

March 26, 2026

## Capricorn Logistics Private Limited: Ratings reaffirmed and assigned for enhanced amount

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund-based OD	6.00	6.00	[ICRA]BBB+ (Stable); Reaffirmed
Long term - Fund-based CC	33.50	38.50	[ICRA]BBB+ (Stable); Reaffirmed and assigned for enhanced amount
Long term – Fund-based WCDL (sub limit)	(15.00)	(15.00)	[ICRA]BBB+ (Stable); Reaffirmed
Long term - Non-fund-based BG (sub limit)	(2.00)	(2.00)	[ICRA]BBB+ (Stable); Reaffirmed
Long term - Non-fund-based credit exposure limit	1.25	-	-
Long term - Fund-based	0.0	1.25	[ICRA]BBB+ (Stable); Assigned
Long term - Non-fund-based credit exposure limit (sub limit)	(5.00)	(5.00)	[ICRA]BBB+ (Stable); Reaffirmed
Long term – Term loan	25.82	28.14	[ICRA]BBB+ (Stable); Reaffirmed and assigned for enhanced amount
Long term – Non-fund-based	5.00	30.00	[ICRA]BBB+ (Stable); Reaffirmed and assigned for enhanced amount
Long term – Fund-based OD (sub limit)	(5.00)	(5.00)	[ICRA]BBB+ (Stable); Reaffirmed
Long term - Unallocated	5.80	-	-
<b>Total</b>	<b>77.37</b>	<b>103.89</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating factors in Capricorn Logistics Private Limited's (CLPL) established track record of operations, supported by its wide geographical presence, and the promoters' extensive experience in the logistics industry. The ratings also consider the company's multi-modal nature of operations with established presence across air, sea and road transportation, catering to both imports and exports, insulating the company to some extent from volatile trade dynamics. The ratings further draw comfort from the company's established relationships with customers, an integrated nature of supply chain offerings like freight forwarding, custom clearance, warehousing, and third-party logistics (3PL) services, etc.

The company's revenue improved by around 42-44% in FY2025 owing to increase in container rates which was passed on to customers and a healthy double digit growth in volumes. While its revenue growth was muted in 9M FY2026 owing to muted volume growth, onboarding of new clients in Q4 FY2026 and additional routes (business) from existing clients is expected to support a healthy revenue growth in FY2027. ICRA notes that the on-going conflict in West Asia could impact demand, lead to longer routes, and higher freight rates and will be a key monitorable. However, freight-linked price escalation clauses in ocean freight and back-to-back contracts with vendors in air freight mitigate the risk to company's margins to an extent. CLPL's consolidated margins remained range-bound at 3 – 3.5% in the past two years and likely to remain at similar levels, going forward. The ratings favourably factor in the company's comfortable coverage metrics as well as adequate liquidity.

The rating is, however, constrained by high debtor days owing to the elongated receivables cycle in custom clearance business and high credit period offered to key customers. The company's margins are thin, inherent to the nature of operations as a freight forwarder. Besides, given its asset-light model, the company mainly relies on the fleet hired from the spot market and service providers like shipping lines and airline carriers. The profitability, hence, remains susceptible to intense competition, volatile freight rates and foreign exchange (forex) rate fluctuations. Comfort, however, is derived from the fact that the company has been able to pass on a part of the increased freight costs to its customers in the past, albeit with some lag. The company's earnings prospects are closely associated with economic cycles and prevailing trade dynamics, but ICRA positively notes the company's established relationships with its clients.

The Stable outlook on the [ICRA]BBB+ rating reflects ICRA's opinion that CLPL will record a healthy growth in revenues and earnings, supported by steady order inflow from its expanding client base and it will continue to benefit from its extensive track record of operations.

## Key rating drivers and their description

### Credit strengths

**Long track record of operations and extensive experience of promoters** — CLPL has an established operational track record of over two decades in freight forwarding and a widespread network across India. The promoters have extensive experience in the logistics sector, which supported the business growth through sustained customer additions and maintaining good relationships with various vendors.

**Multi-modal freight forwarding services** — CLPL benefits from its established presence across air, ocean, and surface level transportation services. Its presence across the three modes of freight forwarding, coupled with its warehousing capabilities, helps the company in offering its clients integrated services throughout the supply chain. The company derived around 46-48% of its revenues from air freight, 33-35% from ocean freight, and the remaining from custom clearance and warehousing services in FY2025. The company enjoys healthy relationships and special arrangements with various airlines and airports (like the Mumbai International Airport Limited, or MIAL) for priority consolidations. The company also has tie-ups with various shipping service providers for multiple weekly sailing options. Its established relationships with service providers aid the company in offering seamless services.

