

# **A COMPARITIVE ANALYSIS OF SHIPPING COMPANIES IN INDIA**

(With special reference to Shipping Corporation of India and The Great Eastern Shipping Company)

Submitted in partial fulfillment of the requirement for the degree of

**MASTER OF BUSINESS ADMINISTRATION**

In

International Transportation and Logistics Management

By

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## **DECLARATION**

I, **RAHUL C (Reg. No. 2003305025)**, student of School of Maritime Management, Indian Maritime University – Chennai Campus, hereby declare that this project report titled **A COMPARITIVE ANALYSIS OF SHIPPING COMPANIES IN INDIA** (With Special Reference To Shipping Corporation Of India And The Great Eastern Shipping Company) submitted in partial fulfillment of the requirement for the degree of **Master of Business Administration in International Transportation and Logistics Management** is my original work carried under the guidance of my project guide. It has not formed the basis for the award of any Degree/Diploma of any University/Institution. The information submitted is true and original to the best of my knowledge.

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This is to certify that the project report entitled “**A COMPARATIVE ANALYSIS OF SHIPPING COMPANIES IN INDIA** (With Special Reference To Shipping Corporation Of India And The Great Eastern Shipping Company)”, submitted to the School of Maritime Management, Indian Maritime University, Chennai Campus., in partial fulfillment for the award of the degree of Master of Business Administration in International Transportation and Logistics Management, is a record of work carried out entirely by Rahul C, Reg. No.2003305025.

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## **EXECUTIVE SUMMARY**

Shipping benefits everyone on the planet, but only a few people are aware of this. The benefits of trade and commerce are more equitably distributed with the help of shipping. Every country relies on maritime trade to sell what it has and purchase what it requires. Much of what we use and consume in our daily lives is transported by water, whether as raw materials, components, or finished goods. According to the Ministry of Shipping, maritime transport accounts for around 95 percent of India's volume and 70 percent of its value. Having such a significant role of delivering values across the globe the shipping companies who operates are the linchpin who make things possible.

Mediterranean Shipping Company (MSC) and AP Moller -Maersk holds first and second position respectively as the top shipping companies globally. In India, Shipping Corporation of India and The Great Eastern Shipping Company Ltd are the top two shipping companies with a combined DWT of 8.8 million. These shipping companies' carryout the service of transportation of finished goods and raw materials using their varied vessels. Different vessels are used according to the nature of material that is being transported.

Both the companies have total of 94 main line vessels and 32 Off Shore vessels. The companies managed to recover from the losses incurred during the year 2019 in the next 3 years. Even though the shipping Corporation of India has a greater fleet size the market capitalization the GE Shipping is above that of Shipping Corporation of India. This study compares both the company's operational and financial performance. Fleet size and Fleet Age with an SWOT analysis of both companies are done to find operational efficiency. Financial Statement analysis and ratio analysis is carried out to find their financial performance.

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## ***CHAPTER 1***

### **INTRODUCTION TO SHIPPING INDUSTRY**

The ability of shipping to provide cost-effective and efficient long-distance transportation places it at the heart of the global economy. The global economy relies heavily on shipping. Intercontinental trade, bulk transportation of raw materials, and the shipping of affordable food and manufactured commodities would all be impossible without shipping. According to new data from Clarkson Research Services Limited (CRSL), global seaborne trade increased by 3.6 percent to 12.0 billion tonnes in 2021, returning to pre-pandemic levels. After trade dropped roughly by the same amount since the breakout of the pandemic, this figure, together with the 3.5 percent increase forecast for 2022, is a clear indicator of recovery, even if not all sorts of commodities were equally affected. For example, the number of containers, coal, and petroleum products transported by sea each rose by roughly 6% in 2021, whereas crude oil maritime trade continued to fall, just returning to 2015 levels. China and India, two of the world's fastest-growing economies, are part of the Asia Pacific area. The growth of the maritime transportation sector is fueled by trade exchange. Most countries are either huge net importers or large net exporters when it comes to commodity trade. Transport expenses and ship movements reflect this. The mismatch is mostly attributable to the differing natural inheritances of countries between these countries, where sea routes account for the majority of international trade.

With a coastline of 7,517 kilometres, India is the world's sixteenth biggest maritime country. India's shipping sector is critical to the country's continued expansion in trade and commerce. Most cargo ships passing through Indian territorial waters are bound towards East Asia, America, Europe, or Africa. According to the Ministry of Shipping, maritime transport accounts for around 95 percent of India's volume and 70 percent of its value. The Ministry of Shipping was renamed the Ministry of Ports, Shipping, and Waterways by Prime Minister Narendra Modi in November 2020. The capacity of India's major ports in FY21 was 1,561 million tonnes per annum (MTPA). All major Indian ports handled 650.52 million tonnes (MT) of cargo traffic during FY22 (till February) 2022. India's goods exports totaled \$417.8 billion in FY22, up 40% from the year before. India's goods exports reached US\$ 33.65 billion in October 2021, up 43.05 percent year on year.

In a country with such maritime potential the government is trying to ensure smooth functioning of supply chain by reducing logistics cost and time for the EXIM cargoes through initiatives like Sagarmala and Gati Shakti. Shipping companies want to keep the port turnaround time to minimum as possible so they can use the saved time to commercially engage the vessel to other party so he recovers the cost of the vessel at the earliest. In India the average turnaround time in ports is 2.1 days whereas in the world's largest port Shanghai the turnaround time is less than 24 hours. In India the top 2 shipping companies are Shipping corporation of India a public sector under taking and The Great Eastern Shipping Company Ltd.

Eastern Shipping Corporation and Western Shipping Corporation were merged to form the Shipping Corporation of India on October 2, 1961. SCI began as a small Liner shipping company with only 19 vessels and has now grown to become India's largest shipping company. The SCI also has significant stakes in several segments of the maritime industry. Bulk carriers, crude oil tankers, product tankers, container vessels, passenger-cum-cargo vessels, LPG, and offshore supply vessels make up SCI's fleet. SCI has been a key presence on the worldwide maritime landscape for the past six decades.

The Great Eastern Shipping Enterprise Limited is India's largest private shipping company, specialising in liquid, gas, and solid bulk transportation. The company's primary businesses include shipping, offshore, and telecom (sells wifi cards to its floating employees.) Crude oil, petroleum products, natural gas, and dry bulk goods are all transported by the company. Through its fully owned subsidiary Greatship (India) Limited, which is headquartered in Mumbai, the offshore business assists oil corporations in carrying out offshore exploration and production activities.

## **1.1 IMPORTANCE OF STUDY**

This study compares the top two shipping companies in India, one is Shipping Corporation of India a public sector enterprise and other one is The Great Eastern Shipping Co. Ltd. India's largest private sector shipping company. The operational and financial performance of the companies are compared and presented graphically.

## **1.2 REVIEW OF LITREATURE**

The data represented during this project report has been integrated from secondary data available from numerous sources across the network. The most literatures used and brief

descriptions of data gathered from each of those are depicted as follows:

1. Lee, P. T. W., Lin, C. W., & Chung, Y. S. (2014). Comparison analysis for subjective and objective weights of financial positions of container shipping companies. *Maritime Policy & Management*, 41(3), 241-250.

This study is based on expert surveys and financial data from prominent shipping businesses in Taiwan and Korea, this research investigates the positions of financial ratios found using both subjective and objective weighing methods—the consistent fuzzy preference relation (CFPR) and entropy. The comparison of views of financial ratios by nation and expert group reveals several financial issues that experts may have overlooked or disregarded during the company operating process, particularly in today's volatile global shipping industry. The main findings of this paper are that experts in the two countries have different perceptions of the debt-to-equity ratio and that categorising financial ratios by quadrant can help decision-makers find business options and strategies to improve their companies' financial performance by combining the results of objective and subjective weights. This study strategy might be used to different corporate organisations, improving on prior studies' direct rating method.

2. Paul Tae-Woo Lee, Cheng-Wei Lin, Sung-Ho Shin,  
“A comparative study on financial positions of shipping companies in Taiwan and Korea using entropy and grey relation analysis,”  
<https://doi.org/10.1016/j.eswa.2011.11.052>.  
(<https://www.sciencedirect.com/science/article/pii/S0957417411015983>)

The goal of this paper is to accomplish two things. The first uses entropy to calculate the relative weights of the four firms' financial ratios year after year. Using this method, we can calculate the weights variance for the years 1999–2009. The second step is to use grey relation analysis to rank the firms over time. We provide business policy recommendations based on the findings in this research to lessen the effects of the financial tsunami in the context of global shipping. The analysis includes major container transport companies from both nations, including Evergreen, Yang Ming, Hyundai, and Hanjin. Because of geopolitical reasons, Korea and Taiwan's foreign trade has been significantly reliant on international marine transit. As a result, in order

to strengthen their economies, the two countries have worked hard to develop and promote ocean-going transportation. The recent financial crisis, along with the economic slowdown has resulted in a decrease in seaborne trade cargoes, resulting in a significant drop in container shipping revenues.

Keywords: Entropy; Grey relation analysis; Financial ratio analysis; Container shipping

3. Lee, P. T. W., Lin, C. W., & Chung, Y. S. (2014). Comparison analysis for subjective and objective weights of financial positions of container shipping companies. *Maritime Policy & Management*, 41(3), 241-250.

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4. Konsta, K., & Plomaritou, E. (2012). Key performance indicators (KPIs) and shipping companies performance evaluation: the case of greek tanker shipping companies. *International Journal of Business and Management*, 7(10), 142.

The paper is about a set of success indicators which is crucial to the success of any firm. It is necessary to continuously monitor and measure the indicators that have the greatest impact on the achievement of previously set goals. In the case of transportation companies, the rationalisation of transportation activities and processes is critical to ensuring business efficiency. As a result, in this paper, a model for evaluating performance indicators has been developed and implemented in three different countries: Bosnia and Herzegovina, Libya, and Serbia. The model is divided into five

phases, the most important of which is the development of a novel rough additive ratio assessment (ARAS) approach for evaluating measured performance indicators in transportation companies. The study was conducted on the territory of the aforementioned nations in a total of nine firms, which were evaluated using 20 performance indicators. The reported results were validated during a three-phase sensitivity analysis approach. The relevance of the performance indicators was simulated in the sensitivity analysis by creating ten scenarios. Furthermore, the following approaches were used: rough WASPAS (weighted aggregated sum product assessment), rough SAW (simple additive weighting), rough MABAC (multi-attributive border approximation area comparison), and rough EDAS (evaluation based on distance from average solution), all of which demonstrated a high correlation of ranks when Spearman's correlation coefficient was applied (SCC).

5. Ha Y, Seo J “An Analysis of the Competitiveness of Major Liner Shipping Companies Asian Journal of Shipping and Logistics,” (2017), 33(2)

This research looks at whether shipping route specialisation caused profit discrepancies between Korean and other global shipping companies. During the years 2009 to 2015, a panel data model was applied to nine shipping companies to see how freight rates, bunker fuel costs, scale economies, and chartered vessel ratios influenced profitability. The findings revealed that freight rates had a large positive influence on profitability, whereas bunker fuel prices had a considerable negative impact. However, the implications of scale economies and chartered vessel ratios were either minor or opaque, necessitating a further in-depth investigation in this area.

### **1.3 OBJECTIVES OF STUDY**

- To investigate and evaluate the Operational Performance of the selected Companies
- To analyse of the financial performance of the selected companies

## **1.4 RESEARCH METHODOLOGY**

The study is purely based on Secondary data compiled from the annual reports, balance sheets, and profit and loss accounts of the Shipping Corporation of India, and The Great Eastern Shipping Company, the Ministry of Ports, Shipping and Waterways, Government of India, [www.shipping.gov.in](http://www.shipping.gov.in), as well as other research publications such as reports, journals, reference books, magazines, and newspapers. The collected data is presented through tables & graphs like pie charts, bar diagrams etc., Both firms are subjected to a SWOT analysis, as well as a comparative assessment of selected factors.

## **1.5 LIMITATIONS OF STUDY**

The study's major drawbacks will be lack of primary data. Secondary data is used to reflect facts and information in this study. The investigation was carried out in a short amount of time using secondary data sources. As a result, it has all of the inherent limitations of secondary data. Factors for the comparison of the selected companies are selected based on the availability of data which may be the reason for omission of some facts

## **1.6 CHAPTERISATION SCHEME**

Chapter 1 comprises of introduction of the title, review of literature, importance of study, objectives, method of study and limitations.

Chapter 2 gives an introduction of the company's profile and compares them on the basis of its operational performance together with a SWOT Analysis of both companies.

Chapter 3 compares the two companies under the study on its financial performance using different ratios.

Chapter 4 deals with summary and conclusion of the report

## ***CHAPTER 2***

### **OPERATIONAL PERFORMANCE OF THE SELECTED COMPANIES**

#### **2.1 SHIPPING CORPORATION OF INDIA LTD.**

In terms of Indian flagged tonnage, Shipping Corporation of India Ltd (SCI) is first as India's largest shipping company. The company is a government-owned company based in Mumbai that manages and maintains fleets that operate on both national and global lines. The company is involved in almost every aspect of the transportation industry, reworking both national and international exchanges.

The corporation has two subsidiaries; Inland & Coastal Shipping Ltd. (ICSL) & Shipping Corporation of India Land and Assets Limited (SCILAL) and four joint ventures as of March 31, 2022 namely; India LNG Transport Company (No.1) Ltd. (ILT 1), India LNG Transport Company (No.2) Ltd. (ILT 2), India LNG Transport Company (No.3) Ltd. (ILT 3), India LNG Transport Company (No.4) Pvt. Ltd. (ILT 4). Liner and passenger services, bulk ships and tankers, and technical and offshore services are the three divisions of the company. Break bulk and container shipping are included in the liners section. Bulk segment includes tankers (both crude and product) dry bulk carriers gas carriers and orthophosphoric acid carriers. Others include offshore fleets passenger fleets and services and ships managed on behalf of other organizations. The company's owned fleet includes Bulk carrier's petroleum tankers, Product tankers, Container fleets, Passenger-cum-Cargo fleets, orthophosphoric acid /Chemical carriers, LPG / Ammonia carriers and Offshore Supply Fleets. Additionally, the corporate manages an outsized number of fleets on behalf of varied government departments and organizations. SCI's worldwide processes are sustained by offices within the four metros of India namely Mumbai Delhi Chennai and Kolkata and that they even have an office in London.

##### **2.1.1 HISTORY**

Shipping Corporation of India Ltd was joined on March 24 1950 as Eastern Shipping

Corporation Ltd. Western Shipping Corporation Ltd was incorporated with the corporate with effect from October 2 1961 and therefore the title of the corporate was changed from Eastern Shipping Corporation Ltd to The Shipping Corporation of India Ltd on October 21 1961.

In the year 1964 the corporate expanded their business into petroleum transportation. Within the year 1973 Jayanti company Ltd was merged with the corporate. Within the year 1975 the corporate acquired first Indian VLCC. Also, they found out a scheme company namely Irano Hind company in Iran. Within the year 1984 the corporate diversified into offshore supply fleets over and done with acquisition of 10 offshore supply fleets. Within the year 1986 Mogul Line Ltd was amalgamated with the corporate.

Chemical tankers and cryogenic processes were added to the company's portfolio in 1991. They divested 18.51 percent of their equity shares in 1992 to assist monetary institutions, mutual funds, banks, and FIIs. On February 18, 1993, the corporation was changed from a private to a public corporation, and it acquired a new certificate of incorporation. Furthermore, the shares were listed on the BSE, NSE, CSE, DSE, and thus the MSE. The company purchased three cellular fleets in 1993: Lal Bahadur Shastri Gandhi, Rajiv Gandhi, and others. In 1994, the business disinvested additional 3864600 equity shares, accounting for 1.37 percent of India's paid-up capital, in favour of FII Mutual Funds and banks. In the year 2000, Indian Government granted the firm the designation of 'Mini Ratna,' giving the Board more capital investment authority. In 2004, the firm ventured into LNG shipping through a joint venture with Mitsui OSK Lines Ltd, Nippon Yusen Kabushiki Kaisha Qatar company QSC, and Kawasaki Kisen Kaisha Ltd. In 2005, the business purchased the largest ship in India's registry, a 316,000 DWT VLCC. In 2006, the company formed a joint venture with Forbes and Sterling Investments to operate in the chemical tanker industry. The Government of India bestowed the designation of 'Navratna' to the corporation in 2008. In 2009, the business purchased the largest ship in the Indian registry, a 321000 DWT VLCC. They have taken control of two LNG tankers. In 2010, the firm formed a joint venture with SAIL to offer SAIL with shipping-related services for importing coking coal. The firm had ordered the building of 29 vessels as of September 30, 2010, which they anticipate to be delivered between 2010 and 2013, and they aim to order another 20 vessels in fiscal year 2011. They also handled 64 0.2 million DWT boats on behalf of government agencies, public sector organisations, and joint ventures as of September 30, 2010.

