

## Babaji Shivram Clearing & Carriers Private Limited

December 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	11.00	CARE A-; Stable	Assigned
Long-term / Short-term bank facilities	18.00	CARE A-; Stable / CARE A2+	Assigned
Short-term bank facilities	14.00	CARE A2+	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Babaji Shivram Clearing & Carriers Private Limited (BSCCPL) reflect its established presence as an integrated logistics service provider, including freight forwarding, Custom House Agent (CHA) operations, warehousing, and transportation, among others, and company's long-standing association with its reputed clientele across varied industries, including oil and gas, construction, power, telecom, infrastructure, and cement. Ratings factor in its growing scale of operations, comfortable leverage and debt coverage indicators and healthy liquidity with sizeable, unencumbered cash and bank balance and liquid investments.

BSCCPL's consolidated total operating income (TOI) grew at a compound annual growth rate (CAGR) of 23% over the last five years, supported by diversified operations. The company maintained consolidated profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins between 5% and 12% in this period, which has shown fluctuation depending on service mix and freight rates volatility. BSCCPL's capital structure remains comfortable, with consolidated overall gearing improved of 0.11x at FY25 end. CARE Ratings Limited (CareEdge Ratings) expects consolidated gearing to remain below 0.25x over FY26-FY28 despite planned capex in warehousing segment of ₹175 crore.

However, ratings are tempered by project risk associate with ongoing capex and working capital intensive operations. Ratings are also constrained by competitive and fragmented logistic industry with multiple players which entails competitive pressures.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant growth in scale of operations above ₹1,200 crore and sustained PBILDT margins above 7%.
- Sustenance of adequate liquidity and healthy debt coverage indicators.

#### Negative factors

- Significant debt-funded capex leading to net debt/PBILDT exceeding 2.5x on a sustained basis.
- Significant decline in revenue and margins impacting the debt coverage ratios on a sustained basis.

### Analytical approach: Consolidated

CareEdge Ratings has considered a consolidated approach of BSCCPL and its wholly owned subsidiaries, considering their operational and financial linkages. List of subsidiaries is mentioned in Annexure-6.

### Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that the group shall continue benefiting from its promoters' extensive experience and its established clientele, while maintaining its business operations. Financial risk profile is also likely to remain healthy in the medium term, supported by healthy cash accruals and liquidity.

### Detailed description of key rating drivers:

#### Key strengths

##### Established presence in logistics industry as integrated player with diversified clientele

BSCCPL has an established presence across freight forwarding, customs clearance, port and marine services, warehousing, transportation, and equipment rental, enabling it to act as an integrated logistics provider offering end-to-end cargo handling

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

solutions. The group serves over 350 clients across oil and gas, construction, power, telecom, infrastructure, cement, pharma, engineering, and chemicals sectors.

### **Growing scale of operations with moderate profitability**

BSCCPL's consolidated TOI grew at a CAGR of 23% over the last five years, supported by diversified operations. The company has reported healthy growth in consolidated TOI by 34% to ₹604 crore compared to ₹450 crore in FY24. The growth in business operations was primarily driven by growth in revenue from freight forwarding business, and increase in contribution of the US subsidiary, which also resulted in improvement in margin. The freight forwarding segment remains the largest contributor with contributing ~54% in the topline. Going forward, CareEdge Ratings expected company to maintain double digit growth in its scale of operations with moderate profitability in near-to-medium term.

Over the last five years, the company has maintained the profitability on consolidated level in the range of 5% to 12%. During the COVID-19 years when the freight charges were at peak, the company registered margins near 10% to 12% and post that in FY23 a high-margin petrochemical refinery project involving handling of hazardous materials contributed significantly to profitability. In FY24 and FY25, the freight charges disrupted due to the red sea crisis and geopolitical tensions, the company yet maintained adequate margins due to its integrated logistics operations. The PBILDT margin improved to 7.43% in FY25 from 5.55% in FY24 but remained at moderate level.

### **Comfortable leverage and debt coverage indicators**

As on March 31, 2025, the company has maintained a comfortable leverage position with consolidated overall gearing at 0.11x in FY25 (PY: 0.16). Leverage metric have improved with total debt (TD) to PBILDT at 0.96X in FY25 (PY: 2.15x) and PBILDT interest coverage rising to 11.14X in FY25 (PY: 5.41x) on back of improvement in profitability and prudent financial management. The total outstanding debt stood at ₹43.11 crore, comprising primarily term loan of ₹39 crore availed by the US subsidiary for business purposes and the balance being the car loans and lease liability. Strong accruals and collection has ensured negligible reliance on fund-based working capital facilities.

CareEdge expects some moderation in leverage, in near term due to planned capital expenditure but overall gearing is expected to remain comfortable below 0.25x in next three years despite the incremental borrowing while maintaining healthy debt coverage indicators.

