

Shree Saibaba Ship Breaking Co.

January 20, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	100.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Shree Saibaba Ship Breaking Co. (SSSBC) to monitor the rating vide e-mail communications dated August 29, 2025, September 08, 2025, September 11, 2025, September 16, 2025, September 23, 2025, September 29, 2025, October 03, 2025, October 06, 2025, October 08, 2025, October 15, 2025, October 16, 2025, October 28, 2025, November 05, 2025, November 10, 2025, November 14, 2025, November 20, 2025, November 26, 2025, December 03, 2025, December 08, 2025, December 11, 2025, December 18, 2025, December 23, 2025, December 29, 2025, January 02, 2026, January 07, 2026 and January 09, 2026 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. Further, SSSBC has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on SSSBC's bank facilities will now be denoted as **CARE BB; Stable; ISSUER NOT COOPERATING / CARE A4; ISSUER NOT COOPERATING**.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of Shree Saibaba Ship Breaking Co. (SSSBC) have been revised on account of non-availability of requisite information. The ratings of SSSBC remained constrained on account of its moderate scale of operations, susceptibility of its profitability to adverse movement in metal prices (mainly steel) and forex rates and its presence in a cyclical and competitive ship breaking industry which is also exposed to high regulatory and environmental hazards risks, though with a moderate revenue visibility in the sick unit dismantling business segment and partnership nature of constitution.

The ratings, however, derive strength from extensive experience of SSSBC's partners in the ship breaking business and its presence at Alang-Sosiya region which is one of the largest ship- breaking yards of the world. The ratings also take cognisance of moderate capital structure and debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on November 06, 2024 the following were the rating strengths and weaknesses.

Key weaknesses

Moderate scale of operations

Over the years, the TOI of SSSBC has remained volatile depending upon the availability of ship in its ship breaking business, alongwith availability of sick units for dismantling in the demolition business.

During FY24, the firm registered moderate TOI of Rs.93.58 Crore (PY: 107.38 crore) with increase in revenue from the dismantling business segment, amidst a subdued ship breaking scenario. Share of dismantling segment constituted 60% of TOI in FY24 (PY:35%) while ship breaking contributed the balance 40% (PY:65%).

As on September 2024, the firm has agreements for purchase of dismantled and scrap material for a lump sum amount of ~Rs. 42 Crore (excl. GST) with various parties, which provides moderate revenue visibility in near term. For H1FY25, firm registered sales of Rs.40.22 Crore and FY25 TOI is expected at around Rs. 75-80 Crore. SSSBC's profitability declined y-o-y, marked by PBILDT margin of 5.89% during FY24 (FY23: 12.34%) on account of reduced spread and volatile steel prices and stood moderate.

Presence in cyclical and competitive ship breaking industry

The ship breaking industry is cyclical in nature as supply of old ships for recycling is inversely proportional to freight rates in the global economy. 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. However, currently ship availability is adversely

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

impacted due to high freight prices. Further, Indian ship-recycling yard face intense competition from the neighbouring countries like Bangladesh and Pakistan due to availability of low wage labour, lesser occupational health and environment related regulations and larger yards giving better bargaining power to yard owners.

Exposure to regulatory and environmental hazards risks

The ship-breaking industry is highly regulated with strict working and safety standards to be maintained by the shipbreakers for their labourers and environmental compliance. Further, Government of India enacted the Recycling of Ships Act, 2019 ("Act") 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, if any adverse circumstances or event may affect business operations of entities.

Exposure to adverse movement in metal prices and forex rates

The volatility in metal prices (mainly steel) driven by demand and supply conditions in the global as well as local markets exposes SSSBC 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 metal scrap (including steel) held by the firm (which is generally minimal). Further, the firm uses Letter of Credit (LC) facility to purchase old ships. Since the transactions are denominated in foreign currency, the firm is exposed to forex risk during the LC Usance period, as the firm's revenue is denominated in Indian Rupee (INR).

