



Press Release

Maheshwari Logistics Limited

June 16th, 2021

Rating:

Facilities	Amount (INR Crore)	Current Ratings	Rating Action
Long Term Fund Based Facilities	55.00	IVR BBB(INC)*; (IVR Triple B) ISSUER NOT COOPERATING*	Rating downgraded from IVR A-/Stable and moved to ISSUER NOT COOPERATING
Short Term Non-Fund Based Facilities	61.20	IVR A3+(INC)*; (IVR A Three Plus) ISSUER NOT COOPERATING*	Rating downgraded from IVR A2+ and moved to ISSUER NOT COOPERATING
Total	116.20		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Maheshwari Logistics Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated April 28, 2021 & May 18, 2021, May 24, 2021 and concurrently over several phone calls. However,



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despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term ratings for the bank loan facilities aggregating to INR 116.20 Crore of Maheshwari Logistics Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BBB: Issuer Not Co-operating; based on best available information (IVR Triple B: Issuer Not Co-operating); based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation (Non-Financial Sector)

Rating Methodology for Manufacturing, Trading & Service Companies

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Maheshwari Logistics Limited (MLL) was incorporated in 2006 as private limited company by The company was initially engaged in providing logistics service and trading of coal and waste papers. During 2015-16, the company ventured into manufacturing of Kraft papers by entering into a business transfer agreement with Daman Ganga Recycled Resources LLP. In December 2016, the company changed its constitution and became a public limited company. Presently, MLL is operating in three business segments, logistics, trading and manufacturing of Kraft paper. The company has 21 branches across the country. Further, MLL has 5 wastepaper collection centres across Gujarat 1 and Maharashtra 4 to support its waste paper trading and Kraft paper manufacturing segment (where waste paper is a raw material) and a coal screening facility in Vapi, Gujarat. Further, the company has owned fleet of 109 trucks (in Dec 31, 2019) for its logistics segment has tie-ups with many truck



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owners. The Company is also having a fully owned (99%) LLP named as “Maheshwari Logistics (India) LLP” engaged in providing logistics service to unorganised sectors. Mr. Vinay Maheshwari, Mr. Amit Maheshwari, Mr. Vipul Vashi and Mr. Varun Kabra in Gujarat.

Financials (Standalone)

(INR Crore)

For the year ended*/As on	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	1037.07	758.58
EBITDA	46.40	51.06
PAT	14.80	14.70
Tangible Net worth	116.27	129.00
EBITDA Margin (%)	4.47	6.73
PAT Margin (%)	1.42	1.93
Overall Gearing Ratio (x)	1.22	1.11

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2021-2022)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20 (24 March 2020)	Date(s) & Rating(s) assigned in 2018-19
1.	Long Term Bank Facilities - CC	Long Term	52.00	IVR BBB and Issuer Not Cooperating	-	IVR A-/Stable	-
2	Long Term Bank Facilities – SLC	Long Term	3.00	IVR BBB and Issuer Not Cooperating	-	IVR A-/Stable	-
3.	Short Term Bank	Short Term	58.00	IVR A3+ and	-	IVR A2+	-



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	Facilities – LC			Issuer Not Cooperating			
4.	Short Term Bank Facilities – LER	Short Term	3.20	IVR A3+ and Issuer Not Cooperating	-	IVR A2+	-

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities - CC	-	-	-	*52.00	IVR BBB & Issuer Not Cooperating
Long Term Bank Facilities – SLC	-	-	-	3.00	IVR BBB & Issuer Not Cooperating
Short Term Bank Facilities – LC	-	-	-	58.00**	IVR A3+ & Issuer Not Cooperating
Short Term Bank Facilities – LER	-	-	-	3.20	IVR A3+ & Issuer Not Cooperating

* WCDL of Rs.5.00 Cr (Sublimit to CC)

**BG of Rs.3.00 Cr (Sublimit to LC)