



पत्तन, पोत परिवहन
एवं जलमार्ग मंत्रालय
MINISTRY OF
PORTS, SHIPPING
AND WATERWAYS

सत्यमेव जयते

Shaping India's Competitive and Sustainable Shipbuilding Ecosystem



Director General of Maritime Administration

24th February 2026 | ITC Grand Central Hotel, Mumbai



India's Economic Growth and the Significance of Maritime Domain



**\$4.19
Trillion**

Indian GDP

World's 4th largest economy

6.5%
(FY 25)

GDP Growth

*projected 6.3–6.7% annual growth
through coming years*

**\$5
Trillion**
by 2027-28

GDP Target

*IMF projects India will surpass Germany by
2028, becoming the world's 3rd largest
economy*

**The
Maritime
sector
facilitates**



95%
Trade by
Volume

70%
Trade by
Value



**Maritime sector
contributes to 4-
5% of the GDP**

Geopolitical Uncertainty

1. Impact of Blockage of Suez Canal



Fig: Red Sea Shipping Crisis

Challenges

- Concern of US with Iran: Potential risk of sanctions
- Houthi-Red Sea Crisis

2. Impact of Russia-Ukraine War on Maritime Trade & Shipbuilding

Disrupted Black Sea Routes

- Grain, metals, and bulk cargo shipments rerouted or delayed

Sanctions & Export Controls

- Restrictions on Russian oil, metals, and technology
- Compliance risk for shippers & buyers

Fuel & Insurance Instability

- Volatile bunker fuel prices increase operating costs

3. Geopolitical Importance of Chabahar

Chabahar Port is located on Iran's southern coast by the **Gulf of Oman**. It serves as India's access point to Afghanistan and Central Asia, bypassing Pakistan. The port counters **China's Gwadar Port in Pakistan**, part of the **China-Pakistan Economic Corridor (CPEC)**. Chabahar is also a key node in the **International North-South Transport Corridor (INSTC)**, linking Mumbai to Moscow through Iran and Azerbaijan.





National Vision for Shipbuilding



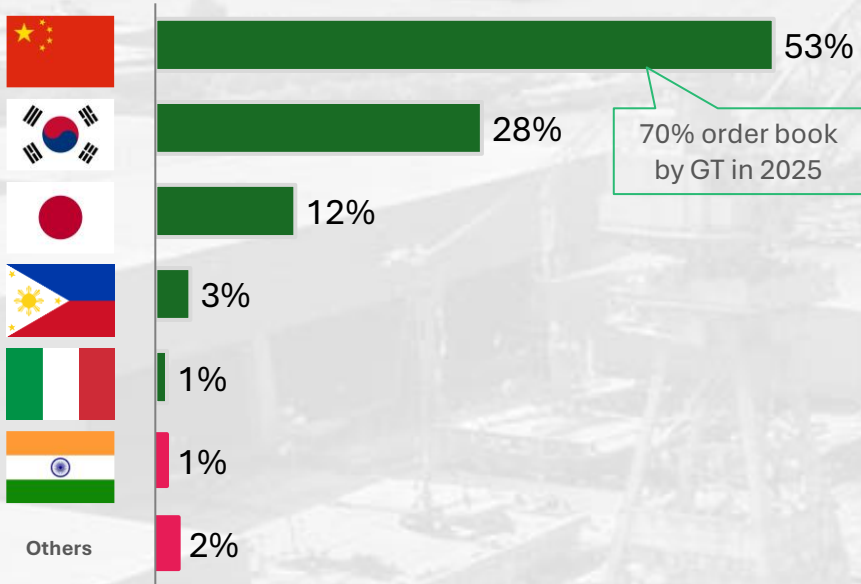


Commercial Tonnage and Shipyard Capacity



Commercial tonnage | 20+ shipyards in India contribute to about 1% of tonnage; India poised well to exploit the shipbuilding super cycle
India secured Top10 spot in 2000s with 300k+ Tn throughput- strong skillsets exist

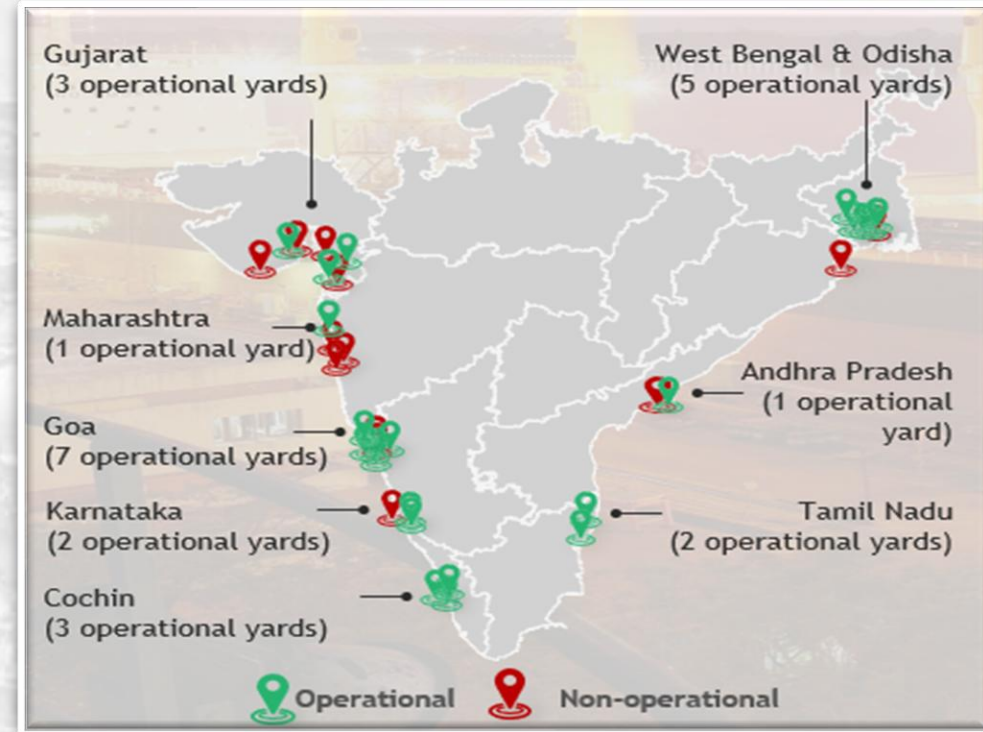
Commercial deliveries¹ by GT(2024) dominated by China, Korea and Japan



Top-5 position requires throughput of **4+ Mn GT²** over next 2 decades vis a vis current approx. 50,000 GT

1. Source: Clarkson's Database, Secondary research
2. Calculated tonnage basis projected SB market growth and current GT throughput of Top-5 nations

India does have the 'shipbuilding DNA' - demonstrated robust performance in 2000s and **Aatmanirbhar in Naval fleet**



