

April 23, 2026

## Chowgule and Company Private Limited: Ratings reaffirmed; outlook revised to Stable from Negative

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based term loan	87.68	87.68	[ICRA]A+(Stable); reaffirmed; outlook revised to Stable from Negative
Long term - Non-fund based – Others	440.00	440.00	[ICRA]A+(Stable); reaffirmed; outlook revised to Stable from Negative
Short term - Fund based – Cash Credit	205.00	205.00	[ICRA]A1; reaffirmed
Short term - Non-fund based – Others	72.03	72.03	[ICRA]A1; reaffirmed
Long term/ Short term - Unallocated Limits	195.29	195.29	[ICRA]A+(Stable)/[ICRA]A1; reaffirmed; outlook revised to Stable from Negative
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The revision in the outlook to Stable from Negative on the long-term rating assigned to the bank facilities of Chowgule & Company Private Limited (CCPL/ the company) reflects the improvement in the company's operating performance in FY2026, driven primarily by a robust growth in the shipbuilding segment. Further, expectation of a sustained healthy operating performance going forward, backed by a strong order book which provides medium-term revenue visibility, also supports the revision in outlook.

The company's operating income grew by around 50% year-on-year (YoY) to Rs.717.7 crore in FY2025 (standalone), which further increased to Rs. 866.3 crore in 9M FY2026. The standalone operating margins improved to 12.4% in 9M FY2026 (provisional) from 7.3% in FY2025, driven by growth in the EPC and shipbuilding businesses. Further, the company's wholly-owned subsidiary, Chowgule SBD Private Limited (CSBDPL), witnessed a ramp up in operations in 9M FY2026 (provisional), reporting an operating income of Rs. 241.7 crore compared with Rs. 112.3 crore in FY2025. CSBDPL's revenues are expected to scale up significantly over the medium term, supported by a strong order book.

The EPC business is also expected to witness steady growth, backed by the ongoing project execution which is likely to provide incremental support to the revenues and operating profitability. While the commencement of the iron ore dump handling operations at the Shirgao site has been delayed and is now expected to commence in FY2027, it is expected to provide a meaningful improvement in the operating profitability once stabilised. On a consolidated basis, the operating margins are expected to remain healthy, going forward, aided by the ramp up in the shipbuilding segment. Overall, the improving contribution from the shipbuilding and EPC segments is expected to support the company's credit profile in the near term, notwithstanding the deferred profitability benefits from dump handling operations.

The reaffirmation of the ratings continues to factor in the company's healthy track record in the shipbuilding business and its strong customer profile comprising leading European short sea shipping companies. Its order book (standalone) for the shipbuilding business as on January 14, 2026, stands at ~Rs. 2,120 crore with vessels to be delivered over the next three years. The subsidiary, Chowgule SBD Private Limited, which operates out of the Mangalore shipyard, also has a healthy order book of ~Rs. 2,569 crore as on January 14, 2026, to be executed over the next three years. Thus, the order books of both CCPL and its subsidiary provide revenue visibility.

The company has a healthy track record in delivering shipping vessels to its clients. CCPL delivered six vessels in FY2026 and expects to deliver a similar number of vessels in the current fiscal as well. The company has also received regulatory approval for the handling of iron ore dumps from one of the Goa mines. While the mining operations are not expected to materially support cash generation in FY2027, the company's profitability may improve from FY2028 with a ramp-up in volumes, depending on the prevailing iron ore prices.

The ratings also factor in a healthy outlook for the Indian shipbuilding industry, supported by various financial incentives of the Government of India (GoI). The order inflow of private Indian shipyards is expected to be steady, given the ageing fleet of the global shipping industry and the increasing preference of global shipping lines to diversify procurement away from Chinese shipyards. Additionally, the GoI's continued thrust on the indigenisation of shipbuilding is expected to provide tailwinds to the industry in the near to medium term.

