KSH Distriparks Private Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	14.33 (Reduced from 15.58)	CARE A-; Stable	Reaffirmed
Long-term / Short-term bank facilities	2.00	CARE A-; Stable / CARE A2	LT rating and Stable outlook assigned and ST rating reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has taken a combined approach for the KSH Logistics group comprising of KSH Distriparks Private Limited (KDPL) and KSH Integrated Logistics Private Limited (KILPL), hereinafter referred to as KSH, considering both companies operate in the logistics segment with common promoters and cash flow fungibility.

Reaffirmation of ratings to bank facilities of KDPL factors in the stable performance of KSH in FY25 (refers to April 01 to March 31) and H1FY26 (refers to April 01 to September 30). Ratings continue to derive strength from experienced promoters, integrated operations of KSH across verticals in the logistics space, and its long association with reputed clientele across diverse end-user industries. Ratings further continue to derive strength from KSH's comfortable capital structure and debt coverage indicators and adequate liquidity position.

However, these strengths are constrained by KSH's moderate scale of operations, moderate profitability, planned debt-funded capex, and its presence in a highly fragmented and price competitive logistics business.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in total operating income (TOI) above ₹300 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin over 18% on a sustained basis.
- Improving capacity utilisation of the inland container depot (ICD) division and increase in occupancy in multi-client warehousing facility.

Negative factors

- Deterioration in overall gearing above 1x on a sustained basis.
- Decline in Total debt to PBILDT (TD/PBILDT) above 3x on a sustained basis.
- Significant cash outflow in the form of dividend or share buyback impacting net worth or liquidity position.

Analytical approach: Combined

While arriving at ratings, CareEdge Ratings has considered combined financials of KDPL and KILPL (collectively referred as 'KSH'), owing to their common promoter group and management, related business activities, strong operational and financial linkages and cash flow fungibility. Companies combined have been listed under Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that KSH will continue to benefit from its stable business under ICD and established track record in logistics business.

Detailed description of key rating drivers:

Key strengths

Diversified business segments

KSH operates under two different verticals – ICD and transportation (through KDPL) and third-party logistics (3PL) services (through KILPL). Under the ICD division, services provided by KDPL include full container load, light container load, air cargo, project cargo, and container triangulation and customs clearance facilities. The ICD operated by KDPL has a utilisation level of ~84% in FY25. Under the 3PL business, KILPL provides warehouse rental, warehouse management services and last-mile transportation services to companies belonging to the automobile, retail, and FMCG sectors, among others. KILPL operates

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

warehouses across Pune, Bangalore, Mumbai, Chennai, Jaipur, and Delhi, with a total warehousing area of ~6.65 lsf and an average occupancy rate of ~80%.

Transportation services contribute to ~60-65% of TOI, followed by logistics services (18-20%) and ICD services (10-12%).

Reputed client base across diverse end-user industries

With an established track record of operations, KSH has developed long-standing relationships with its reputed clientele. KDPL serves a gamut of customers operating across sectors such as auto ancillaries, construction equipment, abrasive products, food products and paper, primarily from the Chakan-Talegaon belt - an industrial hub in Pune, Maharashtra. This strategic location offers advantages such as good connectivity and reduced logistics costs. In the last few years, KDPL has been expanding its asset base to augment its transportation business and currently operates a fleet of ~175 trailers.

KILPL provides integrated logistics solutions to its clients and has a strong and reputed clientele base in auto ancillaries and consumer goods. Major customers include Bosch Limited, Mahle Behr India Private Limited, among others.

Comfortable capital structure and debt coverage indicators

On a combined basis, KSH's capital structure improved and continued to remain comfortable with overall gearing of 0.43x as on March 31, 2025 (PY: 0.50x), with improvement in net worth base. In FY25, debt coverage indicators remained comfortable with total debt to gross cash accruals (TD/GCA) and interest coverage of 2.15x and 7.32x respectively (PY: 2.19x and 15.29x respectively). TD/PBILDT also stood comfortable at 1.61x (PY: 1.76x). CareEdge Ratings expects capital structure and debt coverage indicators to remain comfortable in the medium term despite planned debt-funded capex.

Experienced promoters and management team with equity investment from Pacific Century Regional Developments (PCRD) Services Pte. Ltd. (Singapore)

KDPL and KILPL are a part of the KSH Group having over five decades of domain expertise in domestic logistics, manufacturing, services, and distribution business. The board constitutes six members, of which three are from the Hegde family, one from the Mehta family, and the balance two have been nominated by PCRD. PCRD belongs to the Pacific Century Group (PCG), which has interests in real estate, telecommunications, media, and financial services in the Asia-Pacific region. PCRD is listed on the Singapore Stock Exchange and has 49.87% shareholding in the company.

KSH was promoted by Kushal Hegde, who serves as the Chairman of all KSH group companies. His sons, Rajesh Hegde (Director) and Rohit Hegde (Director), are involved in managing the KSH group's logistics and distribution business. The group's operations are managed by a team of professionals with domain experience in specific verticals of the logistics business.

