

Priyablue Ship Green Recycling Private Limited

August 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable; ISSUER NOT COOPERATING* and Withdrawn
Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE A4; ISSUER NOT COOPERATING* and Withdrawn

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has reaffirmed and withdrawn the outstanding rating of 'CARE BB; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING*' (Double B; Outlook: Stable; ISSUER NOT COOPERATING/ A Four; ISSUER NOT COOPERATING) assigned to the bank facilities of Priyablue Ship Green Recycling Private Limited (PSGRPL) with immediate effect. The above action has been taken at the request of PSGRPL as well as declaration for rated proposed facility along with No Objection Certificate received from the bank that has extended the facilities rated by CARE Ratings Ltd.

The rating assigned to the bank facilities of PSGRPL remain constrained on account of short track record of operations along with modest scale of operations, moderate profitability, leverage capital structure and moderate debt coverage indicators during FY24 (FY refers to April 01 to March 31). Further, the rating remained constrained on account of exposure to adverse movement in steel prices and forex rates, cyclical and competitive industry and exposure to regulatory and environment hazard risk. The ratings, however, continue to derive comfort from experienced and resourceful promoters with benefits derived from company being a part of Priyablue group having established presence in ship recycling industry, NK class certified yard with wide frontage, location of yard at Alang which has unique geographical features suitable for ship-recycling operations.

Analytical approach: Standalone along-with factoring its strong operational and managerial linkages with flagship entity of the Priyablue Group i.e. Priya Blue Industries Private Limited (PBIPL).

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating dated April 21, 2025, the following were the rating strengths and weaknesses (updated based on information available from MCA).

Key Weaknesses

Short track record of operations with modest scale of operations and moderate profitability

PSGRPL has acquired beaching plot and commenced its ship breaking operations during Q1FY23 end, hence FY24 was the first full year of operations. During FY24, the scale of operations has reported significant growth over previous year as marked by the total operating income (TOI) of Rs.133.65 Cr. during FY24 as against Rs. 71.16 crore during FY23. Profitability also improved as a result of increase in scale of operations but was moderate due to its low value additive nature of business as marked by the PBILDT margins of 7.78% during FY24 as against 3.74% during FY23 and PAT margins of 2.37% during FY24 as against 1.33% during FY23.

Leverage capital structure and moderate debt coverage indicators

FY24 is the first full year of operations. Capital structure of PSGRPL deteriorated over previous year due to increase in overall debt mainly inform of working capital borrowing and remained leveraged as marked by overall gearing ratio of 22.31 times as on March 31, 2024 as against comfortable overall gearing ratio in previous year in the absence of debt from bank.

The debt coverage indicators of PSGRPL although improved but remained moderate marked by interest coverage ratio of 2.27 times during FY24 as compared to 1.98 times during FY23. However, the total debt to gross cash accruals (TDGCA) deteriorated with increase in overall debt and was high of 46.95 times as on March 31, 2024 as compared to 0.57 times as on March 31, 2023.

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

Exposure to adverse movement in steel prices and forex rates

The volatility in steel prices driven by demand and supply conditions in the global as well as local markets exposes PSGRPL to any adverse price movement on the uncut ship inventory (which depends on the time elapsed since the purchase of the ship and the size/tonnage of the ship) as well as unsold inventory of steel scrap held by PSGRPL (which is generally minimal). The group uses LC facility to purchase old ships. Since the transactions are denominated in foreign currency, PSGRPL is exposed to forex risk, as the group's revenue is denominated in Indian Rupee (INR). However, the group hedges its forex risk by taking forward cover as per the market scenario, which mitigates its risk to forex fluctuations to an extent.

Cyclical and competitive industry

The ship recycling industry is cyclical in nature as supply of old ships for recycling is inversely proportional to freight rates in the global economy. These freight rates consider the global demand of seaborne transport and supply of new vessels which in turn depends on global merchandise trade. Better availability of old ships for recycling is ensured at the time of recession and when freight rates are low which makes it economical to dismantle the ship rather than continue to operate it. Furthermore, Indian ship-recycling yard face intense competition from the neighboring countries like Bangladesh and Pakistan due to availability of low wage labor, lax occupational health and environment-related regulations, and larger yards giving better bargaining power to yard owners.

