



**Press Release**  
**EXPRESS ROADWAYS PRIVATE LIMITED**  
**April 01, 2025**  
**Rating Upgraded & Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	167.65	ACUITE BBB+   Upgraded & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	167.65	-	-

**Rating Rationale**

Acuite has upgraded and withdrawn its long-term rating at 'ACUITE BBB+' (read as ACUITE triple B Plus) from 'ACUITE BB+' (read as ACUITE Double B plus) on the Rs.167.65 Cr. bank facilities of Express Roadways Private Limited (ERPL).

The withdrawal is on account of the client's request and receipt of No Objection Certificate from the bankers. The withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

**Rationale for upgrade:**

The rating upgrade and migration from 'Issuer Non-Cooperating' reflects improvement in the scale of operations and stable profitability in FY2024. Furthermore, it considers the extensive experience of the promoters of more than two decades in the logistics industry. Additionally, the rating factors in its comfortable financial risk profile and moderate working capital operations.

However, the rating is constrained by exposure to intense competition and the cyclical nature of the industry.

**About the Company**

Incorporated in 1993, Express Roadways Private Limited (ERPL) is a Delhi-based company engaged in transportation, warehousing, and freight-forwarding for FMCG, white goods, lubricants, tyres, oil & gas, chemical, pharmaceutical, cement, textile, and paper products companies. The day-to-day operations are managed by its directors, Mr. Satish Kumar Gupta, Mr. Kamal Gupta, and Mr. Mahendra Kumar Gupta. ERPL primarily operates on the north-west, north-south, west-south, south-west, and west-to-east routes, particularly in Delhi-NCR, Ambala-Panipat, Rudrapur-Haridwar, Amritsar-Ludhiana, Mumbai-Pune-Vapi-Baroda, Vizag, Bangalore, Karnataka, Chennai, Kolkata, and Guwahati.

**Unsupported Rating**

Not applicable

**Analytical Approach**

Acuite has considered the standalone financial and business risk profile of ERPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

- **Experienced management, long - track record of operations and reputed clientele**

ERPL commenced operations in 1993. The company is promoted and managed by professionals with more than two decades of experience in the logistics industry. Mr. Mahendra Kumar Gupta has worked in a similar

business line for over two decades. Mr. Satish Kumar Gupta has considerable experience working for a transportation company. Additionally, Mr. Kamal Gupta was involved in another transportation business under the name Express Road Carrier Private Limited. The extensive experience of the promoters has enabled the company to forge healthy relationships with major customers. This experience has also helped the company maintain healthy relationships with its suppliers.

- **Comfortable financial risk profile**

The financial risk profile of the company is comfortable marked by healthy net worth, moderate capital structure and debt protection measures. The net worth of the company stood at Rs.175.43 Cr. and Rs.150.94 Cr. as on March 31, 2024 and 2023 respectively. The improvement in the net worth is on account of accretion of reserves. The gearing of the company stood at 1.13 times as on March 31, 2024, against 1.10 times as on March 31, 2023. Debt protection metrics – Interest coverage ratio and debt service coverage ratio stood at 6.28 times and 1.79 times as on March 31, 2024, respectively as against 6.51 times and 1.29 times as on March 31, 2023, respectively. TOL/TNW (Total outside liabilities/Total net worth) stood at 1.39 times and 1.37 times as on March 31, 2024, and 2023 respectively. The debt to EBITDA of the company stood at 2.24 times as on March 31, 2024, as against 2.17 times as on March 31, 2023.

- **Moderate Working capital operations**

ERPL's working capital operations are moderate, as reflected in its gross current assets (GCA) of 89 days in FY2024, compared to 89 days in FY2023. The inventory days stood at 1 day in FY2024, the same as in FY2023. The debtor days stood at 81 days in FY2024, compared to 82 days in FY2023. Debtor days are high due to the time taken in transportation, the process to raise the bill, quality checks, and the credit periods of respective companies, which can range from 1 to 3 months. Furthermore, the reliance on bank limits stood moderate with average utilization of approximately 62 percent for the fund-based limits for the past seven months ending in January 2025.

## **Weaknesses**

- **Government regulations and cyclical effects from other industries**

ERPL is exposed to changes in government rules and regulations. Further, it is also exposed to cyclical effects from other industries as the company caters to various industries like FMCG, Lubricants, Automobile, etc

- **Exposure to intense competition**

The domestic road freight transport industry has several large and small players because of the low entry barrier (modest capital and technology requirements and easy access to finance for vehicles). ERPL is exposed to risk related to intense competition because of the fragmented industry which limits the bargaining power with customers.

## **Rating Sensitivities**

Not applicable

## **Liquidity Position: Adequate**

ERPL's liquidity is adequate, marked by sufficient net cash accruals to meet its maturing debt obligations. The company generated cash accruals of Rs. 66.31 crore in FY2024, while its maturing debt obligations were Rs. 30.79 crore during the same period. The current ratio stood at 1.71 times as of March 31, 2024. Furthermore, the reliance on bank limit utilization stood at approximately 62 percent for the fund-based limits for the past seven months ending in January 2025. The company maintained unencumbered cash and bank balances of Rs. 0.11 crore as of March 31, 2024.

## **Outlook: Not applicable**

## **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	888.93	779.06
PAT	Rs. Cr.	24.49	29.55
PAT Margin	(%)	2.75	3.79
Total Debt/Tangible Net Worth	Times	1.13	1.10
PBDIT/Interest	Times	6.28	6.51

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

Not applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Dec 2024	Term Loan	Long Term	19.15	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
	Cash Credit	Long Term	50.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
	Cash Credit	Long Term	26.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
	Cash Credit	Long Term	32.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	40.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
06 Oct 2023	Term Loan	Long Term	19.15	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	13.85	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	12.15	ACUITE BBB+   Stable (Assigned)
	Cash Credit	Long Term	32.50	ACUITE BBB+   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	40.00	ACUITE BBB+   Stable (Assigned)
24 Nov 2022	Term Loan	Long Term	19.15	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	55.00	ACUITE BBB+   Stable (Reaffirmed)
	Secured Overdraft	Long Term	1.85	ACUITE BBB+   Stable (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BBB+   Stable (Reaffirmed)

# Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB+   Upgraded & Withdrawn ( from ACUITE BB+ )
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.00	Simple	ACUITE BBB+   Upgraded & Withdrawn ( from ACUITE BB+ )
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.50	Simple	ACUITE BBB+   Upgraded & Withdrawn ( from ACUITE BB+ )
Bank of Baroda	Not avl. / Not appl.	Term Loan	25 May 2019	Not avl. / Not appl.	23 Sep 2030	19.15	Simple	ACUITE BBB+   Upgraded & Withdrawn ( from ACUITE BB+ )
Kotak Mahindra Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB+   Upgraded & Withdrawn ( from ACUITE BB+ )

## Contacts

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### About Acuité Ratings & Research

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