



SAGARMALA FINANCE CORPORATION LIMITED

A Government of India Enterprise under Ministry of Ports, Shipping and Waterways (Mini Ratna Schedule-B CPSE)



CORPORATE PRESENTATION & PERFORMANCE HIGHLIGHTS-2026

TABLE OF CONTENTS



ABOUT SMFCL



OPERATIONAL AND FINANCIAL PERFORMANCE



SECTOR OUTLOOK AND OPPORTUNITIES



KEY LENDING CONSIDERATIONS AND SYNDICATE MATTERS

ABOUT SMFCL

ONLY NBFC IN MARITIME SECTOR

- ❑ Incorporated in August 2016 as a CPSE under MoPSW, Government of India
- ❑ Registered as NBFC (June 2025) with a mandate to support India's maritime and port-led development
- ❑ Aligned with Amrit Kaal Vision 2047 to drive maritime infrastructure-led economic growth
- ❑ Financing Key Maritime Infrastructure spanning ports, connectivity (road/rail), inland waterways, coastal development, and port-hinterland linkages
- ❑ Policy-Aligned, Future-Ready approach supporting capacity expansion and maritime value-chain businesses in line with global best practices

KEY STRENGTH



Sector Specific NBFC

Only NBFC with Maritime Understanding



*Extensive Coastal State Network
Strong Coastal Partnerships*



Nil NPA

*Strong asset quality with no NPAs and
lowest overhead costs*



Mini Ratna CPSE and NBFC-ICC

*100% Government of India ownership
with Mini Ratna CPSE status*



Strong Financial Ratios

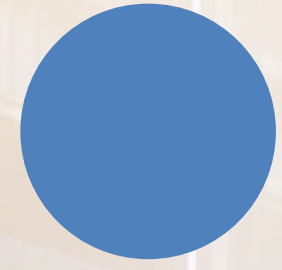
*AA+ credit rating supported by strong
financial ratios and performance*



Government Schemes

*Key partner in Govt schemes-Like Sagarmala
2.0 and Maritime Development Scheme*

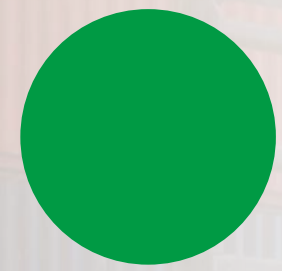
OPERATIONAL & FINANCIAL PERFORMANCE



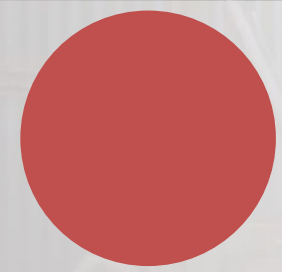
Growth Trajectory



Loan Portfolio



Key Financial Highlights

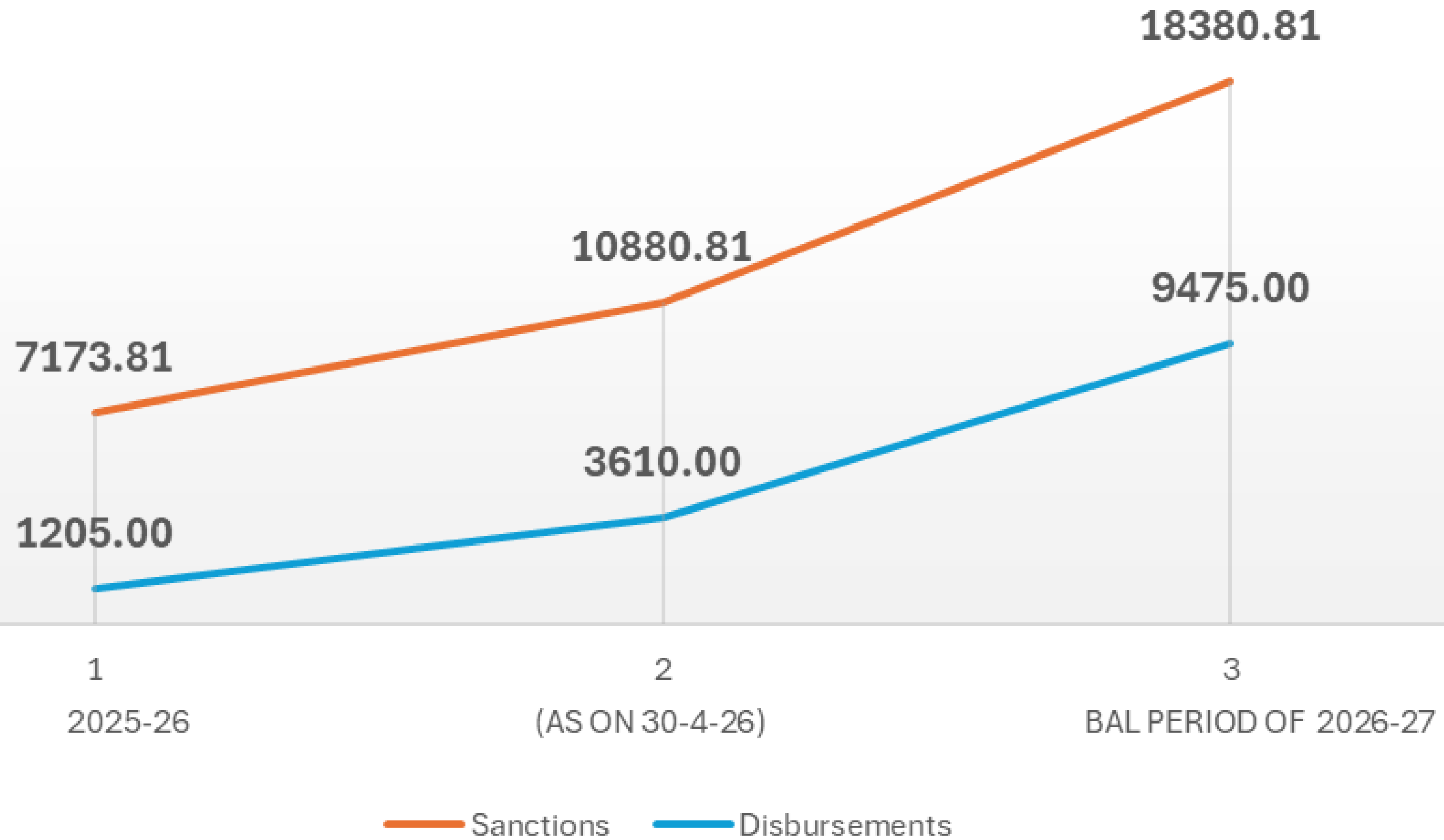


Borrowing Profile

GROWTH TRAJECTORY



Cummulative Loan Sanction and Disbursements (in ₹ Cr)