Major shipyards in India

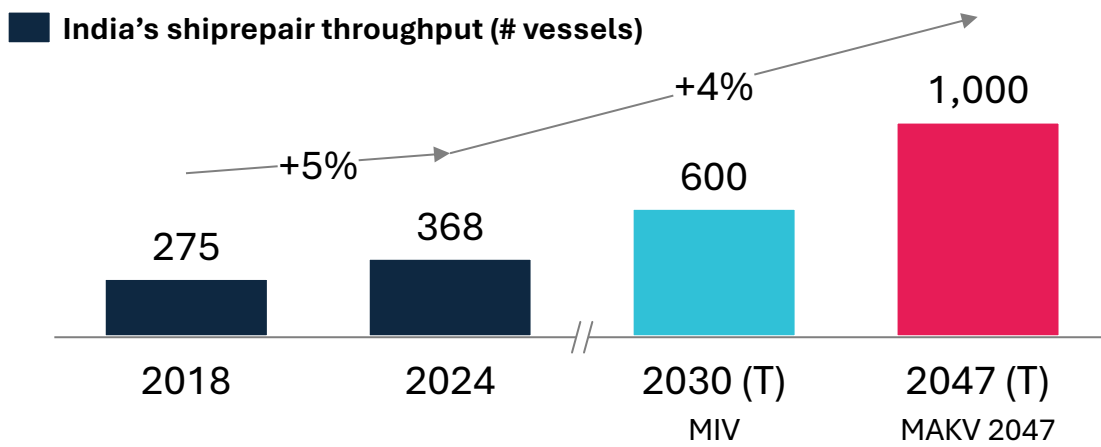
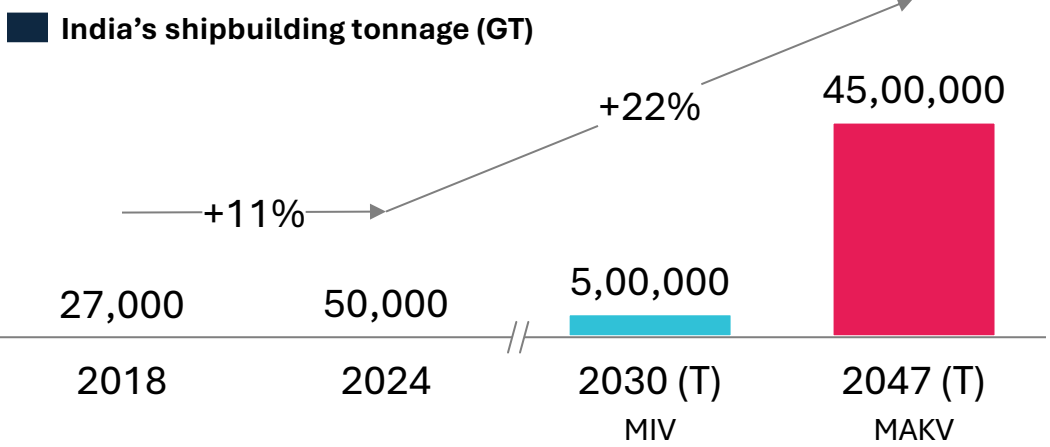


India's Path to Achieving Shipbuilding & Repair Targets



India's Shipbuilding tonnage witnessed 10% CAGR in past 3 years, require 20% growth rate to achieve 2047 targets

India's Ship Repair tonnage require continued steady momentum of 4-5% CAGR to achieve 2047 targets



5-10% of global market share to be targeted to be amongst Top-5 shipbuilding nations



Critical to achieve significant exports and Atmanirbhar Bharat by setting up large clusters - *3-3.5 Mn GT to be produced from 3-4 greenfield clusters*, attracting investments and achieving global competitiveness

Source: MIV 2030, MAKV 2047

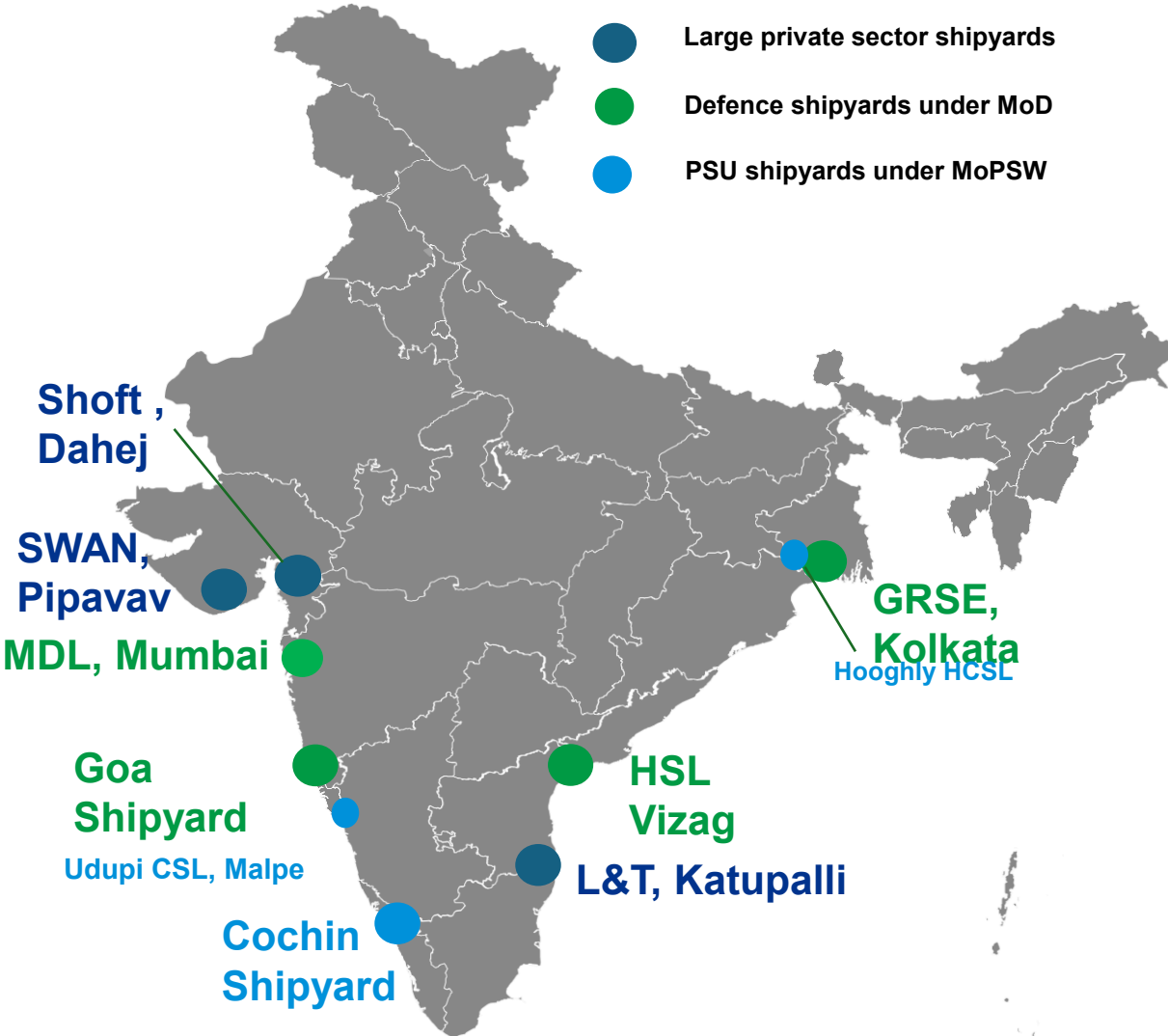


Shipyards in India



Key shipyards in India

- Large private sector shipyards
- Defence shipyards under MoD
- PSU shipyards under MoPSW



State wise list of shipyards

S No	State	Large & very large	Intermediate	Small	Boat yards	Small repair agencies
1	A&N	0	0	1	0	1
2	Andhra Pradesh	1	0	1	0	1
3	Goa	1	3	11	1	2
4	Gujarat	2	0	2	1	0
5	Karnataka	0	2	1	0	0
6	Kerala	1	0	3	3	0
7	Maharashtra	1	0	6	1	4
8	Tamil Nadu	1	0	0	0	1
9	West Bengal	1	1	3	0	3
Total		8	7	28	6	12

- Large and very large shipyards > 20,000 DWT capacity
- Intermediate shipyards, 10,000 – 20,000 DWT capacity
- Small shipyards, 1000 – 10,000 DWT capacity
- Boat yards < 1000 DWT capacity/
- Repair agencies - no full-time capacity



Four pillar approach for Shipbuilding



Total Allocation

₹69,725 Cr.