**Established relationships with reputed clientele across diversified sectors** — CLPL has an established customer base comprising reputed corporates, including Siemens Limited, Siemens Healthcare Limited, Tata Group companies and Hindustan Unilever Limited, which results in modest counterparty credit risk. The top five customers accounted for around 48% of revenues in FY2025 and around 45% in 9M FY2026, indicating a moderate level of customer concentration. While its revenue growth was muted in 9M FY2026 owing to muted volume growth, onboarding of new clients in Q4 FY2026 and additional routes (business) from existing clients is expected to support a healthy revenue growth in FYY2027. The company's continued foray into new geographies and addition of new customers is expected to support revenue growth and improve diversification over the medium term.

**Wide presence across various geographies** — The company has a pan-India presence with more than 30 offices across 23 major cities in India. The company also has overseas presence through its subsidiaries in 11 countries across Asia, Europe, North America and Australia. The company's subsidiaries offer last-mile connectivity and local presence for its clients in India. CLPL is also planning to expand its presence on the back of demand from its existing customers. Its ability to successfully scale up in various new geographies will be a monitorable.

### Credit challenges

**Highly fragmented industry limits pricing power; exposed to fluctuating freight and forex rates** — The freight forwarding and consolidation business in India is highly fragmented, and dominated by unorganised segment. The fragmented nature of the

industry results in stiff competition, thereby exerting pressure on the profit margins. The company's margins are also exposed to volatility in container rates with respect to ocean freight, hire charges of road fleet and charges for air freight, which vary based on demand-supply dynamics. ICRA notes that impact of West Asia conflict, which could impact sea routes and result in high freight costs, on company's earnings will be monitorable. Comfort is derived from the periodic renewal of freight rates with its clients and back-to-back arrangement with its service providers in the air freight segment. Further, the company's profitability remains exposed to fluctuations in forex rates, however most of the services it imports from offshore providers are passed on to the end customer.

**Elongated receivable cycle** — The company has an elongated receivables cycle in its custom clearance business and offers a high credit period to a key customer. CLPL's debtor days improved to around 83 as on March 31, 2025 (PY: 117days), on the back of improved efficiency in collections. However, the sustenance of improvement in debtor days needs to be seen.

**Exposed to economic downturns and slowdown in international trade** — The performance of the freight forwarding industry remains closely linked to global economic activity and international trade flows, with volumes and realizations influenced by changes in manufacturing output, consumption trends and trade policies, amid intense competition in a highly fragmented industry structure. The impact of such cyclicalities was evident during FY2020 and FY2021, when the company's freight volumes, revenues and profitability declined due to economic slowdown and pandemic-led disruptions. In FY2024, while freight volumes remained largely stable, subdued global demand and a sharp correction in freight rates resulted in a decline in realizations, adversely impacting revenues. However, FY2025 witnessed an improvement in global freight rates and trade activity. The ongoing conflict in West Asia could impact demand, lead to longer routes, and higher freight rates. The company remains exposed to potential downside risks arising from any renewed slowdown in global trade or correction in freight rates. This risk is partly mitigated by the company's asset-light operating model and established relationships with marquee customers, which provide operational flexibility and some resilience during downturns.

**High customer concentration risk** — CLPL's top five customers generated around 48% and around 45% of its revenues in FY2025 and 9M FY2026, respectively. This has been in the range of 40-50% in the last four years ended in FY2025. Comfort, however, is derived from the established relationships and long-term contracts with its customers. The strong business profile of its clientele also insulates the company to some extent from the concentration risk and downturn in economic cycles.

### Liquidity position: Adequate

The company's liquidity position is adequate, marked by expected retained cash flow of Rs. 10-12 crore in FY2026 and FY2027, and healthy cash and bank balances of around Rs. 15 crore and undrawn working capital lines of around Rs. 7-8 crore as on March 31, 2025. Against these sources of cash, CLPL has a capex plan of Rs. 8-10 crore and a debt repayment obligation of Rs. 6.5 crore in the next 12 months. The company also has undrawn term loans of Rs. 8-9 crore. ICRA expects the company to generate adequate cash flows to meet its capex needs and debt repayment.

