

June 30, 2025

Transvolt Logistics Private Limited: [ICRA]BBB+ (Stable) assigned

Summary of rating action

| Instrument* | Current rated amount (Rs. crore) | Rating action |
|----------------------------------|-------------------------------------|-------------------------------|
| Long-term fund based – Term loan | 88.00 | [ICRA]BBB+ (Stable); assigned |
| Total | 88.00 | |

*Instrument details are provided in Annexure I

Rationale

The rating assigned to Transvolt Logistics Private Limited (TLPL) takes into consideration the strength of its concession agreement with a strong and reputed counterparty. TLPL has been set up as a 100% subsidiary of Transvolt Mobility Private Limited (TMPL) to provide transportation services of goods for its clients through electric trucks. TLPL has entered into a Transportation Service Agreement for transportation of clinkers through e-trucks for Ultratech Cement Limited (UCL), resulting in low counterparty risks. The company's business model is characterised by high revenue visibility, given the nature of the agreement, under which it will be paid a fixed rate for a minimum assured quantity of 75,000 metric tonnes of clinkers per month, subject to the assured availability of e-trucks, for a period of eight years. The collection risks are further mitigated by the presence of an escrow mechanism. The total cost for the deployment of 70 e-trucks, being funded via debt of Rs. 88.00 crore (financial closure having been achieved) and balance as equity from TMPL. TLPL had deployed 15 e-trucks as on June 17, 2025, and the balance is expected to be deployed by end-July 2025. The company's ability to operate the e-trucks as per the desired parameters remains critical.

The project's success heavily relies on the original equipment manufacturer (OEM) and is thus exposed to operational risk. To mitigate that, TLPL has entered into back-to-back agreements with IPL Tech Electric Pvt Limited (OEM) for the annual maintenance contract (AMC) as well as battery replacement for these e-trucks. However, ICRA notes the limited track record of e-truck operations of the OEM (IPL Tech) in India, though trial run of e-trucks on the routes before actual operations provides certain comfort. The operations also remain exposed to supply chain risks, as any adverse developments related to the import of critical components by OEM (in case of replacements or breakdowns) could impact operations.

TLPL is part of the Transvolt group, a recent entrant into the e-mobility space in India, having commenced operations in CY2023. TMPL, the holding company of the Group, currently has two operational SPVs engaged in the business-to-government (B2G) segment under the gross cost contract (GCC) model, and another SPV recently commenced operations under the GCC route. Additionally, it has two business-to-business (B2B) projects under implementation, including TLPL. The Group has limited track record in the e-mobility segment in India as it started its operations from December 2023 onwards though a strong operational and maintenance team with experience in the mobility segment in their earlier roles adds certain comfort. Any underperformance of the e-buses/e-trucks from the specifications planned/targeted has the potential to impact the viability of the SPVs/subsidiaries and necessitate enhanced funding requirements. TMPL has so far largely relied on funds mobilised through promoters, their friends/high net-worth individuals to support the funding requirements of the SPVs/subsidiaries, in addition to debt drawdowns. It has recently entered into a collaboration agreement with the International Finance Corporation (IFC) for an aggregate infusion of up to \$150 million to support its future expansion plans. Of this, \$20 million is expected to be infused in due course (post completion of documentation). ICRA expects TMPL to provide need-based funding support to TLPL.

The Stable outlook on the rating reflects ICRA's opinion that TLPL is likely to benefit from the assured revenues, supported by the long-term agreement with the counterparty.

Key rating drivers and their description

Credit strengths

Strong and reputed counter party – TLPL has been set up as a 100% subsidiary of Transvolt Mobility Private Limited (TMPL) to provide transportation services for clinkers through e-trucks for Ultratech Cement Limited (UCL), resulting in low counterparty risks.

High revenue visibility – Given the nature of the agreement, TLPL will be paid a fixed rate for a minimum assured quantity of 75,000 metric tonnes of clinkers per month through e-trucks. Accordingly, the company will not bear the traffic risk on the routes and only needs to ensure the availability of trucks as per the deployment plan. This arrangement, thus, translates into an annuity model of revenues for TLPL over the concession period, leading to high revenue visibility. The availability of spare trucks is likely to aid TLPL in ensuring the required fleet availability and maintaining a stable revenue profile.

