

November 10, 2025

## Express Roadways Private Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	36.50	31.90	[ICRA]BBB+ (Stable); reaffirmed
Long-term/ Short -term – Fund based working capital	138.50	156.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; reaffirmed and assigned to enhanced amount
Long-term/ Short -term – Non-Fund based limits	10.00	10.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; reaffirmed
Long-term/ Short -term – Interchangeable Limits	(17.00)	(20.00)	[ICRA]BBB+ (Stable)/ [ICRA]A2; reaffirmed and assigned to enhanced amount
<b>Total</b>	<b>185.00</b>	<b>197.90</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings reaffirmation for Express Roadways Private Limited (ERPL) factors in the expectation of steady operational performance by the company, aided by its established market position in the full truck load (FTL) segment and its long-standing relationship with its customers across diverse industries, which provide healthy revenue visibility. The company operates across sectors such as fast-moving consumer goods (FMCG), oil and gas, capital goods, packaging, pharmaceuticals, steel, and solar power with over a decade-long association with reputed clients including Hindustan Unilever Ltd., ITC Limited, Dabur India Limited, Exxon Mobile Lubricant, TATA Group and Valvoline Cummins Private Limited, among others. The ratings also factor in the wide network of the company with its 19 warehousing facilities spread across different states in the country, providing primary and secondary distribution services to its established clientele. Going forward, the scale-up in the other transportation segments, such as refrigerated trucking (reefer), warehousing, express cargo services (dedicated trucks assigned to other logistics companies) will be the key growth drivers with the share of FTL likely to decline gradually.

ERPL's revenue improved by a healthy rate of 13% to Rs. 1,004.3 crore in FY2025 (Rs. 457.8 crore in 5M FY2026), up from Rs. 888.9 crore in FY2024. However, the operating and net profit margins remained lower than expected, with the OPM declining to 8.1% in FY2025 from 9.8% in FY2024 due to pricing pressure, higher operating costs (mainly elevated salary costs and expenses incurred towards setting up a centralised tracking system in Hyderabad) as well as higher depreciation and interest costs. The revenues of the company are expected to increase at a CAGR of around 10% over the near term with a gradual improvement in margins, supported by limited incremental infrastructure and admin costs along with its focus on high margin business verticals. The company continues to focus on onboarding customers with healthy payment profile. The company's debt levels increased to Rs. 241.2 crore as of March 31, 2025, from Rs. 198.6 crore as of March 31, 2024, due to continuous fleet expansion. Despite an increase in debt, its credit metrics remain healthy (TD/OPBITDA of 3.0 times as of FY2025 end). The debt metrics are expected to witness a gradual improvement going forward, with an increase in operating profits, DSCR expected to remain at 1.5-1.6 times over the medium term.

The ratings, however, remain constrained by the exposure of the road logistics business to various externalities, such as increase in fuel costs and labour expenses, which the company may not be able to entirely pass on to its customers and could have an adverse impact on the profit margins. However, presence of fuel price escalation clause in its contracts partly offsets the risk. The ratings also remain constrained by the high working capital intensity of ERPL's operations, given its elongated receivable cycle. This apart, the fragmented nature of the road logistics business results in stiff competition, which restricts its

margin expansion. Also, the revenues and earnings in the road logistics business remain vulnerable to a slowdown in economic activities and goods volumes across various industries, through it is partly mitigated by a diversified client and revenue base across various industries.

The Stable outlook reflects ICRA's opinion that despite the company's continuous fleet expansion plans, an expectation of healthy cash accruals will help the company maintain a comfortable financial risk profile.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters and established track record in the logistics business** – The company benefits from the extensive experience of its promoters — Gupta family comprising Mr. Satish Gupta, Mr. Mahender Gupta, Mr. Naresh Gupta, Mr. Anand Gupta, and two others — who have over three decades of industry experience. ERPL has an established track record in the freight logistics business (mainly FTL) and has been expanding high-margin verticals – express cargo and reefer logistics – that will aid the company's overall profile in the near-to-medium term. The company has a mix of owned and hired fleet. It has own fleet of around 1,800 vehicles as of October 2025 and meets the balance requirement by hiring trucks on a need basis, which has helped it maintain healthy operating efficiency.

**Well entrenched network and diversified client profile** – ERPL mainly operates in the FTL segment. The company is also gradually expanding its offerings from transportation services to warehousing, as well as other logistics-related services, which provide diversity in revenue streams. ERPL has a capacity of 19 warehouses (with approximately half of the space owned and the other half rented) and has a wide reach with more than 35 operational centres throughout India. The company has a diversified customer base as the top five clients accounted for 25-30% of the revenue in FY2025. Besides, the company caters to diversified industries, including paper, FMCG, oil and gas, capital goods, pharmaceuticals, and steel. Diversified end user industry base helps mitigate the risk of fluctuation in revenue during economic cycles.

**Healthy financial risk profile** – ERPL's revenue rose by 13% to Rs. 1,004.3 crore in FY2025 (Rs. 457.8 crore in 5M FY2026) from Rs. 888.9 crore in FY2024, however, its margin declined to 8.1% in FY2025. Even as the overall debt level increased in FY2025, the capital structure and leverage metrics have been steady, as reflected by a gearing of 1.3 times as of March 31, 2025 (previous year [PY]: 1.1 times) and TD/OPBITDA of 3 times (PY: 2.3 times). While the proposed capital expenditure (capex) of Rs. 65-75 crore over the next couple of years will be partially debt funded by around Rs. 50 crore, the debt protection metrics are likely to be comfortable, with projected DSCR of 1.5-1.6 times. An improvement in its operating profitability remains a monitorable, going forward.

