Maheshwari Logistic

August 19, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	65.00	CARE C	Downgraded from CARE BB-; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Maheshwari Logistic (ML) is on the account of irregularities in the payments against debt raised by the firm, which is not rated by CARE Ratings Limited (CareEdge Ratings). The irregularities were on account poor liquidity, resulting in delay in the debt servicing in the month of July 2026. However, the concerned account was regularised by the firm on the next day, through payment of the overdue instalments along with the applicable overdue charges.

The ratings also consider leveraged capital structure, moderate debt-coverage indicators, poor liquidity, ML's constitution as partnership firm and its presence in intensely competitive transportation and logistics industry.

The ratings, however, derive strength from the experience of ML's partners in the automobile and logistics domain, its longstanding relationships with reputed clients, and its growing operational scale coupled with satisfactory profit before interest, lease, depreciation and tax (PBILDT) margin.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Establishing a delay free track record in debt servicing for at least 90 days

Negative factors

- Continued poor liquidity

Analytical approach: Standalone

Detailed description of key rating drivers

Key weaknesses

Delays in debt servicing

As per the information received from the firm (bank statements), instances of delay observed in the debt servicing of the term loans (principal as well as interest) latest in the month of July 2026. For the said term loans availed by ML, debt repayment was due on July 20, 2026 which was delayed. Subsequently, overdue charges were imposed by lender, which along with interest and principal was paid on July 21, 2026 by the firm and account was regularised.

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

[1]SEBI: 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

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

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.

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 Corpotration, 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: Poor

Liquidity position of ML remained poor 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.

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
Infrastructure Sector Ratings

About the firm 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 (UA)
Total operating income	93.08	108.49
PBILDT*	17.48	20.00
Profit after tax (PAT)	0.33	0.39
Overall gearing (x)	9.84	8.86
Interest coverage (x)	4.40	4.57

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
Term Loan-Long Term	RBI	Simple	-		-	31-03-2031	65.00	CARE C

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	Term Loan-Long Term	LT	65.00	CARE C	-	1)CARE BB-; Stable (14-Oct-25)	-	-

LT: Long 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]()

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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