The corporation is also looking into diversifying its business into shipping-related operations like Coastal and Feeder Services Total Logistics Container Freight Stations (CFSs) Terminal

Development/ Management Shipbuilding Dredging etc. On 15 April 2016, during the Maritime India Summit 2016, the Inland Waterways Authority of India (IWAI) and The Shipping Corporation of India (SCI) signed a Memorandum of Understanding to promote this area of domestic transportation. Both sides committed to work together to harness the synergies between high sea shipping, coastal shipping, and interior waterways in order to create an integrated water transportation system that spans the hinterland, coastlines, and high seas. The SCI Board of Directors approved the foundation of a specialised SCI subsidiary business situated in Kolkata for this purpose and named it 'INLAND and COASTAL SHIPPING LIMITED' (ICSL).

### **2.1.2 CURRENT STATUS**

On December 22, 2022, the Indian government announced the sale of its 63.75 percent ownership in SCI through a preliminary information memorandum sent to potential bidders. The strategic sale is divided into two parts: the first is the demerger of the business's non-core assets to the subsidiary company Shipping Corporation of India Land and Assets Limited (SCILAL), and the second is the actual sale after the bid. The company's non-core assets were worth Rs. 2,392 crore as of March 31, 2022. Due to the Russia-Ukraine war delaying SCI's plans, financial bids for SCI are now available until September 2022, rather than January 18, 2022.

## 2.2 OPERATIONAL PERFORMANCE

### 2.2.1 FLEET SIZE

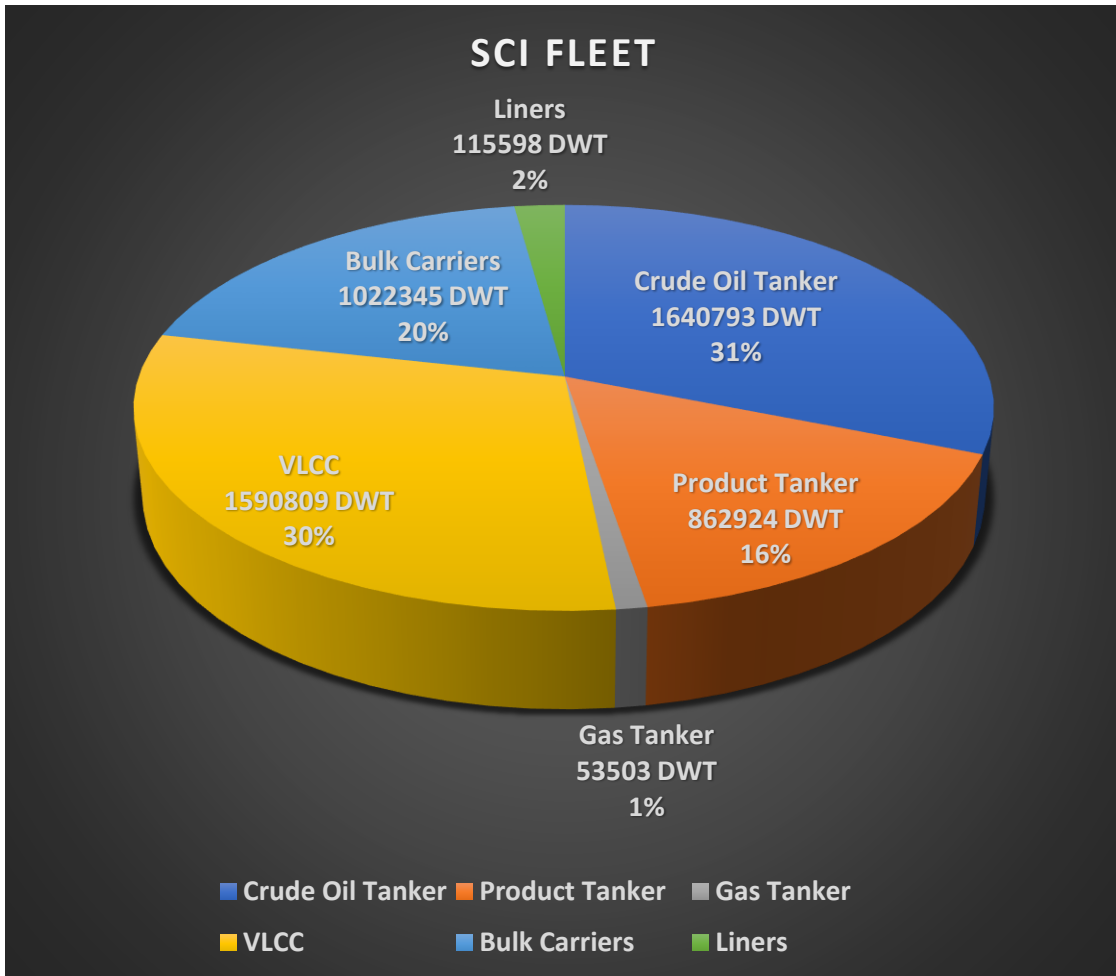


Fig 2.1

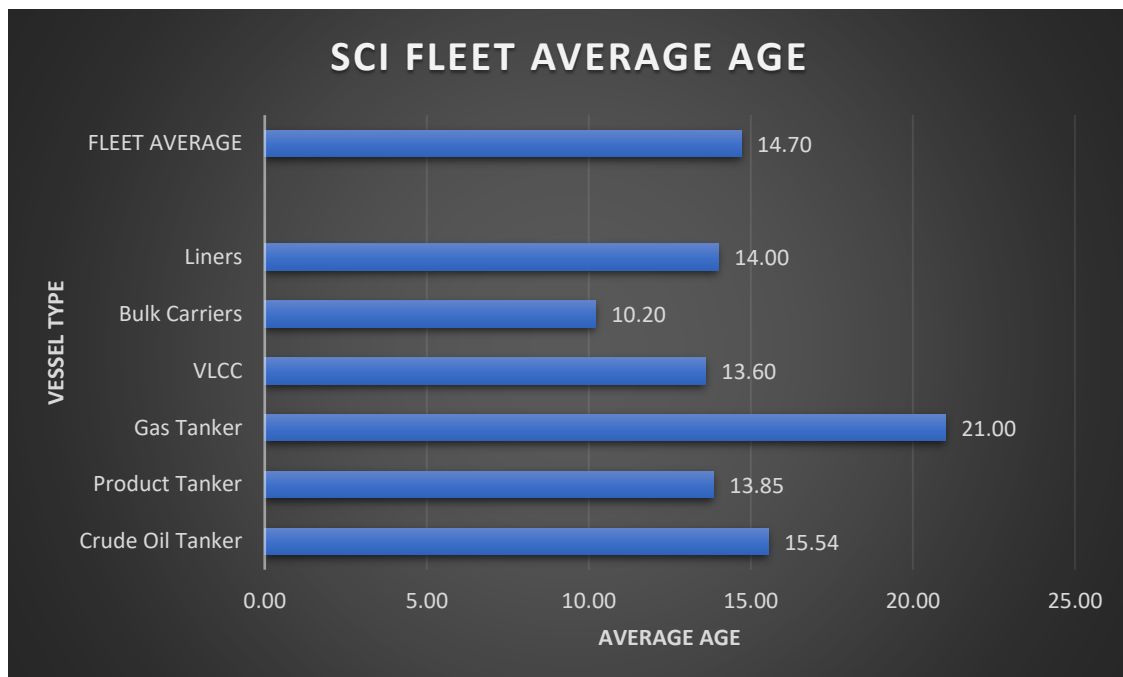
Vessel Type	DWT	No.
Crude Oil Tanker	1640793	13
Product Tanker	862924	13
Gas Tanker	53503	1
VLCC	1590809	5
Bulk Carriers	1022345	15
Liners	115598	2
<b>TOTAL</b>	<b>5285972</b>	<b>49</b>

Source : SCI Website

Table 2.1

Shipping Corporation of India has a total of 49 Vessels (10 off-shore vessels not included because of unavailability of data and only mainline vessels are considered) with 5.3 Million DWT capacity. Almost 61% of their fleet capacity is occupied by Crude Oil carrying vessels (including VLCC's). In which the 5 VLCC's with 15,90,809 DWT account almost 50% of it. Following it Bulk Carriers account for 20% of the total fleet capacity with 15 ships.

### 2.2.2 FLEET AGE



Source : SCI Website

Fig 2.2

With 49 Vessels the average age of the SCI's fleet is 14.70 years. We can see that the 1 gas tankers of the fleet is the oldest ones with an age of 21. Crude oil tankers have the second highest average age of 15.54 years. The 15 bulk carriers with a total DWT of 10,22,345 has an average age of 10.20 which is the lowest apart from the off shore supply vehicles which constitutes just 1% of the total fleet capacity.

## **2.3 SWOT ANALYSIS**

A SWOT analysis is a tool for documenting a company's internal strengths (S) and weaknesses (W), as well as external opportunities (O) and threats (T). This is a method for analysing the environment and the company's position within it.

### **2.3.1 STRENGTH**

- SCI is India's largest shipping firm, with a fleet of 59 vessels and a capacity of 5.3 million deadweight tonnes (dwt).
- With over 59 years of experience in the shipping industry, its long-standing partnerships with oil and steel firms assure high fleet utilisation.
- ONGC has given the company a six-year contract for Samudra Nidhi, which is effective until March 31, 2023. The Defence Research and Development Organization (DRDO) has already signed an order with the company for the hire of two support vessels for a four-year term, with a one-year extension option.
- The average age of its fleet has been reduced from 18 years in 2007 to around 14.05 years as a result of new acquisitions.
- Operating costs are lower with a youthful fleet.

### **2.3.2 WEAKNESS**

- BPCL, HPCL, and IOCL account for over 40% of the company's revenue. Following privatisation, SCI may no longer be a viable option for oil giants.
- The unpredictability of fuel costs affects voyage-charter contracts. Bunker prices fluctuate dramatically in response to fluctuations in global crude prices.
- Because the bulk of the company's fleet runs on voyage charter or short-term period charter, its operations are vulnerable to variations in charter prices.

### **2.3.3 OPPORTUNITIES**

- The Indian government is launching a number of steps to develop the maritime sector. The government has planned 189 port modernization projects under the Sagarmala Programme, totaling \$22 billion in investment by 2035.
- India aims to increase the percentage of natural gas in its energy mix to 15% by 2025, up from 6% currently. SCI owns and operates three LNG vessels under long-term charter agreements with Petronet LNG for LNG transportation.
- The shipping sector is experiencing the lowest order book in the previous 20 years and is consolidating. This should eventually benefit the remaining powerful players.

### **2.3.4 THREAT**

- The worldwide shipping industry's growth is directly related to global economic growth. The COVID-19 epidemic has hampered global GDP development, and normalcy has yet to be restored.
- Hostilities in international waterways can be exacerbated by ongoing tensions between China and other nations, particularly India.

## 2.4 THE GREAT EASTERN SHIPPING COMPANY

G E Shipping is India's largest private sector shipping service provider enjoying a formidable presence in the international maritime industry. The shipping business operates under two main businesses: dry bulk carriers and tankers. Backed by an enviable clientele comprising industry leaders, international oil companies and governments who vouch for its services, the division has earned the status of being the most preferred shipping service provider. With a pulse on the global market and a thorough understanding of the ever-evolving market needs, the division is well-equipped to anticipate the demands of its clients and to deliver on its commitments, successfully and satisfactorily.

Great Eastern Company Limited (GE Shipping) is a significant player in the Indian Shipping industry. With a mean age of 14.13 years, the company's fleet stood at 45 ships aggregating 3.57 million dwt as of 31 March 2022. Great ship (India) Limited (GIL) is a wholly owned subsidiary of GE Shipping and one of India's biggest providers of offshore oilfield services. GIL currently owns and operates nineteen vessels and 4 jack drilling rigs alongside its subsidiaries. The 19 vessels consists of 4 PSVs( Platform Supply Vessels) eight Anchor Handling Tug cum Supply Fleets (AHTSVs) two Multipurpose Platform Supply & Support Fleets (MPSSVs) and 5 R class supply vessels.

The Great Eastern Shipping Company has 6 wholly owned subsidiaries;

- Greatship (India) Limited, Mumbai,
- The Greatship (Singapore) Pte. Ltd., Singapore,
- The Great Eastern Chartering Llc (Fzc), U.A.E,
- The Great Eastern Chartering (Singapore) Pte. Ltd., Singapore,
- Great Eastern Csr Foundation, India,
- Great Eastern Services Limited, India

In which Great Ship (India) Limited (GIL) has 4 subsidiaries namely; Greatship Global Energy Services Pte. Ltd., Singapore (GGES), Greatship Global Offshore Services Pte. Ltd., Singapore (GGOS), Greatship (UK) Limited, United Kingdom (GUK), Greatship (UK) Limited, United Kingdom (GUK).

### **2.4.1 HISTORY**

GE Shipping was established as of 3 August 1948 of the year. DNV has awarded the shipping company the mandatory ISO 9001:2000 certification. It was 1950 when it was time. It was soon after War II. Barely two years ago Great Eastern was the primary Indian company ordering two coastal cargo ships from Mitsubishi Shipbuilding Company Kobe Japan. The company acquired its first oiler in 1956, which had also been India's first as a result of opening up new business avenues. GE Shipping entered into an affreightment contract for transporting 60000 tons of ore from India to Japan during an equal year.

In 1957 the company built a 13000-dwt ship named Jag Laxmi, its then largest dry bulk cargo ship. Throughout the year 1962, Great Eastern began its regular liner services to carry general cargo from the West Coast of the US and Canada to India and also within the same year the company acquired offshore supply fleets. In 1972 Great Eastern became the primary company for the creation of an obo carrier (ore-bulk-oil). The company ordered three of those fleets from Sweden. Great Eastern began its own Training Academy during the year 1975. Trying to do so became the main private enterprise. GE Shipping made a business company in 1987 to own an oil drilling rig and an oil drilling barge. Within the year 1988 the company bought four ships and then renamed Jag Vijay Jag Rani Jag Rahat and Jag Kala. GE Shipping purchased three more bulk carriers after a year in 1989, and renamed them M.V. Jag Ratna M.V. and Jag Vikas with M.V. Ravi Jag. A further bulk carrier has been renamed M.V. Jag Rashmi Rashmi. A Memorandum of Agreement (MoU) was signed in order to secure five numbers of Offshore Supply Fleets (OSV) to cater for both ONGC and Oil India Ltd. In 1990, the company purchased five more ships, one of which was a bulk carrier and the other four were offshore supply fleets. The significant property company was in thunder stage within the time 1991; therefore, GE Shipping had entered the property business within the same period. By way of the merger of GAL Offshore Services Ltd within the year 1991 the offshore division of the corporate commissioned 3 distinct activities like Operation of tugs comprising offshore supply fleets harbor tugs and anchor handling tugs Oil drilling and Offshore

constructions.

The company was the primary Indian Company to accumulate a tanker during the year 1992 and was also the primary to interact on an outside scale in overseas tramp trade. A H Bhiwandi Walla & Company merged with Great Eastern in 1992 alongside its two subsidiaries Dhirvijay investment trust and MDSV Trading & Investment trust. The company entered into a contract with Samsung Heavy Industries Company Ltd Korea for the purchase of two Aframax tankers within 1997. GE Shipping entered into a venture with Singapore Technologies Construction Pte Ltd to create convention service centres and multiplex plazas for executive apartment hotels. During 1998 the company joined hands with Shipping Corporation of India and Varun Shipping and Great Eastern Company (Gesco) to make a 'pool' to move liquefied petroleum gas (LPG) imported on free-on-board (FoB) basis. Within 2002 GE Shipping entered into a partnership agreement between Qatar General Petroleum Corporation (QGPC) and U B Air Pvt Ltd and Helicharters Pvt Ltd. Within the year 2003 Hanjin Heavy Industries and Construction Co. placed a huge order for 45500 metric tons of new building product tanker. Ltd South Korea and also within the same year GE Shipping entered into a new construction deal with Hyundai Heavy Industries Co Ltd for a 159000 DWT Suexma crude carrier. It also signed a fresh spanking contract to supply new building Platform Service Fleet (PSV). Between July and December 2003, the company acquired five Aframax single-hull tankers.

