

April 30, 2025

Darshita Aashiyana Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/short-term – Fund based – Working capital limit	1,925.0	2,905.0	[ICRA]A(Stable)/ [ICRA]A2+; reaffirmed
Long-term/short-term – Non-fund based facilities	1,180.0	1,180.0	[ICRA]A(Stable)/ [ICRA]A2+; reaffirmed
Long-term/short-term – Unallocated	50.0	50.0	[ICRA]A(Stable)/ [ICRA]A2+; reaffirmed
Long-term – Fund based – Working capital limit	980.0	-	-
Total	4,135.0	4,135.0	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of ratings of Darshita Aashiyana Private Limited (DAPL) factors in its continued healthy scale of operations, along with established relationships with existing brands such as Oneplus, Xiaomi and Vivo, etc. The company's revenues are estimated at Rs. 16,500 – 16,800 crore in FY2025 (Rs. 8,688.9 crore in H1 FY2025 and Rs. 16,508.4 crore in FY2024) and further to grow by 2-4% in FY2026, backed by favourable demand for mobile phones on e-commerce platforms with sustained operating margins of 0.9-1.0%. In H2 FY2025, DAPL enhanced its working capital limits, which will support the growth prospects in the medium term. Additionally, DAPL enjoys strong financial flexibility by way of support extended from the Salarpuria-Sattva Group in the form of unsecured loans. The Group have extended timely financial support to DAPL in the past, whenever need has arisen and ICRA expects the Group to extend timely financial support to DAPL in future as well, out of its need to protect its reputation from the consequences of a Group entity's distress.

The ratings are, however, constrained by DAPL's modest profitability along with high working capital-intensive nature of the trading business. The utilisation of working capital lines remains volatile, peaking during the festive season, sales event or any new launches. The TOL/TNW remains elevated to fund the large volumes of inventory levels. However, the inventory is largely moving. In case of any slow-moving goods, the brands and the entity come to an arrangement by way of bank offers and price reduction to sell the same, thereby liquidating inventory at discounted prices. The ratings are also constrained by the intense competition faced by DAPL from other sellers in the online marketplace and from offline retailers, alongside low customer loyalty on the online platforms for e-commerce business. The online retail industry remains exposed to regulatory interventions, which can alter the competitive landscape significantly and in turn can have a material impact on the revenues and remains a key monitorable.

The Stable outlook on the rating reflects ICRA's opinion that DAPL will continue to benefit from its established relationships with multiple brands, along with sustained high scale of operations and strong financial flexibility enjoyed, being a part of the Salarpuria-Sattva Group.

Key rating drivers and their description

Credit strengths

Healthy scale of operations with continued brand diversification – The company continues to benefit from its healthy scale of operations, wherein it is estimated to achieve revenues of Rs. 16,500 – 16,800 crore in FY2025 (Rs. 8,688.9 crore in H1

FY2025 and Rs. 16,508.4 crore in FY2024) and further grow by 2-4% in FY2026, backed by favourable demand for mobile phones on e-commerce platforms. The operating margins of the company are expected to sustain at 0.9-1.0% in the medium term. The company has established relations with existing brands such as OnePlus, Xiaomi and Vivo, leading to healthy revenue diversification. DAPL also has recently enhanced its working capital limits in H2 FY2025, which will support the growth prospects in the medium term

Strong promoter profile – Being a part of the Salarpuria-Sattva Group, DAPL enjoys strong financial flexibility through support extended from the Group in the form of unsecured loans. The Salarpuria-Sattva Group has extended timely financial support to DAPL in the past, whenever need has arisen and ICRA expects the Group to extend timely financial support to DAPL in future as well, out of its need to protect its reputation from the consequences of a Group entity's distress

Credit challenges

Modest profitability and high working capital requirements – The company's profitability continues to be modest, along with high working capital-intensive nature of the trading business. The utilisation of working capital lines remains volatile, peaking during the festive season, sales event or any new launches. The TOL/TNW remains elevated to fund the large volumes of inventory levels. However, the inventory is largely moving. In case of any slow-moving goods, the brands and the entity come to an arrangement by way of bank offers and price reduction to sell the same, thereby liquidating inventory at discounted prices.

Intense competition and regulatory risks in e-commerce business – The company faces intense competition from other sellers in the online marketplace and from offline retailers, alongside low customer loyalty on the online platforms for the e-commerce business. The online retail industry remains exposed to regulatory interventions, which can alter the competitive landscape significantly and can have a material impact on the revenues and remains a key monitorable.

Liquidity position: Adequate

DAPL's liquidity position is adequate. The company had free cash and bank balance of Rs. 299.1 crore as on September 30, 2024. During H2 FY2025, the company enhanced its working capital limits, which will support its medium-term growth prospects. In the past, the Group/promoters have extended support to DAPL in the form of unsecured loans and margin required for availing credit limits.

Rating sensitivities

Positive Factors – ICRA could upgrade the ratings, if the entity demonstrates healthy improvement in profitability and liquidity position, along with working capital cycle resulting in improved debt protection metrics on a prolonged basis. Specific credit metrics, which will lead to a rating upgrade include interest cover of 5.0 times on a sustained basis.

Negative Factors – Pressure on the ratings will arise, if there is a considerable decline in profitability or elongation of working capital cycle impacting its liquidity position and debt protection metrics on a sustained basis. Additionally, any regulatory change adversely impacting the operations of the business or any substantial investments in Group companies that significantly affects the company's liquidity will be a negative trigger. Weakening of linkages with the parent group or its credit profile could lead to pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Group company – Salarpuria-Sattva Group ICRA expects the Salarpuria-Sattva Group to be willing to extend timely financial support to DAPL, should there be a need, given its high strategic importance for the Group for meeting its diversification objectives and also out of its need to protect its reputation from the consequences of a Group entity's distress. The Group has a consistent track record of extending timely financial support to DAPL in the past, whenever a need has arisen.
Consolidation/Standalone	Standalone.

