

## **Brief of the Shipping Corporation of India Ltd.**

The Shipping Corporation of India in its 60<sup>th</sup> year of rendering shipping service has promoted EXIM trade and contributed to the global economy. Efficient, cost-effective and sustainable transportation of goods is paramount to SCI – a flag bearer of the Indian Maritime Sector since past six decades. SCI today is the largest Indian Shipping company owning/operating a well-diversified fleet of 59 vessels (5.3 million DWT tonnes) constituting about 28% of the Indian tonnage serving domestic/international trade. SCI manages 50 vessels (0.38 million DWT tonnes) on behalf of its JVCs (India LNG Transport Companies) and various government departments/organizations.

### **Background**

SCI was formed in 1961 by amalgamation of Eastern Shipping Corporation and Western Shipping Corporation which envisaged better co-ordination of policies, greater economy and efficiencies of operations between the two companies. SCI had a modest beginning, owning at the time of its inception, 19 ships comprising 0.19 million dwt [0.13 million GT (gross tonnage)], which accounted for approximately 14% of the total Indian tonnage. The years 1973 and 1987 saw amalgamation of Jayanti Shipping Company and merger of the Mogul Line Ltd. with SCI, respectively. Status of the SCI changed from Private Limited Company to Public Limited Company with effect from 18.09.1992. SCI was conferred with Miniratna status in February 2000 and with Navratna status in August 2008, leading to enhanced delegation of powers to the Board, including, but not limited to, the areas of capital investment, formation of joint venture, and opening of new offices.

### **Capital Structure**

SCI's authorized share capital stands at Rs.1000 crores. Post the 'fresh issue and Offer for Sale in November 2010 after FPO through 100% book building process, the paid up capital stands at Rs.465.79 crore and the Government's shareholding at 63.75%. SCI's shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and are traded regularly.

### **Operations**

SCI operates in mainly three segments viz. Bulk Carrier & Tankers, Liner and Technical & Managed Vessels (including Offshore) and in almost all areas of shipping business catering to both national and international trades and is an active player in various sectors.

### **Bulk Carrier & Tanker segment**

SCI's Bulk and Tanker vessels ply globally. Tankers, on an average, transport about 40 MMT p.a. of POL cargo and bulk carriers about 8 MMT pa of dry bulk cargoes like coal, urea, grain, mineral ore etc. Energy and industries form a vital aspect of nation's economic growth and SCI provides logistical support to PSU's refineries. Vessels are deployed in transportation of crude oil, petroleum products, coal, fertilizers etc. around the Indian coast supporting indigenous businesses. Deployment of crude oil tankers for STS/lighterage operation and floating storage ensures flexibility in logistical operations.

### **Liner Services**

SCI runs liner services with its two owned container vessels and one inchartered container vessel. SCI has the loading rights on total 34 vessels on these services and routes spread over the Indian Sub-continent to European Region, Far Eastern Region, Middle East/Gulf region, etc

### **Technical &Offshore Services**

SCI had diversified into the Indian offshore marine business and has been providing vital offshore logistic support services to the Indian oil industry in its indigenous oil exploration activities for the last 3 decades. Apart from operating its owned vessels, SCI has over the years also gained expertise in manning, managing and operating specialized vessels for oil industry and various Government Departments/Organizations and has emerged as a major Ship Management Company in India, which includes the highly specialized Multi-Support Vessels (MSVs) and Mobile Offshore Drilling Units (MODUs).

### **Shipbuilding Consultancy**

SCI is providing shipbuilding consultancy to A&N Administration, UTL Administration, Andaman Lakshadweep Harbour Works, DGLL, GSI etc for their various ship acquisition projects.

### **Joint Ventures**

SCI has participated in joint ventures including setting up JVCs and strategic alliances in its existing lines of business and related areas. It has four JVs - India LNG Transport Co.(No.1), (No.2), (No.3) and No.(4) Ltd. SCI is the first and only Indian company to enter into the high-technology oriented & sunrise sector of LNG and is the manager for these four companies and managing techno-commercial operations of 4 LNG tankers.

### **Sustainability and excellence during the Pandemic**

- SCI's agile implementation of BCP and remote working during the pandemic ensured supply chain continuity and trade flow.
- Crew change challenges were addressed judiciously, efficaciously and empathetically with a Safety First Approach and were recognized by the Nautical Science London for effective crew management during the pandemic.
- Operational excellence with financial prudence translated to superlative financial performance which SCI witnessed when its net profit more than doubled from Rs.302 crores in FY 2019-20 to Rs 618 crores in FY 2020-21.
- SCI's relentless pursuit of timeliness and discipline coupled with astute deftness led it to achieve this year, yet again, the distinction of being the first CPSE among the Navratna/Maharatna companies to adopt and declare the financial results, in spite of the pandemic resurgence towards the close of the financial year 2020-21 occasioning lockdown like restrictions.
- SCI got a clean unqualified report from the joint statutory auditors and Nil comments from the Comptroller and Auditor General of India on the financial statements for FY 2020-21.

### **Initiatives**

#### ➤ **Indo Male Service**

Direct cargo ferry services between India and Maldives was commenced towards end September connecting Indian ports of Tuticorin & Cochin with Kulhudhuffushi and Male ports in Maldives, to provide alternate, direct and less expensive means of transport for passengers and goods and for improving the connectivity between both the countries and boosting bilateral trade as envisioned by the Honorable Prime Minister of India and the Honorable President of Maldives.

