

ABC India Limited

August 22, 2025

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	8.00	CARE BB+; Stable	Downgraded from CARE BBB-; Negative
Long-term / Short-term bank facilities	4.90 (Reduced from 5.95)	CARE BB+; Stable / CARE A4+	Downgraded from CARE BBB-; Negative / CARE A3
Short-term bank facilities	7.20	CARE A4+	Downgraded from CARE A3
Long-term bank facilities	-	-	Withdrawn

Details of facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of ABC India Limited (ABC) take into account the moderation in the financial performance of the company in FY25 (refers to the period April 1 to March 31) and Q1FY26 along with continued exposure in group entity. The operating margin of the company has witnessed significant moderation during the last two quarters ended Q1FY26.

The ratings continue to remain constrained by its high collection period and low profitability margin due to intense competition.

The above constraints are partially offset by its experienced promoters, diversified portfolio of services, reputed client base with satisfactory order book position providing moderate revenue visibility and satisfactory capital structure and debt protection metrics in FY25.

Furthermore, CARE Ratings Limited has withdrawn the term loan facility upon full repayment of the same.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income (TOI over Rs.125 crore) with operating margin above 5% on a sustained basis.
- Ability to further grow and broaden the client base in full truck load (FTL) segment leading to diversification of the order book.
- Improvement in debt coverage indicators marked by TD/GCA below 3.5x on a sustained basis.

Negative factors

- Weakening of liquidity profile due to elongation in collection period.
- PBILDT margin below 5% on a sustained basis.
- Increasing adjusted overall gearing beyond unity.
- Any further increase in exposure to group company.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings' believe that the entity will continue to benefit from its established relationship with the customers.

Detailed description of key rating drivers:

Key weaknesses

Continued exposure in group entity

ABC's exposure in group entity in the form of investment in Assam Bengal Carriers, has slightly increased to Rs.14.31 crore as on March 31, 2025, from Rs.13.99 crore as on March 31, 2024. However, the exposure to group entity as a % of net worth has declined to 26% as on March 31, 2025, as compared with 31% as on March 31, 2024. Substantial reduction in group exposure shall remain key rating monitorable.

Moderation in financial performance in FY25 and Q1FY26

The TOI of the company witnessed y-o-y growth of 21.45% to Rs.121.33 crore in FY25 as compared to Rs.99.90 crore in FY24. The growth was primarily driven by the recognition of higher revenue from NRL projects. However, revenue from FTL and logistics division stood steady at around Rs.68.35 crore in FY25.

PBILDT margin witnessed decline from 5.92% in FY24 to 3.65% in FY25 due to increase in shipment and custom clearing expenses in FY25. The company witnessed improvement in PAT to Rs.2.47 crore in FY25 as compared to Rs.2.28 crore in FY24 on account of profit from sale of fixed assets in FY25.

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

In Q1FY26, the scale of operations witnessed decline in comparison to Q1FY25 on account of reduced revenue booked from project division. The PBILDT margin also witnessed moderation in Q1FY26 compared to Q1FY25. The subdued margin was primarily due to costs being booked in advance, while the corresponding revenue is expected to be recognized in the subsequent quarters for the project division.

High collection period

ABC's business is working capital intensive on account of huge upfront expenses incurred in conducting operations both through own fleet of vehicles as well as hired vehicles. The company provides credit period of around 3-5 months to clients. The operating cycle of the company witnessed improvement from 41 days in FY24 to 32 days in FY25 mainly on account of increase in average creditors period from 83 days in FY24 to 90 days in FY25. The collection period continues to remain high at 119 days in FY25 (121 days in FY24). The working capital requirement of the company is mainly funded through a mix of internal accrual and bank borrowings.

Low profitability margin due to intense competition

The profitability margin in the transportation and project segment is low due to intense competition from both organised as well as unorganised players. Furthermore, less project allocations in the economy have resulted in weak demand for fleet services that ABC provides, in the past few years, which has further depressed the profitability of the companies operating in transportation segment.

Key strengths

Experienced promoters

ABC was initially a part of TCI-Bhoruka group, promoted by Late Mr P D Agarwal. Mr Ashish Agarwal (Managing Director) looks after the day-to-day affairs of the company along with support from a professional management team. He has over a decade of experience in transport business.

Diversified portfolio of services

ABC is engaged in multi modal logistics business and provides a wide range of services including transportation services, third party logistics, shipping, custom house clearing agent, C&F agent, warehousing, etc. While the company had acquired a large fleet of owned vehicles, primarily for its project logistics vertical, the profitability has been adversely impacted in the past few years mainly due to underutilization of owned fleet on the back of low orders in this niche segment. Following the same, the company has been reducing its fleet size and has been selective in taking orders in the project business.

