

Rating Rationale

28 October 2026

Aswani Industries Pvt. Ltd.(Erstwhile Aswani Construction Pvt. Ltd.)

SUMMARY OF RATING ACTION

Facilities / Instrument	Tenure	Amount (₹ crore)		Rating Assigned & Outlook		Regulator
		Previous	Present	Previous (06 October 2025)	Present	
Fund-Based	Long Term	0.00	44.84		BWR BBB- /Stable Assignment	RBI
		23.00	23.00	BWR BBB- /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	BWR BBB- /Stable Reaffirmed	
Non-Fund-Based	Short Term	(2.00)	(2.00)	BWR A3+ Assignment	BWR A3+ Reaffirmed	RBI
Total		23.00	67.84	(Rupees Sixty Seven Crores and Eighty Four lakhs Only)		

Note:

1. Please refer to BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK

Brickwork Ratings reaffirms/assign the long-term rating at “BWR BBB- /Stable” and reaffirms the short-term Ratings at “BWR A3+” for the bank loan facilities of Rs. 67.84 Crs. of Aswani Industries Pvt. Ltd.(Erstwhile Aswani Construction Pvt. Ltd.)

The rating derives strength from the extensive experience of the promoters, the established track record of the company in the construction materials manufacturing business, a moderate financial risk profile, a diversified product portfolio, moderate debt coverage indicators and an adequate liquidity position. However, the rating is constrained by the moderation in operating profitability, indicating susceptibility to raw material price fluctuations and cost pressures, the working-capital-intensive nature of operations, moderate industry risk and dependence on the construction sector.

The rating outlook has been assigned as "Stable" as BWR believes that the company's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

For assigning the rating, BWR has relied upon the last 3 years of audited financials till FY25, provisional for FY26 and projected financials for FY27 and FY28, and publicly available information and clarification provided by management.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

The terms of sanction include standard covenants normally stipulated for such facilities.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to Financial Ratios • Short Term Debt • Manufacturing Company
Parent/Group/Government Support	NA
Analytical Approach (Standalone)	For arriving at its ratings, BWR has considered the standalone performance of the company. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

- **Experienced promoters and established track record :**
The company is promoted by an experienced management. Mr. Jaiprakash Khanchand Aswani brings 43 years of rich expertise and strategic vision, while Mr. Navin Ashok Aswani (18 years) and Mr. Kamlesh Pahijabhai Sewani (15 years) actively manage operations, marketing, and production. The promoters' strong industry knowledge, long-standing presence, and proven track record provide stability and support the company's growth prospects.
- **Moderate financial risk profile :**
The company's financial risk profile remains moderate, supported by low gearing (Total Debt/TNW below 0.38x) and strong coverage indicators with DSCR stood at 11.76x and ISCR stood at 13.67x in FY25, reflecting robust debt servicing ability.
- **Diversified Product Portfolio :**
The company has a well-diversified product portfolio, manufacturing a wide range of products including mortar, waterproofing solutions, and related construction materials. This diversification reduces dependency on any single product segment and enables the company to cater to varied demand across multiple end-user industries such as real estate, infrastructure, and industrial construction.

Credit Risks

- **Margin Volatility :**
EBITDA margin dipped to 11.36% in FY26 from 12.21% in FY25, indicating exposure to raw material price fluctuations.
- **Working-capital intensity :**
The company remains exposed to the working-capital requirements of the construction-materials business. Although the cash conversion cycle improved to 86 days from 92 days, receivables remained sizeable at around Rs.47.76 crore.
- **Moderate Industry Risk and dependence on the Construction Sector :**
AAC blocks and allied products industry remains cyclical and competitive with pricing pressures. Business linked to real estate and infrastructure demand, making growth sensitive to economic cycles.

RATING SENSITIVITY FACTORS

Going forward, the ability of the company to improve the scale of operations and profitability, maintain a strong liquidity position, effectively manage working capital, and strengthen the overall credit profile would be the key rating sensitivities.

Positive :

- A significant improvement in the scale of operations revenues of above Rs.250 crs on a sustained basis. Improvement in operating profit margin (OPM) to 13% on a sustained basis, supported by enhanced operational efficiency and benefits from the completed machinery upgradation.
- Continued discipline in working capital management, ensuring liquidity remains adequate despite seasonal variations.

Negative :

- The rating may be downgraded if operating profit margin declines below 10% on a sustained basis.
- Elongation of the working capital cycle results in moderation in liquidity on a sustained basis.

LIQUIDITY POSITION - Adequate

The company's liquidity profile remains adequate, supported by moderate internal accruals. The net cash accrual for FY26 is Rs.21.30 Crs. The company is expected to generate cash accruals of Rs.24.33 crore in FY27, comfortably covering its CPLTD of Rs.3.00 crore, indicating adequate debt servicing capability. Cash and cash equivalents stood at Rs.4.55 Crs in FY26, continues to provide a liquidity buffer. The working capital cycle has remained stagnant for the past two years. Further, the average utilization of the cash credit facility over the past 12 months stood at a moderate 15%. The company's ability to secure higher limits from banks mitigates the immediate pressure; therefore, the liquidity is assessed as adequate.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

The company demonstrates an evolving ESG profile based on its environmental, social, and governance practices.

