March 11, 2026

Ambience Interiors Private Limited: Ratings Reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based - Cash credit	12.00	12.00	[ICRA]BBB+(Stable); Reaffirmed
Long-term - Fund-based - Term loan	12.25	12.25	[ICRA]BBB+(Stable); Reaffirmed
Short-term - Non-fund based - Others	275.75	275.75	[ICRA]A2; Reaffirmed
Total	**300.00**	**300.00**	

**Instrument details are provided in Annexure-I*

Rationale

The reaffirmed ratings of Ambience Interiors Private Limited (AIPL) reflect its established operational track record and its promoters' extensive experience in the interior fit-out business, which has enabled the company to develop an extensive customer base that includes reputed companies. Repeat orders from its clients, along with steady execution, enabled the company to report healthy growth in its revenue to Rs. 601 crore in FY2025, registering a CAGR of 48% from FY2021 to FY2025. However, the company is likely to report some contraction in FY2026 due to lower value order inflow in the first half of the fiscal. Nonetheless, outstanding order book of around Rs. 325 crore as of February 2026 provides revenue visibility for FY2027. The ratings also factor in the company's comfortable financial profile as marked by steady cash flow generation, moderate debt levels, healthy debt protection metrics and adequate liquidity position.

However, the ratings remain constrained by the company's moderate scale of operations and susceptibility of its operating profitability to raw-material price volatility given the fixed-price nature of contracts, amid intense industry competition. Additionally, the company's outstanding order book is exposed to concentration risk with the top 3 orders accounting for 60-70% of the total order book. Any delay or scale-down of these projects could impact the revenue and cash flows. Nonetheless, the established execution track record provides some comfort. Further, the moderate revenue visibility, owing to the shorter tenure of its orders, exposes AIPL to volatility in the commercial real estate market. The company undertook a sizeable share buyback of Rs. 35.9 crore in FY2025. Any sizeable future share buybacks/dividend payouts impacting the company's credit metrics and liquidity position will remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's expectations that AIPL's credit profile will be supported by steady cash flow generation, comfortable capital structure and debt protection metrics, despite some debt-funded capex being undertaken in FY2026.

Key rating drivers and their description

Credit strengths

Moderate scale of operations – The company witnessed a healthy growth over the years, with a CAGR of about 48% over FY2021 to FY2025, enabling the company to achieve a scale of Rs. 601 crore. However, its overall scale remains moderate in the interior and fit-out space, limiting the bargaining power with both customers and suppliers. Further, the company has reported a revenue of Rs. 377 crore till January 2026, witnessing a moderation due to the execution of lower value orders, which highlighted the challenges owing to to moderate scale. Nonetheless, the substantial order book of Rs. 325 crore as of February 2026, along with extensive relationship with the clientele, including reputed clients, provides some comfort.

Profitability vulnerable to raw material price fluctuations and stiff industry competition – AIPL faces intense competition from numerous organised and unorganised players in the industry, limiting its pricing flexibility and margins. Its OPM stood higher in FY2025 at 9.7%, however, the same is expected to moderate to 8-8.5% in FY2026 due to intense competition, along with lower value order execution. AIPL also faces stiff competition from large real estate companies with integrated interior decoration operations.

Exposed to order book concentration risks –AIPL has been able to manage a substantial order book in February 2026 to the tune of Rs. 325 crore. However, the same remains concentrated as the top 3 orders accounted for 60-70% of the total order book . Any delay or scale-down of these projects could impact the revenue and cash flows. Nonetheless, the established track record of quick project execution, along with extensive relationships with the reputed clientele, provides some comfort.

Credit challenges

Moderate scale of operations – The company witnessed a healthy growth over the years, with a CAGR of about 48% over FY2021 to FY2025, enabling the company to achieve a scale of Rs. 601 crore. However, its overall scale remains moderate in the interior and fit-out space, limiting the bargaining power with both customers and suppliers. Further, the company has reported a revenue of Rs. 377 crore till January 2026, witnessing a moderation due to the execution of lower value orders, which highlighted the challenges owing to to moderate scale. Nonetheless, the substantial order book of Rs. 325 crore as of February 2026, along with extensive relationship with the clientele, including reputed clients, provides some comfort.

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Liquidity position: Adequate

The company's liquidity is adequate, supported by steady cash flow generation, cash and liquid investments of around Rs. 70 crore and undrawn bank lines of Rs. 12 crore as of February 11, 2026. The company has repayment obligation of Rs. 4-4.5 crore per annum over FY2026-FY2027 and capex outflow of around Rs. 15 crore in FY2026 and around Rs. 3 crore in FY2027. These commitments are expected to be funded through a mix of debt and internal accruals.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company is able to significantly scale-up revenues and earnings while maintaining healthy credit metrics and liquidity.