Shipbuilding Financial Assistance scheme

Allocation: ₹24,736 crore
(Shipbreaking Credit Note – 4,001 Cr)



Maritime Development Fund

Allocation: ₹25,000 crore
(Maritime Investment Fund – ₹20,000 crore
Interest Incentivisation Fund – ₹5,000 crore)



Shipbuilding Development Scheme
Allocation: ₹ 19,989 crore

(Capacity & capability development and credit risk coverage)



Legal, Policy and Process Reforms



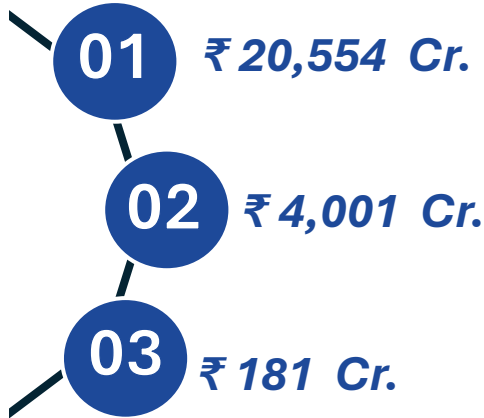
Shipbuilding Financial Assistance Scheme



₹ 24,736 Cr.



Shipbuilding Financial Assistance scheme



Extension of Shipbuilding financial assistance scheme

Shipbreaking credit note

Establishment of National Shipbuilding Mission

Shipbreaking credit note

40% of ship's scrap value to be issued to the ship-owner when the vessel is scrapped in an Indian yard. Credit note would be reimbursable against cost of construction of new vessel at an Indian shipyard.

Assistance Rate Structure



- Non-specialized – Small Vessel**
- Up to ₹100 crore → 15% of actual value
- Non-specialized – Large Vessel**
- First ₹100 crore → 15%
 - Value above ₹100 crore → 20%
- Specialized Vessel**
- First ₹100 crore → 15%
 - Value above ₹100 crore → 25%

- Domestic Content Requirement**
- < 30% Domestic Content**
 - No SBFAS support
 - 30% to < 40% Domestic Content**
 - Pro-rata support
 - ≥ 40% Domestic Content**
 - Full support





Shipbuilding Development Scheme



₹ 19,989 Cr.



**Shipbuilding
Development Scheme**
(Capacity & capability
development and credit risk
coverage)

01

₹ 9,930 Cr.

Capital support for greenfield capacity expansion

02

₹ 8,261 Cr.

Capital assistance to existing/ brownfield shipyards towards the expansion of production capacity

03

₹ 305 Cr.

Capability development initiatives: set up the India Ship Technology Centre (ISTC)

04

₹ 1,443 Cr.

Shipbuilding risk coverage: Pre-Shipment Insurance, Post-Shipment Insurance and Vendor Default Insurance

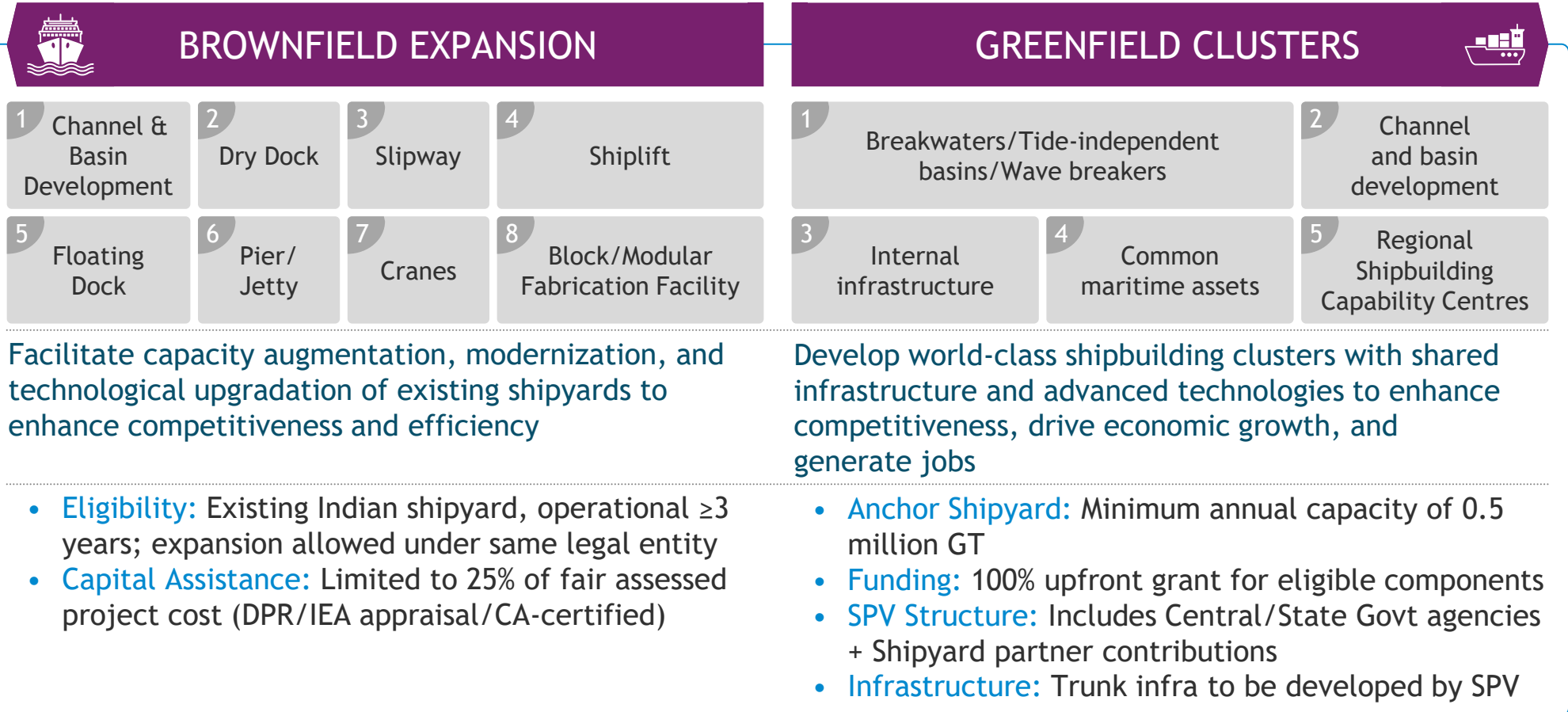
05


₹ 50 Cr.