### Rating sensitivities

**Positive factors** – ICRA could upgrade CLPL's rating if there is sustained improvement in revenues and earnings, leading to improved liquidity and sustained improvement in TOL/TNW to less than 1.5 times.

**Negative factors** – Negative pressure on CLPL's rating could arise if there is a decline in revenues and operating margins, resulting in lower cash flows on a sustained basis. Deterioration in the working capital cycle, impacting the company's liquidity position, could also be a trigger for a rating downgrade. Specific credit metrics that could lead to a downgrade of CLPL's rating include an interest coverage below 3.0 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidated

Note (for analyst reference only):

## About the company

Capricorn Logistics Limited was established in 2001 by Mr. Sadanand Shetty and Mr. Sheetal Shetty and is engaged in the business of clearing and freight forwarding. The company provides freight forwarding services, customs clearance services, warehousing and value-added services including packaging, ground transportation and cargo consolidation. The company functions primarily as a third-party logistics provider for air and ocean freight and also carries a MTO (Multimodal Transport Operator)<sup>1</sup> license for functioning as a NVOCC2 (Non-Vessel Operating Common Carrier) agent. The company provides mainly door to door, airport–door, door-airport and airport-airport service. The company is a registered International Air Transport Association (IATA) agent, which enables the company to book air space for the cargo with airlines and issue the airway bills on behalf of the airlines to the exporters.

The company has 30+ offices spread across 23 major cities in India to carry out its freight forwarding operations and 10 offices overseas. However, the company partners with local agents whenever required.

## Key financial indicators (audited)

CLPL Consolidated	FY2024	FY2025
Operating income	762.5	1,101.1
PAT	12.0	22.0
OPBDIT/OI	3.2%	3.5%
PAT/OI	1.6%	2.0%
Total outside liabilities/Tangible net worth (times)	2.3	2.0
Total debt/OPBDIT (times)	2.6	2.0
Interest coverage (times)	4.4	5.4

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

CLPL Standalone	FY2024	FY2025
Operating income	637.8	902.4
PAT	14.0	17.0
OPBDIT/OI	4.1%	3.7%
PAT/OI	2.2%	1.9%
Total outside liabilities/Tangible net worth (times)	1.5	1.5
Total debt/OPBDIT (times)	2.2	2.0
Interest coverage (times)	5.5	5.6

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: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	March 26, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based OD	Long term	6.00	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Fund-based CC	Long term	38.50	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Fund-based WCDL (Sub Limit)	Long term	(15.00)	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Non-fund Based BG (Sub Limit)	Long term	(2.00)	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Non-fund Based Credit Exposure Limit	Long term	-	-	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Non-fund Based Credit Exposure Limit (Sub Limit)	Long term	(5.00)	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Term Loan	Long term	28.14	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Non-fund Based – Working Capital	Long term	30.00	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Fund-based OD (Sub limit)	Long term	(5.00)	[ICRA]BBB+ (Stable)	Feb 28, 2025	[ICRA]BBB+ (Stable)	Feb 09, 2024	[ICRA]BBB+ (Stable)	Dec 19, 2022	[ICRA]BBB+ (Stable)
Unallocated	Long term	-	-	Feb 28, 2025	[ICRA]BBB+ (Stable)	-	-	Dec 19, 2022	[ICRA]BBB+ (Stable)
Long term-fund-based	Long term	1.25	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term - Fund-based OD	Simple
Long term - Fund-based CC	Simple
Long term - Fund-based WCDL (sub limit)	Simple
Long term - Non-fund-based BG (sub limit)	Simple
Long term - Non-fund-based credit exposure limit (sub limit)	Simple
Long term - Term loan	Simple
Long term - Non-fund-based - Working capital	Simple
Long term - Fund-based OD (sub limit)	Simple
Long 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	Long term - Fund-based OD	-	-	-	6.00	[ICRA]BBB+ (Stable)
NA	Long term - Fund-based CC	-	-	-	38.50	[ICRA]BBB+ (Stable)
NA	Long term - Fund-based WCDL (sub limit)	-	-	-	(15.00)	[ICRA]BBB+ (Stable)
NA	Long term - Non-fund-based BG (sub limit)	-	-	-	(2.00)	[ICRA]BBB+ (Stable)
NA	Long term - Fund-based	-	-	-	1.25	[ICRA]BBB+ (Stable)
NA	Long term - Non-fund-based credit exposure limit (sub limit)	-	-	-	(5.00)	[ICRA]BBB+ (Stable)
NA	Long term - Term loan	FY2023	-	FY2038	10.99	[ICRA]BBB+ (Stable)
NA	Long term - Term loan	FY2024	-	FY2034	5.75	[ICRA]BBB+ (Stable)
NA	Long term - Term loan	FY2024	-	FY2031	11.40	[ICRA]BBB+ (Stable)
NA	Long term - Non-fund-based - Working capital	-	-	-	30.00	[ICRA]BBB+ (Stable)
NA	Long term - Fund-based OD (Sub limit)	-	-	-	(5.00)	[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**

