50 NECC Moving You Ahead 1968-2018

North Eastern Carrying Corporation Limited.

Ref. No. : NECCLTD/SEC/2026-27 **November 24, 2026**

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. 130 Crore availed from various Banks;

Instrument Type	Size of Issue (million)	Rating assigned along with Watch/ Outlook	Rating Action
Bank Loan Facilities	INR300	IND BBB/Stable/IND A3+	Assigned
	INR1000	IND BBB/Stable/IND A3+	Affirmed

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
Digitally signed by Rakesh
Date: 2026.11.24 17:33:55 +05'30'

Rakesh
Company Secretary & Compliance Office
M. No. A57773

India Ratings & Research

India Ratings Affirms North Eastern Carrying Corporation's Bank Loan Facilities at 'IND BBB'/Stable; Rates Additional Limits

Nov 24, 2026 | North Eastern Carrying Corporation Limited | Logistics Solution Provider

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

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Bank loan facilities	RBI	-	-	-	300	IND BBB/Stable/IND A3+	Assigned
Bank loan facilities	RBI	-	-	-	1,000	IND BBB/Stable/IND A3+	Affirmed

Analytical Approach

Ind-Ra continues to take a standalone view of NECCL to arrive at the ratings.

Detailed Rationale of the Rating Action

The ratings reflect NECCL's long operating track record, established logistics network, experienced promoters, and a diversified clientele, comprising reputed corporates. However, the ratings are constrained by the company's moderate and volatile profitability, weakened credit metrics, and working-capital-intensive operations. Nonetheless, the recovery witnessed in 1HFY27, incremental business from new contracts, promoter-backed equity infusion and expected deleveraging are likely to support an improvement in operating performance and credit metrics over the medium term.

List of Key Rating Drivers

Strengths

- Long operating track record and established logistics network
- Experienced promoters with demonstrated funding support
- Diversified and reputed customer base with established corporate relationships

Weaknesses

- Moderation in operating scale; likely recovery in medium term
- Modest EBITDA margins and volatile operating profitability
- Deterioration in credit metrics; likely improvement in medium term
- Working-capital-intensive operations

Rakesh Digitally signed by Rakesh Date: 2026.11.24 17:34:13 +05'30'

Detailed Description of Key Rating Drivers

Long Operating Track Record and Established Logistics Network: NECCL has an operating track record of more than five decades in the road logistics industry, with an established presence, particularly in eastern and north-eastern India. The company operates through an extensive branch network and offers a diversified range of logistics services, including part truck load (PTL), full truck load (FTL), bulk transportation, over-dimensional consignment (ODC), warehousing, and third-party logistics. Its well-established network and ability to consolidate cargo from a diversified customer base support its business position.

Experienced Promoters with Demonstrated Funding Support: NECCL benefits from the promoters' extensive

experience of in the transportation and logistics business and their established relationships with customers and transport operators. The promoters have also supported the company through interest-free unsecured loans. Additionally, the promoter-backed warrant issuance is likely to support the capital structure through equity accretion.

Diversified and Reputed Customer Base with Established Corporate Relationships: NECCL caters to a diversified customer base, which comprises established corporates across steel, metals, energy, fast-moving consumer goods (FMCG), and other industrial sectors. Customer concentration remains moderate, with Tata Steel Limited (TSL; debt rated 'IND AAA'/Stable), the largest customer contributing around 13% to the FY26 revenue, while the disclosed top customers together accounted for around 31% of the revenue. Moreover, the recently awarded two-year transportation contract from TSL further strengthens revenue visibility in the bulk transportation segment.

Moderation in Operating Scale; Likely Recovery in Medium Term: NECCL's revenue declined to INR3,080.4 million in FY26 (FY25: INR3,287.2 million), due to xx. However, its revenue from operations increased to INR1,518.6 million in 1HFY27 (1HFY26: INR1,398.5 million). Additionally, the 2QFY27 revenue rose to INR762.7 million (INR707.5 million). Ind-Ra expects revenue to improve over the medium term, supported by the company's established customer base, incremental business from existing customers, and the execution of recently awarded contracts, including the two-year bulk transportation order from TSL.

