

Devdeep Tex Fab Private Limited

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	57.50	CARE BB; Stable	Assigned
Short Term Bank Facilities	1.50	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Devdeep Tex Fab Private Limited (DTFPL) are constrained on account of fluctuating and moderate scale of operations and profitability, regulatory risk arising from stringent pollution control norms, leveraged financial risk profile and project risk associated with the ongoing capacity expansion project. Ratings also remain constrained by DTFPL's presence in a fragmented and competitive textile processing industry along with susceptibility of profitability to volatile raw material prices and stretched liquidity.

Ratings, however, derives strength from experienced promoters and favourable plant location in a major textile hub, which ensures access to raw materials and skilled labour.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Volume-backed growth in scale of operations marked by total operating income (TOI) above ₹150 crore and maintaining profit before interest, lease, depreciation and tax (PBILDT) margin above 8% on a sustained basis
- Sustained profitability leading to augmentation of tangible net-worth base
- Improvement in capital structure marked by overall gearing below 2x on sustained basis

Negative factors

- Decline in scale of operations below ₹100 and lower than envisaged PBILDT margins on a sustained basis.
- Deterioration in capital structure marked by overall gearing above 3.50x on a sustained basis.
- Any significant elongation in debtor's days impacting liquidity

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that DTFPL benefits from the promoters' long-standing experience in the textile industry and their established relationships with customers and vendors, which support business stability.

Detailed description of key rating drivers:

Key weaknesses

Moderate and fluctuating scale of operations and profitability

DFTPL's revenue base remained fluctuating and moderate due to business closures at multiple instances over the past four years ending FY25 and during the current year. Company faced regulatory challenges regarding effluent discharge which led to aforementioned business closures. During the closure, company generated revenue by outsourcing fabric processing work.

DFTPL's TOI grew at a compounded annual growth rate (CAGR) of ~6% over past four years ended FY25. TOI stood at ₹59.55 crore in FY25 (₹72.78 crore in FY24) and ₹44.18 crore in 10MFY26.

PBILDT margin remained fluctuating and moderate in the range of ~5-10% in last five years ended FY25. DTFPL reported PBILDT margin of 7.27% in FY25 (FY24: 8.40%). With moderate PBILDT and comparatively higher finance cost, the profit after tax (PAT) margin remained thin at 1.57% in FY25 (FY24: 1.96%). Going forward, profit margins are expected to improve with focus on in house manufacturing post plant relocation.

Regulatory risk arising from stringent pollution control norms

The textile processing units use various chemicals for dyeing and printing process, which generate polluted water and air that needs to be treated before their disposal. Hence, textile processing units require continuous compliance with the stringent pollution control norms set by the regulatory authorities and any violation in compliance with these norms or any further strengthening of these norms may adversely impact company's operations.

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

DFTPL is a member of Ahmedabad Hand Screen Printing Association (AHSPA). AHSPA operates Common Effluent Treatment Plant (CETP) for its members. However, due to various issues regarding effluent discharge, DTFPL's manufacturing plant faced multiple closure instances.

Company is relocating its manufacturing facility to a new location – Narol, Ahmedabad, Gujarat. The proposed unit is a member of Narol Textile Infrastructure & Enviro Management (NTIEM) and has adequate effluent discharge permission.

Leveraged capital structure and debt coverage indicators

Capital structure of DTFPL remained moderate marked by overall gearing of 1.35x as on March 31, 2025. Debt coverage indicators also remained moderate marked by total debt to gross cash accruals (TDGCA) and PBILDT interest coverage at 6.51x (FY24: 4.88x) and 2.88x (FY24: 2.77x) respectively in FY25. The same is expected to moderate going forward with availment of debt relating to on-going expansion capex. DTFPL's tangible net-worth remained low at ₹11.18 crore as on March 31, 2025, restricting its financial flexibility.

Project risk associated with capacity expansion project

DFTPL is undertaking capacity expansion capex and also relocating its existing plant to a new location at a total cost of ~₹65 crore. The capex would be funded through term loan of ₹45.50 crore, unsecured loan (USL) from promoters of ₹13 crore and remaining through internal accruals. DTFPL has achieved the financial closure with term loan partly disbursed.