Reputed client base with satisfactory order book position providing moderate revenue visibility

ABC has a well-diversified and reputed client base. The client-base of the company includes Numaligarh Refinery Limited (NRL), Bharti Hexacom Limited, Bharti Airtel along with top retail customers in FTL Division. Moreover, the company has been able to secure repeat orders from majority of the clients.

The company has a diversified order book with orders from NRL accounting for around 18% of the order book as on June 30, 2025.

Satisfactory capital structure and debt protection metrics in FY25

The capital structure of the company remained satisfactory marked by overall gearing ratio of 0.36x as on March 31, 2025, as compared with 0.46x as on March 31, 2024, mainly on account of accretion of profits to reserves. The adjusted overall gearing (adjusted for exposure in group companies) witnessed improvement to 0.57x as on March 31, 2025, from 0.78x as on March 31, 2024, mainly on account of accretion of profit to reserves and continued to remain satisfactory. Interest coverage ratio declined slightly to 2.02x in FY25 as compared to 2.59x in FY24 on account of decrease in absolute PBILDT levels. However, TD/GCA improved to 5.10x as on March 31, 2025, as compared with 5.42x as on March 31, 2024, due to improvement in absolute GCA levels. Going forward the capital structure is expected to improve over the years.

Liquidity: Stretched

The liquidity profile of the company is stretched marked by low GCA of Rs.3.90 crore against debt repayment obligation of Rs.1.56 crore in FY25. The average fund-based working capital limit utilisation also remained high at 90% during the last 12 months period ended June 2025. In FY26, the company has debt repayment obligation of Rs.2.61 crore against which it is expected to generate sufficient cash accruals. Furthermore, the company has free cash and bank balance of Rs.2.75 crore and current ratio stood comfortable at 1.51x as on March 31, 2025. Additionally, the company has prepaid one of its GECL loan amounting to Rs.0.34 crore in July 2025.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[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

ABC, incorporated in 1972, is currently engaged in surface transportation and project logistics business. The company provides the multi modal logistics services (road, rail, river, custom, storage and warehousing) and Odd Dimensional Cargo services through a network of 20 branches in 20 locations including warehouses across the country. The company also owns one petrol pump for which it has outsourced operations on commission basis. ABC was initially a part of TCI-Bhoruka group promoted by Late Mr P D Agarwal. In 1995, the entire group business was divided among six brothers, with main entities being – ABC, Transport Corporation of India, GATI Ltd, Bhoruka Power Corporation Ltd and others. Mr Ashish Agarwal (grandson of Late Mr P D Agarwal) looks after the day-to-day operations of the company.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	99.90	121.33	37.87
PBILDT	5.92	4.43	0.28
PAT	2.28	2.47	0.02
Overall gearing (times)	0.46	0.36	NA
Interest coverage (times)	2.59	2.02	NM

A: Audited UA: Unaudited NA: Not Available NM: Not Meaningful; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	-	0.00	Withdrawn
Fund-based - LT/ ST-Bank Overdraft		-	-	-	4.90	CARE BB+; Stable / CARE A4+
Fund-based - ST-Standby Line of Credit		-	-	-	1.20	CARE A4+
Non-fund-based - ST-Bank Guarantee		-	-	-	6.00	CARE A4+

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	Non-fund-based - ST-Bank Guarantee	ST	6.00	CARE A4+	-	1)CARE A3 (06-Aug-24)	1)CARE A3 (05-Sep-23)	1)CARE A3 (08-Sep-22)
2	Fund-based - LT-Cash Credit	LT	8.00	CARE BB+; Stable	-	1)CARE BBB-; Negative (06-Aug-24)	1)CARE BBB-; Negative (05-Sep-23)	1)CARE BBB-; Stable (08-Sep-22)
3	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BBB-; Negative (06-Aug-24)	1)CARE BBB-; Negative (05-Sep-23)	1)CARE BBB-; Stable (08-Sep-22)
4	Fund-based - LT/ST-Bank Overdraft	LT/ST	4.90	CARE BB+; Stable / CARE A4+	-	1)CARE BBB-; Negative / CARE A3 (06-Aug-24)	1)CARE BBB-; Negative / CARE A3 (05-Sep-23)	1)CARE BBB-; Stable / CARE A3 (08-Sep-22)
5	Fund-based - ST-Standby Line of Credit	ST	1.20	CARE A4+	-	1)CARE A3 (06-Aug-24)	1)CARE A3 (05-Sep-23)	-

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
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Bank Overdraft	Simple
4	Fund-based - ST-Standby Line of Credit	Simple
5	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 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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Arindam Saha Director CARE Ratings Limited Phone: + 91-33-40181631 E-mail: arindam.saha@careedge.in Kamal Mahipal Assistant Director CARE Ratings Limited Phone: + 91-33-40181628 E-mail: kamal.mahipal@careedge.in Onkar Verma Lead Analyst CARE Ratings Limited E-mail: Onkar.verma@careedge.in
---	---

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, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates 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 its 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. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). 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. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge 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. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge 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. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**