

Ref No. TSL/03/2025-2026

Date: 12th April 2025

Department of Corporate Services BSE Limited Corporate Relations Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Listing Compliance National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
BSE Scrip Code: 520151	NSE Symbol: TRANSWORLD

Dear Sir,

Sub: Intimation of Credit Rating under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "Regulations"), please find below the credit ratings reaffirmed by CRISIL Limited vide their letter dated 11th April 2025, on the bank facilities of the Company:

Sr. No	Bank Facility	Bank	Amount (Rs. In Crore)	Rating
1	Foreign Currency Term Loan	RBL Bank Limited	46.16	CRISIL A-/Stable
2	Foreign Currency Term Loan	Canara Bank	6.14	CRISIL A-/Stable
3	Foreign Currency Term Loan	Exim Bank	92.75	CRISIL A-/Stable
4	Proposed Long Term Bank Loan Facility	--	116.52	CRISIL A-/Stable
5	Rupee Term Loan	IndusInd Bank Limited	20.53	CRISIL A-/Stable
6	Rupee Term Loan	HDFC Bank Limited	151.13	CRISIL A-/Stable
7	Rupee Term Loan	The Federal Bank Limited	42.77	CRISIL A-/Stable
Total			476	

**Swapped both interest and principal with foreign currency*

The rating letter received from CRISIL Limited is enclosed.

The said intimation shall be available on website of the company at <https://www.transworld.com/transworld-shipping-lines/updates/>

The above is for your information and records.

Thanking you,
Yours Faithfully,

For **TRANSWORLD SHIPPING LINES LIMITED**
(formerly known as **SHREYAS SHIPPING AND LOGISTICS LIMITED**)

NAMRATA MALUSHTE
COMPANY SECRETARY AND COMPLIANCE OFFICER

Encl: as above

Rating Rationale

April 11, 2025 | Mumbai

Transworld Shipping Lines Limited

Rating outlook revised to 'Stable'; Rating Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.476 Crore
Long Term Rating	Crisil A-/Stable (Outlook revised from 'Negative'; Rating Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has revised its outlook on the long-term bank facilities of Transworld Shipping Lines Ltd (TSLL) (erstwhile Shreyas Shipping and Logistics Ltd) to '**Stable**' from 'Negative' while reaffirming the rating at '**Crisil A-**'.

The outlook revision factors in the sustained improvement in the operating and financial performance of the company owing to uptick in charter rates driven by favorable demand and improving industry dynamics, with optimum utilisation of fleet capacity. During the first nine months of fiscal 2025, TSLL's revenue grew by ~74% year-on-year to Rs 336 crore from Rs 193 crore and the Operating profit before interest and tax (OPBDIT) margin increased to 35.8% (from 3% in the first nine months of fiscal 2024 and 8.9% in fiscal 2024) owing to better absorption of fixed costs. The company is expected to achieve revenue of over Rs 460 crore in fiscal 2025, registering over 60% growth (Rs 282 crore in fiscal 2024), with OPBDIT margin of over 35%. Furthermore, TSLL's revenue is expected to grow at 15-20% over the medium term, driven by an increasing share of dry bulk (DB) vessels and stable business from chartering with Unifeeder ISC FZCO (Unifeeder), and OPBDIT margin is expected to sustain at 28-30%.

The company continues to benefit from steady cash flow from long-term framework chartering agreement (FCA) with Avana Logistek Limited (Avana) (since Transworld Feeders Pvt Ltd (TFPL) has been merged with Avana in May 2024), a group concern of Unifeeder. The FCA ensures volume deployment and steady cash flow for TSLL. Unifeeder is a subsidiary of DP World, based in the United Arab Emirates. DP World is among the leading port terminal operators in the world.

The net cash accrual to total debt ratio improved to 0.3 time in the first nine months of fiscal 2025 compared with 0.1 time in fiscal 2024. The interest coverage ratio has also improved to 5 times in the first nine months of fiscal 2025 compared with 1.9 times in fiscal 2024 and is estimated to be over 4.5 times in fiscal 2025. The total outside liabilities to tangible network (TOLTNW) ratio has remained below 1 time over the last seven fiscals. The financial risk profile remains supported by adequate liquidity in the form of unencumbered cash and bank balance of Rs 61 crore as on December 31, 2024, excluding the debt service reserve account (DSRA) and other lien marked fixed deposits totaling Rs 51.78 crore. TSLL is also expected to maintain a liquid surplus of over Rs 50 crore on a steady-state basis.

