Press Release

PRATIK ART INTERIORS PRIVATE LIMITED

November 17, 2025

Rating Reaffirmed and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	22.00	ACUITE BB+ | Stable | Upgraded	-
Bank Loan Ratings	3.00	-	ACUITE A4+ | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded its long-term rating to '**ACUITE BB+' (read as ACUITE double B plus)** from '**ACUITE BB' (read as ACUITE double B)** and reaffirmed its short-term rating of '**ACUITE A4+' (read as ACUITE A four plus)** to the Rs.25.00 Cr. bank facilities of Pratik Art Interiors Private limited (PAIPL). The Outlook is '**Stable**'.

Rationale for rating:

The rating upgrade reflects the company's strong revenue growth supported by increased order book position and expectation of sustenance of similar revenue growth in current year. The rating also considers the expectation of improvement in profitability in the near term, the extensive industry experience of the promoters and the moderate financial risk profile of PAIPL. However, the rating remains constrained by the moderately intensive working capital operations and susceptibility of the performance to the infrastructure sector growth. Going forward, the sustenance in the revenue and profitability growth while improving the working capital operations will be a key rating monitorable.

About the Company

Pratik Art Interiors Private Limited (PAIPL) was incorporated in Dec 1999 and is based in Frazer Town, Bangalore. The company is engaged in the business of undertaking tender-based contracts from various corporate clients for interior designing works. PAIPL was founded by Mr. Arvind B. Sondagar and Mr. Rajesh B. Sondagar.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of PAIPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced promotors and established track record of Operations

Pratik Art Interiors Private limited (PAIPL) is incorporated by Mr. Arvind B. Sondagar and Mr. Rajesh B. Sondagar. Promotors of the company has more than three decades of experience in execution of interior designing contracts. The extensive experience of the promotors has helped the company to maintain long-term relationship with its clients for repeat orders and attain the new clients. PAIPL mostly caters to grade A office spaces in Bangalore, Hyderabad, Pune, Chennai and Gurgaon. Acuite believes that PAIPL may continue to benefit from its established track record of operations.

Improving revenue backed by moderate order book:

The company has registered revenue of Rs.77.06 Cr in FY2025, marking a strong growth of ~63 percent over Rs.47.11 Cr. revenue registered in FY2024. Additionally, during the H1FY2026, the company has registered revenue of Rs.66.28 Cr. as against Rs.25.77 Cr. registered during H1FY2025 and expected to close the year with the revenue range of Rs.125-130 Cr. This growth in revenue is primarily driven by increasing order book. As on October 2025, PAIPL has an unexecuted order book of around Rs.110 Cr, equivalent to 1.45 times of FY2025 revenue, which are to be executed by FY2026, providing a healthy revenue visibility over the near-term.

The operating profit margin remained range bound between 3.66 percent and 3.74 percent over the past three years. Similarly PAT margin remained at 1.37 percent in FY2025 against 1.34 percent in FY2024. Acuite believes, PAIPL's revenue likely increase substantially over the near to medium term backed by moderate unexecuted order book and profitability to improve due to better absorption of overheads with increase in revenue size.

Moderate financial risk profile:

The financial risk profile of the company remained moderate with moderate net worth, gearing and comfortable debt protection metrics. The net worth stood at Rs.8.65 Cr. as on March 31, 2025 as against Rs.7.59 Cr. as on March 31, 2024. The improvement in net worth is due to accretion of profits to reserves. The total debt position of the company (comprises only short-term working capital and vehicle loans) stood at Rs.7.16 Cr. as on March 31, 2025 as against Rs.4.67 Cr. as on March 31, 2024. The gearing level and total outside liabilities to tangible net worth (TOL/TNW) remained moderate at 0.83 times and 2.30 times respectively, as on March 31, 2025 against 0.62 times and 1.36 times as on March 31, 2024. Further, the debt protection metrics remained comfortable with interest coverage (ICR) and debt service coverage ratio (DSCR) of 2.34 times and 2.06 times respectively, as on March 31, 2025 against 2.15 times and 1.91 times as on March 31, 2024. The debt to EBITDA remained moderate at 2.35 times as on March 31, 2025 against 2.62 times as on March 31, 2024.
Acuite believes, PAIPL's financial risk profile will improve over the medium-term backed by absence of long-term debt and improving profitability.

Weaknesses

Moderately intensive working capital operations:

PAIPL's working capital operations remained moderately intensive in nature as reflected from the gross current asset (GCA) of 119 days in FY2025 against 122 days in FY2024. The stretch in GCA days is primarily due to elongation in receivable cycle and retention money withheld by clients. The debtor days increased to 89 days in FY2025 against 52 days in FY2024, while creditor days remained around 70 days during FY2025 and FY2024. Further, a portion of the funds remains blocked in the work-in-progress, further stretching the working capital cycle. However, the dependence on the fund based working capital limits remained low during the last 6 months ending September, 2025, with average utilization of ~7 percent, reflecting adequate internal accruals.
Acuite believes, the working capital operations will inherently remain moderately intensive over the medium term, which is the nature of the interior contracting industry.

Dependence on real estate and commercial capex cycles:

PAIPL's primarily caters to interior fit-out works for commercial spaces, offices, retail outlets and residential projects. Hence, its order inflow and revenue growth are closely linked to the pace of new projects launches and capital expenditure by real estate developers and corporate clients. Any slowdown in the real estate sector or deferment of interior spending by corporates due to weak demand, economic slowdown, or funding constraints can directly impact the company's order book and revenue visibility. However, this risk is partially mitigated by the company's diversified client profile across multiple sectors such as corporate offices, retails and hospitality, as well as its presence across different geographies, reducing dependence on any single project or region.

Rating Sensitivities

- Sustaining the growth in revenue and profitability.
- Improvement in working capital operations.
- Changes in financial risk profile.

Liquidity position
Adequate

The company's liquidity position remains adequate, supported by moderate cash accruals and low reliance on external borrowings. The company registered net cash accruals (NCA's) of Rs.1.39 Cr. in FY2025 against nil debt repayment obligations and expected to register NCA's in the range of Rs.15-18 Cr. against the expected nil repayment obligations. The working capital operations are moderately intensive with GCA days of 119 day and the current ratio stood at 1.33 times as on March 31, 2025. The unencumbered cash and bank balances remained low at Rs.0.03 Cr. as on March 31, 2025. The fund based working capital limits were minimally utilized at an average of ~7 percent over the past 6 months ending September 2025, providing cushion for short-term liquidity.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	77.06	47.11
PAT	Rs. Cr.	1.06	0.63
PAT Margin	(%)	1.37	1.34
Total Debt/Tangible Net Worth	Times	0.83	0.62
PBDIT/Interest	Times	2.34	2.15

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, 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Aug 2024	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A4+ (Assigned)
	Secured Overdraft	Long Term	22.00	ACUITE BB | 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
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A4+ | Reaffirmed
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE BB+ | Stable | Upgraded (from ACUITE BB)

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About Acuité Ratings & Research
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