

October 07, 2026

BirlaNu Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term/Short-term – Fund-based and non-fund based limits	365.00	452.50	[ICRA]AA- (Negative)/[ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Short-term – Non-fund based limits	108.00	250.00	[ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Long-term/Short-term – Unallocated limits	37.00	3.41	[ICRA]AA- (Negative)/[ICRA]A1+; reaffirmed	RBI
Long-term – Fund-based – Term loan	90.00	344.09	[ICRA]AA- (Negative); reaffirmed and assigned for enhanced amount	RBI
Total	600.00	1,050.00		

*Instrument details are provided in Annexure I

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI

Rationale

The rating reaffirmation reflects BirlaNu Limited's (BirlaNu) strong operational risk profile, supported by its diversified revenue streams across roofs, walls, pipes and construction chemicals and floors, and its leading market position in the domestic fibre cement (FC) sheet (roofing) industry, which is expected to sustain in the near to medium term. The ratings derive comfort from the company's strong market position, established brands, diversified business profile and financial flexibility arising from its association with the reputed and diversified CKA Birla Group.

The company benefits from the strong brand recognition for its Charminar product, enabling it to command a premium over peers. The acquisitions of Parador Holdings GmbH (floors segment in September 2018), Fastbuild Blocks Private Limited (July 2022), Crestia Polytech Private Limited (April 2024) and Clean Coats Private Limited (November 2025) enhance BirlaNu's geographical and segmental diversification, mitigating earnings volatility arising from downturns in individual geographies or segments. The ratings derive comfort from BirlaNu's strong financial flexibility being a part of a reputable and diversified CKA Birla Group. The presence of the senior members of the Group, with Mr. C.K. Birla as the Chairman of BirlaNu and Ms. Amita Birla as the Co-Chairman of the board underscores its strategic importance to the Group.

The continuation of Negative outlook on the long-term rating reflects ICRA's expectation that despite the company reporting improving operating performance, the recovery in earnings and credit metrics is likely to remain gradual. The debt protection metrics are expected to remain constrained owing to debt-funded acquisitions, ongoing capex programme and a gradual recovery in flooring solutions amid global headwinds. BirlaNu's revenues witnessed 12% YoY growth to Rs. 1,175 crore and operating margins improved to 6.3% (PY: 4.7%) in Q1 FY2027, aided by improved performance in the roofs and walls segments, along with cost optimisation measures undertaken by the company. Although the revenues are estimated to rise by 8-10% YoY in FY2027 and FY2028, the recovery in BirlaNu's operating margins across all the segments and the consequent improvement in debt protection metrics will remain a key monitorable.

BirlaNu has been proactively monetising its non-core assets over the past two years to partly fund its capital expenditure programme, which is expected to continue in FY2027. The proceeds from this monetisation are likely to be used to support

ongoing capex requirements and/or reducing existing debt obligations, thereby mitigating incremental reliance on external borrowings.

The ratings are constrained by the exposure to volatility in input costs, along with the vulnerability of demand to cyclical in end-user industries and susceptibility of margins to intense competition across the segments. In addition, the company's earnings remain vulnerable to regulatory risks, especially those related to bans on asbestos products and restrictions on asbestos mining in producing countries. The management has proactively sought to de-risk operations, as evidenced by a decline in revenue contribution from the asbestos segment to 31% in FY2026 from 65% in FY2018. Nonetheless, the OPBITDA share from asbestos-linked business continues to remain significant. With improved revenues and profitability from other segments, the OPBITDA share from asbestos-related activities will likely reduce over the medium term. BirlaNu also remains exposed to execution risk and ramp-up risk post completion associated with the ongoing/planned capex of two FC board plants with capacity of ~72,000 MTPA each in Andhra Pradesh and Telangana at a total cost of Rs. 290-300 crore over the next 18-24 months.

Key rating drivers and their description

Credit strengths

Diversified business and geographical portfolio – BirlaNu has a strong operational risk profile, underpinned by diversified revenue streams with presence in four major segments – roofs, walls, pipes and construction chemicals and floors. The acquisitions of Parador Holdings GmbH (floors segment in September 2018), Fastbuild Blocks Private Limited (July 2022), Crestia Polytech Private Limited (April 2024) and Clean Coats Private Limited (November 2025) enhanced BirlaNu's geographical and segmental diversification, helping to mitigate the top line volatility from downturns in individual geographies or business segments.

Leading market position in FC roofing segment – BirlaNu maintains a leading market position in the domestic FC sheet (roofs) industry as of June 2026. It has pan-India manufacturing presence, wide distribution and dealership network and strong brand recognition for Charminar. Backed by focused branding efforts and strong distribution network, the company's products enjoy premium pricing over the competing products.

Strong financial flexibility by being part of CKA Birla Group – BirlaNu is a part of CKA Birla Group and benefits from the extensive experience and strong financial flexibility derived from being a part of the reputable and diversified CKA Birla Group, underscoring its strategic importance within the Group. The presence of senior members of the Group, with Mr. C K Birla as the Chairman of BirlaNu and Ms. Amita Birla as the Co-Chairman of the board underscores its strategic importance to the Group.

