July 29,2026

Tejas Cargo India Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs Crore)	Rating Action	Financial Sector regulator#
Long-term - Fund based - Term loan	89.00	147.00	[ICRA]BBB+ (Stable); reaffirmed/assigned for enhanced amount	RBI
Short-term - Non-fund based - Bank guarantee	21.00	21.00	[ICRA]A2; reaffirmed	RBI
Long-term - Fund based - Cash credit	90.00	108.00	[ICRA]BBB+ (Stable); reaffirmed/assigned for enhanced amount	RBI
Long-term/short-term - Unallocated	0.00	25.00	[ICRA]BBB+ (Stable)/[ICRA]A2; assigned	RBI
Total	**200.00**	**301.00**		

**Instrument details are provided in Annexure I*

SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings reaffirmation for Tejas Cargo India Limited (TCIL) factors in expectations of steady operational performance for the entity, which is likely to help it generate healthy cash accruals and maintain its credit metrics at levels commensurate to the rating category. The company reported strong revenue growth of around 25% in FY2026 (revenues of Rs. 628 crore against Rs. 503 crore in FY2025) and continues to operate with healthy operating margins (operating profit margin of around 17% in FY2026 despite some moderation from FY2025 levels). The ratings continue to positively consider TCIL's established track record of operations in the road transport business and strong relationships with its customers across industry segments, which provide healthy revenue visibility.

The ratings also factor in the company's pan-India presence, providing services to its established clientele. The company enjoys healthy relationships with customers like Safexpress, Instakart Services, Bluedart, etc., which provide comfort. The ratings also favourably factor in the company's healthy financial risk profile as reflected in gearing of 1.1 times as on March 31, 2026. TCIL continues to report healthy credit metrics with TD/OPBITDA and an interest coverage of 2.0 and 6.4, respectively, in FY2026. Even as the company's operating margins are expected to moderate to an extent over the near term on account of reduced benefits from captive fueling as well as increased proportion of vehicles on lease (vis-à-vis owned vehicles), a steady growth in the scale of operations coupled with limited capex plans, is likely to help the company maintain its credit metrics, in line with the current level.

The ratings are, however, constrained by the exposure of the road logistics business to various externalities, such as an increase in fuel costs and labour expenses/toll charges, which the company may not be able to entirely pass on to its customers, and could exert pressure on profit margins, going forward. The presence of a fuel price-escalation clause in its contracts partly offsets the risk. The ratings also remain constrained by the high working capital intensity of TCIL's operations, given its elongated receivable cycle, which is also reflected in limited buffer in working capital facilities. Apart from this, the fragmented nature of the road logistics business results in stiff competition, which restricts margin expansion. The revenues and earnings of the company will remain vulnerable to slowdown in economic activities and goods movement of various industries. This risk is partly mitigated by the diversification across client base and industries.

The Stable outlook reflects ICRA's opinion that the company will continue to generate steady cash accruals, which will help it maintain healthy credit metrics despite moderate capex plans to enhance fleet.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and track record of TCIL in logistics business – The promoters have 15 years of experience in logistics business as they had started Trans Cargo India in 2010, which was engaged in similar business. TCIL was incorporated in 2021, and the business was transferred from Trans Cargo India to TCIL. The entity is promoted by Chander Bindal and Manish Bindal. Their experience has helped build relationships with a reputed client base.

Well-entrenched network and diversified client profile – The entity has a well spread network across the country with 27 branches. Moreover, the company serves customers across various industries like logistics, e-commerce, steel and cement, etc., with a healthy credit profile, leading to a comfortable receivable cycle. TCIL is exposed to customer concentration risk with its top 10 customers contributing around 53% to revenues in FY2026. However, a strong client base reduces the concentration risk to some extent. The company's ability to diversify its customer base, going forward, would be crucial to achieve further growth.

Healthy financial risk profile – The company's revenues have grown over the years to Rs. 628 crore in FY2026. The operating profit margins are also healthy owing to increasing share of own fleet, which commands higher margins. Consequently, the debt coverage metrics remain comfortable with an interest coverage of 6.4 times in FY2026 and total debt to operating profits of 2.0 times as on March 31, 2026. The coverage indicators are expected to remain comfortable owing to healthy profitability and scheduled repayment of long-term debt.

Credit challenges

Working capital-intensive nature of operations due to elongated receivable cycle; limited buffer in working capital facilities – The company's operations are working capital intensive, as reflected in NWC/OI of 24% owing to high receivable days in FY2026. The company pays upfront to suppliers, resulting in limited cushion in working capital limits. The company had limited buffer in working capital facilities (cushion of only Rs. 11 crore in fund-based limits as on June 30, 2026). The timely enhancement of fund-based limits, leading to an improved liquidity cushion, would be monitorable factor.

Intense competition limits pricing flexibility; exposure to cyclicality in end-user demand – The logistics industry faces intense competition and constrained margins due to low entry barriers. The company competes with several players, both organised and unorganised, apart from players in other segments like rail, warehousing, etc. The margins also depend on the extent of charges paid for hired fleet. The entity is also exposed to cyclicality in various industries.