Environmental: The manufacturing operations involve resource and energy usage; accordingly, efficient utilisation of resources, proper waste-management practices and control of emissions remain key environmental considerations. The company focuses on responsible management of water, waste and energy consumption, while complying with applicable pollution-control and environmental regulations.

Social: The company adheres to applicable labour laws and workplace safety requirements. It focuses on maintaining a safe working environment for its employees and undertakes employee training and development initiatives.

Governance: The company follows established governance practices and complies with applicable statutory and regulatory requirements. The management is supported by experienced promoters, with oversight through established audit and compliance mechanisms. The company maintains appropriate financial reporting and internal control practices.

COMPANY/FIRM PROFILE

Industry Classification			
Macroeconomic Indicator	Sector	Industry	Basic Industry
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials

Aswani Industries Private Limited (AIPL), incorporated in 1996, is engaged in the manufacturing of Autoclaved Aerated Concrete (AAC) blocks, dry mortar, tile adhesive, and waterproofing products. The company established its AAC block plant in 2013 with an installed capacity of 4.0 lakh m³ per annum and later diversified into mortar (21,816 MT), tile adhesive, and waterproofing materials (10,800 MT), thereby strengthening its presence in the construction materials segment.

The company's manufacturing facility and registered office are located in Surat, Gujarat, and it is promoted by Mr. Jaiprakash Aswani, Mr. Ashok Aswani, and Mr. Kamlesh Pahilajbhai Sewani, who have extensive experience in the industry.

In terms of revenue mix, AAC blocks contribute ~44% of turnover, mortar 52%, and other products (tile adhesive & waterproofing) 4%, ensuring product diversification and reduced dependence on a single segment.

The company's manufacturing facility and registered office are located in Surat, Gujarat, with current utilization levels of ~70-75%.

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in ₹ crore)	FY 23 -24 (A)	FY 24 -25 (A)	FY 25 -26 (P)
Operating Revenue	227.13	205.23	218.88
EBITDA	42.42	25.07	24.85
PAT	26.06	14.68	15.82
Tangible Net Worth	91.57	105.75	121.58
Total Debt/ Tangible Net Worth	0.19	0.19	0.38
Current Ratio	2.17	2.22	1.63

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results. P: Provisional; Note: These are the latest available financial results. All ratios as per BWR's calculations; Amount in ₹ crore

RATING HISTORY FOR THE PREVIOUS THREE YEARS

Facilities	Current Rating (2026)			2025		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	0.00	-	06 Oct 2025	Withdrawal	16 May 2025	BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	06 May 2024	BWR C Continues to be in ISSUER NOT COOPERATING* category/Downgraded	29 Mar 2023	BWR B - /Stable Continues to be in ISSUER NOT COOPERATING* category/Down graded
Fund Based	LT	23.00	BWR BBB - /Stable Reaffirmed		BWR BBB - /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	16 May 2025	BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	06 May 2024	BWR C Continues to be in ISSUER NOT COOPERATING* category/Downgraded	29 Mar 2023	BWR B - /Stable Continues to be in ISSUER NOT COOPERATING* category/Down graded
Fund Based	LT	44.84	BWR BBB - /Stable Assignment								
NFB (Sub-Limit)	ST	(02.00)	BWR A3+ Reaffirmed		BWR A3+ Assignment	NA	NA	NA	NA	NA	NA
Grand Total		67.84	(Rupees Sixty Seven Crores and Eighty Four lakhs Only)								

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	Simple
Non-Fund Based	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 BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY):

NA

ANY OTHER INFORMATION:

None

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Annexure I: Details of Bank Loan Facilities

(Amount in Rupees Crore)

SL.N o.	Name of Bank	Facilities	Tenor	Amount (₹Crore)	Regulator
1	State Bank Of India (SBI)	Emergency Credit Line Guarantee Scheme (ECLGS)- Outstanding	Long Term	4.42	RBI
2	State Bank Of India (SBI)	Term Loan- Outstanding	Long Term	2.90	RBI
3	State Bank Of India (SBI)	Term Loan -Proposed	Long Term	11.00	RBI
4	State Bank Of India (SBI)	Cash Credit -Proposed	Long Term	6.00	RBI
5	State Bank Of India (SBI)	Cash Credit -Sanctioned	Long Term	23.00	RBI
6	State Bank Of India (SBI)	Sub-Limit (Letter Of Credit) -Sanctioned	Short-Term	(2.00)	RBI
7	ICICI Bank	Loan Against Property-Outstanding	Long term	20.52	RBI
Total (Rupees Sixty Seven Crores and Eighty Four lakhs Only)				67.84	

ANNEXURE II: Details of Instruments/Facilities

Name of the Instrument / Facility	Long Term/Short Term	ISIN	Date of Issuance (DD-MMY-YYY)	Coupon Rate (%)	Maturity Date (DDMM-YYYY)	Size of the Issue (₹ cr)	Rating Assigned and Rating Outlook	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A.	Rating activities	
Sr. No.	Instrument / activity Name	Regulator of the instruments
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
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
11	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
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 (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* 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), Brick Work Ratings India Private Limited (BWR) 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.

Note: 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.

B.	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies	NA

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. 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.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact grievance@brickworkratings.com

Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is an institutional investor in Brickwork.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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