

Opportunities in Indian Shipbuilding Facilities

*Current &
Future projection*



KRS Infra Ventures Pvt. Ltd.



FROM DIRECTOR DESK



Dear Friends,

India's roadmap to becoming a top 10 shipbuilding nation by 2030 hinges on aggressive policy implementation, infrastructure upgrades, and global collaboration. Success will require overcoming structural bottlenecks while capitalizing on green shipping trends and geopolitical shifts in maritime trade. If executed effectively, this could position India as a global maritime hub by 2047.

Government of India want Indian Shipbuilding Industry to become self-sufficient and with long-term policy introduced recently to achieve goals for this Industry.

At the same time gives wider opportunities to worldwide Design Companies as well as Ancillaries suppliers to associate with Indian Shipbuilders and workout long term Business Relations.

Hope this Newsletter helps you to understand insight of this Sector and workout Business Opportunities for you.

Regards



Keshav Gandhi

Executive Director

KRS Infra Ventures Private Limited

INTRODUCTION

The Shipbuilding sector in India aims to unlock \$237 billion opportunities by 1947, making India a global shipbuilding leader while generating millions of jobs across the maritime value chain.

The Indian Government's vision to position India among the top five shipbuilding Nations by 2047, with an additional shipbuilding capacity of four million Gross Registered Tonnage (GRT). Government emphasized the need for new policies, skill development initiatives, and collaboration with state governments to achieve this goal.

Indian shipyards rely heavily on imported critical designs & components like engines, propulsion

systems, and navigation equipment offer opportunities for Global players to associate with Indian Shipbuilding Industry and make long term Business Relations.



Projected Vessel Procurements planned in future commercial & specialized ships' needs include:

Green Ships Construction



LNG-Fueled Vessels: Prioritized under the Revamped Shipbuilding Financial Assistance Policy (30% subsidy).

Electric/Hybrid Tugs: Mandated for major ports under the Harbor Craft Green Transition Program.

Specialized Vessels



LNG Carriers and FSRUs: Incentivized under the Maritime Development Fund (MDF) for energy security.

Self-Propelled Dredgers: Critical for port modernization under Sagarmala Program.

Bulk Carriers and Tankers



Oil/Chemical Tankers: Planned by Great Eastern Shipping (\$160M investment for advanced tankers).

Coal/Iron Ore Bulk Carriers: To reduce reliance on foreign vessels for commodity transport.

Container Ships

Indian Government Aims that Indian Shipbuilders start Building so Shipping companies to procure domestically built container ships to handle EXIM trade. There are potential orders for 8,000–15,000 TEU ships.



Coastal and Inland Vessels

Ro-Pax Ferries: For short-sea shipping under the PM Gati Shakti Initiative.



Hybrid Ferries: Targeting 500 coastal vessels by 2047, with accelerated procurement in 2025–2026.

Key Procurement Initiatives

New State-Backed Shipping Company: Plans to acquire 1,000+ vessels over the next decade, starting with tankers and bulk carriers.

GIFT City Maritime Fund: \$500M fund by Alphard Maritime Group to finance vessel acquisitions (\$10M–\$20M range).



Goa Shipyard: Constructing 8 Fast Patrol Vessels (FPVs) for the Indian Coast Guard.

Challenges in Tracking Exact Procurement



Data Transparency: Detailed procurement lists are rarely published due to competitive bidding and commercial confidentiality.

Dynamic Orderbooks: Shipyard capacities are booked until 2028–2030, limiting immediate visibility into 2025–2026 deliveries.

Policy Dependencies: Procurements hinge on MDF disbursements and SBFAP revisions (post-2026).

Notable Players and Investments



SCI-Oil Marketing Companies Collaboration: Joint ventures for crude/oil tankers.

Private Sector: Great Eastern Shipping, Alphard Maritime, and Shapoorji Pallonji Group expanding fleets.

While exact procurement lists remain undisclosed, India's focus on green, specialized, and domestically built vessels will dominate 2025–2026 acquisitions, supported by the ₹25,000 crore MDF and policy reforms. For precise details, monitoring tenders from Shipping Corporation of India (SCI) and major ports is recommended.



India aims to become a top 10 global shipbuilding nation by 2030 through a multi-pronged strategy focusing on policy reforms, infrastructure development, and international collaboration. Here's how it plans to achieve this ambitious target:

Policy and Financial Support

Maritime Development Fund (MDF): A ₹25,000 crore (\$3 billion) fund to provide low-cost, long-term financing for shipbuilding and repair projects.

Subsidies for Green Ships: 30% financial assistance for LNG-fueled vessels and 20% for



hybrid/electric ships under the revamped Shipbuilding Financial Assistance Policy.

