



IPO Note

Shreeji Shipping Global Limited

Recommendation: **AVOID**

Company Background –

The company provides shipping and logistic solution for dry bulk cargo at various ports and jetties at India and Sri Lanka. Its major source of revenue is from handling of cargo in India and Sri Lanka. The company was incorporated in 1995 with its registered office in Jamnagar, Gujarat.

Objects of the Issue –

Particulars	Amt. in Crores
Funding of capital expenditure towards acquisition of dry bulk carriers in supermax category in the secondary market.	251.18
Repayment in part or in full certain borrowings availed by the company.	23.00
General corporate purposes.	-

Promoters Name –

Jitendra Haridas Lal, and Ashokkumar Haridas Lal.

Promoter Share Holding Pattern	
Pre Issue 100.00%	Post Issue 90.00%

Rationale for recommendation – The company has a post-issue P/E of 28.78 indicating that it is overvalued. The industry has grown at modest rates historically and is expected to continue. There is customer concentration and contingent liabilities worth ₹457.95 crore. The educational qualification of the management team is lacking. The company has been losing revenue from its major customers and although its operating margins have improved, the profitability of the company has decreased. It lost one of its major long-term customer in FY 24, later in FY 25 top 10 customers of the company engaged in oil & gas industry also commenced using their own jetty than availing the services offered by the company. Because of these reasons, nothing can be said about the company's ability to retain its current and/or future customers. Because of these reasons, investors may **AVOID** this IPO for now.

IPO Details

Opening Date	Aug 19, 2025
Closing Date	Aug 21, 2025
Allotment Date	Aug 22, 2025
Listing Date	Aug 26, 2025
Stock Exchange	BSE, NSE
Lot Size	58 Shares
Issue Price Per Share	₹240 to ₹252 per share
Issue Size	410.71 Cr.
Fresh Issue	410.71 Cr.
Offer for Sale	-
Application Amt	₹ 14,616 (58 shares) to ₹1,90,008 (754 shares)

KPI's	KPIs (In Crores)		
	FY 23	FY 24	FY 25
Revenue	827.00	731.00	607.61
EBITDA	192.05	193.19	219.97
Net Profit	118.89	124.51	141.24
RoCE	45.59%	37.28%	50.47%
ROE	46.47%	39.51%	41.16%
P/E	29.68	28.35	25.64

Valuation Parameters		
Particulars	Pre-Issue	Post Issue
EPS	9.83	8.75
BVPS	23.41	21.06
P/E	25.64	28.78
P/BV	10.77	11.96
Mkt Cap (In Cr)	3,694.83	4,105.54

Lead Managers –

Beeline Capital Advisors Private Limited
Elara Capital Private Limited

Registrar –

Bigshare Services Private Limited

Business Overview -

Shreeji Shipping Global Limited provides shipping and logistic solution for dry bulk cargo at various ports and jetties at India and Sri Lanka. As of Mar 31, 2025, the company has more than 80 vessels consisting of barges, mini bulk carriers, tug boats, and floating cranes, and more than 370 earth moving equipment like material handling machines, excavators, pay loaders, tankers, etc. The company has three decades of experience in cargo handling, transportation, fleet chartering, equipment rentals, and other ancillary services.

Though the company provides its services at major ports, it focuses more on non-major ports along the west coast of India. The service offerings of the company are:

1. Cargo handling Services – Includes lightering, stevedoring and other port services including cargo management services.
2. Transportation – Includes port to premise drop off services and vice versa.
3. Fleet Charting and Equipment Rentals – Includes providing their vessels and earthmoving equipment on charter basis. The company also provides other necessary equipment needed for loading and unloading of cargo.
4. Other Operational Income – Includes sale of scrap and other sundry activities.

The company, through a consortium with Nuravi Imports & Exports, and GKR Infracon, has secured a 25-year contract from Eastern Coalfields Limited (ECL) for the Chuperbita-Simlong Opencast Coal Project in Jharkhand, valued at ₹9,476.33 crores. The project involves mining 118.9 million tonnes of coal with a peak capacity of 6 million tonnes annually at a base charge of ₹797 per tonne. The consortium accepted the LOA on January 4, 2025, deposited performance securities of over ₹926.6 million plus additional guarantees, formed a special purpose vehicle, and executed the contract within 90 days. Work has commenced with land acquisition and construction of the Coal Handling Plant underway.

