

Operator

Good morning, ladies and gentlemen. I'm Momitha, moderator for this conference. Welcome to the Conference Call of Shipping Corporation Q3 FY14 Earnings Conference Call hosted by IDBI Capital. At this moment, all participant lines are in listen-only mode. Later, we will conduct a question-and-answer session. Please note this conference is recorded. I would now like to hand over the floor to Mr. Deepan Shankara Narayanan from IDBI Capital. Please go ahead, sir.

Deepan Sankara Narayanan, Research Analyst

Good morning, everyone. On behalf of IDBI Capital, I welcome you all to the Q3 earnings call of Shipping Corporation. We thank the management for once again giving us the opportunity to host the call. Today, we have with us Mr. Arun Kumar Gupta, CMD. We welcome you, sir on board. Mr. B. K. Mandal, Director of Finance; Mr. J. N. Das, Director, Liner and Passenger services; Captain Sunil Thapar, Director, Bulk and Tanker business. I would hand over the call to Mr. Arun Kumar Gupta for his opening remarks. Over to you, sir.

Arun Kumar Gupta, Chairman and Managing Director

Good morning Deepan and good morning to all. Welcome to this investor con call for Q3 results. We have declared our third quarter results for the quarter ending 31st December 2013 on 14th February. As you must be aware that there is a loss of about 65.67 crore in this Q3, which however, this is much better compared to our Q2 loss of 125.53 crores.

If I sum up the entire thing, what I can say, our top line well, net sales, there has been a little drop. Other operating income little better, however, the total income, there has been a drop. Expenses have little gone up. The saving grade [ph] has been ForEx gains due to the signed contracts, interest income. It's a challenging time for SCI and for any other shipping lines to take you through all the details, comparison with the preceding quarter, comparison with the similar quarter.

B. K. Mandal, Director Finance

Thank you. Thank you, Mr. Gupta. Mr. Gupta, our CMD has already initiated the discussion and just gave an overview of the financial performance in quarter-on-quarter basis.

And he has already mentioned that our loss has come down from 123 crores from the previous quarter to 55 crores to the current quarter. As far as the total income is concerned, they are almost same compared to the earlier quarter. There is about 5% increase in the total income, but as Mr. Gupta has already stated that there is some downward trend in the income from operations to the extent of about 3.6% when you compare with the previous quarter.

Some of the other items of expenditures and income, I'll just mention here, the interest income has gone up to 49 crores, I would like to clarify here that we have certain amount cash, which we put in deposit accounts with the bank and we earn interest on that. So, out of this 49 crores, actual earnings from the interest and deposits is only 24 crores. And, the balance money about 25 crores is on account of certain new building contracts for ship, we have designed it in the quarter and on account of that, you have got the refund of the advance, which was given to the shipyard with interest.

So, 25 crores you have earned at interest on rescindment of the contract, the 25 crores plus 24 crores of regular deposit income exceeds 49 crores. About the interest expense also I will say that 55 crores is the interest expense shown. In that, the normal interest on the loan is 45 crores and balance 10 crores is again due to the reassignment of the contract. And this is like these contracts still on the live, we used to book the interest on loans to the interest during construction. Now, because of the rescinded this interest-bearing construction has been converted into operations, actually. So, therefore the change shows we have to move under interest expenses. So, net, net if you look at interest income and interest expenses, due to rescindedof contract, in interest income, we have booked 25 crores and interest expenses, we have booked 10 crores. So, net, net, there is a gain of about 15 crores we can see impact on the P&L account.

You may also observe that in the current month, there's substantial amount of profit on sale of vessel. Previous quarter it was only 6 crores and this quarter 73 crores, that was an increase of 67 crores on account of profit and sale of ships.

Now, some of the other things I'll tell is that the dry-docking, because number of ships which are dry-docked has an impact not only the expenditures, but also due to affairs of these vessels, they don't earn income. So, this is also one of the reasons actually why our operating income was marginally down.

So this quarter, five vessels were actually on dry-docking. Three Liner vessel and two B&T vessels. So, this is one of the reasons why we have a marginal short fall in the operating income. We have said that number of vessels in April to December, that is a nine-month period and about eight vessels have (Technical Difficulty) during this nine-month period.

So, some of the other things which -- and you might have observed that from the segment wise profitability that you have given, that is PBDIT, in that, you may find that the operating losses, where the Liner wise -- sorry segment wise losses are there in both the Liner division and the Bulk Carrier and Tanker division. In fact, the Liner division's rates have been very low in the last quarter. This has resulted in increase in the loss and you might have also observed in other segment, the other segments actually includes the -- our offshore segment also.

