



Press Release

SHM Shipcare Private Limited

August 01st, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	124.41 (Enhanced from Rs.88.00 crore) *	IVR BBB+/ Stable [IVR Triple B Plus with Stable Outlook]	IVR BBB/ Stable [IVR Triple B with Stable Outlook]	Rating Upgraded	Simple
Short term Bank Facilities	100.00	IVR A2 [IVR A Two]	IVR A3+ [IVR A Three Plus]	Rating Upgraded	Simple
Total	Rs.224.41 crore (Rupees Two hundred and twenty-four crore and forty one lakhs Only)				

**The company has proposed limits of Rs.2.25 crore and the company has received sanctioned for these facilities.*

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 has upgraded the rating assigned to the bank facilities of SHM Shipcare Private Limited (SSPL) reflects improved capital structure backed by equity infusion as well as operating profile during FY25, Further rating continue to factors strong order book and experienced promoters with long track record of operations. The rating strengths are, however, constrained by moderate working capital cycle, client concentration risk and exposure to intense competition.

The Stable Outlook reflects stable growth in revenue and profitability with expectations of comfortable capital structure and debt protection metrics over FY26-FY28.

Key Rating Sensitivities:

Upward Factors

- Sustained improvement in working capital cycle along with expected revenue growth while maintaining current profitability while maintaining current capital structure.

Downward Factors



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- Sustained decline in revenue and profitability and/or deterioration in working capital cycle and/or any unplanned debt fund led capex leading to deterioration in credit profile and the liquidity position.

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

Improved capital structure led by equity infusion during FY25

The tangible net worth has significantly improved to Rs.148.91 crore in FY25 (Prov.) (period refers from April 01st, 2024 to March 31st, 2025), (FY24: Rs.72.26 crore), as SSPL have infused funds through private equity of Rs.25 crore, along with the healthy accretion of profits to reserves. Capital structure marked by overall gearing ratio & TOL/TNW improved to 0.51x and 1.21x respectively as on March 31st, 2025, with improvement in tangible net worth (vis-à-vis 1.21x and 2.79x respectively as on March 31, 2024) respectively. Infomerics expects capital structure to remain at current levels over a medium term with expected stable operating profitability and absence of debt led capex.

Improved operating performance, supported by its ongoing order book

SSPL's revenue has increased by 35% on y-o-y basis to Rs.365.13 crore in FY25, due to higher contribution from EPC segment for maritime, with execution of order book. Infomerics expects revenue growth is expected to improve over a medium term with healthy order book. SSPL has an unexecuted order book of Rs. 664 crore (1.82x of FY25(P) revenue). SSPL's EBITDA margin has improved to 22.52% in FY25 (P) (FY24: 19.54%), led by execution of high margin orders.

Experienced promoters with long track record of operation

SSPL was established in the year 2001 as a partnership firm by Mr. Saifuddin Hajee. The key promoter Mr. Saifuddin Hajee has more than three decades of experience in shipping business. Further all the key managerial associated with the company for more than decades and have relevant qualification and experience in their respective field.

B. Key Rating Weaknesses.



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Moderate working capital cycle

SSPL operating cycle stood moderate at 46 days as on date March 31st, 2025 (March 31st, 2024: 55), this improvement was due to decrease in receivable days to 46 (FY24: 85 days), collection days are improved on account of major revenue is from Projects which are from ONGC which pay within 15 to 30 days from the date of completion of the project. Inventory days remain moderate at 107 in FY25 due to nature of projects and its long tenor.

Client concentration risk

SSPL is exposed to client concentration risk as they receive 84.70% of the total operating income from top 5 customer in FY25 provisional out of which 64.82% its contributed from ONGC Limited.

Exposure to intense competition

All the orders are tender based, and the revenues are dependent on the company's ability to bid successfully for these tenders.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Manufacturing companies](#)

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

[Criteria on Default Recognition](#)

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

Liquidity: Adequate

The liquidity profile of SSPL is adequate with expected to generate gross cash accruals in the range of Rs.55 crore to Rs. 102 crore as against the repayment obligation of Rs.10 to Rs.20 crore over FY26 and FY28. The current ratio stood at 1.75x as on March 31,2025 (March 31 2024: 1.24x); while quick ratio remains moderate at 0.88x (March 31 2024: 0.70x). The average fund-based bank limit utilization in the last 12 months ended April 2025 stood at 32%, the liquidity position of the company stood adequate. DSCR of the SSPL stood comfortable at 3.63x in FY25 provisional improved from 7.07x in FY24.

About the company



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SSPL was established in 2001 by Mr. Saifuddin Hajee as a partnership firm. It has been converted into private limited as on April 25, 2022. SSPL is engaged in manufacture a diverse range of maritime and offshore safety equipment, especially high speed FRP boats, rescue boats, rafts, fire extinguishers, breathing sets. apart from manufacturing company provide services for all lifesaving, firefighting, electronics, cargo gear equipment and general ship repair needs.

Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Provisional)
Total Operating Income	270.74	365.13
EBITDA	52.90	82.22
PAT	33.31	52.09
Total Debt	83.76	73.73
Tangible Net Worth	72.26	148.91
EBITDA Margin (%)	19.54	22.52
PAT Margin (%)	12.25	14.22
Overall Gearing Ratio (x)	1.16	0.50
Interest Coverage (x)	9.71	8.42

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: ICRA Rating's continued the rating under Issuer Not Cooperating category based on best available information vide PR dated March 27, 2025, due to unavailability of information for monitoring of rating.

India Rating's continued the rating under Issuer Not Cooperating category based on best available information vide PR dated April 24, 2025, due to unavailability of information for monitoring of rating.



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Any other information: Nil

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 outstand- ing (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Long term Bank Facilities	Long term	124.41	IVR BBB+/ Stable	(June 05, 2024) IVR BBB/Stable	(April 05, 2023) IVR BBB-/ Stable	--
2.	Short term Bank Facilities	Short term	100.00	IVR A2	(June 05, 2024) IVR A3+	(April 05, 2023) IVR A3	--

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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.



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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
Long Term Bank Facilities – Term Loan - I	--	--	September 2025	0.01	IVR BBB+/ Stable
Long Term Bank Facilities – Term Loan - II	--	--	January 2028	6.23	IVR BBB+/ Stable
Long Term Bank Facilities – Term Loan - III	--	--	November 2028	33.17	IVR BBB+/ Stable
Long Term Bank Facilities – Term Loan - IV	--	--	March 2030	45.00	IVR BBB+/ Stable
Long Term Bank Facilities – Cash Credit	--	--	Revolving	25.00	IVR BBB+/ Stable
Long Term Bank Facilities – Cash Credit	--	--	Revolving	15.00	IVR BBB+/ Stable
Short Term Bank Facilities – Bank Guarantee	--	--	--	75.00	IVR A2
Short Term Bank Facilities – Bank Guarantee	--	--	--	25.00	IVR A2



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Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SHMShipcare-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.