

D J Agro Industrial Project Private Limited

March 28, 2022.

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	74.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	74.00 (Rs. Seventy-Four Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from D J Agro Industrial Project Private Limited to monitor the rating(s) vide e-mail communications/ letters dated March 16, 2022, March 22, 2022 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further D J Agro Industrial Project Private Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on D J Agro Industrial Project Private Limited's bank facilities will now be denoted as **CARE D; Issuer Not Cooperating ***.

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 have been moved to ISSUER NOT COOPERATING category on account of lack of information and uncertainty around the credit risk profile of the company

Rating Sensitivities: Not Applicable

Detailed description of the key rating drivers

At the time of last rating on January 14, 2022, the following were the rating strengths and weaknesses (updated for information received from Registrar of Companies)

Key Rating Weaknesses

Delay in debt servicing

There has been delay in the servicing of interest component of term loan for the period upto October'21. As discussed with the banker, the interest servicing has been regularised, with slight delay. The account is regular.

Delay in project implementation

The Company has set up a jute mill of 50 tpd. Earlier, the project was envisaged to commence from October 2020, however due to lockdown imposed amid COVID-19 pandemic, the execution was delayed. The project completed the trial run in February 2021 and the project has started commercial operation from March 15, 2021. The project is expected to be funded through promoters' fund of Rs.36.93 crore, term loan of Rs.44.00 crore and interest free unsecured loan from group companies of Rs.6.84 crore. As on March 01, 2021, the company has already spent Rs.79.02 crore on the aforesaid project which has been funded through term loans to the tune of Rs.39.79 crore, promoters' contribution of Rs.34.99 crore, unsecured loan of Rs.3.21 crore and sundry creditors of Rs.1.03 crore

Susceptibility to volatility in raw-material prices

Raw material (i.e., raw jute) is the largest cost component of jute bags and the same is expected to be ~70% of cost of sales. The price of raw-jute is volatile in nature due to agro-commodity nature of product (which is dependent upon vagaries of nature). Given that raw jute is the largest cost driver and the prices of same are volatile in nature, the profitability margin is susceptible to fluctuation in prices of raw material.

Analytical approach: Standalone

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

Applicable Criteria

Policy in respect of Non-cooperation by issuer
 Policy on default recognition
 Financial Ratios – Non financial Sector
 Rating Outlook and Credit Watch□
 Manufacturing Companies

About the Company

D J Agro Industrial Project Private Limited (DJAIPPL) was incorporated in April 2012 with an objective to enter the business of manufacturing of jute bags from raw jute. The manufacturing unit of the company is located at Mandakata (North Guwahati, Assam) with a proposed installed capacity of 50 Metric Ton Per Day (17,500 tpa). Promoters of the company, Mr. Dipjyoti Mahanta and Mrs. Mili Mahanta having long experience in similar line of business, proposes to look after the day-to-day operation of the company along with adequate support from a team of experienced personnel. The company also has three associate companies in the name of "Apex Yarn Private Limited", "Ashoka Weaving Private Limited" and "Atlanta Modular Private Limited". All the three companies were incorporated on August 07, 1997

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (P)
Total operating income	0.00	2.05	NA.
PBILD	-0.01	0.31	NA.
PAT	0.03	0.09	NA.
Overall gearing (times)	0.27	2.05	NA.
Interest coverage (times)	0.00	0.00	NA.

A: Audited; P: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

Annexure-1: Details of 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-Term Loan		-	-	March, 2028	44.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	30.00	CARE D; 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 Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	44.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (14-Jan-22)	1)CARE BB-; Stable (31-Mar-21) 2)CARE BB-; Stable (15-Oct-20) 3)CARE BB-; Stable (09-Apr-20)	-	-
2	Fund-based - LT-Cash Credit	LT	30.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (14-Jan-22)	1)CARE BB-; Stable (31-Mar-21) 2)CARE BB-; Stable (15-Oct-20)	-	-

* Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

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

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	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 Ratings Ltd. 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 for any clarifications.

Contact us

Media Contact

Name: Mradul Mishra
 Contact no.: +91-22-6754 3573
 Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: Richa Bagaria
 Contact no.: +91 99034 70650
 Email ID: richa.jain@careedge.in

Relationship Contact

Name: Lalit Sikaria
 Contact no.: + 91-033- 40181600
 Email ID: lalit.sikaria@careedge.in

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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