



## CMA H.K. Joshi

*Chairperson and Managing Director and  
Director (Finance)  
The Shipping Corporation of India  
(SCI) Ltd.*

# INTERVIEW

**S**mt. HK Joshi's journey in SCI started as Director (Finance) on 2015 and was also appointed as CFO of the Company w.e.f. the same date. In a short period of less than five years she has held additional charge of Director (Personnel & Administration) and additional charge of Director (Bulk & Tanker Division). She took over as Chairperson & Managing Director w.e.f. 19<sup>th</sup> December 2019. With a very rich and diversified experience spanning over three and a half decades in which three decades were with ONGC, a Mammoth Maharatna PSU. She is a member of the Institute of Directors (IOD) and a Fellow Member of The Institute of Cost Accountants of India. A rank holder in her Post Graduation in Commerce with specialization in Financial Management from the prestigious Delhi School of Economics, Delhi University and also has a Masters of Business Administration (MBA) with specialization in Financial Management.

In July 2015, she was honored with "CMA CFO Award 2014" from The Institute of Cost Accountants of India. She has been the recipient of "The Most Influential CFOs of India Award" from Chartered Institute of Management Accounts, UK for two successive years, 2015 and 2016. She has also been awarded with "The Tenth India CFO Awards – Excellence in Finance to enable a Turnaround" hosted by International Market Assessment India Private Limited in association with Pierian Services in May 2016. On 3rd of February 2018, she has been conferred with the Best Woman Employee Award 1st Place (Executive Category) by the Forum of Women in Public Sector under the aegis of SCOPE). She was conferred with Woman of Substance award at the 18<sup>th</sup> Sailor Today Sea Shore Awards 2019 ceremony held on November 16, 2019. The most recent being "CEO with HR Orientation" award at the World HRD Congress 2020 on 15<sup>th</sup> February, 2020.

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### *1. If any, what challenges have you experienced as a woman during your overall career?*

Women in the workforce are smaller in numbers because of which their getting noted is obvious. I was fortunate to have an upbringing for which I am deeply indebted to my parents where there was no gender discrimination at home. This helped me to grow up without any bias and have an equal mindset. This background I consider helped me to conduct myself in a competitive manner with my male colleagues at work and I don't recollect having faced any major gender biased challenges during my career at work. **Not seeking any concessions as a woman and being ready to work on an equal footing led my seniors to provide me equal opportunities.** I wasn't ever treated differently for being a woman. Infact I worked on the most challenging projects and assignments during my tenure in OVL (ONGC Videsh Ltd.) which even my male counterparts may have found difficult. These challenges were infact opportunities which I blossomed in.

On the personal front, my father was always very serious about my career which helped me to get full family support even after my marriage. It's undisputed that family support is that pillar which creates the umbrella for managing work life balance. My children also took great pride in my being a professional and that further strengthened and reinforced the pillar.

The Maritime Industry did turn out to be a true challenge as the sector is largely male dominated. Being new to the Shipping Industry (as I came from the Oil sector) I was battling the high tide (a challenge even for a good swimmer) even before I had learnt the first strokes of swimming. My strong background and grooming supported by my own DNA of being a self-starter and an avid learner helped me to take on the challenge, learn the nuances of the Industry and the rest is history today.

### *2. What are the challenges to female leadership? What advice or suggestions can you give to women walking the path of empowerment?*

Women walking the path of empowerment need to have the same traits as any other male counterpart as the leadership requirements remain the same. More women than men end up leaving work to raise a family. It shouldn't be a case of child or career. Men don't usually have to make the same choice. Women who take leave to have a child need to plan their workplace exit and re-entry carefully. Stay up to date with technology and workplace changes and maintain contact with your networks. When you are at the helm of affairs, **the chair does not discriminate between a man and a woman and the deliverables remain neutral to the gender.** Consequently women foremost need to believe in themselves, their potential and their capability. They need to keep upgrading their skill sets and remain updated to remain concurrent and synced with the environment and its challenges. Other than professional skills, soft skills need to also be developed such as communication skills both written and oral, leadership development, developing emotional intelligence etc. **Women may not always realize how poised for success they are in leadership roles, but they have enormous potential and abilities.** They have a lot of flexibility and resilience to change which is the need of the

hour today. They have the potential to multitask and should be seeking extra and new assignments and responsibilities. **Any professional needs to have all the 3 Cs as I call it: Courage, Capability and Conviction.** Empowered with these 3 Cs, any professional needs to be proactive and take on challenges during their career. Each challenge may open multiple opportunities and what we learnt in management regarding business: No risk no gain applies equally to Career as well. One has to take calculated risk to outshine. Learn to focus more on the outcome and less on the risk.