Administrative Expenses



Key Highlights of Shipbuilding Development Scheme



 The Inter-Ministerial Governing Board (IMGB) of NSbM has nominated the DGS as the Implementing Agency for both Greenfield and Brownfield Expansions



Ship Breaking Credit Note



- Introduced under **Ship Building Financial Assistance Scheme 2.0 (SBFA 2.0)**
- Incentivizes ship owners to **recycle in India** and **build new ships in Indian shipyards**

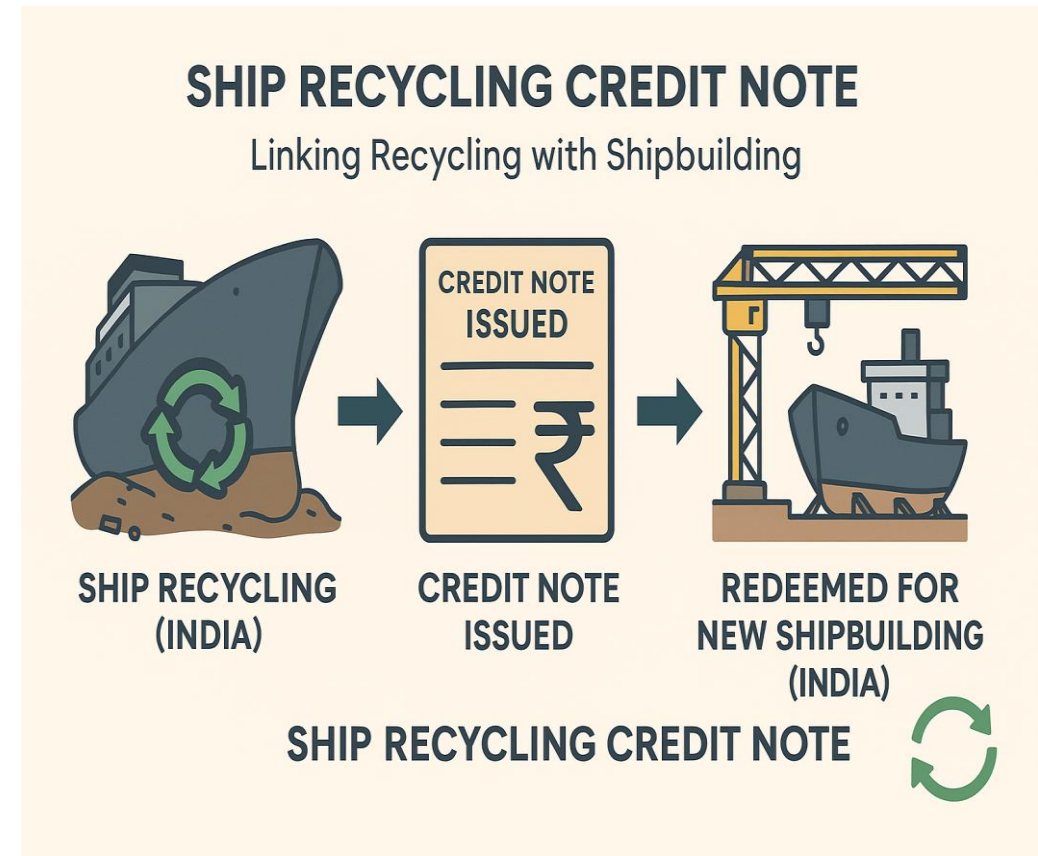
Allocation of : ₹ 4,001 crore
(under SBFA)

How It Works

- When a vessel is recycled in a certified Indian yard, the ship owner receives a **Credit Note for 40% of scrap value.**
- The Credit Note remains valid until the owner builds a new vessel/ship in an Indian shipyard
- Redeemed as **financial assistance/ subsidy** under SBFA 2.0

Expected Benefits

- Encourages **safe and HKC compliant ship recycling** in India
- Provides direct **business boost for Indian shipyards**
- Attracts **new players** to India's ship recycling and shipbuilding ecosystem
- Strengthens India's **circular economy** : recycling feeds into new shipbuilding
- Positions India as a leader in **Green and Sustainable Maritime Growth**



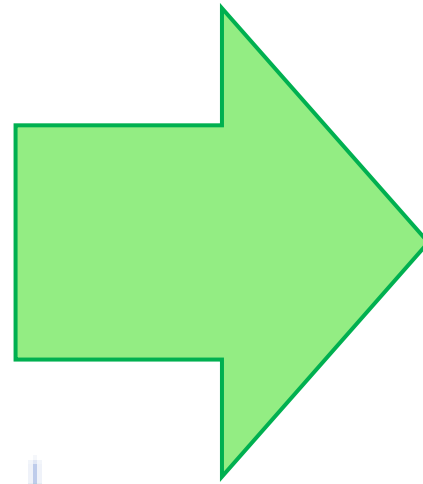


Provisions for Green Vessels



SBFAP (2016-26)

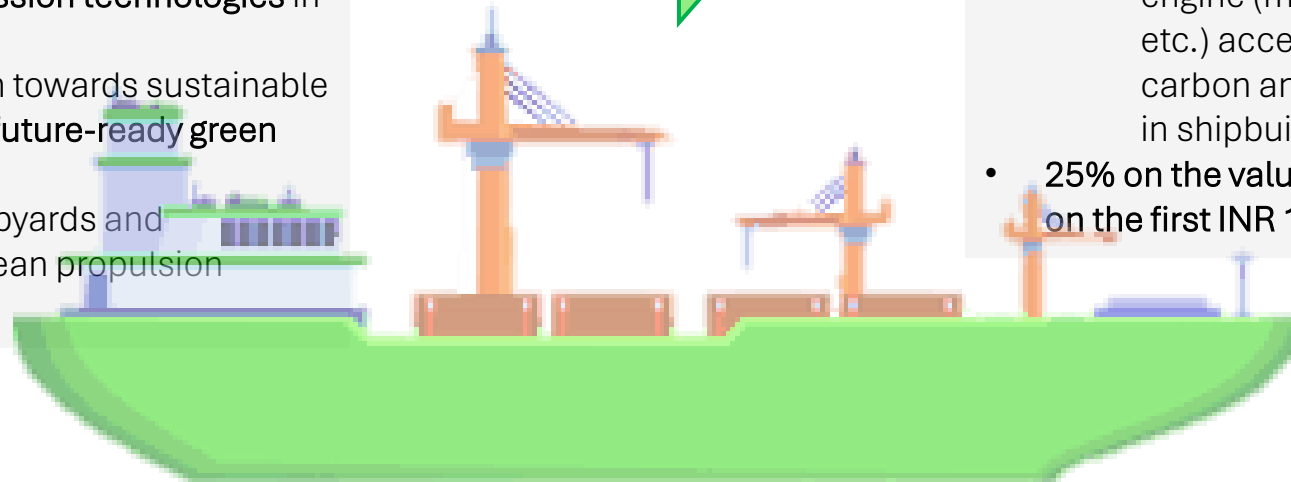
- 30% Financial Assistance for vessels where main propulsion is powered by green fuels, including: Methanol, Ammonia, Hydrogen fuel cells and Other approved alternative green fuels
- 20% Financial Assistance for vessels equipped with: Fully electric propulsion systems, or Hybrid propulsion systems (electric + conventional fuel)
- Incentives aimed at accelerating adoption of low-carbon and zero-emission technologies in shipbuilding
- Supports India's transition towards sustainable maritime operations and future-ready green fleets
- Encourages domestic shipyards and shipowners to invest in clean propulsion technologies



SBFAS (2026-36*)

- Green Vessel Categories
 - Green Vessels: Vessels operated through eco-friendly fuels like electric batteries, methanol, hydrogen fuel cells, or ammonia.
 - Hybrid Vessels: Vessels using conventional fuels (gas, LPG, oil) combined with rechargeable electric sources like batteries.
 - Vessels powered by dual-fuel main engine (methanol, ammonia, LNG, LPG etc.) accelerating adoption of low-carbon and zero-emission technologies in shipbuilding
- 25% on the value above INR 100 Crore (15% on the first INR 100 crore + 25% on remainder)

* In Principal approval till 2047





Maritime Development Fund



Maritime Development Fund (MDF)