Infrastructure Status: Large vessels classified as infrastructure assets, enabling access to tax benefits and cheaper loans.

Infrastructure Expansion

Mega Shipbuilding Parks: Clusters planned in Gujarat, Maharashtra, Kerala, Andhra Pradesh,



and Odisha to centralize production and supply chains.

Port Modernization: Upgrading 12 major ports and 200+ minor ports under Sagarmala Program to support shipbuilding logistics.

Coastal Corridors: Developing green shipping routes (e.g., Kandla-Tuticorin) for eco-friendly vessels.

Technology and Sustainability

Green Shipbuilding: Prioritizing LNG carriers, hydrogen-ready vessels, and electric tugs to align with global decarbonization goals.



Digital Adoption: Integrating AI, IoT, and automation to improve productivity and reduce delivery timelines.

R&D Investments: Collaborating with global leaders like South Korea and Japan for advanced shipbuilding technologies.

Capacity Building



Skill Development: Training 1.1 million workers in shipbuilding and repair through specialized programs.

Supply Chain Localization: Reducing reliance on imported components (e.g., engines, steel) by promoting domestic manufacturing.

Output Targets: Scaling annual production from 0.072 million GT (2024) to 0.33 million GT by 2030, a 4.5x increase.

Strategic Partnerships

Foreign Investment: Inviting South Korean and Japanese firms to establish shipyards and share technology.



Public-Private Partnerships: Encouraging joint ventures (e.g., SCI-OMC collaboration for tankers) to leverage private sector efficiency.

Defense Synergies: Utilizing naval projects (e.g., Project 75 Alpha submarines) to boost commercial shipbuilding capabilities.

Market Expansion

Domestic Fleet Renewal: Replacing ageing vessels (44% over 20 years old) with 500+ new coastal ships by 2030.



Global Competitiveness: Targeting niche markets like LNG carriers, FSRUs, and offshore wind vessels to differentiate from China.

Export Push: Leveraging cost advantages in labor and materials to attract international orders.

Challenges to Overcome

High Costs: Addressing 25–30% cost disadvantages compared to China/South Korea through subsidies and economies of scale.



Bureaucratic Hurdles: Streamlining approvals and land acquisition for shipbuilding parks.

Supply Chain Gaps: Developing local suppliers for critical components like high-grade steel and propulsion systems.

Mega Shipbuilding Parks



Target: Two operational parks by 2030 (East and West coasts each).

Locations: Gujarat, Maharashtra, Odisha, Andhra Pradesh, Kerala.

Capacity: Enable construction of ships with 3 million tons cargo capacity (up from 1.25 million tons).

Infrastructure: Government-funded roads, power, and water; private-sector cranes, dry docks, and machinery.

Naval Shipbuilding

Current Projects: 64 ships under construction (as of 2025), including destroyers, frigates, and submarines.



Future Targets: 155-160 warships by 2030.

Nuclear and conventional submarines, including midget submarines for MARCOS operations.

Extra Large Unmanned Underwater Vessels (XLUUVs) for surveillance and mine warfare.

Policy Initiatives

Shipbuilding Financial Assistance Policy 2.0:

Direct grants to shipyards to boost domestic capacity.

Infrastructure Status for Ships: Easier financing for large vessels to increase Indian ownership.



Maritime SEZs: Proposed under DESH Bill 2022 to attract global investment by 2047, the sector aims to unlock \$237 billion in opportunities, making India a global shipbuilding leader while generating millions of jobs across the maritime value chain overview of commercial vessels to be constructed in India or required by shipping companies, based on current projects and policy goals:

New Fleet Expansion

1,000+ Vessels: India plans to establish a new shipping company to expand its fleet by 1,000 ships over the next decade.

Types: Likely include bulk carriers, tankers, container ships, and LNG carriers to reduce reliance on foreign vessels (currently 95% of trade).

Green and Sustainable Vessels



Hydrogen/Methanol-Powered Ships: 30% financial assistance for vessels using green fuels (hydrogen, ammonia, methanol).

Electric/Hybrid Vessels: 20% subsidy for ships with electric/hybrid propulsion systems.

Target: Transition to zero-emission coastal shipping by 2030.

Repurposed Naval and Auxiliary Ships



Multi-Purpose Vessels (MPVs): MPVs (e.g., L&T-built vessels) for logistics and surveillance.

Next-Gen Missile Vessels (NGMVs): Equipped with LM2500 gas turbines (HAL-Cochin Shipyard collaboration).