The other segment profit has gone up quite substantially.

So, you can say that offshore segments have been doing good. B&T is okay, Liner has been a little due to the market rate problem in pretty competitive industry, there has been a downward trend. We have about -- as far as the CapEx is concerned, as you may be aware from our previous con call that we have stopped ordering for the new vessels, because the market is not still good and the recession is still going on. So, we have today, as of today, eight vessels on order after considering the rescindment of the cancellation of the contracts that we have done in the recent past.

And another information, which you always look for is that, first NAV, our net asset value per share. So, our net asset value per share as on 31st of December, end of the third quarter is INR55 per share. Actually, this can be compared, but we reported about INR50 per share in the September quarter and 45 per share in the June quarter. So, you can see that this is a good indicator, in fact, that asset values are actually slowly going up.

So it has gone up from 45 in the first quarter per share to 65 per share in the last quarter. So, hope this trend continues. And we hope that market recovers. There are a few times of recovery, but still the market is very, very volatile, PTI [ph] goes up, comes down, VLCC rates goes up, comes down. So, let's see what happens in future.

Well, that's what I have to say and we have Directors from the Liner division, we have the Director from the B&T division, (inaudible) so if you have any question, please ask.

Questions And Answers

Operator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Our first question comes from Mr. Bhavin Gandhi from B&K Securities. Please go ahead.

Bhavin Gandhi, Analyst

Sir, just to clarify regarding the NAV calculation, this number that you've given, shared with us is net of the debt number that you would have on the balance sheet, right?

B. K. Mandal, Director Finance

Yeah, you are very right. It is the net of the debt that we have.

Bhavin Gandhi, Analyst

So, could I have the number of the debt and the cash as of date, as of 31st March?

B. K. Mandal, Director Finance

Well, I'll -- so the calculation. Market value is about \$1,698, \$1,698 million, and then, if you convert in the (Technical Difficulty) comes to 10,498 crores. And then you have the partial fleet NAV, on this basis, the gross you can say that comes to about 225.

Now, we have the loan of 8,437 crores and cash balance of 975 crores. So, loans, net of cash balance, liabilities 7,452 crores. So, that is our ratio of debt and the net asset value we have calculated, that's the -- okay, so that comes to net asset value of 3,035 crores. And in regards with the number of shares, it comes to INR65. That is net of loan, net of cash, everything.

Bhavin Gandhi, Analyst B. K. Mandal, Director Finance

No, not like that. No write-off because all these contracts got rescinded because of the failure of the shipyard to deliver. It was not due to any failure from our side. We made all the payments to them. The (Technical Difficulty) they couldn't deliver on time, we go into the rescindment stage. Therefore, the (Technical Difficulty) got back all the money and we also got the interest on that.

Bhavin Gandhi, Analyst

Okay, sure. And as far as this \$426 million of order book that we have, could you highlight as to which segment this pertains to? And I mean, if it's bulk, whether its tankers dry bulk?

B. K. Mandal, Director Finance

Well, we have two number, VLCC on order.

Bhavin Gandhi, Analyst

Okay.

B. K. Mandal, Director Finance

We have two number, see, there is container vehicle, 6,500 TU container vessels. And we have four number offshore vessels.

Bhavin Gandhi, Analyst

Okay. And just some clarification here as well, is there any -- so are we under water on these contracts, is it the market value of these vessels would be lower than the value of the order, so we need to recognize some loss on this?

B. K. Mandal, Director Finance

It's marginal here and there. There's no substantial fall or increase or anything.

Bhavin Gandhi, Analyst

Okay. Okay. And sir, just final question. If you can comment on the time and spot mix in the various segments during the quarter? And if you could share the (inaudible).

B. K. Mandal, Director Finance

Yeah, I think I have mentioned. Good morning, everybody. This is Captain Thapar from Bulk Carriers and Tanker division. Like I have mentioned in the previous such phone calls, we try to maintain a mix of POA, (inaudible) and the That's a strategic decision we have taken to keep our expenses down on the bunkers and all the other things. That was the strategic decision taken and that is helping us. So, because that gets -- the bunker variation gets hedged and whereas the tanker side, we have kept a good mix of POA spot and period.

One of the VLCC this time has gone under period charter, which was not the case earlier. And other than that, everything remains the same as before.

