Innovators Façade System Limited

September 09, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 252.60 Crore (Enhanced from Rs 249.43 Crore)**	**Regulator^**
Long Term Rating	**IVR BBB/Stable (Rating reaffirmed; Outlook revised to 'Stable' from 'Positive')**	**RBI**
Short Term Rating	**IVR A3+ (Rating Reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics Ratings has reaffirmed its ratings assigned to the bank facilities of Innovators Façade Systems Limited. The outlook has been revised to stable from positive on lower than expected turnover for FY26 and moderation in EBITDA margins.

The ratings continue to derive strength from the company's established presence in the façade industry, long track record of operations, healthy order book providing strong revenue visibility and comfortable capital structure.

However, the ratings remain constrained by the high working capital intensity, volatility in raw material prices, particularly aluminium and glass, and exposure to cyclicality in the real estate sector.

Outlook: Stable

The 'Stable' outlook reflects the extensive experience of promoters and comfortable financial risk profile.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

- **Comfortable Capital Structure**

  The company's capital structure continues to remain comfortable as overall gearing improved from 0.43x in FY25 to 0.29x in FY26, supported by a growth in tangible net worth alongside a reduction in total debt and accretion to reserves. Total debt/NCA similarly improved, moving from 2.80x in FY25 to 2.26x in FY26. However, TOL/TNW increased from 0.84x in FY25 to 1.18x in FY26, largely on account of higher current liabilities in the form of sundry creditors and increase in advances from customers. Nevertheless, in absence of any major near term debt funded capex, capital structure is expected to remain comfortable.

- **Healthy Orderbook position providing revenue visibility**

  The order book position stood at Rs. 980.74 crore as of (4.31x of FY26 revenue) providing strong revenue visibility for next two years. Further majority of the orders in the order book are from reputed clients and good payment track record. The total operating income stood at Rs. 227.52 crore in FY26 vis-à-vis Rs. 221.37 crore in FY25 and expected to improve further going forward on the back of strong order book position. The ability of the company to execute its orderbook on a timely basis as well as to generate cash flows as anticipated remains crucial from credit perspective and will remain key monitorable

- **Long track record and established presence in façade engineering**

  Incorporated in 1999, IFSL is into design, engineering, fabrication, assembly and erection of custom facade systems, providing complete design-build services. The product line of the company includes glazing/curtain walls, high end doors and windows, skylights, canopies, louver, stone cladding, metal cladding and roofing etc.

Weaknesses

- **Volatility in input prices**

  IFSL's exposed to raw material prices volatility. Any significant volatile prices in raw materials prices of Aluminium and Glass and company's inability to pass on increase in price will have impact on the profitability of IFSL. However, this is partly mitigated as IFSL has an ability to pass on increase in raw material prices. The company's profitability moderated during FY26, with EBITDA margin declining to 12.55% from 14.61% in FY25 primarily on account of product mix, increase in raw material prices and project execution costs.

- **Risks relating to cyclicality in real estate industry**

  The company has an order book spreading across residential and commercial projects. The company's operations are closely linked to the construction and real estate sector, with

demand for façade solutions largely dependent on new project launches and the pace of execution of commercial, residential and other building projects. Any slowdown in real estate activity, delays in project execution or postponement of new projects could adversely impact order inflows, revenue growth and profitability. Further, the company remains exposed to the cyclicality of the real estate industry and the spending/investment appetite of developers.

- **Working capital-intensive nature of operations**

  The company's operations remain working capital intensive, with the operating cycle elongating to 140 days in FY26 from 132 days in FY25, primarily due to higher inventory and collection periods. The inventory build-up was mainly attributable to procurement of project-specific materials in advance, coupled with delays in project execution and site readiness. Further, the business has a significant level of unbilled revenue, which also contributes to working capital requirements.

Liquidity – Adequate

The liquidity position of the company remains adequate, supported by expected gross cash accruals (GCA) of Rs. 28.94 crore in FY27, which are sufficient to meet its debt repayment obligations of Rs. 4.29 crore. The fund based utilization stood at ~71% for last twelve months ended June 2026, providing adequate cushion to the liquidity. The current ratio stood at 1.35x as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Substantial improvement in scale of operations along with improvement in EBITDA margin.
- Strengthening of financial risk profile, with Total Debt/EBITDA sustained below 1.5x and interest coverage above 4.0x.

Downward Factors

- Decline in scale of operations and/or profitability, with EBITDA margin falling below 10% on a sustained basis.
- Deterioration in debt protection and liquidity parameters.

About the Company

Innovators Façade Systems Limited (IFSL) is engaged in the design, engineering, fabrication, supply and installation of façade systems, including glass façade, aluminium composite panels, stone and metal cladding. The company caters primarily to commercial and residential projects, hotels, IT parks and airports and has an established presence in the façade industry. The company

is promoted and managed by experienced promoters with extensive experience in the façade industry, supported by an in-house design and value engineering team.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	221.37	227.52
EBITDA	32.35	28.55
PAT	15.78	13.46
Total Debt	60.62	45.13
Tangible Net Worth (TNW)	142.55	155.72
EBITDA Margin (%)	14.61	12.55
PAT Margin (%)	7.03	5.84
Overall Gearing (times)	0.43	0.29
Interest Coverage (times)	3.44	3.81

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria for assigning Rating outlook

Policy on Default Recognition and Post Default Curing Period

Complexity Level of Rated Instruments/Facilities

Policy on Withdrawal of Rating

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					June 13, 2025	April 29, 2024	-
1.	Fund based facilities	LT	62.60	IVR BBB/Stable	IVR BBB/Positive	IVR BBB/Stable	-
2.	Non-Fund based facilities	ST	190.00	IVR A3+	IVR A3+	IVR A3+	-

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator ^	Complexity Indicator
GECL 2.0 Extension	-	-	-	2028	0.60	IVR BBB/Stable	NA	RBI	Simple
GECL 2.0	-	-	-	-	0.00 (0.93)	Withdrawn	NA	RBI	Simple
GECL 2.0 Extension	-	-	-	-	0.00 (1.04)	Withdrawn	NA	RBI	Simple
GECL 2.0	-	-	-	-	0.00 (2.10)	Withdrawn	NA	RBI	Simple
Term Loan	-	-	-	2028	2.16	IVR BBB/Stable	NA	RBI	Simple
EGCL 5.0	-	-	-	2031	2.91	IVR BBB/Stable	NA	RBI	Simple
EGCL 5.0	-	-	-	2031	4.07	IVR BBB/Stable	NA	RBI	Simple
EGCL 5.0	-	-	-	2031	2.86	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	14.60	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	20.75	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	14.65	IVR BBB/Stable	NA	RBI	Simple
Bank Guarantee	-	-	-	-	38.50	IVR A3+	NA	RBI	Simple
Bank Guarantee	-	-	-	-	54.50	IVR A3+	NA	RBI	Simple

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator ^	Complexity Indicator
Bank Guarantee	-	-	-	-	37.00	IVR A3+	NA	RBI	Simple
Letter of Credit	-	-	-	-	20.00	IVR A3+	NA	RBI	Simple
Letter of Credit	-	-	-	-	20.00	IVR A3+	NA	RBI	Simple
Letter of Credit	-	-	-	-	20.00	IVR A3+	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

IVRL has withdrawn the rating of GECL 2.0, GECL 2.0 Extension and GECL 2.0 based on the No Due Certificate received from the banker and it is as per Infomerics policy on Withdrawal of ratings.

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/Len_Innovators_Facade_Sys09_Sep26_508eef6671.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026, and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

***Note:** For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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