

October 09, 2025

Ashirvad Pipes Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term - Fund based/Non-fund based	1,250.00	1,300.00	[ICRA]AA- (Stable); reaffirmed/[ICRA]A1+; reaffirmed
Long term/Short term Unallocated limits	50.00	0.00	-
Total	1,300.00	1,300.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the ratings of Ashirvad Pipes Private Limited (APPL) factors in its established market position and strong brand presence in the domestic CPVC¹, UPVC pipes and fitting industry, supported by its expansive product profile and a wide and growing distribution network. The ratings also derive support from APPL's healthy financial profile, characterised by comfortable capitalisation metrics. The ratings further factor in the operational and managerial support enjoyed by APPL as it is a part of the Aliaxis Group, which is an established global player in advanced piping systems. Further, the growth prospects for the pipe sector remain favourable in the medium to long term, given the Government's various initiatives in the urban and rural water supply, agriculture and infrastructure sectors.

The ratings, however, are constrained by intense competition in the domestic PVC pipes segment from both the organised and unorganised sectors and the geographical concentration risk with the southern region accounting for more than half of its revenue. The ratings are further tempered by the vulnerability of APPL's profitability to variation in raw material prices and foreign currency fluctuation risk on imported raw materials. The operating margins remained moderate in FY2025, though they had improved from the FY2024 levels.

APPL's profitability remains exposed to the variation in raw material prices. Further, the working capital intensity arising from reduced creditor days and higher debtor days has resulted in a higher utilisation of the fund-based working capital facilities, which has moderated the debt coverage indicators in FY2025 and FY2024 compared to the historical levels when the company used to be debt-free. Additionally, APPL is exposed to supplier concentration risk with high dependence on a single supplier for CPVC. However, the company has been sourcing CPVC from other overseas suppliers over the last few years. Moreover, the share of the top five suppliers came down in FY2025.

ICRA notes the company is undertaking a capex of ~Rs. 500 crore in FY2026 and FY2027 (reduced from earlier expectations) to set up its manufacturing facility in Hyderabad, Telangana, along with other sustenance capex. The capex will be funded from internal accruals and would enable APPL to expand its geographical reach.

The Stable outlook reflects ICRA's expectations that the company is likely to sustain its market position and strong brand presence. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, which will expand the geographical and product portfolio, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

¹ CPVC- Chlorinated polyvinyl chloride, UPVC - Unplasticised polyvinyl chloride

Key rating drivers and their description

Credit strengths

Established market position and strong brand presence – APPL has an established track record of more than two decades along with a strong market position and brand presence in the domestic pipes and fitting industry, backed by its wide distribution network and ability to introduce new products. Over the years, APPL has diversified its product portfolio through the addition of UPVC, CPVC, soil, waste, and rainwater (SWR), water tanks and a host of other products used across various applications in different market segments such as buildings (plumbing), agriculture, and the industrial and infrastructure sectors. APPL primarily operates on a distributor-dealer network model with its network of 2,400+ distributors and 60,000+ retail partners. Going forward, the company plans to emerge as a comprehensive water management solution provider.

Healthy capital structure – APPL's capital structure has been conservative, reflected in a gearing of 0.4 times as on March 31, 2025. However, the capitalisation and coverage metrics have moderated from FY2024 owing to additional long-term debt taken to partially fund the Hyderabad plant project and the increased working capital intensity, leading to higher short-term debt. The company has estimated capex plans of Rs. 500 crore in FY2026 and FY2027. Going forward, the planned capex is expected to be funded from internal accruals.

The company has minimised its loss-making product segments of artistry (kitchen and bathroom fittings) and HDPE pipes which came under the infrastructure segment. Going forward, the financial profile would be supported by improved product portfolio, besides its expanding geographical reach and introduction of new products.

Association with Aliaxis Group – APPL is a part of the Aliaxis Group, which is a global player in advanced piping systems. The company leverages on the Group's strong brand, established market position, vast geographical presence, experienced management and technical prowess, which provide it flexibility to develop new products and enhance the product portfolio.

Favourable growth prospects for domestic pipe sector – The growth prospects for the pipe sector remain favourable in the medium to long term, given the Government's various initiatives in urban and rural water supply, and the agriculture and infrastructure sectors. This augurs well for large, organised players like APPL due to its established market position and a strong brand presence.

Credit challenges

Margins susceptible to fluctuations in raw material prices – The raw material prices remain susceptible to crude oil price movements and demand-supply balance in the market. Raw material accounts for majority of the cost of production. As observed in the last few years, the OPM was adversely impacted owing to a decline in realisations due to a moderation in PVC prices. Further, the working capital intensity arising from reduced creditor days and higher debtor days has resulted in a higher utilisation of the fund-based working capital facilities, which moderated the debt coverage indicators in FY2025 and FY2024 compared to the historical levels when the company used to be debt-free.

The OPM improved slightly to 6.7% in FY2025 from 5.7% in FY2024. However, the OPM remained moderate in FY2025 owing to raw material volatility, a one-time cost incurred and the losses associated with the liquidation of the inventory of artistry (kitchen and bathroom fittings) and HDPE pipes. The operating margins are expected to improve in FY2026 from the FY2025 levels.

Dependence on a single supplier for CPVC resin – APPL derives majority of its revenue from CPVC products wherein the raw material, CVPC compounds, is procured majorly from a single supplier, Lubrizol. So, the supplier concentration risk is high. However, the risk is mitigated to an extent due to its association with Lubrizol since 2004 and the negotiation of prices at the group level. Additionally, the company has been sourcing CPVC from other overseas suppliers over the last few years.

Intense competition in domestic pipes industry – The domestic pipes and fitting industry is characterised by the presence of large competitors as well as several mid-sized unorganised players. Despite this, APPL has been able to maintain its market share, given its strong brand presence and premium product offerings.

