

Q3 2012 Earnings Call - Shipping Corporation of India

Dt-15 Feb'12

Operator

Good evening, ladies and gentlemen. I'm Raghav, moderator for this conference. Welcome to the Conference Call of Shipping Corporation of India. We have with us Shri S. Hajara, Chairman and Managing Director; Shri B. K. Mandal, Director of Finance; Shri J. N. Das, Director of Liner and Passenger Service; Shri Arun Gupta, Director of Technical and Off-Shore Services; Captain Sunil Thapar, Bulk Carrier and Tanker Division. At this moment, all participants are in listen-only mode. Later, we will conduct a question-and-answer session. [Operator Instructions]. Please note, this conference is recorded. I would now like to hand over the floor to Shri Hajara. Please go ahead sir.

S. Hajara, Chairman and Managing Director

Good afternoon, ladies and gentlemen. Thank you for joining this conference call. This is the Analyst Meet for our quarter ended December 31, 2011. You must have already all seen, but still I will just give you a few highlights. Our turnover for this quarter has gone up by about 9% from the corresponding quarter of the last year from about 889 crores to 967 crores. But unfortunately, the net profit has dropped by nearly 40% from 123 crores to 74 crores. The fact is that given this profit is solely dependent on the profit on sale of vessels, which is as high as 175 crores, last corresponding quarter last year, it was only about 57 crores.

So, we have had 204% increase, but these are exceptional profits, because the vessels were more than 25 years old. Their economic life was over. So, we have scrap these vessels and since their book value was zero, we have got this profit. So, this is an exceptional one-time profit. Unfortunately, due to extremely poor market condition, the rates and charter hire prevailing in all the segments, SCI have had a loss in operations both for the main two divisions, that is bulk carrier and tanker as well as liner division.

Of course, by taking into account, profit on sale of vessels, the bulk carrier division is showing a profit, but that's not an operating profit. And of course, our offshore division yields earning profit, but that's a very small, comparatively a very small segment. Basically segment-wise, the liner division has had a loss of 24 crores as against a profit of nearly 10 crores in the corresponding quarter last year. The bulk carrier, tanker division of course is showing an increased profit to 138 crores from 101 crores, but again as I mentioned earlier that is only due to the profit on sale of vessels from the, similarly the bulk carriers.

And the other significant points are, on mark-to-market basis or the interest, we have had to book a loss of about 78 crores. On the operating side, if we compare our bunker expenses then in this quarter the bunker expenses is nearly 200 crores higher than the corresponding quarter in the previous year. Even on basis of the immediately preceding quarter, the bunker expense is also high of about 30 crores or thereabout. Bunker cost unfortunately is going up. There are apprehension that's arising out of Iran crisis and other situations, definitely the crude price per barrel, which is now about \$117 or thereabout. Brent crude per barrel may go up even much more substantially going forward.

The supply growth in virtually all segments is projected to be higher than the demand growth in 2012. In 2012, the demand growth for dry bulk is projected at about 7.6% as against the supply growth of about 9.5%. For the liner division, the container fleet growth and container trade growth is more or less at the same level for 2012. But the fact remains that already there is too much of oversupply of tonnage in the container segment. In the crude, the total demand is projected to grow at about 2.6%, but supply is projected to grow at about 3.8%. So, situation is not very bright for shipping, only post 2012, the supply growth is expected to dip very substantially, because from 2009 onwards, very few vessels have been ordered world over. So, that is why we expect that only sometime middle of 2013 onwards, maybe the demand supply equilibrium will get restored somewhat and thereby the race will again move northbound only from there. But for the at least next one year or little more than that, we will be having a difficult situation in shipping all over the world.

So, I think in gist, this is what I had to just give as the opening remarks. And myself and my colleagues are all here. So, we would now request the analysts to post their questions and whatever questions are there, we will try to answer them to the best of our ability.

Questions And Answers

Operator

Ladies and gentlemen, we will now begin the question-and-answer session. [Operator Instructions]. First question comes from Mr. Abhishek Ghosh of B&K Securities.

Analyst

Good afternoon, sir. Sir, I just wanted, do we have an updated NAV of the gross fleet in terms of for SCI?

S. Hajara, Chairman and Managing Director

We have updated NAV. As far as market value of the fleet as on 1 February, 2012 in US dollar million, US dollar it is 1.64 billion.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

About Rs.87,293 million or about 8,729 crores.