As on January 31, 2026, capex of ~₹44 crore (~68%) has been incurred and the same was funded through term loan of ₹30.11 crore, unsecured loan of ₹13 crore and remaining ₹1.14 crore through internal accruals. The plant is envisaged to be operational by October 2026.

Given the promoters' extensive experience in the fabric processing industry, status of term loan being already tied up and the nature of the capex being capacity expansion, the implementation and stabilisation risk remains low. However, timely completion of capex within cost parameters along with accrual of envisaged benefits will remain key monitorable.

Presence in a fragmented and competitive textile industry along with susceptibility of profitability to volatile raw material prices

The textile industry is highly fragmented in nature due to presence of large number of unorganized players leading to high competition in the industry. The smaller standalone processing units are more vulnerable to intense competition, which constrains their profitability as compared to larger integrated textile companies, who have better operating efficiencies.

Moreover, textile is a cyclical industry and closely follows the macroeconomic business cycles. The prices of raw materials and finished goods are also determined by global demand-supply scenario. Hence, any shift in macroeconomic environment globally would have an impact on the domestic textile industry. The profitability of DTFPL also remains susceptible to any adverse fluctuations in the raw material prices like cotton yarn and dyes, colours & chemicals which are derivatives of crude oil.

Key strengths

Experienced promoters

DFTPL is promoted by Balmukund Agarwal and Narpatlal Chopra who hold over two decades of experience in the textile industry, managing various facets of business and trade. Such extensive presence in the textile industry has been instrumental in creating long standing relationships with customers and vendors. Operations are currently management by Balmukund Agarwal and Devendra Jain (son of Late Narpatlal Chopra).

Plant Location advantage with easy availability of raw material and skilled labour

Gujarat being one of India's largest cotton producing states (~30% of India's total national production) remains hub for spinning and weaving players and hence benefits DTFPL in terms of easy availability of raw materials and labour.

Liquidity: Stretched

DFTPL's liquidity remained stretched marked by low gross cash accruals (GCA), high utilization of its fund based working capital limit, low cash and bank balance and moderate operating cycle. DTFPL's is expected to achieve GCA of ~₹2-2.5 crore in FY26. DTFPL's has paid all of its term debt obligation (₹0.60 crore) during 10MFY26. Repayment of the term loan availed for the ongoing capex, would commence from April 2027, providing adequate cushion to its liquidity.

The average utilization of its working capital borrowings remained at ~82% while maximum utilization remained at ~91% during last 12 months ended January 2026. Cash and bank balance remained low at ₹0.11 crore as on March 31, 2025, and ₹0.10 crore as on January 31, 2026. Cash flow from operations (CFO) of the company remained moderate at ₹4.12 crores in FY25 (FY24: ₹7.60 crore). The operations of the company are working capital intensive marked by moderate average operating cycle of around 96 days in FY25 (FY24: 73 days). Liquidity ratio remained moderate marked by current ratio and quick ratio of 1.50x and 0.85 respectively as on March 31, 2025.

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

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Cotton Textile](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Devdeep Tex Fab Private Limited (DTFPL), was incorporated in November 2017 and commenced operations in 2020. It is engaged in processing of grey knitted fabrics into printed fabrics and also provides job work services for processing of knitted fabrics on a requirement basis. The processing facility of DTFPL is located at Behrampura, Ahmedabad (Gujarat) with an installed capacity of 1,800 tons per annum (TPA) as on December 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	10MFY26 (Prov.)
Total operating income	75.78	59.55	44.18
PBILDT*	6.37	4.33	-
Profit after tax (PAT)	1.49	0.94	-
Overall gearing (x)	1.76	1.35	-
Interest coverage (x)	2.77	2.88	-

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	12.00	CARE BB; Stable
Fund-based - LT-Term Loan	-	-	-	31/03/2034	45.50	CARE BB; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	1.50	CARE A4

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-Term Loan	LT	45.50	CARE BB; Stable	-	-	-	-
2	Fund-based - LT-Cash Credit	LT	12.00	CARE BB; Stable	-	-	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	1.50	CARE A4	-	-	-	-

LT: Long term; ST: 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in</p> <p>Jignesh Trivedi Assistant Director CARE Ratings Limited Phone: 079-40265631 E-mail: jignesh.trivedi@careedge.in</p> <p>Darshini Shah Lead Analyst CARE Ratings Limited E-mail: Darshini.Shah@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**