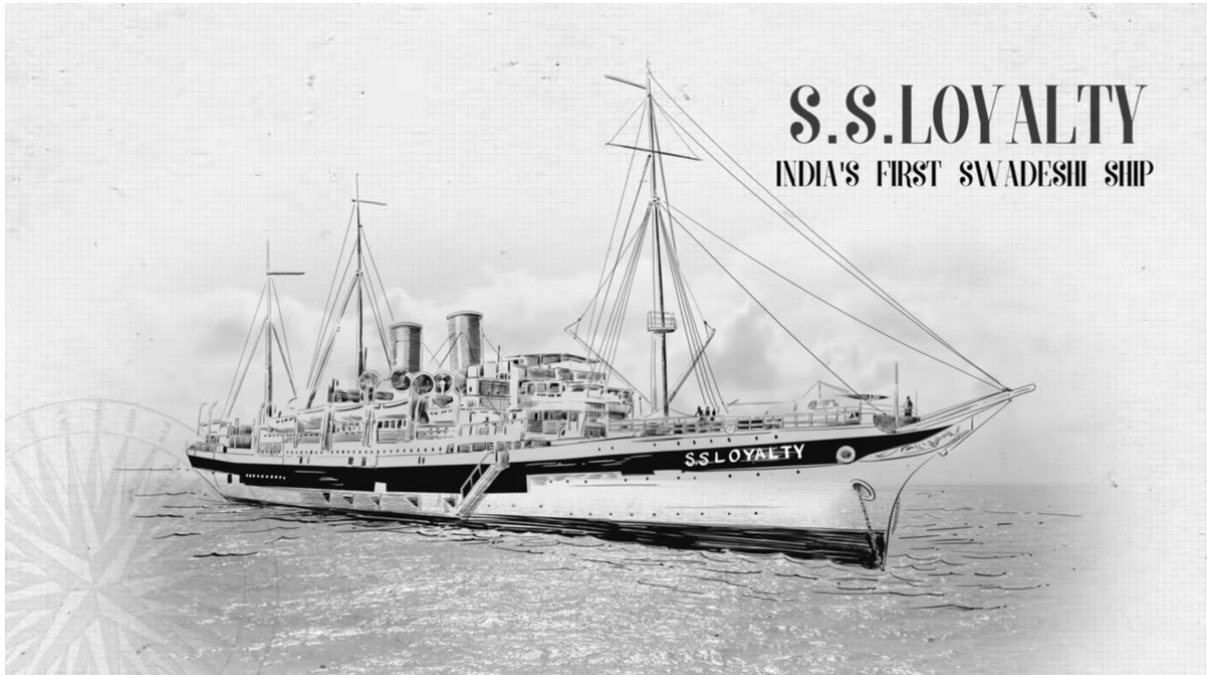


A Century since *LOYALTY*

.... Sury Pullat



Centuries are worked for and celebrated in cricket, even by opposition; but in Shipping? It is silly as it gets. For, not many concepts, designs, ideas or government sponsored/supported services survive that long. Odd ships do. Few of the 1000ft long Lakers built and trading in Great Lakes have turned centurions. Policies? *Nyet*; even nation states morph over a century as new ideas/boundaries and compelling socio-economic civil and military needs –like Commonwealth, ECM, EU- evolve.

SCINDIA

What has been significance of 1919 sailing of Scindia's *LOYALTY*? It was a hospital ship used for troops in World War I owned by Maharaja Madhav Rao Scindia of Gwalior, bought by Gujarati businessmen Walchand Hirachand, Narottam Morarji, Kilachand Devchand and Lalubhai Samaldas. One, it played pivotal part in independence struggle. Two, it laid keel for the growth of Swadeshi tonnage so to say much against the consternation of colonial masters. It opened vistas for a nascent Indian fleet; many following the wake. Credit for training ship must be given to Sir P.C. Sivaswamy Iyer, who led the initiative with *DUFFERIN* in '27, adding Engineers in '35; *Jalagopal* being the first ship to sail with all India crew in 1950; *DMET* started in '49 was renamed as *MERI* in '95. Reportedly, the first Indian controlled shipping company was Bombay Steam Navigation Co Ltd, coasting on west coast with pax & cargo founded in 1889 by Ismail Hasham a major landowner and businessman, the family turning philanthropists founding both a nautical training college and a school for the sons and orphans of seafarers. Its ships like *LILAVATI* 1911 British built of 1000tons was later acquired by Scindia as Bombay Steam Navigation Co Ltd.

