Investment Opportunities in Shipbuilding Sector in India

India presents one of the most lucrative investment opportunities in Shipbuilding

01 India is the **fastest growing economy** in the world with a **stable government**

02 Large **shipbuilding ecosystem** with **readily available talent** and supporting industries with **large & growing domestic demand pool**

03 Bold shipbuilding vision (**15x growth by 2047**) backed by high **financial incentives** across setup and operations to augment project economics

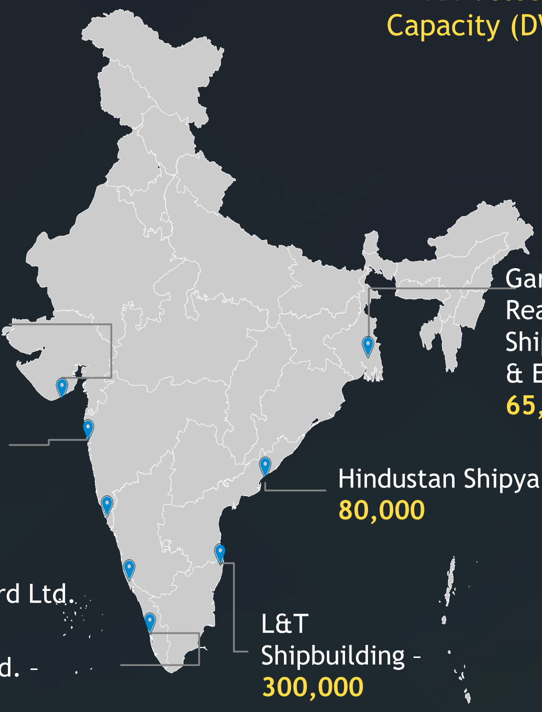
04 **Strategic location** with multiple **investible clusters** planned along the **Indian coastline** with plug and play common infrastructure

05 Co-investment by **Government companies**, indicating strong **national commitment**

06 **Ease of doing business** via dedicated **Institutional support** and **single window investor facilitation**

Indian has large shipbuilding ecosystem with readily available talent and supporting industries

80+ Shipyard with 8 major shipyards across 9 coastal states



India secured Top10 spot in 2000s with 300k+ Tn throughput, showcasing strong skillset & capability

Large Shipbuilding Talent

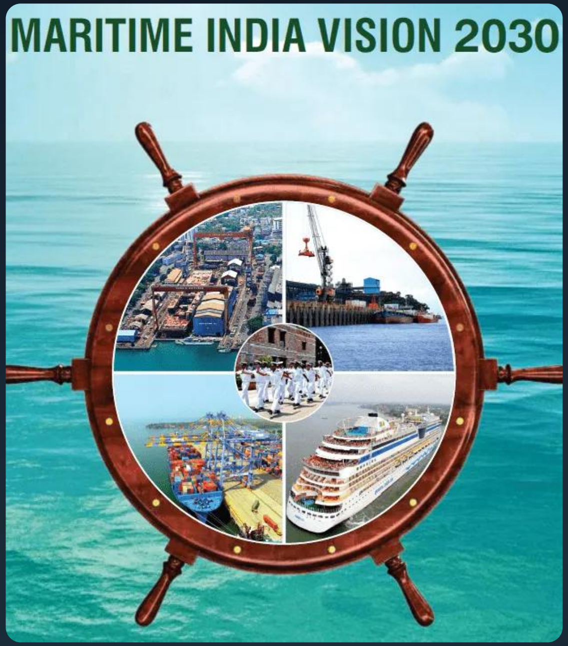
- **7.4+ Mn** — **Employees** (direct + Indirect) across Ports, Shipping and Waterways
- **20+** — **Industrial Training Institutes (ITIs)** providing **Maritime courses** in India
- **7+** — **Indian Maritime University** (IMU) & COEs campuses training **8K+ students/year**
- **330 Cr.** — For proposed **regional capability centers** within each greenfield clusters

