

Maheshwari Logistic

October 14, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	65.00	CARE BB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Maheshwari Logistics (ML) are primarily constrained due to its leveraged capital structure, driven by debt-funded capital expenditure for fleet expansion. The rating also factors in its moderate debt coverage indicators, stretched liquidity, ML's constitution as a partnership firm and its presence in intensely competitive nature of the transportation and logistics industry.

The ratings, however, derive strength from the experience of ML's partners in the automobile and logistics domain, its long-standing relationships with reputed clients, and its growing operational scale coupled with satisfactory PBILDT margin.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in its capital structure marked by overall gearing of less than 5 times on sustained basis.
- Improvement in debt coverage indicators marked by TDGCA of 3.00 years or below.

Negative factors

- Significant decline in total operating income with PBILDT margin below 15% on sustained basis
- Significant deterioration in capital structure and debt coverage indicators on sustained basis

Analytical approach: Standalone

Outlook: Stable

The outlook on the long-term rating of ML is "Stable" considering the stable demand from logistics business with established client base that would enable the company to sustain its operational performance over the medium term.

Detailed description of key rating drivers:

Key weaknesses

Leveraged capital structure and moderate debt coverage indicators

Capital structure of the firm improved but remain leveraged with overall gearing of 8.86 times as on March 31, 2025 (PY: 9.84x). High gearing is primarily due to the firm's dependence on term loans to expand its fleet in response to increasing demand, while operating on a relatively low net worth base of Rs. 7.04 crore in FY25 (FY24: Rs. 4.81 crore).

Despite the high leveraged position, debt coverage indicators of the company remained moderate marked by interest coverage ratio of 4.57 times (PY: 4.40x) and total debt / GCA of 4.03 times (PY: 3.53x) in FY25.

Competitive nature of transportation and logistics business

Transportation and logistics business is a highly competitive business on account of high degree of fragmentation in the industry with presence of a large number of small players having limited fleet size, both in organized and unorganized sectors. The prospects for ML would be largely governed by performance of cement sectors which in turn is directly linked to overall economic growth of the country. Further, the players with superior quality of service and presence in different locations across country and clientele across various industries would enjoy competitive edge and would be able to garner more business and long-term contracts

Constitution as a partnership

ML's credit risk profile is constrained by its constitution as a partnership firm, given the inherent risk of capital withdrawal, which limits financial flexibility. Nonetheless, over the past four financial years ending FY25, the partners have infused additional funds into the business. Going forward, any significant or disproportionate capital withdrawal will remain a key rating sensitivity.

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

Key strengths

Growing scale of operations coupled with satisfactory PBILDT

ML's total operating income (TOI) grew at a CAGR of 8.46% in last 5 years ended FY25. TOI grew by 16.91% to Rs.108.49 crore in FY25 (FY24: Rs. 93.08 crore) owing to increased demand from customers results in increase in freight income over the previous year. To support this growth, ML expanded its owned fleet from 280 vehicles in FY24 to 305 in FY25, while also deploying additional hired vehicles based on operational requirements. Firm's PBILDT margin remained satisfactory at 18.43% in FY25 [PY:18.77%], marginal decline in PBILDT margin is primarily due to increase in diesel and toll tax expense.

Established relationship with reputed clientele albeit customer concentration risk

ML has established relationship with many of its reputed customers since inception. ML's major customers include Ultratech Cement Limited, Hindustan Zinc Limited, Nuvoco Vistas Corpotation, Wonder Cement, JK Cement, among others. In FY25, the top 5 client accounted for approximately 88% (PY:81%) of the firm's TOI, indicating a degree of customer concentration risk. However, ML continues to receive consistent and repeat orders from these long-standing clients.

Experienced promoters

Both the partners, Mr. Anil Kumar Maheshwari and Mr. Sunil Kumar Maheshwari have experience of more than two decades in the field of transportation business. The promoter family also oversees a diversified portfolio of businesses since last five decades, including automobile spare parts trading, vehicle repair services, manages a petrol pump, and trailer body fabrication catering to outside customer as well as for company's in-house transportation needs.

Liquidity: Stretched

Liquidity position of ML remained stretched as marked by high scheduled debt repayment obligation vis-à-vis envisaged cash accruals. Unencumbered cash and bank balance with the company remained low at Rs. 1.04 crore as on March 31, 2025 (PY: Rs. 1.32 crore), while cash flow from operations (CFO) stood at Rs. 7.71 crore in FY25. The company is expected to generate cash accruals of ~Rs. 18-20 crore during FY26 against scheduled debt repayment obligation of around Rs. 20-22 crore. The anticipated shortfall in debt servicing is expected to be funded through fund infusion by partners.

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](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Road Transport

Maheshwari Logistics (ML) was incorporated in July 2017 and commence operations in January 2020 and is promoted by the Nasirabad-based brothers, Mr. Anil Kumar Maheshwari and Mr. Sunil Kumar Maheshwari. The company specializes in providing logistics services to several prominent clients. As of August 31, 2025, the firm manages owned fleet of 325 vehicles.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)
Total operating income	93.08	108.49
PBILDT	17.48	20.00
PAT	0.33	0.39
Overall gearing (times)	9.84	8.86
Interest coverage (times)	4.40	4.57

A: Audited P: Provisional; Note: these are latest available financial results

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

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term		-	-	31-03-2031	65.00	CARE BB-; 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 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	Term Loan-Long Term	LT	65.00	CARE BB-; Stable				

LT: Long 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	Term Loan-Long Term	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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