Next, Great Eastern has been a trendsetter! Shipping Corp was born out of such efforts in '61, amending Company Laws, merging Eastern & Western corps. SCI did prosper, despite cyclical

recessions and trade swings, but is a Lilliput in boxed liner trades. There is bound to be an iota of genes of Scindia lineage and genes in all fields connected with shipping; SCI too likewise. The 70s and '80s were expansionary. Indian tonnage had peaked in '80s with more than 50% trade share in seaborne Exim trade. Nonetheless what of now? More, later, below!

What of SCINDIA? Time –*a la Kaal*- bottled it as a historic relic. What to learn and take away from such audacious enterprises floundering? Change with times. Which SCINDIA didn't; they didn't see or failed to see beyond civil, nautical and astronomical horizons, beyond general cargo ship Liners on regular trades. They did get into Dry Bulk on Narottam Morarjee and expanded the fleet, and Wet with OBOS too. PAX ships they were pioneers taking on BI monopoly in Singapore and English trades. Scindia bought rice in Burma to sell in India when trade boycotted them at the behest of British; likewise they set up bunker trade in England to bunker their own ships. The British did try to enforce more frequent surveys for Scindia vessels. The true swadeshi spirit was to the fore when a shareholder wanted to accept an English buy out, the others buying him out!

Apart from bad luck and markets, government policies and the unions too were not supportive when called for. In '76 a brand new MPP JALABALA that was to be brought was turned down by the powers that be, it having to be chartered in, authorities allowing it only as a second hand purchase after couple of voyages; meantime the crew union raising the ante against reduced manning. In '83 purchase of a tanker was kept pending by authorities for as long as six months, after which it had to be cancelled. JALA POITIERS –a cellular box carrier was chartered in to trade, but its earnings Vs costing wasn't healthy enough to continue. The last fiscal nail was a stabbing murder aboard Jalamurugan off Aden that had delayed her inexorably.

Scindias also had links vide entrepreneurship Premier Automobiles the first Indian car manufacturer, Hindustan Aeronautics Ltd (old Hindustan Aircraft Ltd) Hindustan Construction Co Ltd, Ravalgaon Sugar Farm making sugar, confectionery and machinery near Nasik etc. Walchandnagar a too, a feather in the cap. Fair to say that container shipping had the last laugh; devouring liner Conferences too, that was their saviour. Wasn't the prolonged debilitating strike of the '60s (and later in UK-Continent) of US longshoremen sending alarm bells of the box change paradigm shift sent by Malcolm Mclean heard, listened to or ignored? It need be recalled that militaries of the world had unitised goods for transportation any which way possible from recallable times and Japan's NEC and JNR were pioneers; Takara Treasure was the first freight liner in '59 with an engine and 24 flat cars between Shiodome and Umeda freight stations.

Scindians

Let us salute the Scindians who charted the course so to say, nurtured and developed the fleet. They did work without wages to sustain competition, knowing very well that traders who shipped with them were blacklisted and refused space on the British ships. The *sukhanis* were said to have come from the same clan, they designing their own uniforms with *topis* too. Though promotions afloat were slow –when faster in other fleet- the officers continued with commitment. Camaraderie of scindians has to be appreciated; ex-scindian setting up a management firm for a foreign manager.

Scindia by default had 'first of' in most maritime aspects: Ensign, House Flag, own building SCINDIA HOUSE, Workshop, first overseas office in London, Shipyard: the first Indian built was JALAUSHA, fully palletised Tea shipment in 68, Indian Master, Insurance claims, grounding, ship Arrest, GA, CTL, ATL, loss of Pax/crew on board and at sea, piracy, medical evacuation, stock-listing, litigation, arbitration and what not! Even in going down to creditors as a big bad account! Specifically SCINDIA had in-house interests in C&F, Stevedoring, Insurance, Fresh water supply, workshop, agency, tramping, coastal shipping etc. SCINDIA was involved and associated with ILO, INSOA (now INSA), its Indian Shipping Journal, MS Act, UK-Cont Conference, Coastal Conference etc. Scindia like another shipping firm that lasted for a while, did lose ships to vagaries of nature, weather and wars, including the infamous Bombay dock explosion.

