



Micro Logistics (India) Private Limited

Instrument	Amount Rated (Rs crore)	Rating Action
Cash Credit	7.00	[ICRA]BB- (Stable) assigned
Unallocated	3.00	[ICRA]BB- (Stable) / [ICRA]A4 assigned

ICRA has assigned a long term rating of [ICRA]BB- (pronounced ICRA double B minus) to the Rs 7.00¹ crore cash credit limits of Micro Logistics (India) Private Limited (ML or the company). The outlook on long term rating is Stable. Further, ICRA has assigned both, the long term rating of [ICRA]BB-(Stable) (pronounced ICRA double B minus) and short term rating of [ICRA]A4 (pronounced ICRA A four)² to the Rs 3.00 crore unallocated limit of ML. The unallocated limit will attract a rating as per tenure of usage.

Rating Rationale

For arriving at the ratings, ICRA has taken a consolidated view of the four group entities – S. J. Logistics (India) Private Limited, Opus Dei Logistics (India) Private Limited, Micro Logistics (India) Private Limited and Gulf Orient Shipping on account of their common promoter and similar nature of business operations.

The assigned ratings factor in the long standing experience of promoter & established track record of the group in the freight forwarding industry; the group's ability of providing end to end shipping and logistics solutions for international shipments; established and diversified client base; and healthy revenue growth reported by the group over the last four fiscals. The ratings are however constrained by the group's weak financial risk profile as reflected by low profitability, high gearing level, weak debt coverage indicators; and tight liquidity position arising out of mismatch in working capital cycle as a result of long receivable and short payable periods. The ratings are further constrained by the exposure of group's revenues and margins to cyclicalities present in international trade; intense competitive pressure from other organized as well as unorganized players operating in the fragmented freight forwarding industry; and risks arising from forex exposure wherein significant payables are denominated in foreign currency.

Company Profile

Micro Logistics (India) Private Limited (ML or the company) is a part of the Mumbai based SJL Group which is engaged in the clearing and forwarding business. The company was started by Mr. Rajen Shah in February 2013 for providing shipping services for international shipments (export/import). Over the years, the promoter has gradually expanded the business by adding various value added services to provide end to end shipping & logistics solutions for exporters/importers. SJL group currently has four entities based in India which provide shipping services such as ocean & air freight forwarding, customs clearance, transportation etc. The group mainly concentrates on ocean export shipments. Each entity specializes in handling of particular type of cargo/commodities.

Recent Results

For the financial year ended March 31, 2014, the company reported an operating income of Rs 31.63 crore and profit after tax of Rs 0.47 crore as against an operating income of Rs 6.08 crore and profit after tax of Rs 0.10 crore for the financial year 2012-13. Further, as per provisional financials for FY 15, the company has reported an operating income of Rs 32.49 crore and profit after tax of Rs 0.51 crore.

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For further details please contact:

¹ 100 lakhs = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications



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