The business penetrated primarily into the Very Large Crude Carrier (VLCC) market during fiscal year 2003-04. In 2004, Grate Eastern signed a contract to acquire a Handymax Dry Bulk Carrier 37092 dwt fleet built in 1983 that concurrently sold the 2137 dwt mini bulk carrier 'GE 4 built in 1998. GE Shipping received MRPL 's crude supply order in 2005, and also acquired a 26-pc stake in USL. In September 2005, the company decided to divest its offshore business consisting of drilling services for marine logistics marine construction and port / terminal services into a separate Great Offshore Ltd company with effect from 1 April 2005. Great ship (India) Limited (the company's subsidiary) had incorporated two wholly owned subsidiaries viz. Graceful Holdings B.V. 22nd November 2006 and 23rd October 2006 Great ship Global Energy Services Pte Ltd. In September 2007 the company acquired two 2000 Suezmax double hull tankers 'Jag Lakshita' and 'Jag Lateef.' In November 2007 Great ship Global Offshore Services Pte Ltd., Great ship (India) Limited's wholly-owned subsidiary (GIL) (the company's subsidiary), upgraded the 2 fleets ordered on Mazagon Dock Limited to Multi Support Fleets (MSVs).

The Company negotiated to sell two of its Medium Range (MR) double hull product tankers, 'Jag Panna' (37145 dwt) and 'Jag Payal' (37159 dwt), in February 2008, as well as its General Purpose (GP) single hull product tanker, 'Jag Prayog.' The 1982 constructed 29990-dwt fleets in June of a comparable year 2008. Great ship (India) Limited (GIL), a wholly-owned subsidiary of Great Eastern Company Ltd, placed an order on Drydocks World Singapore in July 2008 for two state-of-the-art 150 TBP Anchor Handling Towage & Supply Fleets. During the month of JULY 2008, GE Shipping secured a deal with Hyundai Heavy Industries Ltd of South Korea for the development of two Suezmax oil carriers of about 158000 dwt each.

Great Eastern has also committed to a set cost of USD 740 million (about. Rs.3182 cr) for 19 more sites, according to innovative and several technological agreements. These are some examples:

8 Multipurpose Supply and Support Platform Fleets, 2 PSVs, 2 MSVs, 6 AHTSVs, and a 350-foot jack rig. These assets were anticipated to be delivered during fiscal years 2009 and 2011. GE Shipping announced a buyback of its open market equity shares via stock exchanges at a price of not more than Rs 279 per share for a total of not more than Rs 279 crore during the fiscal year concluded on March 31, 2014. On September 2nd, 2013 the buyback commenced. and ended on 28th of February, 2014. For a total of Rs. 41.27, the corporation purchased 1545019 nominal equity shares of Rs.10 apiece. The best, lowest, and average prices at which the shares were repurchased were Rs. 279.00, Rs. 252.08, and Rs. 266.51. Because the stock price remained above the maximum repurchase price of Rs. 279 per share for a significant portion of the buyback term, the firm was unable to realise the maximum buyback of Rs. 279 crores.

GE Shipping bought two product tankers, one medium gas carrier and one dry bulk cargo, totaling 0.24 million dwt in the fiscal year ending March 31, 2018. The business also sold 1 Supramax dry bulk carrier during the year. GE Shipping's wholly-owned subsidiary Great ship (India) Limited (GIL) commenced the group restructuring effort in FY 2017, when GIL obtained full control of its Singapore subsidiary Great ship Global Energy Services Pte (GGES). GIL bought four jack-up rigs from GGES in June 2017 as part of the FY 2018 restructuring process, along with its Plant Machinery & Equipment / Owner Furnished Equipment (the Rigs). GIL has appropriated the outstanding bank borrowings of GGES as

part of the consideration for the acquisition of the Rigs, and thus the remaining outstanding consideration is to be settled by June 2018 in line with the Memorandum of Agreement (as amended). Moreover, during the fiscal year under review, the Boards of Directors of GIL and its fully owned subsidiary in Mauritius, Great ship Global Holdings Ltd. (GGHL), authorised a cross-border merger of GGHL and GIL.

#### **2.4.2 CURRENT STATUS**

As on March 2022 the net sales of GE Shipping were Rs. 916.17 Crores. Which was an increase of 23.82% to the previous year March 2021. GE Shipping has contracted to sell it's '97 built Midsize gas carrier Jag Vijaya which has resulted in 3% increase of share price. The financial bid for SCI still being open and potential bidders like US-based Safesea, Hyderabad based Megha Engineering and Vedanta Ltd. Of Anil Agarwal may turn out to be a competitor.

## 2.5 OPERATIONAL PERFORMANCE - GESC

### 2.5.1 FLEETSIZ

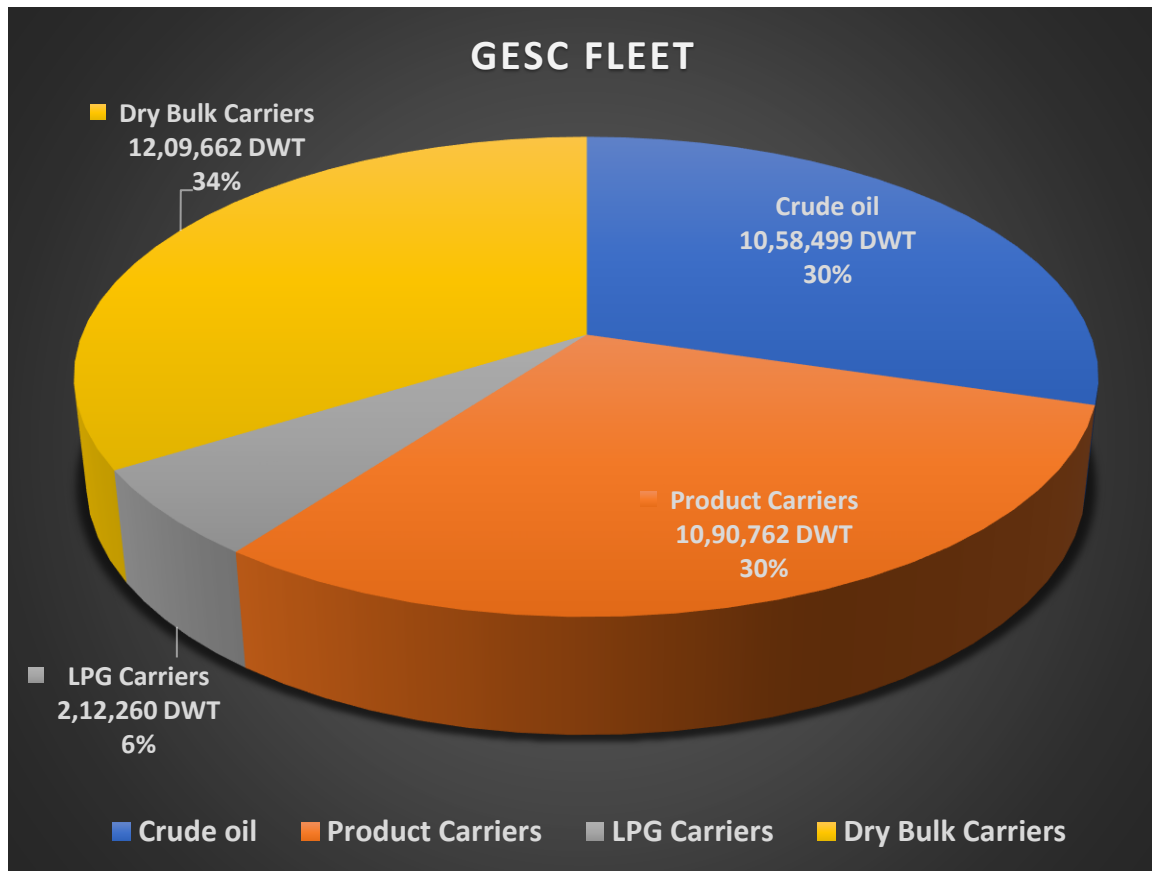


Fig 2.3

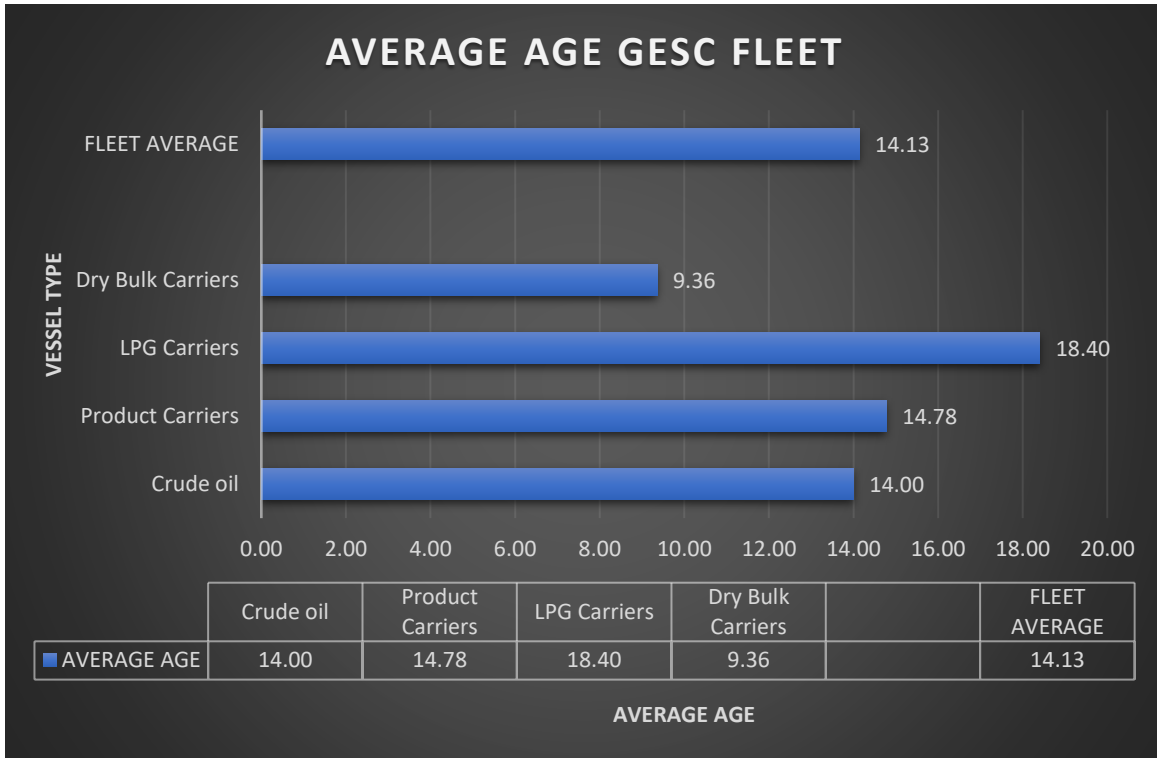
VESSEL TYPE	DWT	NO.
Crude oil	10,58,499	8
Product Carriers	10,90,762	18
LPG Carriers	2,12,260	5
Dry Bulk Carriers	12,09,662	14
<b>TOTAL</b>	<b>35,71,183</b>	<b>45</b>

Source : GESC Website

Table 2.2

GE Shipping has a total of 45 (22 off-shore vessels not included because of unavailability of data and only mainline vessels are considered) Ships with 3.5 Million DWT capacity. Almost 34% of GESC'S fleet capacity is occupied by the 14 Dry Bulk carrying vessels. Following it Crude Oil Carriers and Product Carriers account 30% each of the total fleet capacity. The 22 Off Shore Vessels include 4 Jack up rigs,4 Platform Supply Vessels, 8 Anchor handling Tug Cum Supply Vessels, 2 Multipurpose Platform Supply Vessels & 4 ROV Support Vessels.

## 2.5.2 FLEET AGE



Source: GESC Website

Fig 2.4

With 45 Vessels the average age of the GESC's fleet is 14.70 years. We can see that the 5 gas tankers of the fleet is the oldest ones with an age of 18.40 years. Product Carriers tankers have the second highest average age of 14.78 years. The 14 bulk carriers with a total DWT of 12,09,662 has an average age of 9.36 years which is the lowest.

## **2.6 SWOT ANALYSIS**

### **2.6.1 STRENGTH**

- GESC is India's largest private sector shipping firm, with a fleet of 59 vessels and a capacity of 5.3 million deadweight tonnes (dwt).
- With 6 Wholly owned subsidiaries and operations in Singapore & UAE the company has a great potential of growth.
- First fleet owner to comply with 0.5% cap on sulphur in Ship fuel oil mandate by IMO.
- GESC's shares are preferred more by traders have when compared to it's peers
- The average age of its fleet being 14.13 it enjoys the benefit of lower operational cost.

### **2.6.2 WEAKNESS**

- Product arbitrage potential were limited owing to a significant middle distillates inventory overhang as jet demand struggled throughout the year.
- The expense of replacing established expertise inside Great Eastern Shipping is too expensive. Few people are in charge of Great Eastern Shipping's knowledge base, and replacing them will be exceedingly difficult.

### **2.6.3 OPPORTUNITIES**

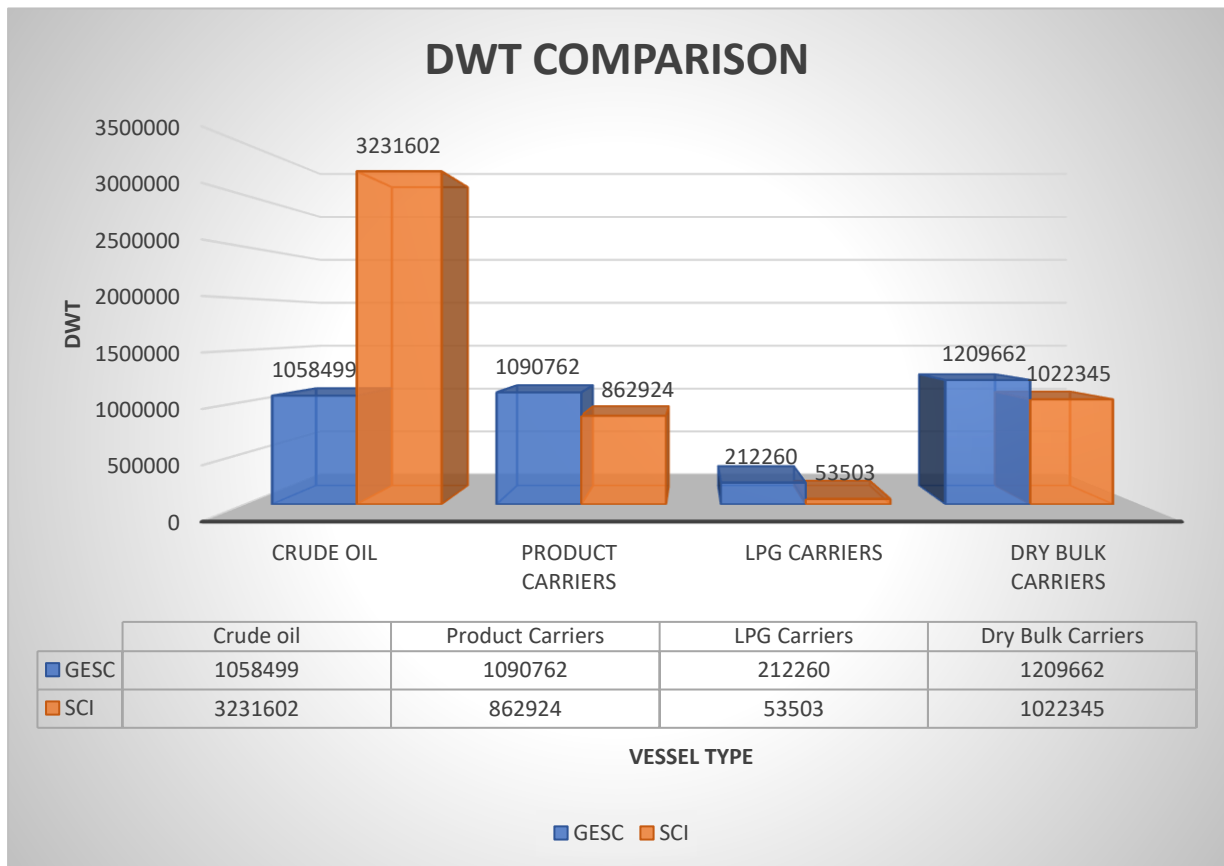
- Financial bids for SCI's privatization is extended till September 2022, which gives an opening for GESC to buy its core assets to keep new threats at bay.

