

Skyways Air Services Limited (formerly known as Skyways Air Services Private Limited)

April 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	221.00	CARE A; Stable	Reaffirmed
Short-term bank facilities	9.00	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Skyways Air Services Limited (Skyways; formerly known as Skyways Air Services Private Limited) continues to derive strength from the group's long track record of operations, experienced promoters, established position in the air freight forwarding industry, and long-standing relationships with airline carriers. Ratings are further supported by the sharp scale-up in operations in FY25 (FY refers to April 01 to March 31) and H1FY26, driven by a combination of organic growth and strategic acquisitions, resulting in a significant increase in revenues and improvement in absolute operating performance. Ratings also factor enhancement in the segmental contribution from pharmaceutical logistics through recent acquisition, which aids the company in revenue diversification and stability in the revenue visibility. The company reported growth in revenue by 74% to ₹2,248 crore in FY25 (₹1,290 crore in FY24) and ₹1,328 crore in H1FY26. Consequently, profit before interest, lease rentals, depreciation, and taxation (PBILDT) expanded to ₹89 crore in FY25 and ₹57 crore in H1FY26.

Ratings also draw comfort from the company's moderate net debt levels, despite significant increase in overall borrowings to ₹565 crore as on March 31, 2025, from ₹365 crore as on March 31, 2024, to fund working capital requirements, acquisitions, and capex. The cash and liquid investments assisted in maintaining net leverage, however, it impacted profit after tax (PAT) margins due to higher interest outflow. Having net debt at ₹181 crore as on March 31, 2025, compared to ₹101 crore as on March 31, 2024, the company's net overall gearing remained comfortable at 0.63x as on March 31, 2025 (PY: 0.65x). Interest coverage improved to 2.98x in FY25 compared to 2.61x in FY24. Going forward, the company's ability to rationalize gross debt levels while realizing current assets and release of margin money from banks will be a critical rating sensitivity.

However, these strengths are partially offset by the company's moderate profitability margins, inherent to the air freight logistics industry, exposure to intense competition, working capital intensive operations and elevated debt levels. Ratings also take cognisance of the First Information Report (FIR) registered against Skyways and its subsidiary, Brace Port Logistics Limited, among others, by the Economic Offences Wing (Delhi), alleging diversion of business opportunities and related charges; the outcome and potential impact of the matter remain a key monitorable. Recent escalation in geopolitical tensions in West Asia heightened global uncertainty, particularly around international trade, directly impacting the company's operations. CareEdge Ratings will continue to monitor duration and progression of the ongoing geopolitical conflict and its impact on the company's scale of operations and profitability which will remain a key rating sensitivity.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in the scale of operations above ₹3,000 crore while improving PBILDT margins.

Negative factors

- Delay in rationalization of elevated gross debt levels in a time-bound manner.
- Decline in revenue and operating profitability due to impact of geopolitical issues.
- Significant increase in working capital requirements and resultant weakening liquidity position.

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

Analytical approach: Consolidated

CareEdge Ratings has followed consolidated approach by considering financials and business profile of Skyways and its subsidiaries. Consolidated approach is followed, considering all entities forming part of the Skyways group and increasing importance of entities exhibited by growing volume of the group's business and increasing share in overall profitability. Companies considered for consolidation are listed under Annexure-6.

Outlook: Stable

The Stable outlook reflects anticipated steady growth in scale of operation while maintaining operating profitability and capital structure.

Detailed description of key rating drivers:**Key strengths****Robust revenue growth with diversification of segmental revenue**

Skyways reported a sharp scale up in operations, with revenues increasing to ₹2,248 crore in FY25 compared to ₹1,290 crore in FY24, driven by a combination of organic growth and strategic acquisitions. Cargo volumes grew on a year-on-year basis to ~58,000 metric tonne in FY25 (FY24: 52,543 metric tonne) and further scaled to ~40,000 metric tonne in H1FY26, reflecting sustained business momentum.

For H1FY26, the company reported revenue of ₹1,328 crore, supported by the consolidation revenue from Odyssey Logistics Private Limited, which was acquired in January 2025. Consequently, the acquisition resulted in enhancement in the segmental contribution from pharmaceutical logistics to ~22% from ~2% pre-COVID, which aids the company in revenue diversification and stability in revenue visibility. However, with recent escalation in geopolitical tensions in West Asia has heightened global uncertainty, particularly around international trade, sustenance of operating income at envisaged level while maintaining operating profitability is critical from credit perspective.