Supporting Ancillary Industry

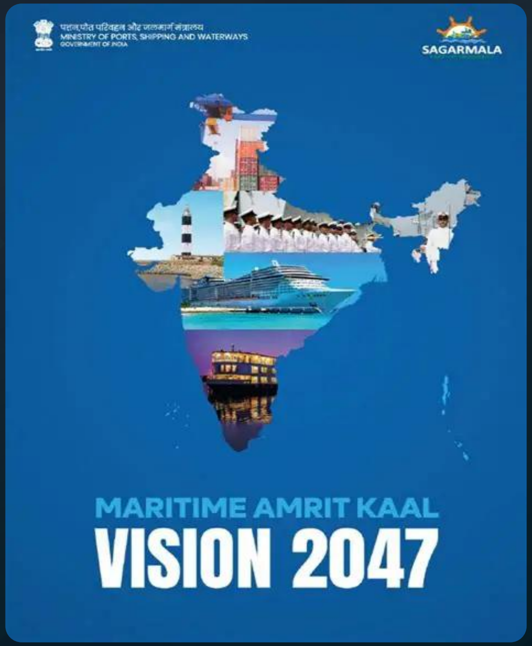
- **~30** — **Design Houses** including naval architecture Firms and institutional arms
- **100+** — **MSMEs supporting** naval shipbuilding
- **200** — **12 major ports and 200+** notified **non-major ports**
- **65%** — Shipbuilding **value addition** comes from ancillary industries such as **steel, electronics** etc.

Government of India has strong focus on Shipbuilding Industry as reflected in its vision 2030 and 2047

Vision 2030



Vision 2047



TARGETS

Vision 2030	Target	Vision 2047
Top 10	Global Ranking	Top 5
0.6 Mn GT	Annual Production	4.5 Mn GT
2+ Mn jobs	Employment Generation	15 Mn jobs

Clearly Defined Central and State Policies to Achieve Targets

GoI has launched ₹ 697.25 Bn (~$7.8 Bn) scheme to turbocharge ship building in India

₹ 247 Bn
($2.7 Bn)

Shipbuilding Financial Assistance scheme

(Ship Recycling Credit Note - ₹ 40 Bn ($0.44 Bn)

+

₹ 250 Bn
($2.7 Bn)

Maritime Development Fund

(Maritime Investment Fund - ₹ 200 Bn ($2.2 Bn) Interest Incentivization Fund - ₹ 50 Bn ($0.56 Bn)

+

₹ 200 Bn
($2.2 Bn)

Shipbuilding Development Scheme

(Capacity & capability development and credit risk coverage)

+

Legal, Policy and Process Reforms

(Customs exemptions, Right of first refusal, flagging reforms and others)

Assuming exchange rate of INR 90 per USD

Pillar 1 | Shipbuilding Financial Assistance Scheme (SBFAS)

₹ 205 Bn (*$2.3 Bn*)
Extension of Shipbuilding financial assistance scheme

₹ 40 Bn (*$0.4 Bn*)
Ship Recycling Credit Note

₹ 1.8 Bn (*$0.02 Bn*)
Establishment of National Shipbuilding Mission

Assistance Rate Structure

Non-specialized - Small Vessel
- Up to $ 11 Mn → 15% of actual value

Non-specialized - Large Vessel
- First $ 11 Mn → 15%
- Value above $ 11 Mn → 20%

Specialized Vessel
- First $ 11 Mn → 15%
- Value above $ 11 Mn → 25%

Phased assistance as WC bridge

- Keel laying (30%) - Upon commencement of vessel construction
- Launch (40%) - Disbursed when the vessel is floated out
- Delivery (30%) - Released upon completion and handover of the vessel to the owner

Domestic Content Requirement

< 30% Domestic Content
- No SBFAS support

30% to < 40% Domestic Content
- Pro-rata support

≥ 40% Domestic Content
- Full support

Applicable to all vessels built in Indian shipyards for domestic as well as export orders

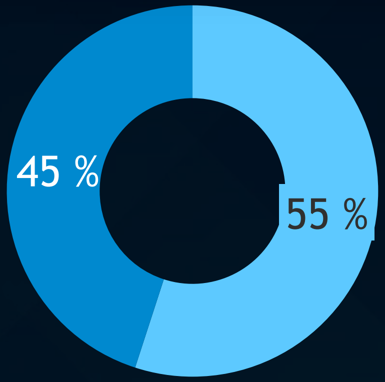
SBFAS | Application worth ₹ 123 Bn ($1.4Bn) already received since launch

No. of Applications	No. of Vessels	Total Contract Price	Financial Assistance
62	118	₹ 123 Bn *($1.4 Bn)*	₹ 26 Bn *($0.3 Bn)*

