

Transport Corporation Of India limited

September 30, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term Bank Facilities	RBI	300.00	CARE AA+; Stable	Reaffirmed
Commercial Paper	SEBI	100.00	CARE A1+	Assigned
Commercial Paper (Carved out)	RBI	50.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed long-term ratings of 'CARE AA+; Stable to bank facilities of Transport Corporation of India Limited (TCIL) and short-term ratings of CARE A1+ to Commercial paper (carved out) issue and has assigned ratings of CARE A1+ to the proposed Commercial paper (Standalone) issue. The proposed term loan will be utilised to meet its working capital limits, considering high capex plans in near term. Ratings derive strength from the company's established presence as one of India's leading integrated logistics service providers, its diversified business profile across through three main divisions—freight, supply chain solutions (SCS), and seaways and its association with strong and diversified customers base that remained largely consistent with time.

Ratings continue to draw comfort from the company's strong operational track record, with revenue and operating profitability registering compounded annual growth rates (CAGRs) of ~12.5% and ~15.2%, respectively, for five years ending FY26. CareEdge Ratings also takes note of the company's continued focus to increase its scale, particularly in the seaways segment, which is having higher profitability margins which and its leadership position in the organised logistics segment, extensive distribution network, and asset-light operating structure in the freight division will enable the company to sustain its strong business risk profile in downturn cycles.

Ratings further reflect the company's continued robust financial profile in FY26 (refers to April 01 to March 31) and Q1FY27 (refers to April 01 to June 30), characterised by strong cash flow generation, a net cash position and comfortable credit metrics. Ratings also take cognisance of the company's strong liquidity position, supported by healthy cash and liquid investments and negligible reliance on external debt.

However, ratings remain constrained by the company's significant dependence on the automobile sector, which contributes ~70–80% of overall revenue for SCS division and highly fragmented and competitive nature of the logistics industry. However, TCIL derives strength from its integrated business model, diversified customer base, and sizeable proportion of contracted business, which provide reasonable revenue visibility and business stability.

The company's receivable cycle also remained relatively moderate, with debtor days staying in the range of ~54–60 days in the last three fiscal years, in the working capital-intensive industry. Going forward, company's ability to manage its working capital requirements will be key rating monitorable factors. Ratings will continue to monitor any potential implications of geopolitical developments on the company's business profile and financial performance in the short-to-medium term.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The company's ability to significantly scale up its operations leading to annual cash accruals in the range of ₹1100 crore on a sustained basis while sustaining its healthy financial risk profile with net debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) less than 0.5x.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Negative factors

- Deteriorating business profile leading to decline in total operating income and margins below 8% on a sustained basis.
- Significant debt funded capex leading to total debt to PBILDT above 1.2x.

Analytical approach: Consolidated

CareEdge Ratings has consolidated the business and financial risk profiles of TCIL and its subsidiaries, owing to strong business and managerial linkages. As on March 31, 2026, the company had seven subsidiaries, including step-down subsidiaries, one joint venture and one associate company, all listed under Annexure-6.

Outlook: Stable

Stable Outlook reflects CareEdge Ratings' belief of TCIL to maintain its leading market position across segments, which shall enable it to sustain healthy operational and financial performance in the medium term.

Detailed description of key rating drivers:

Key strengths

Leading integrated multi-modal logistics player, with presence across the logistics industry

TCIL has established itself as one of India's prominent integrated logistics and multimodal transportation companies, supported by its extensive operational network spread across the country. The company provides a wide range of logistics solutions covering transportation, warehousing, and end-to-end supply chain services, catering to diverse industries and customer requirements. TCIL's presence across different transportation modes, including road, rail, and coastal shipping, enables it to deliver seamless multimodal logistics solutions with improved efficiency and flexibility. The company's business operations are broadly divided into three core segments—Freight, SCS, and Seaways. Over the years, TCIL strengthened its position in each of these verticals through its integrated service offerings, strong customer relationships, and wide distribution reach across India.