On a consolidated basis, the company continues to maintain strong liquidity, which provides comfort in terms of its debt servicing capabilities with cash and liquid investments (standalone) of Rs. 430.0 crore as on December 31, 2025 (provisional).

With the ramp-up in the shipbuilding segment, the company's working capital requirements have risen over FY2025 and FY2026, resulting in higher dependence on working capital borrowings and a moderation in the credit metrics. The standalone borrowings rose to ~Rs. 391.3 crore as on December 31, 2025 (provisional) vis-a-vis Rs. 294.0 crore as on March 31, 2025. Despite the increase in debt levels, the interest coverage ratio improved to 4.3x in 9M FY2026 from 2.4x in FY2025. For CSBDPL, the total debt level stood at ~Rs. 245.1 crore as on December 31, 2025 (provisional), declining from Rs. 409.7 as on March 31, 2025.

As part of the Chowgule Group's ongoing asset separation under a memorandum of family settlement (MoFS), CCPL provisioned for assets that would no longer remain under its control, thereby lowering its net worth in FY2024. The company also relinquished its right to develop a coal mine in Madhya Pradesh, resulting in a provisioning of Rs. 105.6 crore (including Rs. 83.98 crore towards bank guarantee submitted for the mining lease) in FY2024. The company gave up the coal mine project as it did not find it economically viable. Consequently, the company's overall credit profile has moderated with the capitalisation and coverage indicators remaining subdued. However, these metrics improved in FY2025 and 9M FY2026 on account of a recovery in the operating performance.

The ratings are constrained by the susceptibility of the company's profitability to the volatility in raw material prices as the contracts are fixed priced in nature. CCPL tries to mitigate the raw material price risk by promptly placing the purchase orders and providing advances to the suppliers to lock in the prices within a few days of signing the contracts with the customers.

The ratings are also constrained by the concentration of the order book among three major customers. Given the inherent nature of the shipping industry, the order inflow is typically concentrated among a limited number of players. Nevertheless, the resulting customer concentration exposes the company to heightened counterparty and cyclicity risks, as demand in the shipping industry tends to be cyclical in nature.

On January 11, 2021, the Chowgule Group had announced the restructuring of its businesses into two separate groups by signing the MoFS. As per the restructuring, the family business has been split into two — one headed by Mrs. Padma Chowgule (Group A) and the other by Mr. Vijay Chowgule (Group B). CCPL is the flagship entity of Group A, retaining the mining and the shipbuilding businesses, while the salt business is housed under CCPL as a subsidiary. As confirmed by the CCPL management, the division of the businesses is final between the groups, and the settlement is expected to be closed within FY2027. Nevertheless, ICRA would continue to closely monitor the developments concerning the restructuring and any change in the proposed terms that may have a material impact on the credit profile of CCPL would remain a key rating sensitivity.

## Key rating drivers and their description

### Credit strengths

**Strong customer profile and healthy track record of ship deliveries** – The company largely caters to European customers, which are reputed companies in the shipping industry, and receives 2-3 serious enquiries from established players for its shipbuilding division. The company expects to secure incremental orders on the back of these enquiries. The company builds

short sea bulk carriers that are mostly used for coastal shipping or for movement between ports on nearby shores but do not venture into oceans. The company delivered six vessels from CCPL's shipyard in FY2026 and expects to deliver a similar number of vessels in this fiscal as well.

**Healthy order book position under shipbuilding provides revenue visibility** – The company has three shipyards in Goa of which two are owned and one is taken on lease with a total capacity to build seven vessels per annum. The shipbuilding division focuses on sea-going vessels in the 2,000-7,000 deadweight tonne (DWT) range, including dry bulk carriers, multi-purpose vessels and product tankers. The division had orders in hand of ~Rs. 2,120 crore as on January 14, 2026. The total order book includes contracts aggregating about Rs. 1,190 crore from Vertom BV for nine vessels and around Rs. 357 crore from AtoBatC Shipping AB (ASA) for three vessels, with the deliveries scheduled for the next three years. With significant order flows in the last two years, the segment is expected to witness steady medium-term revenue growth. Going forward, the company is expected to execute the existing order book using its existing facilities and has no major capex plans in the near to medium term.