TSLL is expected to incur capital expenditure (capex) of ~Rs 700 crore over the next 3-4 fiscals for purchase of four new replacement container vessels and two new vessels, which will be funded by a mix of debt and equity, in the ratio of 3:1. The company plans to fund the equity portion from sale of older vessels. In addition, the company will also have dry docking expenses of over Rs 100 crore over the next three fiscals through 2028 which shall be funded through a mix of debt and internal accrual.

The rating continues to reflect the established market position of TSLL in the shipping business, steady cash flow from long-term FCA with Avana, and operational and financial synergies from association with the Transworld group that has extensive experience in shipping and logistics. These strengths are partially offset by a moderate financial risk profile, susceptibility to fluctuations in charter rates and exposure to intense competition in the global shipping industry.

Analytical Approach

Crisil Ratings has taken a standalone view of the business and financial risk profiles of TSLL.

Key Rating Drivers & Detailed Description

Strengths:**Established market position**

TSLL is one of the leading shipping companies in India, with a legacy of more than three decades in owning and operating ships. As on date, it has a fleet of 12 vessels (10 containers and two DB) with total capacity of 22,066 TEU (twenty-foot equivalent unit) for container vessels, and gross registered tonnage of 2,79,962. Average fleet age stands at 21.91 years. The company mitigates the risk of ageing fleet with timely dry-docking of vessels, as per requirement, scrapping and subsequent addition of new vessels.

Steady cash flow from long-term FCA; plans to operate DB vessels by itself

TSLL benefits from steady revenue visibility and cash flow with the long-term FCA with Avana. The strong position of Unifeeder in the global charter-hire market and strategic focus on India provide TSLL access to a wide global customer base for export-import (EXIM) as well as domestic cargo. The FCA has reduced cargo volume offtake and geopolitical risks as the entire container tonnage would be deployed by Avana.

Furthermore, TSLL plans to operate its two-owned DB vessels by itself starting fiscal 2026 and gradually take more DB vessels on charter and operate, depending on market dynamics and reducing its involvement in pool arrangement as the same are not able to yield desired results. This is expected to diversify the company's revenue profile and reduce dependence on container segment. Additionally, the management indicated that they are taking various measures to improve the operating efficiency and other alternatives to generate liquidity.

Operational and financial synergies from association with the Transworld group

Founded by Mr R Sivaswamy in 1977, the Transworld group operates in India, the Middle East, the US, Europe and Sri Lanka. The group offers a spectrum of shipping logistics services, including feeder (vessel-owning companies), coastal container shipping and logistics solutions. Furthermore, TSLL derives operational and financial synergies from its association with the group. The group provided financial support to TSLL in fiscal 2020, when it purchased a vessel from TSLL and leased it back to cushion its liquidity.

Weaknesses:**Moderate financial risk profile**

The financial risk profile is expected to improve this fiscal supported by improved operating performance as compared with fiscal 2024. The net cash accrual to total debt ratio improved to 0.3 time in the first nine months of fiscal 2025 from 0.1 time in the previous year. The interest coverage ratio has improved to 5 times in the first nine months of fiscal 2025 and is expected to remain more than 4.5 times in fiscal 2025. It has, however, moderated from 14.3 times in fiscal 2023. The TOLTNW ratio has remained below 1 time over the last seven fiscals despite debt-funded capex.

The company has planned capex of ~Rs 700 crore for purchase of vessels over the next three-four fiscals, which will be funded in a debt-to-equity ratio of 3:1. The company also expects dry docking expenses of ~Rs 100 crore, which will be funded by debt and internal accrual. The company has plans to replace its four ageing vessels and may acquire new vessels as part of a change in strategy and prevailing market dynamics.

The financial risk profile of the company is expected to remain moderate over the medium term on account of sizeable debt plans.

Exposure to volatility in spot charter rates and intense competition

The company has chartered all its 10 container vessels under the FCA to Avana. The two DB vessels purchased in fiscal 2022 have been chartered externally. While the FCA with Avana provides stability to cash flow, the spot charter rate varies based on trade volumes, availability of ships and containers as well as demand and supply conditions. TSLL therefore remains partly vulnerable to downturns in the shipping cycle and pricing volatility, and this can increase with DB vessels not covered under the FCA. Furthermore, intense competition may continue to restrict pricing power with suppliers and customers, thereby constraining operating profitability. TSLL is also susceptible to fluctuations in foreign exchange rates. However, this risk is partially mitigated by a natural hedge as most of the borrowing is in foreign currency or by the use of derivative instruments.

