



“Shipping Corporation of India Q2FY '26 Earnings Conference Call”

November 10, 2025



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CAPTAIN DANIEL CHANDRAN – GENERAL MANAGER,
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MODERATOR: MR. VARATHARAJAN SIVASANKARAN - ANTIQUE
STOCK BROKING LIMITED



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Moderator: Ladies and gentlemen, good day, and welcome to the Shipping Corporation of India Q2FY '26 Earnings Conference Call, hosted by Antique Stock Broking Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Varatharajan Sivasankaran. Thank you, and over to you, sir.

V. Sivasankaran: Thank you, Bhoomika. A very good afternoon, everyone. It is my absolute pleasure to welcome all the participants and the Top Management of Shipping Corporation of India to this Results Call.

We have with us the Top Management of Shipping Corporation of India, led by Captain B. K. Tyagi, Chairman and Managing Director, Mr. Vikram Dingley, Director (Technical & Offshore Services), holding additional charge as well of Director (Finance), Rear Admiral Jaswinder Singh, Director (Liner and Passenger Services), holding additional charge of Director (Bulk Carrier and Tankers), Captain SomRaj, Director (Personnel & Administration), Mrs. Charusheela Golapalli, CFO, and Captain Daniel Chandran, General Manager (Bulk Carriers and Tankers).

I would like to hand over the floor to Captain B. K. Tyagi for initial remarks. The floor is yours, sir.

Captain B. K. Tyagi: Thank you, Mr. Varatharajan. Thank you, Bhoomika. Good afternoon, ladies, and gentlemen. A very warm welcome to all our investors, analysts, and stakeholders who have joined us today for the Shipping Corporation of India's earning call to discuss our financial performance for the second quarter of FY '25-'26.

Let me begin by thanking you for your continued trust and partnership as we navigate a dynamic global shipping environment and continue to strengthen SCI's leadership in India's maritime sector. I am pleased to share that we have delivered a steady and resilient performance this quarter, despite global market volatility and mixed freight trends across segments.

Our standalone net profit stood at INR 176 crores, while the consolidated net profit was INR 189 crores. Last quarter, we had posted standalone profit of INR 343 crores and consolidated profit of INR 354 crores. The last quarter's profit was higher, mainly due to a non-recurring



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other income component of INR 79 crores, which was basically interest on an income tax refund we received.

This quarter, we also took a hit on foreign currency loans due to depreciation of rupee against the dollar. The operating revenue came in at INR 1,339 crores, vis-à-vis INR 1,315 crores in the last quarter.

Earning Before Interest, Tax, Depreciation, and Amortization for the quarter was INR 504 crores. We continue to maintain a strong balance sheet with a net worth of INR 7,963 crores, cash and liquid investment of INR 1,875 crores, and long-term debt of INR 2,526 crores. This translates to a debt-equity ratio of 0.32 and a DSCR of 4.24, underscoring our sound financial position and liquidity.

The Board has also declared an interim dividend of 30%, reflecting our commitment to delivering consistent value to our shareholders.

Coming to operation:

Our owned fleet now stands at 58 vessels, and we manage an additional 40 vessels across various categories for government organization, with an average age of 15.5 years. This quarter, we were proud to induct two very large gas carriers, VLGC Sahyadri and VLGC Shivalik.

These vessels were built by Hyundai Heavy Industries. Each has a capacity of around 82,000 cubic meters, and their induction significantly strengthened our position in the LPG transportation segment. Both vessels will be deployed on the Persian Gulf-India route, enhancing our energy transportation capacity and supporting India's growing energy demand.

A key highlight this quarter was the signing of an MoU with Bharat Petroleum, Hindustan Petroleum, and Indian Oil Corporation. Under this collaboration, we aim to jointly acquire, own, and operate vessels for transporting petroleum, petrochemical, and other hydrocarbon cargoes. This initiative supports the vision of Atmanirbhar Bharat, strengthens India's shipping capacity, and reinforce SCI role as a critical partner in enhancing national energy security. Looking ahead, we remain optimistic yet prudent.

Now, I would request my Operating Divisional Directors to kindly brief about the market segments. First, I will request Admiral Jaswinder Saab to give the brief about the bulk tanker and then the liner segments. Over to Jaswinder ji.

Admiral Jaswinder Singh: Good evening, ladies, and gentlemen. At the outset, I would welcome all SCI's investors and stakeholders for today's investor con call. I am Admiral Jaswinder Singh, Director (Liner), and presently also holding the Charge of Director (Bulk Carrier and Tankers).



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Since we are having this con call after a long time, I would give you a brief background about the Liner segment. Last to last financial year, the liner segment was in loss with two container ships.

In the last financial year, we have had a complete turnaround of this segment with a profit of INR 166 crores. This was primarily because of SCI in-chartering three container ships, deployment of a 9,000 TEU ship, SCI Delhi in India-Europe sector, optimum utilization of our container ships, and digital automation of certain commercial and day-to-day activities.

