

March 30, 2026

Balmer Lawrie & Company Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Cash credit facilities	50.00	50.00	[ICRA]AA+(Stable); reaffirmed
Non-fund based facilities	130.00	130.00	[ICRA]AA+(Stable); reaffirmed
Short term fund based facilities ¹	(50.00)	(50.00)	[ICRA]A1+; reaffirmed
Total	180.00	180.00	

*Instrument details are provided in Annexure-I; ¹ Sublimit of the cash credit facilities

Rationale

While arriving at the ratings of Balmer Lawrie & Company Limited (BLL), ICRA has considered the consolidated profile of the entity with the subsidiary – Visakhapatnam Port logistics Private Limited (VPLPL) – along with JV/associates. BLL has provided corporate guarantee for the loan refinanced in VPLPL.

The reaffirmation of the ratings continues to factor in Balmer Lawrie & Company Limited's (BLL) highly conservative capital structure, its strong debt protection metrics and a comfortable liquidity position, given a large free cash and bank balance of over ~Rs. 300 crore as of February 2026 and expected to close at ~Rs. 360 crore as on March 31, 2026 (~Rs. 447 crore on March 31, 2025), which imparts a high degree of financial flexibility. In FY2025, the operating income showed a comfortable growth of ~7.6%, while in the current fiscal, the revenues have grown at a modest ~3.5% in 9M FY2026 and are expected to report a moderate growth of ~2% till the year-end. The operating margin, on the other hand, moderated to ~13% in FY2025 and ~12% in 9M FY2026 from ~13.3% in FY2024. The current year's margins are expected to sustain owing to the better performance of some divisions, such as services, travel and tour. The financial performance is expected to remain healthy in the full year with steady profit margins in industrial packaging (IP), travel and vacation (T&V) and grease and lubricants (G&L) divisions.

The financial risk profile also remains comfortable, given the nil external debt (at the standalone level), healthy debt coverage and strong liquidity position. The ratings also consider a healthy diversification across business segments and customers, which protects BLL from any downturn in a particular business. The Central Public Sector Undertaking (CPSU) status of BLL enables it to generate stable revenues from other PSUs and Government departments, especially in the logistics services (LS) and T&V business verticals.

The above strengths are, however, offset by a decline in performance in grease and lubricants with a dip in base oil prices and the vulnerability of the company's profitability to the adverse movements in raw material prices in the IP and G&L verticals. Additionally, the revenues and margins in the container handling business remain susceptible to changes in Government policies. The ratings also remain constrained by the sizeable exposure to a weak subsidiary, which continues to impact BLL's consolidated financials. Although BLL does not expect to provide further funds, any large support to the subsidiaries impacting the liquidity profile will be a key monitorable. Nonetheless, BLL's strong liquidity position arising from its large cash balance, strong accruals from different business verticals and its undrawn bank lines, provides comfort to its ratings.

Additionally, ICRA notes that the Government of India had announced its plans to divest in BLL in the past. While no development has happened till date, the materialisation of the same in the future and its impact will be a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that BLL would generate healthy free cash flows across a diversified portfolio of business. Despite the debt-funded capex, the coverage indicators and gearing are expected to remain comfortable.

Key rating drivers and their description

Credit strengths

Conservative capital structure, strong debt protection metrics and comfortable liquidity position – BLL's consolidated financial risk profile remained strong in FY2025 with an improvement in profits and cash accruals. In FY2025, the operating income showed a comfortable growth of ~7.6%, while in the current fiscal, the company registered a modest revenue growth of ~3.5% in 9M FY2026 and this expected to moderate to ~2% growth till the year-end. The operating margin moderated to ~13% in FY2025 and ~12% in 9M FY2026 from ~13.3% in FY2024. The current year's margins are expected to sustain owing to the better performance of some division, such as services and travel and tour. The debt protection metrics also remained strong, reflected in an interest coverage of ~9.9 times in 9M FY2026 (FY2025 – 12.4 times).

Diversified operations and established position across business segments cushion against downturns in a particular segment – BLL's business profile is diversified across business segments and customers, which protects it from any downturn in a particular business. The company is organised into five main divisions – logistics infrastructure, logistics services, grease & lubricants, industrial packaging and travel & vacations, besides other smaller divisions. The business profile remains adequately diversified, with logistics services, industrial packaging and grease & lubricants being the key revenue contributors, constituting ~20%, ~31% and ~23%, respectively, of BLL's consolidated revenues in 9M FY2026.