### **2.6.4 THREAT**

- Threat of new entrants into the market following the SCI Privatization move.
- Because freight rates and ship values are calculated in USD, the company's activity is mostly denominated in USD. The company's liabilities are likewise in USD. Any considerable change in currency or interest rate might have an impact on the company's operations.

## 2.7 COMPARISON OF BOTH COMPANIES

### 2.7.1 DWT COMPARISON

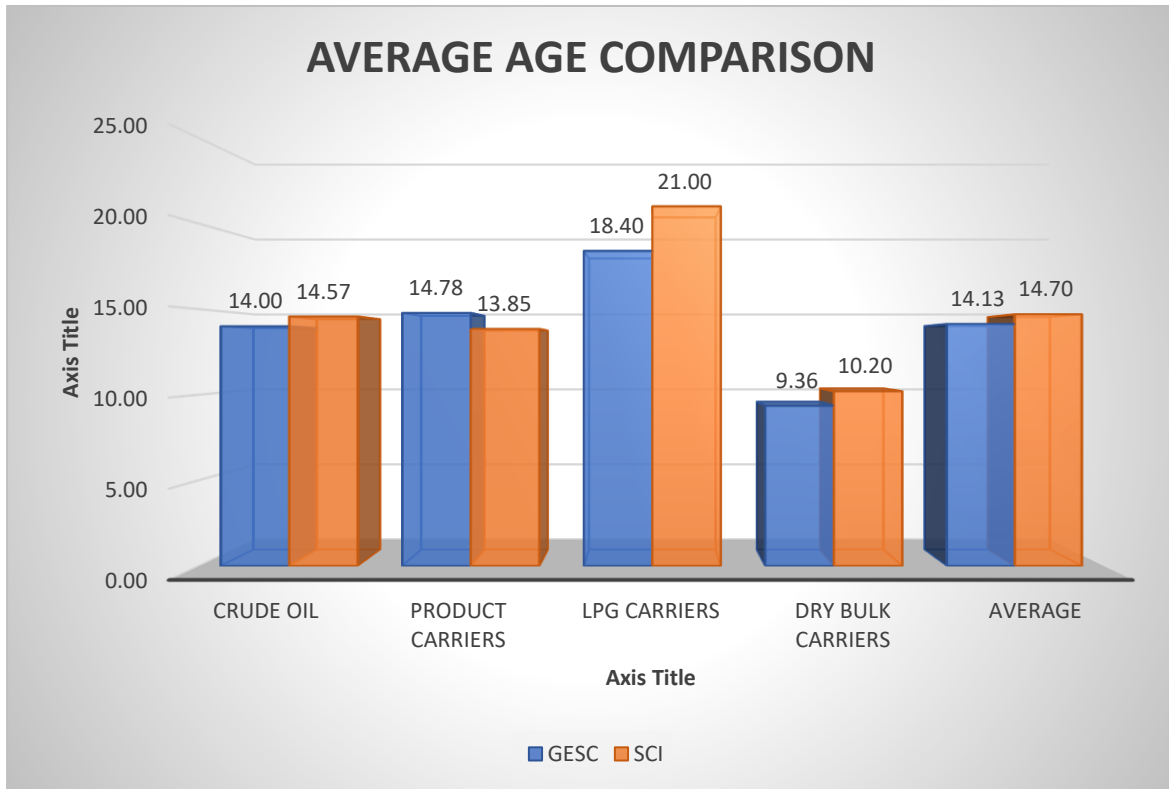


Source: GESC Website

Fig 2.5

Comparing both the companies we can see that SCI has more capacity of Crude Oil Carrying vessels of 32,31,602 DWT which consists of both Normal crude carrying vessels and VLCC's. In the other segments like product carriers, LPG carriers and Dry bulk carriers GESC has more capacity when compared to SCI.

## 2.7.2 AVERAGE AGE COMPARISON



Source: GESC Website

Fig 2.6

The average age of vessels is almost similar with both the companies but the GESC has a younger fleet when compared to SCI. The average age of SCI is higher maybe because of the possession of 1 gas tanker which has a mean age of 21. The LPG carriers are the oldest among both companies' fleet with SCI having the highest of 21 Years. And the youngest ones are the Dry bulk carriers and GESC has 9.36 the lowest of both companies.

**CHAPTER 3**  
**FIANANCIAL PERFORMANCE**

**3.1 SHIPPING CORPORATION OF INDIA LTD.**

**3.1.1 REVENUE FROM OPERATIONS**

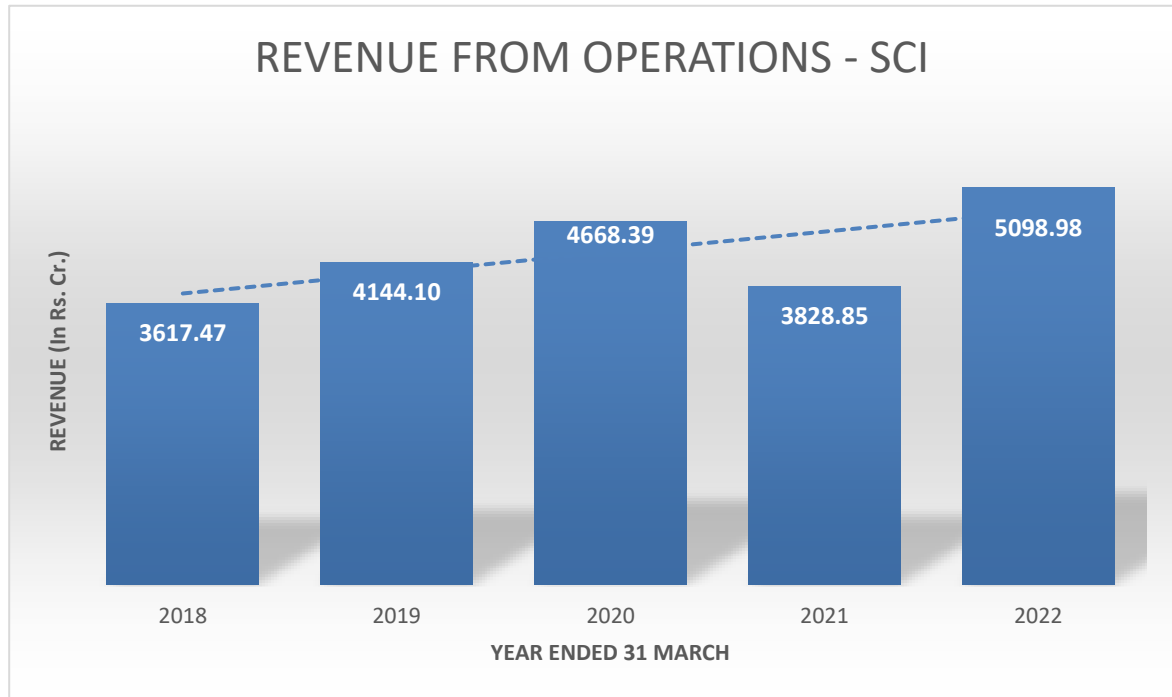


Fig 3.1

YoY Revenue from operations of SCI clearly shows that there is a good amount of business going on for it. It has earned Rs. 5098.98 Cr as revenue from operations for the year 2022. In 2021 the revenue from operation dropped almost 18% from Rs. 4668.39 Cr. during 2020 to Rs. 3828.25 Cr in 2021.

### 3.1.2 PROFIT/LOSS

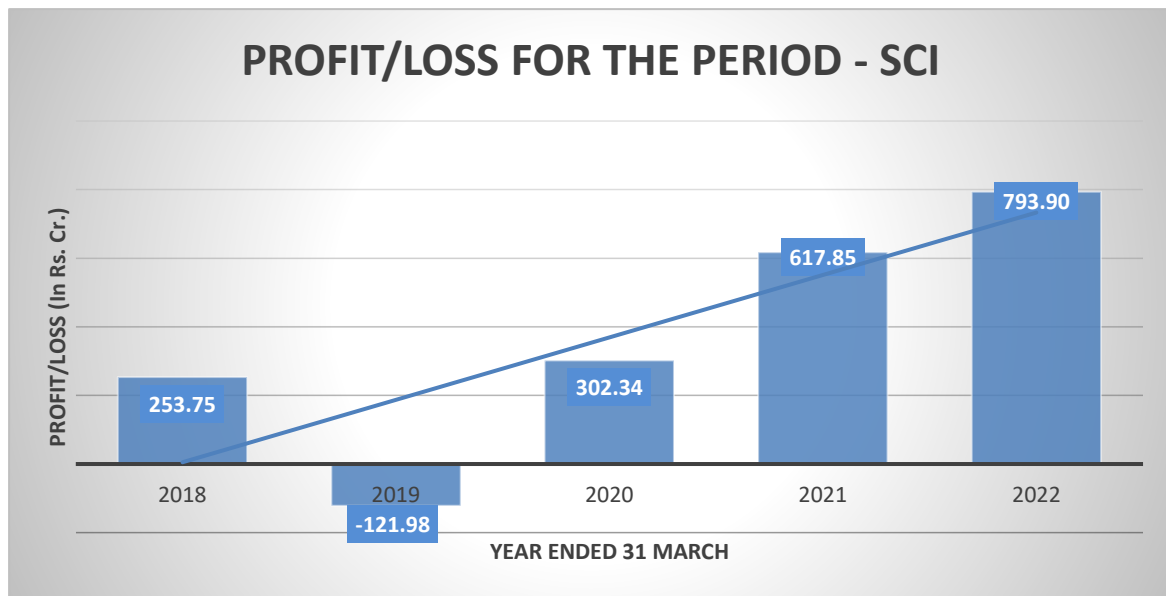


Fig 3.2

Profit & Loss account of SCI is rising steadily after the Rs. 121.98 Cr loss in 2019. There is an 22% increase in profit of Rs. 176.05 Cr. The increase in profit is an indicator that the market demand for goods is increased which has a positive correlation towards shipping.

## 3.2 PROFITABILITY RATIOS.

### 3.2.1 RETURN ON EQUITY

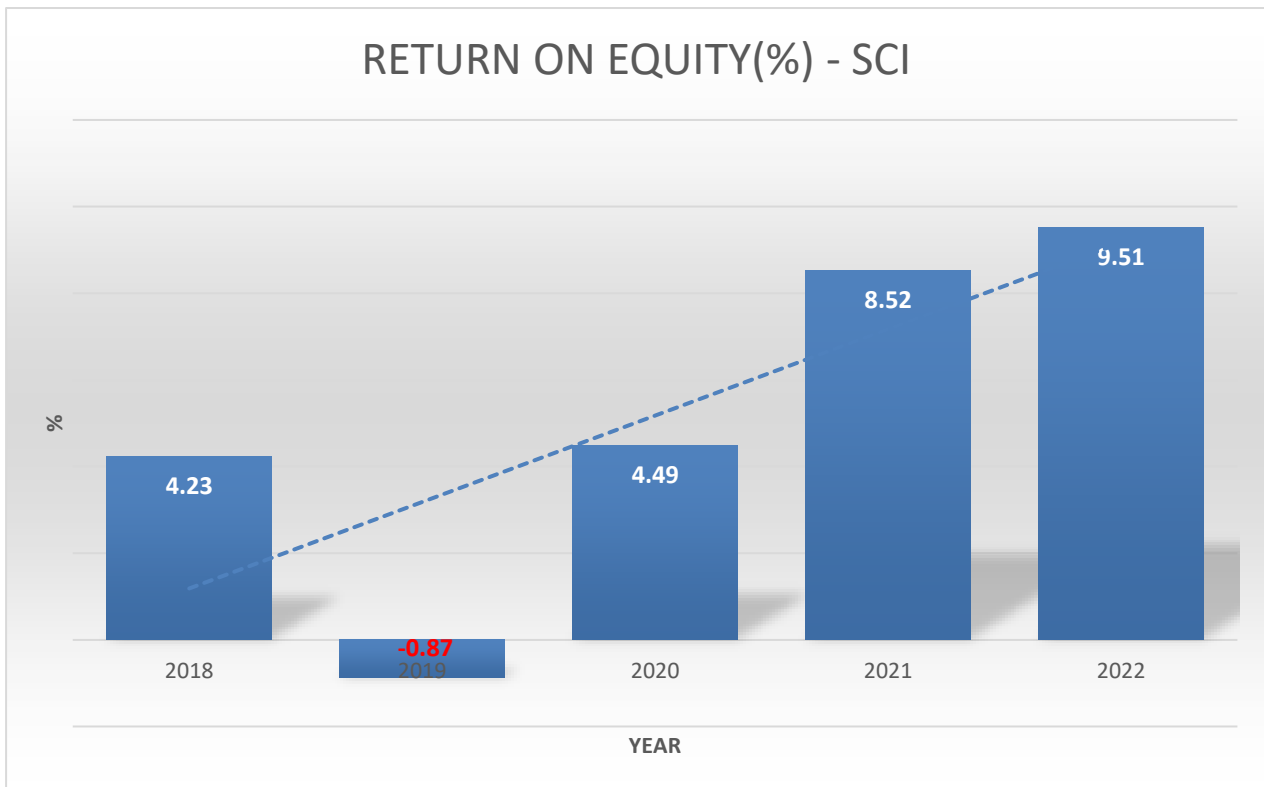


Fig 3.3

Return on Equity of SCI for the year is 9.51%. This indicates that the shareholders get 9.5% returns to the equity shares they hold. Which is decent rate of return.

### 3.2.2 RETURN ON CAPITAL EMPLOYED

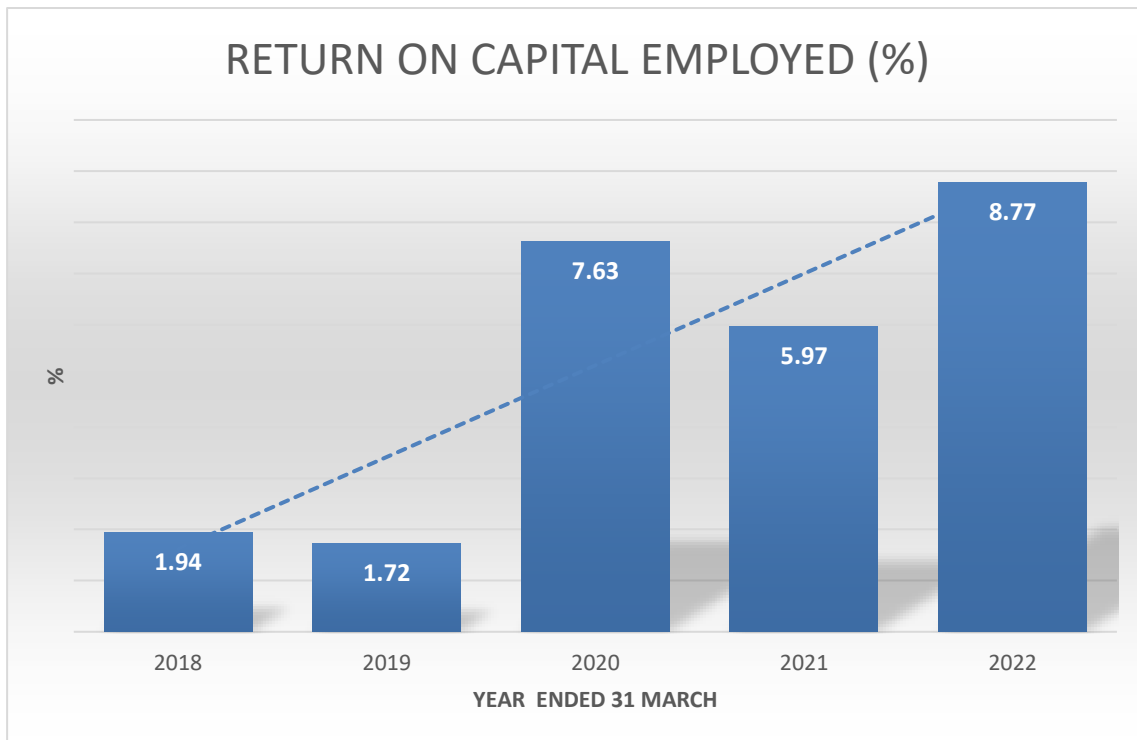


Fig 3.4

Return on Capital employed (ROCE) shows how much return you get for the capital you invested. As of the Year ended 31 March 2022 the ROCE is 8.7%. Always higher ROCE is preferred and shareholders are getting higher ROCE when compared to 2021.

