

Joginder Singh

October 29, 2020

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	2.00	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; ISSUER NOT COOPERATING (Single B) Stable outlook assigned
Short term Bank Facilities	4.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total	6.00 (Rs. Six crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 04, 2019, placed the rating of Joginder Singh (JS) under the 'issuer non-cooperating' category as JS had failed to provide information for monitoring of the rating. JS continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 20, 2020, October 13, 2020, and October 12, 2020. 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.

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

Detailed description of the key rating drivers

The rating has been revised on account of highly unorganized industry and intense competition and proprietorship nature of constitution.

Key rating Weaknesses**Highly unorganized industry and intense competition**

JGS operate in a highly fragmented and unorganized sector with the presence of numerous small and regional players. Hence, the players in the industry do not have any pricing power and are exposed to competition induced pressures on profitability.

Proprietorship nature of its constitution

JGS's constitution as a proprietorship firm has the inherent risk of possibility of withdrawal of the proprietor's capital at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of proprietor.

Key Rating Strengths**Experienced proprietor**

Mr. Joginder Singh has an experience of around two and half decades as transport contactor and has long term relationships with FCI through his association with JGS and Garcha Transport union (business operations discontinued as of now).

Analytical Approach—Standalone**Applicable criteria**

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Liquidity analysis of Non-financial sector entities](#)

[CARE's methodology for service sector companies](#)

[Financial ratios –Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

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

About the firm

M/s Joginder Singh (JGS) is a proprietorship firm established in 2008 by Mr. Joginder Singh (aged 65 years). The firm is engaged in providing services as transport contractor to Food Corporation of India (FCI) for the transportation of food grains from one centre of FCI to another centre of FCI in different districts of Himachal Pradesh and Punjab. The firm gets contract through competitive bidding process (tender basis) and hires the truck from the transport companies, for the movement of food grains.

Covenants of rated instrument / facility: Not Applicable

Brief Financials (Rs. crore)	FY14 (A)	FY15 (A)
Total operating income	6.16	5.90
PBILDT	0.18	0.22
PAT	0.10	0.10
Overall gearing (times)	4.74	2.35
Interest coverage (times)	2.07	1.80

A: Audited

Status of non-cooperation with previous CRA: BWR has conducted the review on the basis of best available information and classified Joginder Singhas "Not Co-operating" vide its press release dated January 09, 2020

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-Bank Overdraft	-	-	-	2.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	4.00	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 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-Bank Overdraft	LT	2.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; ISSUER NOT COOPERATING* (04-Sep-19)	1)CARE B+; ISSUER NOT COOPERATING* (11-Jun-18)	-
2.	Non-fund-based - ST-Bank Guarantees	ST	4.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (04-Sep-19)	1)CARE A4; ISSUER NOT COOPERATING* (11-Jun-18)	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: 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-Bank Overdraft	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:

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