INR 25,000 crore (budgetary support from FY 2026 to FY 2036)

Maritime Investment Fund (MIF)

- i. **Initial corpus:** INR 20,000 crore
- ii. **Budgetary support:** 49%, i.e., INR 9,800 crore
- iii. Largely supports **equity financing** for maritime sector

Interest Incentivization Fund (IIF)

- i. **Corpus:** INR 5,000 crore
- ii. **Budgetary support:** 100%
- iii. Supports **debt financing** by reducing the cost of financing



Demand Aggregation



Fleet Expansion & Investment Overview

Organization / Programme	Vessel Planned	Gross Tonnage (GT)	Investment (INR Cr.)
Oil and Gas PSUs – Fleet acquisition plan	59 vessels	2.8 million GT	INR 47,800
SCI – Long Term Plan	216 bulkers/tankers/offshore vessels	10 million GT	INR 1,00,000
SCI – Container Fleet	51 container vessels	~ 6 million GT	INR 60,000
Domestic Green Tug Programme	100 green tugs	–	INR 12,000
Dredging Corporation of India – Fleet expansion	11 dredgers	–	INR 3,775
Total	437 vessels	~ 19 million GT	INR 2.2 lakh Cr.

Procurement Plan (1 yr.)

Stakeholder	Vessel Type	Qty
JV with Oil PSUs including ONGC	LPG Carriers, Crude Carriers, Product Tankers, etc.	22
Shipping Corporation including BCSL	Container Vessels, Product Tankers, Platform Support Vessels, etc.	24
Major Ports	Green Tugs	12
Dredging Corporation	Dredgers	4
Total		62 Vessels



Procurement Plan



EOI / Tenders already floated

Vessel Type	Count
MR Tankers	4
PSV	4
VLGCs	8
Green Tugs	12

Total Number of Vessels : 28

Total Value : INR 17,946 Cr

Total GT : 4.3 lakh

Launch of Domestic Fleet Acquisition plan by Hon'ble PM



Tenders yet to be floated

Vessel Type	Count
Aframax	4
AHSTV	4
VLEC	2
Container Carriers (17,000 TEU)	6
Container Carriers (8,000 TEU)	6
Container Carriers (15,000–20,000 TEU)	8
Inland Cutter Section 350 Dredger	2
Water Injection Dredger	1
Trailing Suction Hopper Dredger	1

Total Number of Vessels : 34

Total Value : INR 33,437 Cr

Total GT : 24.3 lakh



Merchant Shipping Act, 2025 – Significance



FRAMEWORK

Robust legal framework to realize India's Maritime Amrit Kaal Vision 2047

EASE OF DOING BUSINESS

Promotes Ease of Doing Business.

SECTOR DEVELOPMENT

Modernizes India's maritime framework and fostering the development of sustainable maritime sector.

BEST PRACTICES

Alignment of India's maritime regulation with IMO Conventions & Global Best Practices

VOCAL FOR LOCAL

Focus on making India a bankable Jurisdiction

VESSEL REGISTRATION

Expanded category of ownership for Indian vessels, registration of chartered vessels

SAFETY

Focus on ensuring safety in navigation, protection of marine environment, emergency preparedness for marine incident response & welfare of Seafarers



Merchant Shipping Act, 2025 – Its Impact



Increased tonnage under Indian flag – self reliance – Atmanirbhar Bharat



Ease of doing business – Indias image as investment and trade friendly maritime player



Quality training and skill development of seafarers for increased employment opportunities



Development of salvage ecosystem in India and improved effectivity of salvage operations in India's coastal waters.



Improved effectivity & accountability through pre-emptive & preventive measures for marine pollution.



Better preparedness and response framework for marine incidents & emergency responses



Strengthening India's position as a bankable shipping jurisdiction by aligning claims & liabilities in line with International Conventions.



Merchant Shipping Act, 2025 – Governance & Institutions



Transition from DG Shipping to DG Maritime Administration
Assigning Maritime Development role in addition to Regulatory Roles



Seafarer's Welfare Board
Advises Government on education/training and welfare of seafarers.



National Shipping Board (NSB)
Advises Government on development of Indian Shipping.



Security body for vessels & port facilities
Sets regulatory framework, exchanges security intel, enforces ISPS-aligned rules.



Coastal Shipping Act, 2025 – Significance



LICENSE-FIRST ACCESS

No license required for Indian vessels to participate in coasting trade.

OBJECTIVE OF LICENSING TO INDIAN VESSEL

Encourage more Indian ships to participate in coastal trade, and support a modal shift from road/rail to coastal shipping.

RIGHT OF FIRST REFUSAL (ROFR)

Before granting a licence to a foreign vessel, the DG must examine availability of Indian vessels.

RADICAL TRANSPARENCY

National Database of Coastal Shipping, published and updated monthly (applications, licenses, routes, voyages, services)

BROAD OBJECTIVE OF LICENSING OF CHARTERED VESSELS

Licensing of chartered vessels for EXIM trade to promote Indian tonnage.

INTEGRATION OF COASTAL AND INLAND WATER TRANSPORT (IWT)

- ▶ Inland vessels can participate in coastal trade
- ▶ A National Coastal & Inland Shipping Strategic Plan must be prepared every two years to integrate coastal routes with inland waterways



Coastal Shipping Act, 2025 – Impacts



Reduction of logistics costs and promotion of green transport.



Creation of new employment opportunities in shipbuilding, port services and manning of vessels



Increase in Indian owned fleet in coastal shipping.



Reduced dependence on foreign vessels for reliable supply chain mechanism in movement of coastal cargo.



Increased investment opportunities in the sector with easy access to authentic information and policy priorities for development in coastal shipping



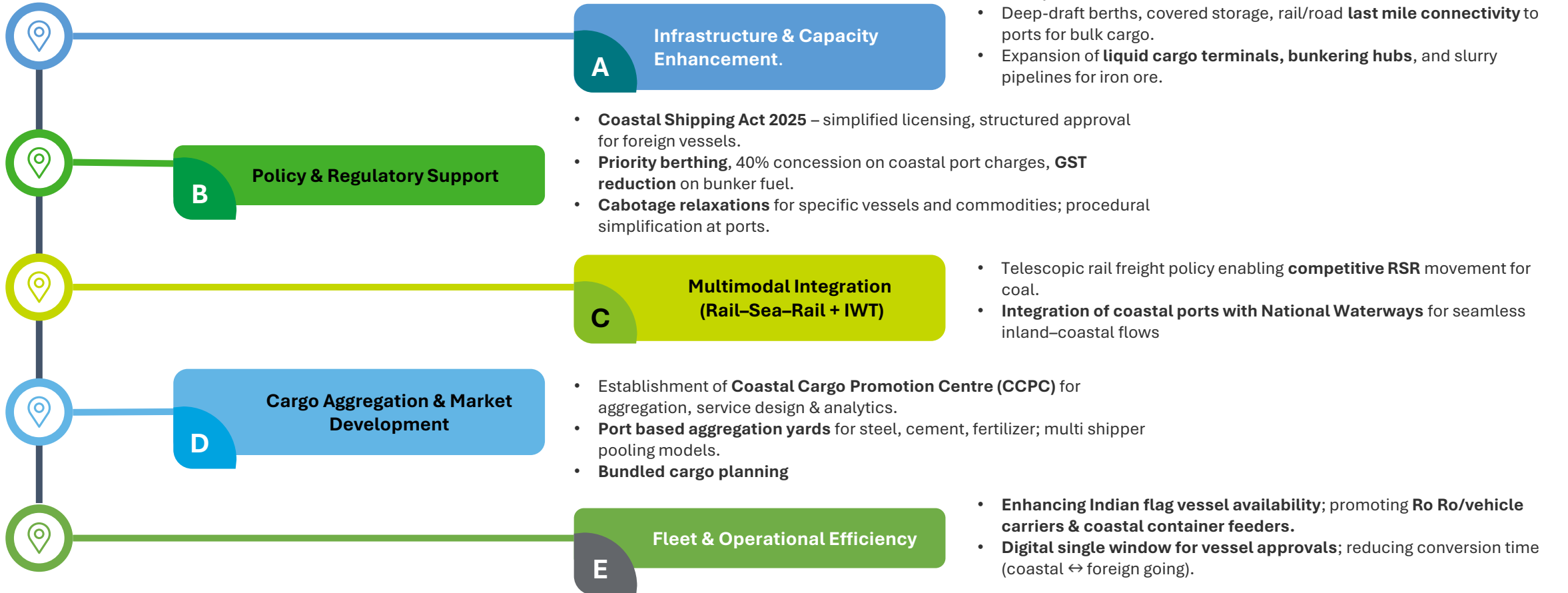
Promotion of integrated development of coastal and inland waterways routes



