

January 23, 2026

Blackbuck Limited: Rating upgraded to [ICRA]A2+

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short term fund based	147.00	43.00	[ICRA]A2+; upgraded from [ICRA]A3+
Total	147.00	43.00	

*Instrument details are provided in Annexure-I

Rationale

The upgrade of the short-term rating of Blackbuck Limited (Blackbuck) factors in the significant and sustained improvement of its business and financial risk profiles and the expectation of the same to sustain going forward. ICRA expects the company to generate healthy accruals going forward, while maintaining a comfortable capital structure. This is driven by Blackbuck's residual business (following the hive-off of the corporate freight business in August 2024), a technology-focussed service platform, which is highly profitable (contribution margins of 90%+ and operating profit margins of 25%+) and has minimal working capital requirements. Coupled with fresh equity of Rs. 550 crore raised in November 2024 through its Initial Public Offering (IPO), the company's operational and financial risk profiles have strengthened materially.

The company's app, Blackbuck, is India's largest digital platform for truck operators, providing services related to tolling and fuelling, monitoring vehicles using telematics, marketplace for loads and used vehicles and financing purchase of used vehicles. With the average monthly transacting truck operators on Blackbuck increasing at a CAGR of 28% to 7.87 lakh over FY2022-H1 FY2026, it is estimated to have presence with approximately 20% of the truck operators in the country. Further, with its expansive network of channel partners/employees covering over 10,000 touch points across 80% of India's districts and 76% of toll plaza network, the prospects for customer base expansion remain strong. Besides, the variety of services on offer and digital marketing techniques enable it to upsell/cross sell its services effectively. As the company has an established presence in these service segments, and with modest direct costs associated with incremental revenue generation, Blackbuck has been able to post operating profits in FY2025, although one-off expenses and deferred tax charge resulted in a net loss of Rs. 8.7 crore during the year. This was followed up with a stronger H1 FY2026 with revenue of Rs. 289.6 crore and PAT of Rs. 62.9 crore. ICRA expects the same to sustain going forward, and Blackbuck to generate self-sustaining cash flows.

The rating also favourably factors in the experienced promoter and management team, asset-light business model, and its early-mover advantage in the technology-enabled logistics services space. Further, ICRA derives comfort from the strong financial profile of the entity. Following the slump sale of the corporate freight division and the IPO, the company's coverage and capitalisation metrics improved significantly, with an interest coverage of 30.9 times and gearing of 0.04 times as on September 30, 2025. Moreover, with cash and bank balances of Rs. 1,025.3 crore as of September 2025, and entire working capital limits of Rs. 43.0 crore remaining unutilised, and minimal capex/investment requirements, the liquidity position is strong, providing additional comfort.

However, the rating remains constrained as the company's earning prospects are closely linked to economic cycles and slowdowns in domestic manufacturing/industrial activities can have a negative impact on the company's revenues, earnings and cash flows. The rating also factors in the regulatory risks, particularly for the payments business and NBFC operations in the subsidiary. Blackbuck's wholly owned subsidiary, Blackbuck Finserve Private Limited, provides financing of used vehicles, wherein the credit profiles of borrowers are relatively weaker. Accordingly, the evolution of the NBFC's loan book, including the asset quality would be a key monitorable. However, comfort can be derived from the fact that the scale of this business is relatively smaller in the overall consolidated financial profile of the entity, and the management does not intend to scale it up significantly.

Key rating drivers and their description

Credit strengths

Strong promoter and management team; asset-light business model – Blackbuck Limited has a strong promoter and management team with relevant experience and an in-depth understanding of the domestic logistics industry. Accordingly, it is able to develop service offerings, which are of high relevance to its key customer segment, the truck operators, and accordingly improve its business prospects. Following the hive-off of the corporate freight business, the company operates on an asset-light business model, wherein it generates revenue from platform fees, subscription fees and commissions. Moreover, with low direct costs and prospects of high cross-sell among various services, Blackbuck's business model has strong unit economics and high operating leverage, which would continue to support its earnings going forward.

Strong operational metrics – Blackbuck is the largest digital platform for truck operators in India with 7.87 lakh average monthly transacting truck operators in H1 FY2026, which has increased at a CAGR of 28% over FY2022-H1 FY2026. The company has been able to upsell/cross sell its products well, as reflected in the increase in the monthly transacting users using at least two services, which rose to 3.39 lakh, a CAGR of 55% during the same period. Overall, the company has reported an operating income of Rs. 289.6 crore with an operating margin of 28.0% in H1 FY2026.