Exposure to regulatory and environment hazard risk

The ship-recycling industry is highly regulated with strict working and safety standards to be maintained by the players for laborers and environmental compliance. Furthermore, last year Government of India enacted the Recycling of Ships Act, 2019 ("Act"). The preamble of this Act mentions that it is an Act to provide for the regulation of recycling of ships by setting certain standards and laying down the statutory mechanism for enforcement of such standards and related matters. Thus, any adverse circumstances or event may affect business operations of entities operating in this segment.

Key Strengths

Experienced and resourceful promoters with benefits derived from company being a part of Priyablue group having established presence in ship recycling industry

The key promoter of PSGRPL, Mr. Sanjay Mehta, has been associated with the ship-recycling industry since 1992 and has long standing experience of over two decades in the industry. The promoters have supported the group operations by timely infusion of unsecured loans and preference shares on need basis. PSGRPL is a part of Priyablue group with PBIPL being the flagship company having track record of over two and a half decades which had recycled more than 69 ships including 7 Ultra Large crude carriages (ULCC), 5 very large crude carriages (VLCC) and 4 Floating production storage and offloading (FPSOS). Priya blue group also carry out operations as cash buyer of ships for recycling activity. Priya blue Group has supported the working capital requirement of PSGRPL in its first year of operations. On consolidated basis, PBIPL has registered TOI of Rs. 346.06 crore with PBILDT margin of 7.22% in FY23 while tangible net worth of PSGRPL remained at Rs.135.57 crore as on March 31, 2024.

NK class certified yard with wide frontage

PSGRPL carry out ship-recycling activity at plot V-2 with frontage of 121 meters leased out by Gujarat Maritime Board (GMB). Other group companies namely PBIPL and Priyablue Recycling LLP (PRL) carry out their ship-recycling activity at plot V-1 and 169-M respectively with frontage of 121 meters and 45 meters respectively. PBIPL and PSGRPL operates through two of the largest plots in Alang region used for ship recycling activity. PSGRPL has Class NK certification as well as group companies also have certification i.e. PBIPL (Class NK, RINA S.P.A. and Class IR certifications) and PRL (Class NK certification), which gives an edge in sourcing ships at a marginally better price as compared to market rate.

Location of yard at Alang which has unique geographical features suitable for ship-recycling operations

The group's ship recycling yards which are located at Alang-Sosiya belt, which constitutes nearly 90% of India's ship-recycling activities and it is India's largest ship-recycling cluster. The unique geographical features of the area include a high tidal range, wide continental shelf, adequate slope and a mud free coast. These conditions are ideal for a wide variety of ships to be beached easily during high tide. It accommodates nearly 170 plots spread over around 10 km long stretch along the sea coast of Alang.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[CARE Ratings' Policy on Withdrawal of Ratings](#)

[Policy in respect of Non-cooperation by Issuer](#)

[Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' and credit watch](#)

[CARE Ratings' Criteria on Notching by Factoring Linkages in Ratings](#)

[Financial Ratios – Non-Financial Ratios](#)

[Short Term Instruments](#)
[Wholesale Trading](#)
About the company

Incorporated on May 23, 2022, Priyablue Ship Green Recycling Private Limited (PSGRPL; CIN: U37200GJ2022PTC132252) is promoted by PBIPL and Mehta family is engaged in ship-recycling activity at Alang-Sosiya belt of Bhavnagar region in Gujarat. PSGRPL carry out ship-recycling activity at plot V-2 with frontage of 121 meters leased out by Gujarat Maritime Board (GMB). PSGRPL's plot is certified by Class NK.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	71.16	133.65
PBILDT	2.66	10.40
PAT	0.94	3.16
Overall gearing (times)	0.10	22.31
Interest coverage (times)	1.98	2.27

A: Audited, Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit		-	-	-	0.00	Withdrawn

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-Cash Credit	LT	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (24-Apr-25) 2) CARE BB; Stable; ISSUER NOT COOPERATING* (06-Aug-2025)	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (20-Mar-24) 2)CARE BB+; Stable (21-Apr-23)	-
2	Non-fund-based - ST-Letter of credit	ST	-	-	1)CARE A4; ISSUER NOT COOPERATING* (24-Apr-25) 2) CARE A4; ISSUER NOT COOPERATING* (06-Aug-2025)	-	1)CARE A4+; ISSUER NOT COOPERATING* (20-Mar-24) 2)CARE A4+ (21-Apr-23)	-

*Issuer did not cooperate; based on best available information.

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-Cash Credit	Simple
2	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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