November 04, 2026

Aparna Ceramics Private Limited: [ICRA]A- (Stable)/[ICRA]A2+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Term loan	39.24	[ICRA]A- (Stable); assigned	RBI
Long-term – Fund-based – Cash credit	21.00	[ICRA]A- (Stable); assigned	RBI
Short-term – Non-fund-based – Bank guarantee	7.00	[ICRA]A2+; assigned	RBI
Total	**67.24**		

**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

ICRA has taken a consolidated view of Aparna Enterprises Limited (AEL, rated [ICRA]A- (Stable)/ [ICRA]A2+) and its wholly-owned subsidiary, Aparna Ceramics Private Limited (ACPL), collectively termed as the AEL Group, given the same line of business of ACPL as one of the divisions of AEL, along with common promoters and treasury team.

AEL, in February 2026, acquired the remaining 74% stake in Greenzone Granito Private Limited (GGPL) – a tile manufacturing company from Morbi, Gujarat, in which it earlier held 26% stake, thereby making GGPL a wholly-owned subsidiary of AEL. Post acquisition, GGPL was renamed as ACPL. This strategic acquisition aligns with AEL's plan to expand its market presence and strengthen the penetration of its tile brand, Vitero, which is expected to support revenue growth over the medium term.

The ratings for the AEL Group reflect its healthy operating performance in FY2026 that is likely to sustain in FY2027, driven by demand across its business segments. The company's consolidated revenues stood at ~Rs. 1,747 crore in FY2026 and is projected to record around 10% year-on-year (YoY) growth in FY2027, supported by steady demand and enhanced capacities across its diversified business segments, including ready mix concrete (RMC), unplasticised polyvinyl chloride (UPVC), facades and tiles. The operating margins are estimated to remain in the range of 8.5-9.0% in FY2027 (PY: 8.1%).

The ratings consider the AEL Group's backward integrated operations with an in-house profile manufacturing unit for the UPVC division and feldspar and clay processing units for the tiles division at the Kakinada plant, which provide better control over cost and quality. Further, the ratings note the strong brand recognition of the Aparna Group as a reputable real estate player in Hyderabad. The AEL Group also enjoys strong financial flexibility on the back of its parentage and the Group's long relationships with established lenders.

The ratings are, however, constrained by the AEL Group's high working capital requirements owing to a relatively elongated receivable cycle, coupled with the inventory holding requirements in the UPVC and tiles segments. This, along with debt-funded capex and acquisition, resulted in high debt levels for the AEL Group, leading to moderate debt protection metrics and subdued return indicators. The leverage, as measured by total debt/operating profit before depreciation, interest, taxes and amortisation (OPBDITA), stood at 3.4 times as of March 2026 and is expected to remain in the range of 2.5-3.0 times as of March 2027. Consequently, the coverage indicators are likely to remain moderate with interest cover of ~4.0 times and debt service coverage ratio (DSCR) to be around 1.7 times in FY2027. The AEL Group has recently enhanced its working capital limits by Rs. 40 crore to support the growth requirements as the average utilisation of existing working capital limits was high for the last 12 months ending August 2026.

ICRA takes comfort from the demonstrated track record of promoters for timely support over the years (~Rs. 100 crore infused by promoters during FY2021-FY2026) to meet any shortfall in the working capital requirements and fund its capex. The AEL Group's profitability remains exposed to movement in key raw material prices across divisions and intense competition from the organised as well as unorganised players. The AEL Group's operations remain exposed to the performance of real estate sector, which is inherently cyclical and exposes its operating income (OI) to any downturn in real estate demand.

The Stable outlook on long-term rating reflects ICRA's opinion that the AEL Group is expected to benefit from the healthy operational profile with presence across four divisions and strong brand visibility of the Group in Hyderabad, which will support revenue growth and stable operating margins.

Key rating drivers and their description

Credit strengths

Diversified revenue profile across divisions – The company's consolidated revenues stood at ~Rs. 1,747 crore in FY2026 and is projected to record around 10% YoY growth in FY2027, supported by steady demand and enhanced capacities across its diversified business segments, including RMC, UPVC, facades and tiles. The operating margins are expected to remain in the range of 8.5-9.0% in FY2027 (PY: 8.1%).

