

## IPO Note

18th August, 2025

## Company Overview

Shreeji Shipping Global Ltd. is a shipping and logistics solutions provider specializing in dry bulk cargo handling across ports and jetties in India and Sri Lanka. Founded in 1995 as M/s. Shreeji Shipping, a partnership firm, converted its business into a corporate entity on April 11, 2024, to improve operational efficiency and benefit from a structured corporate framework. The company offers integrated, end-to-end services including cargo handling and transportation. Its service portfolio features ship-to-ship (STS) lighterage, stevedoring, cargo management, and port-to-premise logistics. With this comprehensive range, the company serves a diverse client base across industries such as Oil & Gas, Energy, FMCG, Coal, and Metals. The integrated service model provides single-window solutions, allowing clients to reduce reliance on multiple vendors while ensuring efficiency, scalability, and flexibility. Strategically, the company has established a strong presence at non-major ports and jetties along the West Coast of India, while also operating at major ports such as Kandla. As of FY25, it had expanded its services to more than 20 ports and jetties, including Navlakhi, Magdalla, Bhavnagar, Bedi, Dharmatar, and Puttalam in Sri Lanka. With over three decades of operational experience, the company has developed significant expertise in cargo handling, transportation, fleet chartering, equipment rentals, and related services. It is the flagship entity of the Jamnagar-based "Shreeji Group," promoted by Ashokumar Haridas Lal and Jitendra Haridas Lal, who together bring over sixty years of combined experience in shipping and logistics. Operationally, the company has demonstrated consistent cargo handling performance. For FY23, FY24 and FY25, it managed cargo volumes of 13.8 MMT, 13.7 MMT, and 15.7 MMT, respectively. During the same period, transportation volumes were 2.9 MMT, 2.7 MMT, and 2.5 MMT, respectively. The company's extensive asset base, diversified service portfolio, and integrated logistics model position it as a preferred partner for bulk cargo management, supporting both revenue stability and long-term growth.

## Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ Acquisition of Dry Bulk Carriers in the Supramax category in the secondary market;
- ⇒ Pre-payment/ re-payment, in part or in full, of certain outstanding borrowings availed by the company; and
- ⇒ General corporate purposes

## Investment Rationale

## Prominent player in integrated shipping and logistics services in India

The company is a leading provider of integrated shipping and logistics solutions in India, specializing in dry bulk cargo handling at all-weather and seasonal ports. With over thirty years of experience, a fleet of more than 80 vessels, and over 370 earthmoving equipment units, it has developed strong operational capabilities and scale, allowing it to handle large cargo volumes across India and Sri Lanka. The company primarily operates on a business-to-business basis, focusing strategically on non-major ports and jetties, especially along India's West Coast, while also maintaining a presence at major ports like Kandla. By FY25, it had serviced more than 20 ports and jetties in India and Sri Lanka and had previously expanded its fleet chartering services internationally, including in Guinea, West Africa. The business is mainly India-focused, with FY25 revenue share of 92.8% from domestic operations and 7.2% from Sri Lanka. Cargo handling remains the primary source of revenue, contributing 72.2% of total operating income in FY25. Between FY23 and FY25, the company consistently managed cargo volumes of over 11 to 13 million metric tonnes at Indian ports, showing resilience despite cyclical industry trends. Its ability to operate at large scale and handle significant cargo volumes distinguishes it from smaller regional competitors. Its integrated service model, covering cargo handling, fleet chartering, and logistics, offers clients a comprehensive single-window solution across sectors such as Oil & Gas, Energy, FMCG, Coal, and Metals. This diversification fosters client retention and presents opportunities for cross-selling. Supported by a strong asset base, over sixty years of promoter experience, and a proven track record of managing large cargo volumes across various ports, the company is well-positioned to benefit from increasing trade flows and the long-term growth potential in India's port-led infrastructure and logistics sectors.

