growth and operating margins improving to over 10%
- Efficient working capital management and sustenance of financial risk profile.

Downward Factors

- Significantly lower-than-expected revenues and volumes, with operating margin remaining below 8% on a sustained basis
- Weakening of capital structure, with gearing increasing beyond 1 time, because of large, debt-funded capex or acquisition or any large dividend payout or share buy-back
- Significant dividend pay-out or loans extended to promoters impacting liquidity

About the Company

Incorporated in 1987, PPFL is a Mumbai-based company and engaged in manufacturing of plastic pipes and fittings using four different polymers: UPVC, CPVC, PPR and HDPE. The company has a corporate office in Mumbai (Maharashtra). PPFL is promoted by Mr Jayant Shamji Chheda, his two sons Mr Parag Jayant Chheda and Mr Vipul Jayant Chheda, and by Mrs. Tarla Jayant Chheda and Mrs. Heena Parag Chheda

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	2523.91	2568.76
Reported profit after tax	Rs crore	43.13	182.50*
PAT margins	%	1.71	7.10
Adjusted Debt/Adjusted Net worth	Times	0.16	0.07
Interest coverage	Times	15.70	48.03

*Includes Exceptional item for year ended 31.3.24 represents net gain of Rs.17.93 crore

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
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NA	Cash Credit & Working Capital Demand Loan	NA	NA	NA	223.00	NA	Crisil A+/Negative
NA	Letter of credit & Bank Guarantee	NA	NA	NA	420.00	NA	Crisil A1+
NA	Long Term Bank Facility	NA	NA	01-May-28	125.00	NA	Crisil A+/Negative

Annexure - Rating History for last 3 Years

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	348.0	Crisil A+/Negative	20-02-25	Crisil A+/Negative	20-02-24	Crisil A+/Stable	02-01-23	Crisil A+/Stable	05-01-22	Crisil A+/Stable	Crisil A/Positive
Non-Fund Based Facilities	ST	420.0	Crisil A1+	20-02-25	Crisil A1+	20-02-24	Crisil A1+	02-01-23	Crisil A1+	05-01-22	Crisil A1+	Crisil A1
			--		-		-		-		-	Crisil A1
Commercial Paper	ST		--		-		-	02-01-23	Withdrawn	05-01-22	Crisil A1+	Crisil A1

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit & Working Capital Demand Loan	50	Axis Bank Limited	Crisil A+/Negative
Cash Credit & Working Capital Demand Loan	13	ICICI Bank Limited	Crisil A+/Negative
Cash Credit & Working Capital Demand Loan	32	The Federal Bank Limited	Crisil A+/Negative
Cash Credit & Working Capital Demand Loan	40	DBS Bank India Limited	Crisil A+/Negative
Cash Credit & Working Capital Demand Loan	38	HDFC Bank Limited	Crisil A+/Negative
Cash Credit & Working Capital Demand Loan	50	Qatar National Bank (Q.P.S.C.)	Crisil A+/Negative
Letter of credit & Bank Guarantee	75	Axis Bank Limited	Crisil A1+
Letter of credit & Bank Guarantee	162	ICICI Bank Limited	Crisil A1+
Letter of credit & Bank Guarantee	53	The Federal Bank Limited	Crisil A1+
Letter of credit & Bank Guarantee	60	DBS Bank India Limited	Crisil A1+
Letter of credit & Bank Guarantee	50	HDFC Bank Limited	Crisil A1+
Letter of credit & Bank Guarantee	20	Qatar National Bank (Q.P.S.C.)	Crisil A1+
Long Term Bank Facility	125	Axis Bank Limited	Crisil A+/Negative

Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Ramkumar Uppara Media Relations Crisil Limited M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crsil.com</p> <p>Kartik Behl Media Relations Crisil Limited M: +91 90043 33899 B: +91 22 6137 3000 kartik.behl@crsil.com</p> <p>Divya Pillai Media Relations Crisil Limited M: +91 86573 53090 B: +91 22 6137 3000 divya.pillai1@ext-crsil.com</p>	<p>Himank Sharma Director Crisil Ratings Limited D:+91 124 672 2152 himank.sharma@crsil.com</p> <p>Rushabh Pramod Borkar Associate Director Crisil Ratings Limited B:+91 22 6137 3000 rushabh.borkar@crsil.com</p> <p>Sachin Bhikaji Bandagale Manager Crisil Ratings Limited B:+91 22 6137 3000 sachin.bandagale@crsil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 3850</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crsil.com</p> <p>For Analytical queries: ratingsinvestordesk@crsil.com</p>

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