InsightKnox

ABS MARINE SERVICES LIMITED

(NSE: ABSMARINE)

Sector: Industrials | Industry: Shipping / Marine Port Services

In-Depth Business & Financial Analysis – FY25

Report Date: 9th July, 2025

Company Overview

ABS Marine Services Limited, (ABS, The Company) Established in 1992 & headquartered in Chennai, has evolved as a leading force in the maritime industry. Specializing in Ship Management, Vessel Ownership, Marine Services, and Port Services, the company provides comprehensive solutions. It also has an international presence delivering services through offices strategically positioned in Mumbai, Kochi, Singapore and satellite office in Kakinada.

Core Business and Service Areas

ABS Marine operates in the **maritime and offshore services industry** with over 30 years of experience. The company works across four main business verticals:

Ship Management: Offers technical and crew management for different types of ships, including offshore supply vessels, tankers, research vessels, passenger ferries, etc. ABS has managed vessels for both government and private clients, emphasizing safety, energy conservation, and compliance with international standards.

Ship Owning: ABS owns vessels such as offshore support vessels and harbor crafts. It continues to invest in newer, high-yield vessels aligned with market demands.

Marine Services: This includes ship chartering, inspections, vessel sales and conversions, dry dock services, and Single Point Mooring (SPM) services.

Port Services: Provides boats for pilotage, patrolling, mooring, fire-fighting, oil spill response, and tug operations at ports.

Composite/ Fleet Size

ABS Marine operates a fleet of 36 vessels as of FY25. These include ships they own, charter-in, or manage for clients.

Out of the 36:

5 vessels are owned by ABS.

1 vessel is chartered-in (leased for long-term use).

The remaining are under management, which includes bulk carriers, oil tankers, research vessels, and passenger vessels.

The fleet features modern, specialized ships such as:

DP2 (Dynamic Positioning) Offshore Supply Vessels like Ocean Diamond and Emerald

High-speed patrol boats, harbor crafts, and support vessels used in oil exploration, research, and port operations.

Key Markets and Customer Segments

ABS Marine primarily serves the offshore oil & gas industry, government agencies, port authorities, and marine contractors.

Key customers include:

- Oil & Natural Gas Corporation (ONGC)
- Schlumberger Asia Services
- Chennai and Visakhapatnam Port Authorities
- Ministry of Earth Sciences
- Alphard Logistics
- Directorate of Shipping Services (Andaman & Nicobar Administration)
- Other blue-chip public and private shipping companies

Management Analysis

Promoter/ Key Management Team

ABS Marine was founded by Captain P.B. Narayanan, who is the Managing Director and promoter of the company.
He is a Master Mariner with over 15 years of experience at sea and 5 years in commercial shipping before he started ABS Marine in 1992.
His leadership is known for being ethical, visionary, and focused on operational excellence.
Under his guidance, ABS Marine has grown into a strong brand in ship management and offshore services.
The core management team includes:
Captain Jeevan Krishnan Sanjeevan – Whole-Time Director
A Master Mariner with 12 years of sailing experience on various ship types, including oil tankers, bulk carriers, and offshore vessels.
Ms. Arathi Narayanan – Director
A law graduate with a master's in Maritime Law from the University of Southampton, she handles administrative and legal affairs. She's also active in global shipping organizations like WISTA and ICS.
Captain Oniel V Dhir – Chief Executive Officer
Has 30+ years of experience in offshore shipping, worked with global ship management companies, and is an expert in operational leadership.
Mr. Rajkumar Vigneshwar – Chief Technical Officer
A Chief Engineer with 15 years' experience in oil tankers and bulk carriers, managing technical supervision and safety systems.
Mr. V.V. Anantha Narayanan – Chief Financial Officer
A finance professional with expertise in accounting, capital structuring, and compliance, holding a postgraduate degree in commerce.

