



**Press Release**  
**INDOLINE INDUSTRIES PRIVATE LIMITED**  
**March 05, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.50	ACUITE B   Stable   Reaffirmed	-
Bank Loan Ratings	11.50	-	ACUITE A4   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE B**' (read as **ACUITE Ba**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.25.00 Cr. bank facilities of Indoline Industries Private Limited (IIPL). The outlook is '**Stable**'.

**Rationale for Reaffirmation**

The rating reaffirmation factors the slight improvement in scale of operations, marked by an operating income of Rs.96.29 Cr. in FY2024 as against Rs.88.70 Cr. in FY2023. The EBITDA margin and PAT margin of the company improved and stood at 4.03% and (0.92)% respectively in FY2024 as against (2.74)% and (5.73)% in FY2023. In addition, the financial risk profile of the company is below average as suggested by gearing ratio at 8.26 times as on 31st March 2024, interest coverage ratio and debt service coverage ratio, which stood at 1.94 times and 0.88 times respectively as on 31st March 2024 as against (1.10) times and (0.41) times respectively as on 31st March 2023. The rating derives comfort from the experienced management with over three decades of experience in the furniture industry. However, the rating is partly offset by intensive working capital operations of the company marked by high GCA days and highly competitive nature of the industry.

**About the Company**

Maharashtra-based, Indoline Industries Private Limited was incorporated in 1987. The company is engaged in manufacturing of all types of wooden furniture including modular kitchens, wardrobes, bedroom furniture, hotel and household furniture. The company also offers various finishes like laminate, acrylic, uv lacquer, pu lacquer, pvc membrane, veneer, solid wood and back painted glass etc. The company is promoted by Mr. Husain Sultan Ali Nensey, Mr. Saif Husain Nensey, Mrs. Nissa Husain Nensey and Mr. Adnan Latif Nensey. The manufacturing facility is located at Ambad, Nashik.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken a standalone view of the business and financial risk profile of IIPL to arrive at the rating.

**Key Rating Drivers**

## **Strengths**

### **Experienced management and established track record of operations**

The promoters, Mr. Husain Sultan Ali Nensey, Mr. Saif Husain Nensey, Mrs. Nissa Husain Nensey and Mr. Adnan Latif Nensey, have over three decades of experience in the said line of business. The extensive experience, coupled with long track record of operations, has enabled the company to forge healthy relationships with customers and suppliers. Acuité believes that the business is expected to benefit from its established presence and extensive experience of the promoters in the industry.

### **Improved scale of operations**

The company reported operating revenue of Rs.96.29 Cr. in FY2024 as against Rs.88.70 Cr. in FY2023. The company witnessed improvement in the operating margin stood at 4.03 % in FY 2024 against (2.74) % in FY2023 and PAT margin which stood at (0.92) % in FY 2024 as against (5.73) % in FY2023. The improvement is on an account of execution of the order book. Further, the company has clocked an operating income of Rs.68.00 Cr. as on 31st January, 2025. The company is engaged in manufacturing of all types of wooden furniture including modular kitchens, hotel and household furniture along with various finishes like Laminate, Acrylic, UV and PU Lacquer, PVC Membrane, etc. and has orders in hand of Rs.13.46 Cr. as on 30th November, 2024. Going forward, the company is expecting the business risk profile to improve in medium term on the back of execution of the order book.

### **Weaknesses**

#### **Stiff competition from peers**

The company faces immense competition from its peers due to its presence in a highly competitive and fragmented nature of industry.

### **Below Average Financial Risk Profile**

The financial risk profile of the company is below average marked by net-worth of Rs.2.09 Crore as on 31st March 2024 as against Rs.2.58 Crore as on 31st March 2023. The decrease in the net-worth is on an account of continuous accumulated losses. Further, the total debt of the company stood at Rs.17.21 Crore as on 31st March 2024 as against Rs.18.76 Crore as on 31st March 2023. The capital structure of the company is marked by gearing ratio of the company which stood at 8.26 times as on 31st March 2024 as against 7.28 times as on 31st March 2023. Further, the coverage indicators of the company are reflected by interest coverage ratio and debt service coverage ratio, which improved and stood at 1.94 times and 0.88 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 28.27 times as on 31st March 2024 as against 21.72 times as on 31st March 2023 and DEBT-EBITDA of the company stood at 4.35 times as on 31st March 2024. Acuité believes that going forward the ability of the company to manage its financial risk profile will remain a key rating sensitivity.

