



Press Release
SHASHI CATERING SERVICES PRIVATE LIMITED
January 05, 2026
Rating Assigned

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|---------------------------------|----------------------|
| Bank Loan Ratings | 11.00 | ACUITE BBB+ Stable Assigned | - |
| Bank Loan Ratings | 9.00 | - | ACUITE A2 Assigned |
| Total Outstanding Quantum (Rs. Cr) | 20.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has assigned the long term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and the short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 20.00 Cr. bank facilities of Shashi Catering Services Private Limited (SCSPL). The outlook is '**stable**.'

Rationale for rating

The rating assigned considers the growing scale of operations along with improving profitability margins of SCSPL. The rating also factors in the efficient working capital operations and healthy financial risk profile of the company. Further, the rating draws comfort from long track record of the promoter in the industry. However, the rating is constrained on account of competitive nature of industry and geographical concentration risk. Going forward, revenue growth fueled by continued inflow of new contracts / renewals will be a monitorable.

About the Company

Incorporated in 2018, Gujarat based, Shashi Catering Services Private Limited (SCSPL) is engaged in providing industrial and corporate catering services. The company provides end-to-end food solutions for industrial canteens, corporate houses, manufacturing plants, public and private sector undertakings across 13 states. The company is promoted by Mr. Shashidhar Shetty and Mrs. Pramila Shashidhar Shetty.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Shashi Catering Services Private Limited (SCSPL) to arrive at the rating.

Key Rating Drivers

Strengths

Extensive experience of management

SCSPL is promoted by Mr. Shashidhar Shetty and Mrs. Pramila Shashidhar Shetty. Mr. Shashidhar Shetty, who have been involved in the business of industrial catering for more than three decades. Before incorporation of SCSPL, the promoters were providing catering services through their proprietorship concern. Over the years, they have established long-standing relationship with reputed clients and also expanded operations in regions other than its home region i.e. Gujarat. Besides Gujarat, the company has presence in 12 other states. SCSPL's clientele includes reputed names like Suzuki Motors, Indian Oil Corporation Limited, Hero Motocorp Limited and Apollo Tyres Limited, among others. The company has been providing services to many of such reputed clients since last 8-11 years, which helps receive repeat orders.

Improving scale of operations and profitability

The revenue of the company grew by ~51 percent to Rs. 436.34 Cr. in FY2025 from Rs. 288.71 Cr. in FY2024, supported by inflow of new work contracts and renewal of existing orders. The revenue growth is also supported by the shift of business operations from its proprietorship concern to SCSPL. The revenue stood at ~Rs. 310.35 Cr. for 7M FY2026. Further, the profitability margins have also been improving on account of lower material costs derived from bulk purchases and efficiency in operations. The operating margin stood at 8.72 percent in FY2025 from 6.93 percent in FY2024. The presence of price escalation clause in majority of the contracts also protects the margins of the company.

Going forward, revenue growth fueled by continued inflow of new contracts / renewals will be a key monitorable

Efficient working capital operations

The efficient working capital operations of SCSPL are evident from their low gross current assets (GCA) of 66 days on March 31, 2025. The GCA days are majorly driven by the receivables period, which stood at 42 days in FY2025. Further, the GCA days are also driven by the other current assets, which majorly consist of advances provided to employees and suppliers. The creditor days stood at 36 days in FY2025. The average bank limit utilization also stood moderate at 66.72 percent for the last six months ended September 2025. The ability of SCSPL to maintain the efficient working capital cycle over the medium term will remain a key rating sensitivity factor.

Healthy financial risk profile

The healthy financial risk profile of the company is reflected from its growing network, low gearing and healthy debt protection metrics. The tangible network, though low, continues to grow gradually and stood at Rs. 61.37 Cr. on March 31, 2025 (Rs. 33.68 Cr. in FY). With the growing scale of operations, there has been an increase in working capital utilization, however, the gearing remains below unity at 0.12 times in FY2025 (0.05 times in FY2024). The TOL/TNW and Debt-EBITDA levels also remain low at 0.98 times and 0.18 times respectively in FY2025. Further, the coverage indicators stood healthy with interest coverage ratio (ICR) at 35.58 times and debt service coverage ratio (DSCR) at 19.21 times in FY2025.

Going forward, the financial risk profile is expected to remain on similar levels, due to absence of any significant debt funded capex plans.

Weaknesses

Presence in a highly competitive industry

The industrial catering sector faces rising input costs, strict food safety regulations, and workforce shortages that pressurize margins and service consistency. Supply chain disruptions, contract renewal risks and demand fluctuations further affect stability, while intense competition limits pricing flexibility and bargaining power. However, the price escalation clause in major contracts provides a cushion against these fluctuations. Further, the promoters long standing presence in the market, has enabled the company to receive continued inflow of orders.

Geographical concentration risk

The company faces geographic concentration risk, with a large share of its industrial catering operations situated in Gujarat. Such reliance increases exposure to regional economic shifts, regulatory changes, client-specific challenges, and competitive pressures, which may affect revenue consistency and profitability.

Rating Sensitivities

- Continued inflow of new contracts and timely renewal of existing contracts, thereby leading to growth in the revenues
- Sustenance of profitability margins.
- Deterioration in financial risk profile or stretch in working capital cycle affecting the liquidity position.

Liquidity Position Adequate

The liquidity position of SCSPL is adequate, marked by generation of sufficient net cash accruals (NCAs) of Rs. 28.82 Cr. against maturing repayment obligations of Rs. 0.45 Cr. in FY2025. Going forward, the NCAs are expected to remain in the range of Rs. 32 - 40 Cr. for FY2026 and FY2027 with maturing repayments of 0.5 - 0.9 Cr for the same period. Further, the current ratio stood comfortable at 1.48 times on March 31, 2025. The average bank limit utilization stood moderate at 66.72 percent for the last six months ended September 2025. Additionally, the company also had an unencumbered cash and bank balance of Rs. 11.39 Cr. on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 25 (Actual) | FY 24 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 436.34 | 288.71 |
| PAT | Rs. Cr. | 27.68 | 14.32 |
| PAT Margin | (%) | 6.34 | 4.96 |
| Total Debt/Tangible Net Worth | Times | 0.12 | 0.05 |
| PBDIT/Interest | Times | 35.58 | 45.82 |

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------------|-------------------------|----------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|---------------------------------|
| Bank Of Baroda | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 9.00 | Simple | ACUITE A2 Assigned |
| Bank Of Baroda | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 9.00 | Simple | ACUITE BBB+ Stable Assigned |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 2.00 | Simple | ACUITE BBB+ Stable Assigned |

Contacts

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About Acuité Ratings & Research

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