



**Press Release**  
**DURGA PROCESSORS PRIVATE LIMITED**  
**July 11, 2025**  
**Rating Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	67.88	ACUITE A   Reaffirmed & Withdrawn	-
Bank Loan Ratings	1.79	Not Applicable   Withdrawn	-
Bank Loan Ratings	28.33	-	ACUITE A1   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	98.00	-	-

**Rating Rationale**

Acuite has reaffirmed and withdrawn the long term rating at '**ACUITE A**' (**read as ACUITE Aa**) and the short term rating at '**ACUITE A1**' (**read as ACUITE A one**) on the Rs. 96.21 Cr. bank facilities of Durga Processors Private Limited (DPPL). The rating is being withdrawn on account of request received from the company and No Objection Certificate (NOC) received from the banker.

Further, Acuite has withdrawn the long-term rating on the Rs. 1.79 Cr. bank facilities of Durga Processors Private Limited without assigning any rating as the same is a proposed facility. The rating is being withdrawn on account of request received from the company.

The withdrawal is in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

**Rationale for rating**

The rating reaffirmation takes into account stable operating performance and efficient working capital operations. While the FY2025 revenues moderated majorly due to reduced share of deemed exports, the margins improved at healthy pace owing to reduced power cost and efficiency of operations. Further, the financial risk profile continues to remain healthy with low gearing and comfortable coverage metrics. Moreover, the strong liquidity position with moderate bank limit utilisation also provides additional comfort. However, the rating remains constrained by the competitive and cyclical nature of industry and susceptibility to fluctuation in prices of raw materials.

**About the Company**

Incorporated in 1998, DPPL is promoted and managed by Mr. Kunj Bihari Sultania with operations based in Surat, Gujarat. The company is primarily engaged in dyeing and printing of various textile products on job work basis for both domestic textile players as well as exporters. The company is also engaged in trading of coal. In FY2020, the promoters of DPPL took over Durga Polysters Private Limited from the Desai family. Further, basis the NCLT order dated July 16, 2024, Durga Polysters Private Limited was amalgamated with DPPL w.e.f April 01, 2023.

**Unsupported Rating**

Not Applicable

## **Analytical Approach**

Acuite has considered the standalone financial and business risk profile of Durga Processors Private Limited to

arrive at the rating.

## Key Rating Drivers

### Strengths

#### Long track record of operations and experienced management

Incorporated in 1998, the company has an operational track record of more than two decades in the textile industry with primary line of business being dyeing and printing of various textile products. The promoter, Mr. Kunj Bihari Sultania possesses an experience of around three decades in this industry. Hence, the extensive experience of the promoter has enabled the company to forge healthy relationships with customers.

#### Healthy Financial Risk Profile

The financial risk profile of the company is supported by a healthy network, low gearing and comfortable coverage indicators. The tangible network is estimated to have improved to Rs. 258.48 Cr. on March 31, 2025 from Rs. 192.47 Cr. on March 31, 2024 owing to profit accretions. The gearing continues to remain below unity at 0.27 times on March 31, 2025 (Est) [0.40 times in FY2024]. The coverage indicators improved due to debt prepayment of ~Rs 42 Cr. in FY2024, with interest coverage ratio at 22.27 times and debt service coverage ratio at 12.90 times in FY2025 (Est.) as against 10.98 times and 3.97 times respectively in FY2024.

#### Improved profitability despite revenue moderation

Durga Processors Private Limited (post amalgamation) generated a revenue of Rs. 554.87 Cr. in FY2024 as against Rs. 539.54 Cr. in FY2023. The company is also into deemed exports, the revenue share of which declined in FY2025, which has led to a moderation in operating income to Rs. 500.99 Cr. However, despite moderation in the operating revenue, the margins continued to improve with reported EBITDA margin of 22.03 percent in FY2025 (Est.) as against 15.89 percent in FY2024. The improvement in the operating margins is on account of reduction in the power and fuel cost as well as due to efficiency of operations.

