

THE SHIPPING CORPORATION OF INDIA LTD
(A Government of India Undertaking)

SHIPPING HOUSE
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NARIMAN POINT, MUMBAI – 400 021

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e-mail: mail@sci.co.in

website: www.shipindia.com

Citizens' Charter

SCI's Mission

To serve India's overseas and coastal seaborne trades as its primary flag carrier and be an important player in the field of global maritime transportation as also in diverse fields like Offshore and other marine transport infrastructure.

SCI's Vision

To emerge as a team of inspired performers in the field of Maritime Transportation serving Indian and Global trades with focus on:

- ❖ Maintaining its “Numero Uno” position in Indian Shipping
- ❖ Establishing a major global presence in Energy – related, Dry Bulk and niche container shipping markets.
- ❖ Evolving suitable business models to exploit emerging opportunities in Offshore Oil Sector, Port / Terminal Management, Logistics etc.
- ❖ Safety of people and property and protection of Environment.

Objectives of the SCI

1. To provide its clientele safe, reliable, efficient and economic shipping services.
2. To be an optimally profitable, viable, commercial organisation and contribute to the national economy by securing a reasonable return on capital.
3. To own or acquire through options like leasing, demise charter, joint ventures and other innovative financial measures an adequate fleet to cater to a significant portion of India's overseas trade, particularly in items of strategic importance like crude oil and petroleum products.

4. To increasingly participate in India's offshore and other marine activities, and to continue to explore opportunities for diversification to ensure overall and steady growth of the Company.
5. To develop internal Human Resource with a view to achieving higher productivity.
6. To initiate e-governance in the working of the Company at the earliest covering areas such as operations, tendering and purchase through the "SET-IT" project. (i.e. SCI's Enterprise Transformation through Information Technology).

Brief Profile of the Organization

The Shipping Corporation of India Ltd. (SCI) was formed on 02.10.1961 by the amalgamation of Eastern Shipping Corporation Ltd. (ESC) and Western Shipping Corporation of India Ltd. (WSC). The Paid Up Capital of the company then was Rs. 23.5 crores.

1. Presently, Authorised Capital of the SCI is Rs. 450 crores and Subscribed and Paid up Capital is Rs. 423.45 crores. The Equity Capital disinvested by the Government of India remains at 19.88%. The status of the SCI has changed from Private Limited Company to Public Limited Company with effect from 18.09.1992. The shares of the SCI are listed at major stock exchanges and are traded regularly.

2. Fleet Strength

As on 01.07.2009, SCI has a significant presence on the global maritime map and has grown about 28 times in terms of DWT in the last 47 years. It is the country's premier Shipping Line owning a fleet of 79 vessels of 30.46 Lakh GT (53.54 Lakh DWT) with a share of 34% of the total Indian tonnage and comprises cellular container vessels, crude oil tankers, product tankers, bulk carriers, LPG/Ammonia carriers, acid carriers, passenger-cum-cargo vessels and offshore supply vessels. In addition, SCI Mans / Manages 58 vessels of 3.07 Lakh GT (2.05 Lakh DWT) on behalf of LNG Joint Venture Companies, various Government Agencies / Departments and other Organisations such as ONGC. The managed vessels include LNG tankers, Passenger vessels, Passenger-cum-cargo vessels, Bunker barge, Offshore Supply Vessels, Seismic Survey vessel, Well Stimulation vessel, Diving Support vessel, Geo Technical vessel and Multipurpose Support vessel and Research vessels. The highly diversified fleet of the SCI includes modern and fuel-efficient ships giving it a qualitative status as also a distinct competitive edge over other fleet owners.

3. Financial Performance

3.1 The SCI has a consistent track record of making profits and has been earning good returns on its investment. For the year 2008-2009, the Gross Earnings was Rs. 4,564.49 crores and the Net Profit after Tax was Rs. 940.67 crores. The Board has proposed a dividend of 65% for the financial year ending 31st March 2009

3.2 SCI's financial performance for the last 3 years is given below:

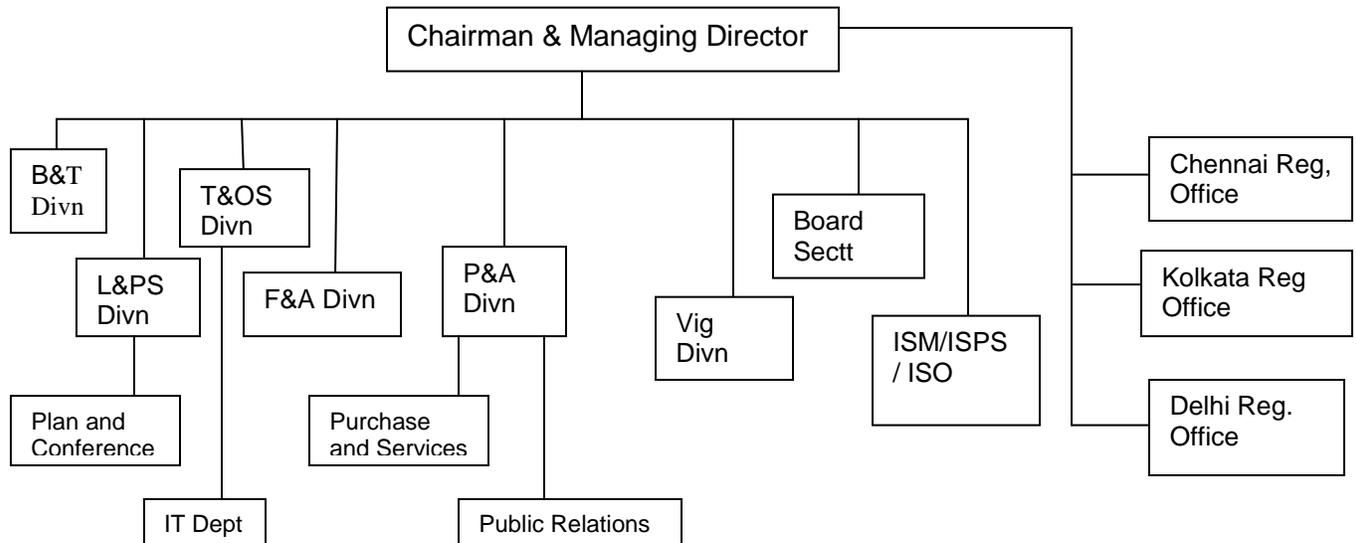
Rs. in crores

Particulars	2008-09	2007-08	2006-07
Gross Earnings	4,564.49	4084.36	4210.36
Expenses (excluding interest, depreciation and tax)	3121.35	2815.61	2717.12
Gross profit before interest, depreciation & tax	1443.14	1268.75	1493.24
Net Profit after tax	940.67	813.90	1014.58

Organisation Structure

SCI is organised into 3 operating divisions supported by 2 service divisions. Each division is headed at the corporate level by a full time Director forming a Corporate Group. The Corporate Group works under the overall direction and control of the Chairman and the Managing Director. The Corporate Group has ensured a closer teamwork leading to better and efficient administration of fleet and in turn a better and more efficient service.

The SCI board is headed by the Chairman and Managing Director, 5 full time directors of respective divisions and 10 part time directors (2 government and 8 non-official Independent) nominated by Government of India.



Operations

The SCI operates in all areas of shipping business both in the National and the International arenas. The SCI today is an active player in the Crude Oil and Product transportation sector, Liner services, Dry Bulk movement, carriage of Phosphoric Acid,

Liquefied Petroleum Gas and Ammonia, Passenger transportation and Offshore services segment.

A) LINER CONTAINER INDUSTRY STRUCTURE & DEVELOPMENTS

World Scenario: Global Container trade in 2008 was characterised by surging volumes during much of the first half of the year, only to experience an unexpected sharp turnaround in growth during the later part. European imports from Asia saw the largest swings, with similar trends in the imports to Japan and Asian NIEs (Newly Industrialised Economies) such as South Korea. Chinese imports were also affected, falling even faster than its exports with domestic consumption reducing substantially. In 2008 as a whole, the main arterial routes namely the 'Transpacific Eastbound' and 'Asia-Europe Westbound' lanes experienced a negative growth of 9% and 0.5% respectively. Substantial corrections were seen in the Intra-Asia trades by year-end. This declining trend in trade volumes continued into the first two months of 2009 as well and eased only in March. Global Container trade in 2008-09 is estimated at around 129 million TEUs, marking a meager growth of 3.5% compared to over 10% witnessed in 2007-08.