Today, because of the prevailing geopolitical environment, though the container market is not very favorable, but SCI liner segment is doing well. Though the result only shows a profit of INR 11 crores, but this is primarily because of certain ECL provisions of few customers, which we are very confident we will be able to get this money. And once we receive it, it would be reversed in the forthcoming quarters. I am confident that the Liner segment would grow as per SCI's business plan and post much better results in the forthcoming quarters.

I will now move to the Tanker segment. Our tanker segment remains the cornerstone of SCI's operations, with 31 tankers, including the Chairman just mentioned, the two recently inducted very large gas carriers, that is Sahyadri and Shivalik.

Historically, you people are aware that the winter months are always more favorable for tanker market. We, therefore, have had proactively scheduled repairs, that is dry docking of a few of our tankers in the Q2 of this financial year, so that these ships would be available for trade in the winter months.

As anticipated, the VLCC World scale has more than doubled from an average of WS 48.76 in the beginning of this quarter to more than WS 100 presently. Let me assure all the stakeholders that with the increased tonnage and a strategy to ensure optimum availability of tankers at an opportune time, the performance of the tanker segment would be much better in the current ongoing quarter.

I would now move to the bulk carriers. The bulk market has shown an improvement with the BDI increasing from around 1,500 in the Q1 of this financial year to an average of 1,800 in Q2 of this financial year. This has turned around the results of our bulk carrier segment from a loss of INR 48 crores in the Q1 of this financial year to a profit of INR 2 crores in Q2.

Presently, the BDI is around 2,000, that is around 1,975, slightly less than 2,000, and if it continues at this level, then the results of the bulk segment would further improve in the ongoing quarter.

Before I conclude, I want to assure all the stakeholders that SCI would induct the tonnage as per our business plan, which was recently released by the Honorable Prime Minister, Shri



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Narendra Modi, during the recently concluded India Maritime Week. This would only ensure that SCI's growth and better results are posted in the forthcoming years. Thank you. Jai Hind.

Captain B. K. Tyagi:

Thank you, Admiral Saab. Now, I will request Director (Technical and Offshore) to give the brief.

Vikram Dingley:

Shipping Corporation of India presently has 10 offshore support vessels, of which seven vessels are currently engaged under long-term charters with clients like ONGC, the Indian Navy, and DRDO, while the remaining vessels are gainfully employed in the spot market.

And informatively, SCI recently bagged contracts essentially where the vessels were repriced at almost 50% higher charter than was earlier prevailing. And these are on charter for a period of three years. And these vessels are also recently upgraded as per the ONGC requirements.

The offshore segment fundamentals remain positive, underpinned by firm demand for fuel-efficient and technologically advanced vessels. With the existing long-term contracts, potential renewals under discussion, and selective participation in strategic tenders, SCI is expected to maintain a steady revenue base and improve utilization in the coming quarters.

Captain B. K. Tyagi:

Thank you. Thank you, Vikram ji. Ladies and gentlemen, we have uploaded PPT on the last Friday, which has all basic information. I am sure all the investors have gone through that. Now, we can begin with the question-and-answer session, Bhoomikaji.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Arpan, an individual investor. Please go ahead.

Arpan:

Thank you, sir. Thanks for your summary and the development. Only I have one question that in the Maritime Week where Mr. Modi also announced about the Bharat shipping container and MoU with our PSUs, it's with the green tug, right? How are we moving on that in terms of what my understanding that it will be probably routed to SCI, and we were in the process of incorporating the new entity to take this project further. If you can put some light on the development on that.

Captain B. K. Tyagi:

Yes. See, Honorable PM has announced the SCI business plan during India Maritime Week. And it has got two, three components. Number one, SCI owned a business roadmap up to 2047. We appointed one of the consultants, and consultant had assisted us. And now we have got an overall business plan which spans up to 2047. It is long term, and this has got a very visionary plan, and this is in line with the Viksit Bharat 2047. That is one.

Second is MOPNG oil companies have done the demand aggregation. And total 59 vessels are identified by them as an end user. And further, in the month of September, SCI has signed one MoU with IOC, BPCL, HPCL. And now we are in the process of incorporating one JV,



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specific JV, where we all will be the shareholders. SCI will be the leading shareholder. And this vessel acquisition will be done by this particular JV. And the idea is that these oil companies which need to move the cargo, they will give the firm commitment to the JV, and all vessels will be engaged there. So, this is overall basically plan and the points which you have basically asked.

