

Pranik Logistics Limited

October 27, 2026

Facilities	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / short-term bank facilities	RBI	2.80 (Enhanced from 0.65)	CARE BB+; Stable / CARE A4	Reaffirmed
Long-term bank facilities	RBI	48.00 (Enhanced from 29.35)	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Pranik Logistics Limited (PLL) factor in the improvement in scale of operations and addition of new clientele in FY26 and Q1FY27 despite softening profitability margins. The ratings continue to remain constrained by moderation in capital structure and debt coverage indicators, highly competitive nature of transportation and logistics business, profitability margins vulnerable to economic cycles and competition and working capital intensive operations. The ratings, however, continue to factor in the promoters' extensive industry experience, customer concentration risk albeit gradually decreasing with addition of new clientele.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the scale of operations as marked by total operating income (TOI) above ₹120 crore while maintaining operating profitability margins of over 10% on a sustained basis.
- Diversification of clientele leading to substantial reduction in client concentration risk.

Negative factors

- Inability of the company to scale up the operations with TOI below ₹60 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margins below 5% on an ongoing basis.
- Elongation of its operating cycle to over 90 days leading to high reliance on working capital borrowings.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the company to benefit from promoters' extensive experience in the same line of business with an increase in scale of operations, on the back of orders from reputed clientele, and comfortable financial risk profile.

Detailed description of key rating drivers

Key weaknesses

Moderated capital structure and debt coverage indicators in FY26

PLL's capital structure, while remaining comfortable, moderated in FY26 due to an increase in debt levels to support higher working capital requirements and business growth. The debt-to-equity ratio stood at 0.24x as on March 31, 2026 as against 0.15x as on March 31, 2025, while the overall gearing moderated to 0.99x from 0.51x during the same period.

Debt coverage indicators, though moderating, remained satisfactory with PBILDT interest coverage standing at 5.04x in FY26 against 6.46x in FY25, while total debt to gross cash accruals (TD/GCA) moderated to 3.62x from 2.03x in FY25 owing to the sharp increase in debt levels despite improvement in cash accruals.

Going forward, PLL's capital structure is expected to moderate due to additional debt availed for purchase of new vehicles and availment of ECLGS loan in the current fiscal year to support the increasing scale of operations

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.

Highly competitive nature of transportation and logistics business

PLL's transport business faces intense competition due to the presence of numerous players with limited fleet sizes in both organised and unorganised sectors. Similarly, the warehousing market is highly fragmented, with most warehouses being small, unmechanised, and operated by unorganised players. This fragmentation leads to lower bargaining power for logistics operators and increased competition for customer acquisition and retention. Moreover, the presence of several regional and local players often results in pricing pressures and limits the ability to pass on cost escalations, thereby impacting profitability margins. However, PLL benefits from its established relationships with reputed customers and its integrated service offerings across transportation, warehousing, and C&F operations.

Vulnerability of profitability margins to economic cycles and competition

Logistics operations depend on the country's overall economic conditions. Higher economic activity translates into higher freight movements, driving demand for the road freight transport industry. PLL is exposed to significant fluctuations in hire charges for market vehicles, as rates primarily depend on demand-supply dynamics. The company is vulnerable to fuel price volatility, and its ability to tackle the timely pass-through of varying fuel prices is critical in maintaining its profitability margins.

Working capital intensive operations

The company's operations remain working capital intensive on the back of a negligible credit period being extended by creditors and a higher credit period offered to clients. PLL derives a majority of its revenues from corporate clients, resulting in relatively low bargaining power. The company generally provides a credit period of ~60-90 days from the delivery of consignments, after which revenue is booked. In addition, the business requires significant upfront expenditure, particularly towards fuel expenses incurred for operating its own fleet as well as hired vehicles. The mismatch between the collection of receivables and the upfront payment of operating expenses results in substantial working capital requirements. The company's working capital cycle further elongated to 93 days in FY26 from 82 days in FY25, primarily due to the increase in the average collection period to 96 days from 86 days. Consequently, the company's dependence on working capital borrowings increased during the year. The working capital cycle is expected to remain elevated over the near-to-medium term.

Key strengths**Extensive industry experience of promoters**

PLL is promoted by Pranav Kumar Sonthalia, the Managing Director of the entity, having a decade of experience in the logistics and transportation industries. He is well supported by Shradha Kumari, who has experience of almost five years in the logistics industry. The promoter is backed by a dedicated and experienced management team who oversee operations, quality management, and customer delivery, with expertise and vision of expanding the business.

