

November 21, 2017

Zinka Logistics Solutions Private Limited

Summary of rated instruments

Instrument*	Rated Amount (in crore)	Rating Outstanding
Unallocated	3.50	Provisional [ICRA]A2+ (SO)
Fund-based limits	196.50	[ICRA]A2+ (SO)
Total	200.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has extended the validity of provisional ratings of [ICRA]A2+(SO)¹ [pronounced as Provisional ICRA A two plus Structured Obligation] assigned to the Rs.3.50 crore² proposed short term facilities of Zinka Logistics Solutions Private Limited (ZLSPL / the company) in June 2017 by 90 days. ICRA has earlier extended the same by 30 days in October 2017. ICRA also has a short-term rating of [ICRA]A2+(SO) outstanding on the Rs.196.50 crore fund based limits of the company.

Rationale

For the proposed short term facilities, the rating was provisional subject to availment of proposed limits by the company. However, the company is yet to avail additional facilities. Therefore, the rating continues to be provisional. ICRA will continue to review any update regarding the same.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[Approach for rating debt instruments supported by structural features \(Non-securitized transactions\)](#)

About the company:

Incorporated in April 2015, Zinka Logistics Solutions Private Limited is a technology-enabled logistics service provider, which has developed mobile application-based assisted marketplace for freight providers and customers under the brand name 'Blackbuck'. The said mobile platform allows online booking of trucks, tracking and management of the transportation for customers on the one hand and optimal utilisation and effective management of the fleet for truck owners on the other. The company focuses on B2B logistics solutions and provides inter-city freight services in the long haul, full truckload and standard delivery (goods, temperature and delivery time) category. It follows an asset-light business model by matching truckers with shippers through its online platform, in turn minimising the downtime for trucks and maximising the utility of the asset for the truck operator. At present, the company offers services in over 300 locations across India and has over 103,000 trucks listed on its platform.

¹ For complete rating scale or definitions please refer to ICRA's website www.icra.in or other ICRA Rating publications

² 100 lakh = 1 crore = 10 million

Key Financial Indicators (Audited)

	FY2016	FY2017
Operating Income (Rs. crore)	78.0	562.8
PAT (Rs. crore)	(16.5)	(86.6)
OPBDIT/ OI (%)	-25.0%	-14.6%
RoCE (%)	-19.4%	-28.0%
Total Debt/ TNW (times)	-	87.3
Total Debt/ OPBDIT (times)	0.0	(1.1)
Interest coverage (times)	(195.6)	(10.9)
NWC/ OI (%)	80.9%	29.6%

OI: Operating Income; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net-Worth + Deferred Tax Liability - Capital Work - in Progress); NWC: Net Working Capital

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years:

Table:

S. No	Instrument	Current Rating (FY2018)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
				November 2017	June 2017	-	-
1	Bill Discounting	Short Term	196.50	[ICRA]A2+ (SO)	[ICRA]A2+ (SO)	-	-
2	Unallocated	Short Term	3.50	Provisional [ICRA]A2+ (SO)	Provisional [ICRA]A2+ (SO)	-	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
	Bill Discounting	Nov 2015 – Mar 2017	-	-	196.50	[ICRA]A2+ (SO)
	Unallocated	-	-	-	3.50	Provisional [ICRA]A2+ (SO)

Source: Zinka Logistics Solutions Private Limited

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