Experience & Track Record
The company has a proven track record spanning over 30 years in marine operations, with capabilities in ship owning, management, port services, and marine engineering support. ABS has successfully delivered multiple government and offshore projects, including:
- Long-term contracts with ONGC, Schlumberger, Cairn Energy, and various Indian port authorities.
- Operational leadership of 36 vessels, including high-tech DP2 vessels and specialized research ships.
- Pioneered vessel conversions and new builds for offshore supply and stimulation services.

Their growth has been steady and credibility-driven, demonstrated by repeat business from public sector giants and expanding charter wins.
Shareholding Pattern
As of 30 May 2025, the company's shareholding structure reflects strong promoter control:
Promoter & Promoter Group: 63.42%
Public Shareholding (Retail / HNIs): 36.58%
Currently, there is no indication of institutional (FII/DII) involvement, which aligns with the company's recent listing on the NSE Emerge platform.

Project/Product Portfolio

ABS Marine operates a diversified fleet and offers end-to-end marine services across multiple verticals. As of FY25, the company manages 36 vessels.

Types of Vessels:
- Offshore Support Vessels (Anchor Handling, DP2 Supply, Multipurpose)
- Research Vessels (Oceanographic, Fishery, Coastal, Ministry of Earth Sciences)
- Port Support Vessels (High-speed patrol boats, Fire tenders, Harbour crafts)
- Commercial Vessels (Bulk carriers, Oil tankers, Passenger ships)

<u>Services Offered</u>:
- Ship Management: Complete technical and crew management for offshore, commercial, and research vessels.
- Ship Owning: Operates and charters its owned vessels to public and private clients (e.g., ONGC, Schlumberger).
- Marine Services: Vessel chartering, inspection, ship sale & purchase, dry-dock services, vessel conversions.
- Port Services: Port firefighting, mooring, patrolling, tug management, and oil spill response services.

<u>Unique Capabilities</u>

ABS Marine has built distinctive capabilities that make it stand out in the Indian maritime space, particularly in offshore energy logistics and government port services.

<u>Offshore Support Expertise</u>:

It provides DP2-rated Platform Supply Vessels (PSVs) for deepwater operations
And works with oil & gas majors like ONGC and Schlumberger, including well stimulation vessels.Manages vessel conversions for niche oilfield applications (e.g., converting PSVs into well stimulation vessels).

<u>Port Logistics & Coastal Operations</u>:

It supplies and operates patrol boats, pilot boats, and fire tenders to ports like Chennai and Visakhapatnam and has experience in managing entire port service packages, including tug operations and mooring.

<u>Research Vessel Management</u>:

Manages and staffs oceanographic research vessels for the Ministry of Earth Sciences and others, a specialized, high-trust segment.

<u>Integrated Marine Services Platform</u>:

Offers dry dock, new build supervision, SPM operations, catering, housekeeping, and global procurement, making it a full-service maritime partner.

<u>Revenue Contribution by Segment</u>

Core revenue sources are:
Existing offshore and port vessel charters (>99%)
Government and PSU contracts (~75% combined)
Private contracts (~20%)
As per MD’s statement, nearly all FY25 revenue (₹179.85 Cr) came from existing vessel operations; just ₹0.57 Cr from the new IPO-funded vessel.

Client-Type Revenue (FY25):
₹74.15 Cr from PSUs (e.g., ONGC)
₹62.16 Cr from government bodies (ports, ministries)
₹35.03 Cr from private contractors and shipping companies.

Industry Analysis

Market Growth & Trend

The global shipping and offshore services industry is undergoing a significant transformation. Geopolitical tensions like the Red Sea crisis, Panama Canal disruptions, and piracy have forced operators to rethink routing, security, and regional resilience. Simultaneously, the push for decarbonization is accelerating investments in eco-friendly vessels, digital fleet monitoring, and automation technologies. Offshore oil and gas exploration, especially in Asia, is making a comeback, reviving demand for support vessels.

In India, the government's maritime vision is propelling domestic shipping growth. Policies like Make in India, Sagarmala, and a renewed focus on coastal shipping have opened opportunities for Indian operators to expand services beyond transportation into port management, offshore support, and technical ship operations. Port privatization and increased infrastructure spending have further improved prospects for companies like ABS Marine, which are now tapping port-based logistics in addition to offshore contracts.

