

Goex Freight Solutions Private Limited

March 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	7.50	CARE BBB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has revised ratings assigned to bank facilities of Goex Freight Solutions Private Limited (GFSPL) to CARE BBB-; Stable; Issuer Not Cooperating. CARE Ratings has been following up with the client for data since November 08, 2024, and have followed up 4 times over mail, and multiple times over call. However, despite our repeated requests, the company has not provided the requisite information for monitoring ratings. The company has not paid surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating basis best available information which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

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

The revision in ratings factors in the non-cooperation by GFSPL and CARE's efforts to undertake a review of the outstanding ratings. CARE considers the non-availability of information as a key factor in its assessment of credit risk. The ratings assigned to the bank facilities of GFSPL are based on modest revenue generation and low operating margins in FY24, leading to weak cash generation. However, the company's financial risk profile has improved with debt reduction, resulting in better debt coverage metrics. The rating is constrained by moderate revenue generation, stretched liquidity, exposure to a highly competitive market dominated by unorganized players, and a high customer concentration risk.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

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

Key weaknesses

Modest scale of operations and low operating margins

The company primarily provides logistics services to Time Technoplast Limited (TTL) group entities and other reputed clients. Its total operating income grew by 7.57% year-over-year, reaching ₹139.19 crore in FY24; however, the overall scale remains modest. The company is also exploring business expansion opportunities with major partners such as Amazon and InstaKart, though significant revenue contribution from these partnerships is yet to materialise. Despite operating in the logistics sector, its operating margins remain low, with the profit before interest, lease rentals, depreciation and taxation (PBILDT) margin declining marginally to 2.54% in FY24 from 3.11% in FY23. However, profit after taxation (PAT) margin improved slightly, rising to 0.76% in FY24 from 0.71% in the previous year.

Moderate financial risk profile despite debt reduction

GFSPL's capital structure remains modest, with a slightly high gearing ratio and stretched debt coverage metrics. Although the company significantly reduced its total debt from ₹19.88 crore in FY23 to ₹11.37 crore in FY24, overall gearing remained at 1.25x. However, working capital borrowings increased by 14.90% to ₹7.55 crore, indicating a higher reliance on short-term funding to support operational growth.

Highly fragmented and competitive industry

The industry is highly fragmented, with large number of small-size truck operators, small warehouse operators, customs brokers, and freight forwarders, among others. The logistics industry faces intense competition and weak margins due to low entry barriers. High fragmentation and intense competition lead to unhealthy price wars and discounts resulting in pressure on margins and depressed freight rates. The logistics industry is deregulated and highly fragmented. Highly fragmented and unorganised nature

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

of the industry results in intense price competition and may lead to pressure on the company's profitability in case of adverse situations.

Working capital intensive nature of business

GFSPL's operations are working capital intensive considering higher credit period offered to the Time Technoplast Group and early payments to vendors. Vendors primarily transport carriers from whom the company hires vehicles. The company generally offers two months credit period; however, has to pay within period of 30 days to vendors. As a general trend followed in this industry, GFSPL is supposed to pay advance up to 90% to the vendor, while the balance 10% is payable after finishing the consignment. However, the company's working capital cycle improved to 69 days in FY24 from 77 days in FY23.

Key strengths

Operational support from Time Technoplast Limited and group companies

GFSPL provides logistics services, primarily catering to the Time Technoplast Group, with TTL as its flagship company. The group contributes over 60% of GFSPL's total revenue, with Time Technoplast alone accounting for ~57%. Time Technoplast, and its group companies (TTL, Time Mauser Industries Private Limited, and TPL Plastech Limited), provided an undertaking to prioritise GFSPL for logistics business. The company's promoters offer managerial and financial support, ensuring operational stability and business continuity.

Customer concentration risk albeit reputed clientele

GFSPL's customer base of GFSPL is highly concentrated, with Time Technoplast and its group companies accounting for over 60% of the total operating income (TOI). Remaining revenue comes from reputed clients such as Grasim Industries Limited (rated 'CARE AAA; Stable/ CARE A1+'), Berger Paints India Limited, and Nippon Paint India Limited, which helps mitigate counterparty credit risk. Risk is further reduced as a significant portion of the revenue is derived from a single entity, TPL, which holds a 60% market share in the domestic industrial packaging sector and is recognised as the world's largest manufacturer of large-sized plastic drums.

Liquidity: Stretched

GFSPL's liquidity is marked by a cash and cash equivalents balance of ₹0.10 lakh and gross cash accruals (GCA) of ₹1.58 crore in FY24. Cash flow from operations (CFO) improved from a negative ₹0.43 crore in FY23 to a positive ₹9.92 crore in FY24.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Logistics Solution Provider

Incorporated in 2007, GFSPL is engaged in providing logistics service primarily to the group companies of Time Technoplast (with flagship company being TTL). The Time Technoplast and its group companies constitutes ~60-70% of GFSPL's (TOI). GFSPL received an undertaking from three entities of the TTL group, TMIPL, TTL and TPL to provide as much logistic business to GFSPL as possible. GFSPL has ~13 branches across the country. In addition to this, the company hires vehicles from vendors as and when required. GFSPL also has its workshop at Vapi, Gujarat.

Brief Financials (₹ crore)	FY22 (A)	FY23 (A)	FY24 (A)
Total operating income	135.71	129.42	139.19
PBILDT	4.14	4.03	3.53
PAT	0.93	0.92	1.06

Overall gearing (times)	2.43	2.46	1.25
Interest coverage (times)	2.00	1.56	1.49

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 instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.50	CARE BBB-; Stable; 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	7.50	CARE BBB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable (03-Jan-24)	1)CARE A-; Stable (05-Jan-23)	1)CARE A+ (CE); Stable (06-Dec-21)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	-	1)Withdrawn (05-Jan-23)	1)CARE BBB+ (06-Dec-21)

*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 instruments/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

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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