

Orissa Bengal Carrier Limited

June 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating1	Rating Action
Long Term / Short Term Bank Facilities	-	-	Downgraded to CARE BB+; Stable / CARE A4+ from CARE BBB-; Stable / CARE A3 and Withdrawn
Long Term Bank Facilities	-	-	Downgraded to CARE BB+; Stable from CARE BBB-; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Ltd. has downgraded the ratings from 'CARE BBB-; Stable and A3' [Triple B Minus; Outlook: Stable and A Three] to 'CARE BB+; Stable and A4+' [Double B Plus; Outlook: Stable and A Four Plus] and withdrawn the ratings assigned to the bank facilities of Orissa Bengal Carrier Limited (OBCL) with immediate effect. The above action has been taken at the request of OBCL and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE Ratings Ltd.

The revision in the ratings assigned to the bank facilities of Orissa Bengal Carrier Limited (OBCL) reflects the deterioration in its financial performance in FY26, marked by the reporting of net losses. Although the company achieved modest revenue growth of around 2% during the year, with total income standing at ₹309.87 crore, its profitability was significantly impacted by the incidence of one-time charges. These included a bad debt write-off of ₹1.30 crore and penalties aggregating to ₹6.50 crore, which collectively resulted in a net loss of ₹8.55 crore in FY26.

The ratings are further constrained by weakening of debt coverage indicators. Additionally, the company operates in a highly fragmented and competitive industry, with profitability margins exposed to cyclical and competitive pressures. The inherently working capital-intensive nature of operations further constrains the credit profile.

The ratings continue to derive comfort from the company's long and established track record in the road transport industry, its established relationships with reputed customers across diverse industries, modest capital structure, and locational advantage.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects the expectation that the company will improve its operational performance, supported by a sizeable order book.

Detailed description of key rating drivers:

Key weaknesses

Deterioration in financial performance in FY26: The company reported modest revenue growth of ~2% in FY2026, with total income increasing to ₹309.87 crore from ₹304.97 crore in FY2025. However, its profitability profile weakened considerably, with OBCL reporting a net loss of ₹8.55 crore during the year. The decline in profitability was largely attributable to one-off factors, including a bad debt write-off of ~₹1.3 crore and penalties of ~₹6.5 crore arising from non-fulfilment of contractual obligations. Despite management's assertion that these penalties are non-recurring, uncertainty persists regarding the company's ability to recover and sustain profitability.

Moderate debt coverage indicators: On account of the losses reported in FY2026, the company's debt coverage indicators witnessed a moderation. This is reflected in the Total Debt to GCA turning negative in FY2026 as against 8.24 times in FY2025, on account of weak cash accruals during the year.

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

Highly fragmented and competitive industry: The goods transportation industry in India is characterised by a high degree of fragmentation, with intense competition primarily from unorganised players. Key competitive factors include service quality, reliability, pricing, and the ability to offer customised transportation solutions to meet diverse customer requirements. Low entry barriers further intensify competition, resulting in pricing pressures, unhealthy discounting practices, and consequently, weak operating margins across the industry.

Despite these challenges, OBCL derives some competitive advantage from its status as an Indian Banks' Association (IBA)-approved transporter, which enhances its credibility over unorganised and non-IBA approved peers. Nevertheless, the company continues to face competition from a wide range of local, regional, and national logistics players of varying scale, as well as, to a lesser extent, from alternative modes such as rail transport.

Vulnerability of profitability margins to trade cycle and competition: Logistics operations are closely influenced by overall economic conditions of the country. Higher economic activity results in higher freight movement which drives demand in road freight transport industry. OBCL remains susceptible to considerable fluctuation in hire charges for market vehicles as the rates primarily depend on the demand-supply conditions. Additionally, the company is exposed to volatility in fuel prices. Its ability to tackle a timely pass-through of variation in fuel prices remains critical in preserving profitability margins.

Working capital intensive nature of operation: The company's operations are inherently working capital intensive, primarily due to negligible credit period being extended by the creditors and higher credit period offered to its clients. OBCL derives significant portion of its revenue from corporate clients thus leading to low bargaining power. The company provides a credit period of around 60-90 days from the delivery of consignment after which sales are recognised. In addition to this, the business of the company is working capital intensive on account of upfront expenses such as fuel expense incurred in conducting operations through own fleet of vehicles and hired vehicles. The time gap in collection of receivables and upfront outflow of expenses results in elevated working capital requirements. The company's working capital cycle stood at 77 days in FY25 as against 65 days in FY24. The company's working capital intensive operations are funded largely through working capital facilities and are expected to remain at similar levels in the near to midterm.

Key strengths

Long and established track record in the road transport industry: Incorporated in 1994, the company has over three decades of experience in the transport and logistics business, which has enabled it to establish a strong market presence, long-standing relationships with customers, and a stable network of drivers and operational personnel. Following the demise of the founder, Late Mr. Ratan Kumar Agrawal, the management of the company has been overseen by his son, Mr. Ravi Agrawal, since 2021. The day-to-day operations are managed by Mr. Ravi Agrawal, supported by a team of experienced professionals.

