February 23, 2018

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

Rationale

ICRA had assigned provisional ratings of [ICRA]A2+(SO)[1] [pronounced as Provisional ICRA A two plus Structured Obligation] assigned to the Rs.3.50 crore[2] proposed short term facilities of Zinka Logistics Solutions Private Limited (ZLSPL / the company) in June 2017. Subsequently, ICRA extended the validity of the same by 30 days in October 2017 and 90 days in November 2017.

The above ratings are provisional and would be converted into final upon execution of the necessary transaction documents being in line with ICRA's expectations.

For now, ICRA has extended the validity of the rating by 120 days; and would keep it under review in line with its published methodologies/ policies.

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.

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[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
				February 2018	November 2017	October 2017	June 2017		-	-
1	Bill Discounting	Short Term	196.50	[ICRA]A2+ (SO)	[ICRA]A2+ (SO)	[ICRA]A2+ (SO)	[ICRA]A2 + (SO)		-	-
2	Unallocated	Short Term	3.50	Provisional [ICRA]A2+ (SO)	Provisional [ICRA]A2+ (SO)	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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About ICRA Limited:
ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.
Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.
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