

Sagarmala Finance Corporation Limited

February 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	6,000.00	CARE AA+; Stable / CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the long-term bank facilities of Sagarmala Finance Corporation Limited (SMFCL) factors in SMFCL's status as a specialised financing institution for the port and maritime sector and its strategic linkages with the Government of India being its wholly owned subsidiary. It also benefits from a professional management and Board with representation from Government appointed Nominee Directors, which supports prudent risk management and policy alignment. CARE Ratings Limited (CareEdge Ratings) notes that SMFCL is the nodal agency for GoI's Maritime Development Fund (MDF; having a corpus of ₹25,000 crore) and also acts as an implementation agency for various other schemes of GoI, including Shipbuilding financial Assistance Scheme (SBFAS; corpus of ₹24,736 crore), Shipbuilding Development Scheme (SbDS; corpus of ₹19,989 crore) etc. While the company is expected to face some competition initially from existing peers with longer and established track record, CareEdge Ratings draws comfort from SMFCL's policy-backed mandate, sovereign support mechanisms and its role in financing nationally important maritime infrastructure.

These strengths are partly offset by SMFCL's limited track record and evolving business model, expected sectoral concentration and risks associated with long-gestation infrastructure projects. CareEdge Ratings notes that GoI has so far infused an initial capital of ₹1,000 crore in SMFCL and with commencement of operations, it will require further capital to support its growth plan while maintaining an adequate capitalisation profile and gearing level. Further, given the nascent stage of operations, its ability to generate healthy earnings mobilise funds at competitive rates while keeping its operating expenses and credit costs under control will be a key monitorable.

CareEdge Ratings expects SMFCL to remain strategically important to the Government of India and benefit from policy support in the near-to-medium-term, considering its importance for the maritime sector and GoI's Amrit Kaal Maritime Vision 2047.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant scale up of operations with healthy profitability, comfortable asset quality and capitalisation

Negative factors

- Major change in the shareholding pattern and/or lower than expected support from GoI
- Weakening of capitalisation with CRAR remaining below 18% on a sustained basis

Analytical approach: Standalone, factoring 100% ownership and expectation of timely support from the GoI.

Outlook: Stable

The Stable outlook on long-term rating of SMFCL reflects CareEdge Ratings' expectation that SMFCL will remain strategically important to the GoI and receive need-based support for its business growth and debt-servicing requirements.

Detailed description of key rating drivers:

Key strengths

Strategic importance and sovereign linkages

SMFCL is a Mini Ratna (Category-I) Central Public Sector Enterprise (CPSE) under the Ministry of Ports, Shipping & Waterways (MoPSW), established as a dedicated financing institution to support India's port-led and waterways-based development under the Sagarmala programme. The company's relevance is underscored by a large pipeline of maritime projects exceeding ₹4.5 lakh crore under implementation, reflecting the strategic importance of the sector in national infrastructure development.

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

SMFCL benefits from a strong sovereign linkage, evidenced by its policy-driven mandate. Operations are governed by a comprehensive lending policy aligned with RBI's NBFC regulations and national infrastructure priorities. In its initial phase, SMFCL is expected to maintain a predominantly government and government-linked borrower profile, supporting a conservative risk framework and aiding compliance with prudential norms, including capital adequacy and exposure limits. The Corporation's company's focus on strategically critical sub-segments, such as ports, coastal and inland waterways connectivity, logistics infrastructure, shipbuilding and vessel financing, positions it as a key enabler of maritime infrastructure development.

CareEdge Ratings notes that SMFCL is the nodal agency for GoI's Maritime Development Fund (MDF; with corpus of ₹25,000 crore) and also acts as an implementation agency for various other schemes of GoI, including Shipbuilding financial Assistance Scheme (SBFAS; corpus of ₹24,736 crore), Shipbuilding Development Scheme (SbDS; corpus of ₹19,989 crore) etc. While it is expected to face some competition initially from existing peers with longer and established track record, CareEdge Ratings believes that SMFCL's policy-backed mandate, sovereign support mechanisms and role in financing nationally important maritime infrastructure provide comfort to its long-term relevance and institutional stability.