In this scenario of shrinking trade volumes and double-digit fleet expansion, Liner operators withdrew substantial tonnage plying in the main trade lanes during the final months of 2008 and January 2009. Yet vessel utilization and freight rates continued to slide. Liners announced additional capacity cuts for the next few months to scale back costs, while the amount of idle tonnage piled up. Leading carriers implemented substantive cost cutting measures such as charter-vessel discharge, laying up vessels, scrapping owned tonnage, slow-steaming in select routes, reducing administrative costs etc.

The freight and charter rates fell sharply at the end of 2008 with the slide continuing into 2009. Liner operators increasingly re-delivered Charter vessels instead of renewing charter agreements. It is reported that several newbuilding vessels, including mega-ships over 7,000 TEU, will be directly proceeding for Lay-up from the shipyards.

Indian Scenario: The Major Indian ports handled 6.85 Million TEUs of Container traffic in 2008-09 which was only 2% higher than the previous year. This is equivalent to 93 Million Tonnes of containerised cargo, representing a negligible growth of 0.9%. The SCI continues to be the only Indian mainline carrier providing services from India to some of the major global destinations. However, several international container majors are offering direct services or calling Indian ports enroute on their East - West services.

B) OPPORTUNITIES & THREATS

As per the projections of international organisations such as the IMF, WTO and OECD, the global output would decline for the first time since World War II in the year 2009, with a negative GDP growth of 1.3%. Global Container trade would be affected in turn and is projected to contract by 3.3% in 2009. The Newbuilding orderbook position indicates continuing double-digit fleet expansion during the next two years or so. A combination of these factors is likely to prolong the adverse impact on trade volumes and freight rates for the next year or two. The dominance of Mega Carriers now turning their attention towards the Indian market also poses a challenge to Indian shipping.

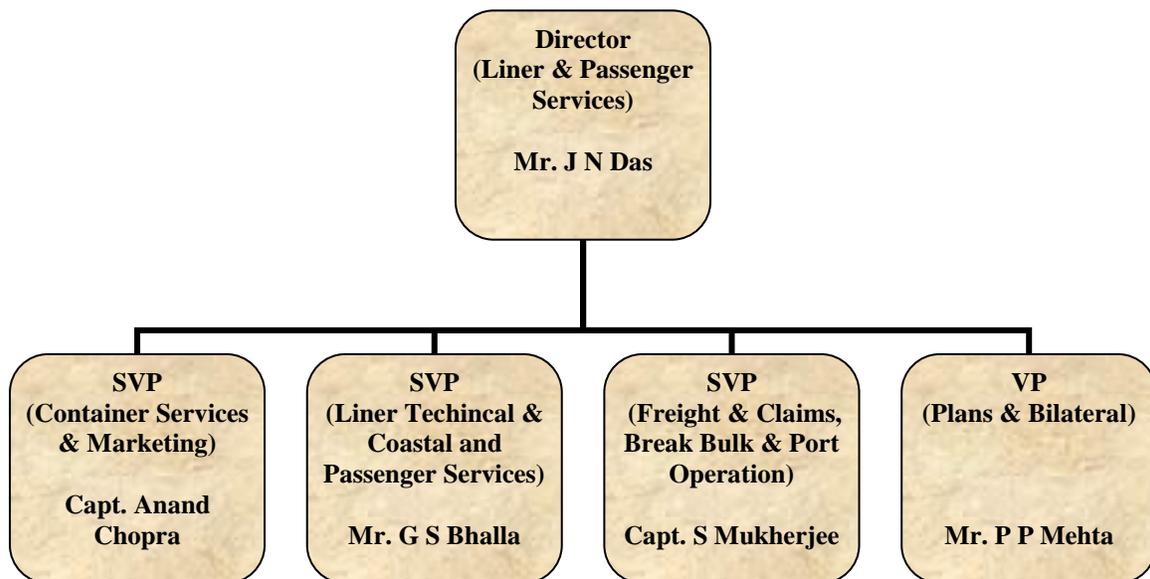
However, there are some signs that the US housing sector and financial markets could stabilize in the near term. With recovery anticipated at end-2009 or early 2010, it is

reckoned that Container trade could see a substantial upswing of around 7.3% in the year 2010.

The prospects for growth in India's container trade are thus encouraging after the recovery of world economy gets underway. Continuing growth of Chinese economy, the expected consolidation of other Asian economies and potential for feeder trade would provide further opportunities for growth.

The breakbulk sector has good potential in respect of imports of Over-Dimensional Cargoes (ODC), Project cargoes, Heavy Lift cargoes etc. on account of the Government departments / PSUs.

Liner & Passenger Service Division – Organisational Chart



C. The SCI Liner & Passenger Services:

Container Services

Indian Subcontinent Europe Service (ISES):

As per the earlier arrangement which would be phased out by end-May 2009 (loading), the UK-Continent cellular container service is being operated by a consortium of five Partners viz. SCI, Yang Ming Lines (YML) of Taiwan, ZIM lines of Israel, K-Line of Japan and MISC of Malaysia with 7 vessels of 2650 – 3400 TEU on a 49 day round voyage schedule. SCI deploys two owned 3400 TEU (4400 TEU nominal) container vessel delivered in October 2008 and the average weekly allocation for SCI with owner's merit is about 1000 TEU per vessel. The ports of call of this service: Colombo / Nhava Sheva (JNP) / Mundra (SCI vessels) / Port Said / Barcelona / Felixstowe / Rotterdam / Hamburg / Genoa (SCI vessels) / Port Said / Colombo.

Two partners namely, M/s MISC and Zim had given notice of withdrawal from the Service in December 2008 and withdrew from the above mentioned arrangement in March 2009 and May 2009 respectively. The other two partners, M/s K-Line and YML also tendered withdrawal notice from the Service in March 2009. However, the arrangement is continuing with these two lines loading upto end-May 2009. Meantime, SCI has formed a new consortium, "SCI-MSC", with M/s Mediterranean Shipping Lines w.e.f. 17.05.2009. The "SCI-MSC" consortium operates the new ISE service with 7 vessels ranging from 2750 to 3500 TEU capacity. SCI is contributing two owned vessels and two in-chartered vessels and MSC three vessels upto October 2009; thereafter SCI will deploy two owned vessels and one in-chartered vessel and MSC four vessels. The port rotation is: Colombo / JNP / Mundra / Salalah / Port Said / Barcelona / Hamburg / Rotterdam / Felixstowe / Port Said / Jeddah / Colombo. The allocation for each partner is on a 50:50 basis of the total space available in this Service, which works out to about 1650 TEU per vessel each.

Far Eastern Sector:

India / Far East Cellular Service-1 (INDFEX 1):

This is a weekly direct service from India's West Coast to Central China, Korea, Hong Kong, Singapore and Malaysia operated with 5 vessels of 1950 – 2250 TEU on a round voyage schedule of 35 days. The three Vessel Operating Partners are SCI, PIL of Singapore and K-Line with each having one vessel; and of the other two vessels which are equally shared by the partners, SCI has contributed one vessel. The two vessels deployed by SCI are of 2250 TEU capacity and the average weekly allocation for SCI is about 750 TEU considering owner's merit. The main ports of call are NSICT / Colombo / Singapore / Busan / Shanghai / Ningbo / Hong Kong / Singapore / Port Kelang / Colombo / NSICT.

India / Far East Cellular Service-2 (INDFEX 2):

This is a weekly direct service connecting East coast of India to North China operated with 5 vessels of 2100 – 2200 TEU on a round voyage schedule of 35 days. The constituents of the consortium are same as INDFEX-1 consortium. SCI deploys one 2200 TEU vessel and has an average weekly allocation of 440 TEU considering owner's merit. The main ports of call are Chennai / Vizag / Singapore / Pasir Gudang / Hong Kong / Dalian / Xingang / Qingdao / Hong Kong / Shekou / Singapore / Port Kelang and Chennai. Through the INDFEX 1 and INDFEX 2 services, SCI covers the Chinese market extensively with direct calls at 6 mainland Chinese ports and Hong Kong.

