

SHIPPING CORPORATION OF INDIA BACK ON COURSE



WE LEARN HOW THE SHIPPING CORPORATION OF INDIA WEATHERED A PROLONGED RECESSION TO BECOME BIGGER & BETTER THAN EVER.

BACK ON COURSE

PROJECT MANAGED BY: GLEN NEWTON

“If you find an Indian seafarer anywhere around the world you can be assured that at one time or the other, they’ve been with the Shipping Corporation of India,” says Harjeet Kaur Joshi, Chairperson and Managing Director of the Shipping Corporation of India.

That comes as no surprise, given the extensive training the corporation provides. The company boasts of a maritime training institute where the shipping company inducts its recruits. It is a matter of pride for the Shipping Corporation of India that it is a breeding ground for most Indian seafarers.

“We are India’s national shipping company, the only one with a diversified fleet in the country and by far the largest shipping company across the private and government sector in India,” explains Joshi.

Of course, while today the company is a leader in the sector, it has had its challenging phases and has come a long way.

“We started off as a marginal liner shipping company with just 19 vessels in 1961,” Joshi tells us. “We’ve grown by leaps and bounds across all areas of the shipping business, catering to the coastal and EXIM trade

operating its owned fleet and manning and managing vessels on behalf of its LNG Joint Venture Companies and Government Departments.”

Today the Shipping Corporation of India’s fleet is made up of 59 vessels, including dry bulk carriers, crude oil tankers, product tankers, container vessels, LPG carrier and offshore supply vessels. It’s the largest shipping company in India with close to a third of the total tonnage of all Indian shipping companies, and a market share of 25% for the last four years.

“We are a market leader as far as India is concerned,” Joshi says. “Our major USP is our resilience and a diversified fleet.”

CHANGING COURSE

The Shipping Corporation of India’s journey from marginal liner to the dominant shipping company in the country has not been a smooth transition, however. There have been multi-faceted challenges along the way.



^ Harjeet Kaur Joshi, Chairperson & MD, Shipping Corporation of India.



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STANDARD CLUB

THE STANDARD CLUB IS A SPECIALIST MARINE AND ENERGY INSURER AND MEMBER OF THE INTERNATIONAL GROUP OF PROTECTION AND INDEMNITY CLUBS OWNED BY ITS SHIPOWNER MEMBERS AND CONTROLLED BY A BOARD OF DIRECTORS DRAWN FROM THE MEMBERSHIP.

The club has been insuring shipowners, operators and charterers for their liabilities to third parties since 1884 and insures about 10% of the world fleet. Its core business has always been the provision of 3rd party liability cover to shipowners, but The Standard Club now provides a broad range of tailored marine and energy covers to meet the full breadth of its members' insurance requirements. Across the full range, the club aims to offer excellent and sustainable value, first-class financial security and market-leading levels of service.

The shipping industry has changed continuously since The Standard Club began in 1884, and the club has always evolved, innovated and diversified to meet the resulting needs of its members. The last decade alone has seen vessels become significantly larger and more technologically advanced, regulation become more complex in every part of the industry, new risks emerge, and ever-increasing levels of liability – for example, in the areas of wreck removal and pollution. At the same time, world trade – and therefore shipping demand – has shifted dramatically towards Asia, while slowing trade growth and an increasing world fleet are resulting in unprecedented financial pressures on shipowners.

The Standard Club has consistently been at the forefront of innovation in the marine insurance industry. It launched The Standard Club Asia Ltd (Standard Asia) in Singapore in 1997, and a Hong Kong branch of Standard Asia in 2019. Today Standard Asia has 35 staff spanning its Singapore and Hong Kong offices and offers P&I, Defence, War, and Strike & Delay covers to members based in the Asia Pacific region. The club offers \$1b of fixed-premium cover, the highest in the market, in response to increasing levels of liability and the increased complexity of vessels ineligible for mutual cover.

While innovation will remain critical, the primary concerns of most shipowners when selecting an insurance partner are value, financial security and service levels. The club has launched a range of measures to minimise the claims and operational costs of its members, including negotiating reduced rates with 3rd-party suppliers that represent a material proportion of claims costs. The club prides itself on the service provided and in particular on going 'the extra mile' to assist members facing difficulties.

