

June 12, 2026

Partap Industries Limited: Ratings upgraded; outlook revised to Stable from Positive

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	15.00	15.00	[ICRA]A+ (Stable); upgraded from [ICRA]A (Positive) and outlook revised to Stable
Long-term – Fund-based – Term loans	51.74	32.68	[ICRA]A+ (Stable); upgraded from [ICRA]A (Positive) and outlook revised to Stable
Long-term/ Short-term – Unallocated limits	0.26	19.32	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Positive); [ICRA]A2+ and outlook revised to Stable
Total	67.00	67.00	

*Instrument details are provided in Annexure-II

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of the Group entities of the Sudarshan Group (referred to as the Group, hereafter), namely Sudarshan Jeans Private Limited (SJPL) and Partap Industries Limited (PIL), given the strong operational and financial linkages and common promoters.

The rating action on the bank lines of the Group considers a sustained increase in scale of operations, and improvement in credit metrics supported by benefits derived from capacities added at the Amravati location during FY2024-25 and extensive experience of the promoters in the textile industry. The Group registered a healthy CAGR of around 10% over the last three years ending 2026 and stood at Rs. 1,357.8 crore. The operating margins improved marginally by 30 bps to 8.8% in FY2026, driven by its tyre division turning profitable in FY2026. In FY2026, despite volumes moderating in the terry towel business owing to US tariffs, increase in scale of operations in its denim and yarn divisions offset the impact. The healthy increase in retained earnings, coupled with debt reduction, improved the Group's coverage indicators. The total debt to operating profit and interest coverage ratios improved to 1.1 times and 9.4 times, respectively, in FY2026 compared to 1.4 times and 6.7 times, respectively, in FY2025. With a sustained reduction in bank borrowings, its financial profile is expected to remain comfortable in the medium term, supported by its conservative capital structure and healthy coverage indicators.

The ratings also draw comfort from capital subsidy receivable of around Rs. 25.1 crore towards investment made in textile units under the Maharashtra Textile Policy, and the timely receipt of these subsidy remains a key monitorable. The ratings also favourably consider its diversified business (denim fabric, towel and cotton yarn) and backward integration within the value chain, which provides an edge over its competitors and allows the Group to efficiently manage its cost structure. Further, established relationships with its customers and geographical presence also support the ratings.

The ratings, however, remain constrained by the inherent cyclicity in the textile sector and the vulnerability of its profitability to fluctuations in raw material prices (mainly cotton) and any adverse changes in forex rates, tariffs and export incentive structure. Also, any downward revision in the financial incentives could adversely impact the profit margins and cash flows. While the capital structure and coverage indicators are expected to remain comfortable, any major unanticipated debt-funded capex in the future, could moderate the coverage indicators and the same will be a key credit monitorable.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in textile industry – The Group is mainly held by Punjab-based Mr. Sudarshan Paul Bansal and his family and they have extensive experience in the textile industry. Mr. Bansal established the first company of the Group, Partap Industries Limited (PIL), in 1988. In 2009, he established another company, Sudarshan Jeans Private Limited. Gradually, the Group expanded its spinning capacity to 44,280 MTPA, denim capacity to 40.8 MMPA and terry towel capacity to 24,000 MTPA as on March 31, 2026. In October 2015, the Group incorporated Sudarshan Auto Industries Private Limited, which manufactures tyres under its own brand (SJR Tyres). The manufacturing plants of the Group are situated at Rajpura (Punjab), Kolhapur (Maharashtra), Indapur (Maharashtra) and Amravati (Maharashtra).

Established relationships with customers – The Group has an established network of distributors across the northern, central and eastern parts of India. Over the years, the Group has developed a strong client base in the domestic and export markets (such as the US), which has been providing repeat business.

Integrated nature of operations and diversified revenue streams – The denim fabric and towel plants of the Group are backward integrated with in-house spinning capability, which caters to around 80% of the captive demand of raw materials. A diversified business and geographical presence have helped buffer the impact of demand slowdown in the terry towel segment in FY2026 and in the denim segment over the years. The Group has presence across cotton yarn, denim and towel businesses, which is likely to aid in revenue growth over the medium term. In FY2026, the terry towel segment contributed around 38% to the revenues, followed by the denim segment at 31% and cotton yarn at 26%.

