

## PIL Italica Lifestyle Limited

September 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	15.00	CARE BBB-; Stable	Upgraded from CARE BB+; Stable

Details of facilities in Annexure -1

### Rationale and key rating drivers

Revision in the long-term rating assigned to bank facilities of PIL Italica Lifestyle Limited (PIL) considers fructification of one of the positive rating sensitivities related to recoupment of loans and advances resulting in improvement in adjusted tangible net worth (TNW adjusted for loans and advances) while maintaining its comfortable financial risk profile.

The rating continues to derive strength from PIL's experienced management with established marketing network, comfortable capital structure as well as debt coverage indicators and adequate liquidity.

However, the rating remains constrained on account of the company's small scale of operations, moderate profitability which is susceptible to fluctuation in raw material prices and its presence in a highly competitive industry.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Volume backed increase in scale of operations to more than ₹200 crore along with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 10% on a sustained basis.
- Further Recoupment of loans and advances resulting in improvement in liquidity or sustaining adjusted tangible net worth (TNW; adjusted for loans and advances) to more than ₹70 crore on a sustained basis.

#### Negative factors

- Decline in scale of operations with total operating income (TOI) below ₹90 crore along with moderation in PBILDT margin on a sustained basis.
- Increase in working capital requirement or debt funded capex or further extension of loans and advances resulting in adjusted overall gearing above 0.60x.
- Adverse change in government policy for plastic products.

### Analytical approach: Standalone

#### Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited (CareEdge Ratings) opinion that the entity will continue to benefit from its established brand presence in the plastic moulded furniture segment with wide distribution network which shall enable the company to sustain its performance over the medium term.

### Detailed description of key rating drivers

#### Key strengths

#### Comfortable financial risk profile and recoupment of loans and advances resulting in improvement in adjusted TNW

PIL had given loans and advances out of available net worth to the tune of ₹44.85 crore as on March 31, 2022, to third parties with an aim to earn interest income on the same. Subsequently, the company gradually recovered the same, and subsequently, outstanding loans and advances decreased to ₹22.79 crore as on March 31, 2025 (PY: ₹33.33 crore). Even after excluding these loans from TNW, the adjusted overall gearing stood comfortable at 0.17x as on March 31, 2025 (PY: 0.38x).

Funds received from recoupment of these loans and advances coupled with internal accruals were utilised towards purchase of Kissan Moulding Limited's manufacturing facility at Silvassa (capacity: 2,400 metric ton per annum (MTPA) which was previously utilised by PIL on lease) with total cost of ₹13.50 crore (including Kisan brand name for the segment). PIL is planning to undertake expansion (addition of 1,600 MTPA / upgradation / new mould addition capex) in Silvassa plant in phase-wise manner with expected total cost of ₹25 crore. As articulated by the management, the company would not avail term debt for this capex and it would be funded through a mix of further recoupment of loans and advances and internal accruals.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

PIL's capital structure remained comfortable marked by overall gearing ratio of 0.12x as on March 31, 2025, which marginally improved from 0.21x as on March 31, 2024, due to decrease in working capital borrowings coupled with increase in TNW with accretion of FY25 profit in reserves.

The company's debt coverage indicators also remained comfortable as marked by PBILDT interest coverage ratio of 5.93x and total debt to gross cash accruals (TD/GCA) ratio of 1.23x in FY25. In Q1FY26, interest coverage ratio improved to 11.91x (PY: 5.98x).

CareEdge Ratings expects PIL's financial risk profile to remain comfortable in the medium term in consideration of no term debt planned for capex.

### **Experienced management with established marketing network**

Daud Ali, Managing Director, is a graduate and has more than four decades of experience in the industry. He looks after the company's overall affairs and is assisted by Narendra Bhanawat, whole-time director and Chief Financial Officer, who has more than fifteen years of experience. PIL has an established marketing network with 592 distributors and 3775 dealers across 21 states in India as on June 30, 2025.

### **Key weaknesses**

#### **Small scale of operations and moderate profitability**

PIL's TOI remained stable at ₹100.15 crore in FY25 (PY: ₹97.23 crore) while its PBILDT margin improved marginally by 100 bps from 8.39% in FY24 to 9.40% in FY25 on the back of change in product mix. Subsequently, the company's profit after tax (PAT) margin increased marginally to 5.23% in FY25 (PY: 4.75%).