Coastal Shipping Promotion: Pathways to Growth



Integrating Infrastructure, Policy Support, and Efficient Fleet Operations



*Source: Industry Feedbacks



Powering India's Maritime Rise: Strategic Partnerships



- India Maritime Week witnessed **28 MoUs** signed across shipyards and maritime ecosystem partners
- Representing a combined investment commitment of **₹8,260+ Crore**



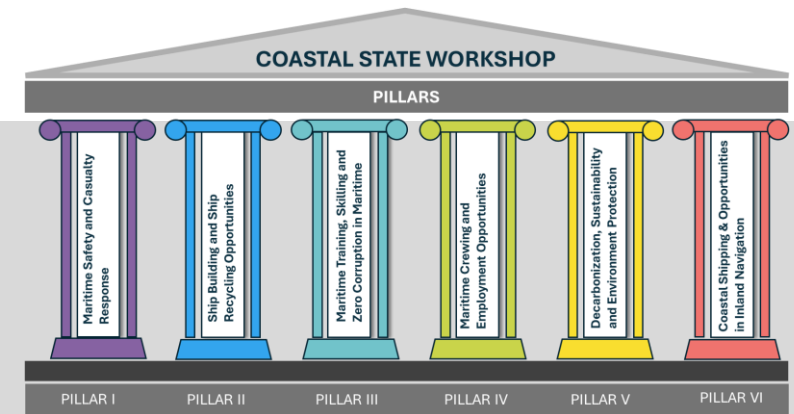
Key Focus Area

Shipyard Infrastructure Development

MoUs inked during India Maritime Week set the stage for a transformational leap in India's maritime capabilities — accelerating growth, enhancing infrastructure, and positioning India as a global shipbuilding powerhouse.

Coastal State Workshop

The first Coastal State Workshop, to be held in Goa on 2nd March 2026, brings together **diverse stakeholders** to jointly advance **Pillar II—Shipbuilding**—through a unified and collaborative approach





Flag administrative reform– under MS Act, 2025



Purpose

Modernise India’s Flag Administration—how we register, certify, and oversee ships and seafarers—so that Indianian tonnage grows, compliance improves, and service is faster and digital.

Policy frame

Merchant Shipping Act, 2025 provides the legal base; the DGS translates it into rules, processes, and systems that industry can use

Legal backbone for Flag reform

Broadened Ownership & eligibility to register

Eligibility expanded beyond Indian citizens/companies to include NRIs, OCIs, JVs and body corporates; the Government may notify the required ownership proportion

Bareboat charter-cum-Demise (BBCD)

Enabled for vessels chartered by Indian charterers—lets operators place chartered tonnage on the Indian register during the charter period.

Temporary registration

Vessels that are headed to India for recycling.

Registration of non-propelled vessels

It brings barges, lighters and similar craft formally into the Indian vessel registry, ensuring they are registered, certified and monitored like other ships.



GIFT City: Opportunities for Maritime Sector



GIFT IFSC - Key Highlights

- ✓ **India's First IFSC:** GIFT City is a pioneering smart city and the country's first operational International Financial Services Centre.
- ✓ **Strategic Location:** Positioned between Ahmedabad and Gandhinagar, with access to major trade corridors and international airport.
- ✓ **Unified Regulation:** IFSCA streamlines oversight across financial sectors, enhancing ease of doing business.



Strategic Advantage of GIFT City in the Maritime Sector

10-Year Tax Holiday



Maritime entities in GIFT IFSC enjoy full income tax exemption for any 10 consecutive years within the first 15 years of operation, boosting profitability and long-term investment.

Capital Gains Tax Exemption:



GIFT IFSC entities enjoy exemption of tax on capital gains from ship sale and lease transactions, reducing asset turnover costs and encouraging fleet reinvestment.



Reforms to support GIFT IFSC's engagement



Impact of MS Act & Coastal Shipping Act 2025



The new Acts unlock GIFT City's ship finance market, enabling international ownership, leasing, and investment in a significantly expanded range of vessels.



Seamless registration, BBCD charters, and deregulated coastal licensing create a unified, efficient ecosystem for global ship leasing, maritime asset management, and trade facilitation through GIFT.



These reforms position GIFT City as India's gateway for maritime capital-boosting flagged tonnage, attracting foreign investment, and strengthening Indian strategic assets in global shipping.

Chartering and Leasing Portal



Ease of Doing Business

The Charter Permission Application makes licensing easier by digitizing approvals, cutting paperwork, and speeding up the process.



Generating Leads

the Charter Permission Application helps grow business and generate leads by connecting key players in maritime trade on one platform.



Centralized Platform

A digital platform that streamlines charter activities, allowing shipping companies, agents, regulators, and port officials to collaborate easily.