**Biggest challenge for female leadership is to be treated equally, given a chance a woman is most likely to perform.** Not being given an equal opportunity remains a challenge; however women leaders should not give up. It may have been difficult for women earlier, but with passage of time, enabling environment and meritocracy at the helm, I believe that things are better today. Sectors hitherto been seen as male dominions are witnessing increased participation of women, be it army, navy, pilot, transport, administration etc. The public perception has gradually changed towards women's abilities to excel in various fields. Women are rising in the top echelons and proving their grit and mettle again and again. But it won't take just one or two women to step up. They only become 'exceptions to the rule' and, in many cases, are pointed to as evidence that there is no gender problem. I would also advise women leaders to support and empower other women. That being said, on occasions resistance is still felt and through only sustained determination and proclivity the issue can be addressed.

Of course, there are a lot more challenges to women's path to leadership than we've covered, including harassment, lack of role models and our own ability to hold ourselves back. These are challenges most women face on a daily basis. I would again reiterate that Women need to keep upskilling themselves to work on the opportunities that are available in plenty. **Raise your hand in meetings. Speak up, and be heard.**

### *3. What innovative technologies and approaches have you adopted or planning to adopt that sets your organization apart from other important players in the field of global maritime logistics?*

**SCI is in the process of leveraging all disruptive technologies** for its enterprise wide digital transformation. We are building a web based digital platform which will be deployed on cloud to facilitate all the stakeholders such as customers, agents, Ships, employees and vendors. Advanced data analytics methodology using Big Data tools will be used at every decision point. This platform is being built using the latest UI/UX, mobile and API technologies which are used for seamless integration with internal ERP applications as well as external systems. Certain business processes mapped in the platforms will be automated using machine learning and artificial intelligence technologies. This data driven platform oriented approach would result in efficient customer support, effective operation and better cost management.

SCI has gone live with Centralized processing of vendor invoices using innovative methods. We are planning to use Robotic Process Automation (RPA) technology and Machine Learning (ML) algorithms to automate the complete cycle

of vendor invoicing with less human intervention and more controls.

As every bit of data generated on a vessel is very vital for taking technical and business decisions from shore offices, SCI is planning to collect all the critical data using embedded devices on board the vessel. Thus generated data will be stored on a cloud through internet using Internet of Things (IOT) based solutions. Data analytics tools will be deployed to analyse such data and bring out efficient models for effective management of vessels from operational and technical perspectives.

**SCI, being a pioneer in the maritime industry in India, has been the leader for systems and processes and good safety practices.** The company has also been gender neutral be it its shore employees or fleet employees. SCI have always encouraged participation of women. For women aspiring to join the merchant navy, SCI has, as said above, always provided an enabling environment, continuous encouragement and support. The representation of women fleet employees in SCI, which is highest in India, is a testimony to this fact. As on date, there are around 70 women officers on board (regular plus contract) and 137 women officers on shore working with SCI including two on SCI Board.

**4. Simplification of GST returns and reduced tax structure would help make sure India stays as a preferred destination for investments. Elucidate your views on how GST is influencing the Indian logistics market and to your firm?**

GST council is set to introduce simplified return forms from F.Y. 2019-20 for the ease of taxpayers. New returns will assist in bringing synchronization to the GST returns which will further automate the entire system of return filing and input tax credit availment. A simplified return system is synonym of ease of compliance. This is a positive step to attract investment within the economy. Simplification of the process of returns filing is a welcome move to bring investment in the economy. Such factors indirectly play a role in improving ease of business ranking at the global forum.

Goods and services tax (GST) has now replaced the multiple state VATs and the need to have a hub across all states will cease to exist. This will allow firms to redesign supply chains and centralize hub operations to take advantage of scale economies. Ease of entry across states will reduce transportation delays with measures such as the e-way bill. Having a unified market under the new GST regime would assist the smooth flow of goods within the country as India will become a seamless market without any difference in the interstate or intrastate market. This change will enable logistics companies to deliver goods more efficiently and optimize delivery timelines and improve capacity utilization besides bringing transparency in the entire supply chain.