Strong financial profile characterised by healthy cash position and robust debt coverage metrics – The company's financial profile is characterised by a conservative capital structure and healthy accruals. After the hive-off of the corporate freight business, the company's dependence on external borrowings has reduced significantly to Rs. 28.7 crore as of September 2025 from Rs. 173.7 crore as on March 2024. Further, with Rs. 550-crore equity issuance through its IPO in November 2024, the company's balance sheet is well capitalised. The gearing stood at 0.04 times and total debt/OPBITDA stood at 0.3 times as on September 30, 2025. Blackbuck's financial profile is further supported by its strong liquidity position with cash and liquid investments of Rs. 1,025.3 crore as of September 2025. Going forward, ICRA expects these metrics to remain comfortable, given its low reliance on external borrowings and healthy accruals from operations.

Credit challenges

Exposed to economic downturns – A major portion of Blackbuck's revenues comes from the freight forwarding industry, the prospects of which are linked to the macroeconomic environment and the overall economic activity. Any slowdown in the domestic manufacturing/industrial activities due to subdued economic conditions can have a negative impact on the company's revenues and cash flows. Nevertheless, the company's asset-light model of operations and diversified customer base mitigate the risk to some extent.

Risks related to lending operations and regulations – Blackbuck's earnings are exposed to regulatory risks, especially for payments business and NBFC operations. For example, w.e.f. April 1, 2022, the National Highways Authority of India (NHAI) reduced the program management fees for FASTag transactions from 1.5% to 1.0%. Any similar regulatory intervention would be closely monitored. Its subsidiary, Blackbuck Finserve Private Limited, has exposure to borrowers with modest credit profiles as a large proportion of its disbursements is made to borrowers from semi-urban and rural areas with limited track record. Any major impact on the asset quality of its lending book, and its impact on its consolidated credit profile, would be a key monitorable. However, comfort can be derived from the fact that the scale of this business is relatively smaller in the overall consolidated financial profile of the entity, and the management does not intend to scale it up significantly.

Environmental and social risks

Environmental considerations – While emission is the key risk for an entity operating in the logistics space, Blackbuck is not directly exposed to the same as it is essentially a service provider to the logistics players and operates on an asset light model.

Social considerations – Blackbuck is heavily dependent on human capital, particularly its channel partners. Blackbuck’s growth depends on its ability to manage key issues like selecting, retaining and upskilling its employees, addressing emerging workforce challenges and ensuring a high standard of customer service. Blackbuck continues to undertake several initiatives to provide safety and skill-upgradation training to its employees.

Liquidity position: Strong

Blackbuck’s liquidity position is supported by cash and cash equivalents of Rs. 1,025.3 crore (as on September 30, 2025), most of which is substantially placed in fixed deposits. ICRA notes that the company’s capex plans are modest at Rs. 60-80 crore per annum, and the scheduled repayment obligations for FY2026 and FY2027 are Rs. 13.8 crore and Rs. 11.5 crore, respectively. It has Rs. 43.0 crore of sanctioned fund-based working capital facilities and the entire limits were unutilised as of September 2025, providing an additional buffer. Overall, ICRA expects the company to meet its medium-term commitments through internal cash sources while retaining a surplus.

Rating sensitivities

Positive factors – ICRA could upgrade Blackbuck’s rating if there is sustained growth in its revenues and earnings, while maintaining a comfortable liquidity position.

Negative factors – Pressure on Blackbuck’s rating could arise if there is a material decline in revenues and operating margins, resulting in lower cash flows on a sustained basis. Any large inorganic investment that materially depletes its liquidity and/or results in an increase in business and financial risks can also lead to a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Blackbuck Limited. Details are provided in Annexure-II.

About the company

Incorporated in April 2015, Blackbuck Limited (Blackbuck, erstwhile Zinka Logistics Solutions Limited) started its journey with an asset light full truck load (FTL) model for long-haul trucking for corporates. Given the low margins, high working capital intensity and incurrance of bad debts in the corporate freight business, it was decided to scale down and subsequently hive off the same, which was concluded in August 2024. Following this, Blackbuck’s business now primarily comprises digital solutions for truck operators, wherein it runs the largest digital platform for truck operators in India. Through its app, Blackbuck, truck operators can manage their payments for tolling and fuelling, monitor drivers and fleet using telematic devices, access marketplaces for finding loads and used vehicles for purchase, as well as get access to financing for purchase of used vehicles. The major portion of its revenue is generated from commission or subscription income.

Blackbuck has three subsidiaries as on date – Blackbuck Finserve Private Limited, TZF Logistics Solutions Private Limited and ZZ Logistics Solutions Private Limited. Blackbuck Finserve has an NBFC licence and offers financing of used commercial vehicles. TZF Logistics was incorporated for supporting the payments division and recently got final approval for Prepaid Payment

Instrument (PPI) licence from RBI. There are no operations in the third subsidiary, ZZ Logistics Solutions, as on date. The company got listed on the NSE and BSE in November 2024, and the promoter's stake stood at 25.1% as of December 2025.

