



Press Release

Yeoman Marine Services Private Limited

June 02, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	63.75	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	Rating Upgraded	Simple
Proposed Long Term Bank Facilities	40.00	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	Rating Upgraded	Simple
Short Term Bank Facilities	46.50	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	Simple
Proposed Short Term Bank Facilities	11.25	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	Simple
Total	161.50 (Rupees One Hundred Sixty-One Crores and Fifty Lakhs Only)				

Details of Facilities/Instruments 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 upgraded its rating assigned to the bank facilities of Yeoman Marine Services Private Limited (YMSPL) due to increase in scale of operations along with improvement in profitability margins. The ratings derive strength from reputed clients entailing low credit risk, improvement in scale of operation in FY25 (Prov, refers to the period from 1st April 2024 to 31st March 2025) with recovery in EBITDA margins in the year, and comfortable capital structure and coverage metrics maintained. The ratings also factor in diversified revenue portfolio of YMSPL which is expected to support strong revenue growth in medium term, and experienced promoters. However, these ratings are constrained due to client concentration risk (leaving it exposed to changes in government policies), exposure to intense competition and stretched operating cycle.



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The outlook is 'Stable', underpinned by the strong credit profile of its key client - the Indian Navy which is expected to place additional orders with the company thereby ensuring a consistent revenue stream. Furthermore, YMSPL's recent entry into shipbuilding is expected to diversify its operations and contribute positively to future revenue growth.

Key Rating Sensitivities:

Upward Factors

- Sustained further improvement in the total operating income, while maintaining EBITDA margins at FY25 levels or higher.
- Sustained strong liquidity and coverage metrics

Downward Factors

- Any substantial decline in revenue and profitability leading to deterioration in debt protection metrics.
- Any higher than anticipated debt levels to fund capital expenditure leading to deterioration in its overall gearing ratio to above 1.25x on sustained basis.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Reputed clients entailing low credit risk

YMSPL has repaired various types of ships for the Navy, Coast Guard, Goa Shipyard Ltd (owned by ministry of defence) and other departments/ PSU companies. The company has repaired some of the largest ships of India Navy like INS Vikram Aditya, INS Virat, INS Vikrant, INS Jalashwa, INS Sagar Dhwani etc. It has recently taken up large refit contracts for the Navy for vessels such as 'INS Sagardhwani' and has received orders for refit of 'INS Baratang' (weapon refit). Another prestigious order is for the repair of 'Barracuda' a vessel of the Mauritius Navy. Given that defence projects are pre-funded by the Central Government and the strong credit profile of clients (being sovereign entities) there is very low credit risk in the business.



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Improvement in scale of operation with recovery in operating profitability

Total operating income (TOI) is increased by ~93.00% in FY25 (Prov) i.e. Rs.196.16 crore against Rs. 101.58 crore in FY24 (Rs.74.82cr in FY23) mainly due to increase in tender execution during this period, which included a single order of Rs.90cr for a refit of a vessel INS Sagar Dhwani. EBIDTA has also increased significantly in FY25 (Prov) and stood at Rs.35.64 crore as against Rs.15.29 crore in FY24 and PAT also stood at Rs.20.00 crore in FY25 (Prov) as against Rs.10.96 crore in the previous year.

EBITDA margin had declined in FY24 to 15.05% (from 18.51% in FY23) due to higher than anticipated expenses related to execution of a Rs.28cr order from Indian Navy for repair of a Caisson Gate which is used in the Navy's dry docks. As per the management, it agreed to carry out additional works related to this contract with expectation of securing additional business from Indian Navy in future for similar work.

These margins bounced back to 18.17% in FY25 (similar to earlier level). PAT margins have been maintained at stable level of 10.07% in FY25 (10.36% in FY24 and 10.49% in FY23).

Comfortable capital structure and coverage metrics maintained

The company's balance sheet is favourably leveraged, with overall gearing of 0.69x at end FY25 (Prov), compared with 0.50x at end FY24. The moderate increase is attributed to incremental term loan of Rs.10cr (availed for funding the Rs.18cr acquisition of Ratnagiri Shipyard) as well as increase in working capital borrowings, in line growth in topline. The TOL/ TNW ratio stood 1.14x respectively as on March 31, 2025 (Prov), as against 1.00x respectively as on March 31, 2024. Long term debt to equity ratio also remained moderate at 0.10x at end FY25 (Prov) as against 0.16x at end FY24.

Interest coverage ratio has increased from 4.72x in FY24 to 6.06x in FY25 (Prov) due to increase in TOI and EBIDTA margin. DSCR of the company remained comfortable at 4.14x in FY25 (Prov) as against 3.19x in FY24.

The capital structure could moderate in FY26 and FY27 as YMSPL is planning to avail term loan of Rs.40cr to install lifting equipment at the recently acquired Ratnagiri Shipyard. Considering the strong cash flow generation possibility from this asset, the leverage spike could be restricted for these 2 years and Infomerics expects the same to correct from FY28.



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Diversified Revenue Portfolio of YMSPL expected to support strong revenue growth in medium term

YMSPL has strategically diversified its revenue streams beyond its core operations in ship repair and maintenance, establishing itself as a significant player in the Indian maritime defence sector. The company's key revenue-generating activities include:

1. Ship Repair and Maintenance

This remains the primary source of income for YMSPL. The company undertakes extensive repair and maintenance work for naval and commercial vessels, leveraging its expertise and exclusive dealership of high-end components. This revenue segment includes the Exclusive Dealership business wherein YMSPL has the exclusive dealership for spare parts of Rolls Royce marine engines in India.