FINANCIAL DETAILS FOR FY 2025-26 AND 2026-27



SAGARMALA FINANCE CORPORATION LIMITED

REVENUE BUDGET PARTICULARS		FY 25-26 (₹ Cr)	Budget Estimate for F.Y.- 26-27 (₹ Cr)
1	<u>Income</u>		
A	Revenue from Dividend	29.27	29.46
B	Revenue from Interest on F.D.	34.25	13.00
C	Interest Income from Lending Business	10.81	456.01
D	Other Income	0.06	0.06
	Total of Revenue	74.39	498.53
2	<u>Expenses</u>		
	Interest Expenses on Loans	6.78	295.80
	Provision for Standard Asset	0.00	72.30
A	Interest Expenses & Provision for Standard Asset	6.78	368.10
B	Employee Benefit Expenses	4.49	12.30
C	Rent, Maintenance, Electricity & Office Expenses	2.40	5.73
D	Other Expenses	4.48	11.11
	Total of Expenses	18.15	397.24
3	Profit Before Tax	56.24	101.29

KEY FINANCIAL HIGHLIGHTS



	Particulars	FY 25-26 (in ₹ Cr)	FY 2026-27 (BE) (in ₹ Cr)	% Change / Remarks
A. Highest Ever Achievements				
1	Total Revenue	74.39	498.53	↑ ~570%
2	Profit Before Tax (PAT)	56.24	101.29	↑ ~ 80%
3	Interest Income from Lending Business	10.81	456.01	Multiple-fold increase
B. Significant Improvement Across Metrics				
4	Loan Book (Outstanding) AUM	1205	9,475	Multiple-fold increase
5	Net Worth	1,092	3,148	Continued Govt. Support with additional inflow of Rs.2000 crore expected in FY 2026-27.
6	CRAR (%)	186.13	44.37	Well above RBI Norm of 15% due to availability of state government Guaranteed Loans
7	Gross NPA (%)	NIL	NIL	No Slippages Expected with Strong Credit Profile
8	Net NPA (%)	NIL	NIL	No Slippages Expected with Strong Credit Profile