- Moderator:** The next question comes from the line of Vikram Sooryavanshi from Phillip Capital. Please go ahead.
- Vikram Sooryavanshi:** The first commitment which will come to JV, will this be like a contract, like a very long term in nature, like five years, seven years, or it will be like a contract will be renewed every year? Because I guess pricing will be driven by what is available at the international market at that point in time, or how that structure will work?
- Captain B. K. Tyagi:** See, this JV intention is to have the long-term commitment from oil companies to the JV vessels. And this freight or the charter would be linked with the market indexes. So, it will be a very fair pricing mechanism so that there is no issue from any side of the equation. So, answering specific to your question, this will be the long-term commitment by the oil companies to the JV.
- Vikram Sooryavanshi:** So, there will be one base rate plus whatever incremental index rates will happen, it will be shared.
- Captain B. K. Tyagi:** Correct, correct. Something like this. And there are different indexes for the different segments. So, whatever the prevailing index for, say, for the crude oil, for the bulk, or for the gas also, so market indexes and plus minus some formula will be designed.
- Vikram Sooryavanshi:** And do we need to buy these new vessels built in India, or we can buy second-hand vessels in the international market?
- Captain B. K. Tyagi:** See, there will be two approaches for this. And this is what we at SCI are also doing. The new vessel ordering and then delivery would be after three or four years, but we want to basically increase our fleet number. And the easiest way is to buy some second-hand vessels from the market. And this is what exactly we have done by purchasing two VLGCs. Similar approach would be used in the JV also.
- Vikram Sooryavanshi:** And last question from my side, earlier we are active in coastal shipping side also. So, how are the opportunities emerging or any plan from that side also on coastal shipping side?
- Captain B. K. Tyagi:** See, coastal shipping, SCI is very active. As far as the crude oil moving on the coastal, India, sorry, SCI has got a monopoly there. We move a lot of bulk cargo, coal cargo on the East Coast of India. Further on West Coast of India, these are two small container vessels. They are



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busy 24 by 7 moving containers from North India towards South India and back. So, we are very much active on the coastal movement of cargo.

Vikram Sooryavanshi: Just to complete the question, I just got another point. That 59 vessel what we are talking about JV with HP, IOCL, BP, will this be exclusively with SCI and all 59 vessels will be through JV, or HP, BP, IOCL can have another JV with another shipping company also?

Captain B. K. Tyagi: See, as far as we are aware, this 59 vessel demand aggregation is done by the MOPNG companies. And at this stage, intention is these all vessels should be procured by this JV, and the operation will be with SCI.

Vikram Sooryavanshi: It was very helpful, sir.

Moderator: The next question comes from the line of Venkatesh Subramanian from Logictree Consultants. Please go ahead.

Venkatesh Subramanian: Congratulations on a very nice quarter. We can see that there is a lot of dynamism coming to this company, sir. Two questions, sir. One is, based on what you are projecting and if this 59 vessels comes into the fleet, what kind of vision or what kind of revenue target do you have in mind for the foreseeable future, say, next three to five years? And what kind of operating margins are you looking at on this one? That is my first question.

Captain B. K. Tyagi: See, as far as these 59 vessels are concerned and the revenue, our intention is to at least make 2x to 3x the revenue, what SCI is currently doing. And operating margins, maybe CFO can throw some light on this. Go ahead, please.

Charusheela Golapalli: We are planning to have it at operating margin of 50%.

Venkatesh Subramanian: 50%, sir? 50%, ma'am?

Captain B. K. Tyagi: Yes, around 50%.

Venkatesh Subramanian: Which 50% is okay. Yes, that's a great improvement because I think currently our operating margins hovers around on a top line of INR 5,600 crores last year, we did about an operating profit of INR 1,700 crores. So, our target is going to be to aim 50%, 5-0.

Captain B. K. Tyagi: Yes, see, idea is to have the challenges and the good target. Then only we can make the bets.

Venkatesh Subramanian: Second question is, you said we have cash and liquid investments on the books to the tune of INR 1,800 crores, and we also have some long-term debt on books. That long-term debt is basically for buying the vessels, sir? What is the purpose of the long-term debt? Because you have cash on one side and you have debt on the other side?



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- Captain B. K. Tyagi:** Again, I will request my CFO to...
- Charusheela Golapalli:** Yes. We are holding on this cash because we have this acquisition plan. And the acquisition plan, whenever we sight any vessel and whenever the deal is favorable, that cash should be available with us, and that is the whole purpose of holding cash.
- Venkatesh Subramanian:** Holding cash, okay. Ma'am, since we have some long-term debt to fund this plan for expansion and acquisition of 59 vessels along part of the JV, SCI would need to invest some equity capital into this new joint venture, and we would need some funds over the next few years, right? Any idea what kind of fundraising, what kind of funds you would need to get this into reality?
- Charusheela Golapalli:** Yes. See, presently we have cash. And as we go ahead with the JV and as we sight the requirement, accordingly, it will be dealt with.
- Captain B. K. Tyagi:** I will add something more here to what our CFO said. This JV, what is being incorporated, SCI will have 50% shareholding there. And 40% will be IOC, BPCL, HPCL, and 10% is expected from MDF, Maritime Development Fund. So, this will ease up the situation for SCI as far as arranging the funds.
- Venkatesh Subramanian:** So, in that joint venture, basically, we will put in 50% of the money, and everybody else will participate as per their shareholding, basically. Yes?
- Captain B. K. Tyagi:** Correct. And out of 50% also, and as a practice in shipping, we borrow 70%, and 30% is our own money.
- Venkatesh Subramanian:** So, another question is, you talked about market index, market linked in terms of pricing the vessels and prices for all the three customers. So, would that be since the global price movements today are driven by a variety of index, Baltic Dry Index, etc., and especially in U.S. dollar terms, would you also consider that we also develop internally a National Maritime Index because our pricing is going to be also in Indian rupee, and we are going to deal a lot with Arabian nations and Russia?
- Captain B. K. Tyagi:** See, this is definitely a good dream to have our own index. But shipping is an international market, and all transactions are of international nature, basically. Today, if you want to fix any VLCC, there is a specific trade index, and every day on the working date it is published. So, that is a good indicator that how the market is going up and down. And that becomes the obvious benchmark for any party in the shipping. So, that would be the ideal, and it will be transparent, and it will be definitely at arm's length.



