



Press Release

AVG Logistics Limited

December 08, 2025

Ratings

Instrument Facility	Amount (Rs. Crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long term Bank Facilities	114.66 (Enhanced from Rs. 75.85 Crore)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Rating Upgraded	Simple
Short Term bank Facilities	10.00	IVR A2 (IVR A Two)	IVR A3+ (IVR A Three Plus)	Rating Upgraded	Simple
Long Term/Short Term Bank Facilities (Proposed)	9.00 (Reduced from Rs. 15.00 Crore)	IVR BBB+/Stable & A2 (IVR Triple B Plus with Stable Outlook & IVR A Two)	IVR BBB/ Stable (IVR Triple B with Stable outlook) & IVR A3+ (IVR A Three Plus)	Rating Upgraded	Simple
Total	133.66	Rupees One Hundred Thirty-Three Crore and Sixty-Six Lakh Only			

Details of Facilities/Instrument are in Annexure 1
Facility wise lender details are at Annexure 2
Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has upgraded the long-term rating to IVR BBB+ with a stable outlook and upgraded the Short-Term rating to IVR A2 for the bank loan facilities of AVG Logistics Limited (AVGLL).

The rating upgraded to AVGLL continues to derive comfort from the company's established track record in the domestic logistics industry, experienced promoters, and its position as an integrated multimodal logistics provider with a pan-India network. The ratings further factor in the company's diversified customer profile, adequate fleet size comprising both owned and hired vehicles, and steady scale of operations supported by repeat business from reputed clientele. During the recent period, AVGLL has maintained stable operating revenue with healthy growth visibility supported by expansion of fleet, addition of warehousing capacity, and diversification into new verticals such as liquid-logistics and ISO-tank container services. The company continues to benefit from the operational efficiencies arising out of its integrated logistics platform covering transportation, warehousing, cold-chain, and 3PL solutions. Infomerics also notes the moderate capital structure with controlled leverage parameters and



Press Release

adequate debt-coverage indicators. The ratings, however, are constrained by the working capital-intensive nature of operations leading to high utilization of its working capital limits, competitive and fragmented nature of the freight logistics industry and vulnerability of its profitability margins to trade cycle and competition.

The Stable Outlook reflects the expectation that AVGLL will continue to maintain its established operational profile supported by its diversified logistics offerings, long-standing relationships with key clients, and steady scale of operations. The outlook also factors in the company's moderate capital structure, improving profitability, and adequate liquidity position. It is expected that AVGLL will sustain healthy fleet utilisation levels, stable demand from its core customer segments, and prudent working capital management over the near to medium term.

IVR has principally relied on the standalone audited financial results of AVGLL up to FY25(A) (review period from April 01, 2024, to March 31, 2025) and three years projected financials till FY28, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Sustained growth in scale of operations and profitability, supported by healthy order inflows and improved business visibility across multimodal and cold-chain logistics
- Improvement in capital structure and coverage indicators.
- Wide services portfolio, catering to reputed clientele base varied segments.

Downward Factors

- Working capital intensive operations due to high collection periods.
- Decline in operating margins caused by fuel cost volatility or pricing pressure in a competitive market.
- There is a significant increase in debt for capex in ISO Tanks, Cold chain vehicles, EV and LNG vehicles to cater the demand from the customers.



Press Release

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters:**

The company benefits from an experienced management team with a long-track record of operations in the logistics sector. The promoters and senior leadership bring decades of industry expertise, which has supported the company's steady expansion, operational efficiency, and ability to navigate sectoral challenges. Their deep understanding of multimodal logistics, customer requirements, and cost management has enabled the company to build strong client relationships, diversify service offerings, and scale operations across key regions in India. The management's experience continues to be a key strength underpinning the company's business stability and growth prospects

- **Increase in total operating income and EBITDA during FY25 and 6MFY26 (Audited)**

The company demonstrated a steady improvement in scale of operations and profitability over FY23–FY25. Revenue from operations improved from Rs. 479.76 crore in FY24 (refers to period April 1st, 2023, to March 31st, 2024) to Rs. 550.81 crore in FY25 (refers to period April 1st, 2024, to March 31st, 2025) was primarily driven by higher cargo volumes and improved utilization across its multimodal logistics network. The company witnessed healthy demand from key customer segments, supported by expansion in its road transportation, rail logistics, and cold-chain services. The addition of new cold chain vehicles, Electric vehicles and LNG vehicles enhanced service capacity and geographic coverage, enabling it to handle a higher number of consignments. Further, the company's focus on operational efficiency, route optimization, and customer acquisition contributed to incremental business generation. Collectively, these factors resulted in a notable improvement in the company's overall scale of operations during FY25.