Bhavin Gandhi, Analyst

Sure. I'll come back in the queue since I have more questions. Thank you.

Capt. Sunil Thapar, Bulk Carriers and Tankers

Thank you.

Operator

Thank you, sir. Our next question comes from (inaudible) from B&K Securities. Please go ahead.

Unidentified Participant

Hi. Good morning, sir. I just wanted some light on the offshore rates, the PCYs and the utilization for this quarter. Sir, could you throw some light on the offshore vessels rates during the utilization as well?

B. K. Mandal, Director Finance

Well, we have 12 offshore vessels. We have old, which are almost reaching 30 years of age. And basic earners are the nine new vessels and I would say almost all of them are employed with ONGC on tender basis, we are getting the market rate.

Unidentified Participant

Okay.

B. K. Mandal, Director Finance

Utilization for quarter was about 76%. We are waiting for employment, this that. And for the whole vessels basically. And overall, overall, all the 12 vessels combined, utility was about 76%.

Unidentified Participant

Sure. Sir, could you throw some light on the market rate? What are the prevailing market rates, so we could have some sense of the market as well?

B. K. Mandal, Director Finance

For offshore you are talking?

Unidentified Participant

Yes, yes, sir.

B. K. Mandal, Director Finance

Market rates depend on the (inaudible) of the vessel, the type of the vessel, the age of the vessel. PSV, got new PSV, about 15,000 to 16,000, 120 tonne are anker handle, new one latest, and also fetch me about 14, 13, 14 (inaudible) vessel order will get me about 10 or 11. Similar old one will hardly get me about \$5,000 to \$6.000. So, it all depends on the type of the vessel and age.

Unidentified Participant

Okay, okay. Thank you so much, sir. Thank you so much.

Operator

Thank you. Our next question comes from Romil Jain from Quantum Advisors. Please go ahead.

Romil Jain, analyst

Hello, good morning, sir.

B. K. Mandal, Director Finance

Yeah, morning.

Romil Jain, analyst

Yeah. Sir, can you just throw some light on how scrapping is going on globally and how is the new ordering, which is going on in the tanker and bulk and if there has been any slippages so far?

B. K. Mandal, Director Finance

Okay. About the disposals, and we are basically -- we review to all performance of our own vessels periodically and especially, we do a techno economic study very closely once they reach the age of 15, 17 before undertaking special survey or intermediate survey. So, in this quarter, you must have seen we have disposed three vessels and we have got about 73 crores from the three vessels. Globally also, the scrapping has slowed down a bit, not as good as, as it was in 2012. And 2012, I would say, was very high demolition, about 56.5 million net DWT tonnage was demolished in 2012. Right.

B. K. Mandal, Director Finance

Demolition continues in 2013, but it has slowed down to about 43 million deadweight.

Romil Jain, analyst

Okay.

B. K. Mandal, Director Finance

About the new vessel ordering you were asking, FTI has got no (Technical Difficulty) order any new vessels at present.

Romil Jain, analyst

Okay. And globally, how is the new ordering scenario?

B. K. Mandal, Director Finance

Oh, new ordering scenario, from second half of 2003, there has been a spurt in vessel ordering in all segments I would say, in containers, especially there will be because vessel, even in dry bulk and tankers, in all segments there has been spurt in vessel ordering and this trend is continuing in first half of 2014, which is very worrisome for we, ship owners. All this which are ordered, the spurt of new orders, which have been given in second half of 2013 and still being given in 2014, will be delivered in '16. '17.

Romil Jain, analyst

Right.

B. K. Mandal, Director Finance

So the supply balance equilibrium is going to be a big challenge

Romil Jain, analyst

So, the supply still higher?

B. K. Mandal, Director Finance

The ship owner is very worried.

Romil Jain, analyst B. K. Mandal, Director Finance

This is the best time to order, if you have asset prices are at the lowest low, high, in mid-2013 the asset prices have touched their bottom and there has been a little spike in the asset prices. So, people who have the money, this is the right time to buy, shipping is cyclic and asset prices are at the lowest low.

Romil Jain, analyst

Okay. Okay. Right. And sir, just last question, on the offshore market, are we seeing any kind of oversupply situation because there are so many offshore vessels, which are of quite high range, but they are still not being scrapped. So what is your opinion on that?