SCI Middle East India Liner Express (SMILE) Service:

SCI is operating this new independent weekly service (commenced in March 2008) to the Gulf with its 3 owned 1600 TEU (1800 TEU nominal) vessels on a round voyage schedule of 21 days. This service covers 'India & the Indian Subcontinent - West Asia Gulf' sector catering to the trade requirement in the Gulf markets as also the Far East, Red Sea, UK-Continent through transshipment at Colombo. Upper Gulf locations are also covered by feeder services ex-Jebel Ali. In December 2008, the SMILE service was expanded to carry feeder and coastal cargoes on the west coast of India. The main ports of call are Colombo / Tuticorin / Cochin / Nhava Sheva / Mundra / Jebel Ali / Mundra /

Cochin / Tuticorin / Colombo. Through the Smile Service, SCI has commenced a coastal service on the west coast of India between Mundra, Cochin and Tuticorin from December 2008.

India-Red Sea Service (RIX service):

SCI commenced this service in consortium with Hull & Hatch (H&H) Lines Ltd. on 01.02.2009. The service is operated with 2 vessels, an 1100 TEU vessel deployed by H&H and a 1700 TEU vessel by SCI, on a round voyage schedule of 24 days with a 12 days frequency connecting India's west coast to several ports in the Red Sea region and East African countries. The average allocation for SCI with owner's merit is 775 TEU. The ports of call are Nhava Sheva – Mundra - Aden - Djibouti – Hodeidah - Jeddah - Port Sudan – Aqaba – Eilat (only SCI vessels). This is the only service making direct calls to Red Sea ports.

Feeder Service

From April 2008, after the termination of the earlier joint feeder service with M/s Seacon Consortium Ltd. (Singapore), the SCI makes feeder arrangements with 'Common Carriers' between various destinations on the Indian subcontinent depending on market requirements.

SCIMAX Feeder Service:

SCI commenced a joint feeder service between Kolkata / Haldia and Colombo on 01.02.2009 with M/s MAXICON Shipping Agency (Vizag) to serve various trade lanes between these ports. The service is operated with 2 vessels of around 700 TEU each with a frequency of about 8-9 days. Due to draft restrictions at the Indian ports, the actual loadable parcel size reduces upto around 440 TEU, depending on the draft available during the voyage.

Break-Bulk Services

SCI is the only Indian company providing overseas liner break-bulk services to Indian trade. SCI arranges carriage of breakbulk cargoes on space charter basis from various regions across the globe including USA and Far East for imports on account of the Government departments / PSUs which includes Shipments of Over-Dimensional Cargoes (ODC) / Project cargoes / Heavy Lift cargoes / IMO Class I Cargoes etc. and also containers. SCI continues to operate its India-UK Continent breakbulk service from European ports to India jointly with Rickmers Linie on space sharing basis on their vessels.

Domestic Passenger-Cum-Cargo Services: In addition to International operations, the SCI, with its 2 Owned Passenger-cum-Cargo vessels and 30 Managed vessels operates domestic passenger and cargo transportation services between Mainland and Andaman

& Nicobar and Lakshadweep group of Islands, on behalf of the Government of India as follows:

Andaman & Nicobar Islands Administration (25 vessels comprising of Passenger vessels and Passenger-cum-Cargo Vessels), Union Territory of Lakshadweep (5 vessels comprising of 1 Passenger-cum-Cargo Vessel, 3 Passenger Vessels and 1 Bunker Barge).

SCI's Owned Passenger-Cum-Cargo Vessels:

The table below shows the profile of the owned Passenger-cum-Cargo carrier fleet owned by SCI.

As on 31.03.2008				As On 31.03.2009				
Type of Ships	Nos.	Pax. Cap.	Cargo Cap. (MTS)	Add. Nos.	Scrap Nos.	Nos.	Pax.Cap.	Cargo Cap. (MTS)
Pax-Cum-Cargo Ships	2	1,502	1,500	--	--	2	1,502	1,500
Total	2	1,502	1,500	--	--	2	1,502	1,500

The deployment pattern of the above mentioned owned fleet was as under:

- m.v."Harshavardhana" was deployed in the Mainland/Andaman Sector.
- m.v."Ramanujam" was deployed in the Inter-Island Services of the Andaman and Nicobar Islands.

Manned and Managed Vessels:

The following table shows the profile of the vessels Passenger-cum-Cargo vessels and other vessels managed by SCI on behalf of the various Governmental Organisations/Departments.

As on 31.03.2008				As on 31.03.2009				
Type of Ships	Nos	Pax. Cap.	Cargo Cap. (MTS)	Add. Nos.	Scrap Nos.	Nos.	Pax.Cap.	Cargo Cap. (MTS)
Pax-Cum-Cargo Ships	26	8,784	6,810	3	-	29	9178	6498
Other vessels	6	-	-	-	-	6	-	-
Total	32	8784	6810	--	--	35	9178	6498

The deployment of these vessels on behalf of various organizations was as follows:

- Twenty five (25) Ships on account of the A&N Administration, of which 4 are for carrying Passengers and cargo between the Mainland and Andaman and Nicobar Islands and 21 for Inter-Islands run.

- Five (5) Ships on account of the Union Territory of Lakshadweep Administration, of which two (2) are for carrying Passengers and cargo between the Mainland and Lakshadweep Islands, 2 for Inter Islands and the remaining One (1) is an Oil Barge.
- Five (5) Research vessels on behalf of various Governmental organisations/Departments, of which three (3) ships on behalf of the Geological Survey of India and two (2) on behalf of the Ministry of Earth Sciences (Department of Ocean Development).

During the year, the SCI carried Passengers and cargo on the Mainland/Island sector on owned and managed vessels as under:

Sector	No. of Passengers	General Cargo (MTs)
Mainland/A&N Islands	1,76,713	28,446.507
Mainland/UTL Islands	35,883	171.320
Total	2,12,596	28617.827

D. Plans & Bilateral Department

This department specializes / deals in matters regarding Corporate Planning of the organization. The conceptualization, compiling, drafting of MOU is undertaken by this department, which later is signed by SCI with the MOSRTH. The SCI as a national line deals with various bilateral maritime agreements / trade agreements / WTO negotiations, which is also supported by the mentioned department.

E List of Nodal Officers in L&PS Division

Container Services & Marketing

Mr S G Sadawarti, VP (FE-C)
Tel. 22820822
sg.sadawarti@sci.co.in

Liner Technical and CPS

Capt. Praveen Kumar, DGM
Tel. 22870367
praveen.kumar@sci.co.in

Freight & Claims and Port Operations

Mr. S.K Maji, VP (Freight)
Tel. 22882831
sk.maji@sci.co.in

SMILE Service

Capt. Rajesh Dhamagaye, DGM
Tel. 22835308
rajesh.dhamagaye@sci.co.in

Indfex and Indfex2

Mr. Vinod Padale, DM
Tel 22772469
vinod.padale@sci.co.in

ISE Service

Mr. Indrajeet Nagar, DGM
Tel. 22772466
indrajeet.Nagar@sci.co.in

Break Bulk Services

Mr. Susil Padhi, DGM
Tel. 22772511
sk.padhi@sci.co.in

India Red Sea

Ms. Shraddha S Sathe, DM
Tel 22772484
s.sathe@sci.co.in

Feeder Service

Mr. S C Lingam, DM
Tel.22772465
sc.lingam@sci.co.in

F Service Requirements

- a) Safe and timely delivery of cargoes / containers without loss or damage.
- b) Regularity of service as per Service schedules announced to the trade: Arrival / Departure at / from the designated ports of call without delays.
- i) ISES (Indian Subcontinent / Europe Service): Fixed day weekly service; Port of call Colombo/ JNP/ Mundra/ Salalah / Port Said/ Barcelona/ Gothenburg/ Hamburg/ Rotterdam/ Felixstowe/ Port Said/ Jeddah / Colombo.
 - ii) SMILE Service (India / Middle East Gulf): Fixed day weekly container service. Round voyage duration of 14 days and the ports of call are Colombo / Cochin / Nhava Sheva / Jebel Ali / Dammam / Colombo.
 - iii) IndFex Service (India West Coast / Far East – Southern China): Fixed day weekly container service; Transit time of 16 days between JNP to Shanghai.
 - iv) IndFex - 2 Service (India East Coast / Far East – Northern China): Fixed day weekly container service; Transit time of 10 days between Hongkong - Chennai.
 - v) India Red Sea Service (RIX Service) : 12 day frequency service with 21 days round voyage and ports of call are Mundra / JNP / Jeddah / Port Sudan / Hodeidah / Djibouti / Aden / Salalah / Mundra

G. **LIST OF CUSTOMERS**

Some of our major customers are :

I **Govt./Public Sector Parties**

Indian Oil Corporation Ltd
G-9 Ali Yavar Jung Marg
Bandra (E)
Mumbai 400 051

Bharat Heavy Electricals Ltd.
14/15th floor, World Trade Centre
1, Cuffe Parade
Mumbai 400005

Bharat Petroleum Corporation Ltd.
Refining Division, Project Cell, Mahul
Mumbai 400074

Steel Authority of India Ltd
Richardson & Crudas Building, Byculla
Mumbai 400008

Controller of Stores (Shipping)
Central Railway
Mumbai

Oil & Natural Gas Corporation Ltd.,
2-C Western Offshore Basin,
Priyadarshini,
Eastern Express Highway, Sion,
Mumbai.