Comfortable net debt position despite increases in overall borrowings

Total debt outstanding increased to ₹565 crore as on March 31, 2025, from ₹364 crore as on March 31, 2024, primarily to fund higher working capital requirements, acquisition-related funding (₹157 crore in FY25), and capex. Despite increase in borrowings, the company maintained a comfortable liquidity buffer, with cash and liquid investments (including unencumbered and lien-marked balances) of ₹384 crore as on March 31, 2025, from ₹262 crore as on March 31, 2024. Consequently, net debt stood at ₹181 crore in FY25, compared to ₹101 crore in FY24. Overall gearing on a net debt basis remained comfortable at 0.63x as on March 31, 2025 (0.65x as on March 31, 2024). Net debt/PBILD stood at 2.02x in FY25 (FY24: 1.97x). The company has also raised funds from investors through private placement of ₹76 crore in FY25 and ₹48 crore in H1FY26 to part fund (₹157 crore) the acquisition of 51% of shareholding in Odyssey Logistics Private Limited and CTC Air Carriers Private Limited.

As on September 30, 2025, net gearing increased moderately to 0.70x due to capex. Going forward, company plans to rationalize debt levels while reducing margin money requirements from lender and realizing current assets which is critical rating sensitivity.

Experienced promoters and established position in air freight forwarding industry

The Skyways group is promoted by S L Sharma, who has vast experience of over five decades in the logistics business. He served as President, Air Cargo Agents Association of India (ACAAI), from 2013 to 2015 and is presently a Member, Board of Advisors, ACAAI. The promoters are assisted by a team of qualified professionals with substantial experience in the logistics domain. The Skyways group has a long and established presence in the air freight industry of over three decades. The group provides freight forwarding services for import logistics and export logistics through its 31 branches across India. The group received accreditation from the International Air Transport Association (IATA) in 1987. The company is also certified under the World Health Organization Good Distribution Practices (GDP).

Diversified segment and customer base with long-standing relationship with airline carriers

Over the years, the group diversified its operations across air, ocean, and road logistics through its subsidiaries, supporting its overall business risk profile. Air freight forwarding remains the core business, contributing ~76% of group revenues. The consolidated revenue base is expected to further scale up, supported by volume growth, addition of new customers, and improved traction from road, courier, and ocean freight segments.

The company serves a diversified customer base across industries such as automotive, pharmaceuticals, and textiles, with limited customer concentration; top 10 customers accounted for 9.19% of total income in FY25 (PY: 10.76%). Exposure to pharmaceutical

logistics increased following the acquisition of Odyssey Logistics Private Limited, enhancing revenue stability. Skyways also benefits from long-standing relationships with major airline carriers, such as Qatar Airways, Emirates, and Lufthansa, supported by annual price and service-level agreements, enabling better freight rates, volume-linked incentives, and preferential access to cargo space. However, cargo volumes are expected to be impacted in FY27 due to geopolitical issues including war. Per management articulation, the scale of operations and profitability are steady despite geopolitical issues; hence, any impact of geopolitical issues on the scale of operations and profitability is a key rating sensitivity.

Key weaknesses

Working capital intense operations

The company's operations remain working capital intensive, as evidenced by elevated gross current asset days and a stretched operating cycle. Gross current asset days increased to 162 days in FY24 from 80 days in FY23, however, improved moderately to 135 days in FY25 and 129 days in H1FY26. Increase is driven by elongated receivable cycles and accumulation of GST refund receivables.

With implementation of the GST regime, airlines charge GST on freight services rendered to Skyways, as these transactions are treated as domestic supplies to an Indian entity. However, Skyways' outward freight services qualify as zero-rated exports under GST. This structural mismatch results in GST paid on airline charges and other vendor inputs being accumulated as refund receivable from the Government, pending realisation. Delays in receipt of such statutory refunds have led to elevated receivable levels, inflating gross current asset days.

Average collection period increased from 48 days in FY23 to 66 days in FY24 and remained elevated at 62 days in FY25 and H1FY26. While average creditor days remained moderate at 36–47 days. Consequently, the sustained working-capital intensity, partly arising from delayed realisation of GST refunds, continues to exert pressure on liquidity and necessitates dependence on short-term funding. Going forward, rationalization of working capital borrowing through release of margin money and realization of stretched current assets will be a critical rating sensitivity.

Moderate profitability margin

Operating margin profile continued to remain moderate, with the company posting PBILDT margins of 3.98% in FY25, same as FY24. Operating margins and realisations remain susceptible to volatility in freight costs. Margins have also been impacted by recent acquisitions. However, the group has taken measures for regular price alteration and revision of arrangements with customers to mitigate the risk of cost increases. The company reported operating margins of 4.30% in H1FY26 and expects margins to remain rangebound at ~4%. Sustenance of operating margins amid geopolitical issues will remain a key sensitivity.

Highly fragmented and competitive industry

The freight forwarding industry is highly fragmented with large number of operators owing to low entry barriers. Presence of players result in intense competition within the industry. High fragmentation and intense competition lead to unhealthy price wars and discounts resulting in pressure on margins and depressed freight rates. However, Skyways with superior quality of service and presence in different locations across country and diversified clientele across industries with well-established global networks enjoys competitive edge.

