



## Economy > Logistics

# Shipping Corp reports Q1 net profit of Rs 317 crore, highest in 54 quarters

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# BusinessLine



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State-run Shipping Corporation of India Ltd (SCI) reported a stand-alone net profit of ₹317.48 crore in the April-June quarter, its highest quarterly net profit in 54 quarters as tanker earnings soared after oil refiners and traders chased crude oil tankers for storage on the high seas, driving up rates in April.

India's biggest ocean carrier had reported a loss of ₹39.36 crore in the first quarter of FY20.

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The operational revenue of the Mumbai-based company jumped to ₹1,143.46 crore during the first quarter of FY21 from ₹918.95 crore a year earlier.

Crude tankers were increasingly sought after by refiners and traders in April to store crude oil on the high seas due to a slump in global crude prices and lack of storage space on-land, hoping that the cargo would fetch better prices when the market rebounded.

The tanker fleet, SCI's largest division, account for more than half of the total fleet but in terms of tonnage (capacity), it constitutes close to 80 per cent of the total dead weight tonnage (DWT).

The tanker division earned ₹861.46 crore during the first quarter compared to ₹571.25 crore in the first quarter of FY20. The tanker earnings contributed to some 75 per cent of the firm's quarterly revenue.

### Caution ahead

The company's chairperson and managing director Harjeet Kaur Joshi, however, cautioned that the tanker rates may not sustain in the future.

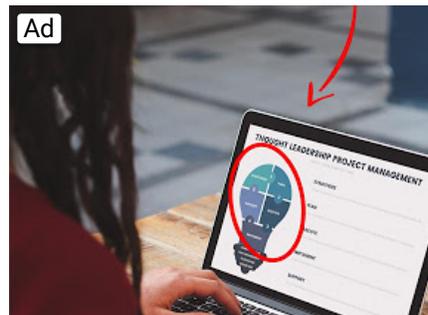
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business operations. The shipping business and markets have been adversely impacted as the cascading effect of the lockdown pervaded the port and cargo operations leading to delays in clearing of cargo containers, berthing of vessels, clearance of documents/immigration resulting in demand compression and utilization levels of ships. Rise in tanker rates in the backdrop of sharp drop in oil prices and demand for floating storage may not sustain in the future. The near-term outlook for major shipping segments like dry bulk, containers and offshore appears negative,” she said.

The government has decided to sell its 63.75 per cent in SCI, India’s biggest ocean carrier by fleet size, to a private strategic investor.

SCI owns about a third of India’s shipping tonnage (capacity). It runs 33 oil and product tankers, 15 bulk carriers, two container ships and ten offshore supply vessels.

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