Operating Profitability also improved, with EBITDA rising from Rs. 83.84 crore in FY24 to Rs. 95.27 crore in FY25, translating to a constant margin from 17.48% in FY24 to 17.30% in FY25.

PAT of the company has been dropped from Rs. 32.72 crore in FY24 to Rs. 21.28 crore in FY25, The PAT of the company has been high in FY24 due to an exceptional item of Rs. 14.23 Crore and Rs.7.02 Crore as One-time income representing profit on sale of investment. Excluding the impact of the exceptional income recorded in FY24, the company's underlying profitability in FY25 remained stable, supported by higher scale of operations and improved EBITDA.



Press Release

During the 6-month period of FY26, the company maintained its upward trajectory, generating a topline of Rs. 267.02 Cr. This performance resulted in an EBITDA of Rs. 47.38 Cr. During that period, benefitting from economies of scale, the company EBITDA margin stood at 17.74% and PAT margin at 3.73%.

- **Established and diversified customer base**

The company benefits from an established and diversified customer base, which provides stability to its revenue profile and reduces concentration-related risks. AVGLL serves clients across multiple sectors, including FMCG, pharmaceuticals, food processing, automotive, and consumer goods, supported by long-standing relationships with several reputed corporates. This diversified clientele ensures consistent business volumes, enhances visibility of cash flows, and mitigates the impact of demand fluctuations in any single industry segment. The company's ability to retain and grow business from a broad customer portfolio reflects its service reliability, operational capability, and strong market positioning

- **Comfortable Capital structure with adequate debt protection metrics:**

The company maintains a moderate capital structure. Long-Term Debt Equity ratio remained flat from 0.20x in FY24 to 0.21x in FY25. Overall gearing also remained flat to 0.43x in FY25 as against 0.45x in FY24. However, TOL/ATNW improved from 1.26x in FY24 to 1.02x in FY25. The adjusted tangible net worth increased from Rs. 197.10 crore to Rs. 244.91 crore in FY25. Following the successful conversion of 14,00,000 Warrants into equity during the reporting period. Interest coverage remains healthy and range bound at 3.69x in FY25 (FY24: 2.98x), while DSCR improved to 2.38x in FY25 (FY24: 2.05x), indicating the company has sufficient surplus to cover its debt obligations. Overall, the debt servicing ability has remained healthy in FY25 due to increase in EBITDA from Rs. 83.84 crore to Rs. 95.27 crores.

Key Rating Weaknesses

- **Highly competitive in logistics business Limits pricing flexibility**

The company is majorly dependent on market hirings so fluctuations in hire charges for market vehicles, as the rates are primarily dependent on the demand-supply position.



Press Release

Additionally, as the firm enters freight contracts with various customers, its ability to pass through any variation in fuel prices remains critical in maintaining its profit margin.

- **Environmental Consideration**

The company is involved in logistics and transportation services, a highly competitive business and is thus sensitive to increases in costs, particularly that of fuel, and the cost of upgradation of fleet, in line with new emission technologies. As road freight transport accounts for a material proportion of emissions, the industry remains exposed to the impact of regulatory standards becoming more stringent. In this regard, the firm remains exposed to adverse movement in operating economies for fleet operators.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Entities.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The liquidity position of the company is adequate, marked by sufficient cash accruals as against its repayment obligations. The company has booked gross cash accruals of Rs.66.27 crore in FY2025 as against the repayment obligation of Rs.21.45 crore in FY2025. Moreover, the company is expecting the gross cash accruals in the range of Rs.77.87 crore to Rs.111.17 crore which are sufficient for future repayment obligation. Further, the company had free cash and cash equivalents to the tune of Rs. 1.19 crore as on March 31, 2025. The current ratio of the company stood at 1.77x as on March 31, 2025.