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Venkatesh Subramanian: So, the two VLGCs which you have inducted into the fleet, what is the contribution of these two VLGCs to our revenue profile? How much can they on an average year, what can they bring in, in terms of revenues?

Captain B. K. Tyagi: See, every year, charter hire value of one of the VLGC would be \$12 million to \$15 million. And just to share with all investors, this one of the VLGCs is already given to IOC on five-year long-term charter.

Venkatesh Subramanian: Already done. Super.

Captain B. K. Tyagi: Yes.

Venkatesh Subramanian: I will join the queue, sir. I will come back.

Moderator: The next question comes from the line of Digant Haria from Greenedge Wealth. Please go ahead.

Digant Haria: Sir, the question is always again, let's see if we are going to ship, maybe it will require...

Moderator: Mr. Digant, I am sorry to interrupt you, but your voice is breaking.

Digant Haria: So, my question is, sir, for the JV, if we are going to buy 59 new ships over, say, five years, it will need an amount of, say, INR 10,000 crores, to INR 15,000 crores. Is that right? Or do you have an estimate for that amount?

Captain B. K. Tyagi: You are right. It will be in the same range because we have got a variety of ships, right from offshore vessels up to VLGC and VLCC also. But the total investment Capex will be in that range.

Digant Haria: And then when we say that our revenue should be 2x or 3x because, see, our current revenue comes out of our 52 own ships, and we have some managed ships also. So, with so many ships, if we do INR 5,500 crores revenue now, how with just 59 new ships, we can do 3x our revenue? Are we going to buy different kind of larger ships? Or any details you can give on that?

Captain B. K. Tyagi: See, two, three points I will give in this support. Number one, these 40 vessels what we are managing, they do not add to the revenue of SCI. We get only some management fees, cost-plus basis. So, basically, revenue is only from our own 58 vessels.

Further, current fleet is 15 years plus old. So, there is definitely some disadvantage when we charter out. We do not get the best if we compare to the new vessel or the vessel which is less



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than 5 years or 10 years. So, once we get these 59-odd vessels, if these are new, definitely better charter, higher and better revenue will be given.

Digant Haria:

And I have one question which is slightly, let's say, in our past, I am talking about the last decade, Shipping Corporation of India, we ended up buying ships at the peak of the cycle, and then we had a lot of debt. And after that, seven, eight years really did not go well. This time, when we buy these new ships, will we have more of an assured revenue and we don't end up with the same situation which happened in the last decade? Any thinking on that?

Captain B. K. Tyagi:

Yes, your observation is very correct. This time, how we are covering this risk is by forming JV and by having the long-term commitment from the cargo owners like IOC, BPCL, HPCL, and similar exercise we are attempting with dry bulk cargo.

So, similar exercise we are attempting with the dry bulk cargo owners also. So, by having the long-term commitment, vessel utilization and at the market level, these two things will be ensured.

Digant Haria:

That's good to know. Sir, in our present fleet, which is at 58 ships that we have, what percentage of the contracts are probably at lower rates and that can get revised later on at a higher rate or any such data if you can give us?

Captain B. K. Tyagi:

See, offshore sector, we have got 10 vessels, and most of the contracts are already revised. As far as the tankers and bulk areas, we have a short-term contract for the voyage charter, and we are taking advantage of the current prevailing market, especially in tankers. Whenever we feel comfortable, we are locking our units for the longer period like we did for VLGC. And recently, we have done one VLCC also with the IOCL again.

Digant Haria:

Which means the current operations are quite efficient, actually, right? That we are already like...

Captain B. K. Tyagi:

Yes, definitely efficient. And we would like to improve further.

Digant Haria:

And these managed ships, what revenue do they give us? We have around 45 fleets or 45 ships or something which we just manage. Any total, what would be the number of the total revenue that all these 45 ships give us?

Charusheela Golapalli:

Last financial year, it was around INR 84 crores.

Captain B. K. Tyagi:

So, this is a service which we provide as a government company to various government departments.