Scheme enabled shipyards to secure significant export orders

No. of application breakup

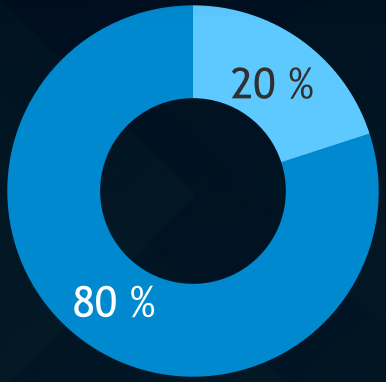
28
Export orders



34
Domestic orders

Contract price breakup

₹ 99 Bn
Export orders



₹ 24 Bn
Domestic orders

Domestic/Non-Export Export

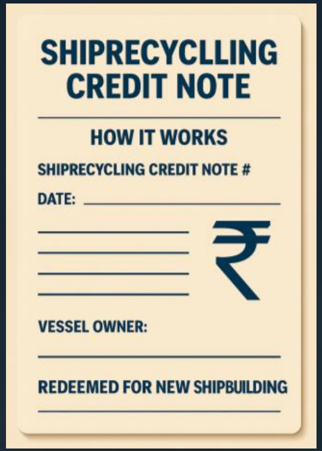
Application received under SBFAS are within DC requirement framework

A Global First: India's Ship Recycling Credit Note (SRCN)

₹ 40 Bn ($0.4 Bn) allocated under the SBFAS with 10-year validity from 24th September 2025 to 31st March 2036

SHIP RECYCLING
(HKC compliant Indian recycling yard)

40%
Fair Scrap Value



Valid for 3 Years from date of issuance of Credit note

New Build Offset

Upto 5% of new vessel value

NEW SHIPBUILDING
(Indian Shipyard)

- Stackable
- Partial Utilization
- Transferable
- Market Driven

Steps taken for Ship Recycling

Ship Recycling Act

- Enactment of the Recycling of Ships Act, 2019 (wef from 24th Dec'25 2025) in line with HKC
- Recycling of Ships Rules, 2021 notified
- Ship Recycling Regulations, 2026 notified

Upgradation of Ship Recycling Yards

- ₹ 0.53 Billion support from Ferrous Scrap Development Fund (FSDF) helping 115 facilities become HKC-compliant

Common Infrastructure development

- Multi-speciality hospital run Indian Red Cross (4.79 lakh patients treated) and primary hospital
- ₹4.03 crore for upgradation and ₹4.03 crore p.a. for operations through FSDF
- Safety Training and Labour Welfare Institute -1.58 lakh workers trained
- Emergency response systems on site ambulances with required facilities
- Housing facilities for workers, etc. -1,008 capacity, ~25 yards have their own housing facilities

35 Indian ship recycling facilities applied for EU listing
2 Indian ship recycling facilities included in Draft European list

Pillar 2 | Maritime Development Fund ₹ 250 Bn ($2.7 Bn) (budgetary support from FY 2026 to FY 2036)

Overview

Maritime Investment Fund (MIF)

₹200 Bn ($2.2 Bn) *$7.8 Bn under consideration*

- Long-term capital deployment for shipbuilding, port modernization & green shipping
- Blended finance equity fund structured as a closed-end Category I/II AIF
- Junior tranche (concessional) absorbed by GoI; senior tranche for commercial/institutional investors

49.0% (Public)	51.0% (Private)

Interest Incentivization Fund (IIF)

₹ 50 Bn ($0.6 Bn)

- Supports debt financing by reducing the cost of financing
- Incentive Structure:
  - Interest incentive of up to 3%
  - Offered to banks and financial institutions
  - Applicable on loans extended to Indian shipyards

Priority sectors

- Min 50% of corpus with target 70% in following sectors
- Shipbuilding and shipbuilding clusters, ship repair
- Ship ownership and tonnage acquisition, port expansion, inland waterways terminals, and coastal and international shipping

Other sectors

- Upto 50% of corpus for MMLPs, Maritime connectivity, Ancillary manufacturing & services
- Overseas capped at 10% of corpus for technology & innovation only

Policy Instruments

- Equity instruments only to support growth, expansion
- Fund shall retain the flexibility of selecting investment instruments

GoI's contribution is held/managed by SMFCL in a fiduciary capacity in an Alternative Investment Fund (AIF) structure

Pillar 3 | Shipbuilding Development Scheme: ₹ 200 Bn ($2.2 Bn)