Further, the outlook for the shipbuilding industry remains healthy, given the support from the GoI. The industry is also supported by favourable demand fundamentals, aided by factors such as the ageing fleet of the global shipping industry and the increasing preference of global shipping lines to diversify procurement away from Chinese shipyards.

**Healthy liquidity position** – CCPL's standalone liquidity is expected to remain strong, supported by ~Rs. 430.0 crore of free cash and liquid investments as on December 31, 2025 (provisional), nil debt repayments, limited incremental working capital requirements and no sizeable capex plans in the medium term. However, the utilisation of fund-based working capital limits remained high at 90–95% on an average over the last 12 months ended December 2025, reflecting the inherently working capital-intensive nature of shipbuilding operations.

### Credit challenges

**Susceptibility to order-backed nature of business and customer concentration** – The company's order book remains highly concentrated, with three major European customers comprising around 90% of the orderbook. While these customers are reputed players in the European market and have been placing repeat orders with the Group, the concentration risk persists. Although there have been no instances of bad debt or order cancellations, the elevated customer concentration exposes the company to the risk of cancellation or delayed offtake for a sizeable portion of the order book in the event of financial stress or adverse developments at any of the key customer entities.

**Vulnerability of operating margin to fluctuations in raw material prices** – The company's profitability is susceptible to the volatility in raw material prices as the contracts are fixed priced in nature. CCPL tries to mitigate the raw material price risk by promptly placing the purchase orders and providing advances to the suppliers to lock in the prices soon after signing the contracts with the customers.

**High working capital intensity due to nature of operations** – The shipbuilding industry has an inherently working capital-intensive operating profile. The business entails significant expenditure towards raw material and work-in-progress (WIP) inventory, including long-lead and high-value components, to ensure adherence to construction and delivery timelines. Further, the customer payments are staggered due to milestone-based billing, with a substantial portion of the contract value typically received only upon delivery of the vessel. In addition, the customer advances received during the construction phase are generally backed by bank guarantees, resulting in elevated non-fund-based working capital utilisation. Consequently, an efficient working capital management remains critical to maintain a comfortable liquidity profile.

### Liquidity position: Strong

CCPL's standalone liquidity is expected to remain strong, supported by ~Rs. 430.0 crore of free cash and liquid investments as on December 31, 2025 (Provisional), healthy cash accruals and nil debt repayments following the prepayment of the term debt in FY2025. The liquidity is further supported by limited incremental working capital requirements and the absence of any sizeable capex plans over the medium term.

While the utilisation of fund-based working capital limits remained high at around 90–95% on an average during the 12 months ended December 2025, reflecting the working capital-intensive nature of the shipbuilding business, the sizeable free cash and liquid investments provide ample buffer to meet any exigency.

## Rating sensitivities

**Positive factors** – The ratings could be upgraded in a scenario of significant improvement in the profitability resulting in improvement in the leverage and coverage metrics while maintaining a comfortable liquidity position. A key credit metric that may lead to a rating upgrade will be company’s ability to maintain interest coverage ratio above 6.0x on a sustained basis.

**Negative factors** – CCPL’s rating could face downward pressure in a scenario of a sustained decline in revenue and profitability impacting the leverage and coverage metrics on a sustained basis. Any large debt funded capex and/or increase in working capital cycle, resulting in the weakening of the credit metrics and/or liquidity position may result in rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials for CCPL. The entities forming part of the consolidated financials is given in Annexure III

## About the company

CCPL is part of the more than 100-year-old Goa-based Chowgule Group. The company was established in 1943 for mining and exporting iron ore in Goa. Over the years, the company has forayed into shipbuilding, ship repair, shipping and material handling equipment.

