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SAMI PRIME RESEARCH

Report Date: 28-Oct-2025
Validity: 12 months or until material change.

Shipping Corporation of India Ltd. (SCI)

1. Security / Instrument Details

- Company: Shipping Corporation of India Ltd.
- Symbol: SCI
- ISIN: [Equity ISIN – SCI]
- Sector/Industry: Marine Transport / Shipping (Navratna PSU, Government of India)
- Listing: NSE / BSE
- CMP (ref.): ₹274 (late Oct 2025 snapshot)
- 52W Range: ₹138 – ₹280
- Market Cap: ₹10,000–₹12,779 Cr
- Dividend Yield: ~2.4%
- Stock P/E: ~14.1× vs Industry P/E ~14.3×
- Book Value/Share: ~₹178 → P/B ~1.5×
- Promoter Holding: President of India (GoI) ~63.75% (pledge 0%)
- Credit Rating: ACUITE AA+ (Stable) / A1+ (₹7,500 Cr bank lines)

2. About the Company

Shipping Corporation of India Ltd. (SCI), a Navratna PSU under the Ministry of Ports, Shipping & Waterways, operates a diversified fleet of ~59 vessels across tanker, bulk, container, and offshore segments serving major PSUs. Through subsidiaries like Inland & Coastal Shipping Ltd and SCI Bharat IFSC Ltd, it drives India’s energy logistics and coastal trade, aligning with the Government’s “Atmanirbhar Shipping” and *Maritime India Vision 2030* initiatives.

3. Recommendation (Long-Term)

Verdict: BUY ON DIPS (Long Term)

Horizon: 5–10 years

4. Rationale for Recommendation

• Fundamental Analysis (brief summary)

Financial performance:

- FY2023 Revenue ₹5,839 Cr; PAT ₹870 Cr
- FY2024 Revenue ₹5,084 Cr; PAT ₹679 Cr
- FY2025 PAT ₹844 Cr

- Margins remain double-digit despite global freight normalization.

Valuation:

- P/E ~14×, P/B ~1.5×, Dividend yield ~2.4% – fair for a strategic PSU.

Balance Sheet & Liquidity:

- D/E ~0.27–0.38×, Interest coverage ~9–10×.
- Working capital slightly stretched (debtor days ~75–100+), but credit risk remains low due to PSU clients.

Competitive Position:

- India's largest Indian-flag operator across tanker, LNG/LPG, offshore, and coastal segments.
- Backed by GoI initiatives—Maritime India Vision 2030, Sagarmala, and Atmanirbhar Shipping.

Financial Performance Summary						
Sector: Transportation • Industry: Air Freight / Couriers						
Stage: Stage 2 – Uptrend • TF Used: D (Daily)						
Metric	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**Analyst Observation / Trend**
Market Cap (₹ B)	38.71	39.03	43.16	99.57	115.61	Significant market re-rating post FY23; reflects strong investor sentiment
Net Profit (PAT, ₹ B)	6.96	8.61	8.7	6.79	8.44	Profitability sustained despite FY24 dip; cyclical recovery visible
Operating Cash Flow (₹ B)	12.99	14.44	14.29	9.7	8.18	Healthy OCF though moderating due to working-capital changes
ROCE (%)	4.89	10.58	11.16	5.91	8.35	Moderate return metrics; FY25 improvement led by asset utilization
ROE (%)	8.9	12.17	10.88	9.4	10.64	Consistent double-digit return profile maintained
Profit Margin (%)	18.84	17.41	15.09	13.55	15.12	Margins stable within healthy range
Debt / Equity	0.45	0.54	0.38	0.39	0.27	Deleveraging trend; strong balance sheet position
Debtor Days	92	81	95	132	102	Temporary FY24 stretch normalized by FY25
EPS (₹ / Share)	14.94	18.47	18.68	14.58	18.11	EPS growth aligned with PAT rebound
Revenue / Employee (₹ M)	13.84	18.63	19.93	17.02	18.59	Productivity maintained with moderate efficiency gains

• Technical Analysis

- Pattern: Stage-2 uptrend on monthly charts; resumed higher lows post 2024 correction.
- Support: ₹150–₹160 zone.
- Resistance: ₹335–₹385 band.
- Volume/Momentum: Institutional accumulation visible on dips; bullish long-term trend intact.

5. Sectoral & Macro Factors

Key Observations (Price-Impact Factors)

Positive Drivers:

- Government push for “Atmanirbhar Shipping” to increase Indian-flag cargo share.
- Maritime India Vision 2030 & Sagarmala projects creating ₹25,000 Cr+ investment opportunities.
- India’s maritime logistics industry (~USD 80B+) expected to grow 7–8% CAGR.
- SCI’s fleet expansion plan (~20–26 new vessels) to strengthen crude/LNG and offshore capacity.

Risks / Concerns:

- Cyclicality in freight rates and bunker fuel prices.
- Working capital delays due to PSU payment cycles.
- ROE/ROCE (~10%) may compress in weak freight markets.
- Execution risk in shipbuilding and restructuring initiatives.

6. Recent Developments & Promoter Activity

- Consolidated PAT ₹844 Cr (YoY improvement).
- SCI Bharat IFSC Ltd (Aug 2024) to enhance offshore chartering.

- Relaunch of India–Sri Lanka ferry corridor serving as connectivity project.
- Acuité reaffirmed AA+ (Stable) / A1+ with strong liquidity and sovereign support.
- CMD Capt. B.K. Tyagi leading under ministry oversight; discussions continue on potential restructuring/stake unlock.

7. Sources of Information

- Annual Reports / Financial Statements (FY2024–FY2025)
- Exchange Filings (NSE/BSE)
- SEBI / RBI / Maritime India Vision 2030 / Sagarmala
- Press Information Bureau, Economic Times, ETInfra
- Acuité Ratings (Oct 2024 AA+ / A1+ rationale)
- Screener financial data (Sales, PAT, margins, D/E, WC metrics)

8. Risks

- Freight and bunker fuel volatility
- Working capital strain due to PSU payment delays
- Regulatory or cargo allocation changes
- Currency and interest rate swings
- Geopolitical disruptions (Red Sea / Gulf routes)

Checklist (Post-Risk Summary)

S. No	Particular	Remarks
1	Stock Name	Shipping Corporation of India Ltd (SCI)
2	Sector	Marine Transport / Shipping (Navratna PSU)
3	Business & Top Brand	Flagship Indian-flag crude/LPG/LNG/offshore logistics operator
4	Business Type	Cyclical, with strategic PSU importance

5	Sector outlook (Fiscal 2025)	Positive – Maritime India Vision 2030, Atmanirbhar Shipping
6	Sector outlook (Monetary 2025)	Neutral-to-supportive – stable rate environment aids PSU capex
7	Credit Rating	ACUITE AA+ (Stable) / A1+
8	Financial Trend	FY23–FY25 PAT ₹800 Cr+ range; double-digit margins; D/E ~0.3×
9	Valuation	Fair – ~14× P/E, ~1.5× P/B
10	Management Credibility	Experienced maritime leadership (Capt. B.K. Tyagi) + GoI oversight
11	Geopolitical Impact	High – crude routes, offshore zones, regional tensions
12	Policy Impact (Next 5 years)	Direct beneficiary of domestic shipping expansion programs
13	Final Verdict	BUY ON DIPS (Long Term – strategic PSU compounder)

9. SEBI-Compliant Disclaimer

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10. Date & Validity

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