HIGHEST EVER

Sanctions

Disbursements

PAT

Revenue

KEY INDICATORS

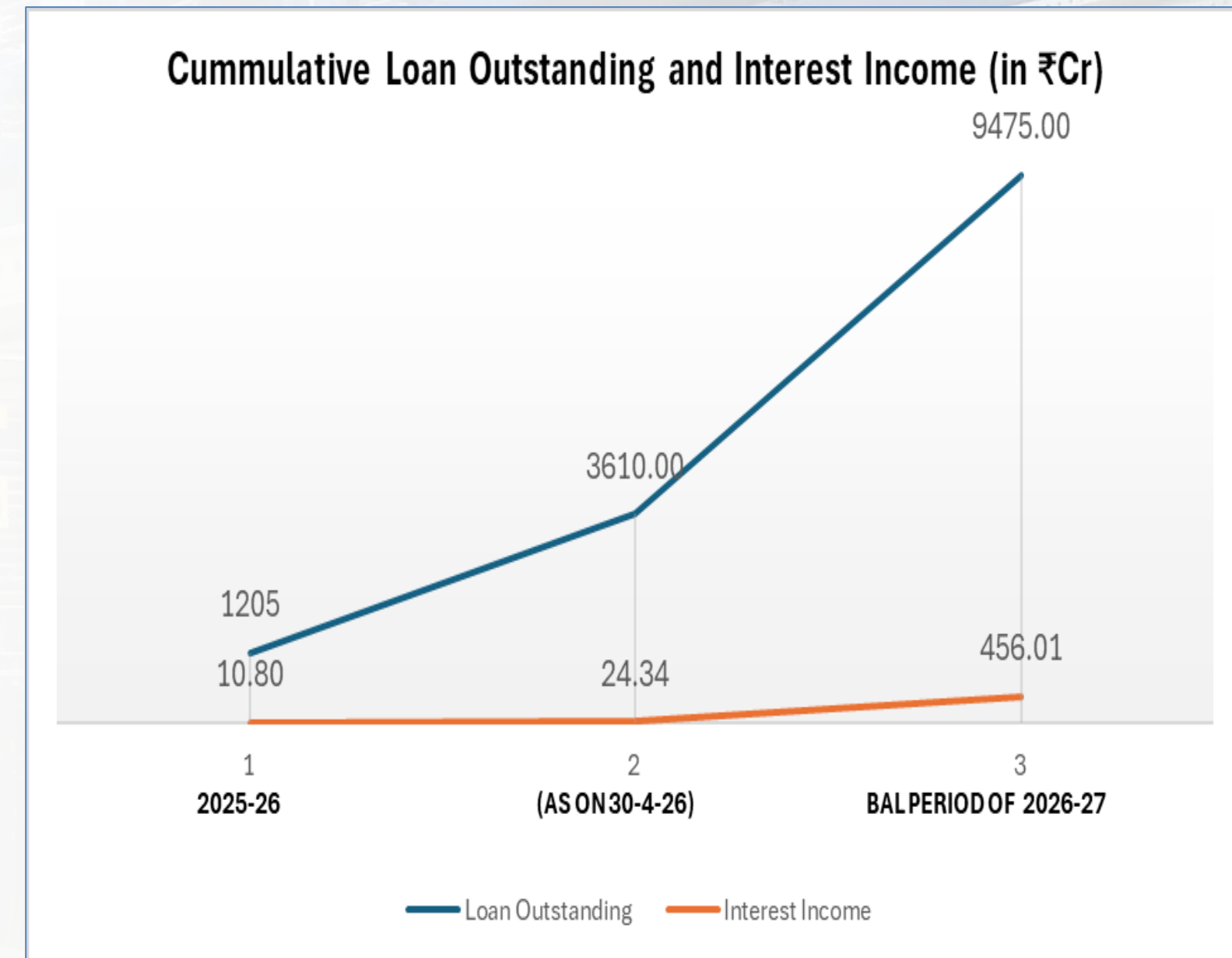


A. Operational & Efficiency Indicators

Particulars	FY 25-26	FY 26-27 (Estimated)
Loan Portfolio (₹ Cr)	1205	9,475
Borrowings	1055	9,120
Yield on Loan (%)	8.40%	8.50%
Cost of Funds (%)	7%	7%
Interest Spread (%)	1.40%	1.50%
Net Interest Margin (%)	2.59	2.96

B. Return, Leverage & Net Worth Indicators

Particulars	FY 25-26	FY 26-27 (Estimated)
Debt–Equity Ratio (times)	0.97	2.89
CRAR (%)	186.13	44.37
Net Worth (₹ Cr)	1,091.70	3,148.07



BORROWING PROFILE



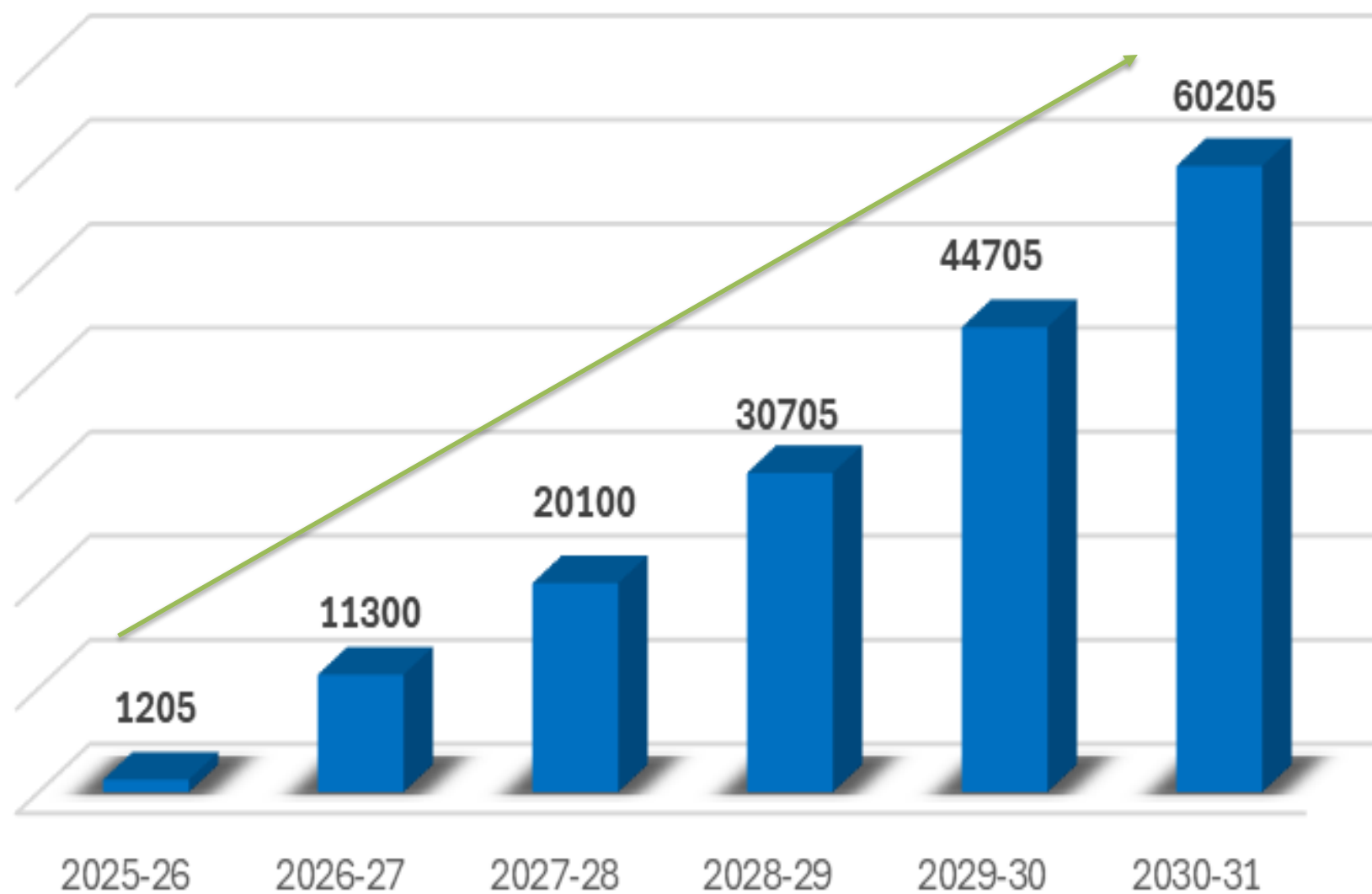
Particulars	FY 26 (in ₹ Cr)	FY 27(in ₹ Cr)
A. GoI fully serviced Bonds	Nil	Nil
B. Other		
Tax Free Bonds	Nil	Nil
Taxable Bonds	Nil	Nil
Bank Loans	1,055	9,120
- Short Term	Nil	Nil
- Mid Term	1,055	9,120
Foreign Currency Loans	Nil	Nil
FCNR (B)	Nil	Nil
ECB / ODA	Nil	Nil
Refinance Assistance	Nil	Nil
Sub-Total (B)	1,055	9,120
Grand Total (A + B)	1,055	9,120

The borrowings of the Company during FY 2025-26 and FY 2026-27 consist entirely of domestic mid-term bank loans.

