Management Discussion

Soumyik Chatterjee - Analyst, Kiran Advisors
Thank you. Good afternoon everyone. On behalf of Kegan Advisors, I welcome you all to the conference call of ABS Marine Services Limited. From the management team, we have Captain P.P. Narayanan, Chairman and Managing Director, Ms. Aarthi Narayanan, Executive Director, and Mr. V.V. Anantha Narayanan, Chief Financial Officer of the company. With that, now I hand over the call to Ms. Aarthi Narayanan for the opening remarks. Over to you, ma'am.

Arathi Narayanan - Executive Director, ABS Marine Services Limited
Good afternoon, ladies and gentlemen. On behalf of Chairman and Managing Director Captain P.B. Narayanan, I would like to welcome all of you to ABS Marine Services Limited H1 FY27 earnings conference call. Thank you for joining us today. As I provide an overview of our business progress, achievements, and important developments during the first half of FY27. Before we begin, I would like to express my sincere appreciation to the shareholders, investors, customers, business partners, bankers, and all stakeholders for their continued presence, trust, and support.

Your encouragement has been an important part of the journey and growth. For those joining us for the first time, let me briefly introduce the company and how the business has evolved over the years. Established in 1992 and headquartered in Chennai, ABS Marine Services Limited began its operations with vessel management services. Over the past 3 decades, we have steadily expanded our capabilities, evolving from managing vessels on behalf of third-party owners to owning and operating our own fleet.

Today, we are an integrated maritime services company with operations across 4 key verticals: shipowning, ship management, marine services, and port services. This evolution has shaped the way we approach growth. FY26 was largely focused on acquiring vessels and expanding owned fleet. Having made these investments, our focus in FY27 is on monetizing these assets through efficient deployment, higher utilization, and most importantly, securing long-term charter arrangements. We believe this transition from fleet expansion to fleet utilization and long-term contract conversion will help strengthen revenue visibility and generate sustainable cash flows.

Our integrated business model combines vessel ownership and chartering with third-party technical and crew management, marine operations, and port services. Today we own 12 vessels, have 1 chartered-in vessel, and manage 38 vessels supported by 80 shore-based personnel and a pool of over 2,000 certified seafarers. With an established presence across Mumbai, Kochi, Kakinada, and Singapore, we continue to strengthen our operational capabilities and customer relationships across the maritime sector.

We also hold 10 strategic contracts directly with government authorities. Coming to our operational performance, strengthening the owned fleet and expanding offshore capabilities remain key priorities during the first half of FY27. As part of this strategy, we took delivery of the offshore multipurpose support vessel Serenity in April 2026. This addition further strengthened the own fleet and expanded our capabilities in specialized offshore support operations. Subsequently, both Artemis and Serenity were successfully registered under the INIS flag.

The 1,737 GT anchor handling tug supply vessel Artemis was registered at Chennai on May 22nd, 2026, followed by the registration of 3,891 GT multipurpose support vessel Serenity on June 9th, 2026. These developments further strengthen the Indian fleet, our Indian flag fleet, and enhanced our ability to participate in offshore assignments. Another significant development during the first

half was securing a 5-year charter for our vessel Artemis with Hardy Exploration and Production India Incorporated, acting on behalf of itself and its joint venture partners ONDC and Inbainaya Petrodyne Limited.

Under this agreement, Artemis will be deployed on the east coast of India for a firm period of 5 years. With an option for the charter to extend the contract by up to further 5 years. The contract is valued at approximately Rs 126.12 crores including GST for the firm charter period. This is an important addition to our long-term charter portfolio. It provides assured deployment for Artemis over the firm charter period and strengthens our presence in India's offshore energy segment. We believe that securing such long-term engagements with established industry participants is an important part of building sustainable growth and improving revenue visibility for the company.

Alongside our vessel business or ownership business, we continue to strengthen our port services vertical. During the period, we secured a 5-year work order from the New Mangalore Port Authority. This further reinforces our engagement with port authorities and government institutions and supports the development of our integrated maritime services platform. We also achieved an improvement in our credit profile during the period. CRISIL Ratings upgraded our long-term bank facility rating to A-, stable from BBB+, stable, and our short-term rating to A2+, from A2.

