January 12, 2026

Surat Goods Transport Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	76.00	76.00	[ICRA]A- (Stable); reaffirmed
Long-term/short-term – Non-fund based – Bank guarantee	38.50	38.50	[ICRA]A- (Stable)/ [ICRA]A2+; reaffirmed
Total	**114.50**	**114.50**	

**Instrument details are provided in Annexure I*

Rationale

To arrive at the ratings, ICRA has considered the consolidated business and financial risk profiles of Surat Goods Transport Private Limited (SGTPL, or the company) and its subsidiaries—Sehore Agri Services Private Limited (SASPL), Total Agri Services Ahmedabad Private Limited (TASPL), Jind Agri Services Private Limited (JASPL), Dankuni Agri Services Pvt Ltd. and Durgapur Logistics Pvt Ltd., given the strong financial linkages.

The reaffirmation of the ratings factors in the expectation that SGTPL's credit profile will remain comfortable in the near term, led by steady revenue growth of 0-5% per annum, stable operating profit margins (OPM) at 4-5% and absence of any major debt-funded capital expenditure (capex). This, coupled with stable operating performance of its operating silos (under its subsidiaries) - SASPL, TASPL and JASPL, is expected to adequately support SGTPL's earnings and cash flows going forward.

On a consolidated basis, the company reported a miniscule decline of 1% in revenues in FY2025 and a moderation in its OPM to 4.2% from 4.4% in FY2024, owing to intense competition, stable realisation and increase in hired truck charges. The revenues are expected to remain flattish in FY2026 with range-bound OPM at 4-5% owing to stable realisations due to steady fuel prices and continued high hiring charges for hired trucks. However, with no major debt-funded capex, the debt protection metrics are expected to remain comfortable in FY2026, with interest coverage of 5-6 times and debt service coverage ratio (DSCR) of 2.2-2.7 times. ICRA notes that the while the company had submitted bids for new silo projects in FY2025, these were not awarded to SGTPL. Going forward, the company may participate in future tenders through special purpose vehicles (SPVs), funded through a combination of term loans and internal accruals, provided the company is successful in securing the contracts. ICRA will continue to monitor the developments related to this and will assess the impact on SGTPL's consolidated credit metrics, once the same materialises.

The ratings continue to factor in the extensive experience of SGPTL's promoters spanning over five decades in the logistics industry, the company's well-entrenched network coupled with its reputed client profile, which has also facilitated repeat business. The ratings remain supported by the asset-light model of the company, which has led to fast-paced revenue expansion over the years and lower idle capacity during downturns.

The ratings, however, remain constrained by the exposure of SGTPL's road logistics business to various externalities, such as increase in fuel costs, labour and hired truck expenses, which the company may not be able to entirely pass on to its customers, leading to an adverse impact on its profit margins. The price-escalation clause in its contracts, however, partly offsets the risk. The ratings remain constrained by the high working capital intensity of SGTPL's operations, given its elongated receivable cycle alongside limited credit period from suppliers. In addition, the fragmented nature of the road logistics business results in stiff competition, which restricts margin expansion. Also, the revenues and earnings in the road logistics business remain vulnerable to slowdown in economic activity and goods movement of various industries, although partly mitigated by diversified client base and revenue across various industries.

ICRA also notes the corporate guarantee of Rs. 23.4 crore (term loan outstanding against the same was Rs. 3.3 crore as on March 31, 2025) extended by SGTPL to its related entity, Total Shipping and Logistics Private Limited (TSLPL). Any liabilities devolving on SGTPL on account of such corporate guarantee, which materially impacts its own cash flows, will be a rating monitorable. ICRA also notes that two of SGTPL's SPVs - TASPL and JASPL - which have a long-term concession agreement with Food Corporation of India (FCI) for leasing out its silos, are fully operational and stabilised. They are expected to generate annual revenues in the range of Rs. 5-7.5 crore each in the near to medium term and the SPVs will be able to cover their debt obligations without any additional parent support. ICRA also notes that, SASPL, which has long term concession agreement with Madhya Pradesh Warehousing and Logistics Corporation for leasing out its silos, is also fully operational and stabilised and has completely repaid its term loans to banks and loans and advances to SGTPL, as on September 30, 2025. Any further addition of such silo projects, which are debt-funded in nature, will remain a key rating monitorable, given its impact on the overall consolidated profile in the initial years of construction as well as stabilisation. ICRA notes that the contingent liabilities of the company increased to Rs. 36.1 crore as on March 31, 2025 from Rs. 1.5 crore as on March 31, 2024 related to income tax matters. ICRA would continue to monitor developments on the same and take appropriate rating action, if necessary.

