

September 21, 2022

Duratex Silk Mills Private Limited : Continues to remain in Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	7.10	7.10	[ICRA]B (Stable) ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	17.09	17.09	[ICRA]B (Stable) ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category.
Long Term / Short Term-Unallocated limits	5.81	5.81	[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category.
Total	30.00	30.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the rating for the bank facilities of Duratex Silk Mills Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity
Parent/Group Support	NA
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of Duratex Exports, Duratex Apparels and Duratex Silk Mills Private Limited (as mentioned in Annexure – 2), given the close business linkages among them; the rating is therefore based on the consolidated financials of the Group

About the company

The Duratex Group was founded in the early 1970s by Mr. Durga Prasad Agarwal. Subsequently, his two brothers, Mr. Narendra Agarwal and Mr. Sanjay Agarwal, joined the business. The Group's flagship company, Duratex Silk Mills Private Limited, manufactures finished fabrics, while Duratex Exports exports finished fabrics procured from Duratex Silk Mills Private Limited. Duratex Apparels manufactures readade garments, particularly shirts and boxers, and caters to the domestic as well as export markets. The Group has around 310 looms with an approximate fabric manufacturing capacity of 100 lakh meters per annum, as well as around 350 sewing machines and a shirt manufacturing capacity of 6.85 lakh units per annum. The company's capacity utilisation remained mature at 85-90% of its installed manufacturing capacity during FY2019.

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					21-Sep-2022			
1	Fund Based-Cash Credit	Long Term	7.10	-	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	-
2	Fund Based-Term Loan	Long Term	17.09	-	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	-
3	Unallocated limits	Long Term/Short Term	5.81	-	[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB (Stable)/[ICRA]A4	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based-Cash Credit	Simple
Fund Based-Term Loan	Simple
Unallocated limits	Not Applicable

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, is available on ICRA's website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Cash Credit	-	-	-	7.10	[ICRA]B (Stable); ISSUER NOT COOPERATING
NA	Fund Based-Term Loan	-	-	-	17.09	[ICRA]B (Stable); ISSUER NOT COOPERATING
NA	Unallocated limits	-	-	-	5.81	[ICRA]B (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING

Source: Duratex Silk Mills Private Limited

Annexure-2: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Duratex Exports (DE)	-	Full Consolidation
Duratex Apparels (DA)	45%	Full Consolidation

ANALYST CONTACTS

Jayanta Roy

+91 033 7150 1100

jayanta@icraindia.com

Subhechha Banerjee

+91 33 7150 1130

subhechha.banerjee@icraindia.com

Naman Bhansari

+91-79-40271555

naman.bhansari@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2022 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.