On January 14, 2021, the Chowgule Group announced the restructuring of its businesses into two separate groups as a part of a family settlement. The restructuring will lead to the division of the businesses between two groups – CCPL (Group A) and Chowgule Global Pvt Ltd. (Group B). While the old traditional businesses of mining, shipbuilding and salt will remain with CCPL, the newer businesses of ship repair (Lavgan), ports, automobile dealerships will be with CIPL. The exercise has been pending for completion for the last couple of fiscals and as per recent discussions is expected to close in FY2027.

## Key financial indicators (audited)

CCPL (consolidated)	FY2024	FY2025
Operating income	632.6	915.6
PAT	-240.3	39.8
OPBDIT/OI	0.2%	8.3%
PAT/OI	-38.0%	4.3%
Total outside liabilities/Tangible net worth (times)	0.9	1.1
Total debt/OPBDIT (times)	247.9	6.5
Interest coverage (times)	0.1	2.3

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
FY2027			FY2026		FY2025		FY2024		
Instrument	Type	Amount rated (Rs. crore)	Apr 23, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long term	87.68	[ICRA]A+ (Stable)	Jul-30-25	[ICRA]A+ (Negative)	Apr-23-24	[ICRA]A+ (Stable)	Jun-09-23	[ICRA]A+ (Stable)
				-	-	Jul-15-24	[ICRA]A+ (Stable)	-	-
Non-fund based	Long term	440.00	[ICRA]A+ (Stable)	Jul-30-25	[ICRA]A+ (Negative)	Apr-23-24	[ICRA]A+ (Stable)	Jun-09-23	[ICRA]A+ (Stable)
				-	-	Jul-15-24	[ICRA]A+ (Stable)	-	-
Fund based	Short term	205.00	[ICRA]A1	Jul-30-25	[ICRA]A1	Apr-23-24	[ICRA]A1	Jun-09-23	[ICRA]A1
				-	-	Jul-15-24	[ICRA]A1	-	-
Non-fund based	Short term	72.03	[ICRA]A1	Jul-30-25	[ICRA]A1	Apr-23-24	[ICRA]A1	Jun-09-23	[ICRA]A1
				-	-	Jul-15-24	[ICRA]A1	-	-
Unallocated limits	Long term/ Short term	195.29	[ICRA]A+ (Stable)/ [ICRA]A1	Jul-30-25	[ICRA]A+ (Negative)/ [ICRA]A1	Apr-23-24	[ICRA]A+ (Stable)/ [ICRA]A1	Jun-09-23	[ICRA]A+ (Stable)/ [ICRA]A1
				-	-	Jul-15-24	[ICRA]A+ (Stable)/ [ICRA]A1	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA

14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Term loan	Simple
Long term – Non-fund based	Simple
Short term - Fund based	Simple
Short term – Non-fund based	Simple
Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan- 1	April 2021	NA	March 2026	47.68	[ICRA]A+(Stable)
NA	Proposed term loans	NA	NA	NA	40.00	[ICRA]A+(Stable)
NA	Fund-based limits	NA	NA	NA	205.00	[ICRA]A1
NA	Long term: Non-fund based limits	NA	NA	NA	440.00	[ICRA]A+(Stable)
NA	Short term: Non-fund based limits	NA	NA	NA	72.03	[ICRA]A1
NA	Unallocated limits	NA	NA	NA	195.29	[ICRA]A+(Stable)/ [ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: List of entities considered for consolidated analysis**

Company name	CCPL ownership	Consolidation approach
<b>Chowgule and Company Private Limited</b>	Self	Full consolidation
Chowgule and Company (Salt) Private Limited	Subsidiary	Full consolidation
Chowgule SBD Private Limited	Subsidiary	Full consolidation

Source: Company

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For more information, visit [www.icra.in](http://www.icra.in)

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