



## Press Release

### Shekar Logistics Private Limited

July 28, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	52.42	IVR BB-/Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/Stable (IVR Double B Minus with Stable Outlook)	Rating Reaffirmed	<a href="#">Simple</a>
Short Term Bank Facilities	1.50	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Rating Reaffirmed	<a href="#">Simple</a>
<b>Total</b>	<b>53.92</b>	<b>(Rupees Fifty three crore and ninety two lakh only)</b>			

**Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.**

**Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics Ratings has reaffirmed the long-term rating at IVR BB- with a Stable outlook and short-term rating at IVR A4 for the bank loan facilities of Shekar Logistics Private Limited (SLPL).

The ratings reaffirmation reflects continuity of stable financial risk profile of the company & scale of operations. The rating continues to draw comfort from long track record of operations under experienced promoters & its established long term association with customers. The ratings, however, are constrained by the elongated operating cycle with higher collection period and average debt protection metrics.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes that SLPL will continue to benefit from its operational track record in the business.

IVR has principally relied on the standalone audited financial results of SLPL up to FY24 (refers to period April 1st, 2023, to March 31st, 2024) and provisional results of FY25 (refers to period April 1st, 2024, to March 31st, 2025) and three years projected financials from FY26 to FY28 (refers to 1 April 2025 to 31 March 2028), along with publicly available information/ clarifications provided by the company's management.

#### Key Rating Sensitivities:

##### Upward Factors

- Significant & sustained improvement in the scale of operations, besides sustained improvement in profitability margins.
- Debt service coverage ratio (DSCR) remaining above unity on sustained basis besides infusion of equity or unsecured loans to maintain the required liquidity.



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### **Downward Factors**

- More than expected moderation in scale of operations thereby leading to deterioration in profitability impacting the debt coverage indicators and/or deterioration in the financial risk profile.
- Any further significant rise in working capital intensity or unplanned capex leading to a deterioration in the liquidity position.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Long track record of operations & experienced promoters:**

SLPL has been operating in the logistics industry since 2001. Its key promoter, Mr. Chandrashekar Viswanath, brings over two decades of industry experience, which has been instrumental in driving the company's ongoing business expansion and fostering strong, long-term relationships with clients. The promoters are well supported by an experienced team in the management.

##### **Established & long term association with customers:**

Since its incorporation, the company is associated with Tata Steel Ltd. and catering to its logistics requirements. SLPL fulfils handling & transportation requirement of Tata Steel products from warehouses located in Vijayawada, Chennai, Bangalore, and Hyderabad. The company has established relationship with the key customer and expected to get more orders to support the growth in the scale of operations.

##### **Stable scale of operations:**

SLPL's total operating income (TOI) has grown with CAGR of 7.56% for the period FY22-FY25. The company registered TOI of Rs. 64.47 crore in FY25(Provisionals) against Rs. 60.24 crore in FY24. The marginal increase in the TOI is mainly on account of company getting some civil construction work of around Rs ~5 crore. However, profitability margins have moderated as reflected in decline in EBITDA margin from 15.32% in FY24 to 14.25% in FY25 (Provisionals) on account of increased expenses due to civil work done by the company in FY25. Further, profit after tax (PAT) margins also moderated from 3.17% in FY24 to 1.50% in FY25, on account of increased interest cost on additional term loans/vehicle loans availed by company during the year.

#### **Key Rating Weaknesses**

##### **Average debt protection metrics:**



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Debt protection metrics of the company continues to remain average with DSCR remaining low at 1x as on March 31, 2025 (Provisionals) (PY: 0.98x) and interest service coverage ratio (ISCR) at 1.97x as on March 31, 2025(Provisionals) (PY: 2.82x). Deterioration In ISCR ratio was mainly on account of increased interest expenses due to additional debt availed by the company to purchase new vehicles during the year. Total debt to EBITDA ratio also stood high at 4.53x in FY25 (Provisionals) against 3.13x in FY24.

### **Elongated operating cycle with higher collection period:**

Operating cycle of the company remained elongated but improved marginally from 133 days in FY24 to 118 days in FY25 (Provisionals), marked by improvement in turnover ratios including collection period from 129 days in FY24 to 115 days in FY25 (Provisionals).

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Service Sector Companies.](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)  
[Criteria for assigning Rating outlook.](#)  
[Policy on Default Recognition](#)  
[Complexity Level of Rated Instruments/Facilities](#)

### **Liquidity - Stretched**

The liquidity position of the company is stretched reflected in tightly matched cash accruals of Rs. 4.44 crore in FY25(Provisionals) against current debt repayment obligations of ~Rs. 4.41 crore. In FY26 also, cash accruals are expected to be limited against the debt repayment obligations. DSCR of the company has remained low at 1x as on March 31, 2025 (Provisionals). The bank limit remained utilised at ~73% during the last twelve months ended July 2025. Cash & cash equivalent of the company stands at Rs. 1.85 crore as on June 30, 2025. The current ratio is comfortable at 3.12x as on March 31, 2025(Prov.) (PY: 3.23x).

### **About the Company:**

SLPL, incorporated in 2001, is operating as a logistics player based out of Bangalore. The company is primary affiliated with M/s Tata Steel Ltd., for whom they manage the distribution of steel and other products throughout South India. SLPL handles Tata Steel's stockyards in Vijayawada, Bangalore, Chennai, Hyderabad, and Hubli, which is their major hub and they have maintained this partnership for over two decades. The company currently owns a fleet of 89 vehicles which it utilizes for transportation purposes. In accordance with its needs, the company also expands its fleet by acquiring additional trucks and other vehicles through hiring.



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### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisionals
Total Operating Income	60.24	64.47
EBITDA	9.23	9.19
PAT	1.91	0.97
Total Debt	28.86	41.65
Tangible Net Worth	38.18	39.15
EBITDA Margin (%)	15.32	14.25
PAT Margin (%)	3.17	1.50
Overall Gearing Ratio (x)	0.76	1.06
Interest Coverage (x)	2.82	1.97

\* As per Infomerics Standard

Status of non-cooperation with previous CRA: None

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (May 28, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Fund Based Facilities	Long Term	52.42	IVR BB-/Stable	IVR BB-/Stable	-	-
2.	Non-Fund Based Facilities	Short Term	1.50	IVR A4	IVR A4	-	-

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### **About Infomerics:**

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	August, 2038	9.45	IVR BB-/Stable
Term Loan	-	-	January, 2030	2.43	IVR BB-/Stable
Proposed Bank Facilities	-	-	-	30.54	IVR BB-/Stable
Dropline Overdraft	-	-	-	10.00	IVR BB-/Stable
Bank Guarantee	-	-	-	1.50	IVR A4

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-shekar-logistics-jul25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated analysis: Not Applicable.**

**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](http://www.infomerics.com).