Kunal Transport_Proprietor Om Prakash Gupta

October 07, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	49.21	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	5.26	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Kunal Transport_Proprietor Om Prakash Gupta (KT) to monitor the ratings vide e-mail communications dated July 07, 2025, September 18, 2025 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, KT has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on KT's bank facilities will now be denoted as **CARE B/CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of lack of clarity on future growth strategy and inability to monitor the performance of the entity, which is critical for assessing the credit risk profile of the firm. The ratings continue to remain constrained by its leveraged capital structure, constitution as a partnership entity having the risk of withdrawal of capital, asset intensive business model and highly competitive nature of transportation and logistics business.
The aforesaid constraints are partially offset by its experienced promoter, growing scale of operation albeit moderation in profitability margin during FY24 and diversified revenue stream.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on September 03, 2024, the following were the rating strengths and weaknesses (updated for the information available from the entity):

Key weaknesses

Constitution as a proprietorship entity with risk of withdrawal of capital
Proprietorship nature of business has an inherent risk of withdrawal of capital by the proprietor at the time of his personal contingency resulting in reduction of capital base, leading to adverse effect on capital structure. In KT also, the proprietor has withdrawn capital over the years leading to low net worth position of Rs.6.66 crore as on March 31, 2024.

Asset intensive business model
The entity possesses a fleet of around 400 owned vehicles. This comprises various types of around 300 buses including both school bus and State bus, and around 84 tippers and trailers for transportation of coal and some oil tankers.

Leveraged capital structure
The capital structure of the entity has remained highly leveraged marked by overall gearing of 11.40x as on March 31, 2024, on account of vehicle loans availed to ramp up its scale of operation vis-à-vis low net worth of Rs.6.66 crore as on March 31, 2024.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.
*Issuer did not cooperate; based on best available information

Interest coverage ratio has remained stable at 11.96x in FY24 (PY: 9.05x). TDGCA though improved to 4.14x as on March 31, 2024 as against 10x as on March 31, 2020, however, continued to remain high.

Debt funded capex under implementation

The firm has entered into agreement with OSRTC to rent buses against which the government pays charges as per the distance (KM) travelled by the bus under the LAccMI Project. The LAccMI project is expected to have a cost of around Rs.87 crore. Out of Rs.87 crore, the company has availed Rs.65 crore of loan from multiple banks and had purchased small size buses of 9-meters. The remaining Rs. 22 crore will be availed by the firm once approval is received from the new Government in Odisha, post which, the same will be utilised for purchasing 35 big size buses (12-meter).

Highly competitive nature of transportation and logistics business

KT's transport business is highly competitive in nature on account of presence of large number of small players having limited fleet size, both in organized and unorganized sectors. It results in lower bargaining power of small operators, higher storage and handling losses and ineffective utilisation of available resources.

Key strengths

Experienced promoter

Mr Om Prakash Gupta have more than three decades of experience in providing logistic services, which has helped it establish and maintain strong relationships with a diversified and reputed customer base and has ensured repeat business.

Growing scale of operation albeit moderation in profitability margin

TOI of the firm has increased from Rs.2.91 crore in FY20 to Rs.141.33 crore in FY24 on account of long-term association with its existing clients as well as building of new clientele in different segments. However, the operating margin has moderated over the years from 30.93% in FY20 to 14.13% in FY24. With the entity gradually scaling up its new venture of providing buses on rental to OSRTC, the revenue is expected to improve going forward. However, profitability margin is expected to remain at similar levels.

Diversified revenue stream

KT leases school buses to District Mineral foundation (DMF) while the LACCMI division leases out buses to OSRTC under the LAccMI scheme. Also, KT provides coal logistics for major players like Adhunik Metaliks Limited, Hindalco Industries Limited, Vedanta Limited, JSW energy mining etc.

Furthermore, the proprietor also runs a petrol pump and has three diesel tanker which is used for supplying of POL (Petroleum, Oil and Lubricants).

Applicable criteria

Definition of Default
Information Adequacy Risk and Issuer Non-Cooperation
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Road Transport

KT is a proprietorship firm promoted by Mr Om Prakash Gupta in the year 1997. The firm is engaged in providing multiple services like coal logistics services, providing school bus services, and lending of buses to Odisha state govt. Furthermore, the promoter is also engaged in providing transport service to OMC's for transporting of petroleum and diesel for refilling. The proprietor has other business interest such as a petrol pump as well as tanker business, premium wine shop etc.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	131.64	141.33
PBILDT	11.82	19.97
PAT	4.24	5.09
Overall gearing (times)	4.04	11.40
Interest coverage (times)	9.05	11.96

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.35	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	May 2029	48.86	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	5.26	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	0.35	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (03-Sep-24)	-	-
2	Non-fund-based - ST-Bank Guarantee	ST	5.26	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (03-Sep-24)	-	-
3	Fund-based - LT-Term Loan	LT	48.86	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (03-Sep-24)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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