

## Rating Rationale

6 Oct 2025

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

**Brickwork Ratings withdraws the long-term rating of Rs. 9.34 Crs, upgrades the Long-term Ratings to “BWR BBB-/Stable” with removal of rating from the INC category & assigns the short-term rating of BWR A3+ for the bank loan facilities of Rs. 23.00 Cr. of Aswani Industries Pvt. Ltd.(Erstwhile Aswani Construction Pvt. Ltd)**

#### Particulars:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating*	
	Previous	Present		Previous (16 May 2025)	Present
<b>Fund Based</b>					
Term Loan -Out-standing	9.34	<b>0.00</b>	Long Term		<b>Withdrawal</b>
Cash Credit -Sanctioned	12.00	<b>23.00</b>		BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	<b>BWR BBB- /Stable removal from ISSUER NOT COOPERATING* category/Upgraded</b>
<b>Sub Total</b>	21.34	<b>23.00</b>			
Sub-Limit (Letter Of Credit) -Sanctioned	(0.00)	<b>(02.00)</b>	Short Term		<b>BWR A3 + Assignment</b>
<b>Grand Total</b>	21.34	<b>23.00</b>	<b>(Rupees Twenty Three Crores Only)</b>		

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

\*\* Details of Bank Loan facilities is provided in Annexure-I

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

#### RATING ACTION / OUTLOOK

Brickwork Ratings withdraws the long-term rating of Rs. 9.34 Crs, upgrades the Long-term Ratings to “BWR BBB-/Stable” with removal of rating from the Issuer Not Cooperating category and assigns the short-term rating of BWR A3+ for the bank loan facilities of Rs. 23.00 Cr. of Aswani Industries Pvt. Ltd.(Erstwhile Aswani Construction Pvt. Ltd.).

The rating draws strength from the extensive experience of the promoters and established track record in the construction material manufacturing businesses, a Moderate financial risk profile, a Diversified Product Portfolio, its moderate debt coverage indicators, and an adequate liquidity profile. However, the rating is constrained by the operating profit margin dipped, indicating exposure to raw material price fluctuations, a High Receivable Cycle, leading to an elongated conversion cycle, and business linked to real estate and infrastructure demand, making growth sensitive to economic cycles.

The rating outlook has been assigned as "Stable" as BWR believes that 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 FY24, Provisional financials for FY25, and projected financials for FY26 & FY27, and publicly available information and clarification provided by management.

## KEY RATING DRIVERS

### 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 0.20x) and strong coverage indicators with DSCR stood at 31.53x and ISCR stood at 41.32x 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 12.21% in FY25 from 18.68% in FY24, indicating exposure to raw material price fluctuations.
- **High Receivable Cycle :**  
Receivable days increased from 75 to 86 days in FY25, leading to a stretched working capital cycle, which rose from 80 days to 116 days. This reflects slower collections and higher funds blocked in receivables.
- **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.

**ANALYTICAL APPROACH - Standalone**

For arriving at its ratings, BWR has considered standalone applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

**RATING SENSITIVITIES**

Going forward, the ability of the firm 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.300 crs on a sustained basis.
- Continued discipline in working capital management, ensuring liquidity remains adequate despite seasonal variations.

**Negative :**

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

**LIQUIDITY INDICATORS - Adequate**

The company’s liquidity profile remains adequate, supported by moderate internal accruals. The net cash accrual for FY25 is Rs.25.99 Crs. The company is expected to generate cash accruals of Rs.25.05 crore in FY26, comfortably covering its CPLTD of Rs.0.90 crore, indicating adequate debt servicing capability. Cash and cash equivalents stood at Rs.12.34 Crs in FY25, 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 comfortable.

**ABOUT THE ENTITY**

Macro Economic 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 m<sup>3</sup> 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 ~45% of turnover, mortar 25%, and other products (tile adhesive & waterproofing) 30%, 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

Key Financial Indicators	Units	FY 22-23	FY 23-24	FY 24 - 25
Result Type		Audited	Audited	Provisional
Operating Revenue	Rs. Crs.	209.22	227.13	206.52
EBITDA	Rs. Crs.	40.81	42.42	25.22
PAT	Rs. Crs.	24.49	26.06	20.05
Tangible Net Worth	Rs. Crs.	65.34	91.57	111.12
Total Debt / TNW	Times	0.28	0.19	0.18
Current Ratio	Times	1.68	2.17	3.42

### KEY COVENANTS OF THE FACILITY RATED

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

### STATUS OF NON-COOPERATION WITH PREVIOUS CRA

Not Applicable

### ANY OTHER INFORMATION

Nil

### RATING HISTORY FOR LAST THREE YEARS (including withdrawal and suspended)

Facilities	Current Rating (2025)			2025		2024		2023		2022	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	0.00	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/Downgraded	01 Apr 2022	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Fund Based	LT	23.00	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/Downgraded	01 Apr 2022	BWR B /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
NFB (Sub-Limit)	ST	(02.00)	BWR A3+ Assignment	NA	NA	NA	NA	NA	NA		
<b>Grand Total</b>		<b>23.00</b>	<b>(Rupees Twenty Three Crores Only)</b>								

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Manufacturing Company](#)
- [Short term debt](#)

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

**ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR**

Sl. No.	Name of the Bank/Lender	Type of Facilities	Tenure	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs. Crs.)	Complexity of the Instrument
1	State Bank Of India (SBI)	Term Loan -Out-standing	Long Term	0.00	-	0.00	Simple
2	State Bank Of India (SBI)	Cash Credit -Sanctioned	Long Term	23.00	-	23.00	Simple
3	State Bank Of India (SBI)	Sub-Limit(Letter Of Credit) -Sanctioned	Short Term	(02.00)	-	(02.00)	Simple
<b>Total</b>				<b>23.00</b>		<b>23.00</b>	
<b>Total (Rupees Twenty Three Crores Only)</b>							

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**ANNEXURE II**

**INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS**

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE III**  
**List of entities consolidated**  
**NIL**

<b>Name of Entity</b>	<b>% Ownership</b>	<b>Extent of consolidation</b>	<b>Rationale for consolidation</b>
Nil	Nil	Nil	Nil

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