In Q1FY26, PIL reported 13% year-on-year (y-o-y) growth in its TOI to ₹24.04 crore (PY: ₹21.23 crore) while PBILDT margin remained stable at 11.40% (PY: 11.54%).

CareEdge Ratings expects volume backed growth (with proposed enhancement in capacity) in PIL's scale of operations while maintaining moderate operating profitability.

#### **Vulnerability of profit margin to fluctuation in raw material prices**

The primary raw material required for manufacturing plastic products is polypropylene (PP) granules, which is a crude oil derivative. Over the years, price of crude oil has been volatile which has translated in volatility of polymer prices. Considering this volatility and timing difference arising in procurement of raw material and realisation of sales, the company's operating profit margin is susceptible to fluctuation in raw material price.

#### **Presence in highly competitive industry**

Plastic furniture industry is highly competitive due to low entry barriers in the industry with low investment requirement. The industry is characterised by a large number of small players, making the industry highly fragmented. High degree of fragmentation also leads to stiff competition among manufacturers.

#### **Liquidity: Adequate**

PIL's liquidity position was adequate marked by moderate cash flow from operations (CFO) coupled with sufficient cash accruals to cover its low debt repayment obligation.

PIL's CFO significantly increased from ₹12.11 crore in FY24 to ₹22.07 crore in FY25 in tandem with substantial decrease in loans and advances (mainly given to third parties). The company reported cash accruals of ₹7.71 crore in FY25, which is adequate to cover low scheduled debt repayment obligation of ₹0.26 crore in FY26. Average utilisation of working capital borrowings remained moderate at 66% in last 12 months ended June 2025. The company had unencumbered cash and bank balance remained at ₹0.61 crore (PY: ₹0.07 crore).

The operating cycle remained relatively stable at 95 days in FY25 (PY: 93 days). The main raw material for the products includes PP granules and copolymers which the company purchases from del-cadre agents of Reliance Industries Limited (RIL) and Indian Oil Corporation Ltd. (IOCL) from Udaipur among others.

#### **Assumptions/Covenants: Not applicable**

**Environment, social, and governance (ESG) risks:** Not applicable

**Applicable criteria:**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

**About the company and industry**

**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Furniture, home furnishing

Udaipur (Rajasthan) based PIL (CIN: L25207RJ1992PLC006576) (earlier known as: Peacock Industries Limited) was incorporated in 1992 by Daud Ali. The company is engaged in the business of manufacturing plastic molded furniture such as chairs, tables, stools, crates, storage and waste bins among others. It is also engaged in the business of financing activities to third parties. The shares of the company were listed on Bombay Stock Exchange (BSE) on June 18, 1993. In December 1998, the company was declared sick by BIFR (Board for Industrial and Financial Reconstruction) and subsequently, in July 2013, BIFR sanctioned a scheme for rehabilitation of the company. In September 2015, the company changed its name and resumed its current name, PIL Italica Lifestyle Limited. It also exited from BIFR in March 2017.

Brief Financials (₹Crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	97.23	100.15	24.04
PBILDT	8.16	9.41	2.74
PAT	4.62	5.24	1.55
Overall gearing (times)	0.21	0.12	NA
Interest coverage (times)	7.69	5.93	11.91

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	15.00	CARE BBB-; Stable

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	15.00	CARE BBB-; Stable	-	1)CARE BB+; Stable (08-Oct-24)	1)CARE BB+; Stable (30-Oct-23)	1)CARE BB; Stable (11-Nov-22)
2	Fund-based - ST-Bank Overdraft	ST	-	-	-	-	-	1)Withdrawn (11-Nov-22)

LT – Long term; ST – Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

**Annexure-5: Lender details**To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

<b>Media Contact</b>  Name: Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Name: Kalpesh Patel Director <b>CARE Ratings Limited</b> Phone: +91-79-4026 5611 E-mail: <a href="mailto:Kalpesh.patel@careedge.in">Kalpesh.patel@careedge.in</a>
<b>Relationship Contact</b>  Name: Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: 044-28501001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a>	Name: Anuja Parikh Associate Director <b>CARE Ratings Limited</b> Phone: +91-79-4026 5616 E-mail: <a href="mailto:anuja.parikh@careedge.in">anuja.parikh@careedge.in</a>
	Name: Harsh Desai Assistant Director <b>CARE Ratings Limited</b> E-mail: <a href="mailto:harsh.desai@careedge.in">harsh.desai@careedge.in</a>

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). 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. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**