July 30, 2026

Transvolt Logistics Private Limited: Rating reaffirmed

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	88.00	88.00	[ICRA]BBB+ (Stable); reaffirmed	RBI
Total	**88.00**	**88.00**		

**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 rating reaffirmation of Transvolt Logistics Private Limited (TLPL) factors in the full commissioning of the project for the deployment of 70 electric trucks (e-trucks) for Ultratech Cement Limited (UCL) within the envisaged cost and without any material time overrun, an expected improvement in the project's operating performance in the current fiscal, following a subdued performance in the previous fiscal, and diversification of revenue stream with addition of new projects. Notwithstanding the subdued performance in FY2026 vis-à-vis expectations, ICRA draws comfort from the improved financial flexibility of the Transvolt Group, arising from the recently formalised collaboration agreement with IFC (International Finance Corporation) along with other investors for fund infusion of up to $150 million in the next 4-5 years. Of the same, TLPL's parent company – Transvolt Mobility Private Limited (TMPL) has already received equity infusion of $17.5 million ($10 million from IFC and $7.5 million from Finnfund) in December 2025 and is expected to receive an additional $17.5 million shortly. ICRA also notes the board representation and management involvement of IFC in TMPL, which lends further strength to the credit profile of the underlying investee entities, including TLPL.

The UCL project was commissioned within the envisaged cost of Rs. 110.72 crore. The full deployment of 70 e-trucks happened in September 2025 vis-à-vis the previously envisaged timeline of July 2025 due to phased deployment of the e-trucks that was driven by delay in operational readiness at the counterparty's end rather than any project-level constraint. The total project cost has been funded through term debt of Rs. 88.0 crore and the balance by equity and optionally convertible debentures (OCD) from the promoter Group.

The UCL project's performance in FY2026 was subdued vis-à-vis expectations owing to phased deployment of trucks along with multiple teething issues during the stabilisation stage of project execution, including calibration of loading and unloading of trucks, higher turnaround time per trip, a planned maintenance shutdown at the customer facility, and the absence of a dedicated movement channel for electric vehicles (EVs). Moreover, the 'take-or-pay' clause of the contract has not yet been implemented. However, ICRA notes that various corrective measures have been undertaken, including the creation of a dedicated EV movement channel, optimisation of loading and unloading processes, trailer-swapping arrangements and mid-point charging facilities which are expected to improve fleet utilisation, increase the number of trips per vehicle and drive revenue growth and profitability of the UCL project, going forward.

ICRA also notes the diversification of TLPL's revenue stream and customer base with the addition of multiple new e-truck projects across the mining and port logistics segments, including contracts with Star Cement (five trucks), Wonder Cement (20 trucks), Gateway Terminal India (45 trucks), and JM Bakshi (36 trucks). The aggregate cost of the additional projects is estimated at Rs. 119.5 crore, which is proposed to be funded by term loans of Rs. 97.6 crore and the balance by promoters' contribution. The company has already achieved full deployment in the Star Cement project. The new projects are expected to support scale-up in revenues and reduce project concentration risks. Nevertheless, demonstration of a sustained improvement in earnings with stabilisation of operating parameters for the projects would remain monitorable. The company reported a growth in revenues during Q1 FY2027, supported by gradual operational stabilisation and incremental contributions from the Star Cement project. The company's operating profitability also improved to 43% in Q1 FY2027 from 12% in FY2026. The sustainability of the improved profitability levels remains a key monitorable.

The company's credit profile continues to benefit from the strong counterparties, along with a demonstrated track record of timely payments, which significantly mitigates receivables risk. Nevertheless, the projects' success relies on the quality and reliability of the e-trucks sourced from the original equipment manufacturer (OEM) and is, thus, exposed to operational risks. Such risks are mitigated by back-to-back agreements with the OEM for the annual maintenance contract (AMC) as well as battery replacement. However, ICRA notes the limited track record of e-truck operations of the OEM in India, though seamless operations of e-trucks in recent months provides comfort. As with any electric bus operator, there are supply-chain and geopolitical risks, to an extent, associated with import of critical spare parts by the OEM (in case of replacements or breakdowns), which could impact operations.

TLPL is a part of the Transvolt Group, which is into the e-mobility space in India, having commenced operations in CY2023. The Group has seen a steady inflow of e-bus project awards across both business-to-government (B2G) and business-to-business (B2B) segments, including large Government contracts secured by the Group in the recent past. TMPL currently has three operational SPVs operating in the B2G segment under the gross cost contract (GCC) model. Additionally, it has two B2B projects under another SPV and a few e-truck projects with private parties in TLPL. While the Group is a relatively new entrant to the e-mobility segment, a strong operational and management team, supported by their prior work experience, render comfort. At the same time, the financial backing from marquee investors like IFC and Finnfund support the financial risk profile and governance credentials. Any material underperformance of e-buses/ e-trucks against targeted specifications has the potential to impact the viability of the SPVs/subsidiaries and may necessitate enhanced funding requirement. However, ICRA expects the group (being funded by investors like IFC and Finnfund) to timely bridge any cash flow mismatches

The Stable outlook on the rating reflects ICRA's opinion that TLPL is likely to benefit from the assured revenues, supported by long-term agreement with reputed customers with assured tonnage for deployed vehicles and expansion of project portfolio.