A Scindian mariner turning entrepreneur to set up first marine workshop; a veteran setting up and raising IRS to IACS level; a lady at the helm too before women's lib took off! Best practices finding way through SCI..to ISM. Narottam Morarjee Institute turning out shipping professionals ashore; all this notwithstanding, it is vainglorious too. No shipping professions sans SCINDIANS; Scindians gathering annually to refresh memories and marking centenary also.

TATA 1890, TAGORE 1905 and Swadeshi of VOC Pillai in 1906 had preceded and predeceased Scindia, but the latter had learned lessons from such pioneers' demise and were battle ready. Only fair to recall odyssey of others non-scindians: India Steam Ship –that demised in the liner trade like Scindia, BHARAT Line etc. ***Must not forget mariners who didn't live to tell their tales going down with log books (Kairali, Nitya Ram & Nank, Chandragupta, ICL Vikraman, fire on Chdiambaram, Bombay High Platform disasters, Chopper crashes, recent fires on/loss of Box ships)***, before safety became a norm slowly and steadily after TITANIC culminating in LoadLine, SOLAS, ISM etc long after.

GESCO

Apart from long surviving SCI –running on Govt policies- once touted to be sold or equity reduced, GESCO is a great one in India's annals of maritime history continued to be written. Ujamshi brothers -traders, particularly in sugar; 19yr old Vasanth Sheth sailing to US, bidding for ex-war Liberty ships, first ship Fort Alice renamed as Jag Vijay, company name suggested by H.T. Parekh founder chairman of HDFC, incorporation on 03 Aug'48, A.H. Bhiwandiwalla as managing agents –founder chairman, whole-time director, the fleet's flag bearing AHB in reverence, Sheths following his footsteps, foray to offshore, spin offs etc are in annals of India's post-war maritime history. GESCO had the heaviest JAG LAADKI, a lakhier true to its name. They had the first tramp, first motor ship (whilst all others were on steam), first with AC (when others were with direct current), Acon aboard first, foray into Off-shore vessels, its own Training institute etc.

OTHERS:

Not failing to consider also rans Merchant Steam Navigation, Malabar, National, South East Asian, Eastern, and those of last half a century, apart from Bharat, Collis, Ratnakar, Damodar, Chowgule, Maini, Mogul line, Century, L&T, Peerless, Garware, SISCO, SPIC, South India, TCI, Amrok, Shahi, MESCO, Vikram Ispat, Jindal, USHA, Sagar, Parasurampurua, TARUN, ADMIRAL Shipping, Natvar Parikh, SER industries, IGGI Resorts, Kerala and KARNATAKA SHIPG CORP, INDO OCEANIC, THAKUR, PANCHSEEL, SUJWALA, HIMALAYA, SEVEN SEAS, NILHAT, R.A.J. Lines, ZEN, RSOS, Poompuhar etc,

credit for India's first tankers goes to GESCO and SCI for JAG JYOTI and DESH SEVAK and for super-tanker ADI JAYANTHI to Jayanthi, its bulker fleet well financed and positioned for tramp trades, though its image was tarnished because of unsavoury deals. Likewise for many that ventured into shipping –including fishing fleets-with cheap funding under SCICI, SDF, licensed under SALC etc. Newer extinct ones include Varun, Pearl, Balaji, Pratibha, Chettinad, Transasian, Transcoastal, Goodearth, GATI, Caravel, Mercator etc; Transchart too failing to sustain itself with INSA's support.

At the time of independence, India had 60 ships totalling to 0.19 million gross tons which edged up to 0.75mt GRT by 1959, crossing 1mT in '62, catapulted to 2mGRT in '69 and 5m GRT in '75 mainly because of the soft financial aid extended to the shipping industry, but it took another two decades for subsequent increase by 2mGRT, crossing 7m GRT in '96 only and then started declining.

