

Shahi Shipping Limited (Revised)

July 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Reaffirmed at CARE B+; Stable and Withdrawn
Short Term Bank Facilities	-	-	Reaffirmed at CARE A4 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd. has reaffirmed and withdrawn the outstanding ratings of 'CARE B+; Stable and CARE A4' (B Plus; Outlook: Stable) assigned to the bank facilities of Shahi Shipping Limited (SSL) with immediate effect. The above action has been taken at the request of Shahi Shipping Limited and 'No Objection Certificate' received from the banks that have extended the facilities rated by CARE Ratings Ltd.

Reaffirmation in the ratings takes into account small and fluctuating scale of operations, average financial profile, presence in highly fragmented and competitive nature of shipping industry, long track record of operations with experienced and qualified directors, established relationship with reputed customers and significant improvement in operating profitability.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects that the entity shall sustain its moderate financial risk profile over the medium term and continue to benefit from promoter's extensive experience in the industry.

Detailed description of key rating drivers:

Key weaknesses

Small and fluctuating scale of operations:

The scale of operations of the company remained in the range of ₹ 9.79 crore to ₹ 12.43 over the last five years ending FY25. In FY25, the total operating income (TOI) declined by 14.88% and stood small at ₹ 10.58 crore in FY25 vis-à-vis ₹ 12.43 crore in FY24. The total tangible network of the company remained at ₹2.30 crore in FY25 against ₹ 5.87 crore in FY24.

Average financial profile:

SSL has an average financial profile marked by a low tangible network of ₹ 2.30 crore and high total outside liabilities to tangible net worth (TOL/TNW) at 4.05x for year ending on March 31, 2025. The financial risk profile has deteriorated during FY25 on account of increase in total debt from ₹ 5.39 crore in FY24 to ₹ 6.20 crore in FY25 along with decline in network base was on account of writing off interest subsidy receivable amounting to ₹ 5.77 crore.

The debt coverage indicators marked by interest coverage improved to 4.57x in FY25 from 3.53x in FY24. The total debt to PBILDT improved to 2.01x in FY25 from 2.68x in FY24.

Presence in highly fragmented and competitive nature of shipping industry:

SSL operates in the shipping industry which is fragmented with a large number of small players resulting into intense competition. Further, the bargaining power of small players is limited with large customers affecting the barges rates. The company's profitability and ability to repay debt is affected by the barges rates at which it can redeploy its vessels. Unlike shipping companies, which derive their freight rates from various Baltic indexes, offshore support vessel companies provide their vessels after the tendering and bidding process. The company's revenues and profitability is exposed to seasonality in the shipping industry, since the offshore personnel transportation is muted during the monsoons

Key strengths

Long track record of operations with experienced and qualified directors:

SSL has long track record of about two decades of operations in shipping industry. The overall operations are looked after by director Mr. Sarvesh Kumar Shahi. Mr. Sarvesh Kumar Shahi has vast experience of more than three decades in this industry through his association with the company and also worked for other shipping companies. Moreover, other directors of the company are qualified and experienced.

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

Established relationship with reputed customers:

Over the years of operations, SSL has established long-term relationships with well-established and reputed customers. As of FY24, however, the customer profile remained concentrated with top 5 customers comprising 100% of total sales vis-à-vis 80.01% in FY23. However, the customer concentration risk gets mitigated to an extent due to healthy relationship with these clients over the years ensuring repeated orders coupled with strong credit profile and healthy credit worthiness of these customers.

Incurred net loss albeit significant improvement in operating profitability

The profit margin of SSL primarily depends on the variety of contracts received along with the tender driven nature of operations. Further, in FY25, SSL's profitability has shown significant improvement with PBILDT margin at 29.19% in FY25 vis-à-vis 16.21% in FY24. The improvement in operating profitability can be attributed to reduction in various operation and administration costs. However, the company incurred net loss of ₹3.57 crore in FY25 as against net profit after tax at ₹ 2.59 crore in FY24 on account of writing off interest subsidy receivable amounting to ₹5.77 crore which was noncash in nature.

Liquidity: Stretched

The liquidity position remained stretched, characterized by lower accruals to repayment obligations and low free cash balance of ₹0.58 crore as on March 31, 2025. The average utilization of its working capital limits during past 12 months ended May 2025 stood at ~75%. Further, the current ratio stood weak at 0.63x as on March 31, 2025, vis-à-vis 0.43x as on March 31, 2024. The cash flow from operating activities was positive at ₹ 0.56 crore in FY25, vis-à-vis ₹3.90 crore in FY24.

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](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

[Shipping Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Shipping

Originally established in the year 1985 as a partnership firm by Mr. Sarvesh Kumar Shahi, the firm got reconstituted as a private-limited company, Shahi Shipping Transport Private Limited, in 1990. Later in the year 2013, it got reconstituted into a public-limited company under the name of Shahi Shipping Limited (SSL). SSL is engaged in the shipping industry and provides Transshipment & lighterage operations, Fresh Water Supply, Bunkers Supply and Container Services. The company owns a fleet of 13 vessels of which it includes mini bulk carriers, general cargo carriers, chemical carriers, water supply barges, tugs, and launches deployed in multi-year contracts with the customers. The fleets operate at Jawaharlal Nehru Port Trust (JNPT) & Bombay Port Trust (BPT) ports and provide inland sea transportation services. The company is operating through its registered office in Masjid, Mumbai.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	12.43	10.58
PBILDT	2.01	3.09
PAT	2.59	-3.57
Overall gearing (times)	0.92	2.69
Interest coverage (times)	3.53	4.57

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL has reviewed the ratings assigned to the bank facilities of SSL under Issuer Not Cooperating category due to non-submission of requisite information, vide its press release dated September 30, 2024

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		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantee		-	-	-	0.00	Withdrawn

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-Cash Credit	LT	-	-	1)CARE B+; Stable (07-July-25)	1)CARE B+; Stable (05-Jul-24)	1)CARE B; Stable (03-Aug-23)	1)CARE B; Stable (27-Jul-22)
2	Non-fund-based - ST-Bank Guarantee	ST	-	-	1)CARE A4 (07-July-25)	1)CARE A4 (05-Jul-24)	1)CARE A4 (03-Aug-23)	1)CARE A4 (27-Jul-22)
3	Non-fund-based - ST-Bank Guarantee	ST	-	-	1)CARE A4 (07-July-25)	1)CARE A4 (05-Jul-24)	1)CARE A4 (03-Aug-23)	1)CARE B; Stable (27-Jul-22)

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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