Funding support from TMPL – Being a 100% subsidiary of TMPL, ICRA expects TMPL to provide need-based funding support to TLPL. TMPL has so far largely relied on funds mobilised through promoters, their friends/high net-worth individuals to support the funding requirements of the SPVs/subsidiaries. It has recently entered into a collaboration agreement with IFC for a fund infusion of up to \$150 million to support its future expansion plans. Of this, \$20 million is expected to be infused in due course (after the completion of documentation).

Credit challenges

Recent entrant in the e-mobility space – Transvolt Group is a recent entrant into the e-mobility space in India, having commenced operations in CY2023; hence, its track record remains limited at present. The Group does not have any proven track record in the e-mobility segment in India, though has a strong operational and maintenance team with experience in the mobility segment in their earlier roles provides certain comfort. Any underperformance of the e-bus/e-trucks or its battery from the specifications planned/targeted, has the potential to impact the viability of SPVs/subsidiaries, and necessitate enhanced funding requirements.

Limited track record of operations of OEM in e-truck segment – The project's success heavily relies on the original equipment manufacturer (OEM). Furthermore, TLPL has entered into back-to-back agreements with IPL Tech for the annual maintenance contract (AMC) as well as battery replacement for these e-trucks. However, ICRA notes the limited track record of e-truck operations of the OEM (IPL Tech) in India. The operations also remain exposed to supply chain risks, as any adverse developments related to the import of critical components (in case of replacements or breakdowns) by OEM could impact operations.

Exposure to operational risks – TLPL had deployed 15 e-trucks by June 17, 2025, with the balance expected by the end of July 2025. The ability of the company to operate the e-trucks as per the estimated parameters and meet profitability expectations remain a key monitorable.

Liquidity position: Adequate

The liquidity position of TLPL is expected to remain adequate. The project cost is being funded through debt of Rs. 88.00 crore, and balance in the form of balance OCDs and equity from TMPL. Financial closure has been achieved, with 60% of the debt drawn down and 100% of the OCD and equity amount brought in. The tenor of the term loan is 7 years and 9 months, including a moratorium of six months from the date of the first disbursement. The commercial operations date for the project is July 2025, and as on date, 68% of the project cost has been incurred. Repayments are scheduled to commence from November 2025. The company has annual debt repayments of Rs. 10.11 crore and Rs. 11.44 crore in FY2026 and FY2027, respectively. This is expected to be funded through the expected cash flow generation by TLPL. ICRA also expects TMPL to provide need-based funding support to TLPL.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case of a sustained track record of operations and stabilisation of operations.

Negative factors – Pressure on the rating could arise in case the project profitability remains weaker than anticipated, leading to pressure on liquidity position on sustained basis.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Standalone |

About the company

TLPL is a wholly owned subsidiary of TMPL and is the holding company for the logistics business related to the transportation of goods for various clients. Presently, the company has entered into an eight-year contract with Ultratech Cement for the transportation of clinkers from the Dhar Plant to the Dhule Plant. The e-trucks have been procured from IPL Tech Electric Pvt Limited. The company is also undertaking trial runs with e-trucks from various OEMs for different private clients at various locations, which shall help in decarbonising the supply chain.

Key financial indicators (audited): Not applicable being a project phase entity

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Current (FY2026) | | | | Chronology of rating history for the past 3 years | | | | | |
|------------------|-----------|--------------------------|---------------------|---|--------|--------|--------|--------|--------|
| FY2026 | | | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | Jun 30, 2025 | Date | Rating | Date | Rating | Date | Rating |
| Term loans | Long term | 88.00 | [ICRA]BBB+ (Stable) | - | - | - | - | - | - |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|----------------------------------|----------------------|
| Long-term fund based – Term loan | Simple |

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 | Term loans | Jan-2025 | 9.90% | Nov-2032 | 88.00 | [ICRA]BBB+ (Stable) |

Source: Company

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

Annexure II: List of entities considered for consolidated analysis - Not applicable

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