

Damodar Industries Limited

July 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating1	Rating Action
Fixed Deposit	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable; ISSUER NOT COOPERATING* and Withdrawn

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

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the ratings of 'CARE BB; Stable; ISSUER NOT COOPERATING [Double B; Outlook: Stable; ISSUER NOT COOPERATING] outstanding on the fixed deposit (FD) programme of Damodar Industries Limited (DIL) with immediate effect. The above action has been taken at the request of DIL and based on the certificate from Chartered Accountant specifying the list of outstanding FDs, confirmation from the company that it has discontinued using the rating assigned by CareEdge Ratings, undertaking from the company that the FDs have an outstanding rating from another credit rating agency and No Objection Certificates received from all the investors of the Fixed Deposit in accordance with CareEdge Ratings' withdrawal policy.

Analytical approach: Standalone

Outlook: Stable

Care Ratings believes DIL will continue to benefit from the extensive experience of the promoters.

Detailed description of key rating drivers:

Key weaknesses

Volatile revenue trend and susceptibility to price fluctuations

The company's total operating income has remained volatile over the past five years, reflecting sensitivity to demand cycles and raw material price movements. In FY25, revenue declined sharply by 41% to ₹421.44 crore, compared to ₹719.35 crore in FY24, partly due to sale of one plant and partly due to weakened demand conditions in both domestic and export markets. Additionally, the company's profitability remains vulnerable to fluctuations in yarn prices, which are influenced by raw material costs and competitive pressures in the commoditized textile industry.

Exposure to industry cyclical and raw material volatility

DIL operates in a highly cyclical and fragmented textile yarn industry, characterized by intense competition from both organised and unorganised players, which limits pricing power. Additionally, the company remains exposed to volatility in raw material prices, particularly cotton, which is influenced by factors such as cultivation trends, annual yield, and government policies. These industry-wide and input-related risks can impact profitability. However, DIL's trading operations, which contribute a significant portion of revenue, help partially mitigate raw material price exposure.

Key strengths

Experienced promoters with long-standing industry presence

The company is promoted by Mr. Arunkumar Biyani, Mr. Ajay Biyani, and Mr. Anil Biyani, who collectively bring over three decades of experience in the textile industry. Mr. Arunkumar Biyani, with 41 years of experience, began his career in 1974 in synthetic fabric manufacturing and has since been engaged in cotton yarn production. He currently oversees the financial matters of the company. Mr. Ajay Biyani, with 33 years of experience, leads production and new product development, while Mr. Anil Biyani, with 31 years of experience, manages the marketing function. The promoters are supported by a qualified and experienced management team actively involved in various operational aspects. Additionally, the promoters have demonstrated financial commitment to the business through the infusion of unsecured loans.

Diversified product profile

Damodar Industries Limited 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 ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Liquidity: Adequate

As on March 31, 2025, the company had a free cash and bank balance of ₹0.43 crore. However, its liquidity position is supported by healthy cash flow from operations, which remained positive at ₹43.35 crore in FY25, albeit lower than ₹51.64 crore in the previous year. The current ratio improved to 1.37 times in FY25 from 1.14 times in FY24, indicating short-term liquidity cushion.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

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), incorporated in 1987, is engaged in the manufacturing of cotton and blended fancy yarns, along with trading of yarn. The company's product offerings include cotton spinning, synthetic spinning, air texturizing, yarn dyeing, multi-print space dyeing, mono filament polyester yarns, and textured twisted yarns. DIL was converted into a public limited company on March 20, 1992. Its manufacturing facilities are located across Dadra, Daman, and Amravati (Maharashtra). The company was promoted by Mr. Arun Biyani and his brothers, Mr. Ajay Biyani and Mr. Anil Biyani.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	719.35	421.44
PBILDT	36.33	18.95
PAT	5.22	5.40
Overall gearing (times)	2.22	1.31
Interest coverage (times)	1.23	0.91

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Fixed Deposit	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fixed Deposit	LT	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING * (02-Jul-25)	1)CARE BB; Stable; ISSUER NOT COOPERATING * (21-Nov-24)	1)CARE BB; Stable; ISSUER NOT COOPERATING * (29-Aug-23)	1)CARE BB+; Stable; ISSUER NOT COOPERATING * (22-Jun-22) 2)CARE BB+ (FD); Stable; ISSUER NOT COOPERATING * (26-Apr-22)

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of 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](#)

Annexure-6: List of entities consolidated: Not applicable

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

Contact us

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About us:

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