

Zinka Logistics Solutions Private Limited

June 07, 2018

Summary of rated instruments

Instrument*	Previously Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Unallocated	3.5	-	Provisional [ICRA]A2+(SO); Withdrawn
Short-term fund based facilities	196.5	196.5	[ICRA]A2+ (SO); Outstanding
Total	200.00	196.5	

*Instrument details in Annexure - I

Rating action

ICRA has withdrawn the short-term rating of Provisional [ICRA]A2+ (SO) (pronounced as ICRA A two plus structured obligation)¹ outstanding on the Rs. 3.50 crore² unallocated facilities of Zinka Logistics Solutions Private Limited (ZLSPL / the company) as there is no amount outstanding against the rated instrument.

ICRA also has short-term rating of [ICRA]A2+ (SO) (pronounced ICRA A Two Plus Structured Obligation) outstanding on the Rs.196.50 crore fund-based bank facilities of ZLSPL. The letters SO in parenthesis suffixed to a rating symbol stand for Structured Obligation. An SO rating is specific to the rated issue, its terms and its structure. SO ratings do not represent ICRA's opinion on the overall credit quality of the issuers concerned.

Rationale

The rating has been withdrawn as there is no amount outstanding against the rated instrument and in accordance with ICRA's policy on withdrawal and suspension.

The previous rating rationale for ZLSPL is available at the following link:

<https://www.icra.in/Rationale/ShowRationaleReport/?Id=36585>

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

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

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

² 100 lakh = 1 crore = 10 million

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.

Key financial indicators (audited)

Consolidated	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)

Source: Company, ICRA research; OPBDITA: Operating Profit before Depreciation, Interest and Taxes; PAT: Profit After Tax; RoCE: Return on Capital Employed; TNW: Tangible Net Worth; NWC: Net Working Capital

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)												Chronology of Rating History for the past 3 years					
												Date & Rating in FY2017	Date & Rating in FY2016				
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2018 (Rs. Crore)	Date & Rating	Date & Rating in FY2018					-	-						
					June 2018	February 2018	November 2017	October 2017	June 2017								
1	Fund based facilities	ST	196.5	NA	[ICRA]A2 + (SO)	[ICRA]A2 + (SO)	[ICRA]A2 + (SO)	[ICRA]A2 + (SO)	[ICRA]A2 + (SO)	-	-						
2	Unallocated	ST	-	-	Provisional	Provisional	Provisional	Provisional	Provisional	-	-						
					[ICRA]A2 + (SO); Withdrawn	[ICRA]A2 + (SO)	[ICRA]A2 + (SO)	[ICRA]A2 + (SO)	[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

Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Bill Discounting	Nov 2015 – Mar 2017	-	NA	196.5	[ICRA]A2+ (SO)
Unallocated facilities	NA	-	-	-	Provisional [ICRA]A2+(SO) Withdrawn

Source: the company

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