## Issue Details

Offer Period	19th Aug, 2025 - 21st Aug, 2025
Price Band	Rs. 240 to Rs. 252
Bid Lot	58 shares and in multiple thereof
Listing	BSE & NSE
Issue Size (no. of shares in mn)	16.2
Issue Size (Rs. in bn)	4.1
Face Value (Rs.)	10

## Issue Structure

QIB	50%
NII	15%
Retail	35%

BRLM	Beeline Capital Advisors Pvt. Ltd., Elara Capital (India) Pvt. Ltd.
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Registrar	Bigshare Services Pvt. Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.00	90.00
Public	0.00	10.00
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

# Shreeji Shipping Global Ltd.

## Operational capabilities of the large owned fleet a key competitive advantage

The company's integrated fleet ownership provides a key competitive advantage in the cargo handling and marine logistics industry. As of March 31, 2025, the fleet comprised 83 vessels including 63 self-propelled barges, 5 mini bulk carriers, 8 motor tugs, and 7 floating cranes, used in lightering, marine transportation, and cargo handling operations. Besides marine assets, the company owns 376 units of earthmoving equipment, including excavators, pay loaders, trailers, tippers, tankers, and material handling machines, boosting its onshore handling and transportation strengths. This asset-backed model decreases reliance on third-party providers and improves cost efficiency. Notably, the diversified fleet offers flexibility to meet customer needs and address operational issues, which is vital in the constantly changing port logistics environment. Maintenance is mainly done in-house by a team of 94 skilled engineers, mechanics, and technicians who perform preventive repairs and upgrades. Outsourcing is reserved for specialized tasks or warranty services. This structure helps reduce downtime, prolong asset life, and maintain high operational efficiency. Additionally, the company earns revenue from its fleet through chartering and equipment rentals to other industry players. In FY25, income from these supplementary activities reached Rs. 473.9 million, representing 7.8% of total operational revenue. Although secondary, this segment provides a reliable additional income source and enhances overall asset utilization. Moreover, owning a large and diversified fleet creates significant barriers for new competitors, as replicating such an asset base requires substantial up-front investment and a lengthy development period.

## Valuation

Shreeji Shipping Group (SSG) is a leading provider of integrated shipping and logistics solutions for dry bulk cargo, with a fleet of over 80 vessels and more than 370 earthmoving equipment units, serving ports and jetties across India and Sri Lanka. The company aims to improve operating margins by focusing on cost optimization, enhancing asset utilization, and expanding its portfolio of integrated, value-added logistics services across the dry bulk cargo value chain. It has demonstrated strong and consistent margin growth, with EBITDA margins increasing from 22.8% in FY23 to 33.0% in FY25, and PAT margins rising from 14.4% in FY23 to 23.2% in FY25, driven by operational efficiency, competitive pricing, and cost control. The capital structure remains healthy, with a debt-to-equity ratio of 0.75x in FY25 and a net debt-to-equity ratio of 0.44x, offering sufficient scope for growth. Proceeds from the issue will be used strategically to acquire Supramax category vessels, strengthening its fleet and increasing cargo handling capacity. Since there are no direct listed peers in India offering integrated shipping and logistics solutions, SSG presents a unique opportunity in the domestic dry bulk cargo handling industry. **At the upper price band of Rs 252, SSG is valued at a P/E multiple of 25.6x FY25 earnings. Given the company's expanding margins, scalable business model, and growth potential, we believe the valuation, although at a premium, is justified. We recommend investors to SUBSCRIBE to the issue with a long-term investment horizon.**

## Key Risks

- ⇒ The company remains heavily reliant on its largest customer, which accounted for 20.9%, 15.2%, and 16.8% of revenue from operations in FY25, FY24, and FY23, respectively. Such dependence exposes the business to higher counterparty risk, as any decrease in offtake, price renegotiation, or loss of this customer could significantly affect revenue visibility and profitability.
- ⇒ The company's revenues are heavily reliant on the performance of cyclical industries such as Oil & Gas, Energy & Power, and Coal. Customers from these industries accounted for 54.1%, 49.5%, and 46.2% of revenue from operations in FY25, FY24, and FY23, respectively. This concentration exposes the company to sector-specific risks, including regulatory changes, commodity price volatility, and demand fluctuations.
- ⇒ A substantial portion of the company's revenue is derived from cargo handling services, making it a key driver of financial performance. This dependence creates concentration risk, as any disruption, inefficiency, or inability to maintain service quality in cargo handling could materially affect revenue generation.

