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Trade View Report-



Published Date	April 29th, 2026
Rating	BUY
Trade Type	Long Term
Stock Name	SCI
Entry Price	310
Target	357
Stop Loss Price	285
Target%	15%
SL%	8%

**Rationale-**

Shipping Corporation of India (SCI), India’s premier shipping line, is currently undergoing a strategic transformation. With the demerger of its non-core land assets completed in late 2024/early 2025, the company has pivoted to focus purely on its maritime operations and fleet modernization.

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Here is the point-wise breakdown of SCI as of **April 2026**:

## 1. Latest Financials (Q4 FY26 Estimates & 9M FY26)

- **Revenue (Q4 FY26 Estimate):** Projected between ₹1,050 – ₹1,150 crore, showing a sequential growth from Q3 (₹985 crore).
- **Net Profit (PAT Estimate):** Anticipated to be between ₹130 – ₹148 crore for the quarter.
- **EBITDA Margins:** Expected to recover to **13%–14%** in Q4, up from 12.4% in the previous quarter, driven by better cost management and stable freight rates.
- **9M FY26 Performance:** The company saw a steady upward trend in quarterly earnings throughout the fiscal year.
- **Dividend:** SCI has become more shareholder-friendly post-demerger, declaring a total of **₹13.09 per share** in dividends for FY26 (including an interim payout of ₹3.5 in Feb 2026).

## 2. Growth Rationale

- **Red Sea Crisis Impact:** Continued geopolitical tensions have led to longer voyage routes (around the Cape of Good Hope), which effectively reduces global vessel supply and supports higher freight rates—a direct benefit for SCI's tanker and bulk segments.
- **Post-Demerger Focus:** The separation of "SCI Land and Assets" has cleaned up the balance sheet, allowing the core shipping business to be valued more accurately by the market.
- **Government Initiatives:** The "Sagarmala" project and the "Make in India" ship chartering policy provide a captive market for PSUs like SCI.

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- **Valuation:** Despite a high P/E compared to historical averages, the stock's **Sharpe Ratio (6.51 over 1 month)** indicates very strong risk-adjusted momentum heading into May 2026.

### 3. Expansion & Fleet Modernization

- **Methanol Dual-Fuel PSVs:** In March 2026, SCI signed a contract with **Mazagon Dock Shipbuilders (MDL)** to construct a 3000 DWT Methanol Dual-Fuel Platform Supply Vessel. This marks a shift toward "Green Shipping."
- **Energy Transition:** The company is actively moving toward LNG and dual-fuel vessels to comply with IMO 2030/2050 carbon emission norms.
- **Fleet Acquisition:** Tenders were floated in April 2026 for new vessel acquisitions and major dry-dock repairs (e.g., *Nanda Devi*) to maintain operational efficiency.
- **Average Fleet Age:** A key management focus is reducing the average age of the fleet, which currently sits at ~15-18 years, by replacing older tankers with fuel-efficient VLCCs and Product Tankers.

### 4. Product Mix (Fleet Composition)

SCI maintains a highly diversified fleet, which acts as a natural hedge against volatility in any single maritime sector:

- **Crude Oil Tankers:** Includes VLCCs (Very Large Crude Carriers) and Suezmax vessels; the primary revenue driver.
- **Product Tankers:** Focused on carrying refined petroleum products (Gasoline, Jet Fuel).
- **Dry Bulk Carriers:** Handymax and Panamax vessels used for transporting coal, iron ore, and grain.

- **Offshore Support:** Specialized vessels (PSVs, AHTS) supporting India's ONGC and other E&P activities.
- **LPG Carriers:** Critical for India's energy security (imports of cooking gas).

Here are the additional, more critical data points following the latest **April 2026** developments:

### 1. Major Fleet Expansion & Tenders (The \$7 Billion Vision)

- **Bharat Container Shipping Line (BCSL):** A massive joint venture between **SCI, Concor, and Sagarmala Finance** has been launched with an initial investment of **\$6.9 billion (approx. ₹57,000 crore)**.
- **Container Fleet Push:** In late April 2026, SCI floated a **\$360 million tender** for four methanol dual-fuel container ships (1,700 TEU). This is a direct attempt to reclaim market share from foreign-flagged lines.
- **400-Ship Target:** The Indian government has projected a requirement for **400 new ships** over the coming years, with SCI positioned as the primary beneficiary of this \$25 billion maritime push.

### 2. Strategic Pivot: "Exporters' Shield"

- **West Asia Intervention:** Following complaints from Indian exporters regarding high input costs and lack of container availability due to the Middle East conflict, the Ministry has tasked SCI with running specialized container routes to West Asia.
- **Cost Hedging:** This move is intended to provide a "government-backed" alternative to private shipping lines that have hiked freight rates, essentially turning SCI into a strategic tool for India's trade security.

### 3. Green Shipping & Technology

- **Methanol First:** SCI signed a **\$39 million contract** with Mazagon Dock Shipbuilders (MDL) in late March 2026 for India's first **Methanol Dual-Fuel** Platform Supply Vessel.
- **Collaboration with Synergy Marine:** In April 2026, SCI's land-asset arm (SCILAL) signed an MoU with **Synergy Marine Pte. Ltd.** (a global ship management giant) to enhance technical management and operational standards, bringing SCI closer to international efficiency levels.

### 4. Disinvestment & Merger Rumors (Critical Update)

- **Bidder Disqualification:** In mid-March 2026, reports surfaced that the current bidders for SCI's strategic sale were deemed **unqualified**.
- **Alternative "CONCOR Merger":** The government is now evaluating a **merger between SCI and Container Corporation of India (CONCOR)** as an alternative to a traditional sale. This would create a logistics behemoth spanning sea and land.
- **Board Leadership:** Capt. Som Raj (Director P&A) and Capt. Ashwini have been put in charge of a 24x7 **Contingency Response Mechanism** to manage fleet risks in the Persian Gulf, reflecting the company's heightened operational readiness.

## **Disclaimer-**

Investment in securities market is subject to market risks. Read all the related documents carefully before investing. Trading in Futures & Options (F&O) carries high risk as it depends on market momentum. "Registration granted by SEBI & Certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to Investors." Past performance is no guarantee of future results.

Intraday- Not more than one day

Short term – 0-15 days

Medium term – 1- 3 months

Long term – more than a Year

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