Embarkation Head Quarters,
P.O No.331, Mumbai 400001

II Private Parties

M/s. Allana Sons Ltd., Mumbai

M/s. Reliance Industries Ltd.
Village Mora, P.O Bhata Surat,
Hazira Road, Surat 394510

M/s. Al Kabeer Exports Pvt Ltd

M/s. Bharat Forge Ltd., Mundhwa
Pune

M/s. HT Media Ltd., New Delhi

M/s. Geologistics Pvt. Ltd
Navkar Chambers, A wing – 1st floor
Andheri-Kurla Road, Marol, Andheri
Mumbai 400059

M/s. Ingersol Rand (I) Pvt. Ltd
Soliataird Park, 167 Andheri
Ghatkopar Link Road, Chakala
Andheri (E), Mumbai 400093

2. BULK CARRIER & TANKER DIVISION

2.1 Tanker Department

SCI is the largest tanker owner in India, having a well diversified fleet of crude tankers consisting of all sizes viz. MR, LR-I, LR-II, Aframax, Suezmax and VLCC tankers. SCI's tanker tonnage paralleled the growth of Indian Oil Industry since the mid-1970s. Since then, till late 1990s the tonnage was predominantly catering to Indian crude and product transportation and thus the tonnage had been acquired over the years keeping in view the specific constraints of terminals/ ports in India and infra-structural limitations like draft, availability of tankages, length/ capacity of jetties etc.

Tanker Commercial Department is looking after scheduling and deployment of tankers for feeding crude to the various Indian oil refineries. Lighterage operations on the East Coast and West Coast are also undertaken to facilitate quick turnaround of tankers, which otherwise cannot call on ports due to port restrictions / limitations. The department also ensures commercial deployment of in-chartered tonnage to meet its obligations of lifting cargo under Contract of Affreightment (COA).

a) Clients/Users of tankers services expect SCI to fulfil its obligation to lift the nominated quantity of crude / product as specified in the COA, besides timely delivery of crude parcels to oil refineries and deployment of tonnage within specified lay-days. They also expect that the delivered cargo should be of correct specification as stated in Bills of Lading and no contamination or degradation of cargo should occur.

Delivery of petroleum products of the right quantity and quality to the right place at the right time with adequate safety.

(b) Major Customers of Tanker Dept are:

- Hindustan petroleum Corporation Ltd
- Bharat Petroleum Corporation Limited (incl. Kochi Refineries Ltd.)
- Indian Oil Corporation Limited
- Oil and Natural Gas Commission
- Chennai Petroleum Corporation Limited
- Mangalore Refineries and Petrochemical Limited
- Major International customers include Shell, BP, Koch, ST Shipping, UNIPEC, Petrodiamond, Vitol, Trafigura, Petronas, Petrobras etc.
- Other Customers include: BRPL, British Gas India Ltd. Etc.

(c) Clients need to get in touch with VP (Tanker Commercial-Crude) or VP (Tanker Commercial-Product), SR. VP (Tankers) and CMD in that order with specific complaints / problems in case agreed service standards are not fulfilled. SCI would endeavour its best to mutually resolve disputes / difficulty of clients / users of service to the benefit of both parties.

(d) Nodal persons, who can process business queries, complaints and advice course of action to the client:

Name : Mr. A. K. Gupta
Designation : SVP
Contact details : Tel : 022-22023499
Fax : 022-22022471
E-mail : ak.gupta@sci.co.in

For business queries pertaining to Crude and Product Carriers

Name : Mr. P.D. Anand
Designation : SVP
Contact details : Tel : + 91 22 22021213
Fax : + 91 22023618 / 22 22023723
E-mail: pd.anand@sci.co.in

(e) SCI also expects its customers /users for reciprocal treatment in terms of maintaining payment schedule, reliability and trust fulfilment so that its trade interest can be pursued. SCI expects its clients to forward voyage particulars, intimation of lay-days well in advance so that tonnage can be deployed as per schedule. Delays at disport should be reduced to minimum for quick turnaround of vessels. Clients/ users to improve port/ inland infrastructure, which will reduce delays and bottlenecks. Freight / demurrage settlement should be prompt and time bound. Customer feed

back / response is also equally important which will help SCI to improve / constantly upgrade its service.

In addition, expectations from customer are prompt settlement of bills, prompt action regarding documentation requirements and prompt reply to communications.

2.2. Bulk Carrier Department

SCI is presently the major bulk carrier operator in India, having an assortment of 18 bulk carriers spanning the handy, handymax and panamax sizes of vessels. The fleet is about 20 years old on an average, but individual vessels are ranging from say about 9 years to 23 years in age. At the time of acquisition, the vessels had been ordered after carefully considering the need and utility of these vessels for India centric trade, in particular. However, there is no physical constraint for these vessels cross-trading worldwide. They carry a variety of cargoes like iron ore, coal, coke, grain, fertilizer, steel products, plywood, bauxite etc.

(a) It will be evident that in the discharge of the obligations cast on the department vis-à-vis its customers, while carrying cargoes for them either on time charter or on voyage charter, the expectations of the parties have to be kept in mind. Generally, money is the critical factor and any deficiency that hampers the generation of a profit for the charterer qualifies for a penalty on the operator viz. SCI.

In this context;

- The maintenance and upkeep of the vessel, prompt and pro-active action on the part of the on board personnel and also the staff ashore is paramount.
- Maintenance of time schedules, the breach of which would have implications in terms of additional cost for the operator and the ship owner are very material. Although the degree of responsibility for these individual items will vary, there could be scale of standards that could be devised to evaluate the meeting of the criteria standards set. Goals in this direction need to be devised and adhered to.
- The clients/ users of bulk carrier services also expect SCI to fulfil its obligation to lift nominated quantity of cargoes as per the Charterparty / COA in a timely manner and thereby, calls for proper deployment of tonnage within specified laydays.
- The incidence of claims for shortage / loss of cargo should also be minimum, if not altogether eliminated. The delivered cargo should conform

to specification as per Bills of Lading, taking care to avoid contamination or degradation. Delivery of the right quantity and quality at the right place and time and safely too.

- From customer's point of view, the prompt settlement of their bills by SCI such as repair and brokerage bills is also important.

Incidentally, when dealing with the loading and discharging of cargoes on Indian coast, the efficiency of the port and other infrastructure will also have a bearing on the productivity and satisfaction levels of the shipping customer and therefore, there should be a dovetailing of the charter parameters devised as between the various links in the shipping chain.

(b) Major Customers SAIL, IMR Resources, Noble, Marimpex, Panocean, Martrade, Amarante, P'sons, Essel Mining, Comtrack, Crossbridge.

(c) Clients may get in touch with VP (Bulk Carriers), SVP (B&T), Director (B&T) and CMD in that order with specific complaint/ problem in case agreed service standards are not fulfilled. SCI would endeavour its best to mutually resolve the dispute/ difficulty of clients/ users of service to the benefit of both parties. If the particular complaint has not been satisfactorily attended to there is a grievance procedure with a Senior Officer in charge of the system and the client could take recourse to the same

(d) The nodal person, who can process business queries, complaints and advise course of action to the client would be

Name : Capt.R.Ahluwalia
Designation : SVP
Contact details : Tel. + 91 22 22024677
Fax.+ 91 22 22023723
E-mail. r.ahluwalia@sci.co.in

However, the same hierarchy as given in the previous paragraph will be relevant to follow in case response at the VP level is not forthcoming.