Modest EBITDA Margins and Volatile Operating Profitability: NECCL's operating profitability remained modest and volatile, with its EBITDA margins declining to 5.7% in FY26 (FY25: 6.9%), primarily due to higher direct operating costs. Quarterly profitability also remained uneven, with relatively weaker margins witnessed during the fourth quarter. However, its profitability improved in 1HFY27, with the operating EBITDA margin rising sequentially to 6.9% in 2QFY27 (1QFY27: 5.9%; 2QFY26: 4.0%), indicating better absorption of operating costs. The company's return on capital employed (ROCE) also fell to 4.3% in FY26 (FY25: 6.4%). While margins remain susceptible to fluctuations in freight and fuel costs and changes in business mix, contractual mechanisms that allow for the partial pass-through of fuel price increases provide some protection against sharp increases in operating costs.

Deterioration in Credit Metrics; Likely Improvement in Medium Term: NECCL's credit metrics weakened in FY26, primarily due to the moderation in operating profitability and higher debt levels. Its gross interest coverage (operating EBITDAR/gross interest expense) declined to 2.46x in FY26 (FY25: 2.95x), while the net leverage (adjusted net debt/ operating EBITDAR) increased to 6.9x (4.0x). Nevertheless, the metrics are likely to improve over the medium term, supported by the recovery in operating profitability, debt repayment and equity accretion through the share-warrant proceeds.

Working-capital-intensive Operations: NECCL's operations remain working-capital intensive, primarily due to the extended collection period from customers, with debtor days increasing to around 154 days in FY26 (FY25: 138 days), while creditor support remained limited at around six days (Six days). Consequently, the net cash conversion cycle increased to around 149 days in FY26 (FY25: 132 days). The elongated working capital cycle also constrained operating cash generation, although cash flow from operations (CFO) improved to negative INR88 million in FY26 (FY25: negative INR208 million).

Liquidity

Stretched: NECCL's average maximum utilisation of its fund-based working-capital limits remained high at 95.2% during the 12 months ended September 2026, indicating limited liquidity headroom, while utilisation of the non-fund-based facilities was moderate at 51.7%. Cash flow from operations, although remaining negative, improved to negative INR88 million in FY26 (FY25: negative INR208 million), as NECCL continued to absorb cash in working capital, particularly due to the elongated receivable cycle. The company has repayment obligations of INR99.20 million and INR71.7 million in FY27 and FY28. NECC had cash and equivalents of about INR96 million at FYE26 (FYE25: INR155 million). Additionally, promoter-backed warrant proceeds are likely to support liquidity.

Rating Sensitivities

Positive: A substantial improvement in the scale of operations, along with an improvement in the liquidity profile and credit metrics, with the interest coverage exceeding 3.5x, all on a sustained basis, will lead to a positive rating action.

Negative: A substantial deterioration in the scale of operations, or a deterioration in the liquidity profile and credit metrics, with the interest coverage falling below 2.5x, all on a sustained basis, will lead to a negative rating action.

Any Other Information

Not applicable

About the Company

NECCL is a transport service company, with more than 200 branches across India, Nepal, Bhutan and Bangladesh (up to the border), handling transportation and supply chain solutions. The company's corporate office is in Delhi and offers services, including partial truck load, full truck load, bulk movements, moving over dimensional consignments, warehousing and third-party logistics.

Key Financial Indicators

Particulars (INR million)	FY26	FY25
Revenue	3,080.44	3,287.25
EBITDAR	246.54	225.38
EBITDAR margin (%)	8.00	6.86
Gross interest coverage (x)	2.46	2.95
Net leverage (x)	6.93	3.99
Source: NECC; Ind-Ra		

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (INR million)	Current Rating	17 October 2025	09 October 2024	25 September 2023
Bank loan facilities	Long-term/ short-term	1,300	IND BBB/ Stable/IND A3+	IND BBB/ Stable/IND A3+	IND BBB/ Stable/IND A3+	IND BBB-/ Positive/IND A3

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or 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.

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.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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