



# HARIYANA SHIP BREAKERS LTD

March 20, 2026

To,  
The BSE Limited  
Corporate Relations Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400023

Scrip code 526931  
Scrip ID HRYNSHP  
ISIN INE400G01011

Sub Intimation of Credit Rating under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Acute Ratings & Research Limited, a Credit Rating Agency, vide its press release dated March 19, 2026, has downgraded its rating on the long-term bank facilities of the Company to 'ACUTE BB' from 'ACUTE BB+' for facilities amounting to Rs 25 00 crore

Further, the rating agency has reaffirmed the rating of the Company's short-term bank facilities at 'ACUTE A4+' for facilities amounting to Rs 200 00 crore

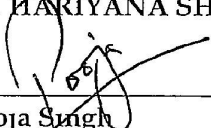
Rating rationale published by Acute Ratings & Research Limited, is enclosed herewith for kind reference

A copy of this intimation is also being made available on the website of the Company [www.hariyanagroup.com](http://www.hariyanagroup.com)

You are requested to kindly take the same on your records

Thanking you  
Yours faithfully,

For HARIYANA SHIP- BREAKERS LIMITED

  
\_\_\_\_\_  
Pooja Singh  
Company Secretary & Compliance Officer  
(Mem no A68696)

Encl As under

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ISO Certified (14001 2004/ 9001 2008/ 30000 2009)



## Press Release

March 19, 2026

### HARIYANA SHIP BREAKERS LIMITED Rating Downgraded and Reaffirmed

| Product                  | Quantum (Rs. Cr) | Long Term Rating                | Short Term Rating       |
|--------------------------|------------------|---------------------------------|-------------------------|
| <b>Bank Loan Ratings</b> | 25.00            | ACUITE BB   Stable   Downgraded | -                       |
| <b>Bank Loan Ratings</b> | 200.00           | -                               | ACUITE A4+   Reaffirmed |
| <b>Total Outstanding</b> | 225.00           | -                               | -                       |
| <b>Total Withdrawn</b>   | 0.00             | -                               | -                       |

#### Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.25.00 Cr. bank facilities and reaffirmed its short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.200.00 Cr. bank facilities of Hariyana Ship Breakers Limited (HSBL). The Outlook is '**Stable**'.

#### Rationale for rating downgrade

The rating factors in HSBL's established presence in the ship-breaking industry; however, the downgrade reflects the significantly subdued operating performance in FY25 and FY26 on account of the absence of ships for dismantling, leading to negligible revenues and continued operating losses. While the financial risk profile remains moderate with low leverage and adequate coverage indicators, the company's net worth remains heavily invested in associate/affiliate real-estate entities, limiting financial flexibility from core operations. Liquidity remains adequate, supported by modest repayment obligations and income from the investment portfolio. The rating remains sensitive to the timely availability of ships and the company's ability to revive operating scale over the medium term.

#### About the Company

Incorporated in 1981, HSBL is a public limited company engaged in ship breaking at Alang-Sosiya, Bhavnagar, Gujarat, operating on a 4,185 sq. m plot leased from Gujarat Maritime Board. It also trades in ferrous and non-ferrous metals, coils, and holds real estate investments. The board includes Mr. Rakesh Shantisarup Reniwal, Mr. Shantisarup Ramkumar Reniwal, Mrs. Unnati Rakesh Reniwal, Mr. Yogesh Anantraï Thakkar, Mr. Divyush Goenka, and Mr. Viralkumar Shivlâl Teli. The registered office is in Mumbai (MCA), with Bhavnagar listed under GSTIN.

#### Unsupported Rating

Not Applicable

### **Analytical Approach**

Acuite has considered standalone business and financial risk profile of Hariyana Ship Breakers Limited (HSBL). The change in approach from earlier consolidation with Hariyana Ship Demolition Private Limited (HSDPL) & Inducto Steel Limited (ISL) is due to change in management of the company post-split between the promoter family.

### **Key Rating Drivers**

#### **Strengths**

##### **Established presence of promoters in ship recycling industry**

The promoters have over three decades of experience in the ship-recycling business, providing the company with established industry relationships and an understanding of pricing and procurement dynamics. Their longstanding presence at Alang, a key ship-breaking hub, supports operational familiarity and market access.

##### **Moderate financial risk profile**

HSBL's financial risk profile remains moderate, supported by a net worth of Rs.146.87 crore as on March 31, 2025, along with a conservative capital structure. The gearing stood low at 0.11 times in FY2025, reflecting limited dependence on external borrowings. Coverage indicators remain adequate, with interest coverage at 2.25 times and DSCR at 1.88 times in FY2025, indicating steady cash-flow support for repayment obligations. The TOL/TNW ratio at 0.13 times in FY2025 (against 0.12 times in FY2024) also reflects a comfortable liability position.

