

Tara Chand InfraLogistic Solutions Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	13.36	CARE BBB; Stable	Assigned
Long-term / Short-term bank facilities	101.64 (Enhanced from 25.00)	CARE BBB; Stable / CARE A3+	Assigned
Short-term bank facilities	45.00	CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Tara Chand InfraLogistic Solutions Limited (TCISL) consider extensive experience of promoters in the transportation and warehouse operations industry, established relationships with marquee customers translating into sustained improvement in performance in the last five years. It also factors CARE Ratings Limited (CareEdge Ratings) expectations of steady performance in the medium term based on healthy revenue visibility from warehouse operations segment and track record of strong rental utilisation of equipment leasing segment translating into adequate cash accruals from business.

TCISL's scale of operations grew at a compounded annual growth rate (CAGR) of ~18% for the last five years and stood at ₹247.84 crore in FY25. It further stood at ₹195.30 crore in 9MFY26. Revenue growth was majorly backed by diversification of the business segments and expansion of the equipment fleet. The company generates revenue from equipment leasing and material handling and transportation with each contributing 40-45% each. Profitability remains healthy with operating margin above 30% in FY25 and 9MFY26 supported by healthy margin from equipment leasing. Scale of operations is expected to grow in the medium term with sustained profitability margins.

Ratings factor in moderate financial risk profile with overall gearing at 1.99x and total outside liabilities to tangible net worth (TOL/TNW) is at 2.16x as on March 31, 2025, considering higher reliance of debt including letter of credit (LC) backed creditors for capital goods. The company's borrowings have increased in recent years due to sizeable capex towards fleet expansion. However, debt is largely asset-backed and revenue-generating in nature. Debt coverage indicators are adequate backed by healthy operating margins with profit before interest, lease rentals, depreciation and taxation (PBILDT) interest coverage at 10.5x and total debt to gross cash accruals (TD/GCA) at 3.38x in FY25. However, rating strengths are partially offset by the working capital-intensive operations, exposure to intense competition, and sizeable capital expenditure requirements.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale of operations with PBILDT margin above 35% translating into healthy cash flow from operations.
- Improvement in overall gearing (including LC-backed creditors) below 1.5x and total debt (including LC-backed creditors)/PBILDT below 2.5x on a sustained basis.

Negative factors

- Significant decline in scale of operations and/or profitability impacting the liquidity position on a sustained basis
- Deterioration in total debt (including LC backed creditors)/PBILDT above 3.5x and PBILDT interest cover below 5x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectations that the company will maintain adequate debt coverage metrics in the medium term while benefitting from growing scale of operations.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:**Key strengths****Experienced promoters with reputed clientele**

TCISL's promoters possess extensive experience in the infrastructure logistics and equipment rental industry, with over three decades of operational expertise in crane rentals, project logistics, and in-plant handling services. Their long-standing presence in the sector enabled the company to establish strong relationships with reputed clients across steel, power, infrastructure, and other industrial segments. Promoters' industry knowledge and execution capabilities supported the company's expansion in fleet size, geographical reach, and service offerings, contributing to its sustained growth and operational stability.

Growing scale of operations with healthy profit margins

TCISL's scale of operations grew at a CAGR of ~18% for the last five years and stood at ₹247.84 crore. Revenue growth was majorly backed by diversification of business segments and expansion of equipment fleet. The company generates revenue from equipment leasing and material handling and transportation with each contributing 40-45% each. Profitability margins are healthy with operating margin above 30% for FY25 and 9MFY26 supported by healthy margin from equipment leasing. Scale of operations is expected to grow in the medium term with sustained profitability margins.

Adequate debt coverage metrics

The company's debt coverage indicators are adequate backed by healthy operating margins. PBILDT interest coverage ratio stood at 10.5x and TD/GCA at 3.38x as on March 31, 2025. CareEdge Ratings expects TCISL's debt coverage metrics to remain adequate in the coming years despite the sizeable equipment addition plan owing to steady equipment utilisation levels.

Key weaknesses**Working capital intensive operations**

TCISL's operations remain working capital intensive, with operating cycle of 80-100 owing to the collection period of 60-90 days, particularly for its warehousing and transportation segment. However, operating cycle improved to 78 days as on March 31, 2025, considering diversification in the end-user industry mix and increase in revenue share from equipment rental segment. Gross current assets days also stood at 131 days as on March 31, 2025, against 122 days as on March 31, 2024.

Asset-heavy business model with high capex requirements

The company's equipment rental business is inherently capital intensive, requiring ongoing and significant capital expenditure for fleet expansion and modernization, leading to elevated funding requirements. Owing to sizeable capex requirements, TCISL's capital structure remains moderate with overall gearing at 1.99x and TOL/TNW is at 2.16x as on March 31, 2025, considering higher reliance of debt including LC creditors for capital goods. The company's borrowings increased in recent years due to sizeable capex towards fleet expansion. However, debt is largely asset-backed and revenue-generating in nature.

Exposure to competition and dependence on demand from end-user industry

Operations remain exposed to intense competition from other industry players. However, TCISL's focus on high load-bearing cranes, whose availability is limited, provides some comfort. Performance of equipment leasing segment is closely tied to equipment utilisation levels and depends on investment activity in key end-user industries such as infrastructure and industrial sectors. While the company has diversified its revenue base across multiple industries, slowdown in these sectors could negatively affect equipment deployment, revenue growth, and operating margins.

Liquidity: Adequate

Liquidity is marked adequate with expected GCA of ₹80-100 crore per annum in the next 1-2 years against repayment obligations of ₹50-60 crore per annum. The company is also expected to have capex requirements of ₹80-100 crore per annum in the next two years towards addition of cranes and equipment, partly funded by term loans of ~₹70 crore per annum. Average utilisation of fund-based and non-fund-based limits stood moderate at 40% and 88% respectively for 12-months ending January 2026, indicating adequate liquidity buffer. The company has free cash and bank balance of ₹19 crore and current ratio of 1.85x as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[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	Transport related services

Incorporated on February 10, 2012, TCISL is engaged in providing integrated services in equipment rental, transportation, warehousing, and turnkey infrastructure project execution for the infrastructure and industrial sectors such as steel, and cement, among others. The company operates fleet of 403 machines as of December 31, 2025, including heavy cranes, hydraulic piling rigs, steel processing equipment, and concrete machinery, among others. The company is promoted by Vinay Kumar and Ajay Kumar and is listed on the NSE.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	172.02	247.84	195.30
PBILDT*	55.78	78.34	75.20
Profit after tax (PAT)	16.13	24.86	19.20
Overall gearing (x)	1.51	1.99	NA
Interest coverage (x)	7.66	10.57	10.02

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: Brickwork Ratings India Private Limited has retained the credit rating for bank facilities of TCISL under non-cooperation category, vide its press release dated June 13, 2025, citing non-availability of information and non-cooperation by TCISL.

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	13.36	CARE BBB; Stable
Fund-based - LT/ST-Term loan	-	-	-	FY2030	101.64	CARE BBB; Stable / CARE A3+
Non-fund-based - ST-Bank Guarantee	-	-	-	-	45.00	CARE A3+

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-Term loan	LT/ST	101.64	CARE BBB; Stable / CARE A3+	-	-	-	-
2	Fund-based - LT-Cash Credit	LT	13.36	CARE BBB; Stable	-	-	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	45.00	CARE A3+	-	-	-	-

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT/ ST-Term loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

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.

Contact us

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About us:

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