

September 12, 2024

Indian Furniture Products Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	37.82	37.82	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	22.14	22.14	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	25.00	25.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	84.96	84.96	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings of Indian Furniture Products Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable) ISSUER NOT COOPERATING/[ICRA]A4 ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Indian Furniture Products Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Indian Furniture Products Limited ("IFPL" or "The Company"), incorporated in 1996, is part of the K.K. Birla Group of Industries, which has interests in fertilizers, shipping, textiles, sugar, media, capital goods, software, finance and power. IFPL, a wholly owned subsidiary of Zuari Industries Limited (ZIL), was started through a technical & financial collaboration with Groupe Seribo of France to manufacture Ready-To-Assemble (RTA) furniture at Kakkalur, near Chennai. The factory has a floor area of 225,

000 sq. ft. and has capacity to produce 1, 60,000 units of furniture annually on a double shift basis. IFPL launched its own brand ZUARI in 2002 and has also obtained ISO certification in 2004. Style Spa Furniture Limited (SSFL), was merged with Indian Furniture Products Limited with effect from April 01, 2014. IFPL sells its products through SSFL (now merged with IFPL) showrooms and dealers, apart from direct sale of office furniture to customers. The company predominantly imports part of its raw materials from Malaysia.

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	13.7	6.1
PAT (Rs. crore)	-7.2	-11.3
OPBDITA/OI (%)	50.3%	27.1%
PAT/OI (%)	-52.6%	-186.9%
Total Outside Liabilities/Tangible Net Worth (times)	8.1	22.3
Total Debt/OPBDITA (times)	15.3	67.7
Interest Coverage (times)	0.5	0.1

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
			12-Sep-2024	26-Jul-2023	17-Jun-2022	25-May-2021
1 Cash Credit	Long Term	37.82	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING
2 Term Loan	Long Term	22.14	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING
3 Non Fund Based -Others	Short Term	25.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non Fund Based-Others	Very 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, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	37.82	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	22.14	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non Fund Based -Others	-	-	-	25.00	[ICRA]A4; ISSUER NOT COOPERATING

Source Indian Furniture Products Limited

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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