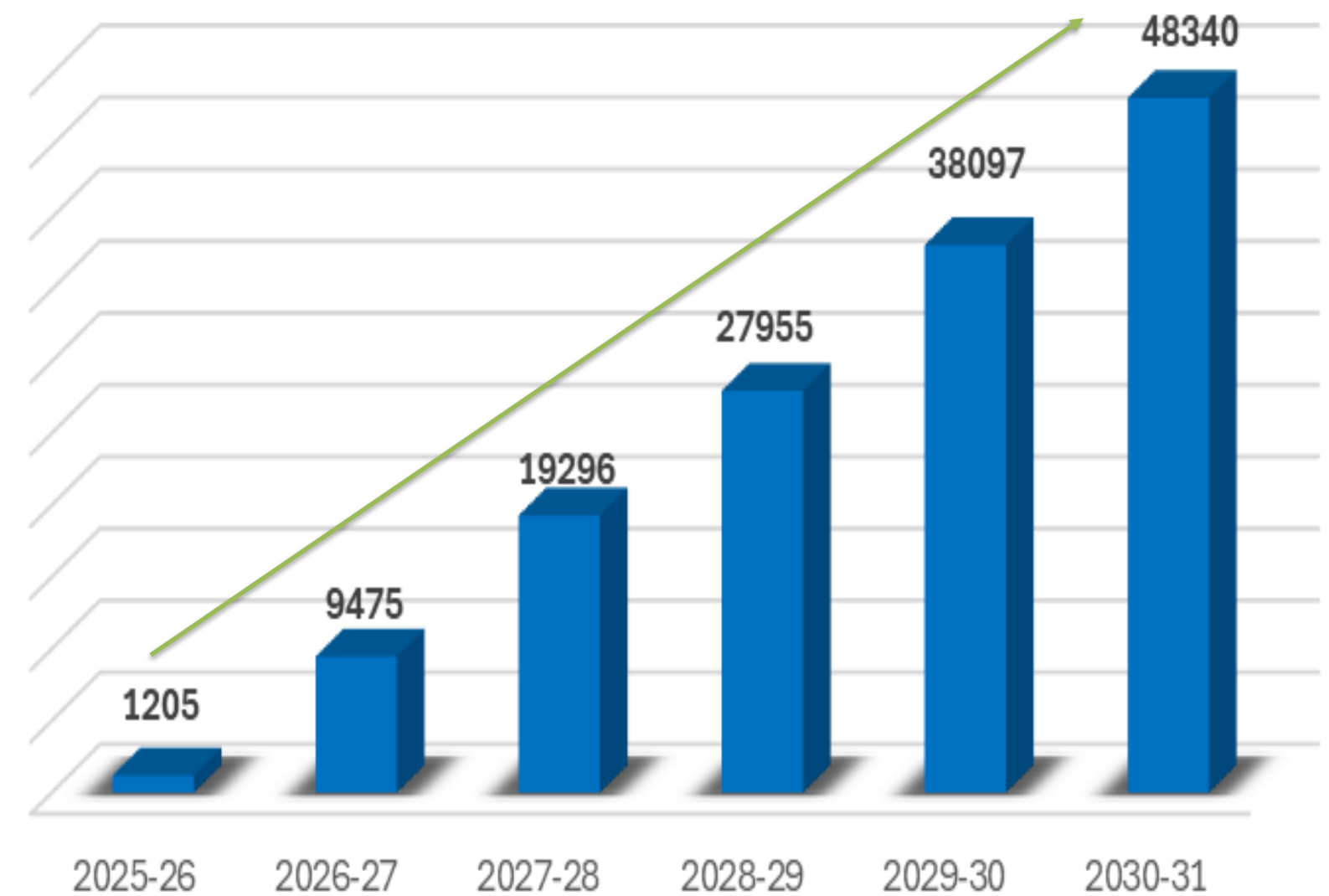
SMFCL will build a loan book of INR 48,340 Cr by the end of FY 2031 with a cumulative disbursement of INR 60,205 Cr.



Cumulative Disbursements (in ₹ Cr)



Cumulative Loan Book (in ₹ Cr)



- SMFCL will have a cumulative disbursement of ~INR 60,205 Cr. by FY 2031

- Infrastructure loan book will have a share of ~53% of the overall loan book by FY 2031

SMFCL will have a diversified loan book financing all the key customer segments across the maritime ecosystem