Analyst

Okay. And sir, what will a net debt position?

S. Hajara, Chairman and Managing Director

Yeah, I mean basically loan as on 31 December, 2011 is 6,006 crores.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

The cash balance is 1,323 crores. So, net debt is 4,683 crores. So, net asset value, which you take, subtract that from the NAV value of the fleet, it comes to, net asset value comes to 4,045 crores.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

Which translates per share net NAV at 86.83.

Analyst

Okay. That helps. And sir, just one more thing in terms of our CapEx plan, what is the current CapEx that you have done for nine month and what is the expected CapEx for FY12 ending? Hello?

S. Hajara, Chairman and Managing Director

Yeah, I will tell you the figures from April '11 to January '12.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

We achieved about 1,100 crores.

Analyst

Okay. And what's the guidance for FY12 this thing, CapEx number? Hello, hello?

S. Hajara, Chairman and Managing Director

Can you hear us?

B. K. Mandal, Director of Finance

We have a target CapEx of about 2,845 crore.

Analyst

Yeah, For FY? This is for FY13? Hello?

S. Hajara, Chairman and Managing Director

'12-'13. For year '11-'12.

B. K. Mandal, Director of Finance

This is for '11-'12, I'm talking about.

Analyst

Okay, sir. Sir, actually I'm not able to hear you, sir.

B. K. Mandal, Director of Finance

'12-'13.

S. Hajara, Chairman and Managing Director

He asked for both, I think.

B. K. Mandal, Director of Finance

Okay. I will give you for both. '11-'12, we had a target CapEx of 2,845 crore.

Analyst

Okay.

B. K. Mandal, Director of Finance

And against that we have already achieved up to January is about 1,100 crores.

Analyst

Okay. And same thing sir for FY13?

B. K. Mandal, Director of Finance

FY13, we have a target of about 2,128 crores.

Analyst

Okay.

B. K. Mandal, Director of Finance

Around 2,000 crores, we can say is that our CapEx for..

Analyst

Hello?

S. Hajara, Chairman and Managing Director

Yeah.

Analyst

Okay. I think that answers my questions. If I have some further questions, I'll come back. Yeah.

Operator

[Operator Instructions]. Next question comes from Mr. Chetan Kapur.

Analyst

Sir, actually my question is regarding the other income, other operating income aspect. Could you just share with us the entire breakup of the other operating income, what we have booked this quarter?

B. K. Mandal, Director of Finance

So, we have reported other income for the quarter to the tune of 180 crores. Most of this other income is actually arising due to the exchange rate variation.

Analyst

So, what would be the breakup for it?

B. K. Mandal, Director of Finance

Exchange rate variations is about 158 crores, out of this 180 crores that's a major chunk. Balance has fall items here and there

Analyst

Okay. So, I believe you would also booked certain reversal on account of your, the implementation of the ERP-SAP package. So, could you just highlight, what particular issue emerge from there and what led to that reversal?

B. K. Mandal, Director of Finance

We actually going live 20 February 2011 you can say. And in the data that you had, we have some errors, which were at 85 in first quarter and second quarter. And first quarter and second quarter, the total guidance were 36 crores. And in third quarter, we did encounter any such errors. So, for the year, nine month as a whole, you can say that due to the migrated data, we have brought all this in our loss to the account available in OS side, report number seven.

Analyst

Right, right.

B. K. Mandal, Director of Finance

Total for the year is 36 crores...

Analyst

Right. So, it forms part of that 186 crores also?

B. K. Mandal, Director of Finance

Yes. Without errors.

Analyst

Okay. That's it from my side.

Operator

Thank you. Next question comes from Mr. Ashish Jain of Morgan Stanley.

Ashish Jain

Sir, actually I joined the call a bit late. So, I don't know if you have shared these numbers. Can I have the NAV and your gearing and debt as on December?

S. Hajara, Chairman and Managing Director

The market value of our fleet in U.S. million is 1.64 billion.

Ashish Jain

Okay.

S. Hajara, Chairman and Managing Director

Which translates into Rs.87,293 million or 8,729 crores. So, as against that the loan as on 31st December is 6,006 crores. The cash balance on 31st December is 1,323 crores. So, net debt is 4,683 crores. So, that deducted from the gross asset value bring the net asset value to 4,045 crores translated into 86.83 net fleet NAV per share.

