

October 08, 2025

Kurlon Enterprise Limited: Continues to remain in Issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	58.00	58.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and continues to remain under 'Issuer Not Cooperating' category
Short-Term – Non-Fund Based-Others	15.00	15.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain under 'Issuer Not Cooperating' category
Total	73.00	73.00	

[^]Instrument details are provided in Annexure-I

*Issuer did not cooperate; based on best available information

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Kurlon Enterprise Limited (KEL) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As a part of its process and in accordance with its rating agreement with Kurlon Enterprise Limited (KEL), ICRA has been trying to seek information from the entity so as to monitor its performance. Despite repeated 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 the 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	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered consolidated financials of Kurlon Enterprise Limited (along with its subsidiaries) and Kurlon Trading & Invest Management Private Limited (KTIMPL).

About the company

KEL was incorporated in October 2011 as a 99.99% subsidiary of Kurlon Limited (KL). KL was incorporated in February 1962 as Karnataka Consumer Products Limited by Mr. T. Ramesh U. Pai. The company's name was changed to Kurlon Ltd. in 1995. In March 2014, KL signed a business transfer agreement with KEL, effective from April 01, 2014, to transfer the business division of mattress, foam, furniture and other products (including assets, liabilities, contracts and licenses) of the former, as a going concern, on a slump-sale basis to KEL. In consideration of the net assets taken over, KEL issued shares to KL. Under the agreement, all land and buildings were retained by KL and all plants and machinery (except the Gwalior plant) were transferred to KEL. The core operations of the mattress, foam and furniture business are now carried out by KEL, and all the products manufactured by KL (through the Gwalior plant) are sold to KEL.

The Group has manufacturing facilities for rubberised coir in Yeswanthpur (Bangalore), Bhubaneswar and Gwalior, polyurethane foam manufacturing facility at Dabaspur (Karnataka), Roorkee (Uttarakhand) and Jhagadia (Gujarat), and spring manufacturing facility at Peenya (Bangalore), Jhagadia (Gujarat) and Bhubaneswar.

Kurlon Trading & Invest Management Private Limited (KTIMPL) is incorporated in May 2022 with a purpose of acquiring 6.19% stake held by Motilal Oswal Private Equity and IFC in KEL.

On October 20, 2023, Sheela Foam Ltd has informed BSE/NSE on completion of acquisition of Kurlon Enterprise Limited from Kanara Consumers Products Limited (earlier Kurlon Limited).

Key financial indicators

	FY2023	FY2024
Operating income	858.9	819.9
PAT	10.5	-51.2
OPBDIT/OI	5.9%	0.5%
PAT/OI	1.2%	-6.2%
Total outside liabilities/Tangible net worth (times)	0.6	0.9
Total debt/OPBDIT (times)	0.3	0.0
Interest coverage (times)	7.0	0.7

OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source: MCA

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)			Chronology of rating history for the past 3 years						
			FY2025			FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	October 08, 2025	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	58.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING	Jul-08-24	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	Jul-25-23	[ICRA] A; Rating Watch with Developing Implications	-	-
						May-31-23	[ICRA]A(Stable)	-	-
Non Fund Based	Short term	15.00	[ICRA]A4; ISSUER NOT COOPERATING	Jul-08-24	[ICRA]A4+; ISSUER NOT COOPERATING	Jul-25-23	[ICRA]A2+; Rating Watch with Developing Implications	-	-
						May-31-23	[ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Cash credit	Simple
Non-fund based	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, 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	Cash credit	NA	NA	NA	58.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non Fund Based- Others	NA	NA	NA	15.0	[ICRA]A4 (Stable); ISSUER NOT COOPERATING

Source: Kurlon Enterprise Limited

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

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

Company Name	Ownership	Consolidation Approach
Kurlon Trading & Invest Management Private Limited	NA	Full Consolidation

Source: Kurlon Enterprise Limited

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About ICRA Limited:

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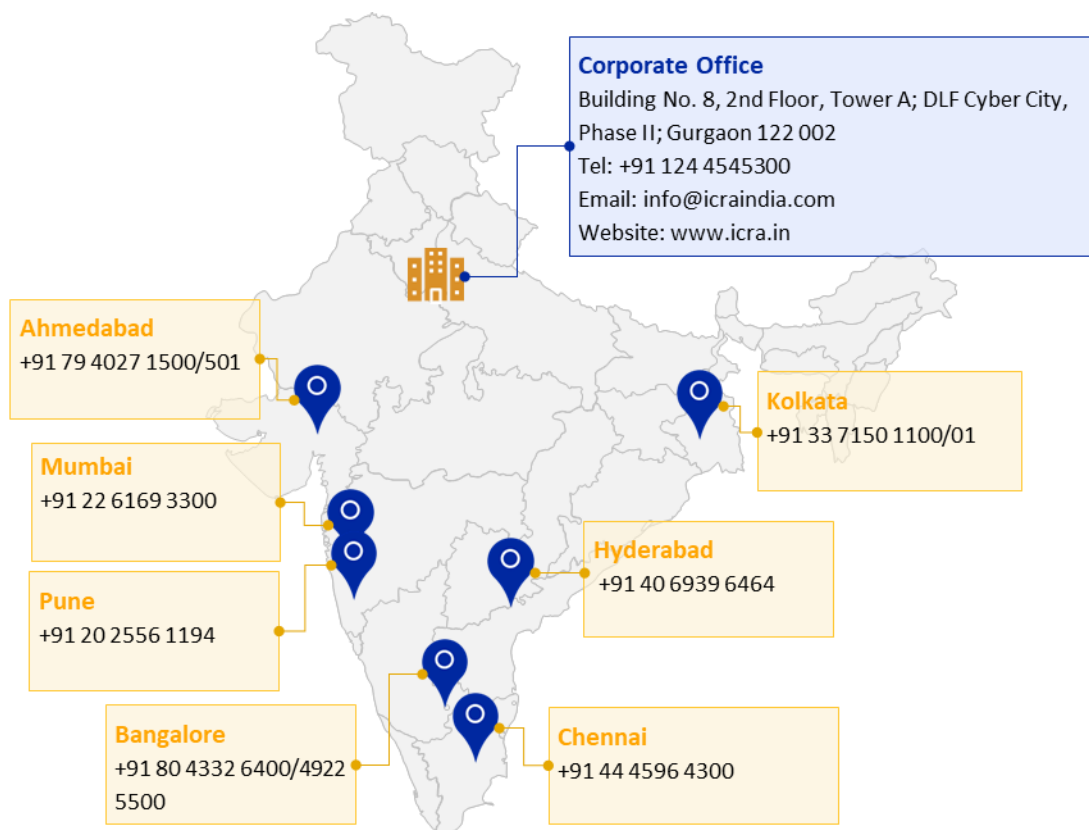
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Branches



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