Transparency & Tracking

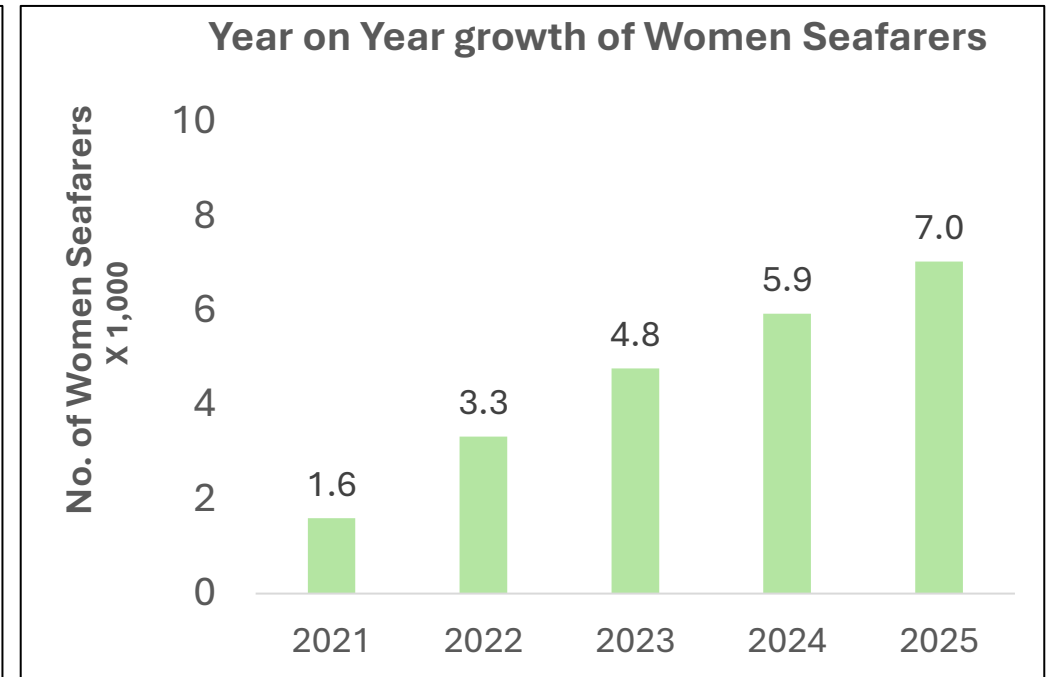
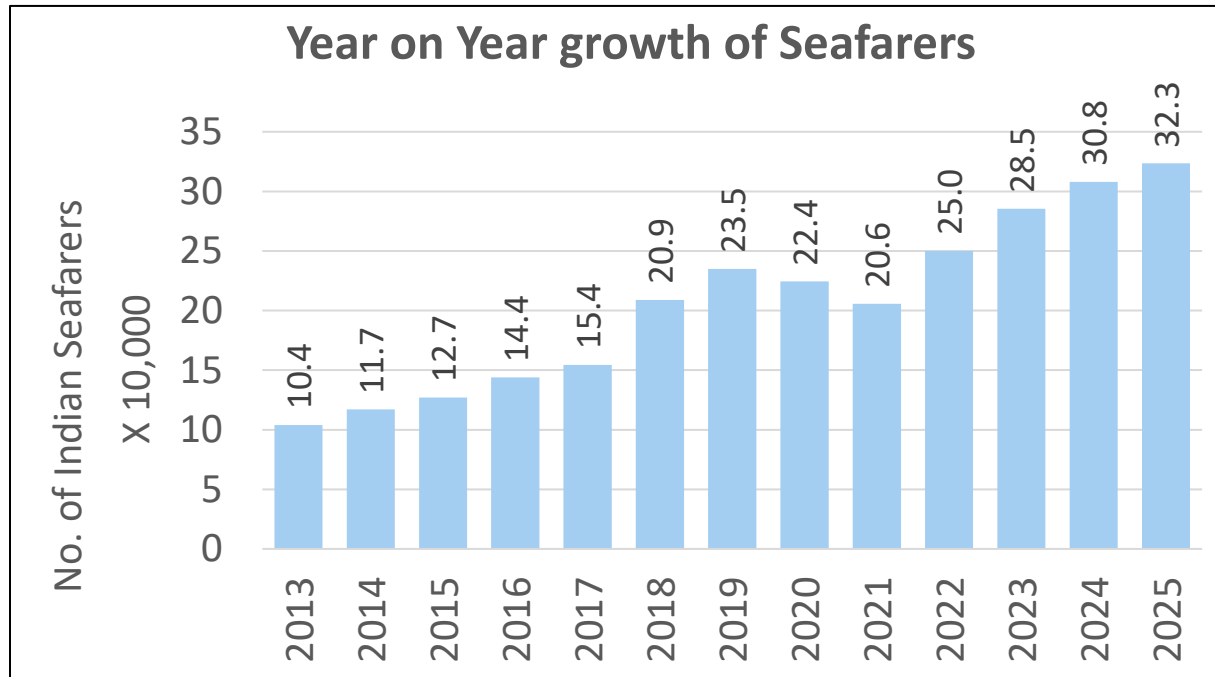
It improves transparency and keeps everyone on the same page by using digital workflows and real-time updates.



India as a Global Seafaring Leader



*The number of Indian seafarers have consistently been on the rise in the last decade. With nearly **3.08 lakh seafarers**, India provides approximately **12% of the global seafaring pool**.*



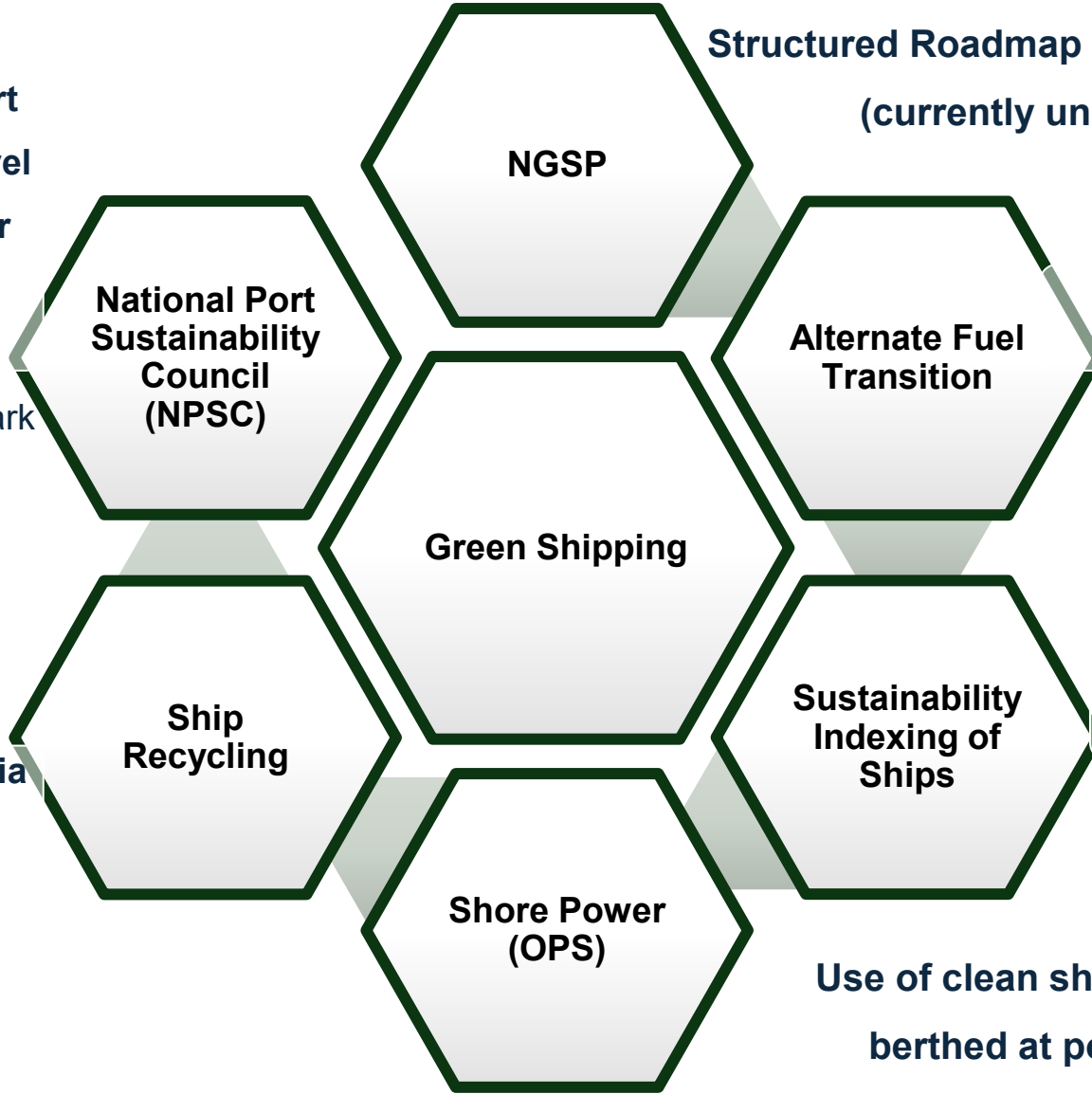
- Of the total pool of Indian seafarers, women seafarers represent less than 2%.
- Statistics clearly indicate that seafaring is not a gender-equitable workspace currently.