### **Intensive Working Capital Operations**

The working capital operations of the company are intensive marked by GCA days which stood at 176 days as on 31st March 2024 as compared to 183 days as on 31st March 2023. The debtor days of the company stood at 38 days as on 31st March 2024 as against 51 days as on 31st March 2023. Further, the inventory holding stood at 135 days as on 31st March 2024 against 121 days as on 31st March 2023 and the creditor days stood at 186 days as on 31st March 2024 as against 167 days as on 31st March 2023. In addition, the average fund based bank limit utilization of the company stood at 90.47% in last seven months ended October 2024. Acuité expects that the working capital operations of the company will remain at similar levels in near to medium term.

### **Rating Sensitivities**

- Movement in revenue and profitability margins
- Movement of capital structure and debt protection metrics
- Working capital cycle

### **Liquidity Position**

#### **Stretched**

The liquidity profile of the company is stretched marked by net cash accruals of Rs.0.69 Cr. as on 31st March 2024 as against the debt repayment obligation of Rs.1.06 Cr. over the same period. The gap in the repayment of debt obligation will be met by infusion of additional unsecured loans from the promoters to the tune of Rs.3.90 Cr. in FY2025. Going forward, the company is expected to generate net cash accruals under the range of Rs.1.50 Cr. to Rs.2.25 Cr. against the debt repayment obligations of up to Rs.0.28 Cr. over the same period. The current ratio of the company stood at 0.83 times as on 31st March 2024 as against 0.85 times as on 31st March 2023. Further, the cash and bank balance available with the company stood at Rs.0.05 Cr. as on 31st March 2024. Acuité believes that going forward, the ability of the company to manage its liquidity position will remain a key rating sensitivity.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	96.29	88.70
PAT	Rs. Cr.	(0.88)	(5.08)
PAT Margin	(%)	(0.92)	(5.73)
Total Debt/Tangible Net Worth	Times	8.26	7.28
PBDIT/Interest	Times	1.94	(1.10)

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Jul 2024	Letter of Credit	Short Term	6.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Bills Discounting	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	0.86	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+   Stable)
	Working Capital Term Loan	Long Term	0.64	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.21	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+   Stable)
	Term Loan	Long Term	1.07	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+   Stable)
	Cash Credit	Long Term	8.00	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+   Stable)
	Proposed Long Term Bank Facility	Long Term	6.22	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+   Stable)
25 Apr 2023	Letter of Credit	Short Term	6.00	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Working Capital Term Loan	Long Term	0.86	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.64	ACUITE B+   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.21	ACUITE B+   Stable (Reaffirmed)
	Term Loan	Long Term	1.07	ACUITE B+   Stable (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE B+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.22	ACUITE B+   Stable (Reaffirmed)
25 Feb 2022	Bills Discounting	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	3.25	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	0.16	ACUITE B+ (Withdrawn)
	Proposed Long Term Bank Facility	Long Term	12.59	ACUITE B+   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.60	ACUITE B+   Stable (Reaffirmed)
	Term Loan	Long Term	1.69	ACUITE B+   Stable (Reaffirmed)
	Term Loan	Long Term	0.12	ACUITE B+   Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.11	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.64	ACUITE B+   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A4   Reaffirmed
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE B   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE A4   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.09	Simple	ACUITE B   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.46	Simple	ACUITE B   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	27 May 2021	Not avl. / Not appl.	26 May 2025	0.58	Simple	ACUITE B   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	31 Dec 2021	Not avl. / Not appl.	30 Dec 2026	0.37	Simple	ACUITE B   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

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