Vijendra Pratap Singh

June 21, 2021

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	4.50	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Short Term Bank Facilities	5.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	9.50 (Rs. Nine Crore and Fifty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 14, 2020 placed the ratings of Vijendra Pratap Singh (VPS) under the 'issuer non-cooperating' category as VPS had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. VPS continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 30, 2021, April 09, 2021, April 19, 2021. 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 banker could not be contacted.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The rating has been revised by taking into account non-availability of information and no due-diligence conducted due to non-cooperation by VPS with CARE'S efforts to undertake a review of the rating outstanding. CARE views information availability risk as a key factor in its assessment of credit risk. Further, the ratings continue to remain constrained owing to modest scale of operations owing to its presence in a highly competitive and fragmented industry, moderate liquidity position, geographical as well as customer concentration of order book position and vulnerability of margins to volatile raw material prices and constitution as a proprietorship concern.

The rating draws comfort from experienced proprietor, long standing association with its reputed clientele base and moderate order book position, moderate profitability margins and comfortable solvency position.

Detailed description of the key rating drivers

Please refer to PR dated May 14, 2020

Detailed description of the key rating drivers

Key Rating Weaknesses

Modest scale of operations owing to its presence in a highly competitive and fragmented industry

The scale of operation continues to remain modest as marked by total operating income of Rs. 41.86 crores during FY19 as against 38.22 crore in FY18. (FY refers to the period April 01 to March 31). The small scale limits the company's financial flexibility in times of stress and deprives it from scale benefits.

Moderate liquidity position

The firm mainly executes the contracts for government department and hence, operating cycle of the firm stood moderate at 79 days in FY17.

Geographical as well as customer concentration of order book position:

The client base of VPS is skewed towards government departments in Uttar Pradesh with company generating majority of its income from PWD. Further, unlike many other construction companies, it has remained focused on the road segment

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*

**Issuer did not cooperate; Based on best available information* and moreover its orders under execution and the orders at bidding stage are also in the road segment. This makes it dependent on opportunities only in the road sector which is saddled with increased execution challenges. Moreover, the company being a regional player and all the projects are executed in UP only, also reflects geographical concentration risk.

Vulnerability of margins to volatile raw material prices and constitution as a proprietorship concern:
The profitability of the company is exposed to volatile raw material prices as in many of the contracts; the VPS does not have any price escalation clause. Further, its constitution as a proprietorship concern with moderate net worth base restricts its overall financial flexibility in terms of limited access to external fund for any future expansion plans. Furthermore, there is an inherent risk of possibility of withdrawal of capital and dissolution of the firm in case of death/insolvency of proprietor.

Key Rating Strengths
Experienced proprietor:
Mr. Vijendra Pratap Singh, Proprietor, looks after overall affairs of the firm. He has more than two decades of experience in the civil construction industry.

Long standing association with its reputed clientele base and moderate order book position:
VPS is an ‘A’ class approved contractor with PWD, Uttar Pradesh and ‘AA’ class approved by Irrigation department, Uttar Pradesh and hence it is eligible to participate in contracts of any amount pertaining to construction work of roads. As on January 05, 2018, VPS has an outstanding order book position of about Rs.14 crore. CARE cannot comment on the same as updated information is not available due to non-cooperation by VPS.

Moderate profitability margins:
During FY17, profitability of the firm stood moderate with PBILDT and PAT margin of 7.35% and 4.10% respectively in FY17 as against 6.68% and 4.06% respectively in FY16.

Comfortable solvency position:
The capital structure of the firm stood comfortable with an overall gearing of 1.12 times as on March 31, 2019 due to lower utilization of working capital bank borrowings along with accretion of profit to reserve. Further, debt service coverage indicators of the firm also stood comfortable with total debt to GCA of 2.89 times as on March 31, 2017.

Analytical Approach: Standalone

Applicable criteria
Criteria on assigning ‘outlook’ and ‘credit watch’ to Credit Ratings
Policy in respect of non-cooperation by issuers
CARE’s Policy on Default Recognition
Financial ratios – Non-Financial Sector
Liquidity Analysis of Non-Financial Sector Entities
Rating Methodology - Infrastructure Sector Ratings (ISR)
Criteria for Short Term Instruments

About the Firm
Uttar Pradesh based Vijendra Pratap Singh (VPS) was initially formed in 2002 as proprietorship concern by Mr Vijendra Pratap Singh. It is engaged in the business of civil construction with major focus on construction of roads and bridges for government departments. It is registered as an ‘A’ class approved contractor with Public Works Department, Uttar Pradesh (PWD) and ‘AA’ class approved with Irrigation department, Uttar Pradesh.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	38.22	41.86
PBILDT	2.05	2.58
PAT	1.55	1.86
Overall gearing (times)	1.37	1.73
Interest coverage (times)	-	-

A: Audited

Status of non-cooperation with previous CRA: BRICKWORK Ratings has conducted the review and has placed the rating to Issuer not cooperating as per press release dated May 13, 2021.
Any other information: Not Applicable
Rating History (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	-	-	-	4.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	5.00	CARE A4; 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) & 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-Cash Credit	LT	4.50	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (14-May-20)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (05-Feb-19)
2.	Non-fund-based - ST-Bank Guarantees	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (14-May-20)	-	1)CARE A4; ISSUER NOT COOPERATING* (05-Feb-19)

**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 Firm

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - ST-Bank Guarantees	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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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