India's Green Shipping Initiatives



NPSC metrics include **Green Port Index (GPI), Port Readiness Level (PRL), Smart Port Shore Power Index (SPSPI), Environmental Ship Index (ESI), and GHG Emissions Inventory** to benchmark sustainability and readiness of Indian ports



Structured Roadmap for decarbonization (currently under review)

Guidelines for LNG, Biofuels, Methanol, Ammonia

With the Hong Kong Convention now in force, India leads globally with 115 compliant yards at Alang.

Structure to rate ships on their environmental performance, linked to age norms.

Use of clean shore electricity by ships while berthed at port, reducing fuel burning.



National Green Shipping Policy



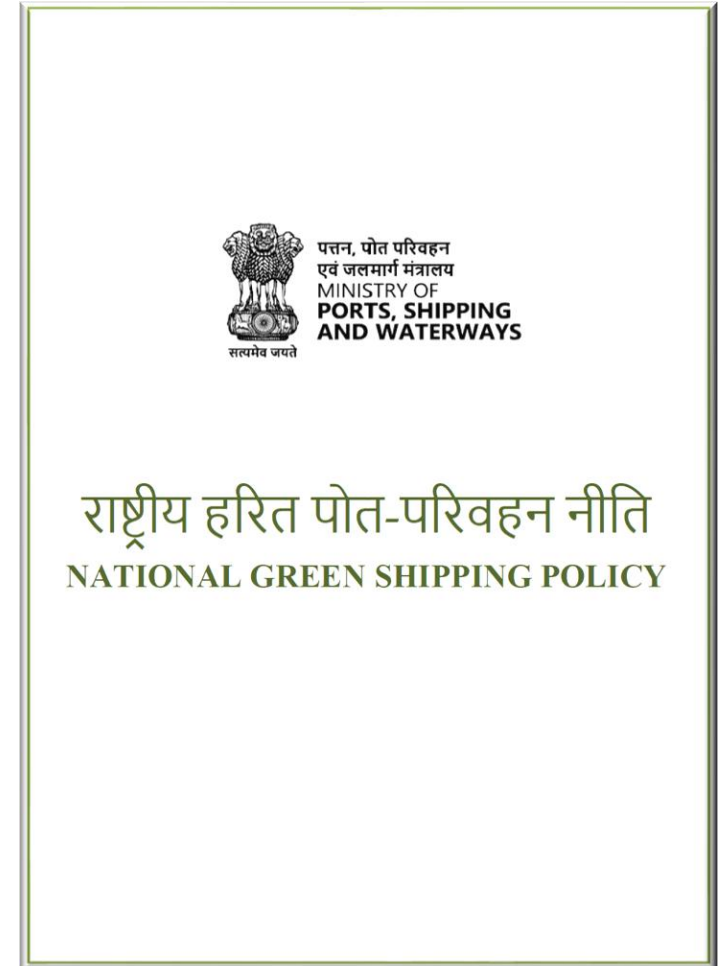
The NGSP is India's strategic response to the global decarbonization mandate, a policy blueprint designed to secure maritime growth while transitioning towards clean energy, sustainable ships and climate-resilient ports.

Key Transition Pillars:

- Green Ships
- Green Ports
- Green Fuels
- Green Technology
- Green Recycling
- Green Financing
- Green Skill Development & Capacity Building

The NGSP consultative document was developed by Lloyd's Register and launched at the Green Shipping Conclave 2025, following which the draft policy was prepared by TERI NCoEGPS and is currently under inter-ministerial and industry consultations, with green fuels as a core pillar.

Maritime INDIA @ Net Zero – Multi Stakeholder Workshop convened on 14 -15 January 2026 at India Habitat Centre, New Delhi





Green Ports: Driving Sustainable Maritime Growth



Concept of Green Ports

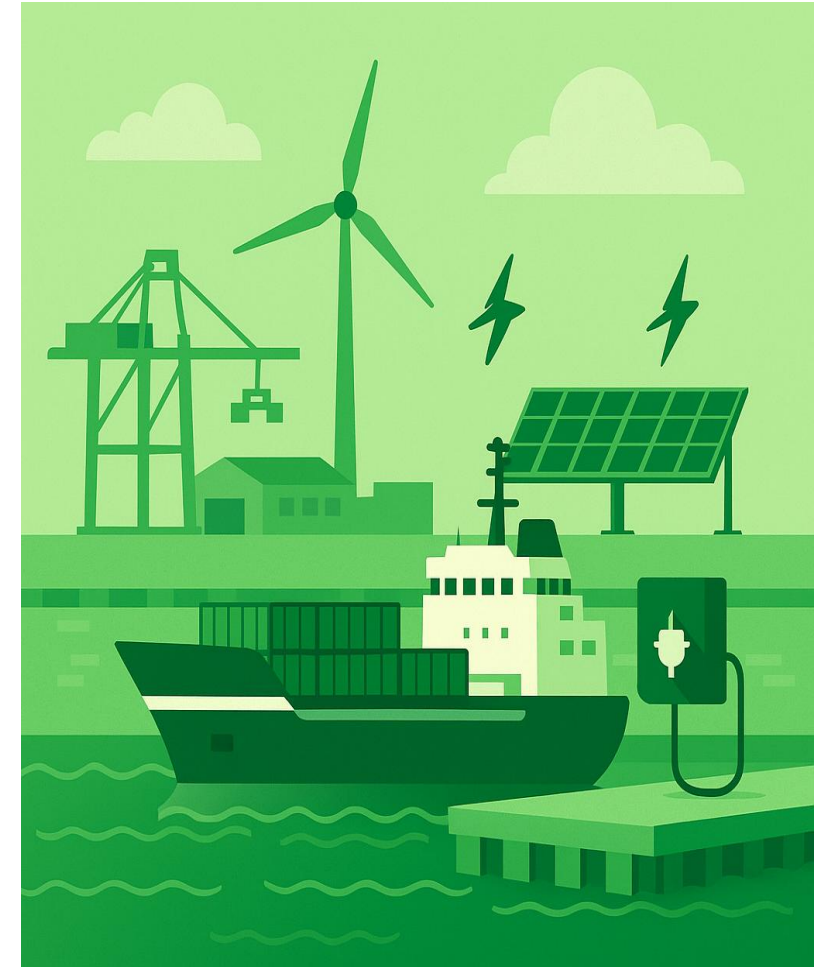
- Ports designed & operated with minimal environmental impact.
- Integration of clean energy, efficiency, and circular economy practices.

Key Initiatives in India

- Harit Sagar Guidelines (2023): National framework for green port development.
- Proposed National Port Sustainability Code (NPSC): Metrics for emissions, energy, waste, and community impact.
- Onshore Power Supply (OPS): Cut ship emissions at berth by connecting to shore electricity.
- Waste & Plastics Management: Port reception facilities for MARPOL Annex V compliance.

Benefits

- Reduces GHG emissions & pollution.
- Improves air quality in port cities.
- Promotes India's Blue Economy & Green Economy transition.
- Aligns with IMO decarbonization goals & India's Viksit Bharat 2047 vision.





सागराः सुपन्थानः सन्तु /

*“Let the oceans have
safe passages”*