Ashish Jain

Okay. And sir, this 1.64 billion number that you indicated, does it include the advances against current order book or your CWIP as well?

S. Hajara, Chairman and Managing Director

No, no. This is only a pure market value of the existing fleet.

Ashish Jain

Okay. Sir, can year share that number as well the CWIP and the advances against the order book?

B. K. Mandal, Director of Finance

Hope we can share. We have a 29 vessels on order today.

Ashish Jain

Okay.

B. K. Mandal, Director of Finance

And the value of this is about US\$1.2 billion.

Ashish Jain

Okay.

B. K. Mandal, Director of Finance

Which translates into about equity at Rs.50, exchange rate is about 6,200 crores.

Ashish Jain

Okay. And sir, of this how much is already paid as advances?

B. K. Mandal, Director of Finance

The 20% we have paid as advances in most of the cases, except the last six vessels, which we have ordered. The 20% that is pay out of our own pocket has been spent in all cases. In addition, we have also disbursed from the loans for various vessels. So, other than say that about 600 million to 700 million is kind of balanced payment.

Ashish Jain

Is the balanced payment there. Okay.

B. K. Mandal, Director of Finance

Which is from a, very little from the internal resources and maximum about more than 500 million will come from our debt.

Ashish Jain

Okay. And all of this I presume will be tied-up debt as of now?

S. Hajara, Chairman and Managing Director

Loan will tie-up actually go...

Ashish Jain

On order itself. Okay.

S. Hajara, Chairman and Managing Director

Yeah, because the delivery statement, we have about more than three years time, so you have more than three years. So, we tie-up the loan as and when they are required actually.

Ashish Jain

Okay, okay. And sir, are we planning to push more orders as well or we are done for now in terms of CapEx?

S. Hajara, Chairman and Managing Director

As far as 2012-'13 is concerned, we are not really going to order too many ships, because as I was explaining, you joined late as you said, I was explaining about the market at least in 2012 and beginning of 2013, the market looks grim.

Ashish Jain

Okay.

S. Hajara, Chairman and Managing Director

So, we would like to conserve as much of cash as possible. So, definitely we are not planning accepting maybe, where there are ventures, very long-term ventures, supposing we can get into a PSO business or some offshore business, only in such kind of long-term business with some kind of assured return, only there we would be really placing orders. But otherwise in the immediate future, I don't think we will be able to place too many orders.

Ashish Jain

Okay. Sir, just one last question. Are we sharing the spot and charter mix for us at a broad level or at a vessel level?

S. Hajara, Chairman and Managing Director

See, I mean this question, I have answered so many times basically saying that, I mean in normal circumstance SCI used to have a 33-33-33 mix between contract of affreightment with our long-term charterers Indian oil majors, SAIL and such and others. Another 33% being on pure spot market and another 33% on period charter or anywhere between three months to one year or so. But unfortunately if you analyze, I mean while our policy remains the same, but if you analyze the recent past, obviously the trip time charter or the period charter, they have gone down.

Number one, because rates are so low. We ourselves are reluctant to really give vessel on year or six months charter, hoping that something will happen, which is slightly better. And secondly, even charterers are not really tying out vessels for long-term, because they, from their side, they are hoping or they are thinking that rate should further go down. And from ship owners side, we are looking at such horrible rate that we are hoping that they will slightly go up, nobody is really prepared to going for period charter at this juncture. So, if you analyst it now the percentage on period charter will be very, very small.

Ashish Jain

Okay.

S. Hajara, Chairman and Managing Director

I don't have the figures with me, but then our long-term policy remaining same, but at the moment we don't have anywhere close to 33% on charter, we have mass.

Ashish Jain

Okay. Sir, just one last question from my side, will it be possible for you to make any comment on the dividend payout, given that we have been paying Rs.4, Rs.5 dividend, but given the amount of CapEx, which is lined up, would you think we will be able to sustain that for say fiscal '12, fiscal '13 or we could see some change there?

S. Hajara, Chairman and Managing Director

It's a view on the dividend I don't think from management side it will be at all fair for us to give any comment. But you are analyst after

all, I mean you know when a company makes loss what normally happens, that is completely known to you, I will not comment on that. You can make your own judgment on that.