Environmental and Social Risks

Environmental considerations: The company is primarily involved in transportation services, a highly competitive business and is thus, sensitive to increases in costs, particularly that of fuel, and the cost of upgradation of fleet, in line with new emission technologies. TCIL remains exposed to strict regulatory standards, adversely impacting operating economics for fleet operators.

Social considerations: Transportation players have a healthy dependence on human capital, particularly drivers. Hence, retaining human capital and maintaining healthy relationships with the driver community for disruption-free operations remain critical. TCIL focuses on safety through technology-driven driver management systems as a key component of its social responsibility. The company strives to offer a good work environment and impart skill development by conducting routine training programmes, as well as awareness camps, for its drivers.

Liquidity position: Adequate

TCIL's liquidity position remains adequate, characterised by expectation of steady cash accruals (Rs. 80-90 crore in FY2027) and average buffer of Rs. 17 crore in its fund-based working capital limits in past 13 months. The company has repayment obligation of Rs. 39 crore in FY2027. ICRA expects the company's fund flow from operations to be adequate to fund its debt repayments as well as margin money requirements for its working capital. The capital expenditure plans of Rs. 70-80 crore in FY2027 are expected to be met through a mix of debt and internal accruals.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings, if the company demonstrates a sizeable growth in its scale of operations along with a diversification in customer base, improving its liquidity position and credit metrics on a sustained basis.

Negative factors – ICRA could downgrade the ratings, if the company witnesses a sharp decline in earnings or any material delay in receivables, resulting in a deterioration in its liquidity profile and credit metrics. Any major debt-funded capex, weakening its financial risk profile on a sustained basis will also be monitored. A specific credit metric for a downgrade is total debt to operating profit of more than 2.3 times on a sustained basis.

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 Tejas Cargo India Limited. As on March 31, 2026, the company had one subsidiary that is enlisted in Annexure-II.

About the company

Tejas Cargo India Limited, incorporated in 2021**,** is a logistics company operating under full truck load. Headquartered in Faridabad, Haryana, the company owns and manages a fleet of trucks and trailers that serve a diverse range of industries across India including logistics, e-commerce, steel and cement, among others. At present, Tejas Cargo operates on a pan-India basis through an established network of 27 branches, each equipped with vehicle placement, loading, and unloading. The entity is listed on the NSE SME platform since February 2025.

Key financial indicators (audited)

Consolidated	FY2025	FY2026
Operating income	503.9	628.7
PAT	19.1	20.9
OPBDIT/OI	19.7%	17.4%
PAT/OI	3.8%	3.3%
Total outside liabilities/Tangible net worth (times)	1.1	1.3
Total debt/OPBDIT (times)	1.6	2.0
Interest coverage (times)	5.9	6.4

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

Status of non-cooperation with previous CRA: CARE ratings vide its press release dated 3rd June 2026 has continued the ratings in INC category(CARE B-(Stable)/A4 ISSUER NOT COOPERATING)

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs crore)	29-Jul-26	Date	Rating	Date	Rating	Date	Rating
Fund-based - Cash credit	Long-term	108.00	[ICRA]BBB+ (Stable)	Sep 10, 2025	[ICRA]BBB+ (Stable)	-	-	-	-
Fund-based/Non-fund based-Unallocated limits	Long-term/short-term	25.00	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-	-	-	-	-
Fund-based - Term loan	Long-term	147.00	[ICRA]BBB+ (Stable)	Sep 10, 2025	[ICRA]BBB+ (Stable)	-	-	-	-
Non-fund based - Bank guarantee	Short-term	21.00	[ICRA]A2	Sep 10, 2025	[ICRA]A2	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund Based-Term Loan	Simple
Short-term-Non Fund Based-Bank Guarantee	Simple
Long-term-Fund Based-Cash Credit	Simple
Long-term/short-term-Unallocated	Not Applicable

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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook	Financial Sector Regulator#
NA	**Long Term-Fund Based-Term Loan**	FY2024	NA	FY2031	126.39	[ICRA]BBB+(Stable)	RBI

NA	**Long Term-Fund Based-Term Loan^**	-	NA	-	20.61	[ICRA]BBB+(Stable)	RBI
NA	**Short Term-Non Fund Based-Bank Guarantee**	NA	NA	NA	21.00	[ICRA]A2	RBI
NA	**Long Term-Fund Based-Cash Credit**	NA	NA	NA	108.00	[ICRA]BBB+(Stable)	RBI
NA	**Long term/short term-Unallocated**	NA	NA	NA	25.00	[ICRA]BBB+(Stable)/[ICRA]A2	RBI

Source: Company ^ yet to be sanctioned

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

Annexure II: List of entities considered for consolidated analysis

Company Name	TCIL Ownership	Consolidation Approach
Tejas Carriers Solutions Private Limited	99.99%	Full Consolidation

Source: Company

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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