Loan Book – FY 2031

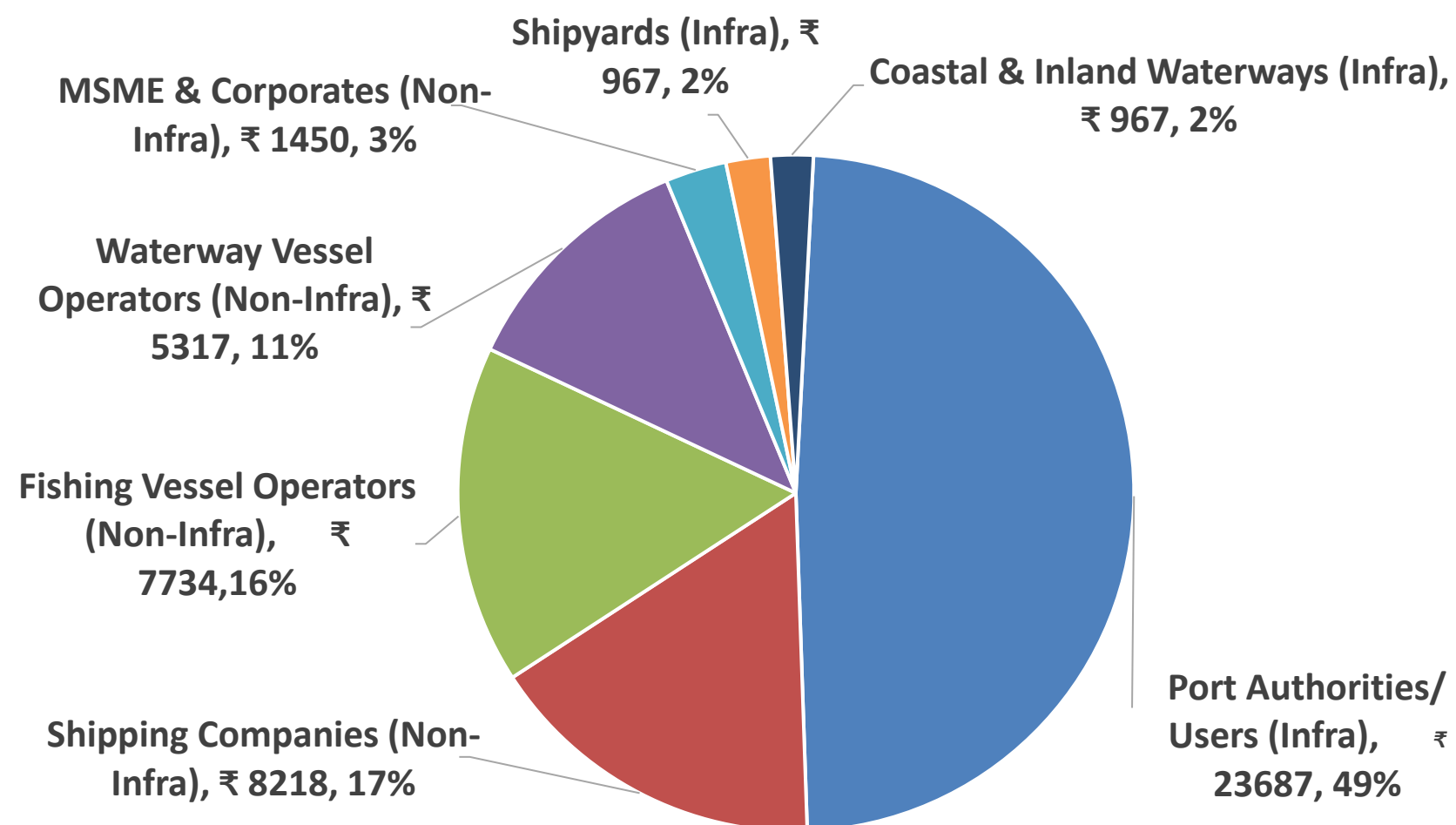
NBFC will build a **diversified loan book**, funding **key maritime customers** across **infrastructure & non-infrastructure projects**

Loan Book split FY31 - Infrastructure & non-Infrastructure projects



■ Infrastructure ■ Non-Infrastructure

Customer segment wise Loan Book Split (INR Cr.)



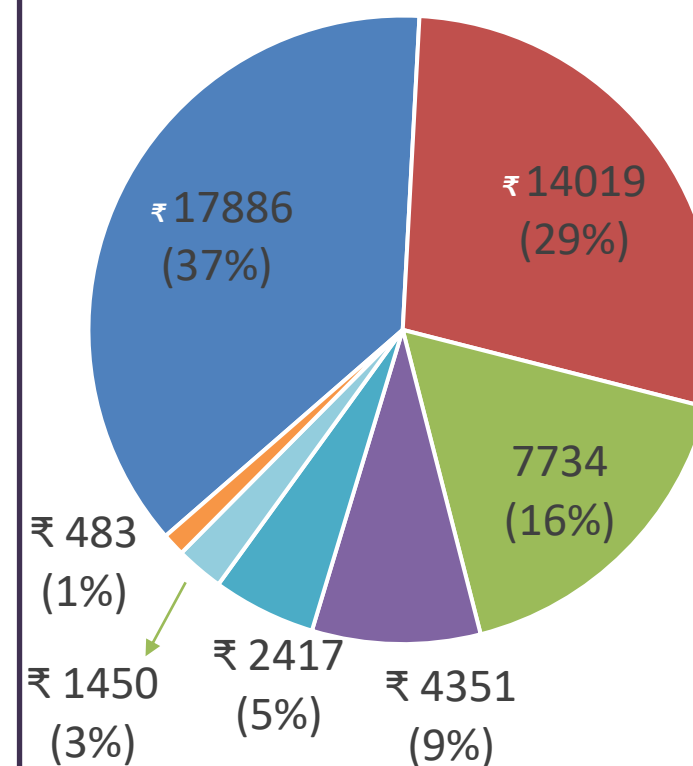
Units in INR Cr.

NBFC Contribution to the Amrit Kaal Vision key themes

The NBFC will operationalize in FY 2026 and will contribute to **7 major themes**, building a loan book of **INR 48,340 Cr** as on FY 2031

Loan Book - INR 48340 CR as on FY 2031

Amrit Kaal Vision theme wise Loan Book Split (INR Cr.)



- Develop World Class next generation ports – Port Modernization & Connectivity
- Promote Ocean, Coastal & River Cruise Sector – Ship & Waterway Vessel Purchase and Operations
- Promote Maritime Cluster – Fishing Harbor Development & Vessel Purchase
- Lead World in Safe, Sustainable & Green Maritime Sector – Renewable Energy Adoption
- Enhance Efficiency through Technology & Innovation – Port Equipment & Operations
- Become a global player in Shipbuilding, repair & recycling – Shipyard modernization & operations
- Enhance modal share of coastal shipping & Inland Waterway – Jetty, Berth, Terminal Constructions

Units in INR Cr.

THANK YOU





SECTOR OUTLOOK AND OPPORTUNITIES

World Scenario and opportunities

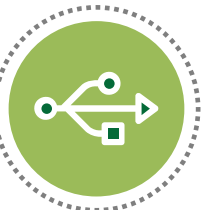
More than half of the projected increase in global population numbers up to 2050 will be concentrated in Asia and Africa. In this context, countries will need to invest in increasing the efficiency and resilience of their ports and logistics infrastructure to keep up with growing demand for imports and consumption

KEY GLOBAL TRENDS IN MARITIME SECTOR



Renewed interest in shipbuilding

Shipbuilding has attracted attention recently with several countries considering the sector to be strategically important. As per a report by CRISIL in 2024, the shipbuilding industry received orders worth USD 205 Bn, which is the highest in past 17 years.



