

January 31, 2025

Davariya Brothers Private Limited: 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/ Short Term -Fund Based-Cash Credit	115.19	115.19	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	115.19	115.19	

*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 ratings of Davariya Brothers Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Davariya Brothers Private Limited, 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 the Key rating drivers and their description, Liquidity position, Rating sensitivities : [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 a Rated Entity Cut & Polished Diamonds
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Davariya Brothers Private Limited (DBPL) was set up as a partnership firm in 1986 by Mr. Manubhai B. Davariya and Mr. Chandubhai Davariya to deal in the manufacture and export of cut and polished diamonds (CPD). Subsequently, Mr. Arjan Davariya, brother of Mr. Manubhai Davariya and Mr. Shailesh Davariya, brother of Mr. Chandubhai Davariya joined the firm and currently business operations of the company are managed by their sons. The company was reincorporated as a private limited company in July 2012. The company manufactures CPDs through its three units in Surat.

The business is currently handled by the four sons of Mr. Manubhai B. Davariya, Mr. Chandubhai Davariya, Mr. Shailesh Davariya and Mr. Arjanbhai Davariya namely – Mr. Vishal Davariya, Mr. Mitesh Davariya, Mr.Pritesh Davariya and Mr. Sanjay

Davariya. While Mr. Pritesh handles rough purchase and manufacturing, Mr. Vishal and Mr. Sanjay look after the marketing function and Mr. Mitesh handles e-business (online sales).

Key financial indicators :

BSPL	FY2022	FY2023
Operating income	495.2	458.5
PAT	8.4	5.9
OPBDITA/OI	4.5%	8.0%
PAT/OI	1.7%	1.3%
Total outside liabilities/Tangible net worth (times)	2.2	2.2
Total debt/OPBDITA (times)	7.7	5.1
Interest coverage (times)	2.8	3.3

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Type	Amount Rated (Rs. Crore)	Current Rating (FY2025)	Chronology of Rating History for the past 3 years					
				Date & Rating in	FY2024		FY2023		FY2022	
				Jan-31-2025	Date	Rating	Date	Rating	Date	Rating
1	Cash Credit	Long Term/ Short Term	115.19	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	24-Nov-2023	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	15-Sep-2022	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	21-Jun-2021	[ICRA]BB(Stable)/ [ICRA]A4;

Complexity level of the rated instrument

Instrument	Complexity Indicator
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](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	115.19	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING

Source: Davariya Brothers Private Limited

Annexure-II: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545 300
shamsherd@icraindia.com

Subhechha Banerjee
+91 33 7150 1130
subhechha.banerjee@icraindia.com

Sweety Shaw
+91 33 7150 1180
sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@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:

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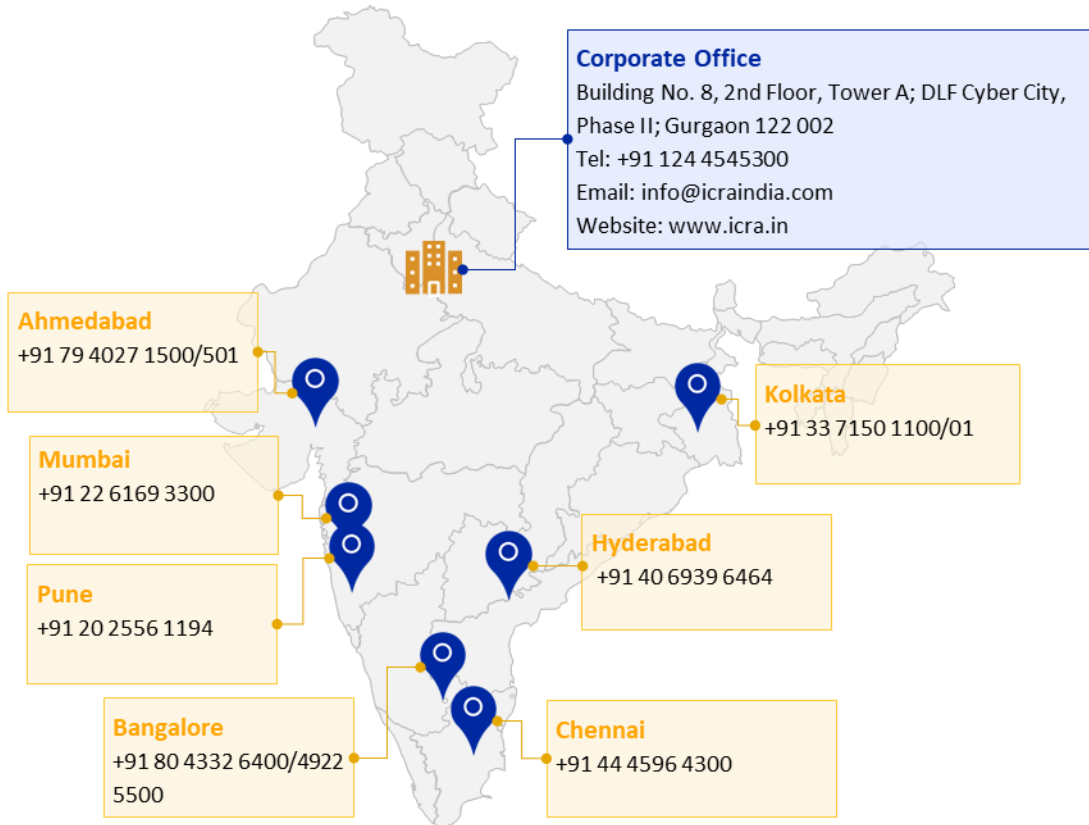
Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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