



## Press Release

### Exim Logistics Private Limited

June 03, 2024

#### Ratings

Instrument/ Facility	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long-term Bank Facilities	59.35	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Assigned	Simple
Short-term Bank Facilities	9.15 (including proposed limit of 2.15)	IVR A3 (IVR A Three)	Assigned	Simple
<b>Total</b>	<b>68.50</b> <b>(Rs. Sixty-Eight crore and Fifty lakh only)</b>			

Details of Facilities are in Annexure 1

#### Detailed Rationale

The ratings assigned to the bank facilities of Exim Logistics Private Limited (ELPL) derives comfort from its experienced promoters with long track record, established long term relationship with reputed customers and continuous increase in scale with improvement in profitability during FY24 (provisional). These ratings strengths continues to remain partially offset by its high competitive intensity in logistics business, leverage capital structure with, working capital intensive nature of operation and segmental concentration risk.

#### Rating Sensitivities

##### Upward factors

- Sustained revenue growth coupled with improvement in profit margin on a sustained basis
- Growth in cash accrual and prudent working capital management
- Improvement in leverage ratios

##### Downward Factors

- Any decline in revenue and profit margin on a sustained basis
- Moderation in the capital structure with overall gearing ratio
- Deterioration in debt protection metrics and Total debt/GCA

#### Detailed Description of Key Rating Drivers



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### Key Rating Strengths

- **Experienced promoters with long track record**

The promoters have long-standing experience in logistic business. Currently, Mr. Himadri Keshari Pattanaik, Managing Director, looks after day-to-day affairs of the company along with other director, Mrs. Jharana Guru along with a team of experienced personnel. All the directors are having around two decades of experience in related industry. This apart, the operation of the company has started from 2006, thus it is enjoying a long and proven track record of operation.

- **Established long term relationship with reputed customers**

Over the period, ELPL has developed a strong client base from which it has been receiving regular orders, most of which is long-term in nature (ranging from 3-5 years). The clientele like Tata Steels, Aarati Steels Ltd, Jindal Steel & Power Ltd, etc. have been working with the company from 2008 onwards. Moreover, most of its clients are leading companies in the respective sectors with strong credit profiles, resulting in low counterparty risk.

- **Continuous increase in scale with improvement in profitability during FY24 (provisional)**

TOI has increased at a CAGR of ~22% during last three financial years ending in FY24, with Y-o-Y increase of ~9% over FY23 and ended at Rs.373.39 crore in FY24 (prov.) on the back of increase in demand of industrial goods transportation with the increase in economic activities. As the company largely dependent on rented fleets, profitability remained low over the years. However, with the increase in own fleet and initiation of escalation clause with most of the net contracts coupled with tie up with few petrol pump chanin over the country, which provides a cash discount in fuel price, leasing to increase in profitability in FY24, where both EBITDA and PAT margin has improved to 5.93% and 1.70% respectively.

### Key Rating Weaknesses

- **High competitive intensity in logistics business coupled with segmental concentration risk**

The road logistics segment has always been characterised by high competitive intensity, with the presence of a several unorganized and established companies in the segment, which may constrain the company's revenues and margins in the long term; however, entry barriers in the express logistics are significantly high, which limits threat of any new entrants. Maintaining



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its superior service standards and providing innovative solutions to the evolving customer requirements will be keys for ELPL to expand its market position. Further, since most of its customers belong to the steel industry, the company has dependency on the steel industry. Moreover, ELPL derived around ~50% its revenue from Tata Steel.

- **Leverage capital structure with**

Capital structure of the company remained leveraged over the years with high overall gearing at 2.70x as on March 31, 2024 with the availment of term loan for accumulation of new fleet and high utilisation of bank borrowing to fund the fuel and regular rental costs to borrowed fleets.

- **Working capital intensive nature of operation**

Operation of the company is working capital intensive with the longer collection period , resulted in high utilisation of bank borrowing. As the turnover of the company is largely coming from institutional contracts, it takes around 60 days to clear the payment after completion of transportation. Further, average utilisation of bank borrowing was around 88% during last 12 months ending in April 2024.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

**Liquidity: Adequate**

ELPL has earned a gross cash accrual of Rs. 4.64 crore in FY23 and Rs. 14.40 (Prov.). Further the company is expected to earn a gross cash accrual in the range of ~Rs. 18 to 25 crore as against its debt repayment obligations around ~Rs. 9 to 11 crore per year during FY25-27. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. Further, average cash credit utilisation of the company remained high at ~88% during the past 12 months ended April 2024 indicating a low liquidity cushion.

**About the Company**



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Exim Logistics Private Limited (ELPL) was incorporated in 2006, promoted by Mr. Himadri Pattanayak in Bhubaneswar, Odisha to initiate a logistic service business. The company is engaged in providing logistic services through air, sea and road transportation. The company offers a broad portfolio of services including Air & Sea Freight Services, Road & Railways Transportation Services, Customs Clearance Services, Port Handling Services, Warehousing Services, etc. The company has a global network of associates. The company has 4 regional offices and around 38 controlling branches in 13 states in India. Currently, Mr. Himadri Keshari Pattanaik, Managing Director, looks after day-to-day affairs of the company along with other director, Mrs. Jharana Guru and a team of experienced personnel.

### Financials (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2022	31-03-2023
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	252.46	343.52
EBITDA	7.58	10.30
PAT	0.35	0.53
Total Debt	46.63	102.01
Tangible Net worth	23.45	31.10
EBITDA Margin (%)	3.00	3.00
PAT Margin (%)	0.14	0.15
Overall Gearing Ratio (x)	1.99	3.28

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Acuite Ratings vide its press release date May 02, 2024, has moved the rating into Issuer Not Cooperating category due to non-submission of information by the company.

India Ratings vide its press release date March 14, 2024, has continued the ratings in the Issuer Not Cooperating category due to non-submission of information by the company.

CRISIL vide its press release date September 18, 2023, has continued the ratings in the Issuer Not Cooperating category due to non-submission of information by the company.

**Any other information:** Nil

**Rating History for last three years:**



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Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1	Term Loan	Long Term	24.00	IVR BBB-/ Stable	-	-	-
2.	GECL	Long Term	5.35	IVR BBB-/ Stable	-	-	-
3.	Cash Credit	Long Term	30.00	IVR BBB-/ Stable	-	-	-
4.	Bank Guarantee (including proposed limit)	Short Term	9.15	IVR A3	-	-	-

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com)





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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Aug-2028	24.00	IVR BBB-/ Stable
GECL	-	-	July 2024	1.98	IVR BBB-/ Stable
GECL 1.0 Extn.	-	-	Oct. 2026	3.37	IVR BBB-/ Stable
Cash Credit	-	-	-	30.00	IVR BBB-/ Stable
Bank Guarantee	-	-	-	7.00	IVR A3
Proposed Bank Guarantee	-	-	-	2.15	IVR A3

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable.

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-EximLogistics-jun24.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).