Geographical concentration risks with significant presence in southern markets – APPL is exposed to high geographical concentration risk with the southern states contributing to majority of its revenue in FY2025. However, the company is undertaking capex plans to widen its geographical reach, besides expanding its product profile in the existing markets.

Liquidity position: Adequate

APPL's liquidity is expected to remain adequate, supported by healthy cash flows from operations and adequate cushion in the form of unutilised working capital facilities to fund the working capital requirements. The average utilisation of the sanctioned working capital facilities is ~39.5% for the 10 months ended July 2025. For FY2026, the company has a planned capex of ~Rs. 300 crore and Rs. 69.2 crore of debt repayment which would be comfortably met from the cash flow from operations.

Rating sensitivities

Positive factors – A healthy improvement in profitability along with a sustained revenue growth and a strong liquidity position may result in an upgrade.

Negative factors – A weakening of the market position, resulting in a sustained decline in revenue, and inability to improve the profitability and debt coverage metrics may trigger a downgrade. Further, any large debt-funded capex or inorganic investments impacting the leverage and coverage metrics may put pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of APPL

About the company

APPL, incorporated in 1997, manufactures UPVC, CPVC, SWR, HDPE pipes and fittings, water tanks and various other products used across applications in different market segments such as buildings (plumbing), agriculture and the industrial and infrastructure sectors. APPL is the licensee of Lubrizol in India to manufacture CPVC plumbing systems.

In 2013, Glynwed Holding B.V. acquired a 60% stake, which was further increased to 97% in FY2018 and the remaining 3% was acquired over the next three-year period. APPL is a wholly-owned subsidiary of the Belgium-based Aliaxis Group. Glynwed Holding B.V, Netherlands, is the holding company and Aliaxis S.A. is the ultimate holding company.

Key financial indicators (audited)

Company name (consolidated)	FY2024	FY2025
Operating income	4,720.2	4,508.0
PAT	17.2	28.2
OPBDIT/OI	5.7%	6.7%
PAT/OI	0.4%	0.6%
Total outside liabilities/Tangible net worth (times)	0.6	0.7
Total debt/OPBDIT (times)	1.9	3.1
Interest coverage (times)	4.5	5.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024		Date & rating in FY2023
			Oct 9, 2025	Oct 8, 2024	March 15, 2024	Jan 29, 2024	Oct 31, 2022
1 Fund based/Non-fund based	Long term /Short term	1300.0	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA (Stable)/[ICRA]A1+	[ICRA]AA (Stable)/[ICRA]A1+	[ICRA]AA (Stable)/[ICRA]A1+
2 Unallocated	Long term /Short term	0.0	-	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA (Stable)/[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund based/Non-fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based/Non-fund based	NA	NA	NA	1300.00	[ICRA]AA-(Stable)/[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

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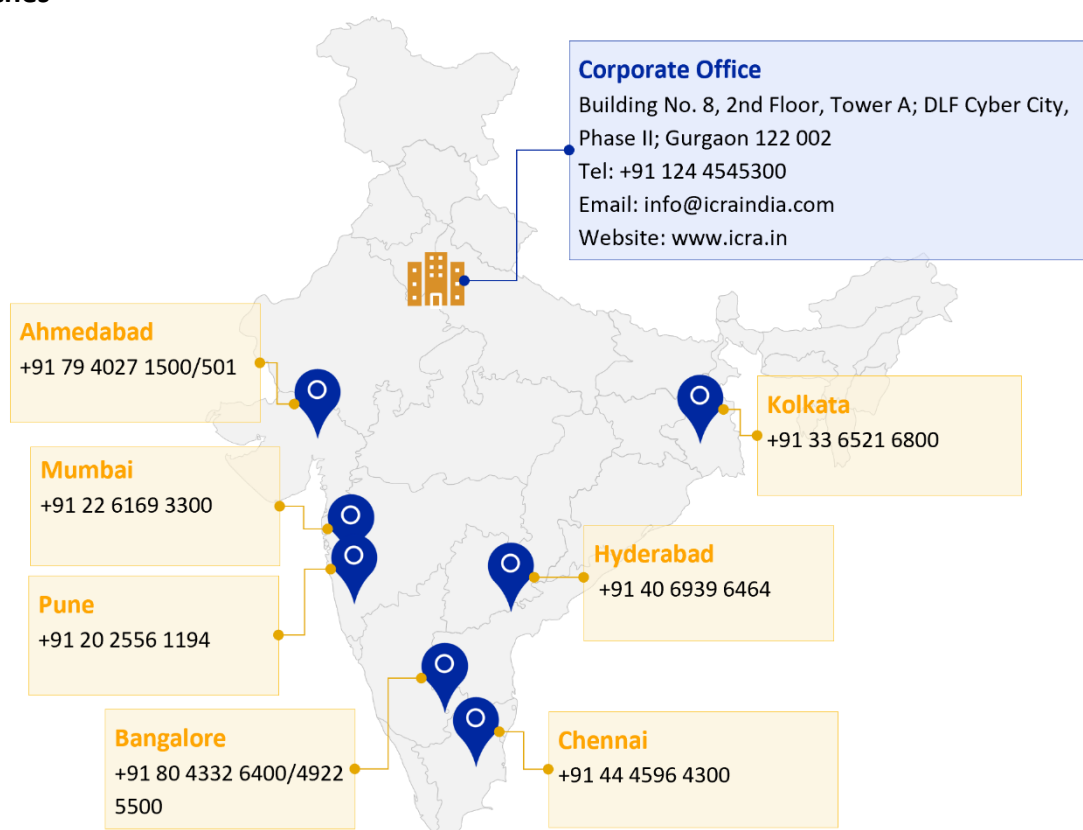
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