Growth in scale of operations despite softened profitability margins

PLL's scale of operations remains moderate, albeit witnessing healthy growth over the years. The company reported a revenue of ₹104.76 crore in FY25, which increased to ₹159.73 crore in FY26, registering a healthy y-o-y growth of 52.47%. Furthermore, the company has recorded a robust CAGR of ~38.18% during FY23-FY26, reflecting its ability to consistently scale up operations through long-standing relationships with existing customers and addition of new clients across transportation, warehousing, and C&F segments. The growth momentum continues to remain strong, with the company reporting ₹50.17 crore of revenue in Q1FY27 against the revenues of ₹39.16 crore in Q1FY26 registering y-o-y growth of ~28%, providing visibility for a further increase in scale during the current fiscal.

The company's PBILDT margin softened to 9.55% in FY26 from 11.45% in FY25. The moderation in profitability was primarily attributable to the increasing share of B2B business as part of the company's expansion strategy wherein the margins are comparatively lower due to high bargaining power of the customers. However, repeated orders from B2B customers supported higher business volumes.

Going forward, the increasing share of B2B business may continue to exert some pressure on profitability, and the PBILDT margins are expected to remain range-bound at around 9-11% over the medium term, supported by stable operating efficiencies and benefits accruing from higher business volumes.

Customer concentration risk albeit gradually decreasing with addition of new clientele

The customer base of the company includes reputed companies like Qwik Supply Chain Private Limited, ACC Ltd, Ambuja Cements Ltd among others. The revenue from top 3 customers contributed 62% of TOI in FY26 which reduces from 65% in FY25 and 77% in FY24 exposing the company with customer concentration risk. However, the company is gradually diversifying its customer base by onboarding new customers every year. During FY26, the company expanded its customer base through the onboarding of new clients across the e-commerce, logistics and pharmaceutical sectors. The addition of marquee customers such as entities within the Flipkart Group, BigBasket, Meesho Limited and Piramal Pharma has strengthened the company's business profile,

enhanced customer diversification and increased revenue visibility. The new contracts are expected to support growth in the company's scale of operations, contribute to revenue expansion and further strengthen its market position across key logistics segments.

Liquidity: Adequate

Liquidity position of the company is expected to remain adequate considering reported GCA of ₹11.92 crore against long-term debt repayment obligations of ₹2.79 crore in FY26. Average working capital utilisation remained high and stood at 92% for past 12 months ending August 2026. The company is expected to generate sufficient cash accruals against debt repayment obligations ~₹6 crore in FY27. PLL also had liquidity of ₹16.55 crore including lien-marked FD's of ₹15.23 crore.

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	Logistics Solution Provider

Incorporated in 2015, PLL is promoted by Pranav Kumar Sonthalia, and is engaged in providing end-to-end integrated logistics solutions and services to its customers, including transportation, distribution, warehousing inventory management, and product handling services for reputed customers operating in allied industries, such as food industry, medical and cosmetics, FMCG, petroleum, and kitchenware among others. PLL has 46 warehouses taken on lease in different states across India.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	104.76	159.73	50.31
PBILDT*	11.99	15.26	4.64
Profit after tax (PAT)	6.44	7.04	2.04
Overall gearing (x)	0.51	0.99	NA
Interest coverage (x)	6.46	5.04	4.55

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
Fund-based - LT-Cash Credit	RBI	Not Applicable	-		-	-	48.00	CARE BB+; Stable
Non-fund-based - LT/ST-Bank Guarantee	RBI	Not Applicable	-		-	-	2.80	CARE BB+; Stable / CARE A4

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	Fund-based - LT-Cash Credit	LT	48.00	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Mar-26) 2)CARE BB+; Stable (24-Apr-25)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	2.80	CARE BB+; Stable / CARE A4	-	1)CARE BB+; Stable / CARE A4 (06-Mar-26) 2)CARE BB+; Stable / CARE A4 (24-Apr-25)	-	-

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](#)

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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Punit Singhania Director CARE Ratings Limited Phone: +91-33-4018 1620 E-mail: punit.singhania@careedge.in Shivangi Sharma Assistant Director CARE Ratings Limited Phone: +91-33-4018 1654 E-mail: shivangi.sharma@careedge.in Divyam Parasramka Analyst CARE Ratings Limited E-mail: Divyam.parasramka@careedge.in
---	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**