Comfortable financial risk profile – The Group's financial profile is characterised by a healthy capital structure with total debt/TNW of 0.3 times in FY2026, supported by its strong net worth position and steady earnings. The coverage indicators have witnessed a healthy improvement in FY2026 with reduction in bank borrowings. The interest coverage and debt service coverage ratio stood at 9.4 times and 2.3 times in FY2026, respectively, against 6.7 times and 1.3 times in FY2025, respectively. The total debt/operating profits remained comfortable at 1.1 times and TOL/TNW at 0.4 times in FY2026. Further, with an expected increase in profitability over the medium term, supported by no major debt-funded expansions planned, coverage indicators are likely to remain healthy over the medium term. The liquidity profile of the Group continues to draw comfort from the capital subsidy receivable for Rs. 25.1 crore in FY2027 against investments made towards its manufacturing unit located in Amravati, Maharashtra.

Credit challenges

Exposed to demand slowdown in key export markets and cyclical in denim industry – The Group's revenue and profitability remain exposed to demand slowdown in key export markets as witnessed in the past, owing to rising inflationary concerns and the resultant slowdown in consumer discretionary spending. Further, the denim industry has witnessed significant cyclical in the past, with periods of excess market capacity and tight demand-supply situation. With several capacity additions done across industry, driven by increased denim demand and lucrative Government incentives, denim supply has exceeded the demand growth in the past, exposing the Group to an over-supply situation in the domestic market. Nevertheless, ICRA notes that the Group had increased their investments in the denim segment in FY2024 towards modernisation of machinery catering to the mid-upper segment, where demand has increased in recent years with higher profit margins, which provides comfort to an extent.

Vulnerability of profitability to volatility in cotton yarn prices and fluctuations in forex rates – The Group manufactures cotton yarn, denim fabric and towels. Cotton constitutes the major portion of the total cost of production. Thus, it remains exposed to fluctuations in the prices of cotton owing to various agro-climatic reasons and Government policies (through

minimum support price), which result in volatile profitability. The exports account for 20-30% of the Group's turnover and the absence of a formal hedging policy exposes the Group to currency fluctuation risks.

Vulnerability of profitability to changes in export incentive structure and tariffs – The Government of India (GoI) extends various export incentives to encourage exporters, which support the operating profit margins. Thus, any change in incentives extended by the GoI to exporters or in the regulatory policies of importing countries can adversely impact the profitability and cash flows. The Group remains exposed to geopolitical risks and disruptions caused by imposition of tariffs and changes in trade policies by the key importing countries that could impact the Group's export volumes and margins as well as the ongoing West Asia crisis and its impact on logistics' costs, transit times, etc.

Environmental and Social Risks

Environmental considerations: The Group is exposed to climate-change risks, given that the supply of its key input, cotton, is a water-intensive crop responsible for soil degradation, which has adverse implications from the sustainability perspective of a critical natural resource. Also, the textile industry pollutes air and water through various activities like usage of pesticides and activities like dyeing, bleaching, etc. While these environmental factors naturally pose supply-side risks, the demand side risks are largely protected, given cotton's large applicability as a natural fibre in the textile sector. While the Group faces these risks, the adverse effects are partially mitigated with water treatments undertaken and various certifications like ISO 9001:2015 received by the entity.

Social considerations: In general, exposure of textile-based entities to social risks is not material. As textile units are labour intensive, the key source of social risk is how human capital aspects are managed. Over the years, the Group has demonstrated a track record of managing its labour requirements well, both in terms of their sufficiency as well as their safety and overall well-being. A shortage of skilled workers or protests/conflicts with local communities could also affect the operations/growth plan and remains a key concern.

Liquidity position: Adequate

The Group's liquidity is expected to remain Adequate, supported by its steady earnings from operations and unutilised lines of credit and cash and liquid investment of Rs. 13.6 crore as on March 31, 2026. The Group has buffer available in the working capital limits of Rs. 60.4 crore as on April 30, 2026, against sanction limits of Rs. 75 crore. The average utilisation of fund-based working capital limits stood at 23.1% during the past 12 months ending in April 2026. The cash generated from operations is likely to remain healthy in FY2027 at around Rs.100 crore. Besides, the Group is expected to receive capital subsidy of around Rs. 25.1 crore during FY2027. Against these cash sources, the Group has repayment obligations of Rs. 36.2 crore in FY2027 and Rs. 33.4 crore in FY2028, which are expected to be serviced through internal accruals. Also, the Group has no major debt-funded capex plans in the medium term.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if the company achieves a meaningful growth in revenues and earnings, by securing recurring business from existing or new customers or by expanding into new geographies.

