

## Digjam Limited

August 17, 2020

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Short-term Bank Facilities	-	-	Withdrawn

Details of facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE has withdrawn the outstanding rating of 'CARE D; Issuer Not Cooperating [Single D; Issuer Not Cooperating] assigned to the bank facilities of Digjam Limited (Digjam) with immediate effect. The above action has been taken as the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, vide its order dated April 26, 2019, initiated the Corporate Insolvency Resolution Process (CIRP) against Digjam under the provisions of the Insolvency and Bankruptcy Code, 2016. Also, the resolution plan was approved by Hon'ble NCLT vide its order dated May 27, 2020. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

**Analytical approach:** Not Applicable

### Applicable Criteria

[CARE's policy on withdrawal of ratings](#)

### About the Company

Originally incorporated in 1948 as Digvijay Woollen Mills Ltd, Digjam was promoted by the S K Birla Group. Digjam is primarily engaged in manufacturing worsted fabrics at its sole manufacturing facility at Jamnagar, Gujarat with an installed capacity to manufacture 5.50 million meters of worsted fabric.

Brief Financials (Digjam) (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	11.19	0.89
PBILDT	-26.60	-13.90
PAT	-44.36	-17.58
Overall gearing (times)	3.47	NM
Interest coverage (times)	NM	NM

A: Audited, NM: Not Meaningful

- The Honourable NCLT, Ahmedabad Bench, vide its order dated April 26, 2019 had initiated Corporate Insolvency and Resolution Process (CIRP) based on petition filed by Oman Inc. under the provisions of the Insolvency and Bankruptcy Code 2016 (Code). Mr. Parag Sheth was appointed Interim Resolution Professional (IRP). Subsequently, Mr Sunil Kumar Agarwal was appointed as Resolution Professional (RP) via order dated January 01, 2020 of the Hon'ble NCLT, as proposed by the Committee of Creditors (CoC) meeting held on May 24, 2019. Consequently, the powers of the Board of Directors have been suspended and the same are exercisable by IRP/RP, in accordance with the code.
- The CoC had approved the Resolution Plan in their meeting held on February 11, 2020. The RP filed an application before the Hon'ble NCLT for its consideration and approval of the resolution plan. The Hon'ble NCLT, vide its order dated May 27, 2020, had approved the Resolution Plan.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

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

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn
Fund-based - ST-EPC/PSC	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Term Loan-Long Term	-	-	- ^	0.00	Withdrawn

NA: Not Applicable; ^ Restructured under the resolution plan

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

## 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) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	-	Withdrawn	-	1)CARE D; ISSUER NOT COOPERATING* (20-Dec-19)	1)CARE D (31-Aug-18)	1)CARE D (18-Jul-17)
2.	Non-fund-based - ST-BG/LC	ST	-	Withdrawn	-	1)CARE D; ISSUER NOT COOPERATING* (20-Dec-19)	1)CARE D (31-Aug-18)	1)CARE D (18-Jul-17)
3.	Non-fund-based - ST-BG/LC	ST	-	Withdrawn	-	1)CARE D; ISSUER NOT COOPERATING* (20-Dec-19)	1)CARE D (31-Aug-18)	1)CARE D (18-Jul-17)
4.	Fund-based - ST-EPC/PSC	ST	-	Withdrawn	-	1)CARE D; ISSUER NOT COOPERATING* (20-Dec-19)	1)CARE D (31-Aug-18)	1)CARE D (18-Jul-17)
5.	Fund-based - LT-Cash Credit	LT	-	Withdrawn	-	1)CARE D; ISSUER NOT COOPERATING* (20-Dec-19)	1)CARE D (31-Aug-18)	1)CARE D (18-Jul-17)
6.	Term Loan-Long Term	LT	-	Withdrawn	-	1)CARE D; ISSUER NOT COOPERATING* (20-Dec-19)	1)CARE D (31-Aug-18)	1)CARE D (18-Jul-17)

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

## Annexure 3: 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 - ST-EPC/PSC	Simple
3.	Non-fund-based - ST-BG/LC	Simple
4.	Term Loan-Long Term	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

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### Disclaimer

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**