Exposure to global economic cycles, geopolitical risks, and trade policies

Prospects of shipping and logistics industries are closely linked to global economic conditions and performance of industries served by its customers. Freight movement and profitability are primarily driven by demand–supply dynamics for industrial raw materials and finished goods across international markets. Accordingly, a slowdown in global economic activity could lead to muted cargo volumes and pricing pressure for logistics and freight forwarding companies.

Ongoing geopolitical tensions, global conflicts, and regional wars may disrupt international trade routes, increase transit times, elevate fuel and insurance costs, and create volatility in freight rates. Changes in government trade policies, including import/export restrictions, retaliatory tariffs, increases in customs duties, sanctions, or changes in trade agreements, could adversely impact cross-border trade flows and customer demand.

Prolonged escalation in global conflicts or adverse shifts in tariff regimes could weigh on global trade volumes and, affect the company's operational performance and financial risk profile. Consequently, impact of global economic conditions, geopolitical developments, and trade policy changes will remain a key monitorable for the company going forward.

Liquidity: Adequate

The company has adequate liquidity with free cash, bank and liquid investments of ₹84 crore and unutilised overdraft (OD) backed by 100% fixed deposit (FD) of ₹14 crore, totalling to ₹98 crore as on February 28, 2026, providing adequate coverage for near-term operational requirements and debt repayments of ~ ₹60 crore in FY27.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[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](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport services	Transport related services

The Skyways group was founded on August 08, 1983, by SL Sharma (Chairman, Managing Director and founder). The group under Skyways provides international and domestic freight services through airway channel (air freight forwarding services). As a forwarding agent, Skyways' main activity is to contract with air carriers for shipment of goods for its customers and customs clearance and other related documentation are also performed by Skyways. The group also provides logistics services through its subsidiaries, Skyways SLS Logistik GmbH, Surgeport Logistics Private Limited, Phantom Express Private Limited and freight services through Oceanway channel, through its group company, Forin Container Line Private Limited.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	1289.96	2248.21	1328.20
PBILDT	51.38	89.42	57.15
PAT	34.42	48.12	25.46
Overall gearing (times)	2.32	1.98	NA
Interest coverage (times)	2.61	2.98	NA

A: Audited UA: Unaudited; 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-Working Capital Limits		-	-	-	221.00	CARE A; Stable
Non-fund-based-Short Term		-	-	-	9.00	CARE A1

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-Working Capital Limits	LT	221.00	CARE A; Stable	1)CARE A; Stable (07-Apr-25)	-	1)CARE A-; Positive (08-Jan-24)	1)CARE A-; Positive (02-Jan-23)
2	Non-fund-based-Short Term	ST	9.00	CARE A1	1)CARE A1 (07-Apr-25)	-	1)CARE A1 (08-Jan-24)	1)CARE A1 (02-Jan-23)

LT: Long term; ST: 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-Working Capital Limits	Simple
2	Non-fund-based-Short Term	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	Skyways SLS Logistik GMBH	Full	Wholly owned subsidiary
2	Surgeport Logistics Private Limited		Subsidiary
3	Phantom Express Private Limited		Wholly owned subsidiary
4	SLS Logistik Academy Private Limited		Subsidiary
5	Skart Global Express Private Limited		Subsidiary
6	Skyways SLS Logistik Company Limited (Vietnam)		Subsidiary
7	Sgate Tech Solutions Private Limited		Subsidiary
8	Brace Port Logistics Limited		Subsidiary

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
9	Forin Container Line Private Limited		Subsidiary
10	Skyways SLS Logistik Private Limited		Wholly owned subsidiary
11	Hubload SLS Services Private Limited		Wholly owned subsidiary
12	Northport Logistics Private Limited		Wholly owned subsidiary
13	Skyways SLS Cargo Services LLC (Dubai)		Subsidiary
14	Skyways SLS Logistik Co Ltd (Hong Kong)		Wholly owned subsidiary
15	Rahat Continental Private Limited		Subsidiary
16	SLS Retail Supermart Private Limited		Subsidiary
17	RIV Worldwide Limited		Subsidiary
18	Bolt Freight INC (Trade Name: RIV Worldwide INC)		Subsidiary
19	Cloudport Logistics Private Limited		Subsidiary
20	CTC Air Carriers Private Limited		Subsidiary
21	Skyways SLS Logistik Co., Limited (Cambodia)		Subsidiary
22	Brace Port Logistics LLC		Subsidiary
23	Odyssey Logistics Private Limited		Subsidiary
24	Odyssey Logistics USA LLC		Subsidiary
25	RIV worldwide Inc - Canada		Subsidiary
26	Skyways SLS Logistics Services Company		Subsidiary
27	Phantom Road Express Ltd		Subsidiary

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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