PIL Italica Lifestyle Limited

September 03, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	15.00	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of PIL Italica Lifestyle Limited (PIL) derives strength from its experienced management with established marketing network, comfortable financial risk profile, and adequate liquidity.

However, the rating remains constrained considering PIL'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 growth in its scale of operations to over ₹150 crore and improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin on a sustained basis.
- Sustenance of its comfortable financial risk profile with adjusted tangible net worth (TNW; adjusted for loans and advances) of over ₹70 crore and PBILDT interest coverage above 5x on a sustained basis.

Negative factors

- Significant decline in scale of operations or profitability impacting the debt coverage indicators on a sustained basis.
- Any elongation in operating cycle to over 120 days impacting the liquidity of the company.
- Any 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 experienced promoter and wide distribution network in the plastic-moulded furniture segment.

Detailed description of key rating drivers

Key strengths

Experienced management with established marketing network

Daud Ali, Managing Director, is graduate by qualification and has over four decades of industry experience. He looks after overall affairs of the company and is assisted by Narendra Bhanawat, whole-time director and Chief Financial Officer, who has over 15 years of experience. PIL has an established marketing network of 4,538 dealers and 626 distributors across 22 states in India as on June 30, 2026.

Comfortable financial risk profile

PIL's capital structure remained comfortable due to moderate TNW base of ₹83.80 crore as on March 31, 2026 (79% of FY26 total operating income [TOI]), marked by overall gearing ratio of 0.18x as on March 31, 2026 (0.12x as on March 31, 2025). PIL has extended loans and advances of ₹30.02 crore as on March 31, 2026 [PY: ₹22.79 crore] to third parties. Even after excluding the said loans from TNW, the adjusted overall gearing stood comfortable at 0.29x as on March 31, 2026 [PY: 0.17x]. Debt coverage indicators of the company also remained comfortable as marked by interest coverage ratio of 5.07x and total debt to gross cash accruals (TD/GCA) ratio of 2.04x in FY26. However, in Q1FY27, interest coverage ratio moderated owing to lower operating profit; however, continued to remain satisfactory at 3.06x [PY: 11.91x]. CareEdge Ratings expects PIL's capital structure to remain comfortable in medium term in consideration of no major capex planned over the medium term.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Key weaknesses

Small scale of operations with moderate profitability

PIL's TOI remained relatively stable at ₹106.39 crore in FY26 (PY: ₹98.00 crore) with PBILDT margin of 6.64% in FY26. PBILDT margin moderated marginally owing to higher raw material cost incurred during the period. Subsequently, profit after tax (PAT) margin of the company also declined marginally to 4.22% in FY26 (PY: 5.35%).

In Q1FY27, PIL reported TOI of ₹16.75 crore (PY: ₹24.04 crore) with PBILDT margin of 6.57%. This moderation was due to weak consumer sentiment translating into lower demand during the period because of geopolitical volatility and elevated raw material prices.

Vulnerability of profit margin to fluctuation in raw material prices

The primary raw material required for manufacturing of plastic products is polypropylene (PP) granules, which is a crude oil derivative. Over the years, crude oil prices have been volatile, leading to volatility in 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 prices.

Presence in highly competitive industry

Plastic industry is highly competitive due to the 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. The high degree of fragmentation also leads to stiff competition among the manufacturers.

Liquidity: Adequate

PIL's liquidity position was adequate marked by moderate cash flow from operations (CFO) and sufficient cash accruals to cover its low debt repayment obligation. PIL is expected to generate cash accruals of ₹6.50 to 9.00 crore over the next three years, which shall comfortably cover low scheduled long-term debt repayment obligation of ₹0.08-₹0.75 crore from FY27 to FY29. Average utilisation of working capital borrowings remained high at 89.48% in last 12 months ended June 2026. Unencumbered cash and bank balance remained at ₹0.68 crore (PY: ₹0.61 crore). Operating cycle remained relatively stable at 81 days in FY26 [PY: 95 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).

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 [earlier known as: Peacock Industries Limited] was incorporated in 1992 by Daud Ali. The company is engaged in manufacturing plastic moulded furniture, such as chairs, tables, stools, crates, storage, and waste bins among others. It is also engaged in 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 Board for Industrial and Financial Reconstruction (BIFR), 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, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	98.00	106.39	16.75
PBILDT*	7.26	7.06	1.10
Profit after tax (PAT)	5.24	4.49	0.18
Overall gearing (x)	0.12	0.18	NA
Interest coverage (x)	4.58	5.07	3.06

A: Audited; UA: Unaudited; Note: these are latest available financial results
*PBILDT: profit before interest, lease rentals, depreciation and taxation

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 instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	15.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (29-Sep-25)	1)CARE BB+; Stable (08-Oct-24)	1)CARE BB+; Stable (30-Oct-23)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: 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.

Contact us

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