Key Drivers

1. Coastal Trade Growth

India's coastal cargo movement has been rising due to cabotage relaxation, making it easier for Indian operators to move goods between ports. This creates steady demand for crewed vessels and tugs.

2. Offshore Oil & Gas Revival

India's energy companies like ONGC are ramping up exploration efforts, which directly increases demand for offshore support vessels. Companies like ABS Marine benefit from long-term deployment contracts in this segment.

3. Government Policy Support

Favorable initiatives such as *Make in India*, vessel subsidies, and Indian shipbuilding promotion offer a strategic boost to domestic marine players. ABS Marine's Indian-built fleet aligns well with these programs.

4. Port Infrastructure Development

The government's push to privatize and modernize ports under PPP models has opened new service verticals, including port logistics and harbor crafts, areas that ABS is actively exploring.

5. Digital & Safety Compliance

Clients increasingly demand technology-integrated operations like DP-2 vessels (dynamic positioning), real-time monitoring, and better crew safety. Operators with advanced capabilities are winning preference in tenders and renewals.

Key Challenges

1. Industry Cyclicality
The shipping and offshore industry is closely tied to oil prices and global trade flows. A dip in offshore investment or export-import volumes can sharply impact earnings, especially for smaller players.

2. Complex Regulatory Landscape
Compliance with IMO norms (for emissions, safety, cybersecurity) and Indian maritime regulations requires continuous upgrades to vessels, training, and systems. This raises the cost of operations.

3. Cybersecurity & Tech Risk
As operations become more digital, companies are exposed to cyber threats. Many marine firms globally have suffered significant losses due to hacks or system outages. Building robust cyber infrastructure is now a necessity.

4. Skilled Crew Shortage
There's a growing shortage of technically skilled crew and marine engineers, especially for specialized offshore operations. Retention, training, and maintaining safety standards remain key pressure points.

5. Competitive Pressure
Large PSU-backed or multinational competitors often have deeper pockets and can underbid on tenders, particularly in port and offshore service contracts. Smaller players must differentiate through reliability, safety, and specialized services.

Financial Performance (Last 3-5 Years)

Key Financials (In Lakhs)

Particulars	FY 2024	FY 2023	FY2022
Revenue from Operations	13515.68	11,157.51	15,412.32
EBITDA	4,467.32	3,030.13	6,009.96
PAT	2,355.41	952.74	2,267.02
Debt to Equity Ratio	0.39	0.52	0.68
Book Value	12,381.54	9,126.63	15,014.58

Peer Analysis (In Lakhs)

Particulars	ABS Marine	Great Eastern Shipping	Shipping Corporation of India
Revenue from Operations	13515.68	525,517.00	579,401.00
EBITDA	4,467.32	138,900.00	195,994.00
PAT	2,355.41	261,418.00	81,410.00
Debt to Equity Ratio	0.39	0.25	0.38
Book Value	12,381.54	1,239,745	754,400

Growth Strategy & Management Commentary

ABS Marine Services Limited has set out a well-thought-out growth strategy focused on fleet expansion, diversification of services, and market positioning. Based on the management's strategic master plan, the company is working on some key initiatives:

Fleet Expansion and Modernization

The group recently acquired DP2 Offshore Well Stimulation Vessel 'AM PASSION' (4,424 gross tonnage, 2022-built) in Q1 FY25-26, increasing its total fleet to 37 vessels including 8 owned, 1 on long-term charter, and 28 managed vessels. Management's medium-term strategy is guided by a twofold approach: prudently expanding current sectors based on market fundamentals and venturing into new shipping sectors that fit their operating system.

Strategic Focus Areas

Captain P.B. Narayanan, Managing Director, stated that the company is focused on putting next-generation assets into operation and ensuring reliability in services. The strategic plan features concentration on government-contracts, optimizing operating efficiency, taking advantage of strong customer relationships, contract and customer diversity management, and pursuing time charter contracts and vessel acquisition.

