



## Press Release

August 06, 2025

### DURLAX TOP SURFACE LIMITED (ERSTWHILE DURLAX INDIA PRIVATE LIMITED) Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Loan Ratings</b>	42.70	ACUITE BBB-   Stable   Assigned	-
<b>Bank Loan Ratings</b>	7.30	-	ACUITE A3   Assigned
<b>Total Outstanding</b>	50.00	-	-
<b>Total Withdrawn</b>	0.00	-	-

#### Rating Rationale

Acuite has assigned long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.50.00 Cr. bank facilities of Durlax Top Surface Limited (DTSL) (Formerly Known as Durlax India Private Limited). The outlook is '**Stable**'.

#### Rationale for rating

The rating assigned considers the augmentation in business risk profile of the company backed by improvement in the operating performance. Further, the rating also factors in the experienced management and established track record of operations of the firm. The rating draws comfort from the moderate financial risk profile and adequate liquidity position. The rating is however constrained on account of the intensive working capital operations, customer and supplier concentration risk and susceptibility of profitability to volatility in raw material prices and forex risk in a highly competitive nature of furnishing industry.

#### About the Company

Durlax Top Surface Limited (DTSL), (formerly known as Durlax India Private Limited), was incorporated in May 2010 and launched its IPO on June 26, 2024. The company is engaged in the manufacturing of decorative solid surface sheets and adhesives under its own registered brand names, Luxor and Aspiron. DTSL's manufacturing facility is in Valsad, Gujarat, and its products are primarily used as countertop surfaces across residential, hospitality, commercial, and industrial settings. Currently the company is promoted by Mr. Lalit Suthar and Mr. Shravan Laxmichand Suthar.

#### Unsupported Rating

Not Applicable

#### Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of Durlax Top Surface Limited (DTSL) (Formerly Known as Durlax India Private Limited) to arrive at the rating.

#### Key Rating Drivers

##### Strengths

##### Experienced management and established presence in the industry

DTSL has an operational track record of over a decade in furnishing industry. It is promoted by Mr. Lalit Suthar and Mr. Shravan Laxmichand Suthar who possess over a decade of experience in this industry. They are supported by their team of experienced professionals in managing day to day operations of DTSL. The extensive experience of the promoter has enabled DTSL to establish a healthy relationship with its customers and suppliers. Acuite believes that DTSL will continue to benefit from its experienced management and established track record of operations.

##### Improvement in sales and Profitability

The operating revenue of the company improved and stood at Rs. 122.56 Cr. in FY25 from Rs. 90.76 Cr. in FY24 due to better realisations and increase in overall sales volume. The EBITDA of the company stood at Rs.14.00 Cr. in FY25 as against Rs.11.04 Cr. in FY24. The operating profit margin stood at similar range at 11.42 per cent in FY25 as against 12.16 per cent in FY24. The improvement in EBITDA is due to improved product price realization,

particularly in high-margin categories, which contributed to profitability. Additionally, the increased scale of operations enabled more efficient absorption of fixed costs, resulting in a decline in employee and manufacturing expenses as a percentage of overall sales. The PAT margins have improved and stood at 6.12 per cent as on FY25 as against 4.40 per cent as on FY24. Acuite believes, the company's operating performance would improve steadily on the back of incremental business from the existing customers and acquisition of new customers.

#### **Moderate financial risk profile**

DTSL has a moderate financial risk profile marked by moderate net worth, gearing and debt protection metrics. DTSL's net worth stood at Rs. 57.66 Cr. as on March 31, 2025 as against Rs. 21.61 Cr. as on March 31, 2024 on account of accretion of reserves and issue of equity capital through IPO. The company launched its IPO and got listed on June 26, 2024. Further the IPO proceeds of Rs. 28.56 Cr. are utilised towards working capital and for faster payments to suppliers to avail margin benefit. The company's gearing improved and stood at 0.79 times as on March 31, 2025 as against 2.81 times as on 31 March, 2024 and 2.10 times as on March 31, 2023. The company's total debt as on March 31, 2025 stood at Rs. 45.84 Cr. as against Rs. 60.71 Cr. March 31, 2024 and Rs. 36.91 Cr. as on March 31, 2023; comprising of long-term debt of Rs. 1.76 Cr, USL of Rs. 4.91 Cr, short-term debt Rs. 35.45 Cr. and CPLTD Rs. 3.72 Cr. as on March 31, 2025. TOL/TNW stood at 0.99 times as on March 31, 2025 as against 3.88 times as on March 31, 2024. Interest coverage ratio (ICR) of the company stood at 4.32 times in FY25 against 2.68 times in FY24. Debt service coverage ratio (DSCR) stood at 2.03 times in FY25 against 1.44 times in FY24. Acuite believes that going forward the financial risk profile of the company would remain moderate on the backed by steady accruals and no major debt funded capex plans.