(e) On the flip side it is also logical for SCI

- To expect its customers /user for reciprocity in terms of maintaining payment schedule, reliability and trust fulfilment so that its interest can be pursued satisfactorily. SCI expects clients to forward voyage particulars, intimation of laydays well in advance so that tonnage can be deployed appropriately and on the basis of agreed schedules. Delays should be kept to minimum to ensure quick turnaround of vessels.
- As indicated above, port/ inland infrastructure improvement is also vital, which will reduce delays and bottlenecks. Freight / demurrage settlement

should be prompt. Customer feed back / response is also important to enable SCI to improve its services.

(3) **Specialized Vessels Cell**

The Specialized Vessels Cell is part of the Bulk Carrier & Tanker Division and deals with the operations and management of 2 Liquefied Petroleum Gas(LPG) carriers and 3 Chemical carriers, which are wholly owned by SCI. In addition, the SVC also deals with the operation and management of two Liquefied Natural Gas (LNG) tankers, which are owned by joint venture companies in which SCI has a sizeable share.

The LPG tankers are of a capacity of 17,601 DWT while the Chemical tankers are 33,058 DWT each. The two LNG tankers S.S.Disha and S.S.Rahi, have a cargo capacity of about 138,000 cubic meters each. The third LNG Tanker, S.S.Aseem of capacity about 155000 cubic metres, is due for delivery in November, 2009. The chemical tankers are deployed on long-term Contract of Affreightment (COA) with Maroc Phosphore for transportation of phosphoric acid from Morocco to India. Charterers for the LPG carriers, in the recent past, include Indian Oil Corporation Ltd (IOC), Hindustan Petroleum Corporation Ltd (HPCL), Petronas MITCO etc.. They are currently employed on time charter to Indian Oil Corporation Ltd. The LNG tankers are on long term time charter to Petronet LNG Ltd.

The SVC dept looks after the technical and commercial management of the tankers as per the COA for chemical tankers and as per the time/voyage charter-for the LPG tankers. The technical management activity involves regular planned maintenance of ships in line with international statutory regulations, periodic dry-docking and running repairs of the tankers. The commercial activity includes coordination with agents for smooth transit of ships to various ports of call & payment of port and other dues, arranging for ships bunker (fuel) and timely raising of debit notes and following up with the customers for prompt payment.

(a) Clients/ users of SVC services expect SCI to fulfil its obligation to lift nominated quantity of Phosphoric Acid/LPG/LNG as specified in COA/other agreements and deliver nominated quantities to designated port(s) in line with the specified schedule. Moreover, Clients also expect that delivered cargo should be of correct specification as stated in Bills of Lading without contamination or degradation of cargo. Delivery of specified cargoes in the right quantity and quality from and to the designated ports, safely and on time, each time is the expectation of the customer.

(b) Major Customers of SVC Dept are:

- India Oil Corporation Ltd.
- Hindustan Petroleum Corporation Limited
- Maroc Phosphore
- Sterlite Industries Ltd.
- Petronet LNG Limited.
- Other customers that are interested in transporting phosphoric acid, LPG, Ammonia and LNG.

(c) Clients need to get in touch with GM (SVC), VP (SVC), SVP (SVC), Director(B&T), and CMD in that order with specific complaints / problems in case agreed service standards are not fulfilled. SCI would endeavour its best to mutually resolve disputes / difficulty of clients / users of service to the benefit of both parties.

(d) Nodal Persons who can process business queries, complaints and advice course of action to the client:

Name : Capt. B.B. Sinha
Designation : SVP (SVC)
Contact details : Tel. + 91 22 22022640
Fax + 91 22 22022449
E-mail. bb.sinha@sci.co.in

(e) SCI expects its customers /user for reciprocal treatment in terms of maintaining payment schedule, reliability and trust fulfilment so that its trade interest can be pursued. SCI expects Client to forward voyage particulars, intimation of laydays well in advance so that tonnage can be deployed as schedule. Delays at disport should be reduced to minimum for quick turnaround of vessels. Clients/ Users should improve port/ inland infrastructure, which will reduce delays and bottlenecks and enable SCI to serve them better. Freight / demurrage settlement should be made promptly. Customer feed back / response is very important and would help SCI to improve / constantly upgrade the quality of its service.

2.3 Chartering Department

The function of Chartering Department is of a corporate nature. Chartering Department is responsible for meeting all the requirements of SCI related to in/out chartering of all kind of ships. The in/out chartering requirements is advised to Chartering Department by the concerned Department. Accordingly, the department enters the requirement in the market through weekly brokers meeting or any other day during the week (depending upon urgency) as per the laid down chartering procedures. The negotiating officers then negotiate and finalize the business.

The businesses or vessels are fixed normally through broking channel or sometimes directly with owners or charterers. Once the business or vessel is fully fixed, all the necessary documentation is done as per the laid down chartering procedures. The Charter Party is drawn and passed on to concerned department for necessary action.

Besides above, the department is also involved in following activities.

- To provide market information to the management through daily/monthly reports.
- To prepare monthly report on in/out chartering fixtures concluded by the department.
- To prepare and processes Debit Notes for payment of brokerage commission after C/P is signed.
- To conduct weekly meeting with the brokers (on SCI panel).
- To review performance of the brokers on periodical basis.

(a) Clients expect smooth operation and optimum utilization of the vessels in accordance with the charter party provisions. In order to give best of the services to the clients, concerned operation departments (technical and commercial) are in constant contact with the vessels/various agencies/clients so that the operations are performed as per the clients expectations and C/P provisions.

(b) In case of dispute, if any, endeavour is always made to sort out the same amicably. However, in case of disputes where amicable solution is not possible, same is referred to Arbitrator as per the charter party provisions regarding arbitration.

(c) The nodal person, who can process business queries, complaints and advise course of action to the client would be

Name	:	Capt. Sunil Thapar
Designation	:	SVP
Contact details	:	Tel. + 91 22 22872638 // 22024672
		Fax.+ 91 22 2202 2449
		E-mail : sunil.thapar@sci.co.in

(e) As regards expectations/ requirements from clients, charterers expect smooth and trouble-free operations of our vessels. When SCI being charterers, owners expect timely payments of hire/ freight as well as speedy settlement of outstanding, if any. Brokers expect timely clearance of their brokerage bills.

3. TECHNICAL & OFFSHORE SERVICES DIVISION:

The Technical & Offshore Services (T&OS) Division is both a profit centre as well as service centre in SCI. The functions of the T&OS Division can be broadly classified into the following areas:

1. Project Cell
2. Technical - Shipbuilding & Services
3. Technical – Fleet Services
4. Offshore Services

3.1. PROJECT CELL:

The Project Cell plans and processes acquisition of tonnage for SCI in consultation with the operating divisions. It monitors the SCI fleet and plans for the need for replacing some of the existing vessels or the requirement of addition of tonnage in tune with the developments in SCI as well as in the shipping industry.

The Project Cell prepares Project Reports, floats tender for acquisition of vessels and carries out evaluation of the offers received. The technical details in the tender are taken care by the Shipbuilding & Services department and the commercial details of the tender are taken care by the Project Cell.

a) The broad procedure for acquisition of newbuilding vessels by SCI is as follows:

1. The Tender for acquisition of vessels is floated. The tender notice is published in leading Newspapers and on SCI website.
2. Offers are invited from reputed shipyards in two stages i.e. Technical Offer and Commercial Offer.
3. The shipyards are shortlisted based on the Technical offer submitted by the shipyard and their financial standing.
4. Technical discussions are held with all the shortlisted shipyards to bring them at par with each other and to acceptable levels of SCI.
5. The shortlisted shipyards are then requested to submit their Price offers on both cash and credit basis.
6. The selection of the shipyard is done based on the evaluation of the price offers submitted by the shipyards.
7. Upon selection of the shipyard, formal shipbuilding contract is signed between SCI and the shipyard.

b) The broad procedure for acquisition of secondhand vessels by SCI is as follows:

1. Advertisement is published in National and International newspapers.
2. Market scanning : SCI continuously scans the market for acquisition of suitable secondhand vessels.