#### ➤ **Inland Waterways transport**

A wholly owned subsidiary "Inland & Coastal Shipping Ltd" was incorporated on 29<sup>th</sup> September, 2016 for undertaking/providing transportation services through inland waterways, coastal shipping and end to end logistics. The subsidiary forayed into the inland waterways and a MOU was executed between ICSL and Inland Waterways Authority of India (IWAI) on 22<sup>nd</sup> January 2021 for operations and management of 3 of its cargo vessels on bareboat charter basis. The vessels would navigate the national waterways and serve the hinterlands of India. The first two vessels were taken over by ICSL in January and February, respectively. ICSL is in the process of establishing scheduled liner services in NW1 (Haldia/Kolkata to Varanasi) and subsequently intends to connect Inland waterways with coastal shipping.

- Hon'ble Minister flagged-off SCI's Container vessel – SCI Chennai off Kandla on the EXIM trade, an outcome of the decision taken under the auspices of the Ministry of Port Shipping & Waterways to promote the exports and overcome the challenge of shortage of containers and high freight rates. SCI was lauded for the effort to support the trade and the nation.

### **Achievements**

#### ➤ **OSV Colonel S.P. Wahi – Rescue Operation at Mumbai High**

OSV Col. S. P. Wahi, SCI managed vessel was involved in an exemplary act of bravery & courage when the vessel rescued over 16 fishermen from a fishing boat 'Dev Sandesh' on 05.08.2020. The boat which was flooding and had total power failure was located & rescue operation was effected in the most professional way, despite extreme rough weather conditions & was monitored from shore offshore team.

#### ➤ **M T Desh Abhimaan participation in Search & Rescue operation in Arabian Sea:**

On 29.07.2021, SCI owned tanker M T Desh Abhimaan participated in Search and Rescue operation of crew of a capsized vessel viz. MV Suvarih in Arabian Sea, which was coordinated by Pakistan MRCC. M T Desh Abhimaan was able to pick up 5 crew members of the capsized vessel who have been in sea water for almost 19 hours. All these crew members are of Syrian nationality.

- **Landmark achievement and paradigm shift in the maritime sector - m.t. Swarna Krishna Sailing with an all Women Officer's Team**

Recognizing professionalism of women seafarers in commercial shipping, SCI created world maritime history, executing first ever 'All Women Merchant Navy Officers' voyage' aboard m.t. "Swarna Krishna" from Mumbai to Vadinar carrying 50000 MT of Mumbai High Crude Oil on March 7, 2021 notwithstanding pandemic ordeals; its 14 women officers commanded and manned a cargo vessel and the vessel's 18<sup>th</sup> voyage continues on the 145<sup>th</sup> day, today performing with a predominant female management team exemplifying excellence in their performance standards. The Captain & the Officers were presented with a Silver Plaque during the Valedictory Function of Diamond Jubilee Celebrations.

➤ **Technical consultancy of MV Sindhu, first of the two 500 Pax and 150 MT cargo vessels under construction at Cochin Shipyard**

The vessel was successfully delivered to A&N Administration and the vessel was inducted into service during June 2021. SCI, as a technical consultant, had been involved in the project right from the inception stage and oversaw the technical specifications, construction supervision till delivery. SCI will also be managing Operations of the vessel. This is the first passenger vessel ever built in India with electric propulsion and azimuth thrusters. SCI's capabilities once again established as an end to end service provider in this sector. The Second 500 PAX vessel is at an advance stage of construction along with the 2 nos. 1,200 Pax and 1,000 MT cargo vessels.

**A completely IMO compliant Company**

➤ **0.5% sulphur fuel regulation compliance**

SCI has smoothly and successfully transitioned to being compliant with IMO's 0.5% sulphur fuel regulation and the vessels remained compliant and are being supplied low sulphur fuel oil since 1st January, 2020.

➤ **Cyber Risk Management Policy**

SCI has successfully implemented the "Cyber Risk Management Policy" on board SCI ships in July 2020, much ahead of the IMO implementation date of 1st January 2021. The policy is aimed at building capabilities to prevent, mitigate and respond to cyber risks, to reduce vulnerabilities and minimize damage from cyber incidents and protect information systems of SCI. This gains all the more importance in such unprecedented situations like the ongoing covid-19 pandemic.

➤ **Ballast Water Treatment System (BWTS):**

In July 2021 installation and commissioning of Ballast Water Treatment System (BWTS) has been successfully completed on board SCI's LR1 tanker, M T Swarna Sindhu, by the SCI Technical team at Colombo Dockyard. The BWTS installed is complying with all the latest requirements of IMO and USCG Regulations. M T Swarna Sindhu is the second vessel of SCI to be retrofitted with BWTS. In June 2021, M T Swarna Kaveri, a LR1 product tanker was retrofitted with BWTS. SCI is in process of installing the Ballast Water Treatment System (BWTS) on its 40 foreign going vessels in compliance with the IMO's Ballast Water Management Convention.

**Maritime education- an expression of self-sufficiency**

SCI has its own Maritime Training Institute (MTI) at Mumbai which is equipped to handle the training requirements especially of the fleet personnel and certain aspects of Shipping Management for shore personnel, both Technical and Commercial. It provides a comprehensive range of courses (Nautical, Engineering and Management) available to the personnel employed in the maritime industry, including SCI and other prominent Indian Companies. The Institute since inception in 1988, developed/imparted courses contributing to the Indian maritime industry and continues to add on innovative value-added courses on safety and commercial aspects. SCI pioneered recruitment of women seafarers on its vessels and encouraged integration of aspiring female cadets into the sector through concessional fees and age relaxation.