The Stable outlook reflects ICRA's opinion that SGTPL's debt coverage indicators will remain satisfactory, led by steady revenue growth (consolidated) in the medium term and absence of any major debt-funded capex.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and SGTPL's established track record of over five decades in the logistics business – SGTPL has a track record of over five decades in the domestic road freight transportation business. Mr. Vishal Gupta is a third-generation entrepreneur with extensive experience in the logistics industry. SGTPL is a part of the Total Group, which is a leading integrated logistics player in India, providing support in transportation, custom clearance, freight forwarding, warehousing and distribution.

Healthy financial risk profile – The financial risk profile of SGTPL is characterised by a healthy capital structure and comfortable coverage metrics as indicated by gearing of 0.3 times (0.4 times as on March 31, 2024), total debt to operating profit before depreciation, interest, tax, and amortisation of 1.9 times (2.4 times as on March 31, 2024) as on March 31, 2025, and interest coverage of 5.3 times (4.5 times in FY2024). The financial risk profile is expected to remain healthy in the near term, owing to absence of any additional debt-funded capex. The company had bid for new silo projects in FY2025, however, the same were not awarded to the company. Going forward, the company may participate in future tenders through SPVs, to be funded through a combination of term loans and internal accruals, provided the company is successful in securing the contracts. ICRA will continue to monitor the developments in this regard and will assess the impact on its consolidated credit metrics, once the same materialises. However, ICRA notes that the company does not have any plans for any new silo projects in the near term.

Well-entrenched network coupled with diversified and reputed client profile – SGTPL has a well-entrenched network operating through 150 offices across India. SGTPL's established relationships with reputed companies reduce the counterparty credit risks and provide stability to its revenues. It caters to various sectors such as fast-moving consumer goods (FMCG), heavy machinery, automobiles and media, which reduces the industry concentration risk. Its customer concentration risk remained moderate with its top-10 clients accounting for around 30% of its standalone revenues in FY2025.

Asset-light model facilitates fast-paced expansion and lower idle capacity during downturns – SGTPL operates a leased fleet of trailers, trucks, cranes and forklifts. The company has its own fleet of 40 trucks, acquired over the years. It has a daily requirement of around 600 trucks with each having a turnaround time of four to five days. The entire requirement is met through the strong network of truck operators. The asset-light model reduces the idle capacity during downturns. Additionally, faster revenue expansion is possible because of this model.

Credit challenges

Working capital-intensive nature of operations due to elongated receivable cycle – In the road logistics business, SGTPL has to pay around 70% as advance to truck operators at the start of their journey and the balance 30% after unloading at the destination, while payments from customers are realised in 60-90 days, resulting in high working capital requirements.

Exposure to impact of externalities – The company may not be able to entirely pass on the direct impact of externalities, such as increase in fuel costs, labour, hired truck expenses and toll charges, to its customers. Although the presence of fuel price-escalation clause in its contracts partly offsets the risk. Also, the revenues and earnings in the road logistics business remain vulnerable to slowdown in economic activity and goods movement of various industries, which however, is partly mitigated by diversified client base and revenue across industries.

Intense competition limits pricing flexibility – The trucking industry in India is largely fragmented, given the low entry barriers and dominance by small transport operators, which limits pricing flexibility and exerts pressure on margins.

