

Press Release
ELEGANZ INTERIORS LIMITED (ERSTWHILE ELEGANZ INTERIORS PRIVATE LIMITED)
October 20, 2025
Rating Upgraded & Withdrawn



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	49.15	ACUITE BBB Upgraded & Withdrawn	-
Bank Loan Ratings	0.23	Not Applicable Withdrawn	-
Bank Loan Ratings	77.69	-	ACUITE A3+ Upgraded & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	127.07	-	-

Rating Rationale

Acuite has upgraded and withdrawn its long-term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short-term rating to '**ACUITE A3+**' (read as **ACUITE A three plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on Rs. 126.84 Cr. bank facilities of Eleganz Interiors Limited (EIL). The rating is being withdrawn on account of the request received from the company and No Objection Certificate (NOC) received from the banker.

Also, Acuite has withdrawn its long-term rating of Rs. 0.23 Cr. bank facilities of Eleganz Interiors Limited (EIL) without assigning any rating as the instrument is proposed facility. The rating is being withdrawn on account of the request received from the company.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for rating

The rating upgrade reflects the growing scale of operations of the company driven by timely completion of the projects supported by a healthy order book. Further, the rating considers the successful completion of initial public offering (IPO) by the company in February 2025 resulting into an improved financial risk profile. Further, the rating also takes into consideration the long-standing experience of the management with an established track record of operations of the company. However, the rating is constrained on account of intensive working capital operations and presence in a fragmented industry marked by intense competition.

About the Company

Incorporated in 1996, Eleganz Interiors Limited (EIL, formerly known as Eleganz Interiors Private Limited) is engaged in the business of providing interior fit-out solutions mainly, interior designing and general construction activity for corporate clients. The company has its registered office in Mumbai along with branch offices in Bengaluru, Hyderabad, Pune, NCR, Chennai, and Ahmedabad. Also, EIL has a manufacturing facility in Mumbai along with warehouses located in Mumbai, Bengaluru and Pune. The company is promoted by Mr. Sameer Akshay Pakvasa.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of EIL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

EIL has an established track record of operations dating back almost three decades, resulting into strong relationships with their suppliers and customers. The company is currently led by second-generation entrepreneur Mr. Sameer Pakvasa, who brings extensive experience in the interior design segment, supported by a team of qualified engineers, architects, designers, and project management professionals.

Growing scale of operations

The operating revenue of the company stood improved to Rs. 392.71 Cr. in FY25 as compared to Rs. 221.29 Cr., marking a y-o-y growth of ~77 percent, owing to growth in the order book size and execution efficiency. The operating margins of the company marginally declined to 8.42 percent in FY25 (8.81 percent in FY24) on account of increasing input costs. However, the PAT margins stood similar at 5.04 percent in FY25 and FY24.

Healthy financial risk profile

The financial risk profile of the company is marked by significant improvement in tangible net worth of Rs. 148.95 Cr. as on March 31, 2025 (Rs. 48.92 Cr. as on March 31, 2024), owing to equity funds raised via IPO, private placement and accretion of profits to reserves. Further, post-completion of fund raise, the company partially repaid the borrowings leading to reduction in debt levels that stood at Rs. 5.61 Cr. as on March 31, 2025 (Rs. 42.80 Cr. as on March 31, 2024). Therefore, the gearing (debt-equity) improved to 0.04 times in FY25 (0.87 times in FY24). Moreover, the debt protection metrics also improved marked by interest coverage ratio (ICR) of 8.20 times in FY25 (5.68 times in FY24) and debt service coverage ratio (DSCR) of 4.47 times in FY25 (3.35 times in FY24).

Weaknesses

Intensive working capital operations

The working capital operations of the company is intensive, albeit improvement in gross current assets (GCA) which stood at 145 days in FY25 against 243 days in FY24, majorly driven by inventory and debtor levels along with high other current assets. The inventory levels stood at 69 days in FY25 (91 days in FY24) and the debtor's collection period stood to 40 days in FY25 (79 days in FY24). Furthermore, the creditor days reduced to 41 days in FY25 (123 days in FY24).

Highly competitive and fragmented nature of industry

The company is operating in highly fragmented industry that is exposed to intense competition by several organised and unorganised players in the industry. Furthermore, any abrupt change in raw material prices or delay in execution of the projects shall affect the profitability of the company.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by generation of sufficient net cash accruals of Rs. 22.48 Cr. in FY25 against maturing debt obligations of Rs. 1.80 Cr. for the same period. The utilization of working capital limits also stood low, around 14.34 percent in last six months ending June 2025. Further, the company maintained unencumbered cash and bank balances of Rs. 0.17 Cr. as on March 31, 2025 and the current ratio stood healthy at 2.04 times as on March 31, 2025.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	392.71	221.29
PAT	Rs. Cr.	19.79	11.16
PAT Margin	(%)	5.04	5.04
Total Debt/Tangible Net Worth	Times	0.04	0.87
PBDIT/Interest	Times	8.20	5.68

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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, Acuite 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Dec 2024	Bank Guarantee (BLR)	Short Term	65.62	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.07	ACUITE A3 (Assigned)
	Cash Credit	Long Term	34.15	ACUITE BBB- Positive (Reaffirmed)
	Proposed Cash Credit	Long Term	0.23	ACUITE BBB- Positive (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Positive (Assigned)
04 Sep 2023	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	24.15	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	39.85	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.62	Simple	ACUITE A3+ Upgraded & Withdrawn (from ACUITE A3)
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.07	Simple	ACUITE A3+ Upgraded & Withdrawn (from ACUITE A3)
Bank Of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	34.15	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.23	Simple	Not Applicable Withdrawn

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About Acuité Ratings & Research

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