Business Trajectory for Growth

Management sees sustained high activity levels in oil & gas and renewable energy sectors through high energy prices and concern with energy security. The company will reposition itself in higher-value vessels to lift fleet yields, invest in Bulk Carriers and Offshore Supply Vessels, top up fleet with chartered vessels, and optimize returns through higher utilization and rates in the increasing market.

Order Book

As of June 2025, the order book of ABS Marine is in excess of ₹542 crore, with multi-year revenue visibility. ABS Marine won a large ₹178 crore three-year charter deal with Schlumberger Asia Services Limited for offshore well stimulation services, starting from June 24, 2025, and extendable by a further three years.

Recent Contract Wins

In H2FY25, the company won a ₹10.23 crore, 5-year contract from Chennai Port Authority. The Schlumberger contract is the company's biggest single contract win, building its global credentials and recurring revenue stream.

Capacity Expansion Details

Adding 'AM PASSION' brings new capabilities for sophisticated offshore operations, including Well Stimulation and Well Testing packages with Acid, Proppant and Nitrogen pumping abilities and testing up to 10,000 bbl./day. This strategic development shows the company's continued emphasis on building asset base to address increasing offshore demand

ESG Overview

Environmental Initiatives

ABS Marine is in the process of upgrading its fleet to become more fuel efficient and less polluting. The DP2-class "AM PASSION" vessel addition is part of the company's focus toward Environmental Protection guidelines under International Maritime Organization (IMO) standards, which include MARPOL Annex VI for SO_x and NO_x emissions.
Although the company has not yet published an independent environmental report, its ship upgrades reflect a clear direction toward less polluting operations.

Social Responsibility

Crew training and safety are core to ABS Marine's social obligations. As affirmed in the Q2 FY25 earnings call, the company holds regular safety simulations, offers on-board medical assistance, and complies rigorously with DG Shipping and IMO regulations. All these efforts are indicative of compliance with established global standards of crew well-being.

Governance Highlights

The firm has a well-designed Board, comprising independent directors and no promoter share pledges. It is SEBI/NSE compliant in all respects, with clear reporting of significant contracts and applications of IPO proceeds. It is specifically observed that the ₹178 Crore charter agreement with Schlumberger and acquisition of "AM PASSION" were properly disclosed through NSE filings, demonstrating effective governance and accountability

SWOT Analysis

Strengths

- Diversified fleet of 37 ships in various sectors
- Experienced for more than 30 years in ship management
- Robust order book of ₹542+ crore giving revenue visibility
- Well-established relationships with government and blue-chip corporations
- Advanced DP2 offshore capability with specialized ships

Weaknesses

- High capital expenditure needs for fleet renewal
- Reassignment on charter rate volatility
- Working capital days higher by 96.9 to 180 days
- Debtor days higher by 92.9 to 113 days
- Restricted dividend payout despite profitability

Opportunities

- Indian coastal shipping policy and "Make in India" drive favouring indigenous maritime sector
- Offshore wind power projects growth leading to demand for specialized ships
- Asia-Pacific offshore support vessel market expected to register growth at 7.5% CAGR reaching USD 9.75 billion by 2034
- Deepwater oil & gas exploration activity growth in India and around it
- Increased emphasis on renewable energy projects with offshore support needs

Threats

- Volatility in charter rates subject to economic volatilities and uncertainty in demand
- Severe competition for qualified crew personnel and ship charters
- Regulatory updates and compliance initiatives driving operational complexity
- Geopolitical risk affecting crew recruitment as well as ship operation
- Environmental regulations necessitating fleet upgrades and emissions compliance

Recent Developments

Major Fleet Addition

June 2025: Successfully inducted DP2 Offshore Well Stimulation Vessel 'AM PASSION' (delivered in 2022), boosting offshore operations with dynamic positioning and stimulation capabilities.