Established long term relationship with reputed customers in diverse industries: OBCL serves customers across several industries such as metal, steel, coal, aluminium, cement, petrochemicals, paper, marble, tiles, infra, textile and FMCG among others. Most clients are prominent players in their respective sectors with strong creditworthiness; hence counterparty risk is also low. Some clients of the company are Vedanta Limited, Jindal Steel & Power Limited, Shree Cement Limited, Steel Authority of India Limited and Hindalco Industries Limited etc. OBCL is engaged in providing a wide range of services including transportation services, third party logistics and warehousing among others. The company has a pan-India surface logistics distribution network having 39 branches in different parts of India. It enables the company to cater diverse mix of customers including corporate, small and other enterprises, distributors and traders. The company is maintaining its own fleet of 112 commercial vehicles as on May 31, 2026, which includes truck and trailers of 12/14/16/18 wheels.

The company has a linkage with around 5000 vehicles from the local market on hire basis, with vehicle specification tailored to the logistical requirements of each client. The fleet operates across the country ensuring nation-wide services to corporate and government customers. Truck load delivery services operate through a hub-and-spoke model which enables the company to transport goods and provide customers access to multiple destinations for booking and delivery of goods. The company has started using software "Lozics", an integrated software which helps the company in better understanding of the business and routes which are profitable.

Modest capital structure: Although the company's net worth declined to ₹81.98 crore from ₹90.55 crore in FY25 on account of the losses reported in FY26, the overall gearing continues to remain modest at 0.81 times as on March 31, 2026, as compared to 0.58 times in the previous year. Going forward, while the company has articulated plans to expand its fleet—likely to be funded through a mix of debt and equity—the expected improvement in accruals in FY2027 is anticipated to support the rebuilding of its net worth and lend some stability to the capital structure.

Locational advantage: The company is headquartered in Raipur, Chhattisgarh, a region that is a key hub for India's steel and cement industries. This provides a strong locational advantage, enabling the company to efficiently cater to transportation

requirements of a large concentration of industrial clients in the region. Further, OBCL's extensive geographic presence and operational network enhance its ability to integrate operations, achieve cost efficiencies, and scale freight volumes effectively.

Liquidity: Adequate

The company's liquidity position remains adequate, supported by moderate cash and bank balances of around ₹4.0 crore as on March 31, 2026, and some cushion in its working capital limits, with fund-based utilisation remaining at around 70–80%. The debt servicing obligations during FY2026 were met through cash flow support arising from changes in working capital.

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

[Withdrawal Policy](#)

About the company and industry

Industry classification

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

OBCL was founded by late Ratan Kumar Agrawal in 1994. The company is IBA approved transporter having ISO 9001:2015 certified for provision of quality management system services. The company is a third-party logistics service provider, providing full truck load (FTL), parcel and part truck load services, less than truck load (LTL). The company operates in large integrated hub and spoke model. The company has a distribution network having 39 branches across different parts of India. The company caters to a wide range of industries across metal, steel, coal, aluminium, cement, petrochemicals, paper, marble, tiles, infra, textile and FMCG. As on May 31, 2026, the company has a fleet of 112 owned trucks. The company's day-to-day operation is managed by Ravi Agrawal (son of late Ratan Kumar Agrawal).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Ab)
Total operating income	332.89	304.97	309.87
PBILDT*	7.68	10.04	1.95
Profit after tax (PAT)	3.69	1.08	-8.55
Overall gearing (x)	0.15	0.58	0.81
Interest coverage (x)	5.85	2.89	0.39

A: Audited Ab: Abridged; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ 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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE BBB-; Stable (03-Jul-25)	1)CARE BBB-; Stable (04-Jul-24)	1)CARE BBB; Stable (07-Jul-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	1)CARE BBB-; Stable / CARE A3 (03-Jul-25)	1)CARE BBB-; Stable / CARE A3 (04-Jul-24)	1)CARE BBB; Stable / CARE A3+ (07-Jul-23)
3	Fund-based - ST-Working Capital Demand loan	ST	-	-	-	1)Withdrawn (03-Jul-25)	1)CARE A3 (04-Jul-24)	1)CARE A3+ (07-Jul-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	Non-fund-based - LT/ 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.

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr No	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

² SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Arindam Saha Director CARE Ratings Limited Phone: +91-33-4018 1631 E-mail: arindam.saha@careedge.in</p> <p>Abhishek Khemka Associate Director CARE Ratings Limited Phone: +91-33-4018 1647 E-mail: Abhishek.khemka@careedge.in</p> <p>Ghanshyam Kedia Lead Analyst CARE Ratings Limited E-mail: Ghanshyam.kedia@careedge.in</p>
--	---

About us:

Established in 1993, CareEdge 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, CareEdge 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, CareEdge 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. CareEdge 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 CareEdge Ratings 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

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

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