Substantial reduction of GST rate from 18% to 5% w.r.t service of time charter for transportation of Goods is considered a welcome move for the company and shipping sector as a whole. This has certainly resulted in a positive impact on cash flows. Taxes paid on purchases made in erstwhile indirect tax law eventually resulted in cost to the

company due to multiple tax regimes. GST has resulted in reduction of such blockage of input tax credit to some extent on account of seamless flow of credit.

**5. This year's budget has come with a number of positive updates for the logistics and transport sector. National logistics policy to be released soon and proposed a single window e-logistics market to be created. According to you, what more improvement required in this arena to strengthen ease of doing business?**

It is proposed in the Budget 2020 to introduce "Taxpayer's Charter" with the objective of enhancing the efficiency of the delivery system of the Income Tax Department. An important aspect of both ease of living and ease of doing business is fairness and efficiency of tax administration. A "taxpayer charter" would reassure taxpayers of efficiency and free from harassment of any kind. It is suggested that such a mechanism is also available for Indirect Tax.

HFHSD (diesel oil) is still out of GST ambit resulting in blockage of ITC, thus increasing cost to the company. It also needs additional compliance requirements under state VAT laws. It is suggested to bring this product to the GST regime.

One of the major areas of concern for the domestic shipping lines pertains to freight. In case of import cargo transportation services, if a foreign consigner appoints an Indian Shipping line, GST is levied at 5% since the incidence of tax will fall within India as per place of supply provision under GST law. On the other hand, if the overseas consigner appoints a foreign shipping line for providing import cargo transportation service, GST is not levied since foreign shipping line is not registered or liable to register in GST.

**6. As regards India, the ports and shipping industry plays a major role in sustaining growth in the country's trade and commerce. Which innovative projects are there in your pipeline for the next 2 to 3 years?**

SCI has signed an MOU with ISRO (Indian Space Research Organization) for development of Ship route weather forecasting and for optimization of ship route weather forecasting. The aim of this MOU is to provide the position and real time weather parameters of SCI vessels to ISRO and in turn ISRO will cater the needs of day to day meteorological and oceanic forecast requirements of SCI (mainly ship route weather forecast) and to cater maritime shipping with a reliable weather forecast. Based on the MOU, required weather inputs including position of the SCI vessels are being received by the ISRO through e-mail automatically. ISRO analyzes the inputs received from the vessels and forwards the weather forecast automatically within 1/2 hours by giving wind direction and speed, current, barometric pressure, cyclonic development (if any) for the intended route of the vessel for min 3 days. This is helping the vessels for safe navigation in adverse weather conditions. ISRO optimizing the validity and reliability of the same and it is expected to accomplish the desired output in near future, which would save on substantial cost of procuring these services from the private players.

With the developments in the Coastal security activities, Indian Navy is continuously strengthening its position by inducting sophisticated and state of the art vessels and equipment to protect India's maritime interests. Lately

Navy has purchased Deep Submergence Rescue Vehicles (DSRV), to be utilized for rescue of downed submarines and clandestine missions. In this connection, a Vessel of Opportunity (VOO) is required on a long term basis by Indian Navy after successful testing of the DSRV equipment. Presently, Indian Navy has deployed one of SCI's Multipurpose Vessel for the purpose and floated a tender for long term deployment. SCI is participating in the tender floated by Indian Navy towards deployment of a customized vessel meeting all the technical requirements in particular.

The Andaman & Nicobar (A&N) Government intends to reduce diesel consumption and increase the use of cleaner & cheaper fuels to meet the growing demand in the A&N Islands. A 50 MV Dual Fuel Power Plant is planned by NTPC Vidyut Vyapar Nigam Limited (NVVN), a wholly owned subsidiary of NTPC. The LNG based power plant at Hope Town, Southern Andaman is expected to get operational by 2021. The power plant is envisaged to supply power to A&N Islands and NVVN has signed a 25 year Power Purchase Agreement (PPA) with A&N Electricity Department.

The expected total project cost is expected to be in the range of INR 900 crores +/- 10%. It involves 5,500 cbm LNG ship (Make in India), 7,500 cbm FSRU barge and construction of a LNG terminal in Port Blair. The project is expected to be funded by 70% bank loan (INR 630 crores) and 30% (INR 270 crores) shareholders equity. The project involves end to end logistics, while there are no conditions regarding the purchase of the FSRU; the small LNG vessel is required to be constructed in an Indian yard, under the Make in India initiative. The LNG ship is expected to transport cargoes from load ports Kochi, Ennore or Dhamra to disport A&N Administration. NVVN has issued a RFP on the aforesaid project dated 30.09.2019 and invited bids from local and international LNG players.