#### **Weaknesses**

##### **Working capital intensive operations**

DTSL has working capital intensive operations with average gross current asset (GCA) days at 270 days during FY25 as against 333 days in FY24. Inventory days stood at 168 days in FY25 against 226 days in FY2024. The company provides a wide variety of colours, sizes, textures, and finishes to meet customer preferences and design requirements. However, maintaining sufficient stock across multiple SKUs results in higher inventory levels. The debtor days stood at 104 days in FY25 against 121 days in FY2024. The average credit period allowed by the company to its customers up to 90 days. The creditor days improved and stood at 31 days in FY25 against 110 days in FY24. The improvement is mainly due to deploying IPO proceeds of Rs. 28.56 Cr. towards working capital and mainly for faster payments to suppliers to avail margin benefit. Further, the reliance on fund based limits and non-fund based limits stood high at ~95 per cent for last six months ended June 2025. Acuite believes that the working capital operations of the company will remain at similar levels over the medium term given the nature of the industry.

##### **Susceptibility of profitability to volatility in raw material prices and forex risk in an intensely competitive and fragmented industry**

The company's profitability remains vulnerable to fluctuations in raw material prices, as raw material costs account for ~ 79 per cent of total sales. Additionally, with exports contributing around 13 per cent to total sales, the company is exposed to foreign exchange risk. In the absence of any hedging mechanisms, it remains susceptible to forex volatility, which can impact both revenue and profitability.

##### **Customer & Supplier Concentration Risk**

The company exhibits high supplier concentration, with the top 3 vendors contributing ~68 per cent of total purchases, and high customer concentration, with the top 3 clients accounting for ~66 per cent of sales. The risk is mitigated to an extent as company is having long standing relations with its customers and suppliers.

##### **Rating Sensitivities**

- Sustain improvement in revenues and profitability
- Changes in financial risk profile
- Deterioration in working capital cycle

##### **Liquidity Position**

###### **Adequate**

Liquidity is adequately backed by company's net cash accruals, which stood at Rs. 9.95 Cr. as on March 31, 2025, against Rs. 3.01 Cr. repayment over the same period. Going ahead company is expected to generate cash accruals in the range of Rs. 12-15 Cr. through FY26-27 against nil repayment obligation during the same period. The company as on date maintains cash and cash equivalents of Rs. ~4.00 Cr. The current ratio stood comfortable at 1.91 times as on March 31, 2025. Further, the reliance on fund based limits and non-fund based limits stood high at ~95 per cent for last six months ended June 2025. Acuite believes that going forward the company would maintain adequate liquidity position in medium term due to steady accruals and no debt obligations.

##### **Outlook: Stable**

##### **Other Factors affecting Rating**

None



**Key Financials**

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	122.56	90.76
PAT	Rs. Cr.	7.50	3.99
PAT Margin	(%)	6.12	4.40
Total Debt/Tangible Net Worth	Times	0.79	2.81
PBDIT/Interest	Times	4.32	2.68

**Status of non-cooperation with previous CRA (if applicable)**

None

**Any other information**

None

**Applicable Criteria**

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

**Note on complexity levels of the rated instrument**

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

**Rating History**

<b>Date</b>	<b>Name of Instruments/Facilities</b>	<b>Term</b>	<b>Amount (Rs. Cr)</b>	<b>Rating/Outlook</b>
13 Feb 2024	Cash Credit	Long Term	5.00	ACUITE B+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Term Loan	Long Term	24.20	ACUITE B+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
17 Feb 2023	Cash Credit	Long Term	5.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	24.20	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE BBB-   Stable   Assigned
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.00	Simple	ACUITE BBB-   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.30	Simple	ACUITE A3   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB-   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.77	Simple	ACUITE BBB-   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	08 May 2025	Not avl. / Not appl.	01 Dec 2025	0.93	Simple	ACUITE BBB-   Stable   Assigned

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