### 3.2.3 RETURN ON ASSET

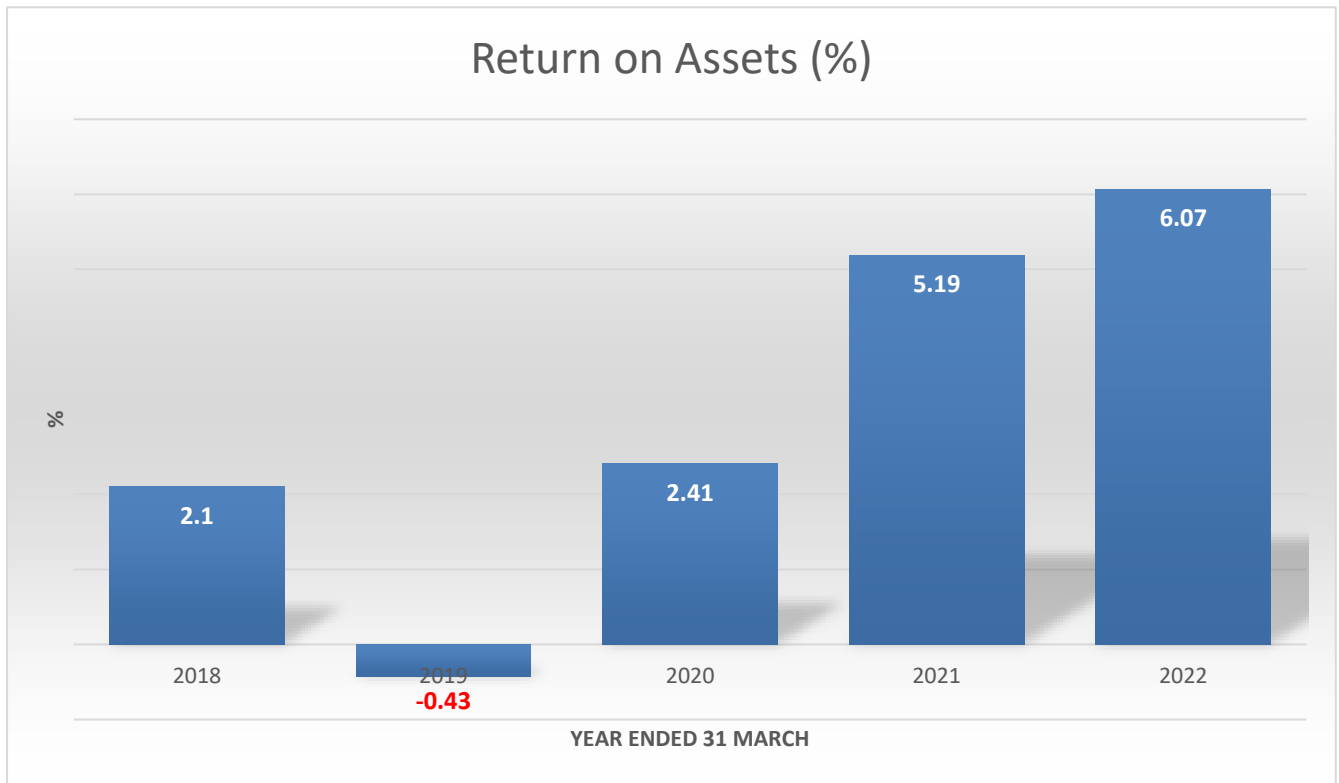


Fig 3.5

Higher the return on Asset (ROA) the better. During the period 2022 SCI gave a return of 6.07% which is higher than that of the year 2021. During 2019 it gave a negative return on asset of 0.43% because of the loss it incurred during the year.

### 3.2.4 DEBT/EQUITY RATIO

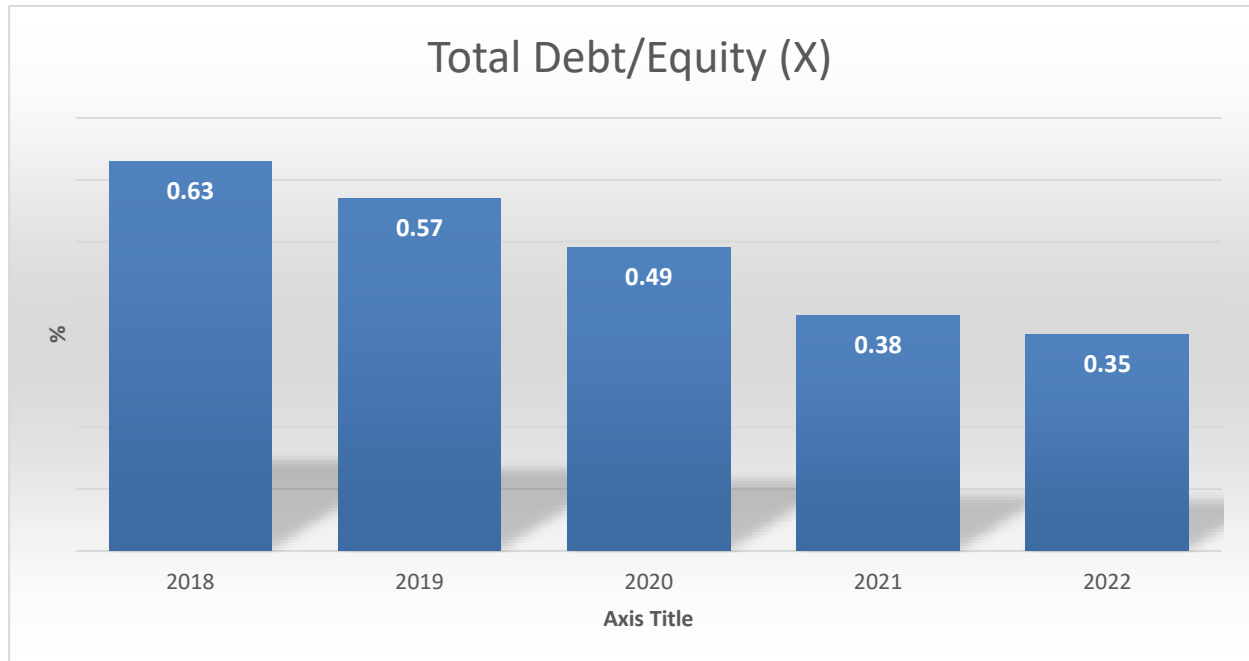


Fig 3.5

Debt-Equity ratio lower are considered better because that will be less risky. So, YoY Debt-Equity ratio is decreasing which is a good indicator. During the year 2022 the year 2022 the D/E ratio is 0.35 which means that for every 1 Rs equity there is 0.35 Rs debt. It means the company's operations are less risky and it also implies that lower the debt lower will the be the financial leverage the company has.

### 3.3 LIQUIDITY RATIOS

#### 3.3.1 CURRENT RATIO

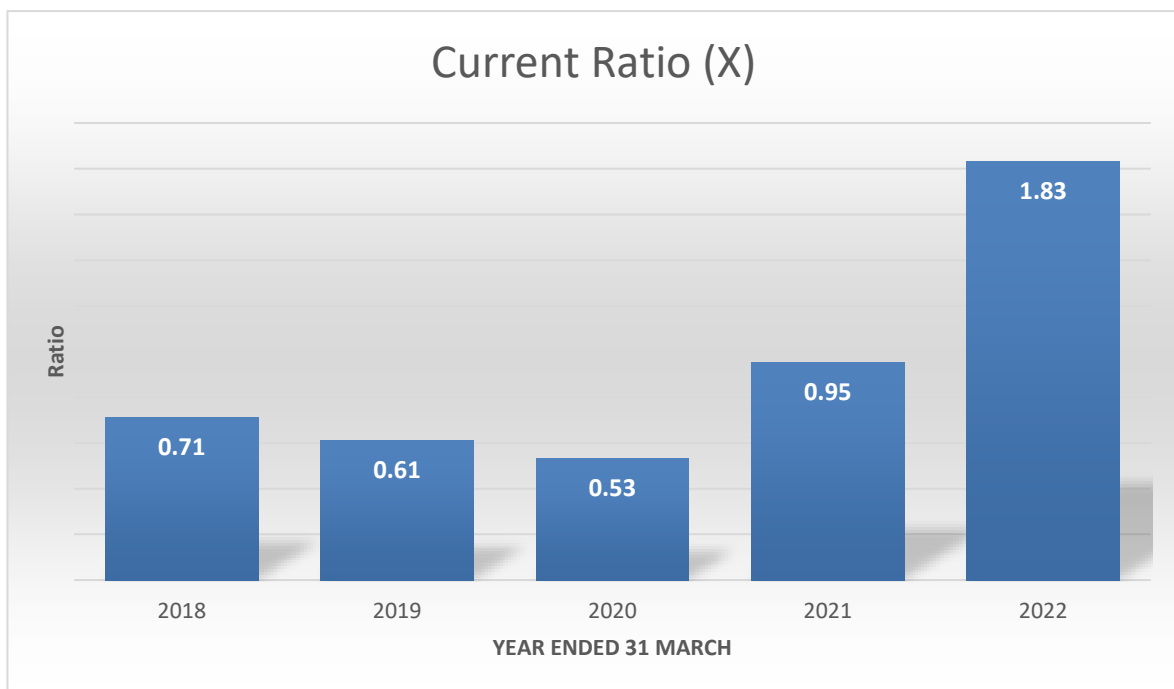


Fig 3.6

Higher current ratio is considered better because it means that the company has more cash to pay off its liabilities. For the year 2022 the current ratio of SCI was 1.83 which means it has 1.83 times its liabilities in asset. Though higher current ratio means that the firm has excess current assets which is not properly utilized. Current ratio under 3 can be considered good and SCI has 1.83 which is decent.

### 3.3.2 DIVIDEND PAYOUT RATIO

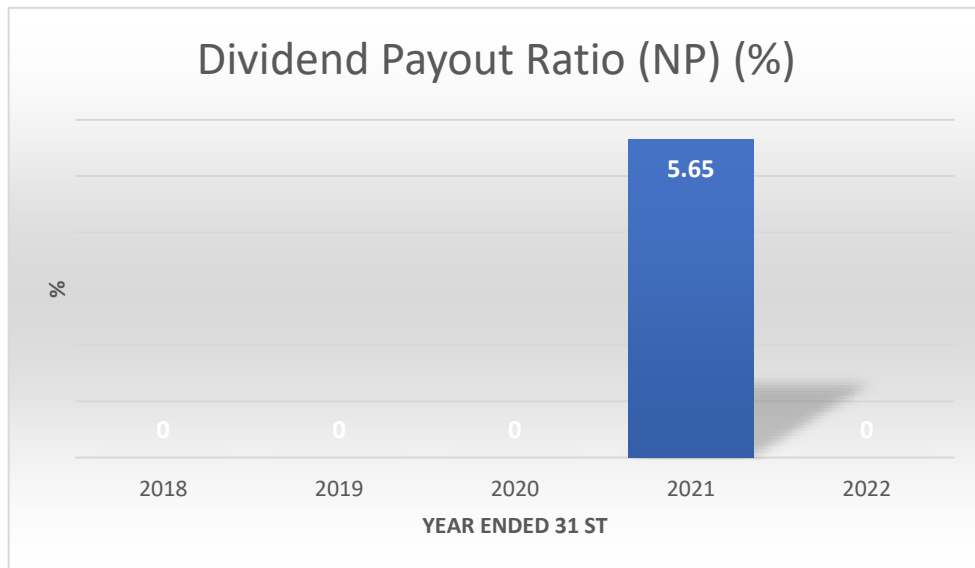


Fig 3.7

Shipping corporation of India has only issued dividend once in 2021 straight out of their net profits in the last 5 years. This would be one of the reason why SCI's shares are not preferred by share market investors. SCI may have declared dividends but their payment straight out of Net profits for the year 2021 were only 5.65%.

### 3.3.3 EARNINGS RETENTION RATIO.

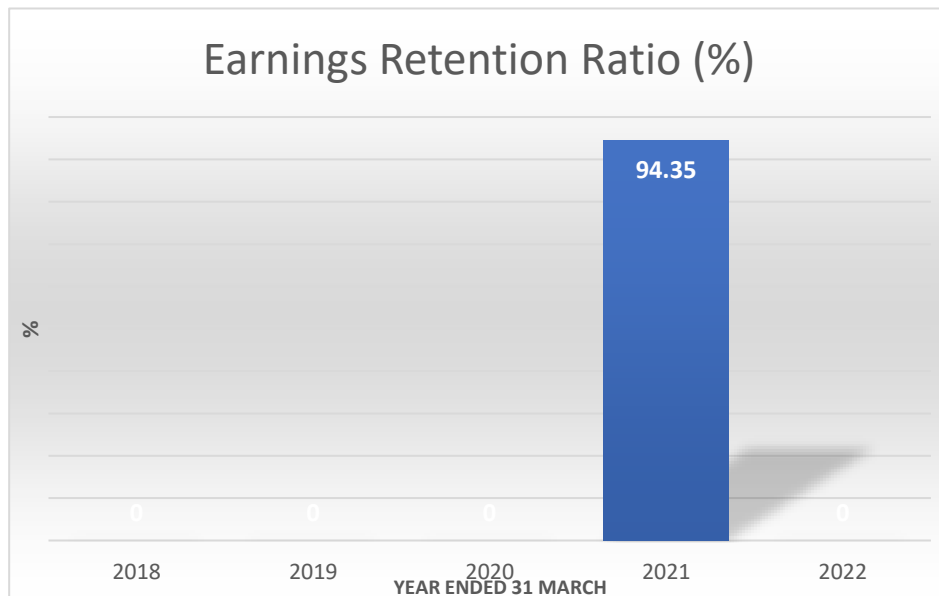


Fig 3.8

During the year 2021 SCI retained 94.35% of their net profits.

### 3.4 VALUATION RATIOS

#### 3.4.1 EARNINGS YIELD

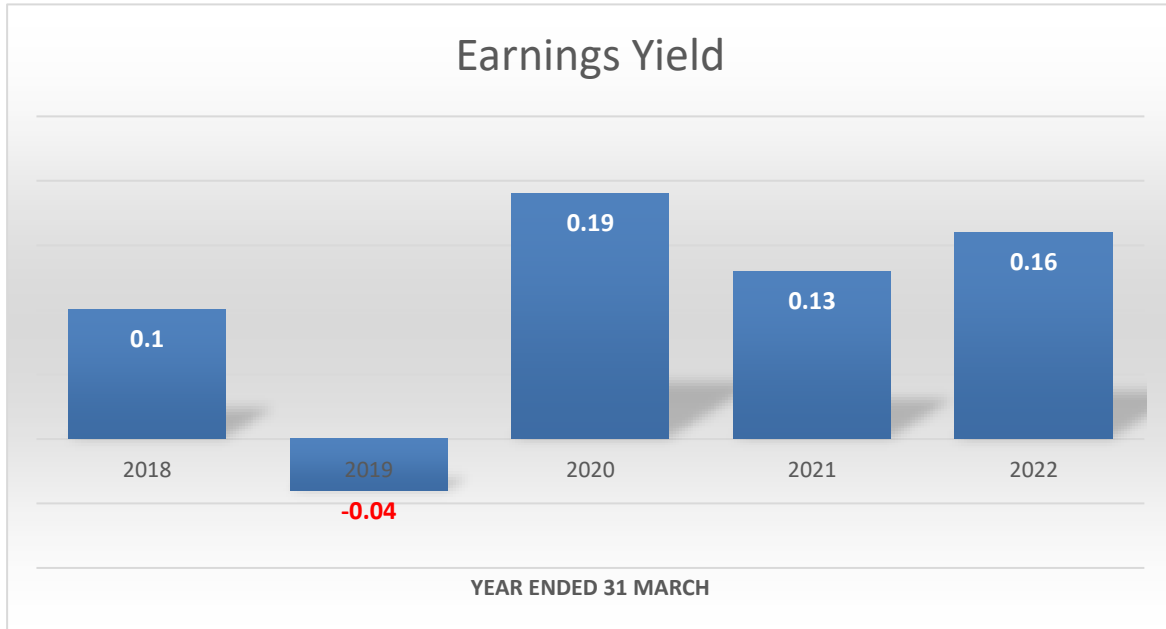


Fig 3.9

A stock with higher earnings yield indicates that the company will give a higher rate of return. Here SCI has an earnings yield of 0.16 during the year 2022. It had better return during the year 2020. SCI had a negative return during the year 2019 which means that the company is not earning enough to keep up with inflation rate.