Ashish Jain

Okay. Fair point sir. Thank you very much sir for taking my questions.

Operator

Next question comes from Ms. Pallavi Joshi of CRISIL.

S. Hajara, Chairman and Managing Director

Yes, we're waiting for the question.

Operator

Ms. Pallavi, please go ahead. Ms. Pallavi, I think she is not there. Next is a follow-up question from Mr. Abhishek Ghosh of B&K Securities.

Analyst

Hello, sir. Could you share the, in terms of what's the utilisation for the container segment for the current quarter?

S. Hajara, Chairman and Managing Director

That's all I can say, it's all varying between, of course again container trade is never totally balanced. So, in drop of European service, while that one side it could be as high as 95%, 97%, on the return it could be as low as 60% or so. But definitely, I mean it is pretty good vis-à-vis the market. We can give you some figures, I guess yes that is the service, we have outward about 83%, whereas inward is about 70%.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

Far Eastern side in phase one is about 86% outward, inward is 102%. There is same slot get used for more than one. So that's our...

Analyst

Correct.

S. Hajara, Chairman and Managing Director

These are, yeah, these are also even when we talk of 83%, the 83% is in terms of slot.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

But what unfortunately the Indian containers going westbound are almost all heavy container.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

So, the vessel is down to its mark by loading 83% in terms of number, the vessel deadweight is full. So, we cannot load, even if we have containers, we cannot load and show the utilisation to be more.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

So, it is somewhat, I mean not correct, because it is actually on weight it is 99%, 100% particularly on the westbound in the Europe severance the vessels are utilised. Slightly misleading top even say 83%, even the eastbound 70% if you go by weight it will be much more.

Analyst

Okay, okay.

S. Hajara, Chairman and Managing Director

That is the problem in container, I mean utilisation normally is expressed in terms of slot, but in terms of weight, this is well utilised.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

Only you can say in the sense two service the outward that is towards Far East the utilisation is very low, but then we have taken lot of action. So, from current period onward things will change, but as it stands, yes, it is pretty bad, I mean it is only about 26%.

Analyst

Okay, yeah. That helps. Thank you so much. That answers my question.

Operator

Thank you, sir.

S. Hajara, Chairman and Managing Director

Utilisation rather we are better than the market.

Analyst

Okay. Thank you so much sir.

S. Hajara, Chairman and Managing Director

Which are also not counted yet, this is only Latin part.

Analyst

Okay.

Operator

Thank you sir. [Operator Instructions]. Next question comes from Mr. Saurabh Arya of Bajaj Allianz.

Analyst

Yeah, hi sir. Just one question for you. In terms of shipping cycle, what do you believe, worst is over or we still need to witness things more bad than this also?

S. Hajara, Chairman and Managing Director

I am so tired, given very detailed view on the market going forward even segment wise, dry bulk, liquid bulk, container. Anyway, I would say that we believe the worst is there, I mean it cannot be very much lower than that. But then, yes, definitely the demand is still not growing at the same level as supply. So, we are not looking towards any improvement also in the next one year or little over that.

Analyst

Okay, okay.

S. Hajara, Chairman and Managing Director

But since the supply, the delivery of ships will markedly come down from 2013 onwards, we hope from second half 2013 things will improve for the shipping.

Analyst

Okay, sir. Thank you, sir. Thank you.

Operator

Thank you sir. [Operator Instructions].

S. Hajara, Chairman and Managing Director

Suppose to be a question from a lady participant Pallavi something. What happened to her?

Operator

Sir, she is in the call, but she didn't answer, when we requested for the question. [Operator Instructions].

Analyst

Sir, hello?

Operator

I think there are no more questions?

Analyst

Hello?

S. Hajara, Chairman and Managing Director

Someone is wanting to ask a question, it appears.

Operator

Yes. Next question from Mr. Chetan Kapur.

Analyst

Yes, sir. Just a follow-up question from my side. It's actually, I just wanted to know, what is the kind of tanker demand specifically in the crude tanker demand and supply side.

S. Hajara, Chairman and Managing Director

As far as 2012 projection is concerned, the tanker demand is expected to grow by 2.6%. That is, the crude movement in the world is likely to go up by 2.6%, this is of course in tonnes. The figure may be slightly different in tonne mile, maybe slightly more.