# Shreeji Shipping Global Ltd.

## Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
<b>Revenue</b>			
Revenue from operations	8,270	7,310	6,076
<b>Total revenue</b>	<b>8,270</b>	<b>7,310</b>	<b>6,076</b>
<b>Expenses</b>			
Cost of services	5,995	4,982	3,720
Employee benefit expenses	86	88	89
Other expenses	302	308	286
<b>Total operating expenses</b>	<b>6,383</b>	<b>5,378</b>	<b>4,095</b>
<b>EBITDA</b>	<b>1,887</b>	<b>1,932</b>	<b>1,982</b>
Depreciation & amortization	168	203	217
<b>EBIT</b>	<b>1,719</b>	<b>1,729</b>	<b>1,765</b>
Finance costs	161	112	123
Other Income	3	52	28
<b>Profit before exceptional items and tax</b>	<b>1,561</b>	<b>1,669</b>	<b>1,671</b>
Exceptional items	34	0	218
<b>Profit before Tax</b>	<b>1,595</b>	<b>1,669</b>	<b>1,889</b>
Total tax (Current + Deferred)	406	424	477
<b>Net Profit</b>	<b>1,189</b>	<b>1,245</b>	<b>1,412</b>
<b>Diluted EPS</b>	<b>8.5</b>	<b>8.9</b>	<b>9.8</b>

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	1,527	1,586	1,388
Cash flow from/(used in) investing activities	(413)	(376)	(215)
Net cash flows (used in) / from financing activities	(1,120)	(1,221)	(134)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7)</b>	<b>(12)</b>	<b>1,039</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>41</b>	<b>35</b>	<b>23</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>35</b>	<b>23</b>	<b>1,061</b>

Source: RHP, BP Equities Research

# Shreeji Shipping Global Ltd.

## Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3,611	3,710	3,663
Goodwill	0	0	0
Capital work-in -progress	0	3	262
Intangible assets	0	0	0
Intangible assets under development	26	38	44
<b>Financial Assets</b>			
(i) Investments	0	0	0
(i) Other financial assets	68	149	107
Other Non-Current Assets	0	0	44
<b>Total Non-current Assets</b>	<b>3,705</b>	<b>3,901</b>	<b>4,121</b>
<b>Current Assets</b>			
Inventories	120	181	203
<b>Financial Assets</b>			
(i) Trade Receivables	1,735	1,565	1,511
(ii) Cash and cash equivalents	35	23	1,061
(iii) Bank balances other than (ii) above	2	2	91
(iv) Loans	7	8	7
(v) Other financial assets	208	220	279
Current tax assets (Net)	81	67	0
Other current assets	117	140	312
<b>Total Current Assets</b>	<b>2,304</b>	<b>2,206</b>	<b>3,464</b>
<b>Total Assets</b>	<b>6,009</b>	<b>6,107</b>	<b>7,586</b>
<b>Equity and Liabilities</b>			
Equity Share Capital	1	1	1,466
Other Equity	2,557	3,151	1,966
<b>Total Equity</b>	<b>2,558</b>	<b>3,152</b>	<b>3,432</b>
<b>Non-Current Liabilities</b>			
Borrowings	1,022	1,117	31
Deferred Tax Liabilities (Net)	231	325	422
Provisions	32	44	45
Other non-current liabilities			
<b>Total Non-Current Liabilities</b>	<b>1,286</b>	<b>1,486</b>	<b>498</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	732	472	2,534
(ii) Trade Payables	459	478	444
(iii) Other financial liabilities	321	393	401
Provisions	111	81	35
Other current liabilities	542	45	87
Current tax liabilities (Net)	0	0	155
<b>Total Current liabilities</b>	<b>2,165</b>	<b>1,469</b>	<b>3,656</b>
<b>Total Liabilities</b>	<b>3,451</b>	<b>2,955</b>	<b>4,154</b>
<b>Total Equity and Liabilities</b>	<b>6,009</b>	<b>6,107</b>	<b>7,586</b>

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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