Geopolitical disruptions & Trade-Lane Dynamics

The rise of new bilateral trade deals and regional blocs is creating both new opportunities and new challenges, requiring a constant re-evaluation of shipping strategies.



Evolution of Regulatory & Compliance Landscape

The regulatory environment for the maritime sector is tightening, with new rules entering into force that will have a direct impact on operations and investment.



Sustainability, Climate Adaptation & Decarbonization

The International Maritime Organization has set a target for shipping companies to reduce CO2 emissions by 30% by 2030.

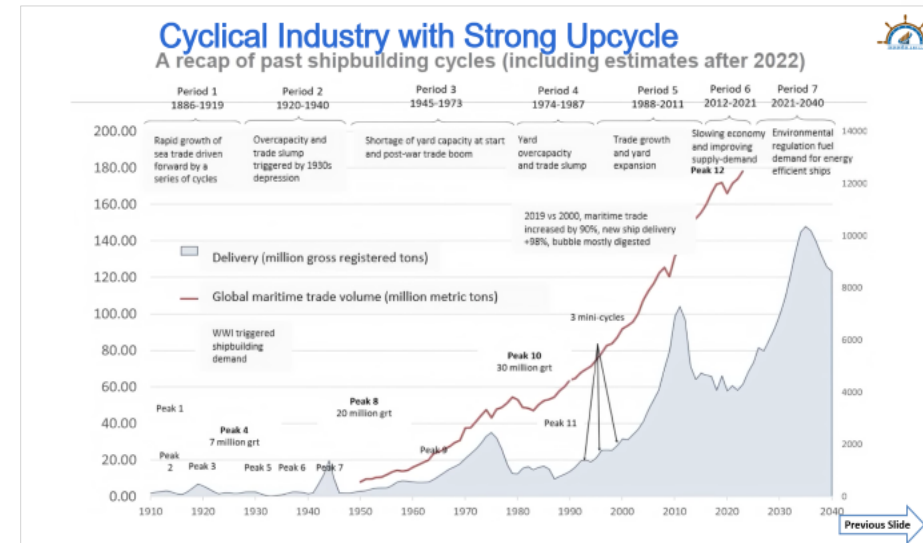
China currently controls over half of global shipbuilding capacity — driven by cost advantages and availability of cheap labor, integrated supply chains and presence of ancillary industries, and financing support mechanisms.

Global Landscape – Shipbuilding Sector



CYCLICAL INDUSTRY WITH STRONG UPCYCLE

1. Shipbuilding is a cyclical industry, with vessels typically requiring replacement every 20–30 years
2. 2024 shipbuilding contracts exceeded US\$204 billion, the highest level in the last 17 years (Source: CRISIL Report)



STRONG DEMAND FOR NEW SHIPBUILDING – KEY DRIVERS

1. Replacement Demand
 - Over 53% of the global fleet is more than 20 years old, necessitating fleet renewal
2. Transition to Greener Ships
 - Rising regulatory and customer pressure to reduce carbon emissions
 - Increased demand for fuel-efficient and alternative-fuel vessels
3. Improved Shipping Economics
 - Red Sea disruptions have increased voyage times and freight rates
 - Higher profitability for shipping companies encouraging new vessel orders

GLOBAL COMPETITIVE LANDSCAPE

1. China, South Korea, and Japan dominate ~93% of global shipbuilding
2. Competitive advantages include:
 - Low-cost skilled labour
 - Easy access to financing
 - Well-developed ancillary and supplier ecosystems
 - Strong government support and scale efficiencies



Challenges in the Indian Maritime Sector



Infrastructure & Connectivity Constraints

- **Port infrastructure gaps:** Depth limitations at major ports restrict the handling of ultra-large vessels, forcing reliance on foreign transshipment hubs (e.g., Colombo, Singapore).
- **Last-mile connectivity bottlenecks:** Inadequate road/rail links to ports increase logistics costs and reduce operational efficiency.
- **Inefficient port operations:** Variable procedural implementation and congestion result in higher dwell times and lower throughput performance compared with global peers.

Shipbuilding & Fleet Modernization

- **Low global shipbuilding share:** India accounts for a very small share of global shipbuilding output, compounded by a lack of large modern shipyards and integrated maritime clusters.
- **High production costs & import dependence:** Heavy reliance on imported marine equipment (steel, engines) increases costs and introduces supply chain vulnerabilities.
- **Weak Ancillary and Design Ecosystem :** 50 to 60 percent of components are exported , with lack of standardized indigenous ship design and design repositories



Financing & Regulatory Challenges

- **Limited long-term financing:** Ships historically not classified as infrastructure constrain credit availability; high borrowing costs and short loan tenures deter investment.
- **Tax and fiscal disincentives:** Higher taxation and operational costs make Indian-flagged ships less competitive.
- **Regulatory complexity:** Stringent regulations on Indian vessels compared to foreign-flagged ships.
- Lack of incentives for Indian shipping companies to compete globally.

Skills, Technology & Sustainability Gaps

- **Workforce skill shortages:** India faces shortages in specialised shipbuilding and advanced maritime operational skills, reducing productivity.
- **Lagging digital adoption:** Cybersecurity vulnerabilities, and outdated technologies with Smart technologies (automation, IoT, blockchain) in port operations are underutilised compared with global ports, affecting efficiency.