As on 1st Jan 2002 there were 557 ships aggregating to 6.94mGrt. IRS was established in 1975 and grew fast as a national and then regional player. As survivors credit goes to Great Eastern, APJ, ESSAR –the only one integrated with its own industries, Seaways, TCISEAWAYS, –a true multimodal intermodal player, SANMAR (turning 25!), Shreyas, Seven Islands, India Cements etc; some are tax planning portfolios but. Of the recent new comers, **SEVEN ISLANDS stands out as a shining star with a Master Mariner behind the helm ashore.** On the island trades HAUERS had the Homeric honorific image, and in port sector Ocean Sparkles shines as first of marine engineer professionals turning entrepreneur-owners, earning reputation. Losing IT Act 33AC & regaining it, and obtaining Tonnage Tax were milestones for INSA. Oh losing cabotage restrictions and ROFR? Calls for obit!

On the cargo, trade, forwarding, logistics fronts consolidation is the name of the game Cargill, Glencore, Noble/Caravel, Rio Tinto, Odfjell tankers putting a foot in and then withdrawing. With India seen to be a major shipping player –driven by population and demographic dividend, the apt question to ask is whether we are missing out on the Ports and Logistics fronts. There are Adani, All Cargo etc but there is more room and consolidations too, to grow organically and by acquisition.

The ***truth since liberalisation*** of a quarter century ago –with necessary amendments to MSA, though the new MS Bill is yet to be converted to an ACT- is that despite 100% foreign ownership permitted under Indian Flag, there has been no takers or new comers except for the odd box lines plying on the coast. The Chartered in, operator tonnage –some controlled by Indian diaspora too- has been prospering at the cost of Indian tonnage that has failed to grow for various reasons including high flagging, funding and manning costs. A fair question to ask is whether and why Indian tonnage has failed to tie up JVs with captive cargoes, like the sogososhas/keiretsu of Japan, Korea etc. Yes, as for JVs, Tata has a tie up with NYK and there is potential for me, if we can develop an offshore island registry with less encumbrances than that of mainland.

As for the administration, MMD could be rebranded as Mercantile Marine Services to serve the stakeholders. Having learned the hard way from belted Bunker Convention ratification, why is it that HNS (that has protocol and amendments already) is still pending to be ratified and what indeed have done about the SOAS linked VGM a la weight of boxes enforcement as the trade continues to suffer from misdeclarations of both weight and contents. ISPS seems to be a success story though. It is recognised that Indians have made their marks in shipping in most aspects in Classing –**IRS going places on IACS accreditation with 13 offices overseas serving as RO recognised by 41 flags**, India is well entrenched in Surveys, Repairs, Teaching, Training, Research, Manning, Shipmanagement, Naval

Archs and what not. Indian P&I not yet succeeding, an innovative measure to promote it is being tried out too. But it is really the non-resident seafarers that give the cake, firstly by establishing themselves as thoroughbreds under FOCs, navigators spreading out fast and marine engineers driven by the graduated filling up all positions aboard and ashore; not to miss out direct cadets who made up the shortage of training slots- launching and heading ship-management firms –Synergy for one. Training Institutes too, drawing lads from cities, towns and villages, eventually resulting in under employment and unemployment as they mushroomed with false promises. Yes, we have Maritime Universities in the public and private sectors also.

Now that we are in the Indian century of Asian growth, on the shipping commercial-personnel management front, it need be pondered as to why India hasn't been successful. True shipowning is a high risk cyclical heavy investment portfolio full of risks that would surprise the uninitiated. But as Indians have done well globally in shipping and related fields, especially as NRIs, what ails them in India remains unanswered. It could be culture of fealty of the feudal carry over of endogenous yes men team *chamchagiri* handicap, by denying maverick-contrarian constructive critical inputs. Index linked freight trading – longer duration chartering in other words- could be an answer away from the gyrations of spot market, when we have the volumes in tramp market to set trends and rates.

The main question that remains to be answered at centenary, is how we as a technologically competent –as proven by IT industry and its continued boom- nation is going to drive the autonomous ship race and its eventual market share; perhaps, to begin with by managing and manning their remote controls from India itself. Historically, the more apt question is what other enterprise or industry –apart from Steel led by Tata- was launched after a chance meeting between two travellers, as had happened to Walchand Hirachand. Jai Hind.