#### Efficient working capital operations

The inventory days and debtor days stood increased at 26 days and 59 days respectively in FY2025 (Est). from 14 days and 45 days respectively, however, the operations of DPPL continue to remain efficient as evident from the working capital cycle of 53 days in FY2025 (Est.) as against 50 days in FY2024 owing to consequent increase in creditor days which stood at 32 days in FY2025 (Est) (10 days in FY24). The company maintains fabrics in their inventories which is the stock of cloth received for job work, held as lien for non-payment of the receivables. In the event of a loss asset (Debtor), the company exercises the option of selling the fabric and encashing on the receivables amount, with the excess collected, transferred back to the debtor. The overall reliance of working capital limits is therefore moderate, with average utilisation at 55.87 percent for the last six months ended May 2025.

### Weaknesses

#### Cyclical nature of industry & susceptibility to fluctuation in prices of raw materials

The company's revenue and profitability remain susceptible to the cost of raw materials. Major raw materials required consists of colour concentrates, dye chemicals etc. and thus the profitability is exposed to adverse fluctuations in prices of these raw materials. However, given the established market position of the company, it has been able to transfer the prices to its customers to some extent leading to stability in its operating margins. Further, the end user industry being textile, home decor etc. any significant slowdown in these industries will impact the revenues of the fabric dyers & printers.

#### Highly competitive and fragmented nature of industry

The company is operating in a highly competitive and fragmented textile industry. It is exposed to intense competition from several organized and unorganized players operating in the industry. Company's income is derived from job work which is vulnerable to the intense competitive pressures and the cyclicity inherent in the domestic textile industry. Further, limited value-added nature of job work operations might lead to a moderate level of margins and low return indicators.

### Rating Sensitivities

Not Applicable

### Liquidity Position

Strong

The strong liquidity position is evident from the generation of healthy net cash accruals (NCAs) against maturing repayment obligations. The company is estimated to have generated NCAs of Rs. 84.21 Cr against repayment obligation of Rs. 1.91 Cr in FY2025 (Est.). The current ratio remained healthy at 2.49 times on March 31, 2025 (Est.). Further, the bank limit utilisation stood low at 55.87 percent for the last six months ended May 2025 which provides additional cushion to the liquidity. The company also had an unencumbered cash and bank balance of Rs. 0.20 Cr on March 31, 2025 (Est.)

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	554.87	539.54
PAT	Rs. Cr.	50.60	41.41
PAT Margin	(%)	9.12	7.68
Total Debt/Tangible Net Worth	Times	0.40	0.88
PBDIT/Interest	Times	10.98	6.97

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

## Any other information

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Jan 2025	Proposed Long Term Bank Facility	Long Term	0.67	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Cash Credit	Long Term	12.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Cash Credit	Long Term	6.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Cash Credit	Long Term	12.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Term Loan	Long Term	3.42	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	4.57	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	7.39	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	13.50	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	9.00	ACUITE A   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.12	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	17.63	ACUITE A (Upgraded & Withdrawn from ACUITE A-   Positive)
	Term Loan	Long Term	19.00	ACUITE A (Upgraded & Withdrawn from ACUITE A-   Positive)
	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	20.83	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	3.50	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A1 (Assigned)
	Proposed Long Term Bank Facility	Long Term	21.37	ACUITE Not Applicable (Withdrawn)
07 Nov 2023	Cash Credit	Long Term	12.00	ACUITE A-   Positive (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE A-   Positive (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE A-   Positive (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	22.54	ACUITE A-   Positive (Reaffirmed)
	Term Loan	Long Term	17.63	ACUITE A-   Positive (Reaffirmed)
	Term Loan	Long Term	19.00	ACUITE A-   Positive (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	3.50	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	20.33	ACUITE A2+ (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	16.90	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)

09 Aug 2022	Term Loan	Long Term	1.55	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	13.35	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	6.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	5.29	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	2.58	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	12.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Covid Emergency Line.	Long Term	8.50	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Proposed Long Term Bank Facility	Long Term	1.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A2+ (Upgraded from ACUITE A2)
	Letter of Credit	Short Term	9.33	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	0.67	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	10.33	ACUITE A2+ (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A1   Reaffirmed & Withdrawn
Kotak Mahindra Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE A1   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A1   Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A1   Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A   Reaffirmed & Withdrawn
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A   Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.50	Simple	ACUITE A   Reaffirmed & Withdrawn
Kotak Mahindra Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.83	Simple	ACUITE A1   Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.67	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.12	Simple	Not Applicable Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2029	7.39	Simple	ACUITE A   Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2029	4.57	Simple	ACUITE A   Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2029	3.42	Simple	ACUITE A   Reaffirmed & Withdrawn



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