Credit challenges

Moderate debt protection metrics – BirlaNu's debt protection metrics remain moderate owing to debt-funded acquisitions, ongoing capex and slower recovery in flooring solutions due to global headwinds. BirlaNu's revenues witnessed 12% YoY growth to Rs. 1,175 crore and the operating margins improved to 6.3% (PY: 4.7%) in Q1 FY2027, aided by improved performance in the roofs and walls segments, along with cost optimisation measures undertaken by the company. Although the revenues are expected to rise by 8-10% YoY in FY2027 and FY2028, the recovery in BirlaNu's operating margins across all the segments and the consequent improvement in debt protection metrics will remain a key monitorable.

Vulnerability of earnings to fluctuations in raw material prices; exposure to regulatory risks on asbestos-related products with cyclical in end-user industries – BirlaNu's earnings remain exposed to volatility in input costs, along with the vulnerability of demand to cyclical in end-user industries and susceptibility of margins to intense competition across the segments. In addition, its revenues and margins remain vulnerable to regulatory risks, especially those related to bans on asbestos products and restrictions on asbestos mining in producing countries. The management's diversification efforts have materially reduced its dependence on the asbestos segment, with the latter's revenue contribution declining to 31% in FY2026

from 65% in FY2018. However, despite the moderation in revenue share, the asbestos-linked business contributed to a significant proportion of OPBITDA in FY2026, highlighting its continued importance to the overall profitability. Nevertheless, the increasing scale and profitability of the non-asbestos businesses are expected to dilute the earnings dependence on asbestos-related operations over the medium term.

Environmental and social risks

While some forms of asbestos fibre pose health risks to individuals who are exposed, asbestos cement manufactured using white chrysotile asbestos is of relatively low risk. All manufacturers are required to follow strict environmental norms to operate. Given the safety and environmental health-related concerns associated with asbestos, the industry may be vulnerable to the risk of tightening regulatory norms. Any ban on the mining of asbestos across countries may expose the company to risk of non-availability of raw material. Any ban on the usage of asbestos in BirlaNu's core operating region (like India) due to environmental or health concerns could have a significant impact on the operation of FC segment, which is one of the major contributors to BirlaNu's operating profits.

Liquidity position: Adequate

BirlaNu's liquidity position is adequate with free cash and bank balance of Rs. 42 crore as on June 30, 2026, with buffer in working capital limits of ~Rs. 367.5 crore as of June 2026. The company plans to monetise non-core assets in FY2027 similar to FY2025 and FY2026 to support liquidity position and fund the capex requirements. The company is planning to add two FC board plants with a capacity of ~72,000 MTPA each in Andhra Pradesh and Telangana at a total cost of Rs. 290-300 crore over the next 18-24 months, which will be funded by a mix of debt and internal accruals.

Rating sensitivities

Positive factors – The outlook can be revised to Stable if there is material improvement in profitability across segments resulting in improvement in debt protection metrics on a sustained basis.

Negative factors – Negative pressure on BirlaNu's ratings may arise if the company is not able to improve its profitability or material decline in revenues or significant debt funded capex/acquisition or stretch in working capital cycle resulting in weakening of debt protection metrics or liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of BirlaNu. Please refer to Annexure II for the list of entities considered for consolidation.

About the company

BirlaNu Limited (BirlaNu) is a part of the CKA Birla Group. The Group operates across three industry clusters, namely, home and building products, automotive and technology, healthcare and education, with presence in five continents. BirlaNu is part of the home and building products cluster. BirlaNu operates in four segments – roofs, walls, pipes and construction chemicals and floors. It has a wide network of more than 30,000 retail touch points worldwide and more than 2,10,000 channel partners. Apart from these, the company has four wind power units aggregating to a capacity of 9.35 MW in Gujarat, Rajasthan and Tamil Nadu.

Key financial indicators

BirlaNu Limited (Consolidated)	FY2025	FY2026	Q1 FY2027
	Audited	Audited	Unaudited
Operating income	3,615	3,730	1,174
PAT	-33	-120	9
OPBDIT/OI	1.9%	0.7%	6.3%
PAT/OI	-0.9%	-3.2%	0.8%
Total outside liabilities/Tangible net worth (times)	1.4	1.8	1.7
Total debt/OPBDIT (times)	13.6	41.5	3.4
Interest coverage (times)	1.0	0.4	4.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount 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