Established presence and strong brand visibility of Aparna Group in Hyderabad real estate market – The Aparna Group, through its flagship entity, Aparna Constructions and Estates Private Limited (ACEPL, rated [ICRA]A+ (Stable)), enjoys strong brand recognition as a real estate developer in the Hyderabad market with a demonstrated track record of delivering more than 30 million square feet (msf) of area over three decades. The AEL Group serves as a backward-integrated entity for the Group in terms of manufacturing key building materials with 35-40% of sales contributed by the Aparna Group. The Group's established presence in the real estate market has helped the company to expand its product profile over the years. Further, The AEL Group enjoys strong financial flexibility on the back of its parentage and the Group's long relationships with reputed lenders.

Integrated operations provide better quality and cost control – The company's operations are backward integrated with an in-house profile manufacturing unit for the UPVC division and feldspar and clay processing units for the tiles division at the Kakinada plant. This provides better control over cost and quality. The backward integration provides better control over cost, quality, and timely availability of the material for production.

Credit challenges

Sizeable working capital requirements with moderate debt protection metrics – The AEL Group's working capital requirements remain high owing to a relatively elongated receivable cycle, coupled with the inventory holding requirements in the UPVC and tiles segments. This, along with debt-funded acquisition and capex plans, resulted in high debt levels for the AEL Group leading to moderate debt protection metrics. The leverage, as measured by total debt/OPBDITA, stood at 3.4 times as of March 2026 and is expected to remain in the range of 2.5-3.0 times as of March 2027. Consequently, the coverage indicators are likely to remain moderate with interest cover of ~4.0 times and DSCR to be around 1.7 times in FY2027. The AEL Group has recently enhanced its working capital limits by Rs. 40 crore to support the growth requirements as the average utilisation of the existing working capital limits was high for the last 12 months ending August 2026.

Vulnerability of earnings to fluctuations in raw material prices and competition – The AEL Group's profitability remains exposed to movement in key raw material prices across divisions and intense competition from organised as well as unorganised players. However, the strong brand visibility and established associations with key real estate players helped the company become one of the major suppliers of RMC and UPVC in the region.

High dependence on performance of real estate sector – The demand for building materials especially RMC and UPVC depends on the performance of the real estate sector, which is inherently cyclical and exposes the AEL Group's OI to any downturn in real estate demand. The AEL Group's operations remain exposed to increased geographical and segmental concentration risks

as its business prospects are linked to cyclicality associated with the real estate market in Hyderabad. However, expansion of the dealer network (for tiles and UPVC divisions) to other states and acquisition of GGPL in the Morbi region are likely to expand its market in North and West India, thus reducing the geographical concentration risk in the medium to long term.

Liquidity position: Adequate

The liquidity position is adequate. The working capital utilisation remains high, however, there is a demonstrated track record of promoters infusing equity towards the working capital requirements and margin for capex. The AEL Group has recently enhanced its working capital limits by Rs. 40 crore to improve the liquidity buffer and support long-term growth prospects. The AEL Group has a capex plan of Rs. 45-50 crore in FY2027, which will be funded by debt and internal accruals. It has long-term debt repayment obligations of ~Rs. 48 crore for FY2027, which can be adequately serviced through estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates a healthy increase in scale of operations and earnings leading to an improvement of debt protection metrics and strengthening of liquidity position. Specific credit metrics that could lead to an upgrade include total debt/OPBDIT below 2.0 times on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is continuous pressure on profitability or if it undertakes any higher-than-anticipated debt-funded capex adversely impacting the debt protection metrics and liquidity position. Specific credit metrics that would lead to a rating downgrade would signify a DSCR lower than 1.4 times 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 taken a consolidated view of AEL and its wholly-owned subsidiary, ACPL, given the same line of business of ACPL as one of the divisions of AEL, along with common promoters and treasury team. List of entities considered for consolidated financials are given in Annexure II

About the company

ACPL, a wholly-owned subsidiary of AEL, is based out of Morbi, Gujarat. It is involved in manufacturing glazed vitrified tiles (GVT) and polished glazed vitrified tiles (PGVT) in large formats, including 600×1200 mm, 800×1600 mm, and 1200×1800 mm. The company has an installed capacity of 3.6 lakh sqm per month (43.2 lakh sqm per year). ACPL sells tiles under the brand name – Vitero.