Overall, the moderation in leverage, balanced by stable debt protection metrics, underscores a financial profile that provides sufficient headroom for operational and funding needs.

#### **Weaknesses**

##### **Subdued operations**

HSBL's operating performance remained significantly subdued in FY2025, with revenue declining sharply to Rs.0.22 Cr. from Rs.148.63 Cr. in FY2024 due to the non-availability of ships for breaking, which forms the company's core business activity. The company reported a negative operating profit of Rs.(1.31) Cr. in FY2025 against Rs.(2.67) Cr. in FY2024, while PAT moderated to Rs.1.60 Cr. from Rs.3.23 Cr, supported largely by investment income in the absence of operational contribution. Going ahead, revenue is expected to remain very low in FY2026 given the continued lack of ship availability, with an improvement anticipated in FY2027 as the management expects one or two vessel buys to materialize over the next few months.

##### **Significant investments in group companies**

A significant portion of the net worth (~94% as on 31st March 2025) is invested primarily in associate/affiliate companies engaged in real estate, resulting in a heavily invested net worth profile. Timely recovery from these investments thereby providing liquidity boost shall remain a key monitorable.

##### **Susceptibility of operations to ship availability and volatile steel prices**

HSBL's operations are exposed to risks from ship availability and volatile steel prices. Geopolitical factors often restrict vessel inflow, while competitive bidding and sharp price swings erode margins. Although the company is in discussions with brokers to purchase more ships, cash flows remain cyclical and uncertain.

#### **Rating Sensitivities**

##### **Potential triggers (individual or collective) for an upward rating action:**

- Increase in operating income and margins with revival of operations
- Generation of net cash accruals above Rs 5 Cr

##### **Potential triggers (individual or collective) for a downward rating action:**

- Absence of revival of operations with net cash accruals falling below Rs 2 Cr
- Any further significant investments in group companies

**Liquidity Position****Adequate**

HSBL's liquidity position is adequate, marked by positive cash accruals of Rs.2.72 Cr. in FY2025 against modest debt obligation of Rs.0.14 Cr. during the same period. Going forward, the cash accruals are expected to be in the range of Rs.5.45-5.80 Cr. over the medium term. Further, liquidity is supported by a sizeable investment portfolio and low reliance on term debt. The current ratio stood at 0.19 times as on March 31, 2025, with unencumbered cash and bank balance of Rs.0.13 crore.

**Outlook: Stable****Other Factors affecting Rating**

None

**Key Financials**

| Particulars                   | Unit    | FY 25 (Actual) | FY 24 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 0.22           | 148.63         |
| PAT                           | Rs. Cr. | 1.60           | 3.23           |
| PAT Margin                    | (%)     | 714.88         | 2.17           |
| Total Debt/Tangible Net Worth | Times   | 0.11           | 0.10           |
| PBDIT/Interest                | Times   | 2.25           | 3.06           |

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

Not Applicable

**Any other information**

None

**Applicable Criteria**

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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](http://www.acuite.in).

**Rating History**

| <b>Date</b> | <b>Name of Instruments/Facilities</b> | <b>Term</b> | <b>Amount (Rs. Cr)</b> | <b>Rating/Outlook</b>  |
|-------------|---------------------------------------|-------------|------------------------|--|
| 19 Dec 2024 | Letter of Credit                      | Short Term  | 200.00                 | ACUITE A4+ (Downgraded from ACUITE A3)                       |
|             | Cash Credit                           | Long Term   | 25.00                  | ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Negative) |
| 21 Sep 2023 | Letter of Credit                      | Short Term  | 200.00                 | ACUITE A3 (Reaffirmed)                                       |
|             | Cash Credit                           | Long Term   | 25.00                  | ACUITE BBB-   Negative (Reaffirmed)                          |

**Annexure - Details of instruments rated**

| Lender's Name        | ISIN                 | Facilities       | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating  |
|----------------------|----------------------|------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| Punjab National Bank | Not avl. / Not appl. | Cash Credit      | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 25.00             | Simple           | ACUITE BB   Stable   Downgraded ( from ACUITE BB+ ) |
| Punjab National Bank | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 200.00            | Simple           | ACUITE A4+   Reaffirmed                             |

**Contacts**

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|--|---|
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**About Acuité Ratings & Research**

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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