Liquidity: Adequate

Unencumbered cash and bank balance of around Rs 61 as on December 31, 2024 (excluding DSRA and other lien marked fixed deposits totaling Rs 51.78 crore), will continue to support liquidity. The company has generated net cash accrual of Rs 100 crore in the first nine months of fiscal 2025 and the same is expected to be Rs 120-130 crore for the entire fiscal. Furthermore, TSLL is expected to maintain liquid surplus of over Rs 50 crore on a steady-state basis. Timely, need-based financial support from the Transworld group is expected to continue.

Outlook: Stable

Crisil Ratings expects improvement in TSLL's scale of operations and profitability over the medium term, with improvement in charter rates, sustaining business with Unifeeder and strategic shift of operations planned by the company.

Rating Sensitivity Factors**Upward factors**

- Healthy revenue growth, while sustaining operating margin at over 30%

- Healthy cash generation and prudent working capital management, leading to improvement in debt protection metrics

Downward factors

- Degrowth in revenue and fall in operating margin to below 20% on sustained basis impacting net cash generation
- Deterioration in the debt protection metrics due to larger-than-expected and debt-funded capex or acquisition or sizeable stretch in the working capital cycle
- Change in stance of support from the Transworld group

About the Company

TSLI was incorporated in 1988 by the late Mr R Sivaswamy to own and operate vessels for container feeder operations between Indian and international container trans-shipment ports. The company has diversified into logistics, transportation, warehousing and distribution services. It was the first to provide coastal trans-shipment services at several domestic ports, including Jawaharlal Nehru Port Authority in Nhava Sheva, Maharashtra. Post-sale of its containerised domestic coastal and EXIM feeder shipping business to Avana, the company follows an asset-heavy business model with owning and long-term chartering of vessels.

Key Financial Indicators (Crisil Ratings-adjusted financials)

As on/for the period ended March 31		9MFY25	2024	2023
Revenue	Rs crore	336	284	484
Profit after tax	Rs crore	38	-51	197
PAT margin	%	11.4	-18.1	40.7
Adjusted debt/adjusted networkth	Times	0.5	0.53	0.61
Interest coverage	Times	5	1.1	14.3

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Foreign Currency Term Loan	NA	NA	30-Nov-29	46.16	NA	Crisil A-/Stable
NA	Foreign Currency Term Loan	NA	NA	31-Aug-25	6.14	NA	Crisil A-/Stable
NA	Foreign Currency Term Loan	NA	NA	31-Mar-30	92.75	NA	Crisil A-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	116.52	NA	Crisil A-/Stable
NA	Rupee Term Loan*	NA	NA	30-Jun-26	20.53	NA	Crisil A-/Stable
NA	Rupee Term Loan*	NA	NA	31-Mar-31	151.13	NA	Crisil A-/Stable
NA	Rupee Term Loan*	NA	NA	27-Mar-31	42.77	NA	Crisil A-/Stable

*Swapped both interest and principal with foreign currency

Annexure - Rating History for last 3 Years

	Current	2025 (History)	2024	2023	2022	Start of 2022

Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	476.0	Crisil A-/Stable		--	02-08-24	Crisil A-/Negative	17-11-23	Crisil A-/Negative	07-09-22	Crisil A-/Stable	Crisil BBB+/Stable
			--		--	05-03-24	Crisil A-/Negative	30-05-23	Crisil A-/Stable		--	Crisil BBB+/Watch Developing
			--		--		--	17-05-23	Crisil A-/Stable		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Foreign Currency Term Loan	46.16	RBL Bank Limited	Crisil A-/Stable
Foreign Currency Term Loan	6.14	Canara Bank	Crisil A-/Stable
Foreign Currency Term Loan	92.75	Exim Bank	Crisil A-/Stable
Proposed Long Term Bank Loan Facility	116.52	Not Applicable	Crisil A-/Stable
Rupee Term Loan*	20.53	IndusInd Bank Limited	Crisil A-/Stable
Rupee Term Loan*	151.13	HDFC Bank Limited	Crisil A-/Stable
Rupee Term Loan*	42.77	The Federal Bank Limited	Crisil A-/Stable

*Swapped both interest and principal with foreign currency

Criteria Details

Links to related criteria
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Basics of Ratings (including default recognition, assessing information adequacy)

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