Key financial indicators (audited)

AEL (consolidated)	FY2025	FY2026
Operating income (OI)	1,666.0	1,746.5
PAT	27.9	14.9
OPBDIT/OI	8.9%	8.1%
PAT/OI	1.7%	0.9%
Total outside liabilities/Tangible net worth (times)	2.2	2.2
Total debt/OPBDIT (times)	2.9	3.4
Interest coverage (times)	3.5	3.1

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

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Nov 04, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	39.24	[ICRA]A-(Stable)	-	-	-	-	-	-
Fund-based – Cash credit	Long-term	21.00	[ICRA]A-(Stable)	-	-	-	-	-	-
Non-fund based – Bank guarantee	Short-term	7.00	[ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Fund-based – Cash credit	Simple
Short-term – Non-fund based – Bank guarantee	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	Fund-based - Term loan	FY2022	NA	FY2030	39.24	[ICRA]A- (Stable)	RBI
NA	Fund-based - Cash credit	NA	NA	NA	21.00	[ICRA]A- (Stable)	RBI
NA	Non-fund based - Bank guarantee	NA	NA	NA	7.00	[ICRA]A2+	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Aparna Enterprises Ltd.	Parent entity (100.0%)	Full consolidation
Aparna Ceramics Private Limited	100.0%	Full consolidation
Aparna Industries Limited	100.0%	Full consolidation
Aparna Mines & Minerals (P) Ltd	100.0%	Full consolidation
Aparna Transport LLP	51.0%	Full consolidation
Aparna Global Vietnam Company Limited	100.0%	Full consolidation

Source: Company, ICRA Research

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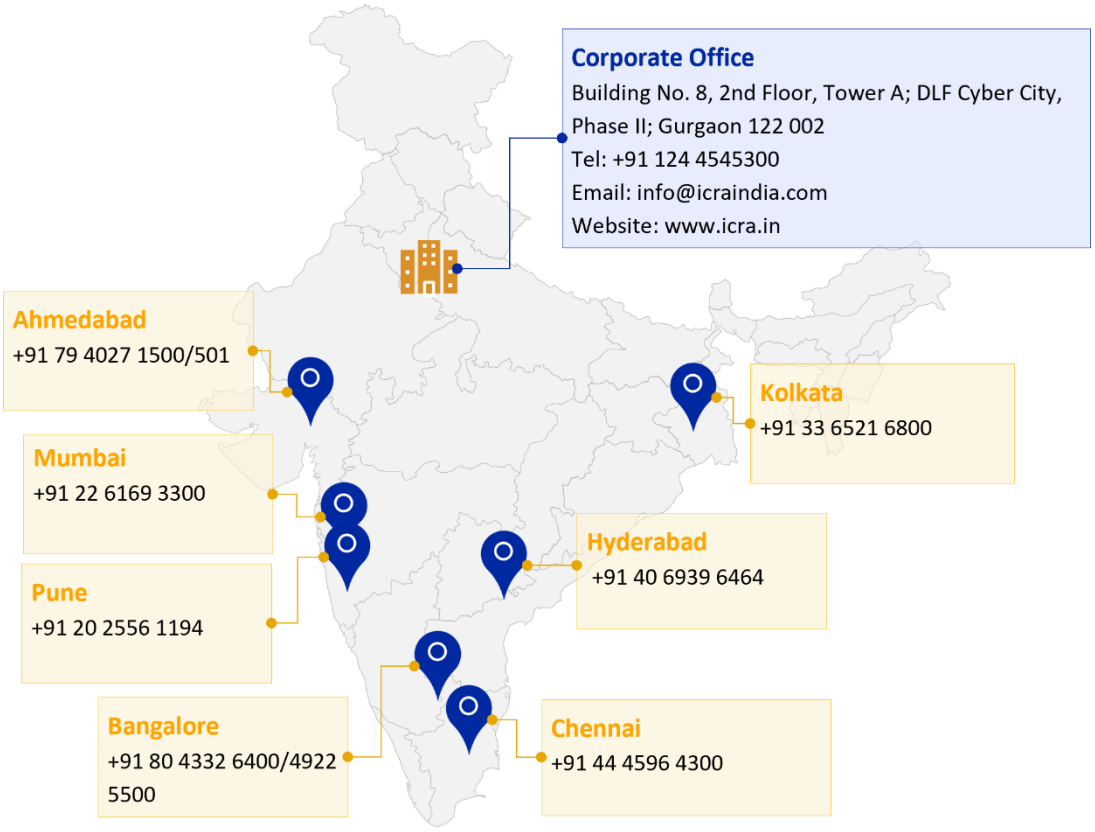

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