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- Digant Haria:** No, no. Perfect, sir. And lastly, on this JV, we said that our operating margins we are targeting at 50%. So, this margin would be better than our current margin profile because we may be buying ships which are five years or eight years old. So, we may get better rates. Is that the assumption there?
- Captain B. K. Tyagi:** Yes, you are perfectly right there. Better, more efficient, lesser age, and the firm commitment of the cargo back to back, this all should ensure this.
- Moderator:** The next question comes from the line of Ajit Sanjay Darda, an investor. Please go ahead.
- Ajit Sanjay Darda:** Sir, I have two, three questions. So, my first question is, sir, as we have decided to buy 59 vessels, what is the expected IRR for these vessels under our proposed JV with BPCL, HPCL, and IOC? And is it reasonable to assume, sir, IRR of around 11% or more after depreciation and interest?
- Captain B. K. Tyagi:** See, let me just correct. At this stage, MOPNG has done the demand aggregation for 59 vessels. And as the JV gets incorporated, then JV will decide which vessel to be taken first. And this will be definitely test would be the IRR. So, this IRR, as a Board of SCI or as a Board of JV, will only approve once it is sensible, definitely more than 10% to 11%. These 59 vessels will be spread over time, maybe next five years and which vessel to be purchased first, test would be definitely in terms of IRR.
- Ajit Sanjay Darda:** And sir, as you said that this contract will be based on the index, so I just want to confirm whether there will be one base rate plus some index, plus or minus some index. Will that be such a thing, or it will be just index? I mean, just spot thing?
- Captain B. K. Tyagi:** See, you are absolutely right. Let me give you a small example. Today, VLCC, say, WS, World Scale is 100. So, whenever the tanker loads at a particular load and the BL date is the date of BL date, whatever the world scale for that particular segment, that and plus minus some formula which will be agreed between the JV and, on the other hand, the cargo movers, in this case, IOC, BPCL, HPCL. So, it will be a very fair and transparent way of giving and taking the money.
- Ajit Sanjay Darda:** And sir, one more thing. In management fees, you said we have top line of INR 84 crores in last year. And what is the margin in that business, sir?
- Captain B. K. Tyagi:** This is different. For Ministry of Earth Science, for Andaman and Nicobar, this percentage is different. It is ranging from 5% to 6% to up to 10% to 12%.
- Ajit Sanjay Darda:** How much is the profit in INR 84 crores?
- Captain B. K. Tyagi:** This all is the profit to SCI under the Management Fees. This is cost-plus.



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- Ajit Sanjay Darda:** No expenses, right?
- Captain B. K. Tyagi:** No. We do expenses, but the expense plus something we get out of this.
- Moderator:** The next question comes from the line of Akshay Ajmera from Nirzar Securities LLP. Please go ahead.
- Akshay Ajmera:** Sir the discussion we just had about the JV so under this the contracts will be the COA basis or as you were saying it will be in long-term so in the long-term we are going to do the demand commitment and everything else will be on a spot basis or will this be on COA basis? How are these contracts going to work?
- Captain B. K. Tyagi:** See, there could be any combination. One you mentioned about COA, which is a very active formula in shipping especially in tanker market. Second could be that we do 10-15 years of time charter with the oil companies in JV. And some combination could be kept for spot.
- Akshay Ajmera:** So, for 10-15 years we should fix a base rate that this much amount we are going to receive which would be in the form of assured return. I was thinking in that way if this could be possible.
- Captain B. K. Tyagi:** See, as a JV, major shareholder, I would love to do that to ensure that it does not go below breakeven and we and our shareholders get the maximum earnings. But this will be matter of discussion and decision with the oil companies. But this I can assure you, it will be a transparent system. The way market is behaving, in the same way, SCI in the JV will be earning.
- Akshay Ajmera:** Going forward, sir, as you have like we have given VLGC to Indian Oil for five years so is there any fix freight base rate here for us and can we think about 10 years or 12 years going forward?
- Captain B. K. Tyagi:** No, this is a firm period for 5 years and in the per day charter is already fixed.
- Akshay Ajmera:** Generally, what could be the IRR for this?
- Captain B. K. Tyagi:** I can give you an idea about this. As of today charter hire per is day rate is around \$38,000 to \$40,000.
- Akshay Ajmera:** And we get this for all 360 days?
- Captain B. K. Tyagi:** Yes, 360 days or 365 days for whatever reason for example if it goes for maintenance or goes for dry-dock or for PMS then it will get deduct from the owner's account.



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- Akshay Ajmera:** So, what would be our expense sir from this revenue?
- Captain B. K. Tyagi:** If you catch the 15 years old ship then the standing cost of this would be around \$27,000 to \$28,000 everything else is the saving.
- Akshay Ajmera:** This will also include interest and depreciation cost?
- Captain B. K. Tyagi:** Yes.
- Akshay Ajmera:** Sir, as CFO Madam has said that in our JV our target is to work 2x to 3x of our existing top-line and our endeavor is to achieve the operating margin of 50%, did I hear it correct.
- Captain B. K. Tyagi:** It is highly possible and our whole team is working toward that direction. This JV formation is a step towards that direction.
- Moderator:** The next question comes from the line of Anushree from Alpha Invesco. Please go ahead.
- Anushree:** I have one or two questions, sir. One is like we have signed an MoU with oil PSUs. So, can we expect similar MoUs with ONGCs or gas companies for offshore logistics and transportation of natural gas, like one we have already signed, I guess, VLGC, but is there also a plan to form a JV like we have formed with the oil companies?
- Captain B. K. Tyagi:** See, this MoU which I have discussed, this is with the oil companies. This will cover oil and gas both. Further, our ministry is discussing with MOPNG and efforts are on to replicate the similar business module for the other segment, offshore and dry also.
- Anushree:** And sir, what is the expected timeline for operationalizing the JV, including contract award, vessel acquisition, deployment? Any timeline we have for that?
- Captain B. K. Tyagi:** Timeline tentative for JV to be in place is December 2025. And parallelly, this tendering process is happening. And hopefully, maybe December, we will be floating tender also for at least a few vessels under JV.
- Anushree:** And sir, overall, since there is a fast track also from the top orders, so is there any plan, including the ministerial approvals, as they become more efficient, faster, transparent with all this shipping initiative going on? Like, is it going to be better this time around or is it going to be slow-paced?
- Captain B. K. Tyagi:** See, this time, there is a completely different environment. There is a thrust. There is a commitment right from the topmost office of this country. Our ministry is working 24 by 7. And this time, building the ships in India...



