



Press Release

Crystal Roadways Private Limited

July 26, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 14.75 Cr.
Long Term Rating	SMERA D
Short Term Rating	SMERA D

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA D' (read as SMERA D)** and short term rating of '**SMERA D' (read as SMERA D)** on the Rs. 14.75 crore bank facilities of Crystal Roadways Private Limited.

The Kolkata-based Crystal Roadways Private Limited (CRPL) was established in 1998 by Mr Murarilal Agarwal. The company runs a multi-purpose cold storage unit and has long term relations with well known brands such as KFC, Pizza Hut, Britannia and Amul. In July 2014, the company acquired Shimla Horticulture and merged it with CRPL.

Key Rating Drivers

Strengths

- **Experienced management**

The company is led by Mr Murarilal Agarwal, Mr Rajesh Agarwal who possess almost two decades of experience in the transportation and food storage industry.

- **Established relationship with customers**

The company is associated with some of the well-known brands like KFC, Pizza Hut, Britannia and Amul since 2013.

Weaknesses

- **Delays in servicing of debt obligations**

There have been delays in the payment of term loan installment due to stretched liquidity.

- **Average financial risk profile**

The average financial risk profile of the company is marked by low networth, moderate gearing and average debt protection measures. The networth stood at Rs 11.74 crore in FY2017 (Provisional) compared to Rs. 14.99 crore in FY2016 on account of continuous net losses incurred in the last three years ended FY2017(Provisional).The debt equity stood at 1.23 times in FY2017 (Provisional) as against 0.94 times in FY2016. The total debt of Rs 14.47 in FY2017 (Provisional) constitutes Rs 13.93 crore of term loan and short term borrowings. The interest coverage stood at 1.08 times in FY2017 (Provisional) as against 3.07 times in FY2016. Moreover, the net cash accruals to total debt (NCA/TD) is at 0.01 times in FY2017 (Provisional) as against 0.15 times in FY2016.

• **Highly fragmented cold storage industry**

The cold storage market in India is highly fragmented with several players in the organised and unorganised sectors.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the company.

About the Rated Entity - Key Financials

For FY2015-16, the company registered operating income of Rs 5.86 crore as against net losses of Rs 0.78 crore. For FY2014-15, the company registered operating income of Rs 4.32 crore as against net losses of Rs 0.01 crore. For FY2017(Provisional) the company registered revenue of Rs 6.01 crore.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Entities In Services Sector - <https://www.smera.in/criteria-services.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	14.23	SMERA D
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.34	SMERA D
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.18	SMERA D

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ABOUT SMERA

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