

Press Release

PDP International Private Limited

June 4, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 8.00 Cr.
Long Term Rating	ACUITE BB-/ Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE BB-**' (read as **ACUITE double BB minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 22.00 crore bank facilities of P D Agro Processors. The outlook is '**Stable**'.

PDP International Private Limited (PDP) was established in the year of 1995 as a private limited company by Mr. Pramod Kumar Srivastava and Mrs. Rupa Srivastava. The company is engaged in providing freight and forwarding services along with storage and warehousing and transportation & handling. PDP has its own warehouse of 50,000 sq. ft. in Kolkata.

Key Rating Drivers

Strengths

Experienced management ad long track record of operation:

PDP has been in operations since 1996. The directors of PDP, Mr. Pramod Kumar Srivastava and Mrs. Rupa Srivastava have more than two decades of experience in logistic business.

Average financial risk profile:

The average financial risk profile of the company is marked by low network, comfortable gearing and healthy debt protection metrics. The net worth of the company stood low at Rs.6.06 crore in FY2017 as compare to Rs.4.18 crore in FY2016, mainly on account of retention of current year profit. The gearing of the company stood comfortable at 0.50 times in FY2017 as compare to 0.58 times in FY2016. The interest coverage ratio (ICR) of the company stood comfortable at 9.27 times in FY2017 as compare to 3.19 times in FY2016. The debt service coverage ratio (DSCR) of the company stood comfortable at 5.51 times in FY2017 as compare to 2.22 times in FY2016. The net cash accruals against the total debt stand comfortable at 0.73 times in FY2017 as compare to 0.31 times in FY2016.

Weaknesses

Moderate scale of operation:

The scale of operation stood moderate at Rs.28.36 crore in FY2017 as compared to Rs.12.58 crore in FY2016. The company has booked Rs.25.24 crore as on 31st March FY2018 (Provisional).

Moderate working capital management

The working capital management of the company marked by moderate gross current asset (GCA) days of 87 in FY2017 as compare to 133 days in previous year. The collection period of the company stood at 59 days in FY2017 and 97 days in previous year. The inventory days stands nil mainly due to company engaged in providing services.

Analytical Approach

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

Outlook: Stable

SMERA believes PDP will maintain a stable business risk profile in the medium term on account of its experienced management and established operational track record. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while maintaining its financial risk profile. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability, or in case of deterioration in the company's financial risk profile.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	28.36	12.58	18.07
EBITDA	Rs. Cr.	3.40	1.21	0.94
PAT	Rs. Cr.	1.88	0.44	0.14
EBITDA Margin	(%)	12.00	9.63	5.20
PAT Margin	(%)	6.62	3.48	0.75
ROCE	(%)	40.22	13.96	19.72
Total Debt/Tangible Net Worth	Times	0.50	0.58	0.91
PBDIT/Interest	Times	9.27	3.19	2.03
Total Debt/PBDIT	Times	0.87	1.92	3.35
Gross Current Assets (Days)	Days	87	133	95

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/criteria-fin-ratios.htm>
- Infrastructures Entities – <https://www.acuite.in/criteria-infra.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.89	ACUITE BB-/ Stable
Proposed Long term facilities	Not Applicable	Not Applicable	Not Applicable	4.61	ACUITE BB-/ Stable
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4

Contacts

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