Additionally, the total amount of our rated bank facilities was increased to Rs 505.50 crores. This improvement in our credit profile reflects the progress in our business operations and strengthens our financial standing. Following the close of the reporting period, we continued to strengthen our charter portfolio through additional business opportunities. In November 2026, We signed a time charter agreement with GR Infra Projects Limited for our multipurpose support vessel Serenity for a period of 160 days, including extensions.

The vessel will support pipelaying and subsea operations in ONGC fields off the west coast of India. This contract carries an approximate value of 21.9 crores. Including GST, with vessel delivery scheduled between November 20th and December 10th, 2026. During the same month, we also secured a charter contract from Oil India Limited for our DP2 platform supply vessel MV Ocean Diamond. This contract is for an initial period of 36 months from mobilization, with a provision to extend it by a further 12 months at Oil India's On the same price, terms, and conditions.

The contract carries an approximate value of Rs 119.12 crore, including GST and extension. These engagements represent important additions to our charter portfolio and strengthen the employment prospects of our own vessels. They also reflect our continued focus on building relationships with established participants in the offshore energy sector And securing opportunities that support long-term business visibility. Coming to the financial performance, for the first half of FY27, our consolidated total income stood at Rs 168.66 crore, registering a year-on-year growth of 20.9% compared to Rs 139.53 crore in H1 FY26.

EBITDA increased by 51.9% to Rs 88.56 crore. Compared to Rs 58.32 crore in the corresponding period last year. Our EBITDA margin expanded by 1,071 basis points to 52.51% compared to 41.80% in H1 FY26. Net profit grew by 35.9% to Rs 42.13 crore compared to Rs 30.99 crore in the corresponding period last year. Net profit margin improved to 24.98% compared to 22.21% in H1 FY26. Earnings per share stood at Rs 17.16, registering growth of 36% year on year. Our H1 FY27 performance reflects the benefits of our continued focus on strengthening the owned vessel fleet, securing long-term charter deployments, and improving operational efficiency.

The growth in income, coupled with a significant expansion in EBITDA and profitability margins, demonstrates the improving contribution of our maritime operations and the progress we are making

in building a stronger and more scalable business platform. Looking at the broader industry environment, we remain confident about the opportunities emerging in the offshore and maritime sectors. The global offshore support vessel fleet is aging, while limited newbuild activity is contributing to tighter vessel supplies.

We believe these industry dynamics could create opportunities for established vessel owners and operators with capable, well-maintained fleets. We believe these industry dynamics, together with India's continued focus on offshore exploration and energy security, provide opportunities for companies with established maritime capabilities Technically qualified personnel, and a reliable fleet of specialized vessels. With our expanding owned fleet, established vessel management capabilities, and experience across multiple maritime segments, we believe ABS Marine Services is well positioned to participate in these emerging opportunities.

Going forward, our strategy for the remainder of FY27 will remain focused on a few key priorities. First, we will continue to maintain high utilization levels across our own fleet, ensuring that our vessels are deployed efficiently and generate sustainable returns. Second, we will focus on converting short-term deployments of recently acquired vessels into long-term charter arrangements. This will be important in strengthening revenue visibility and improving the predictability of our business. Third, we will continue to actively participate in tenders and pursue opportunities from established oil majors and port authorities, leveraging our operational experience and established industry relationships.

At the same time, we will remain disciplined in our approach to fleet expansion. Any additional vessel acquisition will be evaluated based on the underlying asset economics and available charter opportunities. Ensuring that our growth is supported by sound commercial fundamentals. Alongside these priorities, we will continue to focus on operational safety, service quality, productivity, and efficient execution across all 4 business verticals. Our objective is to build a stronger maritime platform that delivers sustainable growth while creating long-term value for our customers and shareholders.

With over 3 decades of operating experience, an established fleet, a strong vessel management platform, and growing relationships with leading industry participants, we remain confident in our ability to pursue opportunities across the maritime and offshore energy sectors. Before I conclude, I would like to sincerely thank the employees, the seafarers, customers, business partners, bankers, and shareholders for their continued confidence and support. Thank you, Their trust and commitment remain integral to our journey.

Thank you, and we are open to the floor for questions. Thank you.