Auxiliary Ships: Including survey vessels, research ships, and dredgers for port maintenance

Shipping Corporation of India: Projection of Procurement of Off-shore Vessels SCI provided budget of INR 323.40 Crores (2026-27)

Current Indian Shipyard Landscape

India has 30 shipyards (public/private split), handling commercial and defense projects include Hindustan Shipyard, Cochin Shipyard,



Mazagaon Dock, HSL, GRSE & Goa Shipyards working for Defense Production. In addition, Commercial & Defense production has few private Shipyards like L&T Shipbuilding, Reliance Naval actively working with many smaller Ship Builders.

India ranked currently at 20th (0.06% market share) position with turnover approx. US\$ 1.12 billion, aiming for Top 10 by 2030 with Capacity Targets to be added 4M GRT by 2047 (Top 5 global goal).

The new shipbuilding policy will significantly transform India's private sector shipyards through financial, structural, and demand-side interventions:

Key Impacts on Private Shipyards



Enhanced Financial Viability

Maritime Development Fund (MDF): ₹25,000 crore fund with 49% Government contribution provides low-cost financing for modernization and expansion.

Customs Duty Exemptions: Extended 10-year exemption on raw Materials/components reduce production costs.



Long-Term Subsidies: Revamped Shipbuilding Financial Assistance Policy (SBFAP 2.0) offers ₹18,090 crore in subsidies until 2035.

Infrastructure & Technology Upgrades

Maritime Clusters: Development of 3 clusters (Gujarat, Andhra, Odisha) under Sagarmala 2.0 to improve supply chain efficiency.

Green Transition Support: Incentives for adopting hydrogen/methanol propulsion systems and IHOP manufacturing techniques.

Maritime SEZs: Proposed under DESH Bill 2022 to offer tax benefits and world-class logistics.

Market Access & Demand Creation

Fleet Modernization: SCI-Oil Marketing Companies joint ventures to order large tankers,



creating ₹20 lakh crore market opportunity by 2047.

Global Repair Hub Push: Upgraded dry docks aim to capture \$237 billion ship repair market in Indian Ocean region.

Order volatility: 200+ defense vessel pipeline (2024-2030)

Strategic Outcome: The policy aims to increase private shipyards' share in India's \$90 billion annual shipping expense market while targeting 60% CAGR to reach \$8 billion industry size by 2033. By aligning with PM Gati Shakti's logistics integration, private players gain access to coastal shipping and inland waterways vessel contracts



Green Technology: Investments in hydrogen /methanol infrastructure and retrofitting projects will accelerate India's transition to sustainable shipping.



The Maritime Development Fund's (MDF) impact through synergized capital, risk-sharing, and specialized expertise:

- **Government Subsidy & Budgetary Support to Develop Shipbuilding Sector:** Recently Government under Maritime Development Fund Scheme allocated INR 25,000 crore in Budget 2025-26 to provide long-term capital, with 49% Government funding and 51% from ports/private sector.



- **Shipbuilding Financial Assistance Policy (2016-2026):** Extended to 2026 with ₹18,090 crore outlay, offering 20% subsidies for domestic shipbuilders to offset cost disadvantages.



- **Customs Duty Exemptions:** Extended duty-free imports of raw materials and components for shipbuilding until 2035.



KRS MARKETING Partnership Proposal

Marketing Requirements

Handling business opportunities in India require various steps and Marketing Partnership will help you to understand the practice and management to work in India. Considering the promotion before official participation in business, few steps like promotion, introducing own product range to manage the requirement development accept our standard products or services, advance preparation of participation in Indian Opportunities, management of local vendor team, if required for joint participation, handling tenders, offers, negotiations, contract management support etc., the list is ongoing and KRS Infra Ventures Pvt. Limited ensure that our experience being in this trade from last three decades offer you wider experience base in INDIA.

Marketing Proposal

The KRS Group herewith introduce KRS Infra Ventures Pvt. Limited herewith offers the marketing partnership to your organization to promote you and yours associates interest in Indian Infrastructure Sector with following ways:

- Informing Business Opportunities in India for business scope of your organization.
- Promoting your organization with introducing and presenting details to various clients in Government

and Private Sector and follow-up for acquisition formalities (tendering process, finalization of business, all assistance during implementation & after sales etc.)

- Informing the current scenario of market in view of Government Policies, Procurements plans etc.
- Advising the strategies required during promotion for successful business opportunities.

The partnership terms will require discussions to finalize, which will be second step after receiving your principal approval and suggest you to work on following options for understanding:

- Marketing Partnership Joint Venture-which means "KRS Infra Ventures" will be offering all Marketing support in India and your organization handle the technical & commercial need of the projects targeted and rest terms & conditions of arrangement will decided after in principal approval of partnership.
- Exclusive Agent in INDIA-KRS will be offered exclusive Agency Agreement for 3 years minimum to develop and managing business opportunities for your organization and terms & conditions of this agreement will be discuss after principal approval of working.



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