

December 11, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	2.78	SMERA BB-/Stable (Upgraded from SMERA B+/Stable)
Bank Guarantee	4.50	SMERA A4+ (Upgraded from SMERA A4)

SMERA has upgraded the long-term rating assigned to the above mentioned bank facilities of Roadwings International Private Limited (RIPL) to '**SMERA BB-**' (read as **SMERA double B minus**) from '**SMERA B+**' and the short-term rating to '**SMERA A4+**' (read as **SMERA A four plus**) from '**SMERA A4**'. The outlook is '**Stable**'.

The rating upgrade takes into account the improvement in RIPL's financial risk profile driven by repayment of long term loan resulting in further lowering in gearing levels. A significant decrease in debt level has resulted in low interest cost which in turn has led to improved debt protection metrics for the company. The rating upgrade also factors in the improvement in the liquidity position backed by moderate bank limit utilisation.

The ratings continue to draw support from the company's experienced management and long track record of operations. The ratings are also supported by the above average financial risk profile and reputed clientele. However, the ratings are constrained by the modest scale of operations, working capital intensive business and intense competition in the logistics industry.

Rating Sensitivity Factors

- Increasing scale of operations and sustaining margins
- Efficient working capital management

About the Company

Established in 1988, RIPL is a Kolkata-based company promoted by Mr. B.R. Surekha and Mr. Shrawan Kumar Surekha. The company provides cargo handling (stuffing and de-stuffing of containers in the container yard) and transportation services. It has invested in 11 inland container depots with operations covering five ports across India.

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For FY2014–15, RIPL reported profit after tax (PAT) of Rs.1.09 crore on total operating income of Rs.46.28 crore, as compared with PAT of Rs.0.76 crore on total operating income of Rs.44.25 crore in FY2013–14.

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