Questions & Answers

Operator
Thank you very much. We will now begin with the question and answer session. Anyone who wishes to ask a question may press star and then 1 on their touchtone phone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Also requesting participants to limit themselves to 2 questions each and rejoin the queue for any further follow-up questions.

Your first question comes from the line of Nitesh Jain with Riverland Capital. Please go ahead.

Nitesh Jain - Analyst, Riverland Capital
Hi, good evening everyone. Am I audible?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Yes.

Nitesh Jain - Analyst, Riverland Capital
Okay, so, uh, sir, I have a couple of questions. I'll ask them one by one. So number one is, um, to Mr. Captain Narayanan. Uh, sir, what, what gave you so much confidence that for 30 years you run this company, uh, as a vessel management company, and all of a sudden in couple of years you completely transform this company into a vessel ownership- I mean, model? Uh, so my question is, uh, has something fundamentally changed with the offshore Charter market serving to oil and gas industry? This is number one.

And a subset of this question is, um, how long this high offshore day rates will continue as per your opinion? And do you see a renewed hydrocarbon E&P cycle globally as well as in the context of India, particularly for the offshore? It's happening, and therefore this buoyancy in the in the related services business will continue for how many years? This is my question number 1 on ABS Marine per se as a transformation. And number 2, a subset is the offshore day rates, uh, how long they will sustain.

And number 2, about, uh, E&T cycle. Yeah, that's it.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Okay, I'll take the first question. Yeah, about ABS Marine's progress into shipowning. And from a management company. Mm-hmm. Ship owning has always been a very high-value asset-based thing, uh, in a module, whereas ship management is more of a contact basis, either with the private company where your contacts are the one which gives you the job Whereas government management companies, we participate in the tender and we have been fortunate to be one of the few earlier ones. So we always managed to be the L1 and we continued on that.

Over the years, if I should bring it to your notice that there is something called RPSL, that is Recruitment and Placement Services. Okay. This is required by all the companies to start recruiting and placing officers or crew on board the vessel. We were right in the beginning focused on being the first people to get into it, and our certificate number which is given by the government is number 002. So we were very focused on that. Now later on, as we we progressed, we got more and more confident about getting a better opportunity.

Like, we started knowing the trends and how things work in offshore because of the long association with offshore companies. That is when we had some opportunities to buy some tugs and barges as well as one offshore vessel, which was At that point in time, there were very few players who had assets, like, and those players were like Great Eastern, SR, Warren, all those big companies which are having assets. And they were the ones who started upgrading their vessels from non-DP to DP1 to DP2. We saw an opportunity in a vacuum that was left by them in the lower, lower echelon of this business.

That's how we started getting into offshore. And slowly, of course, with persistence and our good team who works with us, we were able to improve our profitability. And later on, it was very difficult in the beginning to get bank finance for such, you know, acquisition, but somehow We have surmounted all that, and of course you know that we have gone public, and that has also helped us

in getting bank finance. We have always been consistent on one thing: our efficiency and maintenance of the vessels have been top class.

We could compare with any, any other big companies. So that's why we were at an advantage of having repeat orders. From private companies. That is the reason of this. This is something which was a progression from, from nothing to ship management to ship ownership. Another thing that pursued us was the ship management business was getting very crowded. It is much easier to get into ship management without much capital. Whereas shipowning had certain kind of a, you know, you need certain base before you can get into it.

So we thought this is the right opportunity to get into shipowning, where as the ship management is getting crowded and L1 becomes very difficult for us to maintain. And if you wanted to keep the standards that we are used to and our customers are used to, we will not be able to do it. So we are slowly getting into shipowning and maintaining our ship to that high standard so that our customers are happy. Your second question about oil and gas, you know, there has been so much turmoil that is happening in the world.

Yeah. Oil and gas in India has been particularly been affected because of the war in the Gulf as well as in Russia. The 2 main suppliers of oil. And this has prompted the Indian government to start exploring Indian coast to become- you know that it's more than 85% is being imported, oil is being imported.

Nitesh Jain - Analyst, Riverland Capital
Exactly. Whereas

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
They wanted to bring down the reliance from imports and try and get more and more kind of resources from our own backyard. For this, they are making a huge investment. Earlier, the drilling used to take in 100 meters. Now it is going to 1,000 meters so that all deepwater new rigs are being brought in to see how well these will kind of help us in a little bit of, you know, getting oil of our own resources. When these activities are taking place, offshore plays a very important role, whether it is drilling or whether it is for prospecting oil, or whether it is once the drilling has completed and they find that there is some oil or gas, the production All this needs offshore vessel, and that is where we come in.