Established track record of operations and strong brand image

TCIL has a longstanding operational track record of over six decades in the Indian logistics industry. Over the years, the company developed a strong transportation and distribution network, managing an attached fleet of over 10,000 trucks and trailers on a daily basis, supported by a nationwide branch network comprising over 1,000 company-operated offices. The company has also significantly expanded its warehousing capabilities, with total warehouse capacity increasing to ~16.5 million square feet, largely on a leased basis. In the supply chain solutions segment, the company operates ~1,300 owned vehicles and plans to further strengthen the fleet by adding ~100–200 trucks in the near term. Backed by its extensive infrastructure, integrated operations, and wide service reach, TCIL has built a strong position within the domestic logistics sector. The company handles over 5 million tonnes of cargo annually and caters to over 25,000 customers across industries. It also differentiates itself through its multimodal logistics capabilities spanning road, rail, and coastal shipping services. TCIL remains one of the few organised logistics players in India with capabilities across full truck load (FTL) and less-than-truck load (LTL) transportation services.

Diversified customer base and high share of contracted business provide revenue visibility

TCIL benefits from a diversified and well-established customer base that remained consistent over the years. The company's SCS segment derives a significant portion of its revenue from the automobile industry, contributing ~70–80% of the division's business, while the Freight division caters to a broader mix of industries, resulting in balanced revenue contribution across sectors. Despite the highly fragmented and competitive nature of the logistics industry, TCIL continues to maintain a healthy proportion of contracted business, particularly in the SCS and Seaways divisions, which provides better revenue stability and visibility. The company's diversified customer profile and long-term business relationships also help mitigate the impact of slowdown in single industry to a certain extent, supporting overall business resilience.

In FY26, on a consolidated basis, total operating income (TOI) reported healthy operational performance, with TOI increasing by 9.50% YoY to ₹4,916.80 crore from ₹4,492.15 crore in FY25. In the last five years, the company demonstrated a strong growth trajectory, with revenue increasing from ~₹2,802 crore in FY21 to ₹4,916.80 crore in FY26, translating into a CAGR of ~12%. The company maintained stable operating profitability, with EBITDA margin standing at 10.52% in FY26 against 10.33% in FY25. In absolute terms, PBILDT improved significantly from ~₹263 crore in FY21 to ~₹ 517 crore in FY26, reflecting a CAGR of ~15.2% in the period.

During Q1FY27, the company reported a 9.58% y-o-y growth in TOI to reach ₹1248.5 crores. Further, the PBILDT margins remained stable at 10.83% (10.62% in Q1FY26). Freight segment margins improved sequentially, with further improvement expected through network expansion, mix optimization, and operating leverage. However, Elevated bunker fuel prices due to geopolitical tensions in West Asia continue to pressure shipping margins. While freight rates have been increased, profitability remains vulnerable to fuel-price volatility. Rail congestion, container shortages, slow rake movement and port backlogs (JNPT/Mundra) are affecting logistics efficiency. Export-oriented sectors have seen some disruption owing to Middle East-related demand and supply chain issues. Revenue growth is expected to remain healthy in FY27, supported by continued demand across key segments, while maintaining focus on profitability improvement.

Strong financial risk profile

The company has strong financial risk profile as reflected by its strong net worth position of ₹2,602.90 crore as on March 31, 2026 (PY: ₹2188.55 crore). Against this, TCIL's consolidated gross debt stood at ₹312.40 crore as on March 31, 2026 (PY: ₹241.86 crore), this includes the term loan of ₹194 crore (PY: ₹139 crore) and leases of ₹93.70 crore (PY: ₹86.61 crore) and minimal ₹24 crore of working capital utilisation. Overall gearing stood strong at 0.12x as on March 31, 2026.