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- Moderator:** We have the management connected with us. Please go ahead, sir.
- Captain B. K. Tyagi:** So, I was giving update that how serious is the commitment from Government of India and ministry. You can see in the last Union Budget, there were declarations about the maritime industry. Our Parliament has already cleared five maritime bills. Cabinet has approved nearly INR 70,000 crores equivalent various schemes. So, this all shows the serious commitment of our ministry and the Government of India.
- Now there is a completely different environment. Government is trying to put the suitable policies in place, create the environment, ecosystem to build the ships in India to increase the Indian tonnage. As you all are aware, that today, every year, \$76 billion to \$80 billion goes out of country in terms of the freight and which prime minister has mentioned repeatedly, this is equivalent to Indian annual budget also, defense budget.
- So, overall attempt is to reduce this dependency on the foreign lines and basically step toward Atmanirbhar Bharat. So, coming back to your specific question and the specific reply, this time, Government of India, our ministry is very, very committed. If this has to be done tomorrow, the direction is do it today.
- Moderator:** The next question comes from the line of Rakesh Roy from BoringAMC. Please go ahead.
- Rakesh Roy:** My first question regarding, sir, for Q2, your other expense has increased, sir. How much is the FOREX loss of Q2, sir? Can you give me the breakup of your other expenses?
- Captain B. K. Tyagi:** Yes. Charuji?
- Charusheela Golapalli:** Yes. The other expenses, basically the FOREX loss of INR 67crores because of our rupee depreciation by INR 3. So, that was the major component.
- Rakesh Roy:** INR 67 crores is the FOREX loss?
- Charusheela Golapalli:** Yes.
- Rakesh Roy:** This is the major. And other thing, any other second, anything important? Generally, you have INR 6 Cr to INR 10 Cr other expenses, but this time it is INR 116 Cr.
- Charusheela Golapalli:** Yes. So, that was basically because of this. And then some loss we moved because of the ECL provision which we made towards the debtor. So, that was around INR 30 crores.
- Rakesh Roy:** My next question, sir, as you mentioned you are looking to 2x to 3x of revenue from JV. This is apart from the current revenue or this is INR 10,000 crores we are seeing simply only for JV or this one?



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Captain B. K. Tyagi: No. Overall, we are talking.

Rakesh Roy: Overall. Is it 2x to 3x in next how many years, sir? Three years, '28, '29? Any idea, sir?

Captain B. K. Tyagi: Next five years horizon.

Rakesh Roy: Next five years, we will touch 2x to 3x and operating margin of 50%.

Captain B. K. Tyagi: That's the target.

Rakesh Roy: And sir, next question, sir, regarding your freight expansion, some days back just our Shipping Minister had said that we are going to float another four tankers in October. So, two we have taken already. We are going to float new tankers. So, any update on this one?

Captain B. K. Tyagi: Yes, in this under JV, we are in process to prepare the tender terms and technical specifications. Some vessels, this is a particular category which we are discussing with the other partners of the proposed JV. And hopefully, by next month, we will float the tender.

Rakesh Roy: And any idea how many tender you will float in FY '26, '27?

Captain B. K. Tyagi: Oh, this will be a 'n' number of tenders.

Rakesh Roy: And any idea to add any in SCI books, SCI, no JV separately?

Captain B. K. Tyagi: Yes. Parallely, we will have some actions as SCI alone also. We are also, in fact, today, if you visit our website, we are in the process of purchasing some second-hand vessels also. Tenders are live.

Rakesh Roy: Vessels, can you give me idea?

Captain B. K. Tyagi: See, currently, VLCC tender is on the website.

Rakesh Roy: Your website is not updated because I just checked. It is not showing anything. So, can you give me the idea for this one, how much for SCI tendering for '26, '27? Only for SCI, not for JV?

Captain B. K. Tyagi: '26, '27 our targets, anyway, this has to go to the Board. But roughly, it can be any figure somewhere 10 to 12 vessels.

Rakesh Roy: So, 10 to 12 vessels for FY '26-'27?

Captain B. K. Tyagi: Yes. Yes.