Service-Wise Revenue Bifurcation:

(in Crores)

Particulars	FY 23	%	FY 24	%	FY 25	%
Cargo Handling	543.45	65.71%	506.50	69.29%	482.36	79.39%
Transportation	101.64	12.29%	87.13	11.92%	71.59	11.78%
Fleet Chartering & Equipment Rentals	173.71	21.01%	133.17	18.22%	47.40	7.80%
Other Operational Income	8.19	0.99%	4.21	0.58%	6.26	1.03%
Total	827.00	100.00%	731.00	100.00%	607.61	100.00%

There is an overall drop in revenue in all of the services offered by the company. This The quantity of cargo handled by the company declined from 12.48 to 11.62 million metric tonnes (MMT) in FY 24. However, despite the same increasing to 13.14 MMT in FY 25, the revenue derived from it still dropped.

The table given below states the details of cargo handled by the company (in MMT).

Particulars	FY 23	%	FY 24	%	FY 25	%
Major Ports	0.01	0.07%	0.22	1.61%	-	-
Non-Major Ports	11.03	79.58%	11.32	82.17%	13.09	83.27%
Other Ports and Jetties	1.44	10.37%	0.08	0.56%	0.06	0.38%
Sri Lanka	1.38	9.98%	2.16	15.66%	2.57	16.35%
Total	13.87	100%	13.78	100%	15.71	100%

Business Strategies -

-Continued focus on cost optimization and improving operational efficiency by focusing on expanding the scope of value-added services and offering services that enhance customer experience.

-Continue to invest in fleet and earth moving equipment.

-Focus on expanding business operations from land to port to capitalize on industry opportunities. This will be done through the consortium that has accepted the LOA.

-Acquire new customers and expand into new sectors. Currently the company primarily engages with customers engaged in oil and gas, energy and power, FMCG, coal, and metal industry. The company plans to adopt solutions and services that can be adopted by customers in other sectors as well.

Risk Factors -

- Top 10 customers of the company contributed 75.87%, 68.79%, and 64.12% of revenue from operations in FY 23, 24, and 25 respectively.
- The company has contingent liabilities worth ₹457.95 crores as on Mar 31, 2025.
- There are 10 outstanding tax litigations and 1 material civil litigation against the company aggregating to ₹42.56 crores. There are 2 outstanding tax litigations against the promoters where the amount involved is not discernible.
- The company has been shrinking every year in terms of the revenue it is generating.

Key Management

-The management consists of **Ashokkumar Haridas Lal (Chairman, and Managing Director)**, and **Jitendra Haridas Lal (Joint Managing Director)**. Ashokkumar Lal has completed his education till secondary school level. Jitendra Lal has a bachelor's degree of science in math and a bachelor's degree of law. Both have 30 years of experience in shipping and logistics industry.

-**Thomaskutty Varghese, Vipulchandra Sureshchandra Acharya, Sheelaben Mansukhlal Dattani, and Suresh Amritlal Joshi** are **independent directors**. All independent directors have relevant educational qualifications and years of experience in their respective fields.

-**Harshida Jayesh Bhanushali** is the **CFO**, and **Archanaba Krunalsinh Gohil** is the **CS & CO**. They have 7 and 2 years of experience respectively.

The educational qualification of the management team is lacking but the years of experience they have in the industry makes up for it. All independent directors are satisfactory. The key managerial personnel is lacking in the experience they have.

Industry Overview –

India's shipping industry is the lowest-cost mode for moving goods. India's coastline spans 7,516.6 km and is served by 12 major ports and 217 minor ports (cargo activity concentrated at 78 non-major ports). In FY2024, Indian ports handled 1,542.4 million tonnes (MT) of cargo, up 7.5% from 1,435 MT in FY2023; major ports accounted for 819.0 MT (53.1%) and non-major for 723.4 MT (46.9%), with growth of 4.4% and 11.1% respectively. Cargo mix at Indian ports was dominated by overseas trade at 78% versus coastal at 22%; within minor ports, traffic composition was ~80% overseas and 20% coastal, while major ports were ~77% overseas and 23% coastal. India's "International Shipment" rank rose to 22nd in 2023 from 44th in 2014. Average port turnaround time reached 0.9 days—faster than the USA (1.5), Australia (1.7) and comparable to Singapore (1.0).

Across major ports, FY2024 growth was 4.3% from FY2023, and the top five major ports handled 62.4% of total major-port cargo. Non-major ports accelerated as infrastructure deepened and congestion lowered. Minor-port volumes reached 723.0 MT in FY2024, up 11.2% from 651.0 MT in FY2023. The top five state maritime boards handled 97.85% of minor-port cargo: Gujarat Maritime Board (GMB) led with 62.3% share, followed by Andhra Pradesh (16.3%), Maharashtra (10.4%), Odisha (7.5%) and Puducherry (1.7%), with others at 1.8%.