Capital support for greenfield capacity expansion	Capital assistance to existing/ brownfield shipyards towards the expansion of production capacity	Capability development initiatives: set up the India Ship Technology Centre (ISTC)	Shipbuilding risk coverage: Pre-Shipment Insurance, Post-Shipment Insurance and Vendor Default Insurance	Administrative Expenses
₹ 99 Bn ($1,100 Mn)	**₹ 82 Bn** ($917 Mn)	**₹ 3 Bn** ($34 Mn)	**₹ 14.4 Bn** ($160 Mn)	**₹ 0.5 Bn** ($5 Mn)

Period of Validity of Scheme - 10 years (Till 31st March 2036)

SBDS Greenfield Shipbuilding Clusters scheme

Greenfield Clusters

Objective

Develop world-class shipbuilding clusters with shared infrastructure and advanced technologies to enhance competitiveness, drive economic growth, and generate jobs

Key Highlights

Collaborative effort between Central and State

- Cluster managed via Centre- State SPV (50:50 Joint Venture)
- Development of entire Common maritime, landside and social Infra by SPV with 100% funding by Centre government (~ ₹ 33 Bn/$0.4 Bn per cluster). External Trunk connectivity facilitated central ministries
- Land provided at nominal lease rentals to Shipyards and ancillary industry players
- Additional incentives by State government provided on Capex
- Anchor Shipyard: Alteast 1 shipyard with minimum annual capacity of 0.5 million GT

Limited to one cluster per state

Preference to Clusters that provide enabling conditions (e.g. land availability, SG facilitation via single window and maritime policy incentives)

1. from commissioning

Entire common maritime infrastructure built by SPV and funded by Centre

Skill training, R&D, green Sb tech & certification facilities

Internal Infrastructure including:

- Site Development
- Social Infrastructure
- Rail and road Connectivity
- Utilities

Shared floating cranes, Barges, tugs & auxiliary marine craft for cluster

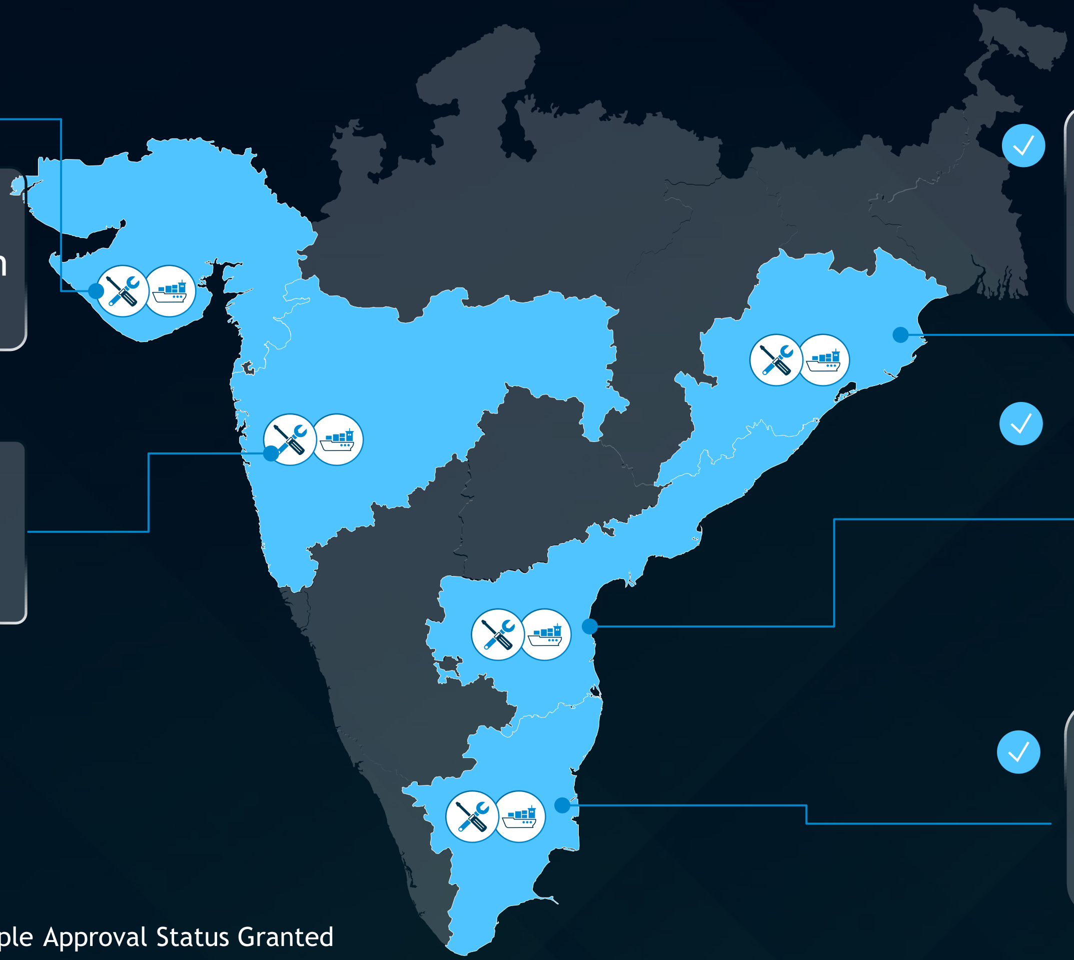
Breakwaters/Tide-independent basins/ Wave breakers