Significant Contract Award

June 24, 2025: Entered into three-year charter contract with Schlumberger Asia Services Limited for ₹178 crore with optional three-year extension for offshore well stimulation services.

Financial Performance

FY25: Reported total consolidated income of ₹184.31 crore, EBITDA of ₹54.64 crore, and net profit of ₹27.25 crore. H2FY25 recorded strong performance with 137% rise in net profit to ₹18.72 crore.

Strategic Partnerships

The company continues to build long-term relationships with key customers such as government agencies and multinational companies, emerging as a reliable offshore logistics provider.

Regulatory Compliance

Had all requisite certifications and licenses such as ISO 9001:2015, RPS/MLC License, and Document of Compliance to provide ongoing operational authorization in each of the service segments.

Financial Performance

Revenue

Full-year revenue contribution from the ₹197 Cr Schlumberger contract, which began in Oct–Nov 2024 (H2 FY25).
Deployment of two high-yield DP2 vessels (Emerald and Ocean Diamond), with their short-term contracts converting into higher-rate long-term contracts by Oct 2025.
Acquisition of the third DP2 vessel "AM PASSION" in Q1 FY26, fully operational in FY26.
Offshore vessel charter rates rising, due to tight supply (average age of vessels is 20+ years globally vs ABS's average of ~12 years).
Government push for coastal logistics and local shipbuilding helps port services revenue

EBITDA

Company has maintained a EBITDA margin of around 22% - 25% for last 2 years. This is highest in industry. While the competitors struggle to maintain a EBITDA margin of around 15% Enviro has constantly outperformed the industry.

The reasons are as follows

The company operates in a asset light model which do not require constant capex requirement. Before 2023 the ticket size for company was very low, it was in range of Rs 50 Crores which had lot of competitors.
But after 2023 company started focusing on larger ticket projects which has better margins and fewer competition. On top of that company started getting benefit of operating leverage Also most importantly company has in house design capabilities and strong execution skills. Due to which company do not have to depend on subcontractors. Thus it is able to have a control on quality and cost Major MOAT for the company is life cycle cost, which is minimum for projects among competitors shocasing its opex efficiency. This intern helps it win the projects

Capex

Around Rs 50 crores will be spend on solar project under the subsiidery And Rs 50 crores is assumed from our side for capex requirement for the company. As company is exploring opportunities in solar space and also looking an option to expand abroad

Perpetual Growth Rate

It is assumed to be long term average of GDP numbers that is 6%. This is because this is a government project linked company so its growth directly depend on performance of economy and spending power of government.

P&L Assumptions		2022A	2023A	2024A	2025A	2026E
Revenue Growth	%		55%	21%	33%	45%
COGS	%	58%	66%	57%	60%	59%
Gross Margin	%	42%	34%	43%	40%	41%
Employee Costs	%	8%	6%	5%	4%	6%
Other Expenses	INR Crs	16.13	4.17	10.00	14.63	Balance Ne
EBITDA	%	12%	24%	31%	28%	40%
Depreciation (Dep / Op. FA Bal)	%		14%	16%	15%	15%
Finance Costs (FC / Op. Loan Bal)	%		9%	16%	21%	20%
Taxes	%	18%	17%	3%	25%	25.17%

P&l		2022A	2023A	2024A	2025A	2026E
Revenue	INR Crs	71.63	111	135	180	261
Less : COGS	INR Crs	41.59	74	78	107	154
Gross Profit	**INR Crs**	**30.04**	**37**	**57**	**73**	**106**
Less : Expenses						
Employee Costs	INR Crs	5.6667	6	6	8	16
Other Expenses	INR Crs	16.13	4	10	15	18
Total Expenses	**INR Crs**	**21.7967**	**10**	**16**	**22**	**33**
EBITDA	**INR Crs**	**8.2433**	**27**	**41**	**50**	**73**
Other Income	INR Crs	11.21	3	3	4	4
Depreciation	INR Crs	3.6524	13	13	13	20
Finance Costs	INR Crs	5.6667	4	5	6	5
Profit Before Taxes	**INR Crs**	**10.1342**	**12**	**26**	**37**	**53**
Less : Tax Expenses	INR Crs	1.867445	2	1	9	13
Profit After Taxes	**INR Crs**	**8.26676**	**10**	**25**	**27**	**39**