B. K. Mandal, Director Finance

E&P operators are getting wiser day by day, the older vessels are no more required, they want modern vessels, they were knowing these days following the trend. Yes, over aged vessels, there is difficulty in finding employment, but if you have a new vessel, I think there is no problem whatsoever. There's enough opportunity in the Indian offshore market and even abroad.

Romil Jain, analyst

Okay. Okay, okay. Thanks so much, sir. That's it.

B. K. Mandal, Director Finance

Welcome.

Operator

Thank you, sir. Next question comes from Bhavin Gandhi from B&K Securities. Please go ahead.

Bhavin Gandhi, Analyst

Sir, my question relates specifically to the container Liner business, now we have been losing money in that business. Is there any options that we're looking at to fair down losses in this segment going forward?

J. N. Das, Director of Liner & Passenger Services

Good morning, this is J.N. Das from Liner and Passenger services. As you know, the market has been depressed and container is not doing well. But, last quarter -- this quarter, rate has little bit picked up. So, while we are watching closely and we'll see and after that, we'll take some decision and whatever.

Anyway we have already restructured. We have our Africa service, we have withdrawn and our far east, we have marched [ph], Mediterranean service, we have marched, so restructuring already we have done. So, now again, you are

Bhavin Gandhi, Analyst

Sure. And, sir to a previous question you'd responded regarding the market condition in USV segment. Also could you comment on where these rates are vis-a-vis last year same time, how much percentage decline we have seen in the rates?

J. N. Das, Director of Liner & Passenger Services

See, the second and third quarter, the rate was very bad. And it had come within 450 and 500, which is much below the sustainable level. So, and the last quarter it was okay, I think around the same level as it is today. So, last year, we didn't make much profit, but at least, it was above water, but second quarter and third quarter has been very bad and the rate just crashed, this first quarter of -- last fourth quarter, it just picked up little and if it sustains then things will be okay. Sustained again, it will be the same condition.

Bhavin Gandhi, Analyst

Sure. And sometime back, the DGS had come out with the ruling for a presence for India own vessels, Indian flag, Indian own vessels. Any impact of that on us on our fleet or utilization?

J. N. Das, Director of Liner & Passenger Services

The Liner business is always completely open in the competitive market and you have to compete all the time with global market and global investors. It has always happened for last (Technical Difficulty) years. So, this new one, which has come, that way also see, as it is hardly, we carry 0.2% of government cargo. So, we mostly carry our private cargo.

Bhavin Gandhi, Analyst

Okay.

Arun Kumar Gupta, Chairman and Managing Director

So, in Liner, it's a retail business. It is mostly private people, they are the cheaper and they are all private. So, even though DDH comes out with a new this thing, it is not going to help much Liner sector.

Bhavin Gandhi, Analyst

Okay, okay. And, in terms -- for the offshore segment, any impact on utilization because of this?

Arun Kumar Gupta, Chairman and Managing Director

See, I have told you about the utilization, can you repeat your question, please?

No, my question was that sometime back DDH had come out with the directive of giving preference to Indian flag Indian owned vessels?

Arun Kumar Gupta, Chairman and Managing Director

No, no, no, you are mistaken there. DDH come out with a circular to give first cycle refusal to Indian flag, Indian built vessel.

Bhavin Gandhi, Analyst

Right, right.

Arun Kumar Gupta, Chairman and Managing Director

That has been kept in -- at the end.

Bhavin Gandhi, Analyst

Okay.

Arun Kumar Gupta, Chairman and Managing Director

I wish it was implemented all the offshore vessels which FTI has brought. They are all build in India.

Bhavin Gandhi, Analyst

Sure, sure.

Arun Kumar Gupta, Chairman and Managing Director

After coming out with the circular, very unfortunate that DD has withdrawn that circular.

Bhavin Gandhi, Analyst

Sure, sir. And just one final question from my side. Sir, if you could share segmental depreciation numbers as well so that we can have some idea on the EBITDA of the individual businesses?

Arun Kumar Gupta, Chairman and Managing Director

Yeah. I'll hand over to Mr. Mandal to share the depreciation. You must keep in mind that average age of our vessel is around 8.5 year.
Right.

Arun Kumar Gupta, Chairman and Managing Director

So, our depreciation will be high.

Bhavin Gandhi, Analyst

Sure.

Arun Kumar Gupta, Chairman and Managing Director

And, if you go by some basic thumb rules of vessels starts earning only after is 8 years old.

Bhavin Gandhi, Analyst

Sure, sure.

Arun Kumar Gupta, Chairman and Managing Director

Anyway, Mr. Mandal will share the depreciation with you segment wise.