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- Rakesh Roy:** And this already we had added two vessels this year. Any idea to add more for SCI books for FY '26? Any idea?
- Captain B. K. Tyagi:** Yes. Current FY, we are still hopeful and we are very bullish to add a few more second-hand vessels to the fleet.
- Rakesh Roy:** Sir, last question on tankers.
- Moderator:** I am sorry to interrupt you, Mr. Rakesh, but please rejoin the queue for further questions. The next question comes from the line of Vikram Sooryavanshi from PhillipCapital. Please go ahead.
- Vikram Sooryavanshi:** Just a quick clarification, sir. NAV, what you have given is INR 170 is based on book value. So, if you do it on market value basis, how much it would be approximately?
- Captain B. K. Tyagi:** Charuji?
- Charusheela Golapalli:** It will be around INR 272.
- Vikram Sooryavanshi:** 270?
- Charusheela Golapalli:** Valuation is based on 31st March 2025.
- Vikram Sooryavanshi:** On market price basis?
- Charusheela Golapalli:** Yes.
- Vikram Sooryavanshi:** Just one clarification on JV side, so JV will own the vessels, we got it, but the operation of that will be managed by SCI and JV will charter out to SCI and then they will operate it, or will JV, everything will be operated and managed by JV and whatever JV profit will be there, 50% will be our share? Or is there any opportunity for SCI to earn operating income by using these JV vessels?
- Captain B. K. Tyagi:** See, there will be two distinct roles for SCI as an owner also to the tune of 50%. Further, all the operations of JV vessels will be done by Shipping Corporation of India. There, SCI will get some management fees also.
- Vikram Sooryavanshi:** So, it will be management fees. JV will not out-charter it to SCI?
- Captain B. K. Tyagi:** No. See, the JV will own the vessels. And these vessels would be then basically out-chartered or will be transporting cargo of Indian oil companies.



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- Vikram Sooryavanshi:** And management fees, management will only be done by SCI?
- Captain B. K. Tyagi:** Management, yes. That function, technical and manning, will be done by SCI. And for that, SCI will be paid some charges, management fees.
- Vikram Sooryavanshi:** But it will be around like a thousand, few thousand dollars per day, per month basis, per fee price, like that?
- Captain B. K. Tyagi:** No. No. This will depend on the number of vessels actually whatever time we consider, and this detail at this stage cannot be calculated.
- Moderator:** The next question comes from the line of Venkatesh Subramanian from Logictree Consultants. Please go ahead.
- Venkatesh Subramanian:** So, my two questions. One is follow-up on the NAV. In the presentation, the NAV that is given is based on book value, but as per market value, it is 272. Is that right, ma'am?
- Charusheela Golapalli:** Correct.
- Venkatesh Subramanian:** The second question as of 31 March 2025. Okay. Great. Sir, the next question is for the acquisition and for the joint venture. You said that it could involve about INR 10,000 crores to INR 15,000 crores of funds to be infused for buying out second-hand vessels. Do you have a plan how these funds are going to be raised? I know that we have some cash reserves, but fundraising, is it in the form of equity or would you be open to getting a strategic partner, a financial partner who can put in, say, 10%-20%? Any thoughts on it?
- Captain B. K. Tyagi:** See, already Government of India, our Ministry has indicated this 10% is likely to be from MDF, Maritime Development Fund. And further, we will require definitely more and more funds. And we will be open for all ideas because definitely as SCI and as a JV, especially as SCI will require a lot of funds.
- Venkatesh Subramanian:** So, this joint venture be like a subsidiary of SCI, sir? Would that be the newly formed JV under the balance sheet? Would that be the way it would be?
- Captain B. K. Tyagi:** It will be a separate entity and where SCI will hold a shareholding up to 50%.
- Venkatesh Subramanian:** Okay. And that particular entity will go to the market to raise funds, basically, right?
- Captain B. K. Tyagi:** Yes if they require. That is, SCI will have 50%, then it will be liability of SCI to arrange that 50%.



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Venkatesh Subramanian: So, SCI, there are many options open to you, sir. Debt, equity, anything. You have to watch out for that as you go along. Is that right, sir?

Captain B. K. Tyagi: Many options.

Venkatesh Subramanian: Many options. Okay. I will come back.

Moderator: The next question comes from the line of Abhishek Getam from Alpha Invesco Research. Please go ahead.

Abhishek Getam: , sir. Thank you for the opportunity. Sir, I wanted to ask a question on our segment. If I see line of business, margins have declined from 28% to 5% year-on-year. And even a bulk carrier business, which the revenues stayed flat, but profits have dropped from INR 20 crores to INR 2 crores, and even similarly in technical and offshore segment. So, I just wanted to ask, can you highlight some reasons why there has been such a volatility across our segments, and what kind of margin and revenue trajectory we expect in the segments going ahead?

Admiral Jaswinder Singh: The liner segment, if you recall, I had mentioned during my presentation that though the profit is INR 11 crores, indicated as INR 11 crores, but it is much more. We took a hit because I mentioned because of the ECL provision as well as because of foreign exchange rate variation. So, actually, if you look at it, margins have not reduced. It is almost the same. But this is what the CFO also brought out, that we have taken a hit of about INR 67 crores for the foreign rate variation as well as about INR 30-odd crores for the ECL provision.

Captain B. K. Tyagi: Further adding to this, what our Admiral Saab has mentioned on the segments. See, bulk carrier in the previous quarter, it was INR 48 crores loss. Now this has come in the positive, INR 2 crores profit. Similarly, T&OS sector also, in the last quarter, it was INR 1.57 crores loss. Now it is on the positive side, INR 1.88 crores. So, things are definitely in bulk segment because of the BDI and the market condition, things are changing fast.