India Shipbuilding Sector – Current Position & Opportunity Drivers

- <2% share of the global shipbuilding market
- Ranked ~16th among shipbuilding nations worldwide
- India's participation in global maritime trade:
 - ~2% of world cargo volumes
 - ~1.2% of global ship ownership
- Indicates a structural gap between trade volumes and ownership of shipping assets

India's Current Position

- ~95% of India's international cargo transported on foreign-owned vessels
- Annual economic impact:
 - ~US\$75 billion paid as sea freight charges to foreign companies
 - ~US\$90 billion total shipping-related expenses per year

High Dependence on Foreign Shipping

Key Opportunity Drivers for India

Global Trade & Geopolitical Realignment

01

- U.S. tariffs on China-made ships are diverting global orders away from Chinese yards
- Creates demand for alternative shipbuilding destinations

02

Capacity Constraints in Established Shipbuilding Nations

- China, Japan, and South Korea shipyards fully booked till ~2028
- Ongoing global upcycle limits their ability to fulfill incremental demand

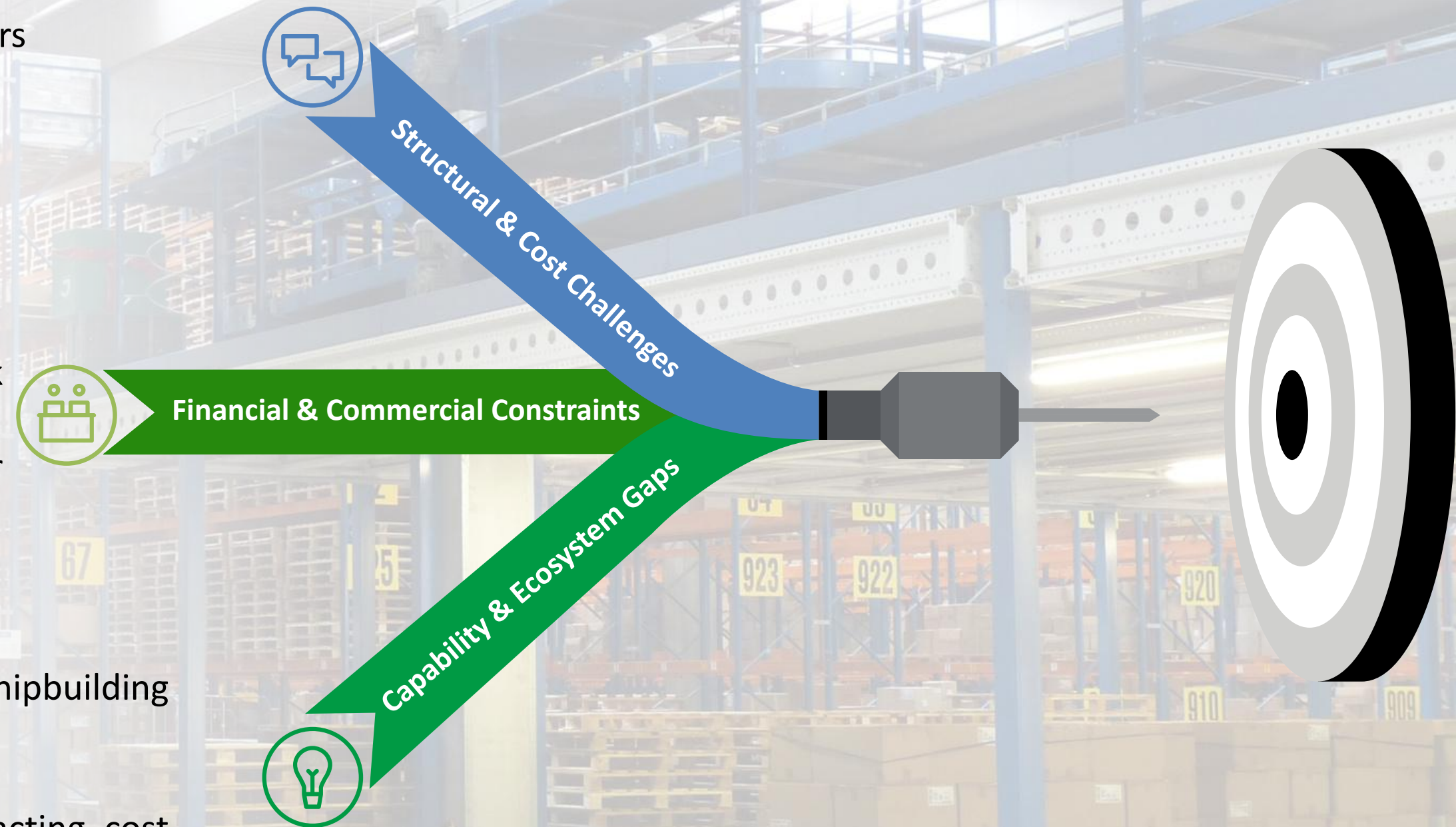
03

Government Focus on Maritime Expansion

- Strong policy push
- Strategic goal to reduce freight dependency and build national fleet capacity

India Shipbuilding Sector – Key Challenges & Strategic Imperatives

- Higher material and labor costs compared to global leaders
- Limited scale and lower productivity at Indian shipyards
- Private shipyards largely loss-making
- Defense shipbuilding contracts require high Bank Guarantees (BGs), restricting participation
- Limited long-term and affordable financing options for shipyard expansion
- Low investment in R&D, automation, and advanced shipbuilding technologies
- Need for significant capacity expansion and modernization
- Underdeveloped ancillary and supplier ecosystem, impacting cost competitiveness



Previous Slide

This upcycle, combined with geopolitical shifts and capacity shortages in dominant shipbuilding nations, presents a multi-year structural growth opportunity for India.