Liquidity position: Adequate

The liquidity position of SGTPL is adequate, supported by moderate working capital utilisation at around 51% of the sanctioned fund-based limits of Rs. 76 crore during the 15-month period ended in October 2025. The company had a cushion available in working capital limits of around Rs. 33 crore as on October 31, 2025. The steady cash flow generation in the logistics business at a standalone level and stable operating performance of its operating silos (under its subsidiaries) are expected to support SGTPL's liquidity profile at the consolidated level. The company has repayment obligations of Rs. 5.81 crore in FY2026 and Rs. 5.83 crore in FY2027, which will be sufficiently covered by expected annual cash flow from operations of Rs. 10-30 crore. Further, absence of any major capex in FY2026 supports the liquidity profile.

Rating sensitivities

Positive factors – The ratings can be upgraded if there is a reduction in the contingent liabilities along with sustained scale-up in operations and improvement in profitability, leading to an improvement in credit metrics and liquidity profile. Specific credit metrics, which may lead to a rating upgrade, will be DSCR more than 2.3 times on a sustained basis.

Negative factors – Pressure on SGTPL's ratings could arise if there is a material decline in revenues or moderation in profitability leading to stretch in coverage metrics on a sustained basis. Any material debt-funded capex impacting the debt coverage metrics, will be a negative rating trigger. Specific credit metrics, which may lead to a downgrade, will include DSCR less than 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on consolidated financial statements of SGTPL and its five subsidiaries, whose details are enlisted in Annexure II.

About the company

Incorporated in 1963 by Mr. Rajendra Prasad Gupta and subsequently converted to a private limited company in 1977, SGTPL is involved in the domestic road freight transportation business. At present, the company is managed by the founder's son, Mr. Vijay Gupta, along with his grandsons, Mr. Vishal Gupta and Mr. Vivek Gupta. It is a part of the Total Group, which has operations in freight forwarding, warehousing and air freight.

In 1998, the Group formed TSLPL to specialise in integrated logistics solutions. TSLPL is engaged in international freight forwarding, custom clearance, warehousing and distribution at 45 locations across India. The company also has accredited bonded warehouses at Mumbai and Delhi.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	1,128.7	1,117.4
PAT	16.1	21.0
OPBDIT/OI	4.4%	4.2%
PAT/OI	1.4%	1.9%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	2.4	1.9
Interest coverage (times)	4.5	5.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

Crisil has kept the ratings under ISSUER NOT COOPERATING category at CRISIL B+/Stable/A4 via press release dated December 22, 2025

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)	Jan 12, 2026	Date	Rating	Date	Rating	Date	Rating
Non fund based - Others	Long-term/ short-term	38.50	[ICRA]A-(Stable)/ [ICRA]A2+	Nov-22-24	[ICRA]A-(Stable)/ [ICRA]A2+	Aug-16-23	[ICRA]A-(Stable)/ [ICRA]A2+	Jun-08-22	[ICRA]A-(Negative)/ [ICRA]A2+
Fund based - cash credit	Long-term	76.00	[ICRA]A-(Stable)	Nov-22-24	[ICRA]A-(Stable)	Aug-16-23	[ICRA]A-(Stable)	Jun-08-22	[ICRA]A-(Negative)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund Based – Cash Credit	Simple
Long Term/Short Term – Non-Fund Based – Bank Guarantee	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	Cash Credit	-	-	-	76.00	[ICRA]A- (Stable)
NA	Bank Guarantee	-	-	-	38.50	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	SGTPL ownership	Consolidation approach
Surat Goods Transport Private Limited (rated entity)	-	Full consolidation
Sehore Agri Services Pvt. Ltd.	51%	Full consolidation
Jind Agri Services Pvt. Ltd.	77%	Full consolidation
Total Agri Services Ahmedabad Pvt. Ltd.	77%	Full consolidation
Dankuni Agri Services Pvt Ltd.	51%	Full consolidation
Durgapur Logistics Pvt Ltd.	51%	Full consolidation

Source: Company; annual report

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ABOUT ICRA LIMITED

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