About the company

Darshita Aashiyana Private Limited (DAPL), incorporated on May 13, 2016, commenced operations at the end of FY2017. The company is an online retailer on Amazon Marketplace. It serves as a seller for various mobile brands like, Xiaomi, OnePlus, Realme, Vivo, Samsung, Motorola, Honor, etc, through Amazon Marketplace.

Key financial indicators (audited)

DAPL	FY2023	FY2024	H1FY2025*
Operating income	16748.7	16508.4	8688.9
PAT	59.5	72.4	38.0
OPBDIT/OI	1.08%	0.90%	0.84%
PAT/OI	0.35%	0.44%	0.44%
Total outside liabilities/Tangible net worth (times)	7.7	5.9	11.5
Total debt/OPBDIT (times)	5.2	5.2	10.4
Interest coverage (times)	1.5	1.9	2.3

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amounts in Rs. crore ; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Chronology of rating history for the past 3 years								
	Current (FY2026)			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Apr 30, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based - Working capital 1	Long-term	-	-	-	-	Jan 12, 2024	[ICRA]A (Stable)	Dec 13, 2022	[ICRA]A (Stable) assigned; earlier rating of [ICRA]A (CE) (Stable) withdrawn
Fund based - Working capital 2	Long-term and short-term	2,905.0	[ICRA]A (Stable)/ [ICRA]A2+	-	-	Jan 12, 2024	[ICRA]A (Stable)/ [ICRA]A2+	Dec 13, 2022	[ICRA]A (Stable)/ [ICRA]A2+
Non-fund based facilities	Long-term and Short Term	1,180.0	[ICRA]A (Stable)/ [ICRA]A2+	-	-	Jan 12, 2024	[ICRA]A (Stable)/ [ICRA]A2+	Dec 13, 2022	[ICRA]A (Stable)/ [ICRA]A2+ ratings assigned; earlier rating of [ICRA]A (CE) (Stable)/ [ICRA]A1(CE) withdrawn
Unallocated	Long Term and Short Term	50.0	[ICRA]A (Stable)/ [ICRA]A2+	-	-	Jan 12, 2024	[ICRA]A (Stable)/ [ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund based – Working capital facilities	Simple
Long-term/Short-term - Non-fund based facilities	Very Simple
Long term/Short term - Unallocated	NA

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 are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund based - Working capital facilities	NA	NA	NA	2,905.0	[ICRA]A(Stable)/[ICRA]A2+
NA	Non-fund based facilities	NA	NA	NA	1,180.0	[ICRA]A(Stable)/[ICRA]A2+
NA	Unallocated limits	NA	NA	NA	50.0	[ICRA]A (Stable)/ [ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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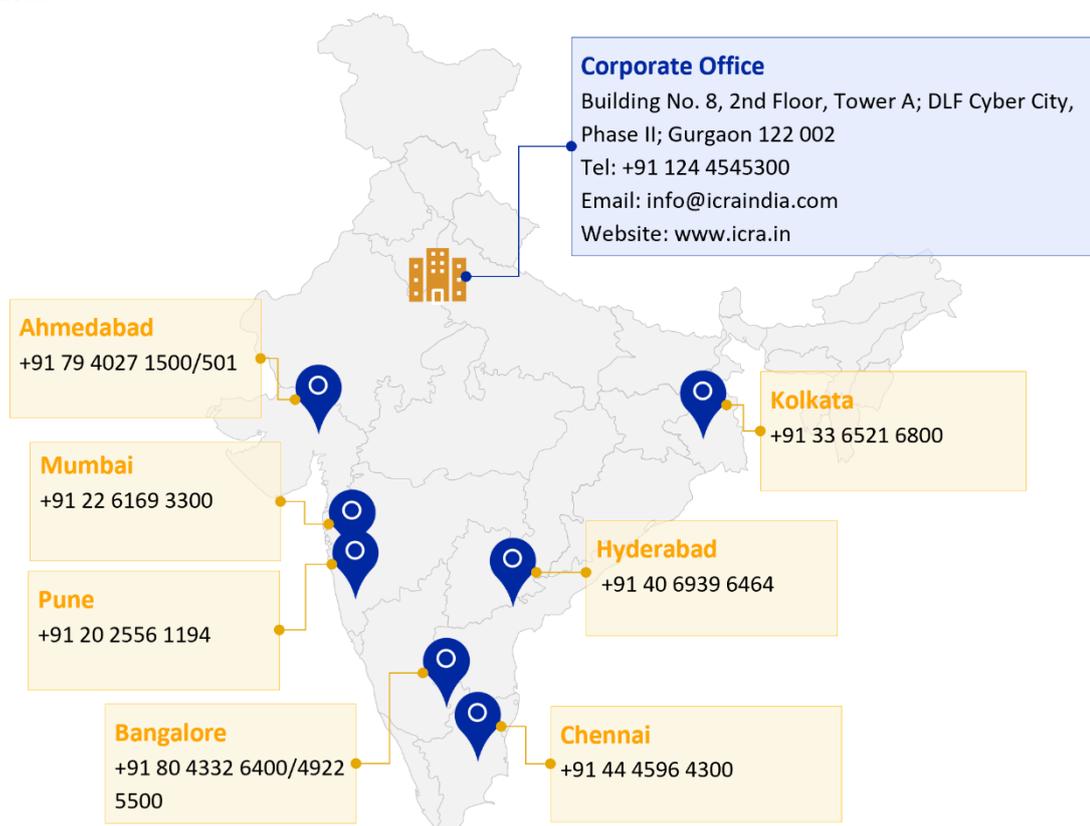
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