The Standard Club will continue to innovate to meet the changing needs of owners, while offering excellent and sustainable value, first-class financial security and market-leading service.

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SHIPPING CORPORATION OF INDIA

"It's been a prolonged recession in shipping for over a decade and that was definitely a constant challenge for the company," Joshi admits. "For three successive years from FY 2011-12 to 2013-14, the company was in the red. Turning around and getting back to a sound financial position was our biggest challenge. We had to ensure the cash flow was sufficient to meet our liabilities while also ensuring that the fleet is maintained to international standards."

Joshi herself played a pivotal role in that turnaround when she took over as the corporation's Director (Finance) in February 2015.



"Since then, I've been nursing the company back to good robust financial health," she says. "Today the company has a robust track record and very good performance, as you can see from our numbers for the past years. That took a lot of effort. We refined our processes, bringing in stringent internal financial controls."

Joshi has been taking various initiatives in the company over the last six years, she has taken firm steps to reform, reinforce >>



“All Women Officers’ Sailing” onboard its tanker m.t. Swarna Krishna, laden with 50,000 metric tons of Mumbai High crude oil, on the eve of the International Women’s Day 2021 on 7th March 2021. This was the first-ever global feat, considering that the Indian flag vessel was commanded and manned by an all-Women Officers’ team hailing from India, who had also been certified by the Indian Authority.

A NEW AGE OF INDEPENDENCE

The Shipping Corporation of India is also experiencing external changes, particularly in the form of a significant change in ownership. The company is making big news at the moment as it is in the process of disinvestment by the Government of India. The Government of India’s current shareholding in the company is 63.75% and the entire shareholding is being sought to be divested by the Government along with management control. However, Joshi remains unfazed by the change.

“The economy is driven by the private sector, and that’s not unique to India. That’s the model you’ll see anywhere in the world. So, there’s nothing inherently wrong with the company being privatised,” she says. “It could be a boon. Currently, we have to undergo a tendering process for acquiring a vessel that my private peers don’t have to follow. Of course, there are pros and cons, but also distinct advantages we can see for the company going forward.”

One thing that won’t change under the company’s new status is its sense of responsibility towards the communities it works in and alongside.

“We’re a responsible corporate citizen and aim

towards upholding corporate social responsibility values along a socioeconomic and environmental dimension. We endeavour to conduct activities in a socially responsible and sustainable manner at all times,” Joshi says. “We are concerned about social empowerment and our Maritime Training Institute looks at various projects which includes giving discounts to underprivileged candidates below the poverty line and supports people with scholarships. We help in the promotion of education, eradication of malnutrition, and we are inclined towards empowerment of the differently-abled.”

The Company has performed despite the restrictive constraints of the lockdown imposed due to the pandemic and has had a superlative performance, financially and otherwise, too, reaching unscaled heights and breaking records over a decade. It has ensured the transportation

of essential supplies and uninterrupted trade flow requirements for Indian businesses.

Going forward, Joshi sees the Shipping Corporation achieving still more.

“I see the Shipping Corporation of India going from strength to strength. We are the largest and most diversified shipping company in India and we are already finalising some tonnage acquisitions as a growth programme. I hope to do that before the close of the current financial year,” she explains. “We have also initiated ventures in inland waterways and I consider we should get an early mover advantage in this sector.”

Whatever happens, the key priorities remain the same, as Joshi says, “Other than that we’re looking at effective management to keep our bottom-line sound and we’re at all times conscious we need to serve new clients and provide service of the highest quality.”





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and improve the business in all spheres, and the respect for the human angle as can be seen in the company’s recruitment and human resources sectors has paid dividends.

“There has been a cultural change in the company since I took over as the Chairperson and Managing Director in December 2019,” Joshi explains. “The company’s policy today is to ensure that square pegs are placed in square holes and round pegs in round holes. We try to see the aptitude of a person because every employee has his/her own strengths, and it is important to leverage these strengths by a suitable placement where they can perform to their optimum level, mutually benefiting the employee and the organisation.”

This is a huge priority for Joshi, and something she takes a very hands-on approach with.

“I have personally been sitting for interviews,” she tells us.

SCI’s landmark achievement lately has been the seamless and successful execution of



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