Gujarat illustrates the structural shift toward high-throughput non-major ports. The state possesses ~1,215 km of coastline (~16% of India), one major port (Deendayal/Kandla) and 48 non-major ports under GMB, of which 17 handle cargo and 31 are primarily for fishing/low traffic. GMB captured the highest maritime-board share at 63.2% in FY2024; within minor-port trade, Gujarat's market share was 68.8% in overseas and 38.8% in coastal segments. The major/minor share mix shifted back toward non-majors in FY2024 (major 22.7%, minor 77.3%) after peaking at a 24.8% major share in FY2023. Trade composition remained heavily overseas-led: overseas cargo rose from 471.2 MT to 519.5 MT across 2019-20 to 2023-24, while coastal stayed in a narrower 54.7–63.4 MT band (61.6 MT in 2023-24).

Lead Manager

Beeline Capital Advisors Private Limited has handled 60 IPOs in preceding 3 years out of which 4 opened at a discount. Elara Capital Private Limited has handled 2 IPOs in preceding 3 years and 1 opened at a discount.

Peer Analysis

As per the RHP, the company has no comparable listed peers.

FINANCIAL SNAPSHOT

Key Performance Indicators: (in Crores)				Key Ratios:			
Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
P&L Statement				Per Share Data			
Total Income	827.33	736.17	610.45	Diluted EPS	8.49	8.89	9.83
Total Expenses	671.24	569.28	443.37	BV per share	25,580.70	31,518.30	23.41
EBITDA	192.05	193.19	219.97	Operating Ratios			
EBIT	175.248	172.91	198.32	EBITDA Margins	23.22%	26.43%	36.20%
PBT	159.46	166.88	188.90	PAT Margins	14.38%	17.03%	23.24%
Tax Expenses	40.58	42.36	47.66	Inventory days	5.33	9.07	12.22
Net Profit	118.89	124.51	141.24	Debtor days	76.79	78.36	90.75
Balance Sheet				Creditor days	45.21	35.12	27.10
Total Equity	255.81	315.18	343.17	Return Ratios			
Assets				RoCE	45.59%	37.28%	50.47%
Non-Current Assets	370.52	390.08	412.14	RoE	46.47%	39.51%	41.16%
Current Assets	230.40	220.57	346.43	Valuation Ratios (x)			
Total Assets	600.92	610.65	758.58	EV/EBITDA	2.23	2.44	2.20
Liabilities				Market Cap / Sales	0.003	0.003	6.08
Non-Current Liabilities	128.58	148.57	49.78	P/E	29.68	28.35	25.64
Current Liabilities	216.53	146.89	365.62	Price to Book Value	0.01	0.01	10.77
Total Liabilities	345.11	295.46	415.40	Solvency Ratios			
Cash Flow Statement				Debt / Equity	0.69	0.50	0.75
CFO	152.70	158.85	138.79	Current Ratio	1.06	1.50	0.95
CFI	-41.34	-37.64	-21.48	Quick Ratio	1.01	1.38	0.89
CCF	-112.01	-122.12	-13.45	Asset Turnover	1.38	1.20	0.80
				Interest Coverage Ratio	10.87	15.44	16.17

Financial Analysis

-Revenue from operations decreased by 11.61% and 16.88%, and total income decreased by 11.02% and 17.08% in FY 24 and 25 respectively. The reason for decrease in revenue in FY 24 is because of decrease in operations at Hazira port. This was because one of the company's long-term primary customer shifted their business due to acquisition of one of the jetties at Hazira port. As a result, the customer opted to handle the cargo independently. Revenue further declined in FY 25 because the top 10 customers of the company in oil & gas industry commenced use of their own jetty for loading and unloading of cargo.

-EBITDA margin has increased every year because the decrease in cost of service provided by the company was more than the decrease in revenue each year. All other expenses remained at par each year. This led to total expenses reducing more than total income. Similarly, PAT margins also increased every year because of higher PBT as a % of revenue while tax grew marginally.

-The company has negligible long-term borrowings as of FY 25, as it repaid most of it. That is why non-current liabilities had a sharp decline. However, short-term borrowings of the company spiked from ₹47.19 crore to ₹253.41 crore from FY 24 to FY 25.

-CFO of the company has been reducing each year due to shrink in the operations of the company.

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