2. Shipbuilding Operations

YMSPL has expanded into shipbuilding through its Ratnagiri shipyard facility. It is presently constructing a patrol vessel (without machinery) for the Indian Navy and 2 additional patrol vessels where the entire hull would be supplied. These are part of an order from Goa Shipyard Ltd for 7 of patrol vessels to be supplied. The company expects strong pipeline of orders particularly from the Indian navy given its successful track record till date.

3. Supply of Spare Parts

YMSPL supplies marine spare parts to various Original Equipment Manufacturers (OEMs), leveraging its procurement and distribution capabilities.

4. Remote Embedded Systems Software (RESS)

YMSPL has developed Remote Embedded Systems Software (RESS)—a technology designed to identify and repair minor faults while the ship is at sea. During FY23-FY24, YMSPL delivered 75 RESS units to the Indian Navy, generating revenue of ₹61 crore over these 2 years. As this product enhances operational efficiency for naval vessels, YMSPL expects strong future demand for this product.

5. Weapon Systems Integration

Recently, YMSPL has ventured into the installation of weapon systems on naval ships. Successful integration on INS Sagar Dhvani marks a significant achievement and opens new opportunities in defence modernization projects.



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YMSPL's diversified revenue model is expected to yield benefits in terms of stability and growth, reducing dependence on any single stream while positioning the company as a multi-faceted service provider to the Indian Navy.

Key Rating Weaknesses

Client Concentration Risk

YMSPL is exposed to client concentration risk. The Company receives all its work orders from central/state government companies and constituting 100% of its order book position. In FY24, top 5 customers contributed 90.00% of total operating income. Any change in the Government's policy towards outsourcing the manufacturing of critical defence equipment to outside parties could negatively impact the company.

Exposure to intense competition

The Company receives all its work orders from central/state government companies and constituting 100% of its order book position. All these are tender based, and the revenues are dependent on the company's ability to bid successfully for these tenders.

Stretched operating cycle.

The operating cycle remained elongated to 155 days in FY24 as against 169 days in FY23, before correcting to 128 days in FY25 (Prov). Elongated operating cycle is primarily due to long execution time and delay in realisation of bills for the work done. The net operating cycle stood at 128 days at end FY25 (Prov) compared with 155 days at end FY24 and 169 days at end FY23. Collection period has also remained high, at 92 days in FY25 (Prov), vis-à-vis 99 days in FY24 and 140 days in FY23. The net operating cycle could potentially increase over the medium term given the company's focus on ship building activity which entails a longer execution time vis-à-vis repair contracts.

Analytical Approach: Standalone.



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Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

Liquidity – Adequate

The liquidity of the company is expected to remain adequate in the near to medium term marked by sufficient accruals vis-à-vis its debt repayment obligations. Its GCA for FY25 stood at Rs.25.22cr, improving from Rs.12.11cr in FY24. In Infomerics' assessment, the company is likely to generate GCA of over Rs.30cr annually in the medium term. YMSPL's average fund based working capital utilization for the 12 months ended March 2025 stood around 62.25%. Current ratio and quick ratio were 1.44x and 1.10x respectively as on March 31, 2025 (P).

About the Company

Yeoman Marine Service Private Limited (YMSPL) was established in year 1999 as a proprietorship firm named Yeoman Marine Service by Mr. Dhananjay Mishra. In 2015 it converted into a private limited company named YMSPL. The company is engaged in ship and submarine repair, ship building and trading of original equipment manufacturer (OEM) spare parts. The company acts as a principal contractor for ship and submarine repair and acts as a sub-contractor for ship building. The company has workshop in Navi Mumbai, Karwar and Vizag. The company has repaired ships like INS Vikram Aditya, INS Virat, INS Vikrant, INS Jalashwa etc. for the Indian Navy in the past. YMSPL is a part of Yeoman group



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	101.58	196.16
EBITDA	15.29	35.64
PAT	10.96	20.00
Total Debt	36.47	64.52
Tangible Net Worth	73.21	93.32
EBITDA Margin (%)	15.05	18.17
PAT Margin (%)	10.36	10.07
Overall Gearing Ratio (x)	0.50	0.69
Interest Coverage (x)	4.72	6.06

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in (2023-2024)	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in
					Date (April 05, 2024)	Date (December 12, 2022)	Date (Month XX, 20XX)
1.	Term Loan	Long Term	8.75	IVR BBB/Stable	IVR BBB-/Stable	IVR BBB-/Stable	Rating
2.	Proposed Term Loan	Long Term	15.00	IVR BBB/Stable	IVR BBB-/Stable	IVR BBB-/Stable	
3.	Cash Credit	Long Term	55.00	IVR BBB/Stable	IVR BBB-/Stable	IVR BBB-/Stable	
4.	Proposed Cash Credit	Long Term	25.00	-	-	-	
5.	Bank Guarantee	Short Term	46.50	IVR A3+	IVR A3	IVR A3	
6.	Proposed Bank Guarantee	Short Term	11.25	-	-	-	



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About Infomerics:

Infomerics Valuation and Rating Ltd [Formerly Infomerics Valuation and Rating Private Ltd] (Infomerics) 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.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	FY 2031	8.75	IVR BBB/Stable
Proposed Term Loan	-	-	-	-	15.00	IVR BBB/Stable
Cash Credit	-	-	-	-	55.00	IVR BBB/Stable
Proposed Cash Credit	-	-	-	-	25.00	IVR BBB/Stable
Bank Guarantee	-	-	-	-	46.50	IVR A3+
Proposed Bank Guarantee	-	-	-	-	11.25	IVR A3+

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Yeoman-Marine-2june25.pdf>

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

Annexure 4: List of companies considered for consolidated/Combined 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.