

Ref. No. : NECCLTD/SEC/2025-26

October 18, 2025

To,

**Corporate Relations  
BSE Limited**

Phiroze Jeejeebhoy Tower  
Dalal Street, Fort  
Mumbai - 400001  
(Scrip code: 534615)

**The Manager (Listing Department),  
National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor Plot No. C/l, G-Block  
Bandra- Kurla Complex, Bandra (East),  
Mumbai - 400051  
(Symbol: NECCLTD)

**Subject : Disclosure under regulations 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 - Credit Rating on the Bank Loan Facility.**

Dear Sir,

Pursuant to Regulations 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we would like to inform you that "**India Ratings and Research Private Limited**" has affirmed/assigned the following ratings to the Company with regard to bank loan facilities of Rs. 100 Crore availed from various Banks;

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank Loan Facilities	INR840	IND BBB/Stable/IND A3+	Affirmed
	INR160	IND BBB/Stable/IND A3+	Assigned

A Copy of the rating letter has been enclosed for your reference. We request you to kindly take on record the above disclosure.

Thanking You

Yours faithfully

**For North Eastern Carrying Corporation Limited**

**Rakesh**

Company Secretary & Compliance Officer  
M. No. A57773



## India Ratings Affirms North Eastern Carrying Corporation's Bank Loan Facilities at IND BBB/Stable

Oct 17, 2025 | Logistics Solution Provider

India Ratings and Research (Ind-Ra) has taken the following rating actions on North Eastern Carrying Corporation Limited's (NECC) bank loan facilities' ratings:

### Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR160	IND BBB/Stable/IND A3+	Assigned
Bank loan facilities	-	-	-	INR840	IND BBB/Stable/IND A3+	Affirmed

### Analytical Approach

Ind-Ra continues to assess NECCL on a standalone basis.

### Detailed Rationale of the Rating Action

The affirmation reflects NECCL's long track record of operations and medium scale of operations, and Ind-Ra's expectation that the revenue and profitability would remain at FY25 levels in FY26 and improve gradually over the medium term. The ratings are supported by the company's reputed clientele. The ratings are constrained by the modest margins and elongated receivable period.

### List of Key Rating Drivers

#### Strengths:

- Long operational track record; experienced promoters
- Diverse and reputed clientele
- Medium scale of operations; revenue likely to improve over medium term
- Credit metrics to be stable in FY26 and improve thereafter

#### Weaknesses:

- Modest EBITDA margins
- Working capital intensive nature of business
- Highly fragmented industry; susceptibility to slowdown

## Detailed Description of Key Rating Drivers

**Long Operational Track Record and Experienced Promoters:** NECC has an operational track record of over five decades in the transportation and logistics industry, transforming from a partial truck load player to a full-fledged transport and logistics company. Also, the company's promoters have 40 years of experience in the transportation industry. The long track record and the experience of the promoters have helped the company build healthy relationships with its customers and secure repeat business from them.

**Diverse and Reputed Clientele:** NECC has a long-standing relationship with various reputed clients such as TATA Steel Limited (['IND AAA/Stable'](#)), Hindalco Industries Limited, GAIL India Limited (['IND AAA/Stable'](#)), and APL Apollo Tubes Ltd, which operate in sectors such as steel, aluminium, and natural gas. In FY25, NECC derived around 41% of its total revenue from the top 10 customers, indicating moderate client diversification.

**Medium Scale of Operations; Revenue Likely to Improve over Medium Term:** Ind-Ra expects the revenue to remain largely stable on a yoy basis in FY26 and grow gradually over the medium term on account of an increase in the number of customers and the signing of medium-term contracts with existing clients. NECC's revenue dipped slightly to INR3,287.25 million in FY25 (FY24: INR3,351.15 million) because of a decline in volumes in the partial truck load (PTL) segment. The company caters to PTL, full truck load (FTL) and bulk movements. NECC derives 50% of its revenue from the PTL segment, while the balance is derived from FTL and bulk movements. The company booked revenue of INR691 million in 1QFY26 (1QFY25: INR776 million). NECC follows an asset-light business model and mainly utilises rented trucks/vehicles for transporting goods. The asset-light model helps maintain cost efficiency and operational flexibility by minimising fixed overheads.

**Credit Metrics to be Stable in FY26 and Improve Thereafter:** Ind-Ra expects the credit metrics to remain stable in FY26 and improve gradually thereafter, led by higher EBITDA levels, driven by the commercialisation of the warehouse, and the absence of any major debt-funded capex plans.

