



Press Release

Shree Balaji Roadlines

April 17, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities – Cash Credit	52.00	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Long term Bank Facilities – Term Loan	19.50	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	--	Rating Assigned	Simple
Short Term Bank Facilities – Bank Guarantee	5.35	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Short Term Bank Facilities – Bill Discounting	35.00	IVR A3 (IVR A Three)	--	Rating Assigned	Simple
Total	111.85 (Rupees One Hundred & Eleven Crore and Eighty-Five Lacs)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.



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Detailed Rationale:

Infomerics Ratings has reaffirmed / assigned the ratings to the bank facilities of Shree Balaji Roadlines (SBR) which continues to derive strength from improving scale of operations, healthy order book and experienced promoters. However, the ratings are partially constrained by leveraged capital structure and presence in highly fragmented sector.

Infomerics Ratings expects outlook to remain stable on account of expectations of stable growth in scale operations coupled with improvement in profitability and financial risk profile.

Key Rating Sensitivities:

Upward Factors

- Substantial & sustained improvement in revenue and profitability leading to overall gearing falling below 2x on a sustained basis.

Downward Factors

- Any decline in operating income and/or profitability and/or any deterioration in working capital cycle and/or any unplanned debt led capex leading to deterioration in credit profile.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

Improving scale of operations:

Group's total operating income has grown y-o-y by ~36% to Rs. 654.78 crore in FY24 (refers to period 1st April 2023 to 31st March 2024) driven additions of clients as well as orders from existing customers. The same is reflected in 10MFY25 numbers with group's total operating income at ~Rs. 639.09 crore. EBITDA margin and PAT margin marginally declined to 12.89% & 3.83% respectively in FY24 (FY23: 13.68% & 4.38%) on back of higher freight and fuel expenses. Infomerics Ratings expects group's operating profile to remain strong with repeated customers and stable EBITDA margins.

Healthy order book:



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The group has a healthy order book of ~Rs. 1,423 crore as of January 31, 2025, with major cement and steel players like Ambuja Cement, Dalmia Cement, J.K. Cement, Tata Steel, and JSW Steel, ensuring medium-term revenue visibility. These logistics contracts are performance-linked, with bonus/incentive potential for exceeding transport thresholds. Additionally, in April 2025, the group secured a 10-year contract from Pune Mahanagar Parivahan Mahamandal Ltd. to operate a fleet of 93 buses.

Experienced Promoters:

The promoter of the group Mr. Vijay Gaikwad has more than two decades of experience in the logistics industry. Promoters of the group are ably supported by an experienced second line of management. With around decades of experience and operational efficiency, group has established good reputation in the domestic market.

Key Rating Weaknesses:

Leveraged capital structure and moderate debt protection metrics:

Group's capital structure is leveraged marked by overall gearing ratio and total outside liabilities (TOL) / tangible net worth (TNW) which stood at 2.84x and 3.26x respectively as on 31st March 2024 from 2.77x & 3.34x respectively as on 31st March 2023 due to increase in equipment / vehicle loan taken by the group to increase its fleet of vehicles coupled with high utilisation of working capital limits. Additionally, group's debt protection metrics is moderate marked by total debt / net cash accruals (NCA) and interest coverage ratio (ICR) which stood at 6.65x and 3.05x in FY24 respectively (FY23: 6.64x & 3.95x respectively) on back of higher repayments and interest costs vis-à-vis the cash accruals. Going forward, group's ability to improve its capital structure amidst growth in scale of operations will remain key rating monitorable.

Presence in the highly fragmented sector:



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Indian logistics sector has high degree of fragmentation with the presence of large established companies and many small and medium sized unorganized companies. Further, the group also faces competition from the domestic operators also. Intense competition restricts the bargaining power and affects the profit margins and restricts it to an extent.

Analytical Approach: Combined

Infomerics Ratings have combined the financials of Shree Balaji Roadlines (SBR) and SBRPL on account of common promoters, common name, same line of business and strong linkages between the group entities i.e. SBR and SBRPL.

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

[Rating Criteria on Consolidation of Companies](#)

Liquidity –Adequate

Group's liquidity position has remained adequate marked by gross cash accruals (GCA) of ~Rs. 61.47 crores in FY24. Group is having cash and cash equivalent of Rs. 9.67 crore as on 31st March 2024. Group has projected GCA in the range of Rs. 85.80 crores – Rs. 130.54 crore as against the debt repayment of Rs. 93.47 – Rs. 99.55 crore with any shortfall supported by unsecured loans from the promoters.



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About the Company (SBR):

SBR was founded in 1999 by Mr. Vijay Manikrao Gaikwad which was later formed as a sole proprietorship firm in 2004. SBR provides supply chain management solutions for trucking, warehousing and intermodal transportation delivered through three fully integrated divisions. SBR has a fleet of 1,347 owned vehicles and 800 hired vehicles. SBR has a per month loading capacity of 1,50,000 MT – 2,00,000 MT.

About the Company (SBRPL):

SBRPL was incorporated on July 3, 2023, by Mr. Vijay Manikrao Gaikwad, with its registered office in Pune, Maharashtra. The establishment of SBRPL was aimed at leveraging the benefits in banking and taxation while continuing the same core business operations i.e. supply chain management solutions for trucking, warehousing, and intermodal transportation as its existing proprietorship concern i.e. SBR.

Financials (Combined):

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	480.77	654.78
EBITDA	65.58	84.40
PAT	21.11	25.28
Total Debt	332.38	408.69
Book Tangible Net Worth	107.30	119.16
Adjusted Tangible Net Worth	119.81	143.95
EBITDA Margin (%)	13.64	12.89
PAT Margin (%)	4.38	3.83
Overall Gearing Ratio (x)	2.77	2.84
Interest Coverage (x)	3.95	3.05

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025 - 26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024 - 25	Date(s) & Rating(s) assigned in 2023 - 24	Date(s) & Rating(s) assigned in 2022 - 23
					--	March 28, 2024	--
1.	Cash Credit	Long Term	52.00	IVR BBB- / Stable (April 17, 2025)	--	IVR BBB- / Stable	--
2.	Term Loan	Long Term	19.50	IVR BBB- / Stable (April 17, 2025)	--	--	--
3.	Bank Guarantee	Short Term	5.35	IVR A3 (April 17, 2025)	--	IVR A3	--
4.	Bill Discounting	Short Term	35.00	IVR A3 (April 17, 2025)	--	--	--

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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



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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.

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Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	Revolving	52.00	IVR BBB- / Stable
Term Loan	-	-	9.15%	Valid up to June 2029	19.50	IVR BBB- / Stable
Bank Guarantee	-	-	-	-	5.35	IVR A3
Bill Discounting	-	-	-	-	35.00	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-shreebalaji-apr25.pdf>



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Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company	Combined Approach
Shree Balaji Roadlines	Full
Shree Balaji Roadlines73 Private Limited	Full

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.