TCIL is undertaking capital expenditure (capex) of ₹1,100 crore in the medium term including FY27 capex, which is ₹425 crore, capex will include expenditure related to land building, trucks and cars, ships, dry dock and container and racks. The capex will be funded by a mix of internal accrual and minimal debt. Despite the capex, financial risk profile is expected to remain comfortable with overall gearing to remain strong, given strong profits generations and low reliance on debt.

Debt protection metrics are robust, with interest coverage and total debt to PBILDT ratios of ~22x and ~0.60x, respectively, in FY26, reflecting strong repayment ability. CareEdge Ratings believes that TCIL will sustain its strong financial profile while pursuing its medium-to-long term growth plans.

Key weaknesses

Intense competition in logistics industry

The road freight transport industry in India is highly fragmented, with ~80-85% sector comprising small transport operators. This unorganised nature results in intense price competition, which can exert pressure on profitability, especially adverse market conditions. However, companies offering superior service quality have a strong presence across multiple locations, cater diverse industries, and are better positioned to gain a competitive edge. Such players can secure long-term contracts and attract more business. TCIL's position in end-to-end logistics solutions is expected to enhance its ability to scale operations and diversify its clientele base, which will support TCIL's operations depend on the overall economic condition of the country. Higher economic activity translates to higher freight movement, which drives demand for road freight transport industry. The industry is affected by factors such as macroeconomic growth, inflation, and state of infrastructure. These factors impact the industry's demand and cost structure. The company by its presence in the goods and passenger transport industry, is exposed to high regulatory risks (licenses and taxation). Restriction on older (commercial diesel) vehicles in a few cities and the proposed scrappage policy, which may impact the industry, resulted in replacement capex requirement.

Elongated receivable cycle because of delays in payments from customers in freight and SCS divisions

TCIL's operations remain working capital intensive, largely due to the relatively moderate receivable cycle in the freight and SCS businesses. As on March 31, 2026, receivable days stood at ~56 days and formed ~20–24% of the company's total asset base. However, the company steadily improved its collections over the years through stricter receivables monitoring, dedicated credit control mechanisms, and implementation of electronic proof-of-delivery systems. TCIL also maintained a comfortable liquidity position, with cash and cash equivalents of ₹314.70 crore as of March 2026. Going forward, improving operating accruals are expected to support the company's financial risk profile and liquidity position. The relatively high working capital requirements in the logistics sector act as a key entry barrier for new and smaller players, supporting established operators like TCIL. The company's ability to efficiently manage its working capital requirements will remain a key rating monitorable.

Liquidity: Strong

TCIL has strong liquidity position, supported by expectations of cash accruals of ₹600-700 crore in the medium term (₹591 crore of cash accruals generated in FY26), and negligible utilisation of its working capital limits (sanctioned limits ₹265 crore as on March 31, 2026) and free liquidity of ₹314 crore as on March 31, 2026 (~₹160 crore as on June 30, 2026). These sources are sufficient to meet its planned capex of ₹400-450 crore (~₹167 crore incurred in June 30, 2026) and modest debt repayment obligations of ₹30–35 crore (including lease liabilities) in FY27 and ₹30-35 crore in FY28. The company's low overall gearing is expected to support its debt-raising capacity to fund its planned capex.

Environment, social, and governance (ESG) risks

Environmental Risks: The company is primarily involved in logistics and transportation services, a highly competitive business and is, thus, sensitive to increases in costs, particularly that of fuel and fleet upgradation, in line with new emission technologies. As road freight transport accounts for a material share of emissions, the industry remains exposed to the impact of regulatory standards becoming more stringent. In this regard, TCIL remains exposed to adverse movements in operating economies for fleet operators. The company also offers services through alternative modes of transportation such as railways and seaways, which results in efficient and environment friendly options.

Social Risks: 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 continues to undertake several initiatives to provide training programmes for drivers, making them aware of road safety norms and initiating better fuel efficiency measures. It has also undertaken initiatives in the areas of health, education, and community development, while promoting women's engagement and providing safety and skill upgradation training to its employees.