The gross interest coverage (operating EBITDAR/gross interest expense) improved to 2.95x in FY25 (FY24: 2.29x) because of an increase in the EBITDA to INR225 million (INR207 million) and substantial repayment of vehicle loans. The net leverage (adjusted net debt/operating EBITDAR) increased slightly to 3.99x in FY25 (FY24: 3.95x) due to a marginal increase in debt levels to INR1,055 million (FY24: INR1,031 million).

**Modest EBITDA Margins:** NECC's EBITDA margins have been modest due to the competitive intensity in the industry. The EBITDA margins improved marginally to 6.86% in FY25 (FY24: 6.19 %), with the absolute EBITDA rising to INR225 million (INR207 million), because of a decline the cost of goods sold and an improvement in overall cost control. The margins mainly depend upon lorry freight and fuel costs. The return on capital employed was 6.4% in FY25 (FY23: 6.4%). Ind-Ra expects the EBITDA margin to remain at similar levels in FY26 and improve from FY27, led by the commercialisation of the warehouse business.

**Working Capital Intensive Nature of Business:** NECC's operations are working capital intensive. The working capital cycle remained elongated and deteriorated to 132 days in FY25 (FY24: 127 days) because of an increase in debtor days to 138 (131). The debtor days have been high on account of extended credit offered due to the competitive nature of the logistics industry. The company does not maintain any inventories and generally makes payments to its suppliers within five-to-seven days.

**Highly Fragmented Industry; Susceptibility to Slowdown:** The logistics industry in India is dominated by the presence of several local players catering to localised markets, with organised players accounting for only 10%-15% of the industry. NECC faces intense competition from unorganised players. The fragmented nature of industry could constrain the pricing power and the operating profit margin of the company. Also, the performance of the logistics industry is directly related to the global economy, rendering it vulnerable to the same.

## Liquidity

**Stretched:** NECC had cash and equivalents of about INR155 million at FYE25 (FYE24: INR212million). Moreover, the month-end utilisation of the fund-based limits was high at 98% during the 12 months ended August 2025. NECC has scheduled debt repayment of INR20 million and INR30million in FY26 and FY27, respectively. The cash flow from operations continued to be negative and deteriorated to negative INR208.04 million in FY25 (FY24: negative INR462.1 million) on the back of unfavourable changes in other loans and advances.

## Rating Sensitivities

**Positive:** A substantial improvement in the scale of operations along with an improvement in the liquidity profile and the credit metrics, with the interest coverage exceeding 3.5x, on a sustained basis, would be positive for the ratings.

**Negative:** A substantial deterioration in the scale of operations, or the interest coverage falling below 2.5x and deterioration in the liquidity profile, both on a sustained basis, will be negative for the ratings.

## Any Other Information

Not applicable

## About the Company

NECC is a transport service company with over 200 branches throughout India, Nepal, Bhutan and Bangladesh (up to the border), handling transportation and supply chain solutions. Its corporate office is located in Delhi. NECC offers services such as partial truck load, full truck load, bulk movements, over dimensional consignment movements, warehousing and third-party logistics.

## Key Financial Indicators

Particulars	FY25	FY24
Revenue (INR million)	3,287.25	3,351.15
EBITDAR (INR million)	225.38	207.54
EBITDAR margin (%)	6.86	6.19
Gross interest coverage (x)	2.95	2.29
Net leverage (x)	3.99	3.95

Source: NECC; Ind-Ra

## Status of Non-Cooperation with previous rating agency

Not Applicable

## Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings	Historical Rating/Outlook	
				9 October 2024	25 September 2023
Bank loan facilities	Long-term/Short-term	INR 1000	IND BBB/Stable/IND A3+	IND BBB/Stable/IND A3+	IND BBB-/Positive / IND A3

## Bank wise Facilities Details

The details are as reported by the issuer as on (17 Oct 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Yes Bank Ltd	Fund Based Working Capital Limit	660	IND BBB/Stable / IND A3+
2	DBS Bank India Limited	Fund Based Working Capital Limit	280	IND BBB/Stable / IND A3+
3	Yes Bank Ltd	Non-Fund Based Working Capital Limit	60	IND A3+

## Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Contact

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## **About India Ratings**

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

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## **Solicitation Disclosures**

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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## **APPLICABLE CRITERIA AND POLICIES**

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### **Evaluating Corporate Governance**

### **Corporate Rating Methodology**

### **Short-Term Ratings Criteria for Non-Financial Corporates**

## The Rating Process

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