

February 28, 2024

## Marinelines Ship Breakers Private Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	5.00	5.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	30.00	30.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>35.00</b>	<b>35.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-I

### Rationale

ICRA has kept the Long-Term and Short-Term ratings of Marinelines Ship Breakers Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Marinelines Ship Breakers Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

### About the company

Marinelines Ship Breakers Private Limited (MSBPL) was incorporated in 1997, when it started ship breaking operations. The company has its office at Bhavnagar and ship breaking yard at Alang in Gujarat. The company currently operates on a leased plot No. 47 at Alang Ship breaking Yard, Bhavnagar. The size of the plot is 45m x 51m (2295 sq. mts). The Ship Breaking Yard at Alang located near Bhavnagar in Gujarat State is considered to be one of the biggest ship-breaking yards in the world. This Ship Braking Yard currently accommodates 167 plots spread over around 10 Km long stretch along the sea coast of Alang and

Sosiya, which has a typical location advantage suitable to the ship breaking business. The ship breaking industry generates re-rollable steel scrap, directly used by the re-rolling industries.

## Key financial indicators

	FY2022	FY2023
Operating income	30.2	20.1
PAT	0.1	0.2
OPBDIT/OI	1.9%	-0.1%
PAT/OI	0.5%	0.8%
Total outside liabilities/Tangible net worth (times)	5.7	0.1
Total debt/OPBDIT (times)	18.3	- 31.7
Interest coverage (times)	0.5	- 0.1

Source – MCA Website

## Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	CRISIL B(Stable)/CRISIL A4; ISSUER NOT COOPERATING	July 18, 2023
Brickworks	BWR B+ (Stable)/BWR A4; ISSUER NOT COOPERATING	October 12, 2023

Any other information: None

## Rating history for past three years

Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
				28-Feb-2024	21-Dec-2022	30-Nov-2021	31-Aug-2020
1 Cash Credit	Long Term	5.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2 Non Fund Based	Short Term	30.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non Fund Based	Very Simple

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, is available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	5.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	30.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Marinelines Ship Breakers Private Limited

#### Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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### Branches



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