Capital dredging, land reclamation & area grading, turning basins

100% upfront capital assistance with milestone-linked funding and independent monitoring, SPV oversees the cluster wise development and begins construction of the common structures

Multiple shipbuilding clusters in India envisioned across strategic locations

Coastal states are investor-ready & willing to collaborate for these locations



Gujarat, Kucchadi
- 2000 acres of land; 2.7 km waterfront

Maharashtra, Dighi
- 2000 acres of land; 3 km waterfront

Odisha, Kendrapara
- 2000 acres of land; 2.5 km waterfront

Andhra Pradesh, Dugarajapatnam
- 3488 acres of land; 2.1 km waterfront

Tamil Nadu, Thoothukudi
- 2050 acres of land; 2.4 km waterfront

✓ In Principle Approval Status Granted

Approved, appraised and anchored | India has progressed from policy to investor-ready opportunities at remarkable pace

1 — 24 SEP 2025
Notified
Scheme in force,
EUR 1.82 Bn ring-fenced

2 — Q1-Q2 2026
SPVs formed
Centre-State 50:50
joint ventures

3 — Q1-Q2 2026
Feasibility
Reports delivered,
all five sites

4 — Q1-Q3 2026
Cleared
All five approved
in principle

5 — Q4 2025- Present
Anchored
Investor at an advanced
stage for Tamil Nadu

OPEN
Your slot
Four anchor
positions open

Anchor investor opportunity available across the clusters with several global shipyards in advanced stage

Greenfield clusters: Andhra Pradesh, Gujarat, Maharashtra, Odisha, Tamil Nadu

Pillar 3 | SBDS Brownfield expansion scheme

Facilitates capacity augmentation, modernization, and technological upgradation of existing shipyards to enhance competitiveness and efficiency

EXISTING INDIAN SHIPYARD

SBDS Brownfield grant

25%

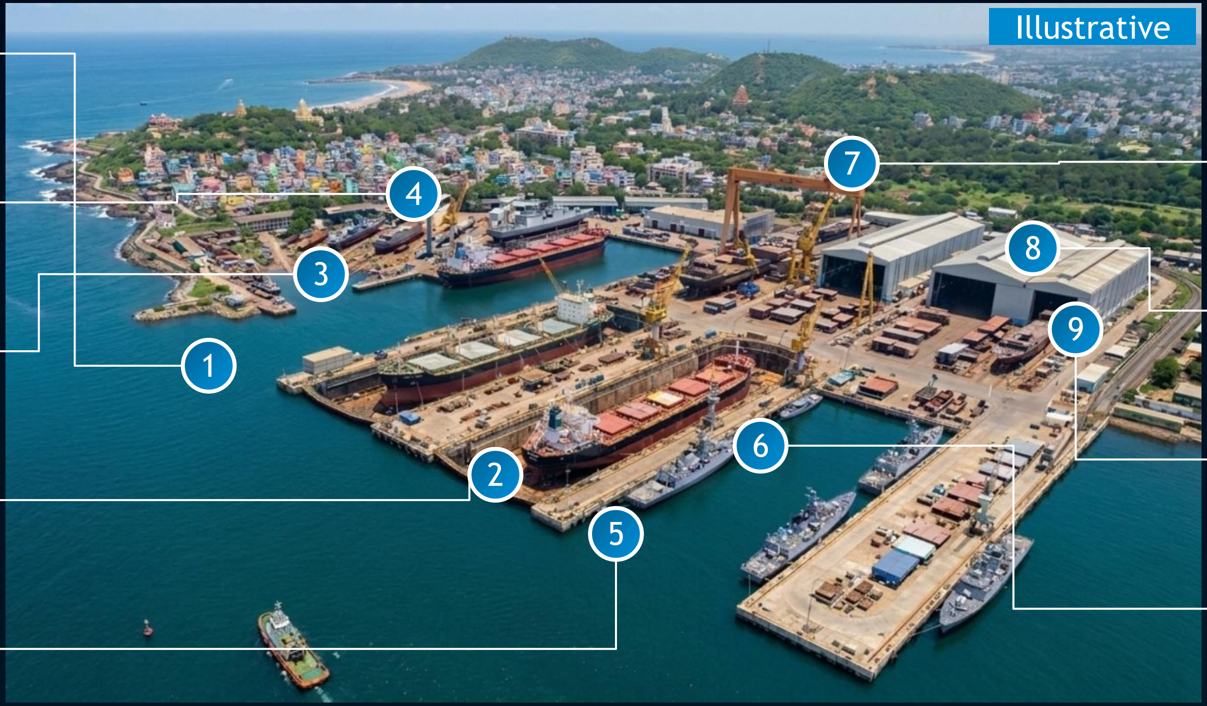
of Eligible Project Cost
Up to INR 15 Bn ($0.2 Bn) per shipyard

