

## Western Carriers (India) Limited

April 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable; ISSUER NOT COOPERATING* and Withdrawn
Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE A4; ISSUER NOT COOPERATING* and Withdrawn

Details of instruments/facilities in Annexure-1

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

### Rationale & Key Rating Drivers

CARE Ratings Ltd. has reaffirmed and withdrawn outstanding rating of 'CARE BB; Stable; ISSUER NOT COOPERATING / CARE A4; ISSUER NOT COOPERATING' (Double B; Outlook: Stable; ISSUER NOT COOPERATING/ A Four; ISSUER NOT COOPERATING) assigned to the bank facilities of Western Carriers (India) Limited [WCIL] with immediate effect. The above action has been taken at the request of WCIL and No Objection Certificates received from the lenders those have extended the facilities rated by CARE Ratings Ltd.

The rating assigned to the bank facilities of WCIL remain constrained by working capital intensive nature of operation, exposure to volatility in fuel prices and dependent on the growth of the economy. The ratings, however derive strength from the long experience of the promoters in the industry, established long-term relationship with reputed customer base, diversified portfolio of services and satisfactory logistic infrastructure, healthy scale of operations with moderate profitability and comfortable capital structure with satisfactory debt coverage parameters.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

At the time of last rating dated March 18, 2025, the following were the rating strengths and weaknesses

#### Key Weaknesses

##### Working capital intensive nature of operation

Logistics and transportation is a high volume low margin business with high competition. Hence, the bargaining power with the client is low and the payment to the channel partners have to be made upfront. In light of this fact, high credit period is provided to customers which results in high working capital requirement. The operation of WCIL was working capital intensive as marked by high gross asset days of 134 days in FY24 and high ratio of net working capital to total capital employed of 77% (PY: 72%).

##### Exposure to volatility in fuel price

WCIL's profitability is susceptible to volatility in input prices (fuel and handling charges) as it is one of the major cost drivers of WCIL and highly volatile in nature. However, WCIL has a price escalation clause in most of the long-term contract with its customers, where the increase or decrease in the diesel prices is passed on to the customers based on an agreed formula. As a result, the risk attached to volatility in fuel prices gets mitigated to an extent.

##### Dependent on the growth of the economy

Logistics, including freight management, is the most critical component of the supply chain which facilitates the manufacturing and domestic & international trading businesses. It is also highly dependent on the growth prospects of the economy. The prospect for road transportation remains stable in view of infrastructure growth prospects.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

## Key Strengths

### Experienced promoters

The promoter of WCIL, Mr. Rajendra Sethia is engaged in multi modal logistics services (road, rail and river transport, custom house agency, storage and warehousing) for more than three decades. The day-to-day operations of the company are being managed by Mr. Rajendra Sethia and his son, Mr. Kanishka Sethia.

### Established long term relationship with reputed customers

WCIL has a diversified and strong client base from which it has been receiving regular orders. The company provides logistics services to diversified sectors like FMCG, steel, aluminium, pharmaceuticals, oil etc., which insulates the company from slowdown in a particular industry to some extent.

### Well diversified portfolio of services and satisfactory logistic infrastructure

WCIL is engaged in multi modal logistics business and provides a wide range of services including transportation services, third party logistics, custom house clearing agent, C&F agent, warehousing etc. The operations are spread across the country through 75 branch offices and 19 warehouses. WCIL had owned fleet of 461 trucks, trailers and equipment's which includes forklifts, cranes, hoppers. The company also relies heavily on hired fleet to meet its requirements.

### Healthy scale of operations and moderate profitability

WCIL's the scale of operations grew marginally and remained healthy as marked by total operating income of Rs.1,685.77 crore during FY24 against Rs.1,633.06 crore during FY23. This marginal growth was driven by improved realizations from freight and handling charges. Furthermore, WCIL has achieved sales of Rs. 1,297.14 crore in 9MFY25(Unaudited). With an increase in scale of operations and stable input cost, profitability also improved but remained moderate, marked by PBILDT margins at 8.67% during FY24 against 7.47% during FY23. Consequently, PAT margins have also improved and remained moderated at 4.76% during FY24 as against 4.38% during FY23. WCIL has reported cash profit (GCA) of Rs.101.04 crore during FY24 as against Rs.86.76 crore during FY23. Further WCIL has reported moderate profitability during 9MFY25(Unaudited) with a PBILDT margin of 7.32% and PAT margin of 3.94%.

### Comfortable capital structure with satisfactory debt coverage indicators

With a satisfactory net worth base along with relatively lower debt, WCIL's capital structure remained comfortable and in line with previous year as marked by overall gearing of 0.73x as on March 31, 2024 as against, 0.72x as on March 31, 2023. Due to increase in overall debt along with finance cost, Debt coverage indicators although deteriorated marginally but remained satisfactory as marked by interest coverage of 6.56x during FY24 as against 7.87x during FY23 and Total Debt/GCA of 2.67 years as on March 31, 2024 against 2.39 years as on March 31, 2023. Additionally, during 9MFY25 (Unaudited) interest coverage deteriorated from current level and remained at 5.49x.

### Applicable criteria

[Withdrawal Policy](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

### About the company

WCIL (ISIN: INE0CJF01024) was set up as a sole proprietorship firm in 1976 by Mr. Rajendra Sethia for carrying out logistics services. In July 2013, the firm was converted into a limited company, WCIL. The company is engaged in multi modal logistics services (road, rail and river transport, custom house agency, storage and warehousing) and operates across the country. It has expertise in aspects of logistics like freight forwarding, shipping, air cargo, trucking, clearance, storage, C&F and distribution and civil works. The company got listed on NSE and BSE on September 24, 2024.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	1633.06	1685.77	1297.14
PBILDT	122.06	146.17	95.00
PAT	71.55	80.33	51.05
Overall gearing (times)	0.72	0.73	NA
Interest coverage (times)	7.87	6.56	5.49

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various 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		-	-	-	0.00	Withdrawn
Non-fund-based - LT-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantee		-	-	-	0.00	Withdrawn

#### 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	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Apr-25)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (18-Mar-25)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (22-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (29-Nov-22)
2	Non-fund-based - LT-Bank Guarantee	LT	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Apr-25)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (18-Mar-25)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (22-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (29-Nov-22)
3	Non-fund-based - ST-Bank Guarantee	ST	-	-	1)CARE A4; ISSUER NOT COOPERATING* (25-Apr-25)	1)CARE A4; ISSUER NOT COOPERATING* (18-Mar-25)	1)CARE A4; ISSUER NOT COOPERATING* (22-Jan-24)	1)CARE A4+; ISSUER NOT COOPERATING* (29-Nov-22)

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

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

#### Annexure-4: Complexity level of the various instruments rated

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

**Annexure-5: Lender details**

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

**Note on complexity levels of the rated instrument:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

## Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Shachee Vyas Assistant Director <b>CARE Ratings Limited</b> Phone: +91-079-40265665 E-mail: <a href="mailto:shachee.tripathi@careedge.in">shachee.tripathi@careedge.in</a>
<b>Relationship Contact</b>  Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91 22 6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	Jekin Shah Analyst <b>CARE Ratings Limited</b> Phone: 079-40265679 E-mail: <a href="mailto:Jekin.Shah@careedge.in">Jekin.Shah@careedge.in</a>
	Devanshi Mewada Associate Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:devanshi.mewada@careedge.in">devanshi.mewada@careedge.in</a>

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages our domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.