PSU status provides stable revenues from the Government sector – The competitive advantage of BLL's service-related SBUs is supported by its PSU status, which results in stable revenues from PSU/Government sector customers. The PSU status is expected to benefit the overall business risk profile of BLL, going forward as well. ICRA notes that BLL is the Government's preferred partner in providing logistics services for defence imports, and ticketing services for the travel needs of officials from the armed forces. Such services are likely to provide a stable source of revenue to the company. ICRA also notes that BLL has added several private sector clients over the years and is expected to considerably increase the sectors' share, going ahead.

Credit challenges

Vulnerability of profitability to adverse movements in raw material prices and intense competition – The key manufacturing verticals – industrial packaging and grease & lubricants – are characterised by moderate margins. While many unorganised players and low entry barriers keep the margins of the IP division under check, intense competition from global and local players restricts the margins of the G&L segment. In addition, volatile prices of cold-rolled coil and base oil used as raw materials in the IP and G&L segments, respectively, expose the profitability to adverse movements in raw material prices as reflected in the dip in revenues from the G&L segment in FY2025.

Logistics business susceptible to Government policies – The revenues and margins in the container handling business remain susceptible to the volatility in Government policies. The implementation of the Direct Port Delivery/Direct Port Entry (DPD/DPE) scheme by the Government of India, which has now been implemented across all major ports, continues to impact BLL's top line and bottom line from the segment.

Sizeable investment in and support to weak subsidiary continues to impact consolidated financials – BLL has an equity investment of ~Rs. 81 crore in its subsidiary, Visakhapatnam Port Logistics Park Limited (VPLPL), which started commercial operations from October 2019. However, the commencement of CFS operations started in the last fiscal, resulting in support required for the debt servicing of the entity. In the past, BLL has extended support through loan & advances worth Rs. 13.2 crore till March 2025. VPLPL has refinanced its term loan in the last fiscal, in which BLL has provided corporate guarantee. However, the support requirement is expected to be limited to the principal repayment, while the interest servicing is likely to be primarily met through the cash flows of VPLPL. ICRA will continue to monitor the performance of VPLPL, and support required from BLL for its debt servicing.

Liquidity position: Strong

BLL's liquidity position is strong with healthy cash flow from operations, large free cash and bank balances of over Rs. 300 crore as of February 2026, no debt repayment obligations, modest capital expenditure plans and adequate buffer in the form of unutilised working capital limits (~Rs. 66 crore as of February 2026). Overall, ICRA expects the company to be able to comfortably meet its near-term capex commitments through internal accruals and still be left with sufficient cash surplus.

Rating sensitivities

Positive factors - ICRA could upgrade BLL's rating if the RoCE improves and remains above 25% on a sustained basis, along with the sustenance of debt coverage indicators and liquidity position.

Negative factors - Pressure on BLL's ratings could arise if there is a sustained slowdown in BLL's end-user industries, leading to a fall in its operating cash flows. High dividend outflow, weakening the liquidity, could also be a trigger for downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of BLL as per entities mentioned in Annexure II

About the company

Balmer Lawrie & Company Limited (BLL) was established in 1867 as a partnership firm to deal in freight forwarding and imports clearing in India. It is a Central PSU and has been under the administrative control of the Ministry of Petroleum and Natural Gas, GoI, since 1972. In 1924, it was incorporated as a private limited company, and in 1936, it was converted into a public limited company. In 2006, BLL attained the Miniratna-I status. It has many strategic business units (SBU), with presence in both the manufacturing and services sectors. The key manufacturing verticals are industrial packaging and grease & lubricants, while the key services divisions are travel & vacation, logistics infrastructure and logistics services.

Key financial indicators

	Standalone		Consolidated	
	FY2024	FY2025	FY2024	FY2025
Operating income	2323.4	2503.2	2344.4	2524.4
PAT	203.5	232.8	199.3	194.8
OPBDIT/OI	14.0%	12.9%	13.3%	13.0%
PAT/OI	8.8%	9.3%	8.5%	7.7%
Total outside liabilities/Tangible net worth (times)	0.6	0.5	0.6	0.5
Total Debt/OPBDIT (times)	0.1	0.1	0.4	0.3
Interest coverage (times)	24.1	19.7	14.1	12.4