3. Inspection of the vessels by SCI team, as and when suitable vessels are located or offered by the sellers/authorised brokers.
4. Receipt of Inspection Report.
5. Negotiations with the owner/their authorised brokers.
6. Finalisation of the deal with owner of the vessel.
7. Final SCI Board approval for acquisition under MOU.
8. Signing of contract.

3.2 **TECHNICAL - SHIPBUILDING & SERVICES DEPARTMENT:**

The Shipbuilding & Services (SB&S) is the Technical Department involved in acquisition of tonnage for SCI. The SB&S department finalises the technical specifications for the vessels to be acquired and then supervises the construction of the vessels at the shipyard. The main activities of the department can be broadly termed as new construction services and technical consultancy services.

a) New Construction Services:

The various activities undertaken by SB&S department ensures that the SCI has a young, modern and technically competent fleet conforming to the latest international rules and regulations and requirements of class and also conforming to the most modern and exacting specifications. The department prepares the technical specifications for the newbuilding vessels based on the requirement of the operating division and the trends in the market. It is involved in technical discussions with the participating shipyards so as to bring them upto the SCI's specifications. After the order is placed with the shipyard the department is involved in on site supervision of the shipbuilding activity.

b) Technical Consultancy services:

The SB&S department also provides "Technical Consultancy" assistance to various organisations for their "Tonnage Acquisition Programme". Organisations include The Andaman & Nicobar Administration, The Union Territory of Lakshadweep, Geological Survey of India, Directorate General of Lighthouses & Lightships, Department of Ocean Development etc. of the Government of India.

The Consultancy assistance rendered for new building vessels include:

1. Project Viability and feasibility: which inter alia includes Market Study, Obtaining Statuary Approvals, Selection of Ship Building yards through international tendering procedure.
2. Design Consultancy: Preparation of Technical Specification, Preliminary GA Plan, Preliminary Machinery layout plan, Preliminary Accommodation Layout plan.

3. Project Management: Preparation of Ship building contract, Monitoring of finances during construction, Delivery Protocols and related documents, Post delivery and guarantee matters.
4. Site Supervision: Plan Approval, Ship Building construction supervision at yard, Test and trial supervision, Delivery and acceptance of vessels.

The Consultancy assistance rendered for acquisition of second-hand ships include:

Identifying the type and size of vessels, receipt and evaluation of offers, inspection of class records, physical inspection of vessels, processing specific proposals for Owners / Government approval and taking delivery of the vessels etc.

The clients can expect world class services from SCI making use of the latest technology available and the vast talent pool comprising of experts in shipping industry.

3.3 **TECHNICAL – FLEET SERVICES:**

The Technical – Fleet Services performs the following functions:

- i) Selection/empanelment and fixation of tariff for carrying out voyage repair on SCI vessels by various workshops
- ii) Rate Contracts, and
- iii) Disposal of vessels

- i) **Selection / Empanelment of workshops:** In order to carry out the above activities two committees are constituted viz. Workshop Appraisal Committee and Workshop Tariff Committee.

- a. Activities of Workshop Appraisal Committee:

The applications received from various workshops are scrutinised and as per requirement inspections carried out to determine the suitability /technical competency of the shipyard. The tariff rates are asked from the competent workshops as recommended by the above committee.

- b. Activities of Tariff Committee:

The competitive rates received from various workshops are analysed and empanelment is done on competitive basis for carrying out repairs on SCI vessels

- ii) **Rate Contracts:** The Technical Services Department also finalises rate contracts for spare parts with OEMs for various machinery such as Spare parts for Daihatsu Engines, Yanmar Engines and Wartsila Sulzer Engines.

- iii) **Disposal of vessels:** The Technical Service department is also entrusted with the task of sale of SCI vessels which are technically and economically unviable for operation. The Technical Services Department in consultation with the operating Division prepares a phasing out plan for SCI vessels so as to maintain a young fleet for the company.

The broad procedure for disposal of vessels is as follows:

1. The vessels, which have completed their economic life or are uneconomical for further operations are processed for disposal. Based on the balance life of the vessel, the vessel is either sold for further trading or for scrapping.
2. The advertisement for further trading and for scrapping is simultaneously released in leading Indian/International news papers indicating the date of inspection and date & time of submission of tender. For giving wider publicity, the said advertisement is also placed on SCI website. The various authorities e.g. INSA, MSTC, shipbrokers associations etc are also duly informed of the above.
3. The tendering procedures are carried out on the stipulated day as mentioned in the advertisement and the successful bidder is identified based on the offers received.
4. MOA is then signed between the successful bidder and the SCI on receipt of first instalment and the EMD is converted to Security Deposit which is returned to the bidder after delivery of the vessel. The highest bidder is notified to make the balance payment and take physical delivery of the vessel within 4 banking days.
5. After obtaining confirmation regarding receipt of full and final payment, the vessel is physically handed over to the successful bidder.

3.4 **OFFSHORE SERVICES DEPARTMENT:**

- 1 The SCI has diversified into the Indian Offshore marine business and provides vital offshore marine logistics support to the Indian oil industry in its indigenous oil exploration activities.
- 2 SCI owns 10 Anchor Handling Tug-cum-Supply Vessels (AHTS), which are on charter to ONGC since 1984-85. Offshore Department also undertakes manning, management, maintenance and operations of various specialized vessels viz. Multi Support Vessels, Well Stimulation Vessel, Seismic Survey

Vessel, Geotechnical Vessel, Offshore Supply Vessels, of our client M/s. ONGC.

3. The clients can expect availability of vessels for offshore logistics support with minimum agreed downtime.
4. When SCI is providing required services to the clients by way of O&M of their vessels or chartering out SCI's vessels to our client, the SCI expects payments of charter hire/remuneration/advance for repairs, dry-docking, etc. well in time/within agreed time limit, enable SCI to operate the vessel to optimum utilization.
5. If the agreed service standards have not been fulfilled, Client may take up the matter with the concerned Group of Offshore Department. If the problems persists, then the client may take up the matter with Vice President I/c (Offshore).

3.5 NAME & DETAILS OF THE CONTACT PERSON:

Department	Name of the officer
Technical - Shipbuilding & Services	Mr. J.V.S. Rao General Manager Tel no- 022-25701430 e-mail- jvs.rao@sci.co.in
Technical – Fleet Services	Mr.E.C.Rao General Manager Tel no. – 25701430 e-mail – ec.rao@sci.co.in
Offshore Services	Mr. G. B. Chaturvedi VP I/C (OS) Tel no. – 022-22822041 e-mail – gb.chaturvedi@sci.co.in

4. PERSONNEL & ADMINISTRATION DIVISION

The Personnel and Administration Division is under the charge of Director (Personnel & Administration). The SCI can draw officers and crew from a pool of Trainee Marine Engineers, Trainee Navigating officers and Ratings. The Division is responsible for provision of timely assistance and service to them as well as ensuring the smooth and effective administrative functioning of the Organization. The D(P&A) is overall in-charge of the safety management system of P&A Division and is responsible for the continuous management of all personnel both ashore and afloat. He is also the Director of Public Grievances.

Redressal of Public Grievances

Grievances if any can be forwarded to the Director (P&A) or to the Nodal Officers identified for each Division. The contact details are as under:

Director (P&A) & Director of Public Grievances

Mr. K. Gupta

Telephones: 022 – 22023970
022 – 22026666
Fax 022 - 22026283
E-Mail k.gupta@sci.co.in

Bulk Carrier and Tanker Division

Mr.A.K.Gupta, SVP

Telephones: 022 – 24973555
022 – 22026666
Fax 022 - 24973560
E-Mail ak.gupta@sci.co.in

Technical & Offshore Services Division

Capt. P.B. Joag, GM
Telephones: 022 – 22026666
Fax 022 - 22026905
E-Mail pb.Joag@sci.co.in

FINANCE DIVISION

Mr. S. Kannan, ED

Telephones: 022 – 22028039
022 – 22026666
Fax 022 - 22026905
E-Mail s.kannan@sci.co.in

PERSONNEL & ADMINISTRATION DIVISION

Mr. D.S. Kanvinde, ED

Telephones: 022 – 22028370
022 – 22026666
Fax 022 - 22026905
E-Mail ds.kanvinde@sci.co.in

Mr. Y. D. Chadha, SVP (FP)

Telephones: 022 – 22020808
022 – 22026666
Fax 022 – 22026905
E-Mail yd.chadha@sci.co.in