Milestone-based **Disbursement of grant** in 4 tranches in 15-35-30-20%

Brownfield Projects of total value ~ ₹ 30 Bn ($0.36 Bn) approved & ~₹ 100 Bn ($1 Bn) in pipeline

Eligible components under SbDS for Brownfield capacity expansion

- Channel & Basin Development
- Shiplift
- Slipway
- Dry Dock
- Floating Dock



- Cranes
- Block/Modular Fabrication Facility
- Automation & Digitalization
- Pier/Jetty

Any other facility not specifically mentioned above - reviewed by IA & submitted to NSBM for approval on a case-to-case basis

Explicitly excluded

- Maintenance & repair of existing facilities
- Cost of land
- Projects initiated prior to In-principle Approval

Pillar 4 - Legal, Policy and Process Reforms

Right of First Refusal (RoFR)

Local SB economy boost via preference given to Indian Shipyards for domestic vessel procurement

Local Demand Aggregation

$ 11.11 Bn investment by SCI for fleet expansion (200+ vessels) by 2047 adding 10 Mn GT. $ 5.2+ Bn shipbuilding orders from Oil & Gas PSUs.

Restrictions on old imports

Restrictions on acquisition of >20 yr old and operations of >25 yr old

Infrastructure status

Large commercial ships (> 1500 GT if built, owned and flagged in India & >10,000 GT if India owned and flagged) part of IHML post Sept'25

Maritime Financing

GIFT city institutionalized as center for ship leasing with fiscal benefits (10 year tax holidays, GST exemptions, capital gain tax waivers).

Indigenization of Ancillary Equipment

Make I/II schemes for Shipbuilding OEMs (e.g., Propulsion engines)

Legal & Policy Reforms

Five (05) Major Legislations were passed in 2025 by Parliament.

Envisaged benefits of reforms:

- Improve EoDB in Indian maritime sector
- Creation of sustainable demand for Indian shipbuilding industry & easier access to maritime financing

Demand Aggregation | Domestic Fleet Expansion Plan in place

Demand Aggregation plan launched in Dec’2025 marks a decisive acceleration in India’s shipbuilding push

			1 year plan		
Organization/Programme	Vessel Planned	Investment (₹ Cr)	Vessel type	1 yr. plan	Tender floated
Oil and Gas PSUs - Fleet acquisition plan (10 years)	59 vessels (34-SCI & OG JV; 25-ONGC)	47,800 *(2.8 Mn GT)*	PSVs, Tugs, LPG & Crude, Product & MR tankers etc.	26	18
SCI – Business plan (2047)	216 bulkers/ tankers/offshore	1,00,000 *(10 Mn GT)*	MR tankers	2	2
SCI – Container fleet (BCSL) (2047)	51 container vessels	60,000 *(6 Mn GT)*	Container Vessels	18	12
Major Ports - Domestic Green Tug Programme (10 years)	100 green tugs	12,000	Green Tugs	12	12
DCI- Fleet expansion (5 Years)	11 dredgers	3,775	Dredgers	4	-
Total	**437 vessels**	**₹ 2200 Bn *(19 Mn GT)***		***62***	***44***

Attractive Financial incentives across the lifecycle to augment project economics