So we are always already there, and we feel that there is a lot of opportunity in this. Secondly, there has been a glut earlier in '14, '13-'14, because number of vessels that was built in China were far more than required at that point of time. And because of COVID the whole thing came down. Oil prices came down to even $20, which was not sustainable for anybody.

Arathi Narayanan - Executive Director, ABS Marine Services Limited
Hmm.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
When this happened, the new building of the ships completely stopped. Even now it doesn't justify because the new builds are costing- it wasn't like ours, SMS KL or Arid. We, uh, if it was costing- we, when we bought it, it was costing $22 million and 2015. Today, if you want to build a similar kind of vessel, it will not cost less than $35 to $40 million. So this spending this kind of money to build a new vessel, it does not justify the rates that are existing. Whereas the rates are okay for us because we, we had been into, you know, pre-owned vessels, and we are very selective about owning those

pre-owned vessels where we do a thorough inspection.

Only then we get into buying the vessel. So we feel there is a lot of opportunity since there are no new vessels coming. There's a shortage of a thing, and always it is a shortage that always builds up the charter higher, higher than what it is existing. We don't know how long it will last, but As, as far as I am concerned, since the new builds are taking, taking so long, or not many new builds are being built, so this will last for some time, but I can't predict how many years. I hope that has answered both your questions.

Nitesh Jain - Analyst, Riverland Capital
Sure, no, this is very helpful. So, uh, sorry to interrupt,

Operator
Uh, Nitesh, uh, we request- I just have one question actually. Your first question had multiple questions, so in order to ensure that everybody gets a fair chance, we request you to return to the queue. That way we can even ensure that you get a chance to ask your follow-up questions. So thank you. Your next question comes from the line of Yogansh with Mittal Analytics. Please go ahead.

Yogansh Jeswani - Analyst, Mittal Analytics
Hi sir, thanks for the opportunity. I hope I am audible.

Operator
Yes, sir. Congratulations

Yogansh Jeswani - Analyst, Mittal Analytics
On a good set of numbers, sir. Just wanted to understand where are we in the status of chartering Emerald I suppose that was getting into dry dock, and where are we in that cycle for this vessel?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
You're talking of Emerald?

Yogansh Jeswani - Analyst, Mittal Analytics
Yes, sir.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Okay, as of now, Emerald, we have bid into OMGC, and the chances of getting a long-term charter are very good. So we should know it in the next probably 10 or 15 days we're expecting some result, but our chances are very, very good.

Yogansh Jeswani - Analyst, Mittal Analytics
Got it. So, sir, will it be something similar to how we got for Ocean Diamond, a long-term contract and a similar kind of price range, or could it be something different? Could you please repeat that? I didn't understand.

Operator
You're using speaker mode, may we request you to use the handset please? Because- Is it better now? This is much clearer. Yes, please.

Yogansh Jeswani - Analyst, Mittal Analytics
Sure. So, sir, what I was trying to ask is, uh, the Ocean Diamond that we recently chartered, right, uh, that was also on a longer-term contract. So the Emerald chartering that we are expecting, will it be on similar lines in terms of the number of years for the charter and the price per day of the charter?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
That is correct, but there are 2 different companies. Both are PSUs. Ocean Diamond has been already given to Oil India for a 3+1-year charter, and the ONGC is also for 3 years.

Yogansh Jeswani - Analyst, Mittal Analytics
Okay, any specific thoughts on why putting these 2 on a longer-term charter? Because last time I think you shared that you like to have some fleet for short term charters and some fleet consumed in the longer-term charters. But now, as we stand today, I think, uh, our entire fleet, uh, is now geared towards long-term charters.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
It's not like that. See, we do use opportunities, uh, at the time. Like, most of the short-term charters were seasonal. It used to work only during the time when there's no monsoons in the West Coast. So that restricted us to about 8 months. So we felt that, okay, the pricing was much better because it's a short term, but having a long-term charter at least gave you a visibility about what your earnings are and how you're going to manage the cash flows. So that is the only reason that we have always looked for both.