Analyst

Right.

S. Hajara, Chairman and Managing Director

But it is pure tonnes, it is about 2.6%, it could be about little over 3% or little above in tonne mile. And the fleet growth is projected to be at the level of about 3.8%. Also the demand still in 2012 is likely to grow at slightly higher pace than the demand. Does it answer your question?

Analyst

Right sir, right sir. Also as far as, we are also having a good fleet of product carriers. Do you believe that there will be a, there is a likelihood of return or rebound happening in the product carrier earlier than the crude, just because of the fact that the fleet order book in case of products is relatively lower?

S. Hajara, Chairman and Managing Director

There will be shift of product in fact with the Iran crisis there, there will be shift of product carrier, I mean product supply.

Analyst

Right.

S. Hajara, Chairman and Managing Director

So, with that the equation may change a bit. Otherwise, as the India country business per se there is not expected to be much of a change.

Analyst

Okay. And currently, what portion of our tankers are utilised for India centric business?

S. Hajara, Chairman and Managing Director

It is segment-wise, our product tankers are at the moment, MR size is used for India business. The Aloy-1 is out in global business.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

There are two product tankers are out in global business.

Analyst

Okay.

S. Hajara, Chairman and Managing Director

And as far as the Aframax are concerned, they are all for India centric business, COAs for different Indian oil company. Suezmaxes are also for India centric business under COA. VLCCs, one is on time charter, three are on spot business, both India centric as well as global.

Analyst

VLCC, sorry one is on time charter.

S. Hajara, Chairman and Managing Director

The one is on period charter with Indian Oil Corporation and the other three are on spot business doing India centric as well as global business depending on which parcel is available.

Analyst

Right sir, right sir. So, specifically there has been a lot of talk about VLCC is facing a lot of pressure on charter rates. So, what is your view because now we are having a good amount of fleet of VLCCs also?

Corporate Participant

Only four, I think very good.

S. Hajara, Chairman and Managing Director

We have only four, but the market have got nearly 581.

Analyst

Right, right.

S. Hajara, Chairman and Managing Director

Lat month 61 more expected to join the global fleet this year. And VLCC availabilities at the moment more than the demand.

Analyst

True, true.

S. Hajara, Chairman and Managing Director

So, there is, that is why the VLCC market returns are not very good, because there is a lag in VLCC supply.

Analyst

Right, sir.

S. Hajara, Chairman and Managing Director

Only in tanker market things are very, very fluid, because of the Iran situation things can dramatically change. So, it is very difficult to predict what will happen vis-à-vis Iran to sanction with the passage in that area. So, it's all a very big question mark one has to simply wait and watch.

Analyst

All right, sir. Also recently, we had given out orders in the offshore segment, is it like a continued strategy now going forward that we will be focusing more on the offshore segment also?

S. Hajara, Chairman and Managing Director

No, you like to react?

Arun Kumar Gupta, Director, Technical & Off-Shore Services

Yeah. All done, offshore segment is quite steady. We are having a small clearance. We want to grow in this segment. We have enough small end vessels.

Analyst

Right.

Arun Kumar Gupta, Director, Technical & Off-Shore Services

Of course from Bharati have, out order two have been delivered, two more to go. We have six of them with Cochin shipyard, one has been delivered. And six recently we have signed with ABG Shipyard. So, I feel the small end vessels we have enough. We have plans to look for some high end vessels may be some jack-up rig, ores, MPXO somewhere. So, we have to make a beginning and it is very much in our plans.

Analyst

Okay. Which will be taking priority over the addition in shipping assets, if I may say so?

S. Hajara, Chairman and Managing Director

I mean I don't think, I mean basically there is something like priority between this segment than that segment, because basically as and when business opportunities, we conceived that they are there, we go for that. But so far, in last few years, I don't think we have ever either ordered particular vessel in one segment and because of that we have cancel order in other segment or we have really prioritised on that. But having said that, as Mr. Gupta explained since the offshore is still holding stable form and since we believe E&P prospects in India itself is very bright, that's why you have borne in for ordering quite a few offshore vessels, which he explained, the last ship building order that we have signed is for offshore six vessels with ABG.

Analyst

Right.

