

Damodar Industries Limited (Revised)

August 29, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Fixed Deposit	40.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable;

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE has been seeking information from Damodar Industries Limited to monitor the ratings vide e-mail communication dated August 24, 2023 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Damodar Industries Limited's (DIL) fixed deposit will now be denoted as **CARE BB; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating has been revised on account of unavailability of adequate information and deterioration in performance of the company. The Total Operating Income of the company has dropped to Rs. 696.46 crores in FY23 with PAT margin of 0.11% from Total Operating Income of Rs. 908.61 crores in FY22 with PAT margin of 2.02%.

Analytical approach: Standalone

Outlook: Stable

CARE Edge believes that the company's financial risk profile is expected to remain stable.

Detailed description of the key rating drivers:

Please refer to Press Release dated [February 01, 2021](#)

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Damodar Industries Limited (DIL) was incorporated in 1987 by Mr. Arun Biyani and his brothers Mr. Ajay Biyani and Mr. Anil Biyani. DIL was converted into public limited company on March 20, 1992. DIL is engaged in the business of manufacturing Cotton and Blended Fancy yarns. The Company has production facilities for Cotton Spinning, Synthetic Spinning, Air Texturizing, Yarn Dyeing, Multi Print Space Dyeing Mono Filament Polyester Yarns and Textured Twisted Yarns. The company is also involved in trading of yarn. Its manufacturing facilities are located at Dadra, Daman and Amravati (Maharashtra)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	Q1FY24 (UA)
Total operating income	911.36	696.46	205.35
PBILDT	81.68	50.72	13.71
PAT	18.35	0.80	1.68
Overall gearing (times)	2.51	2.30	NA
Interest coverage (times)	2.83	1.96	NA

NA: Not Available, A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fixed Deposit		-	-	-	40.00	CARE BB; Stable; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	-	-	-	-	1)CARE BB+; Stable (28-Jan-22) 2)Withdrawn (28-Jan-22)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (01-Feb-21)
2	Fixed Deposit	LT	40.00	CARE BB; Stable; ISSUER NOT	-	1)CARE BB+; Stable; ISSUER NOT	-	1)CARE BB+ (FD); Stable; ISSUER NOT

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
				COOPERATING*		COOPERATING* (22-Jun-22) 2)CARE BB+ (FD); Stable; ISSUER NOT COOPERATING* (26-Apr-22)		COOPERATING* (01-Feb-21)
3	Fund-based - LT/ST-Working Capital Limits	LT/ST*	-	-	-	-	1)Withdrawn (28-Jan-22) 2)CARE BB+; Stable / CARE A4+ (28-Jan-22)	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (01-Feb-21)
4	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)CARE A4+ (28-Jan-22) 2)Withdrawn (28-Jan-22)	1)CARE A4+; ISSUER NOT COOPERATING* (01-Feb-21)

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

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fixed Deposit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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