Current rating (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	October 07, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based and non-fund based limits	Long term / Short term	452.50	[ICRA]AA-(Negative)/[ICRA]A1+	Aug 28, 2025	[ICRA]AA-(Negative)/[ICRA]A1+	Nov 08, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	Oct 25, 2023	[ICRA]AA (Stable)/[ICRA]A1+
								Feb 13, 2024	[ICRA]AA (Negative)/[ICRA]A1+
Non-fund based limits	Short term	250.00	[ICRA]A1+	Aug 28 2025	[ICRA]A1+	-	-	-	-
Unallocated limits	Long term / Short term	3.41	[ICRA]AA-(Negative)/[ICRA]A1+	Aug 28, 2025	[ICRA]AA-(Negative)/[ICRA]A1+	Nov 08, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	Oct 25, 2023	[ICRA]AA (Stable)/[ICRA]A1+
								Feb 13, 2024	[ICRA]AA (Negative)/[ICRA]A1+
Term loan	Long term	344.09	[ICRA]AA-(Negative)	Aug 28, 2025	[ICRA]AA-(Negative)	Nov 08, 2024	[ICRA]AA-(Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund-based and non-fund based limits	Simple
Short-term – Non-fund based limits	Simple
Long-term/Short-term – Unallocated limits	Not Applicable
Long-term – Fund-based – Term loan	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator [#]
NA	Long-term/Short-term – Fund and non-fund based limits	NA	NA	NA	452.50	[ICRA]AA-(Negative)/[ICRA]A1+	RBI
NA	Short-term – Non-fund based limits	NA	NA	NA	250.00	[ICRA]A1+	RBI
NA	Long-term/Short-term – Unallocated limits	NA	NA	NA	3.41	[ICRA]AA-(Negative)/[ICRA]A1+	RBI
NA	Long-term – Fund-based – Term loan	FY2024	NA	FY2034	344.09	[ICRA]AA-(Negative)	RBI

Source: Company

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	BirlaNu ownership	Consolidation approach
BirlaNu Limited	100.00% (Rated entity)	Full Consolidation
BirlaNu International GmbH	100.00%	Full Consolidation
Parador Holdings GmbH	100.00%	Full Consolidation
Parador GmbH	100.00%	Full Consolidation
Parador Parkettwerke GmbH	100.00%	Full Consolidation
Parador UK Limited	100.00%	Full Consolidation
Parador INC	100.0%	Full Consolidation
Parador (Shanghai) Trading Co Ltd	50.00%	Equity Method
Clean coats Private Limited	100.00%	Full Consolidation

Source: BirlaNu Limited; ICRA Research

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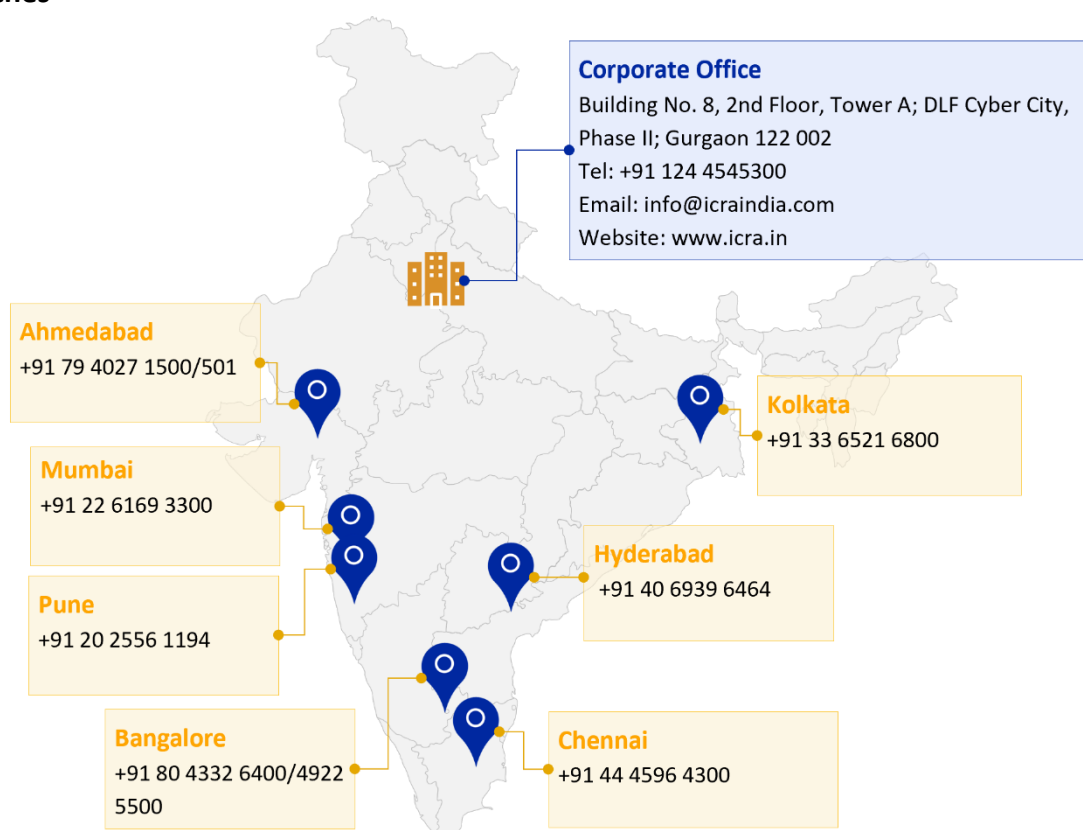
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