Negative factors – Pressure on the Group's ratings could arise if there is a sharp decline in revenue and profitability as well as weakening in its liquidity position on a sustained basis. Any unanticipated large debt-funded capex that may put pressure on the cash flow or Total Debt/OPBDITA above 1.5 times, on a sustained basis, could result in ratings downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Textiles - Fabric Textiles - Spinning
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of the entities in the Sudarshan Group, given the strong operational, financial and managerial linkages between these entities. The details have been given in Annexure III.

About the Group

Owned by Punjab-based Mr. Sudarshan Paul Bansal and his family, the Sudarshan Group comprises Partap Industries Limited, Sudarshan Jeans Private Limited and Sudarshan Auto Industries Private Limited. Mr. Bansal, along with his family members, holds a majority stake in PIL. Further, PIL holds a 25.80% equity stake in SJPL, while the remaining stake is with the Bansal family. Both PIL and SJPL manufacture cotton yarn, denim fabric and towels. Further, PIL holds a 92.04% equity stake in Sudarshan Auto Industries Private Limited (SAIPL), which manufactures rubber tyres under its own brand 'SJR Tyers'.

About the company

PIL is a part of the Sudarshan Group. PIL commenced operations of its first spinning unit in Rajpura (Punjab), in 2002, with an installed capacity of 3,000 MTPA of cotton yarn and has over the years upgraded its capacities. At present, PIL has a total operational capacity of 22.8 MMPA for denim, around 6,000 MTPA for terry towels and 10,080 MTPA for cotton yarn.

Key financial indicators

Particulars	PIL [^]			Consolidated		
	FY2024	FY2025	FY2026*	FY2024	FY2025	FY2026*
Operating income	373.2	561.2	563.8	1227.9	1329.3	1357.8
PAT	-8.9	-7.7	16.6	40.0	22.9	45.4
OPBDIT/OI	0.3%	4.0%	7.4%	8.6%	8.5%	8.8%
PAT/OI	-2.4%	-1.4%	2.9%	3.3%	1.7%	3.3%
Total outside liabilities/Tangible net worth (times)	0.7	0.6	0.4	0.6	0.5	0.4
Total debt/OPBDIT (times)	66.3	3.3	1.0	1.9	1.4	1.1
Interest coverage (times)	0.5	2.9	8.9	9.4	6.7	9.4

Source: Company, ICRA Research; Amount in Rs. crore, PAT: Profit after tax; *Provisional number; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; all ratios computed as per ICRA calculations; [^]consolidated financials of PIL & SAIPL

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount Rated (Rs Crore)	June 12, 2026	Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	32.68	[ICRA]A+ (Stable)	-	-	Mar 31, 2025	[ICRA]A (Positive)	Feb 28, 2024	[ICRA]A (Stable)
Cash credit	Long-term	15.00	[ICRA]A+ (Stable)	-	-	Mar 31, 2025	[ICRA]A (Positive)	Feb 28, 2024	[ICRA]A (Stable)
Unallocated limits	Long-term / Short-term	19.32	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	Mar 31, 2025	[ICRA]A (Positive)/ [ICRA]A2+	Feb 28, 2024	[ICRA]A (Stable)/ [ICRA]A2+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$)

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund based – Cash credit	Simple
Long term – Fund based – Term loan	Simple
Long term/Short-term- Unallocated	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 are available on ICRA's website: [Click Here](#)

Annexure II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Term loans	FY2024-FY2025	NA	FY2028-FY2029	32.68	[ICRA]A+ (Stable)
NA	Fund-based – Cash credit	NA	NA	NA	15.00	[ICRA]A+ (Stable)
NA	Unallocated limits	NA	NA	NA	19.32	[ICRA]A+ (Stable)/ [ICRA]A1

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Partap Industries Limited (PIL)	100.00%	Full Consolidation
Sudarshan Jeans Private Limited (SJPL)	25.80%	Full Consolidation

Source: Company; 100% stake in PIL held by the promoters. PIL holds 25.80% stake in SJPL, rest held directly by the promoters. PIL holds 92.04% stake in SAIPL, rest held directly by the promoters

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