Either if you get a Good long-term charter with, uh, why not? So everybody is, uh, you know, aware of what their needs is and what our spending would be.

Yogansh Jeswani - Analyst, Mittal Analytics
Okay, uh, one more question, sir. Uh, sorry to interrupt.

Operator
I will request you to return to the queue for follow-up questions, please. Thank you. The next question comes from the line of Imran with Longbow India. Please go ahead.

Imran - Analyst, Longbow India
Hi, thank you so much for the opportunity. Sir, my first question is on the maintenance CAPEX. If you could, you know, maybe help us understand the kind of amount you think you would spend yearly on maintenance of all the vessels.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
This maintenance, we have a thumb rule. Usually it is about $3,500 to $4,000 per day. So that takes care of everything that needs to be done for the ship to continue operation.

Imran - Analyst, Longbow India
Uh, sir, can you give us a figure? Because this is becoming a slightly challenging part for to calculate because you have bunch of different sizes of ships. So I'm, I'm assuming, you know, every ship will have a different kind of number, right? So yearly, if you could give us a, you know, an idea, uh, 30-40 crores kind of number, is that Is that the right number that you spend, or it could be way higher?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
No, it's like I said, it's a thumb rule, but we have never exceeded that. Around $4,000 a day, you can take it for calculation.

Imran - Analyst, Longbow India
All right. And the other question I have is, if you can share the dollar revenue, if you calculate in that way, what percentage of the revenue comes from USD?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Okay, I'll ask my CFO to answer that because most of our contracts are in US dollars. So, but also you must understand that the banking institution has also been, you know, the loans will be paid by US dollars.

Imran - Analyst, Longbow India
Got it, got it. And sir, can you maybe- sorry to interrupt,

Operator
Imran. Please, as there are several other participants waiting for their turn. Thank you. Ladies and gentlemen, we request you to please limit to 2 questions each and rejoin the queue for follow-up questions. The next question comes from the line of Apoorva with an individual investor. Please go ahead.

Apoorva - Individual Investor
Thank you, sir, for the opportunity and congratulations on the good set of numbers. So my first question is, As you have mentioned that our Ocean Diamond has been rehired of around 119 crore, so is for 48 months or is of 36 months? Is my first question.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
36 plus 12.

Apoorva - Individual Investor
So 36 plus 12 is basically 48 months, right?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
That is correct.

Apoorva - Individual Investor
Okay, and so what's the start date for this?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
No. Oh, start. Okay, so at the moment, uh, Diamond is in, in Mumbai. She was working till last week with L&T, so we had to get out of that contract. Once that is done, now we need to go to a dry dock because Oil India has specified that within the next 2-3 years they don't want any their vessel to go for dry dock and they want to work continuously. So we are taking this opportunity, and also the dry dock is due in another month's time. So we have lined her from Bombay. She will go into dry dock probably for 10 or 15 days, and then she will head to Kakinada for oil and day job.

So we hope to be there by first week of December, first week. We should be there.

Apoorva - Individual Investor
Okay, and so my second question is that, uh, in the AGM, like Sanjeevan sir mentioned that, uh, like we might acquire a few vessels this year. So, uh, so is there any negotiation going on and, uh, what's the current status on that? And what CapEx are we planning for the acquisition? Uh, would it be in the same range as we did last year, which was of around Rs 150 crore and we bought 2 vessels? If you can just throw some light on this part, would be great. Thank you.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Yes, uh, of course, that has always been right from the beginning. We have said that we want to acquire vessels, and we have been inspecting vessels. And here, 2-3 vessels have been inspected. Some of them have been rejected. Some of them are in advanced negotiation. At the same time, we don't conclude the deal unless the banks are complete, uh, their formalities and the sanction is in place. Because as you are aware that when you conclude a deal with a seller, we have to pay 10%, and if the banks are not ready after that, then we lose the 10%.

So we are very careful about how the whole thing needs to be done. So parallelly we work with the bank, and once bank sanction is there, and then the 10% is paid into an escrow account, and then only we go forward. But inspections are on,

Apoorva - Individual Investor
So can we expect a vessel in a year? This year

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
We are planning for a couple of vessels, but, uh, this is what- now the prices are also quite high, the charter rates are good, so we are planning for a couple of them at least before this financial year.