Key financial indicators

Blackbuck Limited (Consolidated)	FY2025 (Audited)	H1 FY2026 (Provisional)
Operating income	426.7	294.8
PAT	(8.7)	62.9
OPBDIT/OI	22.1%	27.5%
PAT/OI	-2.0%	21.3%
Total outside liabilities/Tangible net worth (times)	0.0	0.0
Total debt/OPBDIT (times)	0.4	0.3*
Interest coverage (times)	21.7	30.9

Amount in Rs. crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; total debt includes lease liabilities * Annualised

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Type	Current ratings (FY2026)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
			January 23, 2026	June 24, 2025				
1	Fund based	Short term	43.00	[ICRA]A2+	[ICRA]A3+	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
2	Non fund based	Short term	-	-	-	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Short term – Fund based	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	Short term – Fund based	NA	NA	NA	43.00	[ICRA]A2+

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership %	Consolidation Approach
Blackbuck Limited	100.00% (rated entity)	Full consolidation
Blackbuck Finserve Private Limited	100.00%	Full consolidation
TZF Logistics Solutions Private Limited	100.00%	Full consolidation
ZZ Logistics Solutions Private Limited	100.00%	Full consolidation

Source: Company

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Sruthi Thomas

+91 80 4332 6430

sruthi.thomas2@icraindia.com

K. Srikumar

+91 44 4596 4318

ksrikumar@icraindia.com

Nilesh Kumar Jain

+91 44 4596 4312

nilesh.jain2@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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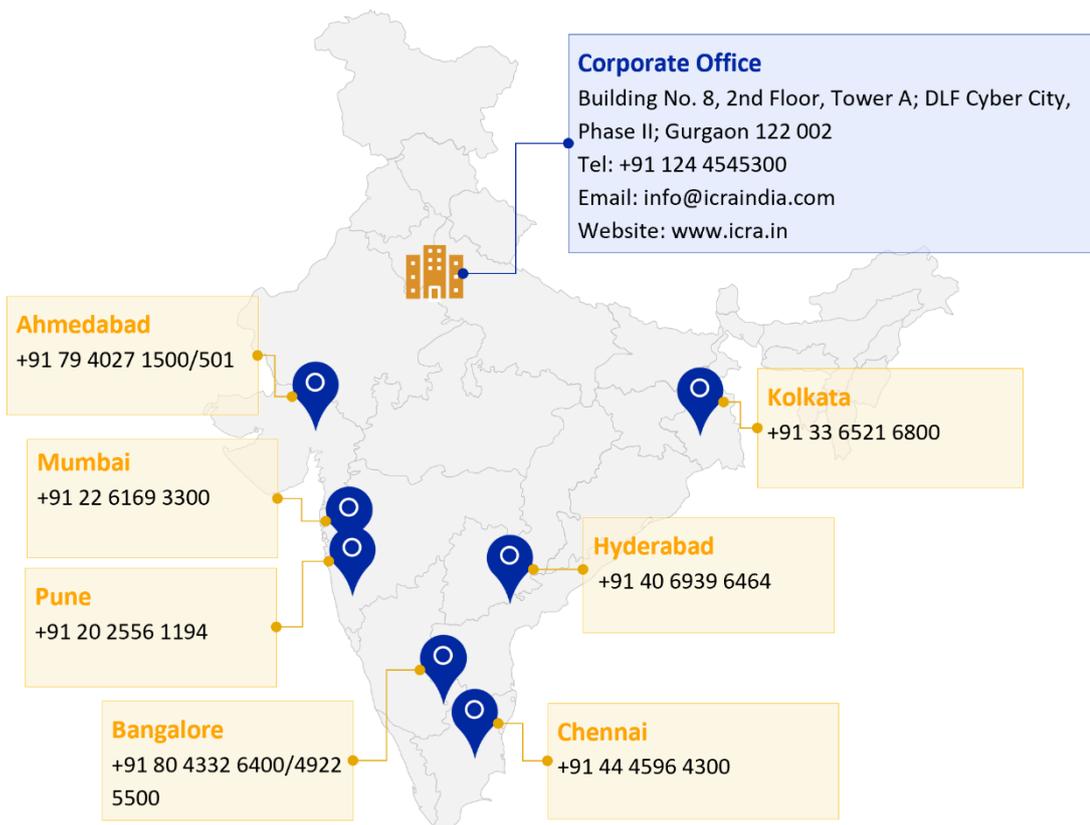
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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