PIL Italica Lifestyle Limited

September 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	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.

[1]Complete definition of ratings assigned are available at 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 for clarifications.

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