

Jalan Transolutions (India) Ltd.

June 14, 2019

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	53.50	CARE D; ISSUER NOT COOPERATING [Single D; ISSUER NOT COOPERATING]	Revised from CARE BB; Negative; ISSUER NOT COOPERATING [Double B, Outlook; Negative; ISSUER NOT COOPERATING]
Total	53.50 (Rs. Fifty three crore and fifty lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 10, 2018, placed the ratings of Jalan Transolution (India) Ltd under the 'Issuer not cooperating' category as Jalan Transolution (India) Limited had failed to provide information for monitoring of the rating as agreed to in its rating Agreement. 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. The rating of Jalan Transolution (India) Ltd 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.

Detailed description of the key rating drivers

The revision in the ratings of Jagatjit Industries Ltd (JIL) takes into consideration the ongoing delays in debt servicing on its term liabilities. Further, on account of the stressed liquidity position of the company due to deterioration in its financial profile, there are overdues in the working capital facility as well.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)
[CARE's Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[CARE's methodology for Service sector companies](#)
[Financial ratios – Non-Financial Sector](#)

About the Company

Jalan Transolutions (India) Limited (JTIL) company formerly incorporated as Jalan Carriers Private Limited in April, 2003. Subsequently, the constitution of the company changed to a Public Limited Company in January 30, 2008. The company provides logistics services primarily to two wheeler companies. Headquarter of the company is situated in Delhi with 25 branches located in all major cities in India. JTIL has developed pan India operations with owned fleet of over 400 single/multi axle carriers, providing diverse range of logistic services. In association with Ashok Leyland Ltd & JK Tyres Ltd, the company has setup fully equipped work shop at Dharuhera, Haryana with 29,365 sq.ft. (built-up area) workshop known as Jalan Business Center in January 2015, which is basically a truck service station for trucks repair, maintenance & breakdown solution with latest machines & techniques. The company provides transport services to automobile companies in North India the major clients are Hero MotoCorp Ltd, Honda Motorcycle & Scooter India Pvt Ltd, Bajaj Auto Limited, TVS Motors Company Limited and Ashok Leyland Limited.

¹Complete 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

Brief Financials (Rs. Crore)	FY18 (A)	FY19 (A)
Total Operating Income	139.18	47.00
PBILDT	24.84	6.19
PAT	6.05	-4.39
Overall gearing (times)	1.26	1.54
Interest coverage (times)	3.58	0.94

A: Audited

Status of non-cooperation with previous CRA: CRISIL has suspended the rating in the month of December 08, 2016 on account of non-cooperation by the company.

Any other information: NA

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-Term Loan	-	-	-	13.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Negative; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Cash Credit	-	-	-	40.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Negative; ISSUER NOT COOPERATING* on the basis of 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	13.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Negative; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE BB; Negative; ISSUER NOT COOPERATING* (10-Dec-18)	1)CARE BBB-; Stable (07-Feb-18)	-
2.	Fund-based - LT-Cash Credit	LT	40.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Negative; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE BB; Negative; ISSUER NOT COOPERATING* (10-Dec-18)	1)CARE BBB-; Stable (07-Feb-18)	-

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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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