B. K. Mandal, Director Finance

Yes. I'd give you the breakup of depreciation among the three divisions.

Bhavin Gandhi, Analyst

Yeah.

B. K. Mandal, Director Finance

So, the Liner division, the depreciation for the quarter was 16 crores.

Bhavin Gandhi, Analyst

Okay.

B. K. Mandal, Director Finance

And B&T division, depreciation was 188 crores.

Okay.

B. K. Mandal, Director Finance

And, the T&OS division, it falls in the other segment, comes to about 18 crores depreciation for the quarter.

Bhavin Gandhi, Analyst

Sure. And, sir could we have the same for the last quarter same -- same quarter last year and nine months?

B. K. Mandal, Director Finance

For the July to September 30, the L&C's depreciation was again 15 crores and B&T division was almost near, 184 crores, which has gone to 188 crores because of the new acquisition.

Bhavin Gandhi, Analyst

Okay.

B. K. Mandal, Director Finance

And LNC has got no new utilization. That's why the depreciation remains at the level of 15 crores. And T&OS division also remains at same level. So, about 17 -- 18 and last quarter was 17 crores. You can say, it is change in manufacture expense. Because this is basically a straight line depreciation.

Bhavin Gandhi, Analyst

Sure.

B. K. Mandal, Director Finance

Therefore, there won't be much change. Unlike there is any acquisition or any scrapping of the vessel.

Bhavin Gandhi, Analyst

Sure. Yeah, that's it from my side. So, nine month's a number, if you can share, sir that would be great?

B. K. Mandal, Director Finance

No, you want for the October to December quarter for the last year also, I can give that.

Bhavin Gandhi, Analyst B. K. Mandal, Director Finance

Nine months number, so.

Bhavin Gandhi, Analyst

Yeah.

B. K. Mandal, Director Finance

Liner is, nine months something, which is -- Okay, Liner is 47 crores.

Bhavin Gandhi, Analyst

Okay.

B. K. Mandal, Director Finance

B&T is 546 crores.

Bhavin Gandhi, Analyst

Okay.

B. K. Mandal, Director Finance

And T&OS is 50 crores.

Bhavin Gandhi, Analyst

Okay.

B. K. Mandal, Director Finance

It's with -- last year, we don't have datas [ph] available.

Bhavin Gandhi, Analyst

Sure, no problem.

B. K. Mandal, Director Finance

If you want, you contact us, we will provide you.

Bhavin Gandhi, Analyst

Sure, sir. Thank you so much.

Operator

Thank you. Our next question comes from Soumojeet Banerjee, ICICI Securities. Please go ahead.

Soumojeet Banerjee, Analyst

Yeah. Hello, good morning, sir. Hello?

B. K. Mandal, Director Finance

Sir, please go ahead. We can hear you.

Soumojeet Banerjee, Analyst

Yeah. Sir, my question is regarding the offshore segment, in the offshore segment, we have 12 vessels as of now, right sir?

B. K. Mandal, Director Finance

Right.

Soumojeet Banerjee, Analyst

Right. Sir, then going ahead, do we see any expansion in the offshore segment as it has significantly higher utilization compared to my other segments? So, going ahead, do we see a shift in SCI focused towards offshore segment?

B. K. Mandal, Director Finance

Yes. I think in offshore (Technical Difficulty).

Soumojeet Banerjee, Analyst

So, sir on a couple of years, two year's basis, how much, what's the CapEx that you're looking in terms of vessel and in which vessel the PSV or AHTSV, if you can give us a break up?

B. K. Mandal, Director Finance

Okay. As far as CapEx is concerned, the next year, that is -- the CapEx again around 1,245 crores.
Okay.

B. K. Mandal, Director Finance

And this is primarily to make the CapEx requirement for the vessels which are already on order.

Soumojeet Banerjee, Analyst

Okay.

B. K. Mandal, Director Finance

But in the next year as far as at times, th6e delivery payment we have to do. As far as your question regarding our plan for the expansion in the offshore, no. As it's on a short-term basis that till the market improves, we are not going to (Technical Difficulty). As Mr. Gupta said that offshore, we will pay and therefore, always trying to get opportunities, order for the offshore vehicles.

And also segment wise, we are very open and we have (Technical Difficulty) As you may be knowing that (Technical Difficulty) we already have the joint venture component and we already have four joint venture component, acting partner of which three

vessels are already in place and operating. And one vessel we have already (Technical Difficulty) ahead. That we have signed in terms of understanding. Sale has a big expense, big brought for LNG.

