

November 28, 2023

Duratex Apparels : Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	1.20	1.20	[ICRA]B (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	1.50	1.50	[ICRA]B (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term / Short Term - Unallocated	10.30	10.30	[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Fund Based - Cash Credit	2.00	2.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	15.00	15.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term and Short-Term rating of Duratex Apparels in the 'Issuer Not Cooperating' category. The rating are denoted as "[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Duratex Apparels, 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. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

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	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology – Textile (Apparels)
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 finished fabrics procured from Duratex Silk Mills Private Limited. Duratex Apparels manufactures readymade 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: NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021
					November 28, 2023	September 21, 2022	July 30, 2021	April 08, 2020
1	Fund Based – Term Loan	Long Term	1.20	-	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable)
2	Fund Based – Cash Credit	Long Term	1.50	-	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable)
3	Unallocated Limits	Long /short Term	10.30	-	[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB(Stable)/[ICRA]A4
4	Fund Based – Cash Credit	Short Term	2.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loan	Simple
Long Term – Fund Based – Cash Credit	Simple
Long Term/ Short Term – Unallocated Limits	Not Applicable
Short Term – Fund Based – Cash Credit	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, is available on ICRA's website: [Click Here](https://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	Long Term – Fund Based – Term Loan	-	-	-	1.20	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Long Term – Fund Based – Cash Credit	-	-	-	1.50	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Long Term/ Short Term – Unallocated Limits	-	-	-	10.30	[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING
NA	Short Term – Fund Based – Cash Credit	-	-	-	2.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Duratex Apparels

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

Company Name	Ownership	Consolidation Approach
Duratex Exports (DE)	-	Full Consideration
Duratex Silk Mills Private Limited (DS)	-	Full Consideration

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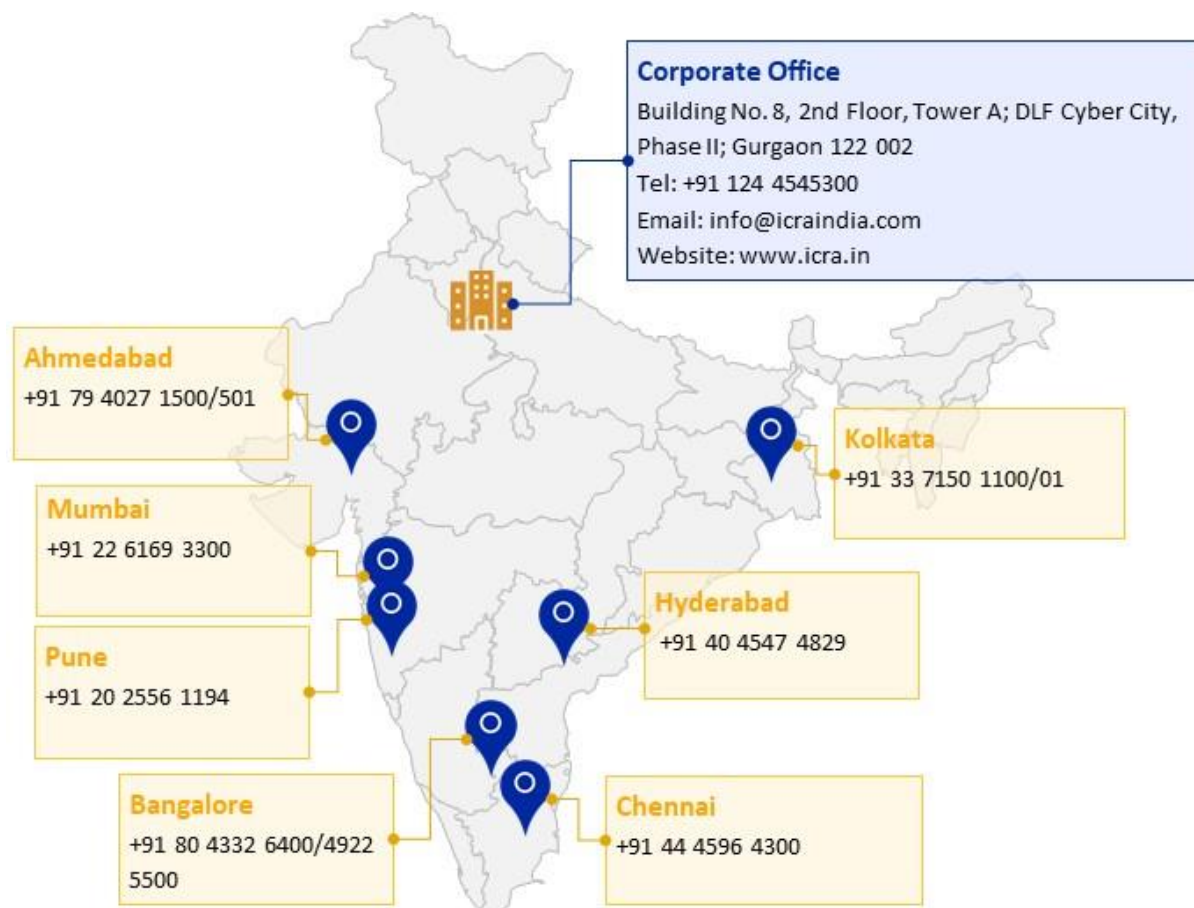


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