FOCUS IN MARITIME SECTOR & KEY LENDING CONSIDERATIONS

SAGARMALA 2.0 (2026-2035)



Port Modernization



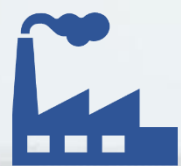
Port Modernization



Port Connectivity



Port Connectivity



Port-led Industrialization



Port-led Industrialization



Coastal Community Development



CCD + Shipping and IWT



Coastal Shipping and IWT



Ship Building, Repair, Breaking and Recycling

New Pillar in Sagarmala 2.0

SAGARMALA (2016-25)

SAGARMALA 2.0

Key Focus Areas



Port Led Industrialization



World Class Ports



Ship Repair, Recycle & Breaking



Maritime Sector Capacity Building



Research, Development & Innovation in Maritime Sector



IWT, Procurement of Vessels & Development of Cruise Infrastructure



Island Development

Sagarmala 2.0 represents a comprehensive framework for the holistic development of India's maritime sector, integrating world class ports, industrial growth, multimodal connectivity, green shipping initiatives, and coastal community development while emphasizing strategic areas across shipbuilding, repair, and island development

OVERVIEW OF MARITIME DEVELOPMENT SCHEMES



**TOTAL ALLOCATION:
INR 69,725 CR**

01

SHIPBUILDING FINANCIAL ASSISTANCE SCHEME

Allocation: INR 24,746 crore
(Shipbreaking Credit Note- INR 4,001 Cr)

03

SHIPBUILDING DEVELOPMENT SCHEME

Allocation: INR 19,989 crore
(Capacity & Capability development and credit risk coverage)

02

MARITIME DEVELOPMENT FUND

Allocation: INR 25,000 crore
(Maritime Investment Fund- INR 20,000 Cr;
Interest Incentivization Fund-INR 5,000 Cr)

04

LEGAL, POLICY AND PROCESS REFORMS

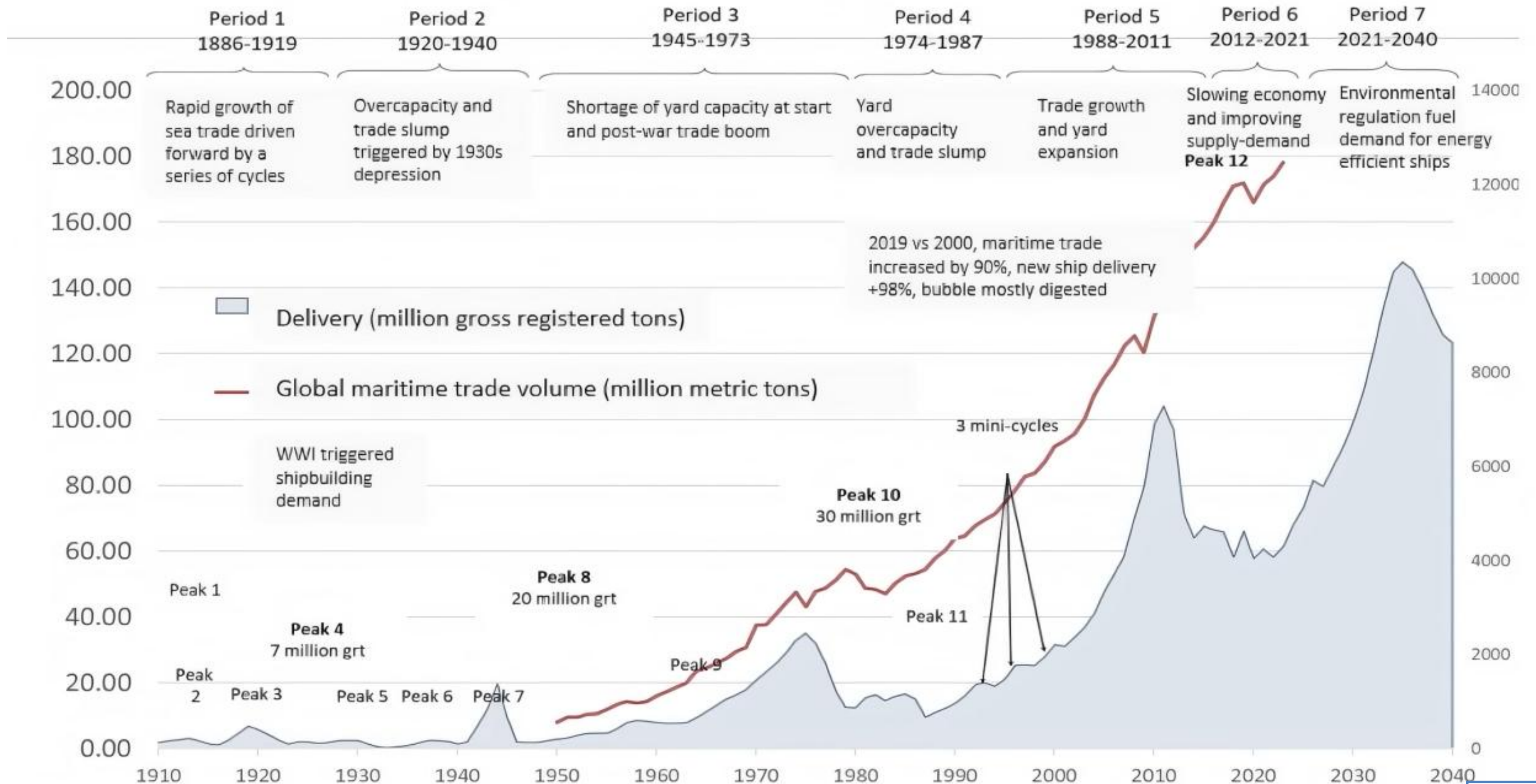


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Cyclical Industry with Strong Upcycle



A recap of past shipbuilding cycles (including estimates after 2022)






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Global Competitive Landscape



 China	 South Korea	 Japan
<ul style="list-style-type: none"> • Unmatched in scale and capacity. • Approximately 53% of the global market share. • Industry leader: China State Shipbuilding Corporation, a massive state-owned enterprise. • Largest number of shipyards in the world. 	<ul style="list-style-type: none"> • Excellence in engineering and technology. • Approximately 28% market share • Industry leader: Hyundai Heavy industries in Ulsan, South Korea, the world's largest shipbuilder. • High-value, complex vessels. 	<ul style="list-style-type: none"> • Pioneer in eco-friendly shipbuilding. • Approximate market share of 12%. • Industry leader: Mitsubishi Heavy Industries (Japan), with a diverse portfolio including LNG carriers. • Energy-efficient ship designs.

Incentives and subsidies have powered the leaders

	 China	 South Korea	 Japan
Type of subsidy	Tax concessions/ soft loans/ debt restructuring/ ship financing	Advance payment guarantees/ debt restructuring/ special tax concession/ soft loans	Special tax concessions/ soft loans

Source: Straits Research