SCI has already in-chartered and deployed three container vessels (2 X 618 TEU vessels & 1 X 1,078 TEU vessels) on the East Coast of India to strengthen its presence and scope of offerings on the Indian coastal shipping sector. Further, efforts are on to enter into consortium arrangements with other coastal operators to broaden the scope and reach of SCI's offerings. Further, **SCI has plans to augment its presence in the Indian coastal shipping sector** by acquiring suitable new building / second-hand tonnage or by in-chartering suitable vessels on long charter at the appropriate time. SCI has already started a dedicated wholly owned subsidiary for the stated purpose that would be utilized for this business foray/expansion.

### **7. Shipping is a major contributor to global carbon emissions. What more eco-friendly and cost-effective measures are you planning to decarbonise transport for a sustainable future?**

You will appreciate that the Shipping is the lowest contributor to the global carbon emissions. On an average, a tanker vessel emits 5g/ton/km of CO<sub>2</sub> and a general Cargo vessel emits 15g/ton/km of CO<sub>2</sub>, as compared to the Road transport and Air transport segment, which 50g CO<sub>2</sub>/ton/km and <500g CO<sub>2</sub>/ton/km respectively. Informatively, the international Shipping industry carries around 90% of the world cargo trade in terms of volume.

The Shipping industry is expected to act upon the Paris Agreement and reduce Greenhouse Gases (GHG) emissions. In April 2018, the IMO adopted a GHG reduction strategy with a vision to decarbonize shipping as soon as possible within this century. The aim is to reduce total GHG emissions from shipping at least by 50% in 2050, and to reduce the average carbon intensity (CO<sub>2</sub> per tonne-mile) by 40% in 2030 and 70% in 2050, compared to 2008 levels.

As stated earlier, Shipping is the least polluted (compared to Road & Air) and highly regulated industry. As per IMO regulation, from 1<sup>st</sup> January 2020, all the globally traded vessels are consuming very low sulphur fuel (VLSF), i.e. limitation of the sulphur content in the bunker upto 0.50% from 3.50% earlier limit. The global fuel sulphur cap is part of the IMO's response to heightening environmental concerns, contributed in part by harmful emissions from ships. This has significantly reduced the amount of sulphur oxides emanating from ships and has major health and environmental benefits for the world, particularly for populations living close to ports and coasts.

In this line, **all the SCI vessels are changed over to low sulphur regime (0.50%) from Jan 1, 2020, duly complying with the IMO regulation.** This is a very big move of SCI towards eco-friendly measures for a sustainable future. Further, it is expected that IMO would further regulate and reduce the GHG & Sulphur content in future, based on the obtained results of this newly implemented regime.

Strengthening the SEEMP (Ship Energy Efficiency Management Plan) with mandatory assessment of operational efficiency, periodic review of the same and goal setting requiring mandatory retrofits of cost-effective technologies to bring about gains in operational efficiency. A substantial contribution can be expected from slow steaming or optimum speed operation to improve operational efficiency. We fully support all measures implemented by the IMO's MEPC.

Strengthening the EEDI (Energy Efficiency Design Index) for new ships i.e. early mandatory implementation of the Phase 3 reduction targets for some category of ships and further tightening of the reduction targets (beyond Phase 3) for others.

We believe that beyond the near term measures described above, **a switch from fossil fuels to zero carbon fuels in the long term is the target.**

### **8. How can the gender diversity be improved in the workplace? What role do men play in supporting empowered women?**

Awareness and increased acceptability shall go a long way in improving the gender diversity in the workplace, Research has now proven that organizations which have women in management and decision making positions as well as at the Board level perform much better over certain profitability parameters as compared to organizations where this doesn't happen. **Women are known for their decision making and risk taking ability in the social world.** It is said a woman can sense things sometime, no one else can sense. These qualities should definitely be absorbed in the corporate world. While making any business decisions the opinions, strategies formulated by them should also be given

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a priority if it holds good. **Teams operate more effectively and creatively when there is a diverse skill set at the table.** Different points of view help company leaders prepare for situations they may not have thought of themselves. The advantages of diversity need to be appreciated, accepted and adopted for the benefits to seep.