Partnership nature of the constitution

The constitution as a partnership restricts SSSBC's overall financial flexibility in terms of limited access to external funds for any future expansion plans. Further, there is inherent risk of possibility of withdrawal of capital being withdrawn at time of personal contingency and dissolution of the entity in case of death/insolvency of any of the partners.

Key strengths

Established track record of operations and extensive experienced partners

SSSBC is one of the oldest entities in ship-breaking industry at Alang and has been successfully able to operate its business through various business cycles. The operations are managed by Mr Pawan Kumar Jain, his two sons Mr Manoj Kumar Jain and Mr Sanoj Kumar Jain who holds vast experience of more than five decades in steel industry and ship breaking industry. Furthermore, firm is also engaged in dismantling of units.

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

SSSBC's ship breaking yard is located at Alang-Sosiya belt, which constitutes nearly 90% of India's ship-breaking activities and it is India's largest shipbreaking cluster and is also one of the largest ship breaking yard clusters of the world. 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. The cluster accommodates more than 150 plots spread over around 14 km long stretch along the seacoast of Alang-Sosiya.

SSSBC has one plot to carry out its ship recycling business at Alang which is leased out by Gujarat Maritime Board (GMB) on a 10-year lease which gets renewed on expiry. Various agencies certify the operations of the ship-breaking yards from the environmental and worker safety points of view, including secure management of hazardous waste generated from the shipbreaking activities. SSSBC has Nippon Kaiji Kyokai (NKD) class certification.

Moderate capital structure and debt coverage indicators

SSSBC's capital structure improved and remained moderate marked by overall gearing of 0.84x as on March 31, 2024 (1.24x as on March 31, 2023). Networth base however continued to remain moderate, at Rs.37.33 crore at FY24 end. The total debt of the firm primarily comprises outstanding LC obligations against the purchase of ship and working capital loans which is used to pay customs duty and port related charges for the ship breaking business alongwith carrying on activities for the sick units dismantling business. The debt coverage indicators also improved and remained moderate marked by interest coverage and total debt/PBILDT of 2.45x and 5.67x respectively (PY: 9.84 times and 3.22 years).

Assumptions/Covenants: Not Applicable

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

Applicable criteria

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[CARE Ratings' Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

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

[CARE Ratings' Criteria on Rating of Short Term Instruments](#)

[Rating Methodology - Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Incorporated in 1979, Shree Sai Baba Ship Breaking Co. (SSSBC) is a partnership firm and promoted by Mr. Pawan Kumar Jain and his two sons. The firm is engaged in ship breaking business, alongwith business for dismantling of sick unit /factories/movable assets. It has its registered office in Mumbai while the ship breaking activities are carried out at plot no: 10, Alang Ship Breaking Yard, Gujarat.

Dismantling assets are purchased either from the official liquidator appointed by the high court or Debt Recovery Tribunal, through bidding process at auctions held by the official liquidator. The firm is carrying on business of disposing off the scrap obtained in the nature of steel and iron bars, cables, iron & steel sheets, ferrous and non-ferrous scraps, metallic tools and items by dismantling and demolition of big industries / workshops like textile mills, sugar mills, steel plants, solvent plants and many other allied enterprises.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	107.38	93.58	40.22
PBILDT	13.26	5.51	NA
PAT	8.25	1.78	NA
Overall gearing (times)	1.24	0.84	NA
Interest coverage (times)	9.84	2.45	NA

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results

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
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	100.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

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

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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	100.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable / CARE A4+ (06-Nov-24)	1)CARE BB+; Stable / CARE A4+ (12-Sep-23)	-

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

LT/ST: Long term/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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in</p> <p>Foram Dhruv Joshi Lead Analyst CARE Ratings Limited Phone: 079-40265687 E-mail: foram.dave@careedge.in</p> <p>Bhumika Baridun Associate Analyst CARE Ratings Limited E-mail: Bhumika.baridun@careedge.in</p>
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About us:

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