

## Jarai Kela Lumberman (India) Private Limited

September 07, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.76	CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable (Double B; Outlook: Stable)
Short Term Bank Facilities	8.50	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>14.26</b> <b>(Rs. Fourteen Crore and</b> <b>Twenty-Six Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 25, 2021, placed the rating(s) of Jarai Kela Lumberman (India) Private Limited (JKLPL) under the 'issuer non-cooperating' category as JKLPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. JKLPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 11, 2022, May 21, 2022, May 31, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s 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 JKLPL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, overall profit levels and deteriorated capital structure and debt coverage indicators during FY20 and FY21 as against FY19.

### Detailed description of the key rating drivers

Please refer to PR dated [June 25, 2021](#)

### Analytical approach: Combined

For the purpose of arriving at the rating, CARE has combined the business and financial risk profiles of JKLPL and Eastern Polycraft Industries Limited (EPIL). Both the companies have similar lines of operation, operate under the same management and operational linkages by way of intergroup transaction. Further, EPIL has given a corporate guarantee to a part of the bank facilities availed by JKLPL.

### Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

The Padia Group, set up by the Padia family of Orissa is present in the plastic manufacturing and concrete sleepers manufacturing business. The group is jointly managed by promoters- Kesar Chand Padia (Chairman) along with his two sons- Bijay Padia and Ajay Padia. JKLPL, part of Padia Group, was incorporated in the year 1990, started its plastic operations in 1996. The company is engaged in manufacturing of injection moulded and blow moulded packaging containers for Paint, ink, lube, chemical, food and other products, with its manufacturing facilities located in Uluberia, West Bengal. Eastern Polycraft industry Limited (EPIL), incorporated in 1997, is also a part of the Padia Group. It manufactures a wide range of plastic products including rigid packaging. Its product portfolio includes industrial packaging containers of various sizes, auto motive plastic parts and plastic parts for home appliances. It has four manufacturing facilities Unit I in Dobapukur, West Bengal, Unit II in Uluberia, West Bengal, and Unit III and Unit IV in Bhiwadi, Rajasthan.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Standalone - JKLPL**

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	41.87	38.18	36.43	NA	NA
PBILDT	4.14	4.18	3.76	NA	NA
PAT	0.56	0.53	0.35	NA	NA
Overall gearing (times)	2.04	3.04	3.32	NA	NA
Interest coverage (times)	1.93	1.88	1.87	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available

**Combined**

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	214.62	211.35	202.66	NA	NA
PBILDT	23.89	22.50	20.29	NA	NA
PAT	3.63	2.73	1.74	NA	NA
Overall gearing (times)	1.58	1.06	1.25	NA	NA
Interest coverage (times)	1.73	1.53	1.60	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available

**Status of non-cooperation with previous CRA:** Brickwork has continued the rating assigned to the bank facilities of JKLPL into Issuer Not Cooperating category vide press release dated July 07, 2021 on account of its inability to carry out a review in the absence of the requisite information from the company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.50	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	June 2020	0.76	CARE BB-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	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	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	5.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Jun-21)	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (28-Mar-20)
2	Non-fund-based - ST-Letter of credit	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (25-Jun-21)	-	1)CARE A4+; ISSUER NOT COOPERATING* (28-Mar-20)
3	Non-fund-based - ST-Bank Guarantee	ST	1.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (25-Jun-21)	-	1)CARE A4+; ISSUER NOT COOPERATING* (28-Mar-20)
4	Fund-based - LT-Term Loan	LT	0.76	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Jun-21)	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (28-Mar-20)

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of covenants of rated instrument/facility:** Not Applicable

**Annexure-4: Complexity level of various instruments rated for this company**

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
4	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Bank Lender Details for this Company**

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

**Note on complexity levels of the rated instrument:** CARE 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](mailto:care@careedge.in) for any clarifications.

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### About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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