Apoorva - Individual Investor
Got it. Thank you, sir, and all the best, sir. Thank you.

Operator
Thank you. Your next question comes from the line of Neeraj K. With NMDT Family Office. Please go ahead.

Neeraj K - Analyst, NMDT Family Office
Sir, my question was on the half-yearly revenue. If we see, this has been a decline from the H2 of last year. So just wanted to understand what were the triggers or drivers, if I look into it, of reduction in this particular revenue. And the second question is basically on the growth. Now with our, um, both the vessels getting deployed across, what is the level of S2 growth that we expect for the current year, fiscal year?

Soumyik Chatterjee - Analyst, Kiran Advisors
Can you answer that?

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
Yeah, one of our vessels by Emerald, after completing LMT contract, was idle for a couple of months in H1 of 2027. Also, uh, we have not participated in one of the 10-day float of the Indian state. So that is the- if you're comparing H2 versus H1, that short little bit shortfall is on account of that.

Neeraj K - Analyst, NMDT Family Office
Okay. And, and, uh, and now with all the vessels being basically been deployed across What is the type of revenue? Is it going to be- this H2 going to be better than the corresponding H2 of the previous year?

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
Whatever commitment was given in that prayer earnings call of 10%, we will continue to stick to that, sir. There will be an annual growth on all parameters by 10%. We stick on to that thing.

Neeraj K - Analyst, NMDT Family Office
Just one corresponding question. Why is that? Sorry to interrupt. We request you

Operator
To return to the queue for follow-up questions, please. Please, as there are several other participants waiting for their turn. Thank you. Your next question comes from the line of Manish Bhatia, an individual investor. Please go ahead.

Manish Bhatia - Individual Investor
Hello, uh, thank you for the opportunity. Uh, am I audible?

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
Yes.

Manish Bhatia - Individual Investor
Okay, uh, sir, my question is the interest cost now is much lower as compared to second half of FY26. Though the borrowings have increased, but the, you know, Uh, interest cost has gone down. So have you refinanced some of your loans to a lower rate?

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
A couple of our loans has been converted since our earnings are mainly predominantly in dollar. So in order to have a natural hedge, we have converted most of the INR loans to STTL loans, and few of the interest for the, uh, till the date of deployment has been capitalized. So this has contributed despite an increase in the long-term loan, there has been reduction in the finance cost. Yes, as you pointed out, a couple of, uh, from Rs 200 to Rs 250 crores of debt has been

Manish Bhatia - Individual Investor
Converted

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
To ECTA at a reduced interest rate.

Manish Bhatia - Individual Investor
Wonderful. I have one more question. Uh, so you have done a wonderful job operationally from the time you came up with the IPO. So your profits and revenue have, you know, grown multifold. Holds. But, uh, if I see the, you know, reward for the shareholders, like there is no dividend, no split, no bonus, no buyback, and you have an option to migrate to main board as well. So have you thought of any steps to, you know, reward the shareholders in that terms?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Yes, this has always been playing in our mind. Definitely dividends and other things are not, uh, really considered because of the high cost of acquisition. So we wanted to reward the shareholders. Definitely it will happen. But also migrating, we thought we'll do it, you know, wait for 3 years before doing that. These, these things are, you know, progressively being addressed. So I'm sure we will get value for the shareholders. Definitely there will be no, uh, spare- we won't spare any effort in that.

Manish Bhatia - Individual Investor
Thank you so much. So that's all from my side. If you have any further question, I'll get back in the queue.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Thank you.

Operator
Thank you. The next question comes from the line of Abhishek Singh with Sixth Sense Securities. Please go ahead.

Abhishek Singh - Analyst, Sixth Sense Securities
Hello, uh, thank you for the opportunity. I just have one question. Uh, last year we had a contract with NLP on Ocean Diamond and The value that we were deriving from there was around Rs 17 to Rs 20 lakhs a day, but the new contract that we have now with Oil India is at a much lower rate, and we are also entering into a contract for Emeril with the same entity. So I just wanted to know that what the management expects on the EBITDA part. So how much EBITDA we are expecting in the next half year?