PURCHASES & SERVICES DIVISION

Mr. T.R. Shetty, VP

Telephones: 022 – 22833471
022 – 22026666

Fax 022 - 22026905

E-Mail tr.shetty@sci.co.in

INFORMATION TECHNOLOGY

Mr. S. N. Deshpande, SVP(IT)

Telephones: 022 – 22022953
022 – 22026666

Fax 022 – 22026905

E-Mail sn.deshpande@sci.co.in

PUBLIC RELATIONS DEPARTMENT

Mr. G. N. Shetti, DGM

Telephones: 022 – 22023792
022 – 22026666

Fax 022 – 22026905

E-Mail gn.shetti@sci.co.in

FLEET PERSONNEL DEPARTMENT

The main functions of the Fleet Personnel Dept are :

- a) To execute policies and procedures formulated by the Director for the recruitment of officers and ratings and safe manning of the fleet.
- b) Study and implement the national and international rules and regulations regarding safe manning of ships.
- c) Manpower planning of Fleet Personnel dept.
 - a. Administer medical facilities for fleet personnel.
 - b. Identify allocate and coordinate for training of the resources and personnel.
 - c. Negotiate with MUI/NUSI for revision of service conditions.
 - d. Recruit contract officers for fleet personnel on board

The Fleet Personnel Dept. is responsible for engagement of officers and crew members on all its vessels and managed vessels. SCI maintains a roster of officers and crew from which the selection is made. In case the roster officers fall short then we had taken officers on contract. In case the roster crew falls short, the same is made good by selecting from the general roster seamen. Such seafarers from general roster is being selected every Tuesday and Thursday in SCI office. Selection of general roster seamen is made strictly on the basis of seniority.

d) The Travel Cell in FP Dept. looks after the arrangements for booking of air tickets, hotel accommodation for the concerned officers/crew during their stay in Mumbai. As per rules, entitlement, family carrying permission is granted to the officers.

e) The Coordination & General Cell looks after the work relating to engagement of manning agencies for supply of manpower as and when required. Priority is given to agencies having adequate experience in supply of manpower to the Industry, good financial background and compliance with ISO quality systems. Manning agencies are empanelled with due approval of the Management.

f) The work relating to empanelment of hotels for accommodating officers during transit is undertaken by the C&G Cell after obtaining due approval of the Management. The contract is renewed on yearly basis. On expiry of the existing contracts, fresh quotations are invited and normal procedure is followed for entering into new contract.

g) The matter pertaining to legal cases, as well as remittances/advances at foreign ports in case of repatriation/medical treatment to the officers is also attended to by the C&G Cell.

h) The confidential reports are scrutinized and officers/ratings are recommended for higher promotions. If any malpractices are reported, enquiries are conducted on board and disciplinary action taken as deemed fit.

5. ISM CELL

By amendments to the International Convention for Safety of Life at Sea (SOLAS), 1974, which introduced new chapter IX into Convention, the International Safety Management (ISM) Code has been made mandatory with effect from 1st July 1998. The ISM Code was further amended in December 2000 and the amendments entered into force on 1st July 2002.

SCI introduced the Safety Management System by setting up a dedicated ISM Cell, which developed, structured and documented procedures in compliance with the International Safety Management Code for Safe Operation of Ships and for Pollution Prevention (ISM Code), in accordance with the resolution A.788(19) of the International Maritime Organization (IMO) and SOLAS, Chapter IX.

SCI has laid the foundation of the Safety Management System (SMS) by recognizing that the cornerstone of a good Safety Management is commitment from top, competence, attitude and motivation of individuals at all levels that determines the expectations of a good Safety Management System.

SCI complied with all the functional requirements of the ISM Code, which includes the Safety and Environment Protection Policy as under.

SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENT PROTECTION POLICY

It is the aim of the Safety Management System of The Shipping Corporation of India Ltd. (SCI) to:

Preserve Safety at Sea and Protect the Environment

In order to fulfill the aim of this Safety, Occupational Health and Environment Protection Policy, the SCI is committed to the following objectives:

- Prevention of injury and loss of life
- Avoidance of damage to the environment
- Avoidance of damage to property

In order to achieve these objectives, the SCI shall:

- Endeavour to continuously improve safety management skills of personnel ashore and aboard ships
- Establish procedures for shipboard emergencies
- Establish safe working practices in ship operation
- Provide a healthy and safe working environment
- Provide necessary resources to implement Occupational Health and Safety Programme
- Establish safeguards against all identified shipboard safety and pollution hazards
- Comply with mandatory rules and regulations.
- Recognise applicable industry codes, guidelines and standards

SCI completed the task of ISM Code compliance through verification, control and certification of the Company and the vessels in the 1st phase, which included Bulk Carriers, Oil Tankers, Chemical Tankers, Gas Carriers, Passenger Ships and Passenger High Speed Crafts, well within the deadline of 1st July 1998, as required by the ISM Code.

Document of Compliance (DOC) for the Company (for Phase –I vessels), valid for five years, was obtained on 18.11.1997. This Document of Compliance was subsequently endorsed annually by DGS, after satisfactory verification. As per ISM Code requirement, the Company was put up for DOC Renewal External Audit by DGS in November 2007 and DOC was renewed. Renewal DOC (Phase-I) is valid for five years i.e. up to 18.11.2012, subject to annual verification by DGS.

Similarly, SCI completed the task of compliance through verification, control and certification of the Company and the vessels in the 2nd phase, which include Other Cargo Ships (Liner Ships, OSVs and MSVs), well before the deadline of 1st July 2002, as required by the ISM Code. DOC for Phase-II was obtained on 30.03.2001 and is valid till 15.03.2006, subject to annual verification by DGS.

Document of Compliance (DOC) for the Company (for Phase – II vessels), valid for five years, was obtained on 30.03.2001. This Document of Compliance was subsequently endorsed annually by DGS, after satisfactory verification. As per ISM Code requirement, the Company was put up for DOC Renewal External Audit by DGS in January 2006 and DOC was renewed. Renewal DOC (Phase-II) is valid for five years i.e. up to 14.03.2011, subject to annual verification by DGS

SCI also implemented Safety Management System on board all its vessels and obtained Safety Management Certificate (SMC) from DGS for each ship. The SMC is valid for five years, subject to periodic verification by the Administration, which normally takes place between the second and third anniversary dates of the issue of the SMC.

New acquisitions are brought under SMS, before delivery, with full compliance of the ISM Code.

The time bound achievement was the result of SCI's strength of professional experience, planning, training, execution, systematic analysis and quality expertise, which is an asset for any world class ship operator or owner. SCI is also in a position to provide such management expertise to any other national/international ship operators.

Benefits of the Safety Management System

An improvement in the safety consciousness and safety management skills of personnel ashore and on board the vessels bring in a safety culture, which provides maximizing the benefits of cost savings derived from implementation of the ISM Code.

Reduced number of accidents, detention & delays
Greater confidence on part of the clients
Cost savings, resulting from improved efficiency and productivity
Safe carriage of cargo & reduction in claims
Reduction in pollution claims
Favourable insurance premium
Improved company morale
Building trusts among the personnel
Demonstrating higher degree of Leadership and Management commitment.
Focusing on building resources and motivating personnel through training.
Change of attitude and work culture
Introducing quality into management system by assuring improved safety standards

The ISM Cell is headed by the Designated Person Ashore (DPA). He monitors the safety and pollution prevention aspects of the operation of each ship and ensures that adequate resources and shore-based support are provided for the SMS.

The tasks carried out by the DPA/ISM Cell are as under:

1. Examine and approve all documents related to the SMS.
2. Examine and approve all revisions to the Company, Divisional and Shipboard SMS Manuals.
3. Prepare annual budget for the ISM Cell.
4. Prepare an annual audit plan for the fleet and the offices ashore and ensure all Internal and External Audits of the Company and ships are carried out on schedule.
5. Verify through regular audits that SMS on board ships, as well as, ashore functions according to documented procedures.
6. Conduct the CSMC every month, chaired by the DPA, to review the SMS (except when SRC is conducted).
7. Conduct Safety Review Committee (SRC) meeting of each Division every quarter under the chairmanship of respective Directors, to review the effectiveness and functioning of the SMS.
8. Conduct Management Safety Policy Committee (MSPC) meeting at least once a year, chaired by the C&MD, where Management Review is carried out to evaluate the overall effectiveness of the Company's SMS.
9. Analyse and maintain records of non-conformities, accidents and hazardous occurrences reports and FSI/PSC inspection reports.
10. Issue instructions, as necessary, for effective functioning of SMS.
11. Periodically review and update all safety management instructions sent to the fleet.
12. Report major non-conformities to the Chairman & Managing Director and ensure appropriate corrective action.
13. Ensure compliance with procedures for SMS document control.

