Crisil Ratings

Rating Rationale

January 12, 2026 | Mumbai

Ashok Iron Works Private Limited

Rating outlook revised to 'Positive'; Rating Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	**Rs.125 Crore**
Long Term Rating	**Crisil A+/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)**

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1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has revised its outlook on the long-term bank facilities of Ashok Iron Works Pvt Ltd (AIWPL) to **'Positive'** from 'Stable' while reaffirming the rating at '**Crisil A+'**.

The revision in outlook reflects expected improvement in the business risk profile backed by healthy revenue growth and sustained profitability. Revenue is expected to grow by ~12-14% this fiscal; inline with ~17% YoY growth reported during first half of this fiscal. Operating margins are likely to be sustained at around ~24%, inline with previous fiscals. With increased contribution from the industrial engine segment, the overall revenue and operating margin are expected to improve further over the medium term. Strong financial risk profile with nominal external debt strengthens the credit profile and likely to be sustained over medium term.

The rating continues to reflect AIWPL's established market position in the automotive components sector and the promoter's extensive industry experience. These strengths are partially offset by cyclicality in end-user industries and exposure to fluctuations in raw material prices.

Analytical Approach

Crisil Ratings has taken a consolidation approach for assessing the business and financial risk profiles of AIWPL and its subsidiaries (details given in the annexure). AIWPL is also expected to provide distress support to its subsidiaries.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers - Strengths

Established market position: The company has been supplying to established players such as Cummins India Ltd, Tata Cummins Pvt Ltd, Perkins and Mahindra & Mahindra Ltd, for over two decades. This has enabled AIWPL to sustain revenue above Rs 1,000 crore in the last two fiscals. Healthy relationships with clients and strong market position should help the company sustain its robust revenue profile and market position. It also plans to improve its export contribution in the industrial engine segment, which is expected to improve revenue and operating margin going forward.

Strong financial risk profile: Networth and total outside liabilities to tangible networth ratio were Rs 1,061.62 crore and 0.16 time, respectively, as on March 31, 2025. Interest coverage ratio continues to be comfortable at 200 times in fiscal

2025. Driven by healthy profitability and low debt, the capital structure and debt protection metrics are likely to improve over the medium term.

Key Rating Drivers - Weaknesses

Cyclicality in end-user industries: The company derives around 37% of its revenue from the farm equipment and tractor sectors. These segments are cyclical as demand is driven by factors such as growth in industrial and agricultural production, freight movement, change in freight rates and fuel prices, profitability of truck operators and state transport undertakings, and government policies. Continued dependence on the commercial vehicle and tractor segments will render the business susceptible to cyclicality. However, the company is diversifying its revenue stream with increased contribution from the industrial engine segment which currently contributes above 40% of the overall revenue, which is expected to improve over the medium term.

Susceptibility to volatility in raw material prices: Prices of key raw materials, such as pig iron, are volatile. Although production is backed by orders, the company maintains sizeable inventory of above two months to accommodate its diverse product range and meet customer requirement. Because of limited pricing power with customers, AIWPL must absorb the fluctuations in raw material prices, thus weakening profitability.

Liquidity Strong

Bank limits remained unutilised for the 12 months through November 2025. Cash accrual is expected to be over Rs 250 crore against nil debt obligation over the medium term, and the surplus will cushion liquidity. The current ratio was healthy at 5.40 times as on March 31, 2025. Liquid funds of around Rs 125 crore, maintained as on September 30, 2025, provides additional liquidity cushion. Low gearing and moderate networth support financial flexibility.

Outlook Positive

Crisil Ratings believes AIWPL will continue to benefit from its strong market position, healthy financial risk profile and increasing contribution from industrial engine segment thereby aiding in overall diversification of revenue streams.

Rating sensitivity factors

Upward factors

- Diversification in revenue streams from end-user industries, improving stability in operating performance coupled with improvement in scale of operations and operating margin sustaining above 24%
- Sustenance of strong financial risk profile and efficient working capital management

Downward factors

- Any sharp decline in revenue or operating margin declining to below 18%
- Stretched working capital cycle, or debt-funded capital expenditure (capex) weakening the financial risk profile
- Any unfavourable outcome of the ongoing dispute with minority stakeholder resulting in significant impact on liquidity and financial risk profile of the company

About the Company

Incorporated in 1981, AIWPL manufactures iron-foundry products and machined components for diesel engines, tractors, automobiles and compressors. The company has seven plants, comprising three foundries and four machine shops. Its major products are cylinder blocks, cylinder heads, transmission cases, clutch housing, hydraulic-lift body, oil pans, axle housing, hub-front wheels, gear-box housing, compressors, water and lube pumps and crankshafts. The Company is managed by Mr. Ashok Humbarwadi and Mr. Jayant Ashok Humbarwadi

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	1,072.70	1,026.30
Reported profit after tax (PAT)	Rs crore	158.44	154.81
PAT margin	%	14.77	15.08
Adjusted debt/adjusted networth	Times	0.02	0.02
Interest coverage	Times	200.30	271.22

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Working Capital Facility	NA	NA	NA	125.00	NA	Crisil A+/Positive

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
JayadiTechmac Pvt Ltd	100%	99% holding
Ashok core Investments Pvt Ltd	100%	99% holding
Jayadi Spaces Pvt Ltd	100%	99% holding
Ashok Re-energy Pvt Ltd	100%	99% holding
FPEL Urja Pvt Ltd	100%	26% holding
Radiance KA sunrise Four Pvt Ltd	100%	26% holding

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	125.0	Crisil A+/Positive		--		--	15-10-24	Crisil A+/Stable	07-06-23	Crisil A+/Stable	Crisil A/Stable
			--		--		--	04-09-24	Crisil BBB+ /Stable(Issuer Not Cooperating)*		--	--

All amounts are in Rs.Cr.
** - Issuer did not cooperate; based on best-available information*

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Working Capital Facility	**95**	**HDFC Bank Limited**	**Crisil A+/Positive**
Working Capital Facility	**30**	**HDFC Bank Limited**	**Crisil A+/Positive**

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation

Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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