Moderator: I am sorry to interrupt you, Mr. Abhishek, but please rejoin the queue for further questions. The next question comes from the line of Akshay Ajmera from Nirzar Securities LLP. Please go ahead.

Akshay Ajmera: Sir, can I get a broad breakup of the expenses which you have shown of USD28,000 in VLGC segment, what it covers and what it does not cover ?

Captain B. K. Tyagi: We will come back to you with this breakup and information.

Moderator: The next question comes from the line of Chetan Phalke from Tirthan Capital. Please go ahead.



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- Chetan Phalke:** Recently, the VLGCs that we have acquired, what is the balance life of these vessels?
- Captain B. K. Tyagi:** Balance life is roughly 15 years.
- Chetan Phalke:** 15 years. Okay.
- Captain B. K. Tyagi:** Yes. VLGC can be operated up to age of 30 years.
- Chetan Phalke:** And sir, for the proposed JV, what are the expected timelines to operationalize? If you can make us understand the trajectory of over the next two to three years when the contracts will get awarded, when the vessel acquisition will start, when the deployment will start, and how the ministry is helping you to expedite all the approvals and financing and everything. So, on that level, if you can just help us understand the broader picture around this JV.
- Captain B. K. Tyagi:** Number one, JV incorporation, our target timeline is December this year. That means next month. Further process is on to float the tenders. We are expecting tender floating for new construction vessels again December next month. And once these two things happen, then JV is already operationalized. Coming back to the ministry, ministry is taking periodic review and they are monitoring this entire process very closely.
- Chetan Phalke:** So, same time next year, we will have at least 8-10 ships operationalized?
- Captain B. K. Tyagi:** See, as far as the new vessels, order will be placed definitely, but the delivery will take maybe roughly three years. But the second-hand vessel, whatever we induct in the JV, they should be visible in front of us next year like this.
- Chetan Phalke:** So, how many second-hand vessels we are expected to induct?
- Moderator:** I am sorry to interrupt you, Mr. Chetan, but please rejoin the queue for further questions. The next question comes from the line of Kapil Aggarwal from Daksh And Associates. Please go ahead.
- Kapil Aggarwal:** My question is regarding our MoU with RITES. So, how it will be beneficial for us, we can say, will it we add something in our top line or bottom line?
- Captain B. K. Tyagi:** Can you repeat MoU with?
- Kapil Aggarwal:** RITES. We have done MoU with RITES, sir.



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Admiral Jaswinder Singh: Yes. We have done an MoU with them because they want us to transport a lot of their items. Whenever RITES wants something, they sign an MoU and basically, for Ex-Im, if something needs to be imported or exported or something that needs to be transferred from one place to another place via the coastal route.

Kapil Aggarwal: So, there is no such a concrete guideline that how much kind of revenue or we can say profitability it will add in the near future?

Admiral Jaswinder Singh: That will depend upon the business that the RITES gives us. Thereafter, it will add on to your top and bottom line. At this stage, it is in form of MoU.

Kapil Aggarwal: And the kind of MoU we have done ...

Moderator: I am sorry to interrupt you, sir, but please rejoin the queue for further questions. We will take this as the last question for today's call. The next question is from Rakesh Roy from Boring AMC. Please go ahead, sir.

Rakesh Roy: So, my one question is, sir, in today's scenario, tanker market is very demandable. So, just why did we sell the tankers to Sri Lanka in this time?

Captain B. K. Tyagi: No. No. Say you must be talking one of the vessels we have disposed.

Rakesh Roy: Yes.

Captain B. K. Tyagi: It completed its commercial life, and that was due for scrap. That vessel cannot be operated further. And that is the reason SCI has to follow that life cycle process. And that is the reason it was disposed off.

Rakesh Roy: One last question, sir, last time, sir, is asking, and how much vessel we add from the second-hand and how much is for new one for JV?

Captain B. K. Tyagi: See, that breakup is not yet available. JV incorporation formation is in progress. So, once JV is in place, this decision will be taken by the JV. And definitely, SCI will be part of that process.

Rakesh Roy: And any idea how the freight market in next six months for tanker and bulk carrier and liner for next six months? How is the market pricing in term of pricing?

Captain B. K. Tyagi: Bulk carrier and tankers are looking upward, positive. Container also is not bad, and container market will depend on the Red Sea situation, basically. Let's see how this evolves. If Red Sea



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opens and if Red Sea remains as it is, and definitely demand situation in Europe, that need to improve for the container segment.

Moderator:

Thank you very much. Ladies and gentlemen, I would now like to hand the conference over to Captain B. K. Tyagi, Chairman and Managing Director, for closing comments. Please go ahead, sir.

Captain B. K. Tyagi:

Thank you, Bhoomikaji. Thank you, ladies, and gentlemen. I will close by thanking you all for a very active participation, the questions you all had. Thank you, everyone, for participating in this Con Call. In case you have any further queries or questions, you can get in touch with our Investor Relation team. Thank you very much, everyone.

Moderator:

On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.