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Mar 30, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	50.00	[ICRA]AA+ (Stable)	April 08, 2025	[ICRA]AA+ (Stable)	May 10, 2024	[ICRA]AA+ (Stable)	Jul 07, 2023	[ICRA]AA+ (Stable)	May 17, 2022	[ICRA]AA+ (Stable)
Non-fund based bank facilities	Long term	130.00	[ICRA]AA+ (Stable)	April 08, 2025	[ICRA]AA+ (Stable)	May 10, 2024	[ICRA]AA+ (Stable)	Jul 07, 2023	[ICRA]AA+ (Stable)	May 17, 2022	[ICRA]AA+ (Stable)
Fund based bank facilities*	Short term	(50.00)	[ICRA]A1+	April 08, 2025	[ICRA]A1+	May 10, 2024	[ICRA]A1+	Jul 07, 2023	[ICRA]A1+	May 17, 2022	[ICRA]A1+

*submit of Cash credit

Complexity level of the rated instruments

Instrument	Complexity Indicator
Cash credit	Simple
Non-fund based bank facilities	Simple
Fund based bank facilities*	Simple

*submit of cash credit

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit facilities	NA	NA	NA	50.00	[ICRA]AA+ (Stable)
NA	Non-fund based facilities	NA	NA	NA	130.00	[ICRA]AA+ (Stable)
NA	Short term fund based facilities*	NA	NA	NA	(50.00)	[ICRA]A1+

Source: Company; *sublimit of cash credit

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis:

Company name	Ownership	Consolidation approach
Visakhapatnam Port Logistics Park Ltd	60%	Full consolidation
AVI Oil India Pvt Ltd	25%	Equity method
Balmer Lawrie Van Leer Ltd	47.91%	Equity method
PT Balmer Lawrie Indonesia	50%	Equity method
Balmer Lawrie UAE LLC	49%	Equity method

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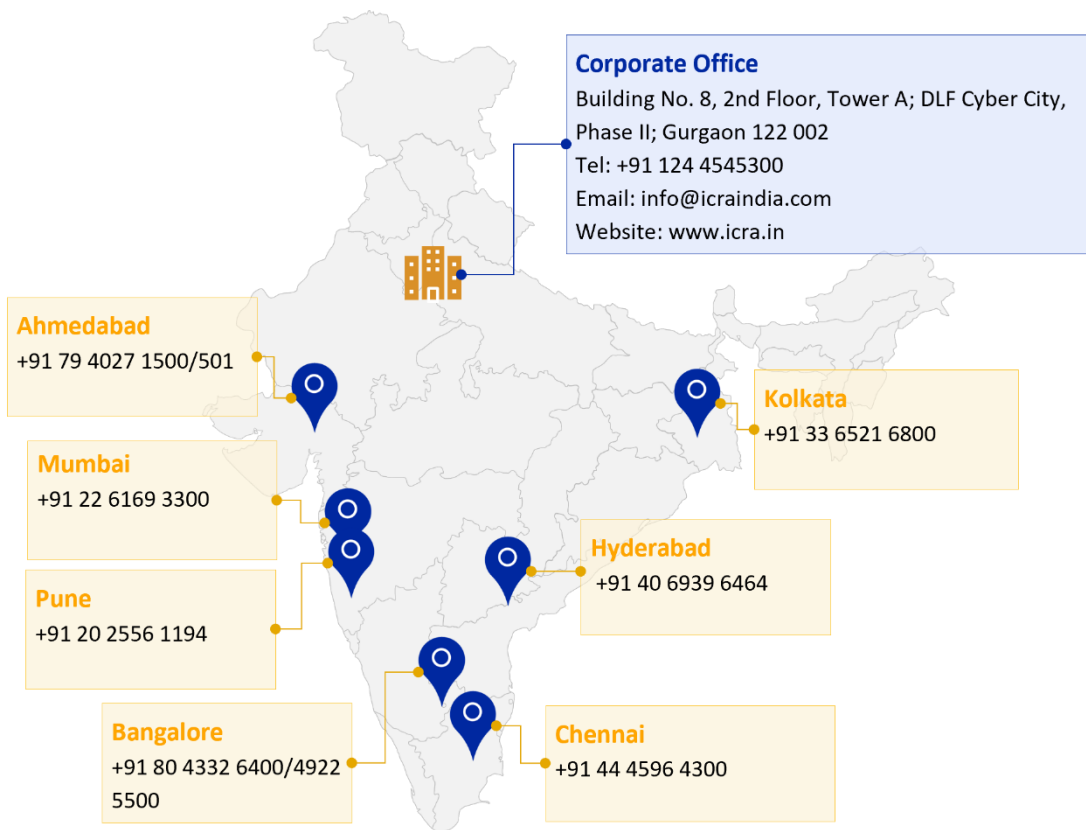
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