## 3.5 PER SHARE RATIOS

### 3.5.1 Basic EPS

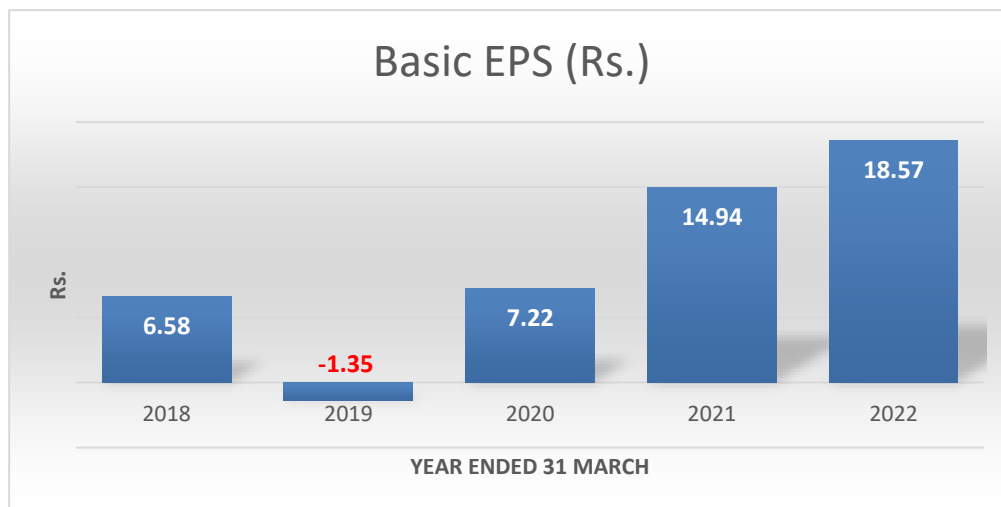


Fig 3.10

During the year 2022 SCIs shareholders have got Rs. 18.57 as earning. Basic EPS is calculated by dividing Profit After tax divided by Shares outstanding. The earnings have almost tripled from the year 2018 where it was 6.58 Rs. and it is 18.57 Rs in 2022.

## 3.6 GREAT EASTERN SHIPPING COMPANY LTD.

### 3.6.1 REVENUE FROM OPERATIONS

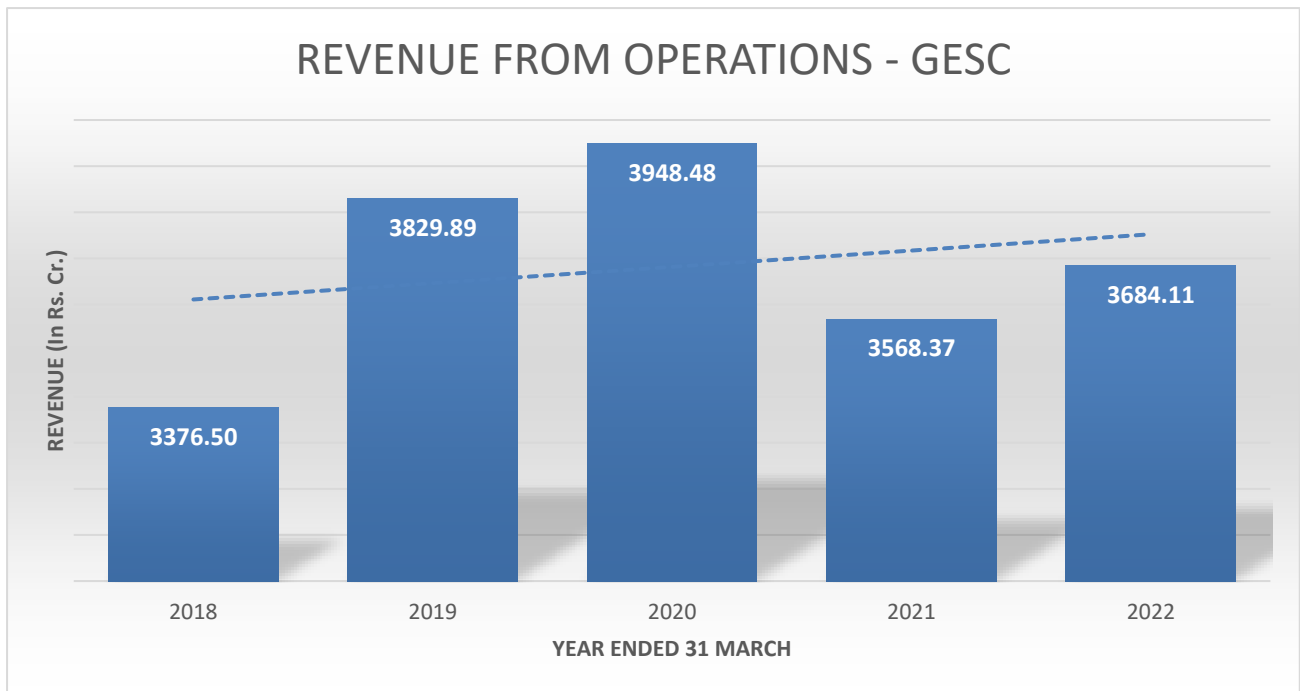


Fig 3.11

SCI had a revenue of Rs. 3684.11 Cr. during the financial year ended 31 March 2022. The company had the highest revenue during the year 2020. The revenue from operations plunged during 2021 by Rs. 380.11 Cr and it has grown in 2022 as well.

### 3.6.2 PROFIT/LOSS

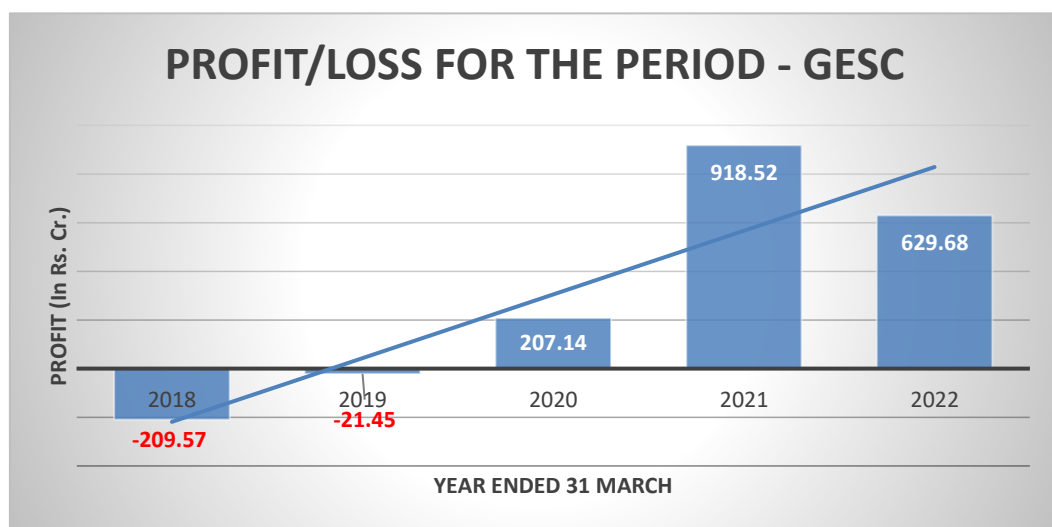


Fig 3.12

SCI had a profit of Rs. 692.68 Cr which is comparatively lesser than that of the year

2021 where it had Rs. 918.52 Cr. During 2018 it had Rs. 209.57 Cr. loss from which it rose to the current profit of Rs. 629.68 Cr.

### 3.7 PROFITABILITY RATIOS

#### 3.7.1 RETURN ON EQUITY

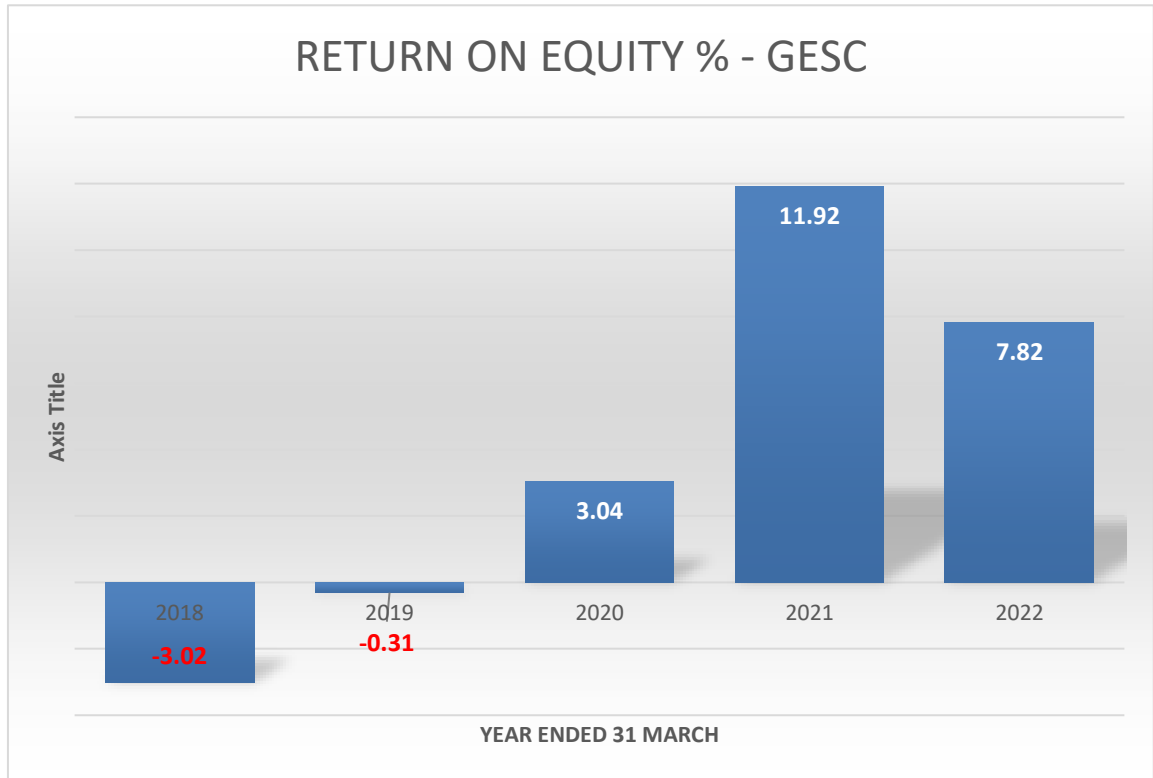


Fig 3.13

Return on Equity of GESC for the year is 7.82%. This indicates that the shareholders get 7.8% returns to the equity shares they hold. Which when compared to the year 2021 is less. During 2021 it had 11.92% return on Equity.

### 3.7.2 RETURN ON CAPITAL EMPLOYED

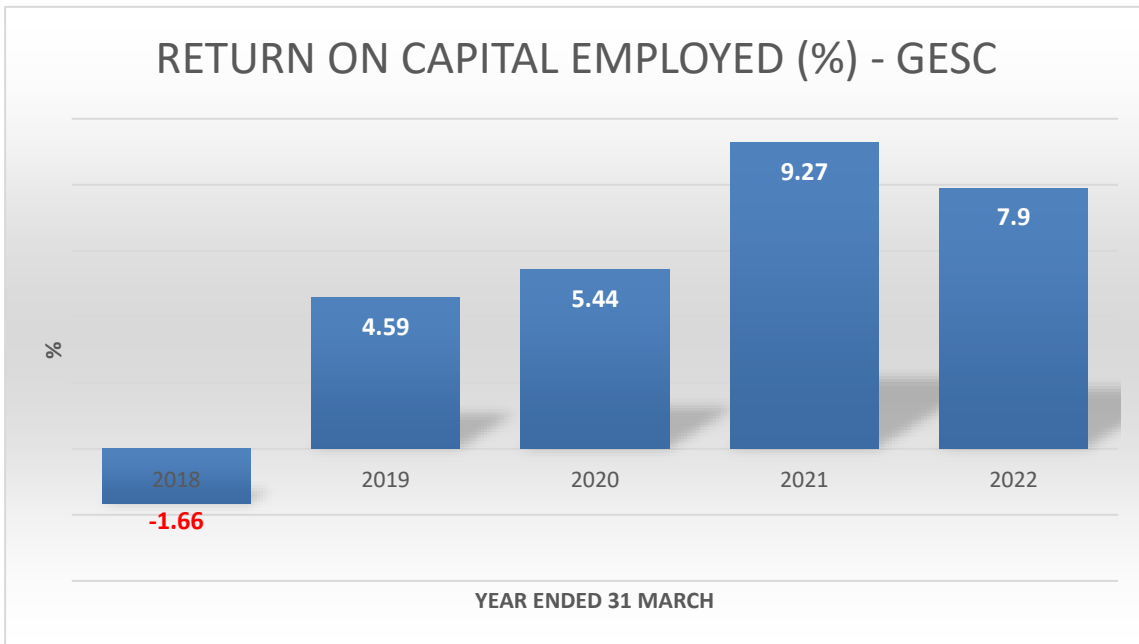


Fig 3.14

Return on Capital employed (ROCE) shows how much return you get for the capital you invested. As of the Year ended 31 March 2022 the ROCE is 7.9 %. Always higher ROCE is preferred and shareholders are getting lower ROCE when compared to 2021. During 2018 the ROCE of GESC was Negative 1.66%.

### 3.7.3 RETURN ON ASSET

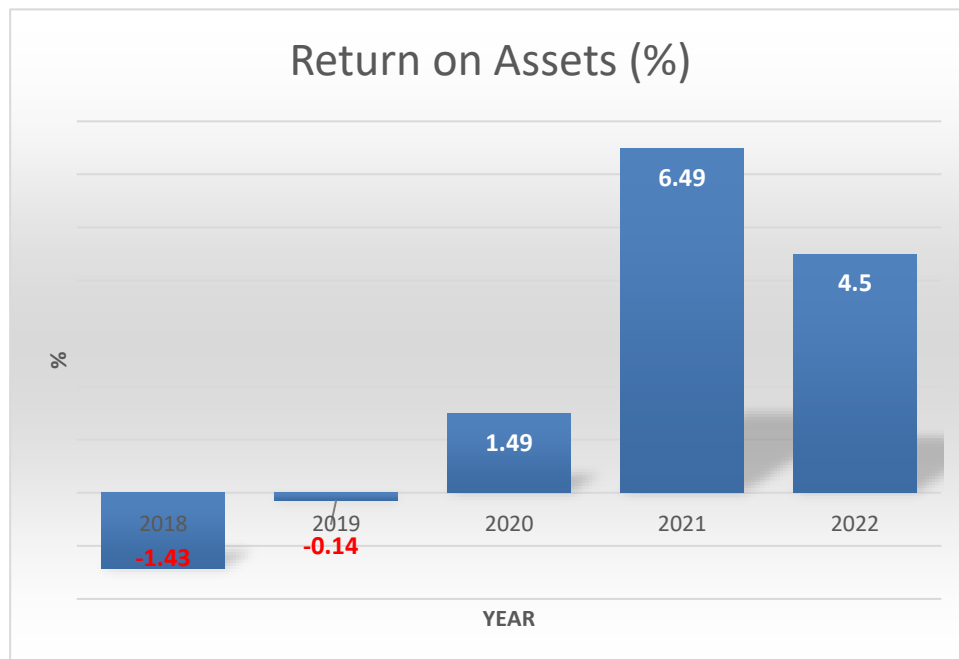


Fig 3.15

Higher the return on Asset (ROA) the better. During the period 2022 GESC gave a return of 4.5% which is higher than that of the year 2021. During 2019 and 2018 it gave a negative return on asset of 0.14% and 1.43 respectively because of the loss it incurred during the year 2018 and 2019.