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
To answer the first part, um, with L&T, that vessel which- the one we are talking about, that Ocean Diamond- was not earning around 17-18 lakhs. I think there is a miscalculation in the sense that whatever we have floated in MSC is including the extension option. So that was not earning that much in the- it was around 12.5 lakhs only. Charter rate with LNG. So I think Captain has already told why, uh, with the reduced listing, because this is a long-term contract with another big PSU. Also, OpEx is a little bit less on the Cargillada side, so that would have prompted the call by the promoters.

Abhishek Singh - Analyst, Sixth Sense Securities
Okay, uh, and what is the EBITDA margin that we are expecting?

V.V. Ananthanarayanan - Chief Financial Officer, ABS Marine Services Limited
For the company as a whole, we will be around between 47 to 52 for this entire financial year, sir.

Abhishek Singh - Analyst, Sixth Sense Securities
Okay, thank you.

Operator
Thank you. The next question comes from the line of Keshav Garg with Countercyclical PMS. Please go ahead.

Keshav Garg - Analyst, Counter Cyclical Investments Pvt Ltd.
So firstly, I wanted to request you to, in your presentation, to provide the periodic total leased tonnage, sir, because no 2 vessels are the same. They are big vessels and they are small vessels. So, so at least shareholders will get an idea that how much tonnage was leased out during this period. So, so that is the first thing. And so also the movement in the charter rates. So, so if, uh, so because your layman shareholders don't have any idea about these things, so, so that will be really informative.

So, and so secondly, I wanted to ask you that, sir, uh, what are your deleveraging plans? So because we are still, uh, buying more vessels at a very high price, like you yourself mentioned that the today the charter rates are also high and the price of the vessels are also high. So instead of buying more vessels, why don't we sell vessels and make the company debt-free now?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
That is one option, but that is not, uh, any, any company would like to do when they are in a growing phase. We would like to acquire vessels when we are sure that we can make good profits, and that is the only reason. I mean, just by selling and making debt-free is not the idea. The idea is to grow the company and we are sure of servicing these debts, so why should we sell? I don't think the shareholders will have any value by just selling and making a battery.

Keshav Garg - Analyst, Counter Cyclical Investments Pvt Ltd.
So the concern is that if oil prices continue coming down, uh, so then the rates might also follow and then we will be stuck with this high debt. And if ENP, uh, basically the budgets come down, then our vessels even Might be unoccupied. So that might be a double whammy.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
That is the question which I have answered in the first, uh, question which you asked to me. I have told you about the number of vessels that is available. There's a huge shortage, no new buildings. So there's always a requirement for these kind of vessels, and we have been very choosy about the kind of vessels which we have bought, and we, we have put in a lot of thought before doing that. So I don't think that kind of a situation will come, especially when India is struggling to, you know, even meet the oil.

And you must also realize one thing, that oil prices have got nothing to do with the charter rate. The charter rates are dependent on the supply of the vessels. We don't have vessels.

Keshav Garg - Analyst, Counter Cyclical Investments Pvt Ltd.
So then the- sorry to interrupt,

Operator
Keshav sir, we request you to return to the queue for further follow-up questions, please. Thank you. Ladies and gentlemen, we request all the participants to limit themselves to one question only and rejoin the queue for any further follow-up question. Your next follow-up question comes from the line of Nitish Jain with Riverland Capital. Please go ahead.

Nitesh Jain - Analyst, Riverland Capital
Thank you for the opportunity again. Sir, as a shareholder, uh, whatever the previous gentleman said, I would never like you to sell any vessel and pay the debt and return of capital to shareholders. I think what you guys are doing, uh, exceptionally, uh, well, and I would like you to continue doing it.

In fact, my question, second question, is on the same only lines, uh, that how can, with this kind of cash flow, why can't you target, uh, to become a A sizable OSV shipping company in India with like 40-50 type of vessel ownership.

Is this the, uh, view that the management or the vision that you have, number one? And related one is, uh, the only obstacle which I can see, you mentioned that the, the pre-used vehicle prices, vessel prices have also gone up. So in this scenario, what is the plan B? How you are going to use this cash flow and how you are going to add more vessel when those low-hanging fruits are over, what we have done in like 2 years? So this is my second question. Thank you very much.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Okay, as far as, uh, I know vessel acquisition is concerned, the vessels are far and few, and I mean few available in the market. We are continuously monitoring And only when we feel that we are getting it at the right price for the kind of charter that we, we will get for these vessels, only then we go for it. There are sometimes some vessels the owner wants to come out of it. Probably he must have bought it at a very low cost and he wants to sell it at a higher price. So these, and also some of them also come in auction.