Governance Risks: TCIL has an experienced management team and an established governance framework supported by professional leadership and industry expertise. The company follows structured risk management and internal control systems appropriate for its scale of operations. Its long operational track record, diversified business profile, and disciplined financial management have supported stable credit metrics and healthy liquidity over the years. The presence of independent directors on the board and regular compliance with regulatory requirements strengthen the company's overall governance profile.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport services	Logistics solution provider

Incorporated in 1958, TCIL is one of the largest multimodal logistics and supply chain solution providers in India within the organised sector, with a strong nationwide presence. The company started as a conventional road transport operator and, over the decades, has transformed into an integrated logistics player. It went public in 1974 and subsequently diversified into coastal shipping through TCI Seaways Limited. The group also entered express logistics in 1989 through GATI Limited; however, this business was divested in 1996 following a family restructuring. With over six decades of experience, TCI today operates through an extensive infrastructure comprising 1,400+ offices, 16.50 million sq. ft. (As on March 2026, out of which ~25% is owned which is 4.25 million sq. ft. and 75% which is ~12.75 million sq. ft. is rented) of warehousing space, and a workforce of over 3,500 employees as on March 31, 2026.

TCI has a well-diversified business model and currently operates through three main divisions—freight, SCS, and seaways—and a small wind power segment. The company also operated an express cargo division (TCI XPS), which was demerged into a separate entity in FY16. On a consolidated basis, the freight division contributes ~48% of revenues, followed by SCS (~39%) and seaways (~13%). The freight division (TCI Freight) offers integrated surface transport solutions including FTL, LTL, small consignments, over-dimensional cargo (ODC), and project heavy haul (PHH), supported by a fleet of over 5,000 trucks, 750+ offices, and 25 hubs. The SCS division provides end-to-end logistics solutions, including supply chain design, inbound and outbound logistics, warehousing, and distribution management, supported by over 16.5 million sq. ft. of warehousing space and 4,000+ vehicles (including 1,250 owned vehicles). The seaways division (TCI Seaways) offers coastal shipping services for containers and bulk cargo, connecting major ports across India through a fleet of six cargo vessels with a total capacity of ~77,957 DWT, and integrated first- and last-mile connectivity.

Brief Financials (₹ crore) (Consolidated)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	4492.15	4916.8	1248.5
PBILDT	464.26	517.10	135.2
Profit after tax (PAT)	416.01	459.90	106.6
Overall gearing (x)	0.11	0.12	NA
Interest coverage (x)	23.03	22.68	19.31

A: Audited; UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Carved out)	RBI	Simple	proposed	NA	NA	NA	50.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	SEBI	Simple	proposed	NA	NA	NA	100.00	CARE A1+
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-03-2030	300.00	CARE AA+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Commercial Paper-Commercial Paper (Carved out)	ST	50.00	CARE A1+	1)CARE A1+ (01-Jul-26)	-	-	-
2	Fund-based - LT-Term Loan	LT	300.00	CARE AA+; Stable	1)CARE AA+; Stable (01-Jul-26)	-	-	-
3	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	CARE A1+				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities Not Applicable**Annexure-4: Lender details**

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	TCI-CONCOR Multimodal Solutions Pvt Ltd	Full	Subsidiary
2	TCI Cold Chain Solutions Ltd	Full	Subsidiary
3	TCI Chemlog Private Ltd	Full	Wholly owned subsidiary
4	TCI Holdings Asia Pacific Pte Ltd	Full	Wholly owned subsidiary
5	TCI Bangladesh Ltd	Full	Wholly owned subsidiary
6	TCI Nepal Pvt Ltd	Full	Wholly owned subsidiary
7	TCI Middle East Logistics Services L.L.C.	Full	Wholly owned subsidiary
8	Transystem Logistics International Pvt. Ltd.	Partial	JV
9	Cargo Exchange Private Limited	Partial	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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