### 3.7.4 TOTAL DEBT/EQUITY

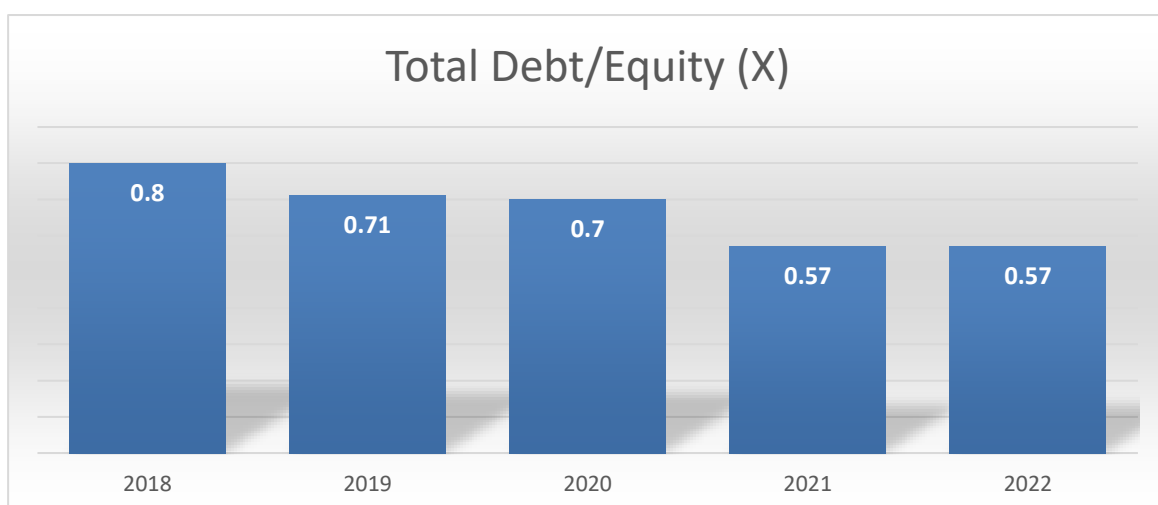


Fig 3.16

Debt-Equity ratio lower are considered better because that will be less risky. So, YoY Debt-Equity ratio is not decreasing at least for the immediate last 2 years. Here it is constant for the year 2021 and 2021 with D/e ratio being 0.57. During the year 2022 D/E ratio is 0.35 which means that for every 1 Rs equity there is 0.57 Rs debt. It means the company's operations are less risky and it also implies that lower the debt lower will be the the financial leverage the company has.

### **3.8 LIQUIDITY RATIO**

#### **3.8.1 CURRENT RATIO**

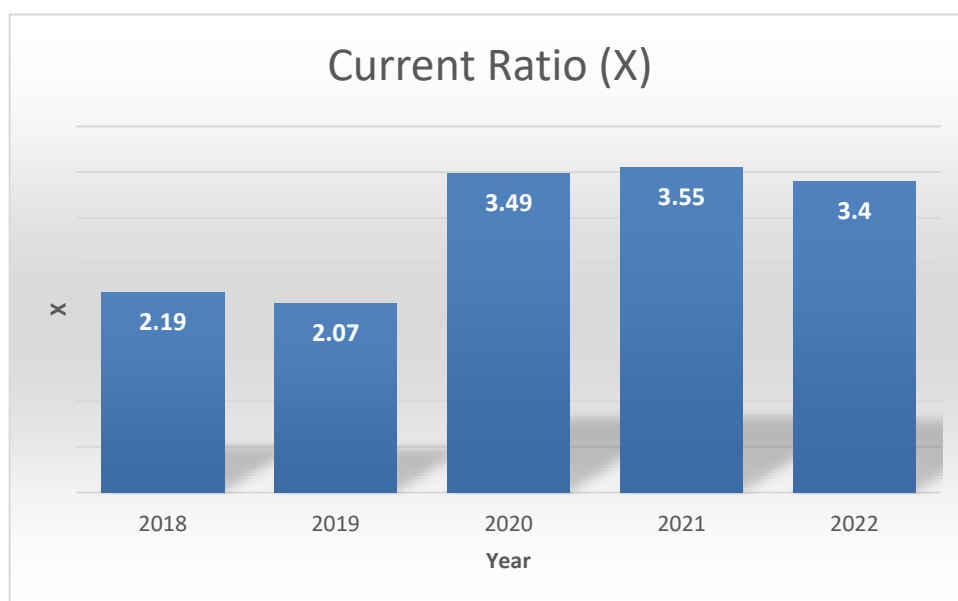


Fig 3.17

Higher current ratio is considered better because it means that the company has more cash to pay off its liabilities. For the year 2022 the current ratio of GESC was 3.4 which means it has 3.4 times its assets in liabilities. Though higher current ratio means that the firm has excess current assets which is not properly utilized. Current ratio under 3 can be considered good and GESCI has 3.4 which is little high.

### 3.8.2 DIVIDEND PAYOUT RATIO

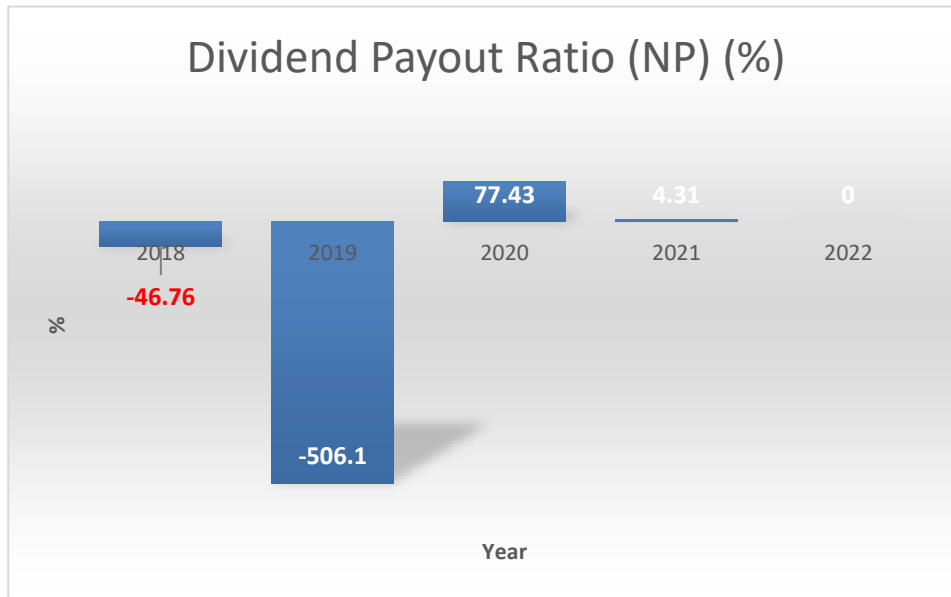


Fig 3.18

GESC has paid 77.43% of its net profit as dividend during the year 2020.

### 3.8.3 EARNINGS RETENTION RATIO

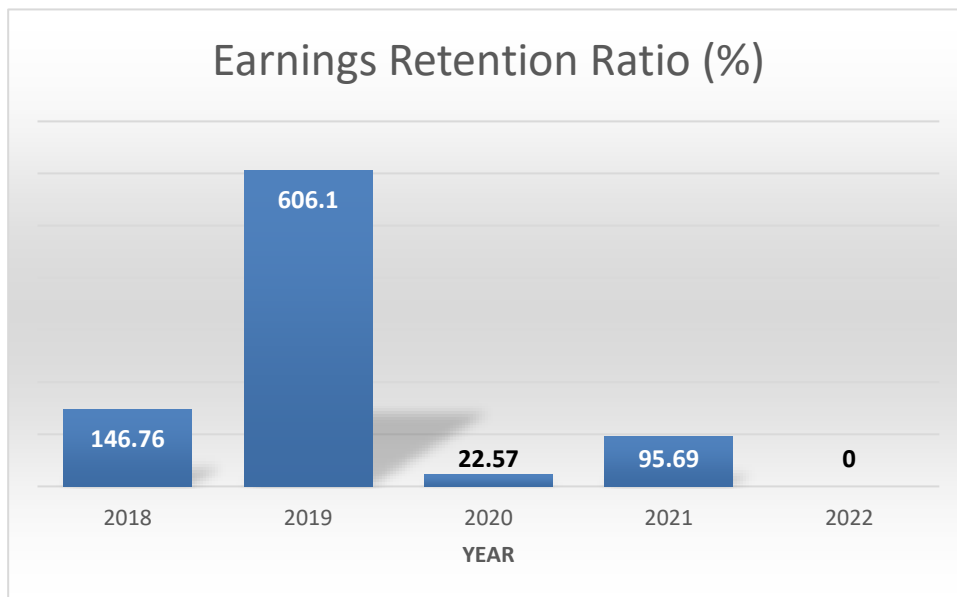


Fig 3.19

GESC has retained 95.69% of its net profit during the year 2020 and 606.1% in 2019 which is the highest.

### 3.9 VALUATION RATIO

#### 3.9.1 EARNINGS YIELD

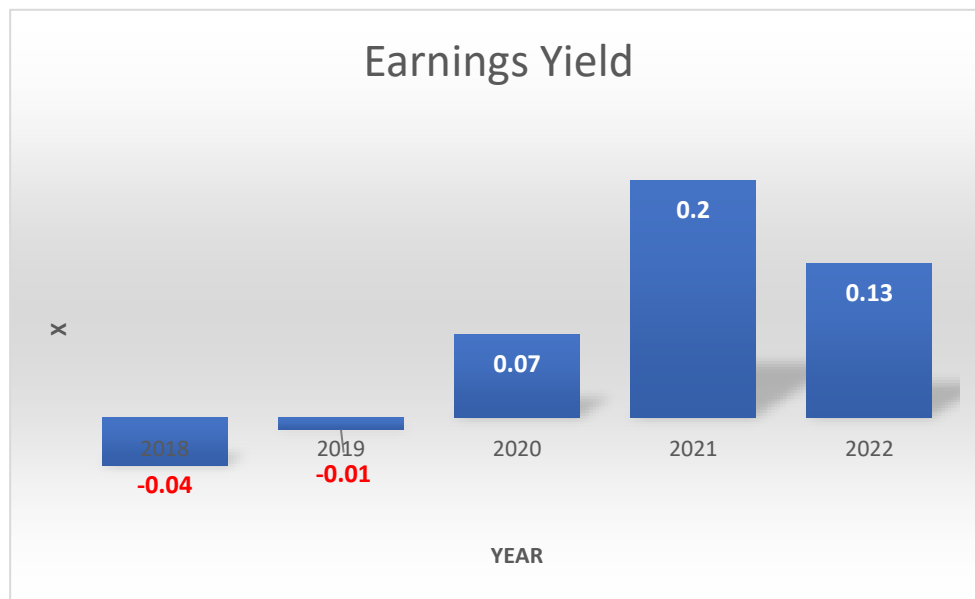


Fig 3.20

A stock with higher earnings yield indicates that the company will give a higher rate of return. Here GESC has an earnings yield of 0.13 during the year 2022. It had better return during the year 2020. GESC had an negative returns during the year 2018 and 2019 which means that the company is not earning enough to keep up with inflation rate.

### 3.10 PER SHARE RATIO

#### 3.10.1 BASIC EPS

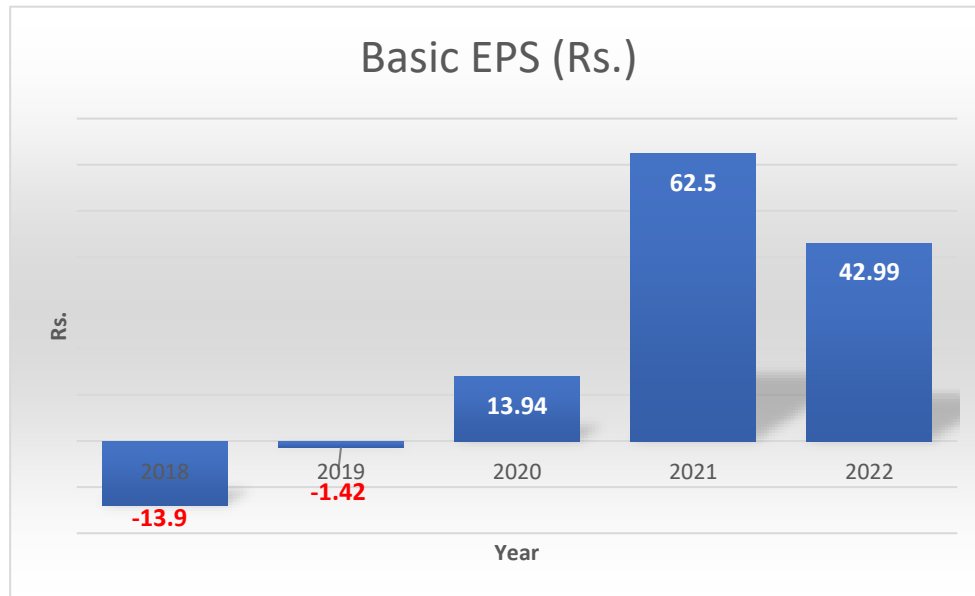


Fig 3.21

During the year 2022 GESC's shareholders have got Rs. 42.99 as earning. Basic EPS is calculated by dividing Profit After tax divided by Shares outstanding. The earnings have reduced to 42.99 from the year 2021 where it was 62.5 Rs. and it is 42.99 Rs in 2022.

### 3.11 COMPARING FINANCIAL PERFORMANCE OF SELECTED COMPANIES

#### 3.11.1 REVENUE FROM OPERATIONS

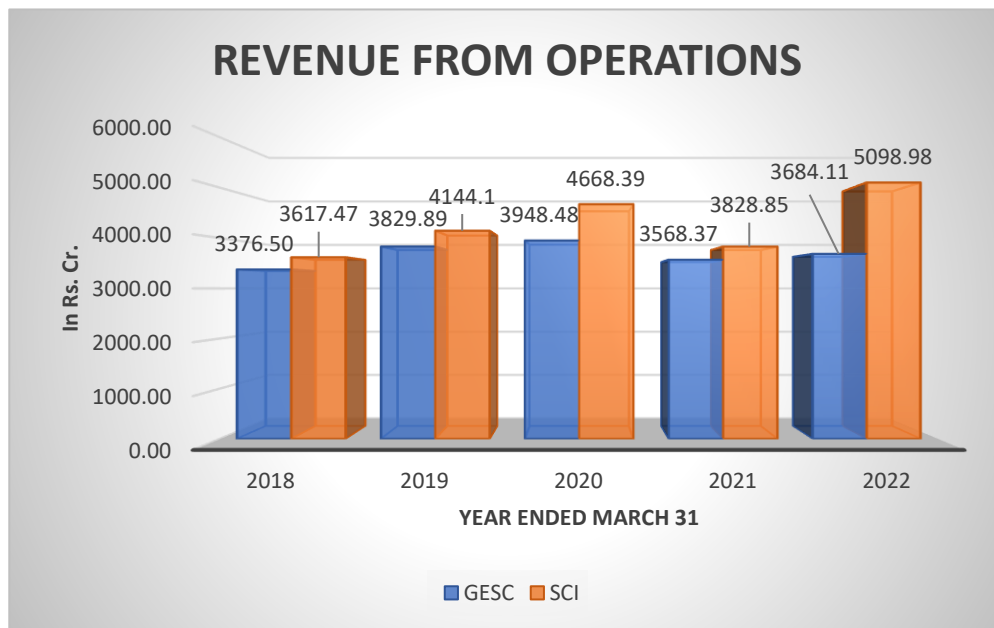


Fig 3.22

It is evident from the graphs that SCI has better revenue from operation for the past 5 years. The revenue from operations during 2021-22 was higher for SCI which had Rs. 5098.98 Cr.

