

## Mahesh Traders

March 23, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	65.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	101.50	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

Mahesh Traders (MT) has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s rating on MT's bank facilities will now be denoted a '**CARE BB+; Stable; ISSUER NOT COOPERATING/ CARE A4+; ISSUER NOT COOPERATING\***'

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The rating assigned to the bank facilities of Mahesh Traders (MT) is constrained on account of its moderate scale of operation with thin profitability inherent to trading nature of operations, highly leveraged capital structure along with weak debt coverage indicators, susceptibility of profitability to price fluctuation in traded agro-commodities and presence in a competitive, fragmented, and cyclical agro commodity trading industry. The ratings further remain constrained on account of its partnership nature of constitution. The rating however derives strength from MT's experienced promoters, established relationship with customers and location advantage

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

At the time of last rating on January 07, 2025, the following were the rating strengths and weaknesses (updated from the information available from client)

#### Key weaknesses

##### Moderate scale of operation with thin profitability margins

MT's TOI declined by ~58% y-o-y and stood moderate at Rs. 652.83 crore in FY25 as against Rs. 1,545.71 crore in FY24. The decline in TOI was on account of lower moong sales (with moong accounting for over 90% of the company's revenue). This was on the account of lower quantity of moong available through government auction owing to FY25 being election year. However, the availability for the same has increased in the current year as visible in the TOI 8MFY26 (Prov.) financials, where MT has achieved TOI of Rs. 907.75 crore which includes moong sales of Rs. 835 crore. The company has low saleability risk as it has more than 1000 customers in the form of grain processors and distributors.

In FY25, MT's PBILDT margin improved by 125 bps to 2.49% (1.24% in FY24), the improvement was on account of lower loading, weighing and unloading charges. However, the PAT margin remained in line with the previous year due to higher interest costs incurred during FY25 on the account of higher utilization of working capital limits. This was on account of company availing certain WHR limits at subsidized rate under a government scheme which was utilized largely to store paddy along with other inventory. However, during the current year the company has off loaded all the paddy stock and has discontinued with majority of the WHR limits.

##### Highly leveraged capital structure and weak debt coverage indicators

As on March 31, 2025, the capital structure of the firm stood highly leveraged marked by overall gearing of 5.73x (4.50x as on March 31, 2024). The deterioration in overall gearing was on account of higher utilisation of working capital borrowings as on

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

year end. The net worth base of the firm stood low at Rs. 23.92 crore. The debt coverage indicators remained weak marked by PBILDT Interest coverage of 1.49x and Total Debt / GCA of 20.60x as on March 31, 2025.

**Presence in a highly fragmented and competitive industry with high susceptibility of profitability to prices of traded agro commodities**

MT operates in the competitive and highly fragmented agro commodity industry, characterized by presence of many small and medium scale players. Further, the overall value addition in the trading industry is very low (grading, sorting, and packing activities), which translates into thin profitability. Further, the prices of agro commodities are volatile in nature and are dependent upon various factors including the vagaries of nature, minimum support prices (MSP) fixed by the various state and central government, import duties etc. With already thin margin trading business, any major fluctuations in prices of the commodity shall have major impact on the profitability of the firm. However, demand outlook remains stable owing to growth in population.

**Partnership nature of constitution**

The constitution as a partnership firm restricts its overall financial flexibility in terms of limited access to external funds for any future expansion plans. Further, there is inherent risk of possibility of withdrawal of capital and dissolution of the firm in case of death/retirement/insolvency/personal contingency of any of the partners. During FY25, partners have withdrawn the capital of Rs. 10.90 crore as against withdrawal of Rs. 6.52 crore in FY24.

**Key strengths**

**Experienced promoters**

The firm is promoted by Mr. Mahesh Dudani, who has vast experience of more than three decades in the agro commodity industry. He is also involved in few other entities such as RMM Agro Exports Private Limited (engaged in rice milling and processing), Pragati Foods (engaged in rice milling), Sai Industries – Pipariya (processing and trading of pulses). He majorly looks after the sales & Finance department in the firm. Mr. Manoharlal Dudani joined the firm as a partner in 2009. Both the partners enjoys healthy reputation in local market.

**Established relationship with customers**

The firm majorly sells to wholesalers and traders located in Madhya Pradesh, Rajasthan, Gujarat and Uttar Pradesh and has developed healthy relations with its customers over the long track record of operations.

**Location advantage**

MT is located in the state of Madhya Pradesh, which is the largest producer of Soybean, Gram, Urad, Tur and Masoor and 2nd in the production of Moong. The location also provides proximity to sources of raw material access and smooth supply of raw materials at competitive prices and lower logistic expenditure (both on the transportation and storage). It enjoys good road, rail and air connectivity leading to better lead time and facilitating delivery of finished products in a timely manner.

**Liquidity: Stretched**

The liquidity of the firm remained stretched on the account of modest cash accruals limiting its financial flexibility in a working capital-intensive industry. Utilization of working capital limits averaged at around 80-85% for the past 12 months ended December 2025. The firm had meagre free cash and bank balances of Rs. 0.21 crore as on March 31, 2025, though the GCA remains sufficient to cater to the debt re-payment obligations which are below Rs. 0.5 crore annually from FY26 to FY28. The operating cycle of the firm remained at 68 days in FY25 (16 days in FY24). The same elongated due to increase in inventory and collection period on account of higher sales towards year end and the company stocking some additional grains during that year. Consequently, the cash flow from operations remained negative at around Rs. 4 crore in FY25.

**Assumptions/Covenants:** Not applicable

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

## Applicable Criteria

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[CARE Ratings' Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[CARE Ratings' Criteria on Rating of Short Term Instruments](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology -Wholesale Trading](#)

## About the firm and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Pipariya (Madhya Pradesh) based Mahesh Traders (MT) was formed in 1990 as a proprietorship firm by Mr Mahesh Dudani and later in 2013 it was converted into partnership by adding Mr Manohar Dudani as a partner in MT. MT is engaged in the trading of food grains like rice, masoor, paddy, wheat, moong, etc. The unit of the firm is located at Pipariya, M.P. The firm sells its products in the brand name of 'Mahesh Traders, Pipariya' and caters to the domestic market. MT sells its products majorly in Gujarat, Rajasthan, Madhya Pradesh and Uttar Pradesh and Tamil Nadu. The firm is currently managed by Mr. Mahesh Dudani, Mr. Manohar Dudani, Chandni Dudani and Sandhya Dudani.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26(UA)
Total operating income	1,545.71	652.83	907.75
PBILDT*	19.13	16.23	7.31
Profit after tax (PAT)	15.38	6.47	-
Overall gearing (x)	4.50	5.73	-
Interest coverage (x)	3.89	1.49	1.38

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

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various 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		-	-	-	65.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Limits		-	-	-	101.50	CARE A4+; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**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-Cash Credit	LT	65.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (07-Jan-25) 2)CARE C; ISSUER NOT COOPERATING* (28-Nov-24)	1)CARE C; ISSUER NOT COOPERATING* (11-Oct-23)	1)CARE C; ISSUER NOT COOPERATING* (05-Sep-22)
2	Fund-based - ST-Working Capital Limits	ST	101.50	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (07-Jan-25)	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: 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 - ST-Working Capital Limits	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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