Key rating drivers and their description

Credit strengths

Multiple contracts with reputed customers diversify counterparty risks – TLPL has been set up as a 100% subsidiary of Transvolt Mobility Private Limited (TMPL) to provide transportation services through e-trucks for private parties. In a short period, it has entered into contracts for mining and port logistics segments with various reputed parties such as Ultratech Cement Limited (UCL), Star Cement, Wonder Cement, Gateway Terminal India, and JM Bakshi leading to low counterparty risks.

Long-term service contracts with customers and assured tonnage provide revenue visibility and mitigate demand risk – Given the nature of the agreements, TLPL is paid a fixed rate for a minimum assured quantity per month through e-trucks. Accordingly, the company does 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.

Financial flexibility by being part of the Transvolt Group, which has received commitment of long-term investments from IFC – TLPL benefits from the financial flexibility derived from its parent, Transvolt Mobility Private Limited (TMPL), and its strategic access to long-term capital from reputed external investors. As a wholly-owned subsidiary of TMPL, TLPL is expected to receive need-based financial support from its parent. Historically, TMPL has relied on funding from promoters and high-net-worth individuals to meet the capital requirements of its SPVs and subsidiaries. However, with TMPL's collaboration with IFC and Finnfund for equity investments of up to $150 million to support its expansion plans further strengthens the financial flexibility of the Group. Under the first tranche of $35 million, TMPL has already received $17.5 million, comprising $10 million from IFC and $7.5 million from Finnfund, while the balance amount of the first tranche is expected to be infused in the near term. The long-term capital support from reputed institutional investors enhances the Group's financial flexibility and is expected to support the funding requirements and growth plans of TLPL and other Group entities over the medium term.

Credit challenges

Recent entrant in the e-mobility space – Transvolt Group is a relatively recent entrant into the e-mobility space in India, having commenced operations in CY2023 and hence, its track record remains limited at present. However, it has a strong operational and maintenance team with experience in the mobility segment in their earlier roles, which provides certain comfort. TLPL commenced operations from September 2025 and the company's performance in FY2026 (Provisional) remained subdued due to the phased deployment of e-trucks and several teething issues in the initial period of the UCL project. Although the contracted minimum quantity of 75,000 metric tonnes per month is yet to be implemented, in Q1 FY2027, the company reported an improvement in revenues, supported by gradual operational stabilisation and incremental contributions from newly secured projects. This also improved its operating profitability. However, the sustainability of the same and the company's ability to keep operational costs under control would remain important from a credit perspective. Any material underperformance of e-trucks against targeted specifications has the potential to impact the viability of the projects and may necessitate enhanced funding requirement. Nevertheless, ICRA expects the group (being funded by investors like IFC and Finnfund) to timely bridge any cash flow mismatches.

Limited track record of operations of OEMs in e-truck segment – The project's success relies on the OEM. TLPL has entered into back-to-back agreements with OEMs (IPL-Tech in case of the flagship Ultratech project) for the annual maintenance contract (AMC) as well as battery replacement for these e-trucks in all its projects. However, ICRA notes the limited track record of e-truck operations of the OEMs 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 has fully deployed e-trucks for the Ultratech and Star Cement projects. Its other projects are in deployment stage. The company's ability to operate the e-trucks as per the estimated parameters and, thus, sustain healthy profitability remains a key monitorable**.**

Liquidity position: Adequate

The liquidity position is expected to remain adequate, supported by full deployment of e-trucks for the Ultratech project, which is the key driver for revenues and earnings, and scaling up of new projects under implementation. With project stabilisation and improving vehicle utilisations, the cash flow from operations is expected to significantly improve (Rs.24-25 crore in FY2027 and Rs. 35-36 crore in FY2028 as per ICRA estimates). The company also had free cash and bank balance of Rs. 3.9 crore as on March 31, 2026. The company has annual debt repayments of Rs. 17.7 crore and Rs. 15.9 crore in FY2027 and FY2028, respectively. This is expected to be funded through operational surplus of TLPL and need-based support from the parent (TMPL) during the initial years of operations. The liquidity of the Group is expected to remain healthy, with availability of adequate funds for any incidental funding requirement of TLPL or any new projects undertaken, aided by committed long-term fund infusion by reputed external investors, providing sufficient financial flexibility to TLPL.

Rating sensitivities

Positive factors – ICRA could upgrade the rating, in case of a sustained traction in the company's revenues and earnings, aided by incremental vehicle deployment under multiple projects, improvement in vehicle utilisation and stabilisation of the overall operation in line with the expected operating parameters, which may strengthen the liquidity position and debt coverage metrics.

Negative factors – Pressure on the rating could arise, in case the revenues and profitability from the projects undertaken remain significantly lower than expectations on a sustained basis due to delay in vehicle deployment or sub-par operational efficiency, including inadequate vehicle availability due to operational failure, etc. leading to pressure on the credit metrics.