Experienced management team

SMFCL also benefits from a professional management and Board with representation from Government appointed Nominee Directors, which supports prudent risk management and policy alignment. While its senior management team comprises personnel with several years of experience in the banking and finance industry, CareEdge Ratings expects the team to expand as it scales up. Out of the five directors on its Board, two are GoI nominee directors. The Board is headed by Mr. Vijay Kumar, Chairman, who is the Secretary, Ministry of Ports, Shipping and Waterways and includes Mr. R. Lakshmanan (Joint Secretary in the Ministry of Ports, Shipping and Waterways (MoPSW)), and Mr. LVS Sudhakar Babu, who is the CMD of SMFCL and oversees the operations at SMFCL. Mr. Sudhakar has over 32 years of experience in NBFC sector and was previously serving as the Executive Director at HUDCO.

Key weaknesses

Limited NBFC track record and evolving profitability metrics

Having received NBFC license from RBI in June 2025, SMFCL has disbursed Rs. 150 crore in 10M FY2026. Further, it has approved sanctions worth ~ Rs. 3,800 crore in 9M FY2026 which are expected to be disbursed in the near future. Nonetheless, with its nascent operational stage and no track record of performance as an NBFC, its ability to scale up its loan book in a calibrated manner while maintaining asset quality and healthy lending spread will be crucial.

Given the nascent stage, its profitability metrics are also yet to evolve. With initial focus on government and government-backed borrowers, the asset quality and credit cost are expected to remain contained. Further, given wholesale lending segment with relatively higher ticket size loans, its operating cost is also expected to remain low supporting its profitability. However, CareEdge Ratings expects SMFCL to face some competition initially and witness low spread to enable growth. Furthermore, SMFCL is yet to mobilise debt funding. CareEdge Ratings notes that SMFCL has received sanctions from a couple of banks, however, its ability to enhance its funding profile by way of fund raising via various instruments (loans, bonds, ECB etc.) through various lenders/investors at competitive pricing shall be key for its credit profile.

Sectoral concentration

The loan portfolio of SMFCL is expected to be concentrated in the port and maritime infrastructure segment and among a limited number of large borrowers, which exposes SMFCL to concentration risk. The ability to diversify across projects, counterparties, and subsectors will be important for the credit profile. Given its focus on long-gestation infrastructure projects, SMFCL is also exposed to risks associated with project implementation, off-take, and regulatory risks. The company's asset quality will depend on effective project appraisal, monitoring mechanisms, and timely corrective actions.

Liquidity: Adequate

SMFCL's liquidity remains adequate with free cash and bank balance of ₹550 crore in form of fixed deposits and bank balance against no debt / borrowings on its balance sheet as on December 31, 2025. While CareEdge Ratings expects fund-raising to start in Q4FY2026 for onward lending, the company is expected to maintain adequate on-balance sheet liquidity to meet its debt-servicing requirements. Further, given its strategic importance and 100% sovereign ownership, it is expected to receive need-based support from GoI, which provides comfort.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Government Support](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)

Sagarmala Finance Corporation Limited (SMFCL) is a Mini Ratna (Category-I) Central Public Sector Enterprise (CPSE) under the Ministry of Ports, Shipping & Waterways (MoPSW), created to catalyse financing across India's maritime ecosystem, including ports, shipping, shipbuilding, coastal logistics, inland waterways, and port-led industrialisation. Formerly known as Sagarmala Development Company Limited (SDCL). It is a wholly owned subsidiary of government of India (GoI) and is India's first sector-specific NBFC for the maritime domain, formally registered with the Reserve Bank of India (RBI) on June 19, 2025 and inaugurated on June 26, 2025.

The company has been converted into an NBFC to fulfil government's objective towards Amrit Kal Vision by funding port modernization, port connectivity (road and rail), port-led industrialisation, coastal community development, inland waterway development, improving port-hinterland connectivity and related maritime projects. It is mandated to finance all activities, and initiatives relating to maritime sector including development, upgradation, renovation, replacement and augmentation of infrastructure and projects. SMFCL is a nodal agency government's Maritime Development Fund (MDF) with budget corpus of ₹25,000 crore.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total income	40.57	64.09
Profit after tax (PAT)	23.51	41.12
Assets under management (AUM)	NA	NA
On-book gearing (x)	NA	NA
AUM / tangible net-worth (TNW) (x)	NA	NA
Gross non-performing assets (NPA) / gross stage 3 (%)	NA	NA
Return on managed assets (ROMA) (%)	2.41	3.90
Capital adequacy ratio (CAR) (%)	NA	NA

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

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/ ST-Term loan	NA	-	-	NA	6000.00	CARE AA+; Stable / CARE A1+

NA: Not Applicable

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/ ST-Term loan	LT/ST	6000.00	CARE AA+; Stable / CARE A1+				

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/ ST-Term loan	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

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 for clarifications.

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About us:

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