

March 27, 2025

Intertouch Metal Buildings 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	8.01	8.01	[ICRA]BB+ (Stable); reaffirmed
Long-term/Short-term – Non-fund based	29.99	29.99	[ICRA]BB+ (Stable) / [ICRA]A4+; reaffirmed
Total	38.00	38.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of ratings for Intertouch Metal Buildings Private Limited (IMBPL) factors in the healthy order book addition in FY2025, which is expected to sustain in FY2026, providing revenue visibility. The company had pending order book of Rs. 94 crore as on December 31, 2024. The healthy order inflows in Q4 FY2025 and FY2026 are expected to support the order book position. The company reported revenue of Rs. 113.8 crore in FY2024 (40% year-on-year growth), which is estimated to increase by 9-10% in FY2025 and FY2026 (Rs. 99 crore in 9M FY2025), backed by healthy order book and pipeline of new orders. Given the low debt levels, the debt protection metrics are expected to remain adequate. The ratings continue to consider the extensive experience of the promoters in civil engineering and their long associations with reputed clients and suppliers, thereby ensuring healthy growth prospects and favourable credit terms.

The ratings are, however, constrained by the company's modest scale of operations and low net worth. Despite the likely increase in revenues in FY2025 to Rs. 120-125 crore, the scale of operations is expected to remain modest. Further, the company's net worth is low at Rs. 28 crore as of March 2024. The ratings consider its moderate working capital intensity with net working capital (NWC)/OI of 20% in FY2024, mainly owing to its high inventory levels of raw material such as steel, aluminium, etc, required for various orders. The ratings factor in the susceptibility of its profit margins to fluctuations in key raw material prices. Nevertheless, the presence of price-escalation clause in the contracts, mitigates the risk to an extent. Additionally, IMBPL operates in the steel roofing and PEB industry, which is characterised by intense competition from both organised and unorganised entities on account of low entry barriers.

The Stable outlook reflects ICRA expectations that the company will benefit from its healthy order book position supporting improvement in scale, adequate liquidity and debt protection metrics.

Key rating drivers and their description

Credit strengths

Order book position to be supported by healthy order inflow – The company had a pending order book of Rs. 94 crore as on December 31, 2024. The healthy order inflows in Q4 FY2025 and FY2026 are expected to support the order book position. The company reported revenue of Rs. 113.8 crore in FY2024 (40% year-on-year growth), which is likely to increase by 9-10% in FY2025 and FY2026 (Rs. 99 crore in 9M FY2025) backed by healthy order book and pipeline of new orders.

Extensive experience of promoters in roofing business – IMBPL's Managing Director, Mr. Niraj Malik, has experience of over two decades in civil engineering. This has facilitated IMBPL to develop stable business operations and establish good relationships with renowned clients and suppliers, thereby ensuring healthy growth prospects and favourable credit terms. Besides, the promoters provide timely funding support to the company in the form of unsecured loans (Rs. 8.9 crore as on March 31, 2024).

Credit challenges

Modest scale of operations and low net worth; profits vulnerable to raw material price volatility and intense competition – Despite the estimated increase in OI in FY2025 to Rs. 120-125 crore, IMBPL’s scale of operations is expected to remain modest in the medium term. Also, its net worth is low at Rs. 28 crore in FY2024. The company’s profit margins are exposed to volatility in key raw material prices, and it faces intense competition in the steel roofing and PEB industry. Nevertheless, the presence of price-escalation clause in the contracts mitigates the risk to an extent.

Moderate working capital intensity – The company’s NWC/OI stood moderate at 20% in FY2024 (PY: 18%), mainly owing to its elevated inventory levels of raw materials such as steel, aluminium, etc, required for various orders.

Liquidity position: Adequate

The company’s liquidity position is adequate. It has a scheduled repayment obligation of Rs. 3.3 crore in FY2025 and FY2026, which can be serviced through estimated cash flow from operations. As on March 31, 2024, the company had a free cash balance of Rs. 5.8 crore. Further, the company has a cushion in the cash credit facility with moderate utilisation of 36% for the last 12 months ending December 2024.

Rating sensitivities

Positive factors – ICRA may upgrade IMBPL’s ratings, if there is a healthy increase in scale of operations and profitability levels leading to an improvement in debt protection metrics and liquidity position on a sustained basis.

Negative factors – Pressure on IMBPL’s ratings may arise, in case of significant decline in scale of operations and profitability or increase in working capital intensity weakening liquidity position and debt protection metrics on a sustained basis. Specific credit metric that may lead to a rating downgrade is if interest coverage of below 2.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Intertouch Metal Buildings Private Limited, established in 1997 and incorporated in 2000, provides commercial construction services and industrial building systems that include pre-engineered buildings, metal roofing, wall claddings, façade systems, lathways fall arrest systems, etc. In FY2008, the company established an association with Kalzip Aluminium Roofing (Kalzip). Kalzip product is offered as fully compatible and coordinated roofing and often, walling system, from structural steel to outer sheet. The company also undertakes civil work on a turnkey basis.

Key financial indicators (Audited)

Standalone	FY2023	FY2024
Operating income	81.4	113.8
PAT	2.4	3.4
OPBDIT/OI	7.8%	6.6%
PAT/OI	2.9%	3.0%
Total outside liabilities/Tangible net worth (times)	2.8	1.7
Total debt/OPBDIT (times)	1.9	2.1
Interest coverage (times)	2.2	3.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating		Chronology of rating history for the past 3 years					
			FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long-term	8.01	Mar 27, 2025	[ICRA]BB+ (Stable)	Jan 19, 2024	[ICRA]BB+ (Stable)	Oct 04, 2022	[ICRA]BB (Stable)	Aug 20, 2021	[ICRA]BB (Stable)
Non fund based	Long-term/Short-term	29.99	Mar 27, 2025	[ICRA]BB+ (Stable)/[ICRA]A4+	Jan 19, 2024	[ICRA]BB+ (Stable)/[ICRA]A4+	Oct 04, 2022	[ICRA]BB (Stable)/[ICRA]A4+	Aug 20, 2021	[ICRA]BB (Stable)/[ICRA]A4+
Term loan	Long-term	-	-	-	-	-	-	-	Aug 20, 2021	[ICRA]BB (Stable)
Interchangeable	Long-term/Short-term	-	-	-	-	-	-	-	Aug 20, 2021	[ICRA]BB (Stable)/[ICRA]A4+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Cash credit	Simple
Long-term/Short-term – 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	Coupons rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	8.01	[ICRA]BB+ (Stable)
NA	Non-fund based	NA	NA	NA	29.99	[ICRA]BB+ (Stable)/ [ICRA]A4+

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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