

## Hora Transport Company Private Limited

December 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	3.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	12.00	CARE A4; ISSUER NOT COOPERATING*	Rating 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 Ltd. has been seeking information from Hora Transport Company Private Limited to monitor the rating(s) vide e-mail communications/letters dated August 05, 2025, September 02, 2025, October 06, 2025, October 15, 2025 and November 17, 2025 and numerous phone calls. However, despite our repeated requests, the company 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 Hora Transport Company Private Limited has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. The rating on Hora Transport Company Private Limited's bank facilities will now be denoted as CARE B+; Stable; 'ISSUER NOT COOPERATING' / 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 company, which is critical for assessing the credit risk profile of the company. The rating remains constrained by small scale of operations with low profitability margins, working capital intensive nature of operations, exposure to volatility in prices of input materials and intensely competitive industry with tender driven process risk. The ratings, however, continue to derive comfort from long track record of operations, experienced promoters and need based support from promoters along with reputed customers' base

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on October 01, 2024, the following were the rating strengths and weaknesses.

#### Key weaknesses

**Small scale of operations with low profitability margins:** HTCPL's income from operations has remained steady in the last 3 fiscal years ending March 31, 2024. However, scale of operation continues to remain small marked by total operating income (TOI) of Rs.43.93 crore in FY24 and tangible networth of around Rs.7.22 crore as on March 31, 2024. Furthermore, the operating margins moderated to 4.39% in FY24 from 5.38% in FY22 on account of higher repairs and maintenance cost pertaining to older fleet of vehicles. In 5MFY25, the company has achieved TOI of Rs.24.00 crore.

**Working capital intensive nature of operations:** The operations of the company remained highly working capital intensive mainly due to high receivable periods of 60-75 days on average. The company mainly executes orders for government departments and PSUs and the collection from them happens in 60-75 days. However, it receives average credit period of about 45-50 days from suppliers which helped to mitigate the working capital intensity to a certain extent. The operating cycle of the company stood at 31 days as on March 31, 2024, and expected to remain range bound in near to medium term.

**Exposure to volatility in prices of input materials:** Fuel expenses form one of the major expenses for transportation and allied activities. Thereby the profitability of the company is exposed to diesel price fluctuations to large extent as there is no fuel price escalation clause in tenders of Food Corporation of India (FCI). Nonetheless, this risk gets mitigated to some extent there is fuel price escalation clause with other parties except FCI.

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

**Intensely competitive industry with tender driven process risk:** The company has to bid for most of the contracts based on tenders opened by various Government entities including FCI. Upon successful technical evaluation of various bidders, the lowest bid is awarded the contract. Since the type of work done by the company is mostly commoditized, the company faces intense competition from other players. Competition in logistics and supply chain management industry remains intense with global as well as regional and local players which limits pricing power. Furthermore, revenue growth and margins are vulnerable to slowdown in economic growth.

### Key strengths

**Long track record of operations with experienced promoters:** HTCPL has been into the transportation industry since 1993 and accordingly has a long track record of operations. The promoters have more than three decades of experience in the same line of business. The day-to-day operations of the company are looked after by Mr. Sarabjit Singh Hora; supported by a team of experienced professionals.

**Satisfactory capital structure amidst moderate debt coverage indicators:** The capital structure of the company continued to remain satisfactory in the last three fiscal years ending March 31, 2024, marked by overall gearing at around unity and stood at 0.91x as on March 31, 2024, as compared to 0.89x as on Mar 31, 2022. However, debt coverage indicators of the company continued to remain moderate with interest coverage of 2.15x (FY23: 1.69x) and total debt to GCA of 7.56x (FY23: 10.31x) as on March 31, 2024.

### Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

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[Service Sector Companies](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

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

Incorporated in July 1993, Hora Transport Company Private Limited (HTCPL) is mainly does rake handling (loading & unloading), freight transportation and godown handling services for Food Corporation of India (FCI). The service centre of the company is located at Raipur, Chhattisgarh. After prolonged illness, one of the founder Mr. Dilip Singh Hora passed away in 2024. Thereafter, the day-to-day operations of the company are looked after by Mr. Sarabjit Singh Hora (son of late Dilip Singh Hora) supported by a team of experienced professionals.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	45.46	43.93
PBILDT	2.36	1.93
PAT	-1.02	0.65
Overall gearing (times)	1.08	0.91
Interest coverage (times)	1.69	2.15

A: Audited UA: Unaudited; 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-Bank Overdraft	-	-	-	-	3.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	12.00	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-Bank Overdraft	LT	3.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (01-Oct-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (10-Jul-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (03-Jun-22)
2	Non-fund-based - ST-Bank Guarantee	ST	12.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (01-Oct-24)	1)CARE A4; ISSUER NOT COOPERATING* (10-Jul-23)	1)CARE A4; ISSUER NOT COOPERATING* (03-Jun-22)

\*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-Bank Overdraft	Simple
2	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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