About the Company

AVG Logistics Limited incorporated in 2010, is a multi-modal logistics service provider engaged in road transportation, rail cargo movement, warehousing, and cold-chain logistics. Promoted by Mr. Sanjay Gupta, who has over three decades of experience in the logistics sector, the company



Press Release

has built a strong operational presence across India with an extensive branch network and a large fleet comprising owned and hired vehicles. AVGLL caters to a diversified customer base across FMCG, food products, pharmaceuticals, automotive, and consumer goods industries, supported by long-standing relationships with several reputed clients. The company also offers value-added services such as dedicated logistics solutions, reverse logistics, and temperature-controlled transportation. Over the years, AVGLL has expanded into integrated, environmentally sustainable logistics, including the use of electric, CNG, and LNG vehicles and increased reliance on rail-based movement, strengthening its cost efficiency and ESG positioning. Its warehousing footprint, multimodal capabilities, and technology-enabled operations provide comprehensive end-to-end supply chain solutions, positioning AVGLL as a growing and competitive player in the domestic logistics industry.

Financials (Standalone):

For the year ended* As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	479.76	550.81
EBITDA	83.84	95.27
PAT	32.72	21.28
Total Debt	88.89	104.56
Tangible Net worth*	197.22	245.53
EBITDA Margin (%)	17.48	17.30
PAT Margin (%)	6.67	3.84
Overall Gearing Ratio (x)	0.45	0.43
ISCR (x)	2.98	3.69

**as per Infomerics standards*

Status of non-cooperation with previous CRA : Nil

Any other information: : Nil

Rating History for last three years:



Press Release

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Date(s) & Rating(s) assigned in 2024-25 Dated: December 12, 2024	Rating History for the past 3 years		
		Type	Amount Outstanding (Rs. crore)	Rating		Date(s) & Rating(s) assigned in 2023-24 Dated: Jan 08, 2024	Date(s) & Rating(s) assigned in 2023-24 Dated: Dec 12, 2023	Date(s) & Rating(s) assigned in 2022-23 Dated : Feb 07, 2023
1	Term Loan	Long Term	64.66	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable outlook)	IVR BBB-/RWDI (IVR Triple B Minus with rating watch with developing implication)
2	Cash Credit	Long Term	50.00	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable outlook)	IVR BBB-/RWDI (IVR Triple B Minus with rating watch with developing implication)
3	Bank Guarantee	Short Term	10.00	IVR A2 (IVR A Two)	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	-	IVR A3 (IVR A Three)



Press Release

4	Proposed	Long Term/ Short Term	9.00	IVR BBB+/Stable & A2 (IVR Triple B Plus with Stable Outlook & IVR A Two)	IVR BBB/ Stable (IVR Triple B with Stable outlook) & IVR A3+ (IVR A Three Plus)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook) & IVR A3 (IVR A Three)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook) & IVR A3 (IVR A Three)	-
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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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Press Release

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan			Dec 25	0.16	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
Long Term Bank Facilities – Term Loan			Dec 28	9.00	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
Long Term Bank Facilities – Term Loan			Aug 27	3.00	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
Long Term Bank Facilities – Term Loan			Mar 29	1.00	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
Long Term Bank Facilities – Term Loan			Mar 33	46.00	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
Long Term Bank Facilities – Term Loan			Oct 27	5.50	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
Long Term Bank Facilities – Cash Credit			-	50.00	IVR BBB+/Stable



Press Release

					(IVR Triple B Plus with Stable Outlook)
Short Term Bank Facilities – Bank Guarantee			-	10.00	IVR A2 (IVR A Two)
Long Term/Short Term Bank Facilities (Proposed)				9.00	IVR BBB+/Stable & A2 (IVR Triple B Plus with Stable Outlook & IVR A Two)

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_AVG_Logistics_dec25_5a8234faa8.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com