S. Hajara, Chairman and Managing Director

That's the reason. But I won't say because offshore is still so small that I don't say that for long time to come that can be considered as really a priority sector. But as we explained that we would like to get involved, I mean there is nothing on card to share with you at this moment, but we would like to get involved in the upper end of the offshore market as well.

Analyst

Right sir. That finishes my questions.

Operator

Thank you. Next question comes from Ms. Amrita Dhingra of Standard Chartered Bank.

Analyst

Hi. Good afternoon. Sir, I just wanted to ask you, given the current market situation...

S. Hajara, Chairman and Managing Director

Can you speak up little bit, sorry I can't hear you.

Analyst

Is it better now?

S. Hajara, Chairman and Managing Director

Yeah, it is better now.

Analyst

Okay, thanks. I just wanted to know given the current market conditions are not that conducive and we have a huge order book going forward for the next two, three years, what is the sort of minimum cash balance that SCI wants to maintain?

B. K. Mandal, Director of Finance

We want to maintain at least about 30,000 crores.

Analyst

Okay, so. Okay, and if things do not improve, do you see pushing out the CapEx plan by a couple of years or something like that?

S. Hajara, Chairman and Managing Director

No, the CapEx plan which has been shared with you now by Mr. Mandal that is the firm CapEx plan on basis of vessels which are already on order. So, there is no question of pushing that back or anything like that. But yes, we have a huge CapEx plan for 12 five year plan period.

Analyst

Yes, sir.

S. Hajara, Chairman and Managing Director

And we are expecting to really go forward very much on that in the first one year or two. So, our moored acquisition possibly have to be back ended for the next five year plan. And even for '11 plan, as we have shared so many times, we had the plan of ordering 62 vessels, which of course included some 25 or so vessels, I mean carried forward from 10th plan. So, out of 62 vessels, I think we have been able to, 45 we have been able to order. So, there will be again some overflow and as I said in the beginning of 12 five year plan, we will possibly have to go slow, because the internal resource generation has come down.

Analyst

Yes, sir. And in terms of items like bunker cost, which you really don't have a lot of control on as of now, what is the strategy around that?

S. Hajara, Chairman and Managing Director

See, we are looking at now bunker hedging like that, but then that is only at a basically just thinking stage, no decision has been taken on that.

Analyst

Sorry, sir, I lost you there for a second, you're contemplating what?

S. Hajara, Chairman and Managing Director

SCI has been looking at bunker hedging, but we have not taken any decision in that regard as of now.

Analyst

Okay, okay. Because that might make sense given the fact that, that is the, I know the largest thing which is hitting your profitability right now?

S. Hajara, Chairman and Managing Director

Makes very good sense, if I have a crystal ball would to say that this \$117 per barrel is definitely go up.

Analyst

Yeah, I do sir.

S. Hajara, Chairman and Managing Director

But I don't have that. It is always difficult decision, because I mean the bunker price or rather the crude price per barrel is something where there are so many factors involved that you can never predict with certainty. People have predicted two years back that the rate will go up to \$200, but instead of going up, it came down to \$80, \$70 per barrel.

Analyst

Yes, sir.

S. Hajara, Chairman and Managing Director

So, if you have a hedging, then you are caught. Then in a bad market, you are actually paying also for hedging.

Analyst

Yes, yes. That's true sir, in fact you....

S. Hajara, Chairman and Managing Director

I don't think, I am not aware, whether any Indian shipping company has done it as yet, so it is a difficult decision. But as I said, since you asked a very specific question that is their in our mind, but we have not taken any firm decision on that.

Analyst

Okay. That's fair enough sir. Thank you.

Operator

Thank you, ma'am. [Operator Instructions]. There are no further questions. I would now like to handover the floor to Mr. Hajara for closing comments.

S. Hajara, Chairman and Managing Director

Thank you very much. Thank you for your interest in SCI. Thank you for participating in this conference call. Shipping as a whole is going through a difficult phase, but shipping is cyclic. So, we have to take the downs with the ups. We are very sure that our very strong credentials and our very strong balance sheet, we will be tiding over this present crisis. So, we will request your understanding and we request you to sort of looking at the market that Shipping Corporation is a long-term based. You don't panic because the share certainly falls or Shipping Corporation incurs loss for one year. We are sure that if they are with us for the long-term, they will be benefited. Thank you very much.

Operator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's Conference Call Service. You may disconnect your lines now. Thank you and have a pleasant day.