



**Press Release**  
**CARGOMEN LOGISTICS INDIA PRIVATE LIMITED**  
**July 04, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE BB   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of '**ACUITE BB' (read as ACUITE double Bo)**n the Rs.25.00 Cr. bank facilities of Cargomen Logistics India Private Limited (CLIPL). The outlook is '**Stable**'.

**Rationale for the rating**

The rating assigned considers experienced management and reputed clientele. The rating also factors in the average financial risk profile and adequate liquidity position of the company. The rating is however constrained by subdued operating performance, working capital intensive nature of operations, susceptibility to volatile input cost, economic scenario and forex risk amidst intensively competitive and fragmented industry.

**About the Company**

Incorporated in 2008, Cargomen Logistics India Private Limited (CLIPL) is engaged in providing logistics services such as custom clearance, freight forwarding, warehousing etc. The Directors of the company are Mr. Harihar Natha and Mr. Kamal Jain. The registered office is located at Hyderabad and having presence in India at ten locations and having global presence in Singapore.

**Unsupported Rating**

Not applicable

**Analytical Approach**

Acuite has considered the standalone financial and business risk profiles of Cargomen Logistics India Private Limited (CLIPL) to arrive at the rating as wholly owned subsidiary operates as separate legal and financial independent unit.

**Key Rating Drivers**

**Strengths**

**Experienced management and reputed clientele base**

CLIPL has an established track record of operations for two decades in the field of logistics having headquarter at Hyderabad and having presence in India at ten locations and having global presence in Singapore. It is affiliated with 5700 plus global agents and 765 ports through World Cargo Alliance global network. Promoters of the company are Mr Harihar Nath and Mr Kamal Jain having twenty-five years of experience in this field. It has done collaborations with the key clients like Cognizant Technology Solutions India Private Limited, Carrier Technologies India Limited Premier Energies International Private Limited amongst other. Acuite believes that the company is expected to benefit from the promoter's extensive experience and established track record of operations and relationships with their reputed clientele.

**Improvement in profitability albeit subdued revenues**

The company has reported revenue of Rs. 148.07 Cr. in FY2025(Prov.) as against Rs. 145.73 Cr. in FY2024

posting a growth of merely 1.60 percent. Despite the subdued revenues, the operating margin of the company has improved, which stood at 3.32 percent (Rs. 4.91 Cr.) in FY2025(Prov.) as against operating loss (Rs. 4.15 Cr.) in FY2024. Operating loss in the FY2024 is on account of dip in sea freight charges. In FY2025 prices of the sea freight are corrected resulting in an improvement in profitability coupled with shifting of focus from sea freight transport to air freight transport on account of having better margins. Thus, with the improvement in operating margin, PAT margin has also improved, which stood at 1.40 percent in FY2025(Prov.) as against negative PAT margin of 4.58 percent in FY2024. Acuité believes that the ability of the company to improve its scale of

operations along with profitability will going to remain a key monitorable over the medium term.

### **Average financial risk profile**

The company has average financial risk profile marked by average net worth, comfortable gearing and debt protection metrics. The tangible net worth of the company stood at Rs 28.58 Cr. as on March 31,2025(Prov.) as against Rs. 26.51 Cr. as on March 31,2024 on account of accretion to reserves. Tangible net worth in the FY2024 has dip on account of loss incurred during the year. The total debt of the company as on March 31,2025(Prov.) stood at Rs.17.58 Cr. which consist of long-term debt of Rs 0.88 Cr, unsecured loan from directors of Rs 0.16 Cr , Short term debt of Rs 16.75 Cr. and current portion of long-term debt of Rs 0.59 Cr. Gearing of the company is improved which stood at 0.61 times as on March 31,2025 (Prov.) as against 0.71 times as on March 31,2024 on account of improvement in operating margin coupled with repayment of debt obligations. Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.28 times as on March 31,2025(Prov.) as against 1.21 times as on March 31, 2024. Further, the debt coverage indicators are improved marked by Interest Coverage Ratio (ICR) at 2.23 times and Debt service coverage ratio at 1.56 times as on March 31, 2025(Prov.) as against negative coverage in FY2024 on account of dip in profitability. Acuité believes that the financial risk profile of the company will improve on account of steady net cash accruals owing to improvement in profitability margins along with no major debt funded capex plans.

### **Weaknesses**

#### **Moderately Intensive working capital operations**

The working capital operations of the company are intensive in nature marked by high GCA days of 105 days as on March 31,2025(Prov.) as against 82 days as on March 31,2024. The high GCA days are on account of high debtors of 84 days as on March 31,2025(Prov.) as against 66 days as on March 31,2024 and loans and advances to related party of Rs 4.24 Cr. as on March 31,2025 (Prov.) as against Rs 4.05 Cr. as on March 31,2024. The extend of exposure of funds to related party would remain a key monitorable. Further creditors holding has increased which stood at 20 days as on March 31,2025(Prov.) as against 12 days as on March 31,2024. The average maximum utilisation of its working capital limits was at ~90.07 percent for fund based and ~18.75 percent for average utilisation of non-fund based in last 12 months ended May 2025. Acuite expects the working capital operations to remain intensive over the medium term on account of higher debtor collection period offered to its customers for the payment realization.

#### **Profit margins are susceptible to volatile input cost and economic scenario and forex risk**

The logistics business is directly to linked to global trade and economic scenario. Thus, dip in global trade and economic slowdown may down freight volume. Further the performance of CLIPL will remain linked to the industries in which it caters. Also volatile in fuel cost is challenging factor in this business. However, the forex risk is naturally hedged to some extent as company also engaged into import services. The foreign inflows include exports that accounts 12 percent to 20 percent of revenue and outflows include import of services to the extent of 12 percent to 18 percent, thereby creating the natural hedge. Further the payment of air freight is received in Indian rupee only.

#### **Intensely competitive and fragmented industry**

CLIPL operates in an industry which is exposed to intense competition from organized and unorganized players due to fragmented nature of the industry and low entry barriers. Though, the risk is mitigated to some extent, benefiting from the established relationships with its clientele.

### **Rating Sensitivities**

- Consistent growth in the scale of operations along with improvement in profit margins
- Change in financial risk profile
- Deterioration in working capital cycle
- Extent of support to group/related entities

### **Liquidity Position**

#### **Adequate**

CLIPL's liquidity is adequate marked by steady net cash accruals of Rs.2.72 Cr. as on March 31, 2025(Prov.) as against long term debt repayment of Rs.0.95 Cr. over the same period. The company maintained unencumbered cash and bank balances and Fixed deposit of Rs. 0.26 Cr. and Rs. 1.79 Cr. respectively as on March 31,2025 (Prov.), The average maximum utilisation of its working capital limits was at ~90.07 percent for fund based and ~18.75 percent for average utilisation of non-fund based in last 12 months ended May 2025. Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of comfortable cash accruals against long debt repayments over the medium term.

### **Outlook**

Stable

**Other Factors affecting Rating**  
None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	148.07	145.73
PAT	Rs. Cr.	2.07	(6.68)
PAT Margin	(%)	1.40	(4.58)
Total Debt/Tangible Net Worth	Times	0.61	0.71
PBDIT/Interest	Times	2.23	(1.84)

### Status of non-cooperation with previous CRA (if applicable)

Crisil ,vide its press release dated March 13 ,2025 had denoted the rating of Cargomen Logistics India Private Limited as Crisil BB /Stable (Reaffirmed, Issuer not cooperating).

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### Rating History :

Not applicable

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.50	Simple	ACUITE BB   Stable   Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.50	Simple	ACUITE BB   Stable   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BB   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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