2027E	2028E	2029E	2030E
20%	25%	24%	23%
59%	58%	58%	57%
41%	42%	42%	43%
6%	6%	6%	6%
t Off EBITDA			
40%	40%	40%	40%
15%	15%	15%	15%
20%	20%	20%	20%
25.17%	25.17%	25.17%	25.17%
2027E	2028E	2029E	2030E
313	391	485	597
184	228	280	341
129	**164**	**205**	**255**
19	23	29	36
23	31	40	53
42	**54**	**69**	**88**
88	**110**	**136**	**167**
4	4	4	4
23	24	25	27
5	5	5	5
-			
64	**85**	**111**	**140**
16	21	28	35
48	**64**	**83**	**105**

VALUATION -DCF

Present ` INR Crs	**-53**
Terminal Value (Part II)	
Perpetual Growth F **4.00%**	
Terminal Value	405
Present Value of Terminal value (Part II)	**210**
Equity Value (Part I + Part II)	**156**
Number of Shares	2.45
Value Per share	***64***
Price as on Valuation Date	208
Premium / Discount	***226%***

Ratio Analysis of - ABS MARINE SERVICES LTD

Years	Mar-20	Mar-21	Mar-22
SalesGrowth	0.00%	-2.86%	-19.11%
EBITDA Growth	0.00%	38.44%	-9.32%
EBIT Growth	0.00%	-90.56%	44.26%
Net Profit Growth	0.00%	-84.12%	117.19%
Dividend Growth	0.00%	0.00%	0.00%
Gross Margin	27.85%	34.43%	41.35%
EBITDA Margin	17.27%	24.61%	27.59%
EBIT Margin	-1.00%	4.36%	5.05%
EBT Margin	-7.09%	-0.69%	-1.23%
Net Profit Margin	-8.84%	-1.45%	-3.88%
SalesExpenses%Sales	10.59%	9.82%	13.77%
Depreciation%Sales	18.26%	20.25%	22.53%
OperatingIncome%Sales	-1.00%	4.36%	5.05%
Return on Capital Employed	-0.54%	2.40%	2.50%
Retained Earnings%	0.00%	0.00%	0.00%
Return on Equity%	-10.95%	-1.69%	-3.32%
Self Sustained Growth Rate	0.00%	0.00%	0.00%
Interest Coverage Ratio	-0.16	0.86	0.80

Mar-23	Mar-24	Mar-25	MEAN	MEDIAN
55.31%	21.49%	33.06%	9.77%	0.00%
40.38%	61.75%	11.83%	15.90%	0.00%
-1204.55%	172.84%	20.85%	-117.46%	0.00%
-375.18%	234.77%	-11.01%	-13.15%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%
33.11%	41.99%	95.72%	27.45%	30.48%
24.93%	33.20%	27.90%	15.55%	20.94%
13.01%	23.20%	20.91%	6.55%	2.18%
8.74%	19.62%	17.82%	3.72%	0.00%
6.88%	18.95%	12.67%	2.43%	0.00%
8.18%	8.79%	67.82%	11.90%	8.48%
11.93%	10.00%	6.99%	9.00%	8.49%
13.01%	23.20%	20.91%	6.55%	2.18%
			0.00%	
10.18%	19.26%	9.20%	4.30%	1.20%
0.00%	0.00%	100.00%	10.00%	0.00%
8.18%	21.86%	9.89%	2.40%	0.00%
0.00%	0.00%	9.89%	0.99%	0.00%
3.05	6.48	6.76	177.94%	40.22%

THANK YOU!

Thank you for reading our detailed analysis on ABS MARINE SERVICES. We hope you found valuable insights that help you understand the company's strategic, operational, and financial landscape.

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