Soumojeet Banerjee, Analyst

All right, sir.

B. K. Mandal, Director Finance

And we have decided to anticipate that (Technical Difficulty) As I am saying though, we have (Technical Difficulty) we have decided not to just (Technical Difficulty) investment in focused area so we continue with that and also the offshore area, where our mind is very open, and as and when we get the opportunity, we'll go ahead.

Unfortunately, what happened that would have placed number of orders option basis, various Indian ship yards, but unfortunately, they could not deliver so there is a huge delay. As a result of which we had to cancel such orders, I wish that was not required, vessels (inaudible).

Soumojeet Banerjee, Analyst

Okay. So do we see any further ordering for the cancel, which is in the offshore segment. Do we see ordering them from somewhere else?

B. K. Mandal, Director Finance

Yeah. We are looking out for opportunities because we have to find ship builders. So, that's very important thing, (Technical Difficulty) experience in the last couple of years with the Indian ship vessels.

Okay, okay. Sir, another question in the Navratna status, so, going ahead in FY14, what we believe, if, we might end up with losses, so that will be almost three years, consecutive years in a loss. So, do we see any change in the status, Navratna status for us?

B. K. Mandal, Director Finance

Look, this is very talked about in market everywhere that SCI is going to lose in Navratna status. Let's see first of all what Navratna means. Navratna means that around 500 crores of investments, 500 crores of investments, we have to go to government for approval.

Soumojeet Banerjee, Analyst

Okay.

B. K. Mandal, Director Finance

We haven't have any problem in getting government approval on this account. Otherwise, there is really (Technical Difficulty) particular status. Second thing is that as per -- and then as far as autonomy of the Board is concerned in all other spheres, whether it's Navratna or not, the autonomy remains as the Board manage the company because it's publically listed company.

Soumojeet Banerjee, Analyst

Okay.

B. K. Mandal, Director Finance

Second thing about, I said, we are going to lose the Navratna status.

Soumojeet Banerjee, Analyst

Okay.

B. K. Mandal, Director Finance

Well, three-year consecutive losses does not necessarily mean that we are going to lose the Navratna status. Actually, after it happened, it has given a notice by these department of (Technical Difficulty) Once they give the notice, for the implantation. So, there we have to explain, we have to explain about funds has gotten up.

Soumojeet Banerjee, Analyst

Okay.

B. K. Mandal, Director Finance

Everybody knows that in the -- shipping is a cyclical industry and what has gone wrong.

Soumojeet Banerjee, Analyst

Okay.

B. K. Mandal, Director Finance

So, hope for the best.

Soumojeet Banerjee, Analyst

Okay. So, whatever is coming from sir, does it have any bearing on our interest cost because presently, we enjoy a very low interest cost. So, does it or will it have any bearing on that?

B. K. Mandal, Director Finance

No, no, no. It's basically, POY status is important. Status with Maharatna, Navratna or any ratna, specify loan agreements and negotiations are there.

Soumojeet Banerjee, Analyst

Okay. okay. Okay, sir. That's all from my side. Thank you.

Operator

Thank you. There are no further questions. Now, I hand over the floor to Shipping Corporation management for closing comments. Please go ahead, sir.

B. K. Mandal, Director Finance

Challenging times for the shipping industry will continue. It's a very difficult period for all of us. This quarter, we could improve things, thanks to the rescinded contracts and ForEx gain, interest income, vessels disposed. As I explained earlier, there is not going to be any drastic improvement in the business scenario. Supply demand mismatch will continue and maybe going back into 16, 17. There have been huge deliveries in all the three segments.

If we talk about BDI, we did have some spike in month of December, but it was short-lived, BCI has been hovering around 1,000, last year, the average was about 900, so no spectacular improvement.

On the tanker side also, after -- last year, it was about 75, 80, this year, it is 65 to 70. Only certain grades is VLCC, which has been very volatile, market has been very volatile, especially Q3 and the VLCC segment, PV3 has been really going up and down. Well, presently it is around 53.

But it will not last for long. It will not last for long and difficult times will continue. So this is my perception of the market, future market. We will find it out, we are trying to see what steps can be done in this difficult times.

Operator

Thank you, sir. Ladies and gentlemen, this concludes your conference. 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 good day, everyone.

B. K. Mandal, Director Finance

Thank you.