6. ISPS CELL

The ISPS Code (International Ship & Port Facility Security Code) was adopted by the IMO in December 2002 and became mandatory from 1st July 2004.

Objectives of the code are:

To establish an International framework involving co-operation between Contracting Governments, Government Agencies, local administrations and the shipping and port industries to detect security threats and take preventive measures against security incidents affecting or port facilities used in international trade.

To establish the respective roles and responsibilities of the Contracting Governments, Government Agencies, local administrations and the shipping and port industries at the national and international level, for ensuring maritime security.

To ensure the early and efficient collection and exchange of security related information.

To provide a methodology for security assessments so as to have in place plans and procedures to react to changing security levels.

To ensure confidence that adequate and proportionate maritime security measures are in place.

In order to meet the above objectives, SCI has a security policy signed by the C&MD, which aims to “PROVIDE SAFE & SECURE SHIPS FOR ITS CREW, PASSENGERS AND CARGOES WHILST AT SEA AND PORTS ALL OVER THE WORLD.”

SCI is committed to the following objectives to fulfil the requirements of its security policy:

Security of its ships and their crew, passengers and cargo

Support to its ships in implementing and maintaining the Ship Security Plan.

The ISPS Cell headed by the Company Security Officer (CSO) monitors the security aspects of the ships and ensures that:

The ships security assessment (SSA) of every ship of the fleet is carried out.

Based on the SSA the Ship Security Plan (SSP) is developed for each ship.

The SSP so developed is scrutinized and approved by the Director General of Shipping (DGS).

The DGS approved SSP is placed onboard and implemented effectively.

After implementation the security internal and external audits are carried out, shortcomings if any are rectified and the statutory certificates (ISSC & CSR) are issued and connected onboard.

The annual internal audits are carried out along with the ISM audits for checking the continuous effectiveness of the SSP and the deficiencies/ non conformities identified are rectified.

Reviews of the security activities are carried out and the SSPs are modified if required.

The security information available from all sources is collected, and relevant ones are sent to the ships and operating departments for increasing the security awareness of all concerned.

Concerned personnel from the ship and office undergo necessary training.

Consistency between safety requirements and security requirements is maintained.

Necessary security drills and exercises are carried out.

24 hour contact number of the CSO is available to all the ships for security related communication.

A special cell in the Director General of Shipping has been created for round the clock monitoring of security alerts from the ships and security related communication and Gulf of Aden Piracy threats.

Contact Details :

DGS Communication Centre

91 22 2261 0606 / 91 22 2261 4646 / 91 22 32959320

E-mail :

SSAs – dgcommcentre@vsnl.net

Routine – dgcommcentre@satyammail.net

Person to be Contacted for ISM :

Capt. S. S. Darokar, DGM(ISM)
Tel. 022-2277 2859

Person to be contacted for ISPS :

Capt. N.S. Rege, GM (ISPS)
Tel 022-2277 2858

6. VIGILANCE DEPARTMENT

The Chief Vigilance Officers are the extended hands of the CVC. The Chief Vigilance Officers are considerably high-level officers who are appointed in each and every Government Organization to assist the Head of Organization in all vigilance matter. The Chief Vigilance Officer thus constitutes an important link between the organization and the Central Vigilance Commission (as also the CBI).

Vigilance department under the supervision of Chief Vigilance Officer eyes the vigilance matter i.e. the matters having vigilance angle. Vigilance angle is obvious in following acts:

- (i) Demanding and/or accepting gratification or offering and/or giving gratification other than legal remuneration in respect of an official act or for using his influence with any other official.
- (ii) Obtaining a property, movable or immovable, whose value is beyond the company's norm, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence.
- (iii) Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant.
- (iv) Possessions of assets disproportionate to his known sources of income.

- (v) Cases of misappropriation, forgery or cheating or other similar criminal offences

There are, however, other irregularities where circumstances will have to be weighed carefully to take a view whether the officer's integrity is in doubt. Gross or wilful negligence; recklessness in decision making; blatant violation of system and procedures; exercise of discretion in excess, where no ostensible/public interest is evident; failure to keep the controlling authority/superiors informed in time – these are some of the irregularities where disciplinary authority with the help of CVO carefully studies the case and weigh the circumstances to come to a conclusion whether there is reasonable ground to doubt the integrity of the officer concerned.

The raison d'être of vigilance activity is to enhance the level of managerial efficiency and effectiveness in the organization.

Role and functions of the Chief Vigilance Officer

Even though detection and punishment of corruption and other malpractices are certainly important, what is more important is taking preventive measures instead of hunting for the guilty in the post corruption stage. Therefore, the role and function of CVO has been broadly divided in to two parts, which are (I) Preventive and (II) Punitive.

On the preventive side

The CVO undertakes various measures, which include:

- (a) To examine in detail the existing Rules and procedures of the Organization with a view to eliminate or minimize the scope for corruption or malpractices;
- (b) To identify the sensitive/corruption prone spots in the Organization and keep an eye on personnel posted in such areas;
- (c) To plan and enforce surprise inspections and regular inspections to detect the system failures and existence of corruption or malpractices;
- (d) To maintain proper surveillance on officers of doubtful integrity; and
- (e) To ensure prompt observance of Conduct Rules relating to integrity of the Officers, like
 - (i) The Annual Property Returns;
 - (ii) Gifts accepted by the officials
 - (iii) Benami transactions
 - (iv) Regarding relatives employed in private firms or doing private business etc.

On the punitive side:

(i) To ensure speedy processing of vigilance cases at all stages. In regard to cases requiring consultation with the Central Vigilance Commission, a decision as to whether the case had a vigilance angle shall in every case be taken by the CVO who, when in doubt, may refer the matter to his administrative head, i.e. Secretary in the case of Ministries/Departments and Chief Executive in the case of public sector organizations;

(ii) To ensure that charge-sheet, statement of imputations, lists of witness and documents etc. are carefully prepared and copies of all the documents relied upon and the statements of witnesses cited on behalf of the disciplinary authority are supplied wherever possible to the accused officer along-with the charge-sheet;

(iii) To ensure that all documents required to be forwarded to the Inquiring Officer are carefully sorted out and sent promptly;

(iv) To ensure that there is no delay in the appointment of the Inquiring Officer, and that no dilatory tactics are adopted by the accused officer or the Presenting Officer;

(v) To ensure that the processing of the Inquiry Officer's Reports for final orders of the Disciplinary Authority is done properly and quickly;

(vi) To scrutinize final orders passed by the Disciplinary Authorities subordinate to the Ministry/Department, with a view to see whether a case for review is made out or not;

(vii) To see that proper assistance is given to the C.B.I. in the investigation of cases entrusted to them or started by them on their own source of information;

(viii) To take proper and adequate action with regard to writ petitions filed by accused officers;

(ix) To ensure that the Central Vigilance Commission is consulted at all stages where it is to be consulted and that as far as possible, the time limits prescribed in the Vigilance Manual for various stages are adhered to;

(x) To ensure prompt submission of returns to the Commission;

(xi) To review from time to time the existing arrangements for vigilance work in the Ministry/Department for vigilance work subordinate officers to see if they are adequate to ensure expeditious and effective disposal of vigilance work;

(xii) To ensure that the competent disciplinary authorities do not adopt a dilatory or law attitude in processing vigilance cases, thus knowingly otherwise helping the subject public servants, particularly in cases of officers due to retire;

(xiii) To ensure that cases against the public servants on the verge of retirement do not lapse due to time-limit for reasons such as misplacement of files etc. and that the orders passed in the cases of retiring officers are implemented in time; and

(xiv) To ensure that the period from the date of serving a charge-sheet in a disciplinary case to the submission of the report of the Inquiry Officer, should, ordinarily, not exceed six months.

How a client / citizen can contact the Vigilance Department in the event of any standards not being met, charges of malpractices, corruption etc.?

Following are the contact details of CVO in SCI

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