

**RATING RATIONALE**

**Aswani Construction Pvt. Ltd.**

**18 Oct 2019**

**Brickwork Ratings revises and downgrades the ratings for the Bank Loan Facilities of ₹ 21.34 Crores of Aswani Construction Pvt. Ltd. based on best available information, as the issuer did not cooperate.**

**Particulars**

Facility	Amount (₹ Cr)		Tenure	Rating		
	Previous	Present		Previous (Feb 2016)	Previous (Aug 2018)	Present
Fund based	21.34	21.34	Long Term	BWR BB Stable	Rating Not Reviewed	BWR BB-Stable Issuer Not Cooperating^ (Downgraded)
Total	21.34	21.34		INR Twenty One Crores and Thirty Four Lakhs only		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

**RATING ACTION /OUTLOOK/NATURE OF NON-COOPERATION**

The long term rating of the Bank Loan Facilities of the company has been revised/downgraded to BWR BB-(Stable) from BWR BB(Stable) on account of non-receipt of any papers/information for ascertaining the financial risk profile/performance of the company. We have therefore moved the rating under “Issuer Not Cooperating” category.

Given the government schemes like Pradhan Mantri Awas Yojana, Smart City Project which are expected to be a prime opportunity for the real estate sector as well as growing flow of FDI into the real estate sector which is encouraging for strong growth in the real estate industry we are assigning the outlook as Stable.

The rating was due for surveillance..BWR took up with the issuer to provide required information over emails dated 28th May,26th July,12th Aug and 4th October 2019 and through telephone calls.Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from



the issuer/Company, BWR is unable to assess the issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating. Hence on account of inadequate information and lack of management cooperation, Brickworks Ratings has revised the rating of bank loan facilities as **BWR BB-(Stable) Issuer Not Cooperating**.

#### LIMITATIONS OF THE RATING .

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholdings of the information required for a review of the rating.

#### KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2014	FY 2015
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	65.93	60.44
EBITDA	₹ Cr	15.07	14.13
PAT	₹ Cr	3.18	1.93
Tangible Net Worth	₹ Cr	14.84	16.78
Total Debt /TNW	Times	2.34	1.95
Current Ratio	Times	0.71	0.78

#### COMPANY PROFILE (Information as on Feb 2016)

Incorporated in 1996, Aswani Constructions Private Limited (ACPL) was engaged in real estate development majorly residential projects until 2010. In January 2013, the company started a plant to manufacture Autoclaved Aerated Concrete (AAC) blocks with an installed capacity of 3.96 lakh m<sup>3</sup> per annum which was enhanced to 4 lakh m<sup>3</sup> per annum. ACPL's registered office and manufacturing facility are located in Surat (Gujarat). Customers are majorly located in Maharashtra (70%) and Gujarat (30%). Major customers include Larsen & Toubro, Raheja, Lodha group, Reliance, etc.



**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : ICRA BB(Issuer Not Cooperating) April 2019**

### **RATING HISTORY**

Facility	Current Rating			Rating History	
	Tenure	Amount	Rating	Previous (Aug 2018)	Previous (Feb 2016)
Fund Based	Long Term	21.34	BWR BB- Stable Issuer Not Cooperating^ (Downgraded)	Rating Not Reviewed	BWR BB Stable
<b>Total</b>		21.34	INR Twenty One Crores and Thirty Four Lakhs only		

### **COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

#### **Hyperlink/Reference to applicable Criteria**

- **General Criteria**
- **Approach to Financial Ratios**
- **What Constitutes Non-Cooperation**

For any other criteria obtain **hyperlinks** from website

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**ANNEXURE I**

**Aswani Construction Pvt. Ltd.  
Details of Bank Facilities rated by BWR**

Sr.No.	Name of the Bank	Type of Facilities	Tenure	Total [₹ Cr]
1	State Bank of India	Cash Credit	Fund Based-Long Term	12.00
		Term Loan	Fund Based-Long Term	9.34
<b>TOTAL</b>				21.34

**For print and digital media**

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**About Brickwork Ratings:** Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.



## **DISCLAIMER**

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