### Credit challenges

**Working capital intensive nature of operations due to elongated receivable cycle** – In the freight logistics business, ERPL hires trucks for 50% of its needs, where the company needs to pay the amount upfront, while payments from customers are realised in 60-90 days, resulting in high working capital requirements. ERPL has been able to manage its receivables over the years, partially by entering into contracts with new customers after thorough financial due diligence, limiting its dependence on working capital borrowings.

**Intense competition limits pricing flexibility; exposure to cyclical demand in end-user demand** – The trucking industry in India is largely fragmented, given the low entry barriers and domination of small transport operators with a fleet size of a maximum five trucks, which limits pricing flexibility and exerts pressure on margins. Nonetheless, ERPL enjoys established relationships with its customers, translating into repeat orders, which mitigates the competition to an extent. Also, revenues and earnings in the road logistics business remain vulnerable to slowdown in economic activities. The risk is partly mitigated by the company's diverse customer base across different sectors.

## Liquidity position: Adequate

The liquidity position of ERPL is **adequate**, supported by expectation of steady cash flow from operations (Rs. 40-50 crore in FY2026) and a buffer of around Rs. 30 crore in the fund-based limits as of July 31, 2025. The company has repayment obligations of Rs. 27-30 crore in FY2026 towards the existing debt. Also, it has capex plans of Rs. 65-75 crore p.a. in FY2026 and FY2027, which are expected to be met through a mix of debt, replacement of old trucks and internal accruals.

## Rating sensitivities

**Positive factors** – The ratings can be upgraded if the company is able to report a healthy ramp-up in operations along with a sustained increase in profitability, leading to an improvement in credit metrics and liquidity. Specific credit metrics that could lead to ratings upgrade include Total Debt/OPBDITA of lower than 2.0 times on a sustained basis.

**Negative factors** – Pressure on the company's ratings could arise if there is a material decline in revenues or a moderation in profitability, resulting in a stretch in coverage metrics. Any substantial debt-funded capex, impacting the debt coverage metrics, will be a rating sensitivity. Specific credit metrics that could result in ratings downgrade include DSCR of less than 1.6 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Incorporated in 1993, Express Roadways Private Limited, is a logistics solutions provider, promoted by Mr. Naresh Gupta, Mr. Satish Gupta, and Mr. Anand Gupta. The company owns a fleet of 1,800 trucks as of October 2025. ERPL primarily operates in the domestic road freight transportation business, largely operating on a FTL basis. In 2008, the company started its warehousing business and set up its first warehouse as a part of its third-party logistics (3PL) business, wherein the company provides storage facilities, primary and secondary transportation, etc. The company has a capacity of 19 warehouses (owned and leased) and has a diversified reach throughout India with an operational presence of more than 35 operational centers throughout the country. ERPL has also recently launched its cargo (dedicated trucks and trucking solutions to other logistics firms) and refrigeration transport business.

## Key financial indicators (audited)

ERPL	FY2024	FY2025	5M FY2026*
Operating income	888.9	1,004.3	457.8
PAT	24.5	9.3	3.9
OPBDIT/OI	9.8%	8.1%	7.8%
PAT/OI	2.8%	0.9%	0.9%
Total outside liabilities/Tangible net worth (times)	1.4	1.5	-
Total debt/OPBDIT (times)	2.3	3.0	-
Interest coverage (times)	6.2	4.5	4.0

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Type	Current ratings (FY2026) Amount rated (Rs. crore)	Chronology of rating history for the past 3 years							
			FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
1 Long term / short term-others-non fund based	Long Term/Short Term	10.00	Nov 10, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	Oct 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-
2 Long term / short term-others-fund based	Long Term/Short Term	156.00	Nov 10, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	Oct 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-
3 Long term / short term-others-interchangeable	Long Term/Short Term	(20.00)	Nov 10, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	Oct 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-
4 Long term-term loan-fund based	Long Term	31.90	Nov 10, 2025	[ICRA]BBB+ (Stable)	Oct 29, 2024	[ICRA]BBB+ (Stable)	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Term Loan	Simple
Long-term/ Short -term – Fund-based limits	Simple
Long-term/ Short -term – Non-Fund-based limits	Very Simple
Long-term/ Short -term – Interchangeable limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan-I	FY2023-FY2024	NA	FY2029-FY2030	31.90	[ICRA]BBB+ (Stable)
NA	Long-term/ Short -term – Fund-based limits	NA	NA	NA	156.00	[ICRA]BBB+(Stable)/ [ICRA]A2
NA	Long-term/ Short -term – Non-Fund-based limits	NA	NA	NA	10.00	[ICRA]BBB+(Stable)/ [ICRA]A2
NA	Long-term/ Short -term – Interchangeable limits	NA	NA	NA	(20.00)	[ICRA]BBB+(Stable)/ [ICRA]A2

Source: Company

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**Annexure II: List of entities considered for consolidated analysis- Not Applicable**

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