Pre operations setup	Post operations setup
SBDS: Nominal lease rental on ready plug and play infrastructure - Land parcels for yard - Common marine infrastructure (Breakwaters, dredging & reclamation, internal Infra and others)	SBFAS: 15- 25% financial assistance on every ship built SBDS: Pre-Shipment Insurance, Post-Shipment Insurance and Vendor Default Insurance SBDS: 25% Capital assistance to existing yards towards brownfield expansion of production

MDF- Maritime Investment Fund: Equity financing under MIF for long-term capital deployment & Interest Incentivization of Interest incentive of up to 3%

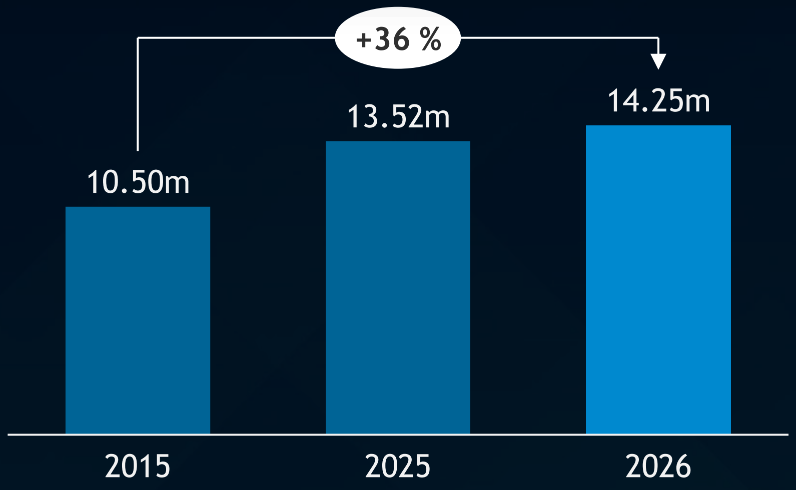
SBFAS- Ship breaking credit note for upto 40% scrap value of vessel

+

- Additional outlay by Govt. of India to stimulate demand (~437 vessels)
- Additional incentives by State Governments ~ 15- 25% Capex cost (including capital subsidy, SGST Reimbursement, etc.)
- Ship as Infrastructure status - 10-yr tax holiday for through GIFT city

Indian flag tonnage is growing, supported by incentives across cargo, capital and tax

Indian registered gross tonnage (million GT)



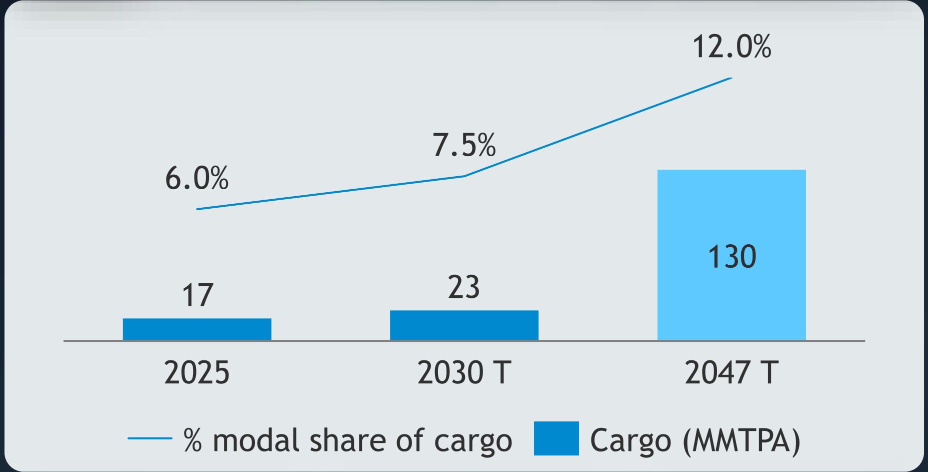
***FY 2025-26 added 92 ships and 1.58m GT** - the strongest year the Indian register has recorded*

Government incentives for Indian-flag vessels

1	**Coastal Shipping Act 2025**	Indian-flag vessels exempt from licensing
2	**GIFT City / IFSC ship leasing**	Ten-year tax holiday, GST exemption and capital gains waiver for ship leasing
3	**CCPS +10% Indian-flag multiplier**	Flag-based, not build-based
4	**Marine fuel GST at 5%**	Applies to all vessels

Coastal Shipping | CCPS aims to double coastal shipping's share of freight, from 6% to 12% by 2047

MAKV 2047 target modal share increase from 6% to 12% for India



Target milestone	Coastal cargo	Modal share
MIV 2030	~230 MTPA	~7.5%
MAKV 2047	~1,300 MTPA	~12%