A certain change in mindset at the hiring and management level is inevitable for organizations to bring in gender diversity. At the time of hiring professions, the same set of questions should be asked to all the candidates irrespective of their gender. Organizations need to assess the professional commitment and talent without asking women about what hours they can work. Long working hours can be a hurdle for male candidates as well considering other external factors. Efficiency and long hours may not necessarily go hand in hand. Professional and qualitative contribution in working time rather than quantitative hours worked is what needs to be propagated. So focus while hiring and retaining talent should be on the quality and efficiency instead of gender challenges. If a person is inheriting the admirable talent and professional knowledge other external challenges may play minimal role in the success of that person to rise and grow, and definitely woman employees are not an exception to this.

**For being a successful venture and a profitable organisation, every organization should necessarily have a culture which allows for the most talented individuals to rise in the organisation and should not limit the talent pool based on gender.** Management always needs performers regardless of the gender. Women can assist in this cultural requirement by being thorough professionals at the workplace without playing their gender role.

Helping younger employees find mentor-mentee relationships can further help gender diversity. They don't necessarily have to be male to male or female to female. If you're a man, take it upon yourself to mentor female employees. On the other hand there can even be amazing female business leaders to mentor you.

The lives of men and women are interdependent and any benefit from women empowerment will go a long way to benefit both men and women. This fact is new and well understood men play a vital role in promoting women empowerment initiatives. They act as a protagonist in elevating women's access to employment, appropriate working conditions, control of economic resources and full participation in decision-making. Over a period of time they have remarkably increased the involvement in domestic work and family responsibilities which helps women to strive for work life balance. Majority of them have really become successful in clearing the roadblocks for women set by other men. They are not only suppressing the behavior that makes a workplace uncomfortable for women but they are equally ensuring that the achievements of women are fairly recognised and not credited only to the men instead. I shall say an Empowered Man supports and encourages women professionals and helps to create Empowered Women.

### **9. What one piece of advice would you give to the young women CMA professionals?**

The more you know, the more powerful you are. Hence this infectious energy and enthusiasm being young

professionals should be capitalised to achieve excellence in your profession. **Success is bound to follow the excellence path.** No one can ever replace an erudite person whether in Classroom or in Board room. Being woman we are already aware of the rule of an art called "Management" gradually we just need to excel in it to become successful Managers in the industry. So be the change maker. If you are resourceful, the woman thing, the age thing or any other thing will fall to the wayside.

The hurdles in the way of successful woman CMA professionals are not hurdles in actuality. They are our guiding stars for coming forward and becoming future ready in today's competitive world.

### **10. What are the various ways your organization can integrate with our Institute for the diverse avenues in professional development matters?**

SCI is actively participating in the events organised by the ICAI. We are one of the leading organisations which are persistently hiring as well as retaining the dynamic and qualified young and experienced CMA professionals at the attractive pay scale. SCI is also acquiring young talent on an internship basis as per the guidelines of the institute. These interns are posted and rotated in the crucial departments of the organisation. This hand on experience with the stalwarts in the field intends to help them to learn the specialised skills of shipping, transferable skills such as communication, team work along with the computer proficiency.

In the current organisation stream, the past recruited CMA's are discharging their responsibilities in different grades in the remarkable manner and standing out to the other professionally qualified contemporaries. This knowledge, experience and expertise of CMA as well as other professionals in the organisation can be used for departing training programmes for young and budding CMA professionals in various fields like IND AS, GST, SAP-FICO.

Currently ICAI is organising different valuable courses like SAP Fico, Course on Data Analytics, management Accountancy, Diploma in Cost and Management Accounting for engineers, Diploma in Business Valuation, etc. SCI known for its workforce diversity can nominate professionals who are qualified and expert in the relevant area as a faculty for conducting sessions in these courses.

Shipping is currently a growing and a dynamic sector to pursue a career in. This field requires a special set of knowledge, skills, expertise to survive. A well known fact SCI is the only Shipping Company in world known to have set up a training facility on grand scale through its training institute named as "Maritime Training Institute". It is well equipped not only with expert faculty and industry stalwarts but also with the modern training equipment, simulators, laboratories, etc. We can provide the certified courses in collaboration with the institute on the basic shipping fundamentals, applicability of various accounting standards, GST laws, etc impacting the shipping industry for the students who wish to pursue a career in Shipping. This would help them to gain knowledge in the field of shipping industry as well as make them aware of the practical applicability of various concepts covered in the study material. **MA**