Company Name	CLPL Ownership	Consolidation Approach
Vridhhi Logitech Pvt Ltd	100%	Full Consolidation
Capricorn SCM Pvt Ltd	100%	Full Consolidation
Raj Clearing Agency	94%	Full Consolidation
Capricorn Logistics INC	100%	Full Consolidation
Capricorn Logistics HK Pvt Ltd	100%	Full Consolidation
Capricorn Global Logistics Pte. Ltd	100%	Full Consolidation
Capricorn Logistics Kenya Ltd	100%	Full Consolidation
Capricorn Logistics GMBH	100%	Full Consolidation
Capricorn Logistics (Shanghai) Ltd	100%	Full Consolidation
Capricorn Logistics Egypt	100%	Full Consolidation
Capricorn Logistics SRL	100%	Full Consolidation
Capricorn Logistics (Australia) Pty Ltd	100%	Full Consolidation
Capricorn Logistics Services Company	100%	Full Consolidation

Source: Company

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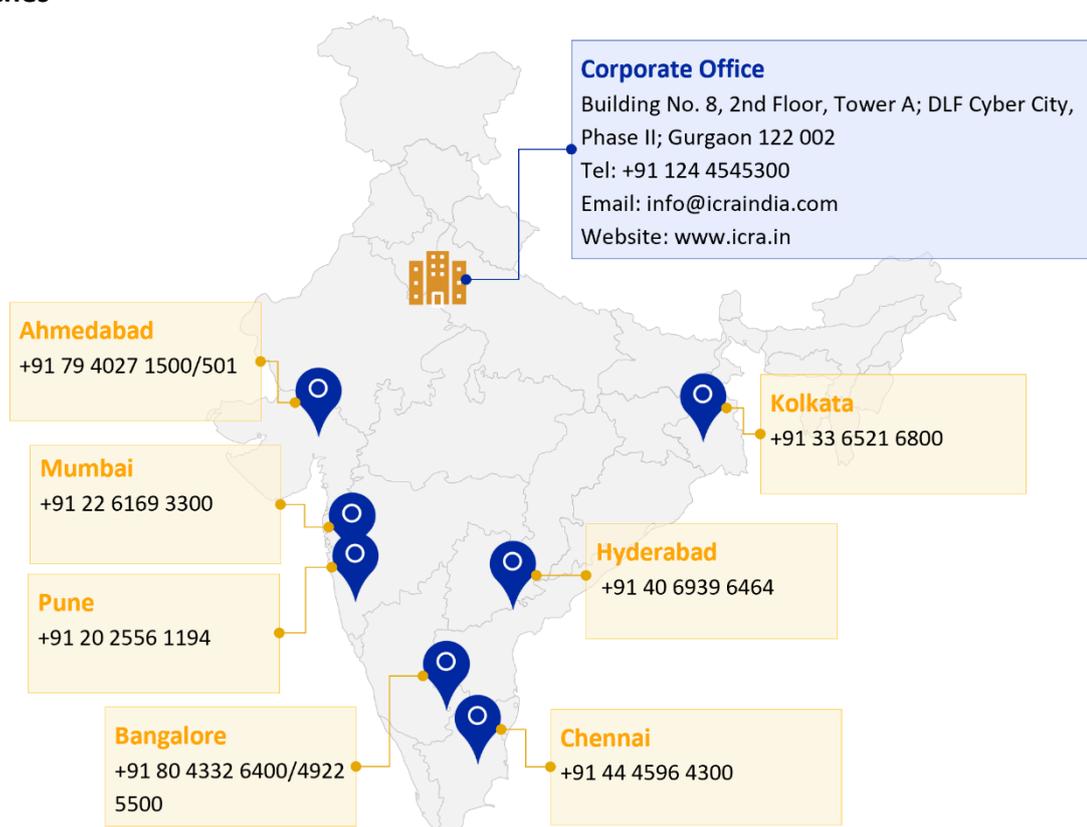
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### Branches



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