Analytical approach

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

About the company

Transvolt Logistics Private Limited (TLPL) is a wholly-owned subsidiary of TMPL and is the holding company for the logistics business for the transportation of goods for various clients through e-trucks. The flagship project in the company is for deployment of 70 e-trucks (55-tonne capacity) for Ultratech Cement Limited under an eight-year contract for clinker transportation, which is currently fully operational. Other operational projects include operating five e-dumpers in Meghalaya for Star Cement and operations of 45 e-trucks for container terminal operations at Gateway Terminal India (Maersk, JNP) have partially commenced recently. Additionally, projects with JM Baxi at Kandla Port (out of 36 trucks, 18 deployed) and Wonder Cement (20 trucks) are under implementation. The company is also in advanced stages of discussions with several large corporates for e-truck operation projects.

The Ultratech project has been operationalised within the total project cost Rs. 110.72 crore funded through debt of Rs. 88.00 crore, OCD of Rs. 11.36 crore and the balance by equity of Rs. 11.36 crore. The tenor of term loan is 7 years and 9 months including moratorium of six months from the date of first disbursement. The company undertook multiple new projects across mining and port logistics segments (including contracts with Star Cement, Wonder Cement, Gateway Terminal India, and JM Bakshi) with total project cost of Rs. 118.6 crore of which 83% will be funded through debt (which is fully tied up) and balance through fund infusion of TMPL

Key financial indicators (audited) :

TLPL (standalone)	FY2026*	Q1 FY2027*
Operating income (OI)	21.7	17.2
PAT	-4.8	-
OPBDIT/OI	12.0%	42.7%
PAT/OI	-21.9%	-
Total outside liabilities/Tangible net worth (times)	17.2	-
Total debt/OPBDIT (times)	50.2	-
Interest coverage (times)	2.1	3.3

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	88.00	July 30, 2026	**[ICRA]BBB+ (Stable)**	June 30, 2025	**[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	Financial Sector Regulator#
NA	**Term loans**	Jan-2025	-	Nov-2032	88.00	[ICRA]BBB+ (Stable)	RBI

Source: Company

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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 – Not applicable

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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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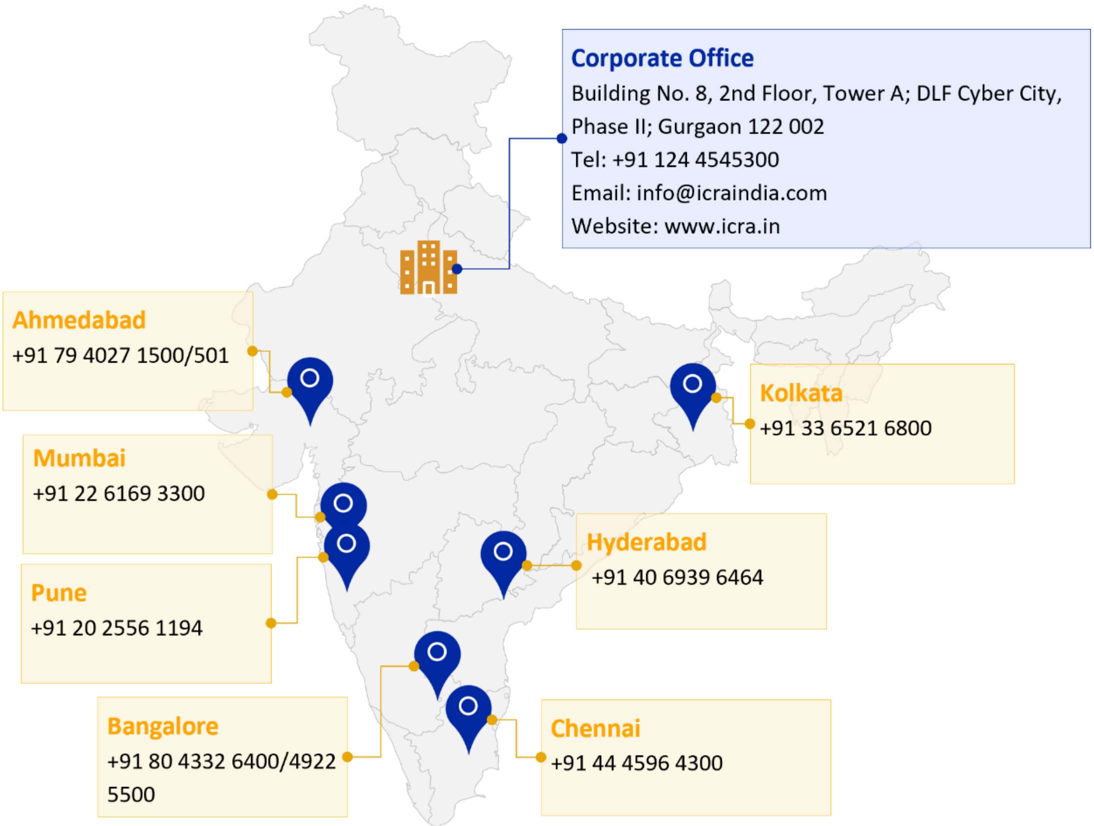

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