### **Extensive experience of promoters and management**

Promoters include Kirti Rajmal Davada and Dhaval Kirti Davada, with over two decades of experience in logistics and customs clearance. The top management includes Mr. Somnath Kumbhar (Director – Finance) and Mr. Bhaskar Vithal Patil (Director - Projects). They oversee key functions including operations, business development, customer relationship management, regulatory compliance, and finance. Their strong industry relationships and expertise in port-based logistics, customs clearance, and freight forwarding have ensured operational stability and business continuity.

### **Key weaknesses**

#### **Project risk**

The company is undertaking capex of ~₹175 crore in next three years (FY26 to FY28) towards expanding their warehouse capacity and setting up chemical storage terminals. The said capex is partially funded by incremental debt of ₹116 crore and the balance by utilisation of surplus liquidity and internal accruals. Debt is yet to be tied up. Timely completion of the project and achieving envisaged benefits would remain key monitorable.

#### **Working capital-intensive operations with moderate collection cycle**

Operations remain working capital intensive, with debtor collection days at 54 days in FY25 (PY: 67 days). However, requirements are largely met through internal accruals and negligible reliance on working capital borrowings, ensuring liquidity comfort.

#### **Fragmented industry structure and competitive pressures and business prospects exposed to economic and policy risks**

The Indian logistics industry is highly fragmented due to diverse geography, socio-economic factors, and infrastructure constraints, resulting in intense competition from numerous small and medium-sized players. BSCCPL faces competitive pressures; however, being part of the Babaji group provides assured business volumes and operational stability.

The logistics industry's prospects are closely linked to global economic conditions, as freight movements depend on demand and supply for industrial raw materials. Policy changes such as import/export bans, volume restrictions, and higher customs duties

can impact earnings of freight-forwarding companies. BSCCPL mitigates this risk to some extent through back-to-back orders in the freight forwarding segment.

#### **Liquidity:** Adequate

As on March 31, 2025, the company maintained free cash and liquid investments of over ₹126 crore. Reliance on external working capital borrowings remains minimal, with liquidity requirements primarily met through internal cash accruals. CareEdge Ratings expects the company to generate healthy gross cash accruals of ₹50–₹60 crore annually against repayment obligations of ₹12–₹30 crore over the next three years.

**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](#)

#### **About the company and industry**

##### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport services	Logistics solution provider

BSCCPL is a leading integrated logistics service provider based in Mumbai, India. Established in 1976, the company offers end-to-end solutions including customs clearance, freight forwarding, transportation, warehousing, and marine logistics. With decades of expertise in international trade facilitation, BSCCPL has built a strong presence across major Indian cities and overseas, delivering reliable and efficient supply chain services to diverse industries.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)	H1 FY26 (UA)
Total operating income	450.61	604.39	NA
PBILDT	25.02	44.92	NA
PAT	9.12	49.24	NA
Overall gearing (times)	0.16	0.11	NA
Interest coverage (times)	5.41	11.14	NA

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Brief Financials (₹ crore) (Standalone)	March 31, 2024 (A)	March 31, 2025 (A)	H1 FY26 (UA)
Total operating income	301.92	411.30	NA
PBILDT	18.32	16.83	NA
PAT	18.64	23.82	NA
Overall gearing (times)	0.02	0.01	NA
Interest coverage (times)	19.67	14.37	NA

A: Audited UA: Unaudited; 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
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	-	18.00	CARE A-; Stable / CARE A2+
Non-fund-based - ST- Standby Line of Credit	-	-	-	-	14.00	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	Non-fund-based - ST- Standby Line of Credit	ST	14.00	CARE A2+				
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	18.00	CARE A-; Stable / CARE A2+				
3	Fund-based - LT-Cash Credit	LT	11.00	CARE A-; Stable				

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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
3	Non-fund-based - ST- Standby Line of Credit	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	Babaji Shaakti Cargo Movers Pvt. Ltd	Full Consolidation	100% ownership and similar line of business	
2	Davada Shipping Agencies Pvt. Ltd			
3	Nav Bharat Clearing Agents Pvt. Ltd			
4	Navraj Finance Pvt. Ltd			
5	Babaji Shivram Global Services PTE. Ltd			
6	Babaji Shivram Intl Cargo Logistics Shanghai Company			
7	Babaji Shivram USA Holding INC		99.80% ownership and similar line of business	
8	Babaji Shivram Canada Ltd			
9	Babaji Shivram 4PL Solutions Pvt Ltd			
10	Babaji Shivram Project Forwarding LLC			70% ownership and similar line of business
11	Babaji Shivram Global Shipping & Logistics DMCC			52% ownership and similar line of business

**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](mailto:care@careedge.in) for clarifications.

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