GoI has proposed to launch ***Coastal Cargo Promotion Scheme (CCPS)*** *- a performance-linked initiative incentivizing -*

A **Coastal Vessel Operators**
Per-voyage incentive, green vessel and new-route top-ups

B **Cargo Owners**
Annual incentive for shifting freight to coastal mode

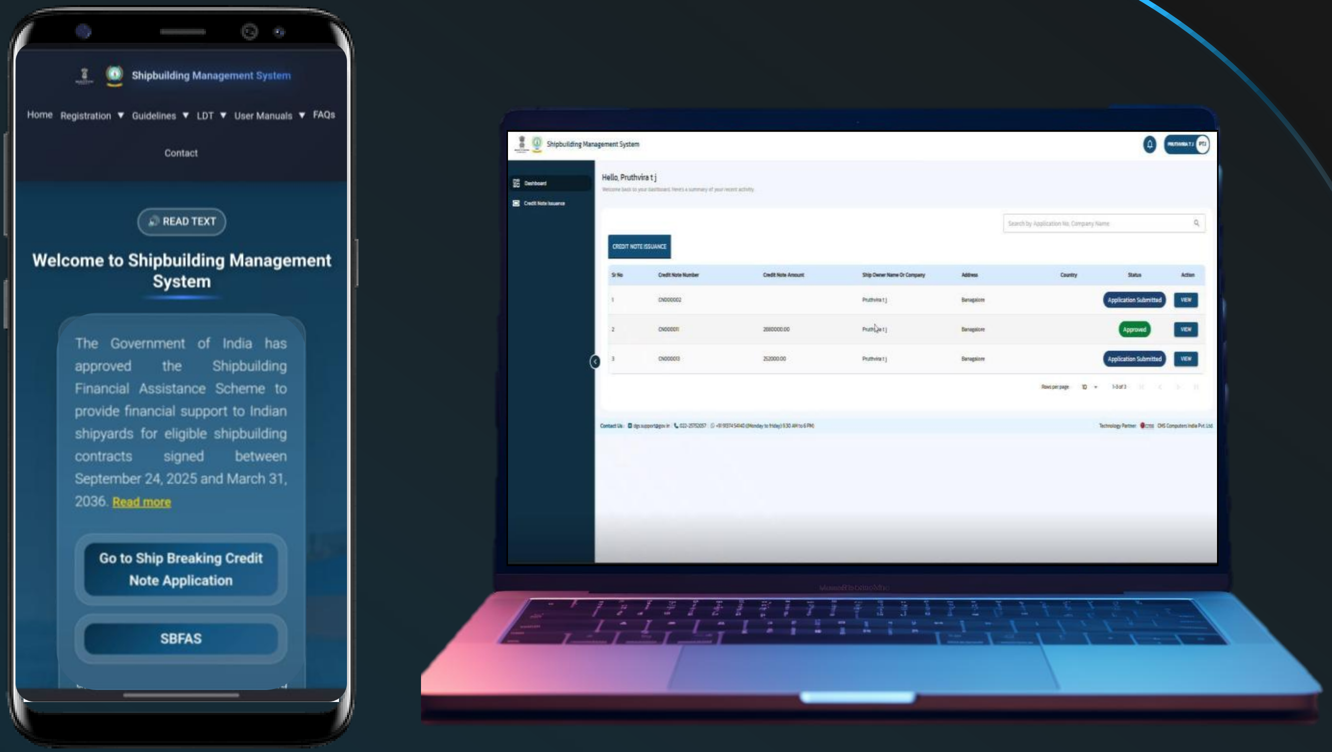
C **Multimodal Transport Operators**
Per-voyage incentive for aggregating cargo

Opportunity is here in Coastal Shipping

Open access, fast entry
Single-window licensing framework

Flag-neutral incentives
Open to foreign-owned vessels

End-to-end digitized process via DGMA shipbuilding portal



shipbuilding.dgshipping.gov.in

- Application submission
- Tracking
- Digital issuance
- Redemption

The policy is notified.
The sites are approved.
The demand is published.

Opportunity to build in India for the world

₹ 697 Bn ($7.8 Bn)	Committed to shipbuilding, to 2036
437	Vessels of published national demand
5	Greenfield clusters, all approved in principle
25+	Shipyards looking for expansion partners


We Look Forward to
Welcoming you to India
Contact us at invest.shipbuilding@gov.in