

## Speedo Cargo

December 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	13.00	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 Speedo Cargo to monitor the rating(s) vide e-mail communications/letters dated August 05, 2025, September 02, 2025, October 13, 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 Speedo Cargo has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. The rating on Speedo Cargo'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 operation with moderate profitability margins, proprietorship nature of constitution, 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 operation with experienced proprietor and satisfactory capital structure and debt coverage indicators.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on October 03, 2024, the following were the rating strengths and weaknesses.

#### Key weaknesses

**Small scale of operation with moderate profitability margins:** SC is a relatively small player vis-à-vis other players in freight transport services industry with total operating income of Rs.39.25 crore (FY23: Rs.53.40 crore) and PAT of Rs. 1.40 crore (FY23: PAT of Rs.1.81 crore) in FY24. Moreover, the net worth base of the entity continued to remain low at Rs. 10.60 crore as on March 31, 2024. The small size restricts the financial flexibility of the entity in times of stress, and it suffers on account of economies of scale. PBILDT margins moderated from 7.43% in FY22 to 4.95% in FY24 on account of higher repairs cost pertaining to older vehicles, however the margins are comparable to peers in this business segment.

**Proprietorship nature of constitution:** SC, being a proprietorship entity, is exposed to inherent risk of withdrawal of capital by the proprietor, restricted access to funding and risk of dissolution on account of poor succession planning. Furthermore, proprietorship entities have restricted access to external borrowing as credit worthiness of proprietor would be the key factors affecting credit decision for the lenders.

**Working capital intensive nature of operations:** The operations of the company remained highly working capital intensive mainly due to high receivable period. The firm mainly executes orders for government units and large private players and the collection from them gets delayed due to procedural delay and its low bargaining power. Moreover, the average working capital utilization was around 90% over the last 12 months ending August 2024.

<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.

**Exposure to volatility in prices of input materials:** Fuel expenses form one of the major expenses for the transportation and allied activities. The profitability of the entity is vulnerable to diesel price fluctuations. However, there escalation clause in some of the contracts which allow for compensation for price fluctuations. Further, given the bundle nature of service where labour charges also constitute sizeable portion of overall contract charges. The fuel price only constitutes around 10% to 15% of total service charges.

**Intensely competitive industry with tender driven process risk:** The entity has to bid for most of the contracts based on tenders opened by various Government entities. Upon successful technical evaluation of various bidders, the lowest bid is awarded the contract. Since the type of work done by the entity is mostly commoditized, the entity 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 its pricing power. Revenue growth and margins are vulnerable to slowdown in economic growth.

### Key weaknesses

**Long track record of operation with experienced proprietor:** SC is into transportation industry since 1993 and accordingly has long track record of operations. Furthermore, the proprietor Mr. Gurmeet Singh Hora has an experience of more than two decades in the same line of business. He looks after the overall management of the entity supported by a team of experienced professional.

**Satisfactory capital structure and debt coverage indicators:** The overall gearing continued to remain satisfactory and stood at 0.44x as on Mar 31, 2024, as compared to 0.71x as on Mar 31, 2023, on repayment of term loan and lower working capital utilization. TOL/TNW stood at 1.13x in FY24 vis-à-vis 0.89x as on FY22. The debt coverage indicators of the company remained moderate during FY24 marked by interest coverage of 5.00x (FY23: 4.11x) and total debt to GCA of 2.66x (FY23: 2.55x) in FY24.

### 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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[Short Term Instruments](#)

### About the company and industry

#### Industry classification

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

Raipur (Chhattisgarh) based, Speedo Cargo (SC) was established as a proprietorship entity in August 1997 by Mr. Gumeet Singh Hora. The entity has been engaged in providing cargo handling, freight transport by road and other transportation services. Currently, the entity procures orders mostly through tender and executes orders floated by the various Govt. and large private entities.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	53.40	39.25
PBILDT	2.89	1.94
PAT	1.81	1.40
Overall gearing (times)	0.71	0.44
Interest coverage (times)	4.11	5.00

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		-	-	-	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	13.00	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	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (03-Oct-24) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (29-Jul-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (27-Jun-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (03-Jun-22)
2	Non-fund-based - ST-Bank Guarantee	ST	13.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (03-Oct-24) 2)CARE A4; ISSUER NOT COOPERATING* (29-Jul-24)	1)CARE A4; ISSUER NOT COOPERATING* (27-Jun-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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