Key weaknesses

Moderate scale of operations and profitability

KSH's TOI grew by ~16% in FY25 to ₹215.38 crore (PY: ₹185.13 crore), primarily driven by growth in transportation and ICD segments. Combined TOI stood at ₹125.98 crore in H1FY26. CareEdge Ratings expects TOI to grow at a moderate rate in the near term driven by increasing transportation business, along with addition of new warehouses and customers.

On a combined basis, the PBILDT margin though declined remained healthy at 14.16% in FY25 (PY: 15.24%), primarily due to higher triangulation and transportation expenses. KSH has reported a PBILDT margin of 15.02% in H1FY26.

Profit after tax (PAT) margin stood at 6.71% in FY25 (net loss reported in FY24 due to an exceptional loss of ₹17.81 crore incurred on demerger, which was non-cash in nature). CareEdge Ratings expects KSH to maintain its profitability in the medium term supported by stable income from ICD and growing transportation business.

Planned debt-funded capex

KDPL and KILPL have planned capex of ~₹55-60 crore over FY26-FY27, which will be funded by a debt of ~₹45-50 crore, which is majorly tied-up and balance through internal accruals. This investment primarily includes construction on new leased land for capacity expansion in ICD business, purchase of trailers for the transportation segment and meeting capex requirements of newly leased warehouses. Ramp-up of operations and the ability to derive envisaged benefits will remain crucial from credit perspective.

Highly competitive and fragmented freight logistics industry

The freight logistics industry continues to remain deregulated and highly fragmented. The industry faces intense competition due to low entry barriers. Around 80-85% of the sector is composed of small transport operators owning fewer than five trucks, making it largely fragmented and unorganised. This high level of fragmentation, and intense competition, fuels price wars and discounts, resulting in pressure on margins and depressed freight rates.

Liquidity: Adequate

KSH's liquidity position continues to remain adequate, characterised by sufficient cushion in accruals of ₹25-30 crore against annual repayment obligations of ₹13-18 crore over FY26-FY28. As on September 30, 2025, KSH also had a free cash and bank balance of ~₹14 crore. Average maximum utilisation of fund-based limits and non-fund-based limits stood at ~70% and 5% for 12 months ended October 30, 2025. Unutilised bank lines are adequate for meeting the company's incremental working capital needs. Cash flow from operations stood positive at ~₹16 crore in FY25.

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
Short Term Instruments
Consolidation and Combined Approach

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Logistics Solution Provider

KDPL and KILPL are part of the KSH group, which is owned by the Hegde family. The group operates across diverse sectors, including manufacturing, services, distribution, and domestic logistics.

KDPL operates an ICD at Talegaon, Pune, which serves as a platform for customs clearance, warehousing and transportation services. KILPL provides 3PL services, including warehouse rentals, warehouse management, and last-mile transportation services to its customers.

Brief Financials (₹ crore) - Combined	March 31, 2024 (UA)	March 31, 2025 (UA)	H1FY26 (Prov.)
Total operating income	185.13	215.38	125.98
PBILDT*	28.21	30.50	18.92
Profit after tax (PAT)	-1.61	14.45	8.90
Overall gearing (x)	0.50	0.43	NA
Interest coverage (x)	15.29	7.32	8.26

UA: Unaudited; Prov.: Provisional; NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Brief Financials (₹ crore) – Standalone - KDPL	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)
Total operating income	131.61	156.27	91.48
PBILDT*	23.70	25.25	16.57
Profit after tax (PAT)	-4.06	12.05	8.21
Overall gearing (x)	0.53	0.41	NA
Interest coverage (x)	15.67	7.60	10.10

A: Audited; Prov.: Provisional; NA: Not Available; 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

Complexity level of 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		-	-	-	11.00	CARE A-; Stable
Fund-based - LT-Term Loan		-	-	31-05-2028	3.33	CARE A-; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	2.00	CARE A-; Stable / CARE A2

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-Bank Overdraft	LT	-	-	-	-	-	1)Withdrawn (29-Mar-23) 2)CARE A-; Stable (29-Mar-23)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	2.00	CARE A-; Stable / CARE A2	-	1)CARE A2 (24-Feb-25) 2)CARE A2 (RWD) (02-Apr-24)	-	1)CARE A2 (29-Mar-23)
3	Fund-based - LT-Term Loan	LT	3.33	CARE A-; Stable	-	1)CARE A-; Stable (24-Feb-25) 2)CARE A- (RWD) (02-Apr-24)	-	1)CARE A-; Stable (29-Mar-23)
4	Fund-based - LT-Cash Credit	LT	11.00	CARE A-; Stable	-	1)CARE A-; Stable (24-Feb-25) 2)CARE A- (RWD) (02-Apr-24)	-	1)CARE A-; Stable (29-Mar-23)

LT: Long term; LT/ST: Long term/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 - LT-Term Loan	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	KSH Integrated Logistics Private Limited	Full	Operational and financial linkages

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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