

Darshan International

September 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	9.63	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BBB; Stable
Long Term / Short Term Bank Facilities	25.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BBB; Stable / CARE A3+

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had, vide its press release dated March 24, 2025, placed the rating(s) of Darshan International (DI) under the 'issuer non-cooperating' category as DI had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. DI continues to be non-cooperative despite repeated requests for submission of information through e-mails dated September 04, 2025, September 05, 2025, September 08, 2025 among others.

In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

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 ratings assigned to the bank facilities of DI have been revised on account of non-availability of requisite information

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 24, 2025 the following were the rating strengths and weaknesses

Key weaknesses

Partnership nature of constitution with inherent risk of withdrawal of capital

The partnership firm has the inherent risk of possibility of withdrawal of capital which can affect the capital structure. The partnership concern has restricted access to external borrowing which limits its growth opportunities to some extent. Partners have withdrawn capital of ₹4.96 crore in FY24. Going forward, withdrawal of large capital will impact the liquidity profile of the firm and would weigh negatively to its credit profile.

Long operating cycle with high inventory requirement

Operating cycle of the firm was at 96 days in FY24 when compared to 97 days in FY23. Inventory days stood at 71 in FY24 when compared to 77 days in FY23. Purchase of inventory is a continuous cycle in the agarbatti industry and any shortage of raw batti has an adverse impact on the sales of the firm. The firm maintains an average inventory of three months' sales of finished goods and packing material ahead of monsoon season and festive months and

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

additionally the firm stores high amount of fragrance solutions. The firm has a comfortable receivable collection period as the domestic sales are on cash basis while realization in export takes around 120 days.

Key strengths

Consistent increase in scale of operations

Total operating income (TOI) of the firm has been consistently growing with addition of new capacity last year along with the firm entering into new geographics such as Tamil Nadu, Madhya Pradesh and Delhi, among others. The firm is investing in sales and promotion expenses incurred by the firm to enhance brand visibility along with increased employee cost in the new capacity. Going forward, CARE Ratings expects the margins to be at a level of 13.5%-14%.

Established brand presence and wide distribution network

DI is among the leading organized manufacturers of incense sticks and dhoop in India. It sells products under the various brand names which vary as per country and fragrance but are marked under umbrella brand "Darshan". Domestic sales constitute 74% of the overall revenue and the rest are from exports in FY23. The flagship products in Indian market includes Black Stone, Life and Effect, among others. In India, it has presence in 15 states with strong presence in Karnataka, West Bengal, Assam, Bihar and Orissa which accounted for 75% of the total domestic sales in FY22. The firm distributes its products through more than 2,500 distributors and reaches more than 3 lakh retail outlets in the country. The firm's products are also sold through modern retail chains and through online retail platforms as well, though the sales volume is miniscule in both the modes.

Satisfactory capital structure with healthy debt coverage metrics

The capital structure of the firm remained comfortable marked by modest networth backed by improving scale of operations. With sufficient liquidity and no major capex plans in place, overall gearing stood comfortable at around 0.33x as on March 31, 2024. The TOL/TNW stood at around 0.65x with TD/GCA of 1.24x and ICR of 14.41 for FY24.

Experienced promoters and long track record of operations of the firm

Established by T. Srinivas in 1987, Darshan has an established track record of nearly three decades in incense stick and allied products manufacturing business. It had set up three manufacturing units, one each in Assam, Bangalore and Tamil Nadu with Bangalore unit equipped with fully-automatic corrugated box printing, laminating and cutting machines as backward integration. Darshan is presently being managed by T.S. Ashok, son of T. Srinivas, along with his brother, T.S. Harsha. Both are well qualified and have long experience in the industry and are supported by experienced tier – II management having clearly defined roles and responsibilities.

Liquidity: Adequate

Liquidity profile of the firm remained adequate marked by healthy cash accruals against lower repayment obligations, translating into satisfactory debt service coverage ratio (DSCR). Average cash credit CC utilization for the 12-month period ended January 2024 was 83%. The current ratio of the firm stood comfortable at 2.31x as on March 31, 2024. Timely realization of receivables has helped the firm in sustaining positive cashflow from operations.

Applicable criteria

[Definition of Default](#)

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

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Household Products	Household Products

DI was founded by Thambi Srinivas in 1987. The firm is engaged in the manufacturing of incense sticks and allied products including dhoop under the brand name of 'Darshan'. Currently, Thambi Srinivas Ashok and Thambi Srinivas Harsha, sons of 3 Thambi Srinivas, manage the overall operations of the firm. It has three manufacturing units, one each in Assam, Bangalore and Tamil Nadu.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	257.29	288.22
PBILDT	34.41	37.24
PAT	20.64	22.67
Overall gearing (times)	0.42	0.33
Interest coverage (times)	22.83	14.41

A: Audited UA: Unaudited; 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
Fund-based - LT-Term Loan		-	-	31-07-2037	9.63	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Cash Credit		-	-	-	25.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*

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

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	Fund-based - LT/ST-Cash Credit	LT/ST	25.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING *	-	1)CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING * (24-Mar-25) 2)CARE BBB+; Stable / CARE A2 (02-Apr-24)	-	1)CARE BBB+; Stable / CARE A2 (15-Mar-23)
2	Fund-based - LT-Term Loan	LT	9.63	CARE BB+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BBB; Stable; ISSUER NOT COOPERATING * (24-Mar-25) 2)CARE BBB+; Stable (02-Apr-24)	-	1)CARE BBB+; Stable (15-Mar-23)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

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