So we are continuously monitoring how best we can get a good deal. And also, we are also monitoring about the requirements of the oil companies. That is also, you know, very closely monitored about what their requirements would be in the next 6 months, next 1 year, next 3 years. So that is the reason why we have been very slow in acquisition. We don't want to just Acquired. We have been a very conservative company. You must have seen we are almost 30, 34 years old. Absolutely.

Nitesh Jain - Analyst, Riverland Capital
Yeah, yeah.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
We have not gone into such an expansion mode where we don't want to fall. It is easy to go up and the fall will be even terrible. So this has been our principle. We have been very principled about acquiring and also running the vessels. But you still believe that

Nitesh Jain - Analyst, Riverland Capital
There are still opportunities? Do you- management still believe that there are opportunities to add more vessels despite market dynamics and to grow this company and deploy your cash flows? You still believe there are opportunities in the market?

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Yes, yes, we always believe there is opportunity. It's like real estate. Sometimes there are desperate sales, sometimes there are normal sales. You know, you just have take a call. And with our experience in this matter, so we, we, I think we are correctly placed to take that call.

Nitesh Jain - Analyst, Riverland Capital
Perfect. Thank you very much and all the very best. I believe that there is a 10-year cycle, E&P cycle ahead of us, and if you still believe, still get those deals or vessels, I think you should grab it. Thank you very much. I really appreciate your response, sir.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Thank you. Thank you.

Operator
Thank you. Your next question comes from the line of Yogansh with Mittal Analytics. Please go ahead.

Yogansh Jeswani - Analyst, Mittal Analytics
Thank you for the follow-up opportunity. Uh, sir, uh, like you were mentioning that a couple of the new charters are on the East Coast, so if you could just quickly help us understand what is the operational cost difference between an East Coast versus a West Coast order that you get.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
That's why I gave you a thumb rule, you know, about this. It doesn't change much whether it's East Coast or West Coast. We have offices both in Bombay as well as Kakinada to handle these things, and our central office is in Chennai. So once we are aware of what kind of ship we are handling, the cost doesn't change so much whether it's East Coast or West

Yogansh Jeswani - Analyst, Mittal Analytics
Coast. Okay, no, I think in one of your answers to a previous participant, you mentioned that, uh, the Emerald, which has been now given on East Coast, will be, uh, having lower operational cost because Kakinada may be deployed and there will be lesser cost? That is the question.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
That is not Emerald, it is Diamond, which is going- sorry,

Yogansh Jeswani - Analyst, Mittal Analytics
Yes,

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Yeah, that is going, uh, for oil under charter. So there the requirements of the vessel is slightly less. So we hope that the the operating cost will come down. So we, we do our best to make it down. That's why I gave you a, you know, kind of a thumb rule. We try to keep it well below that. If something comes down, it's all good for all of us.

Yogansh Jeswani - Analyst, Mittal Analytics
Got it, sir.

Operator
Thank you. Ladies and gentlemen, we will take this as our last question for today. I now hand the conference back to Mr. Soumyik Chatterjee for closing comments. Over to

Soumyik Chatterjee - Analyst, Kiran Advisors
You, sir. Yeah, thank you everyone for joining the conference call of ABS Marine Services Limited. If you have any further queries, you can write to us at research@kittinadvisors.com. Once again, thank you everyone.

Captain P.B. Narayanan - Chairman and Managing Director, ABS Marine Services Limited
Thank you very much for organizing all this, uh, from Kiran Advisors, as well as I want to thank all

shareholders for asking these questions which will keep us alert. And if we have missed out anything, thank you very much for the cooperative sense of these questions. We would like to do our best for all the shareholders and our employees. Thank you. So thank you for participating and wish you all the best.

Operator
Thank you. On behalf of ABS Marine Services Limited, that concludes this conference. Thank you everyone for joining us, and you may now disconnect your lines.