Negative factors – A a significant decline in revenues and earnings, adversely impacting the entity's debt coverage indicators and liquidity position may lead to ratings downgrade. Additionally, a stretched working capital cycle or weak profit margins that result in deterioration of the liquidity profile on a sustained basis, could also trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Construction Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

AIPL started its operations in 2000, with Mr. Amit Idnani and Sanjay Wadhwa as directors. The company is in the business of rendering commercial interior decoration services, including interior glazing, electrical and networking services for corporate offices. Its clientele includes some of the reputed entities such as Amazon, BNY Mellon, Facebook, American Express etc. The company's head office is in Gurgaon, with branch offices in Bangalore, Pune, Hyderabad, Chennai, Delhi and Noida.

Key financial indicators (audited)

Ambience Interiors Private Limited (Standalone)	FY2024	FY2025
Operating income	505.4	600.9
PAT	30.0	36.1
OPBDITA/OI	8.1%	9.7%
PAT/OI	5.9%	6.0%
Total outside liabilities/tangible net worth (times)	0.9	1.0
Total debt/OPBDITA (times)	0.1	0.3
Interest coverage (times)	16.1	18.3

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	March 11, 2026	Date	Rating	Date	Rating	Date	Rating
Non-fund based - Others	Short-term	275.75	[ICRA]A2	February 14, 2025	[ICRA]A2	August 21, 2023	[ICRA]A2	May 31, 2022	[ICRA]A2
				-	-	January 23, 2024	[ICRA]A2	November 29, 2022	[ICRA]A4+
				-	-	-	-	January 02, 2023	[ICRA]A2
Fund-based - Cash credit	Long-term	12.00	[ICRA]BBB+(Stable)	February 14, 2025	[ICRA]BBB+ (Stable)	August 21, 2023	[ICRA]BBB+ (Stable)	May 31, 2022	[ICRA]BBB+ (Stable)
				-	-	January 23, 2024	[ICRA]BBB+ (Stable)	November 29, 2022	[ICRA]BB+ (Stable)
				-	-	-	-	January 02, 2023	[ICRA]BBB+ (Stable)
Fund-based - Term loan	Long-term	12.25	[ICRA]BBB+(Stable)	February 14, 2025	[ICRA]BBB+ (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
Short-term - Non-fund based - Others	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 / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	**Cash Credit**	NA	NA	NA	12.00	[ICRA]BBB+ (Stable)
NA	**Term Loan**	NA	NA	FY2033	12.25	[ICRA]BBB+ (Stable)
NA	**Non-Fund based**	NA	NA	NA	275.75	[ICRA]A2

Source: Company

Please Click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis: Not applicable

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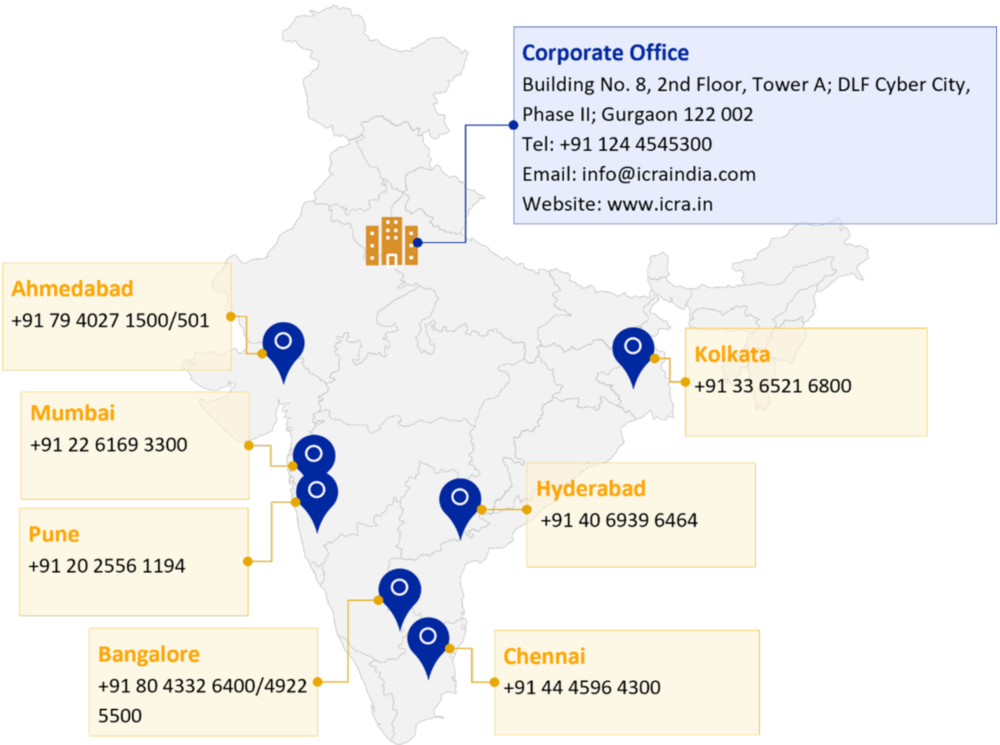

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