#### 3.11.2 PROFIT/LOSS FOR THE PERIOD

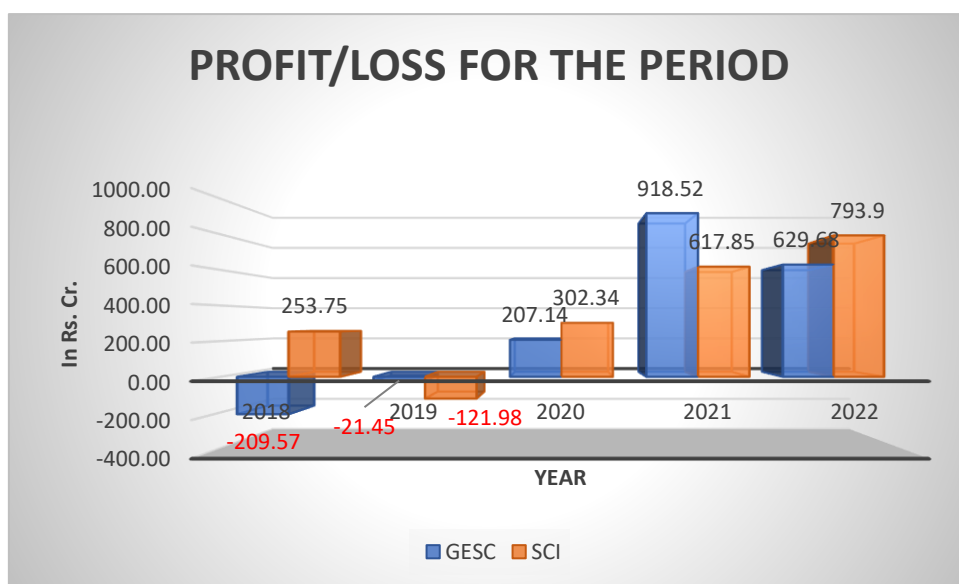


Fig 3.23

Profits of SCI during 2022 is Rs. 793.9 Cr. which is better than GESC which only has 43

Rs. 629.68 Cr. But during the year of 2021 GESC's profit was Rs. 918.52 Cr. which is the highest when comparing the both companies for the last 5 years.

### 3.12 PROFITABILITY RATIOS

#### 3.12.1 RETURN ON EQUITY.

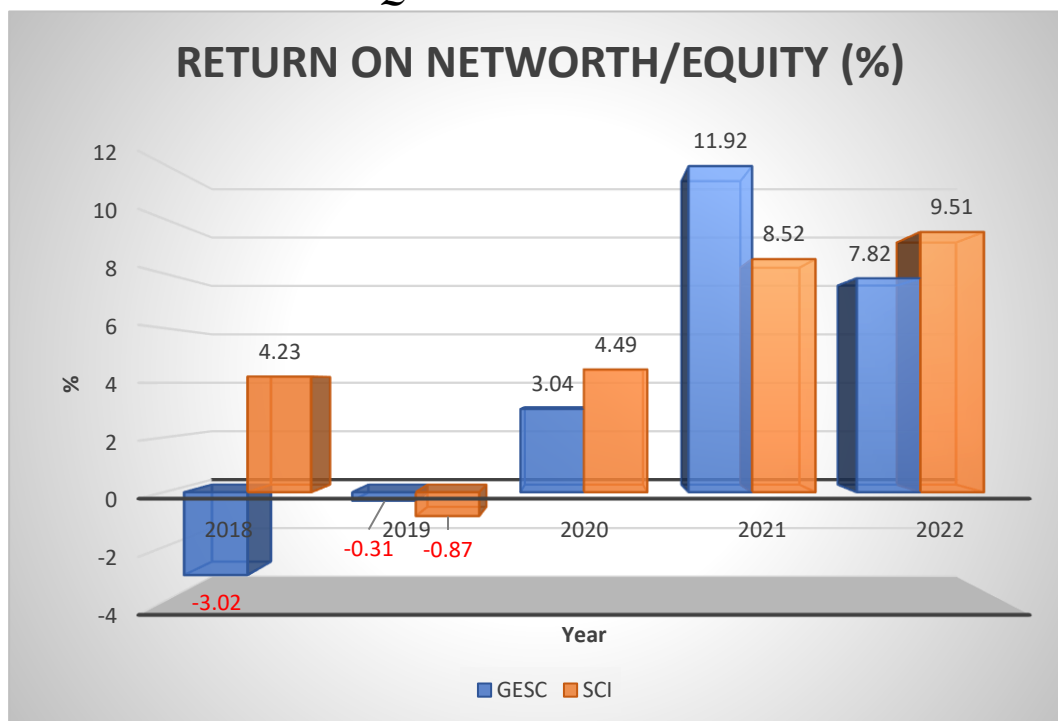


Fig 3.24

Return on Equity of SCI for the year 2022 is 9.51%. This indicates that the shareholders get 9.51% returns to the equity shares they hold. Which when compared to the year 2021 is less. During 2021 it had 8.52% return on Equity. Return on Equity of GESC for the year is 7.82%. This indicates that the shareholders get 7.8% returns to the equity shares they hold. Which when compared to the year 2021 is less. During 2021 it had 11.92% return on Equity. GESC had Negative return on equity for the year 2018 and 2019 where as SCI only had it for 2019.

### 3.12.2 RETURN ON CAPITAL EMPLOYED

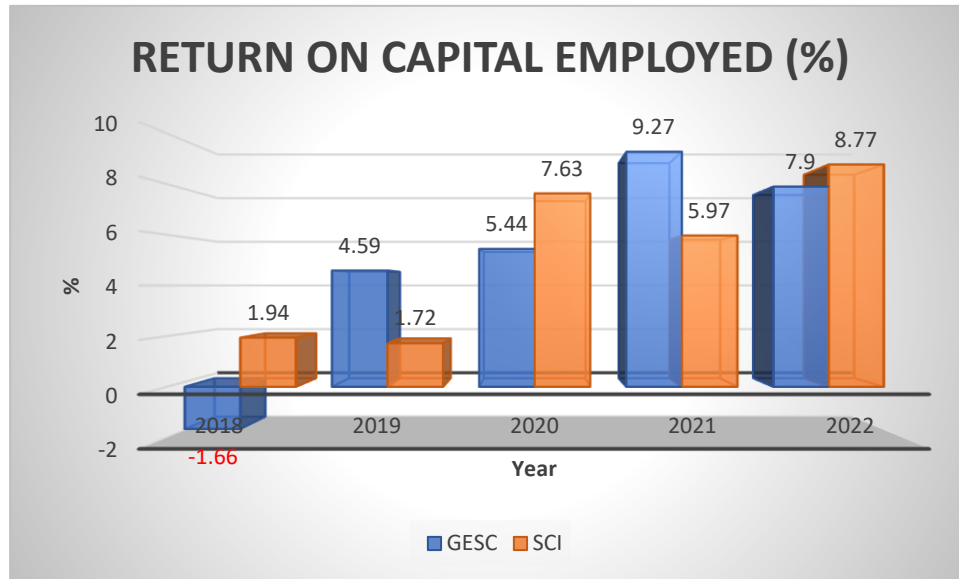


Fig 3.25

Return on Capital employed (ROCE) shows how much return you get for the capital you invested. As of the Year ended 31 March 2022 the ROCE of SCI is 8.7%. Always higher ROCE is preferred and SCI shareholders are getting higher ROCE when compared to 2021. GESC's ROCE is 7.9% in 2022 which is lesser than the year 2021. So here SCI has a better ROCE Ratio.

### 3.12.3 RETURN ON ASSET

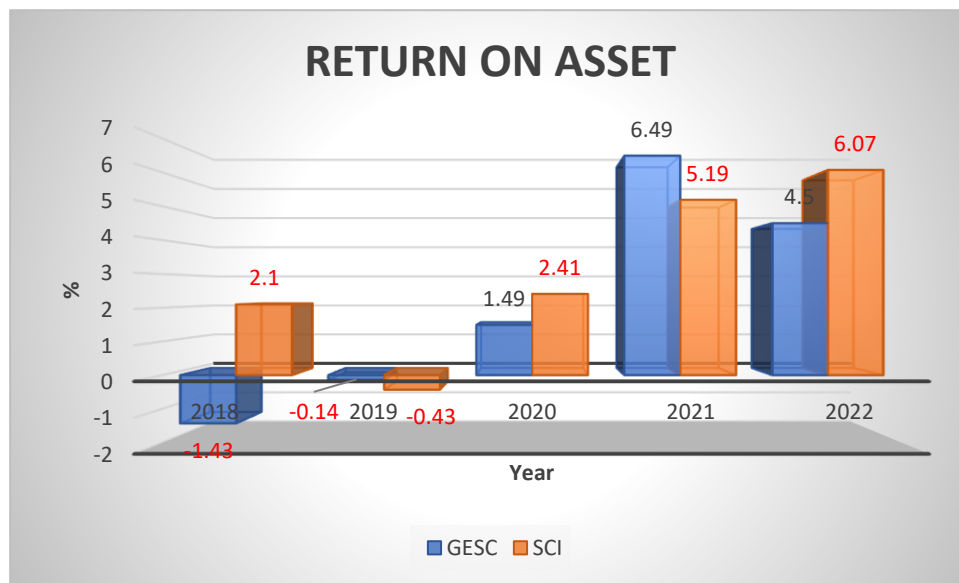


Fig 3.26

Higher the return on Asset (ROA) the better. During the period 2022 SCI gave a return of 6.07% which is higher than that of the year 2021. During 2019 it gave a negative return on asset of 0.43% because of the loss it incurred during the year. During the period 2022 GESC gave a return of 4.5% which is higher than that of the year 2021. During 2019 and 2018 it gave a negative return on asset of 0.14% and 1.43 respectively because of the loss it incurred during the year 2018 and 2019. So SCI has better return on asset ratio.

### 3.12.4 TOTAL DEBT/EQUITY

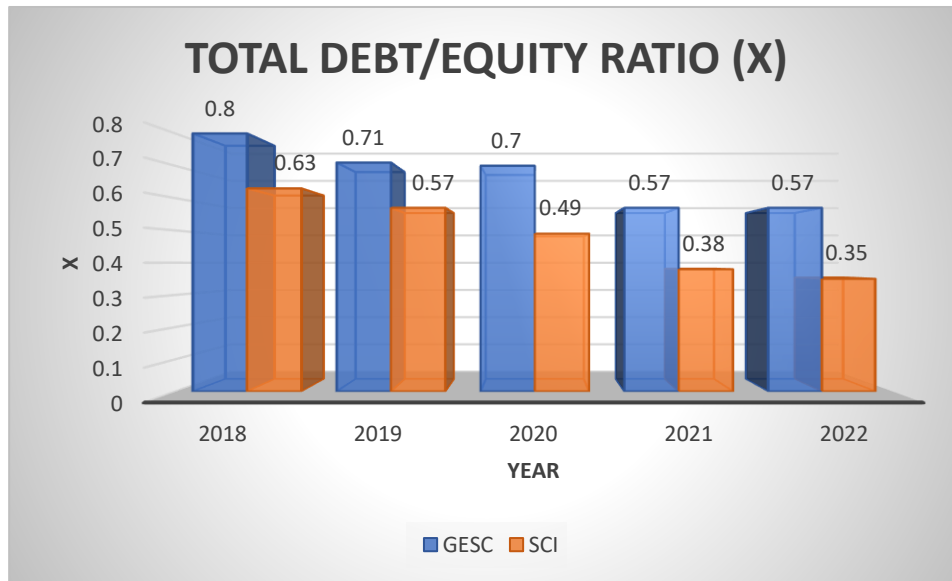


Fig 3.27

Debt-Equity ratio lower are considered better because that will be less risky. So, YoY Debt-Equity ratio is not decreasing at least for the immediate last 2 years. Here it is constant for the year 2021 and 2021 with D/e ratio being 0.57. During the year 2022 D/E ratio is 0.35 which means that for every 1 Rs equity there is 0.57 Rs debt. It means the company's operations are less risky and it also implies that lower the debt lower will be the the financial leverage the company has. Debt-Equity ratio of GESC is also decreasing which is a good indicator. During the year 2022 the year 2022 the D/E ratio is 0.35 which means that for every 1 Rs equity there is 0.35 Rs debt. It means the company's operations are less risky and it also implies that lower the debt lower will be the financial leverage the company has.

### 3.13 LIQUIDITY RATIO

#### 3.13.1 CURRENT RATIO

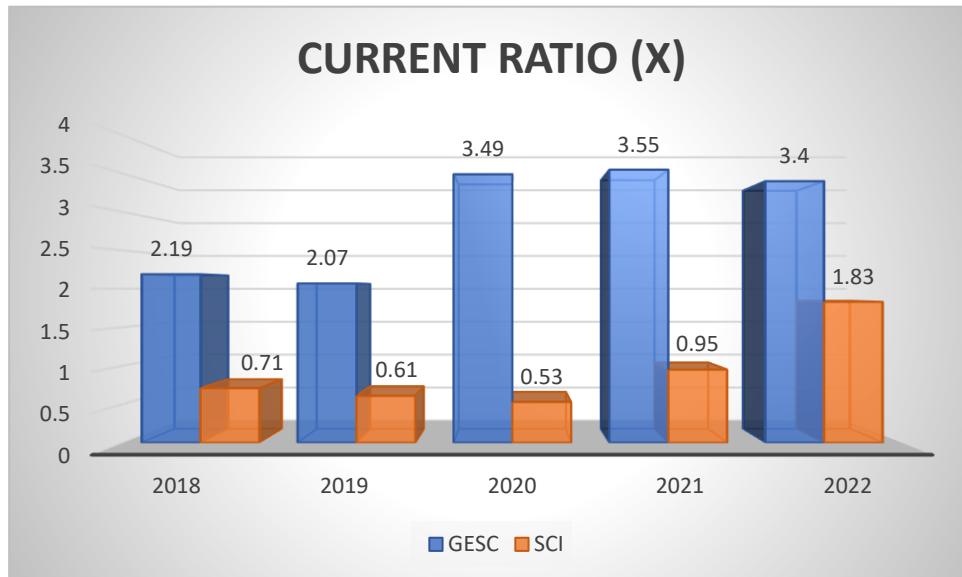


Fig 3.28

Higher current ratio is considered better because it means that the company has more cash to pay off its liabilities. For the year 2022 the current ratio of SCI was 1.83 which means it has 1.83 times its assets for liabilities. Though higher current ratio means that the firm has excess current assets which is not properly utilized. Current ratio under 3 can be considered good and SCI has 1.83 which is decent. For the year 2022 the current ratio of GESC was 3.4 which means it has 3.4 times its assets in liabilities. Though higher current ratio means that the firm has excess current assets which is not properly utilized. Current ratio under 3 can be considered good and GESC has 3.4 which is little high. So here GESC is having more current assets to meet out its liabilities than SCI.

### 3.13.2 DIVIDEND PAYOUT RATIO

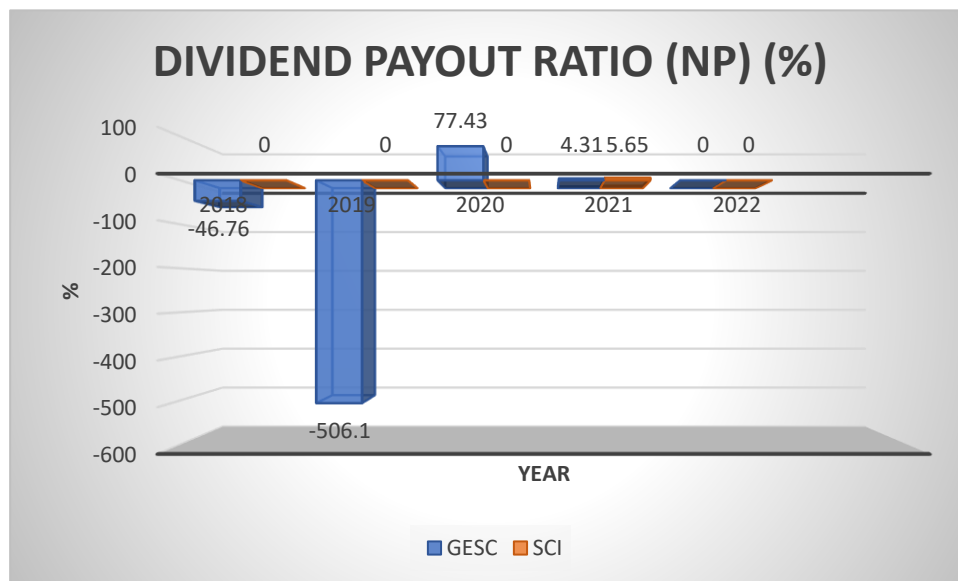


Fig 3.29

Shipping corporation of India has only issued dividend once in 2021 straight out of their net profits in the last 5 years. This would be one of the reason why SCI's shares are not preferred by share market investors. SCI may have declared dividends but their payment straight out of Net profits for the year 2021 were only 5.65%. GESC has paid 77.43% of its net profit as dividend during the year 2020. So GESC has better dividend payout ratio compared to SCI. that's why GESC shares are preferred in share market.

### 3.13.3 EARNINGS RETENTION RATIO

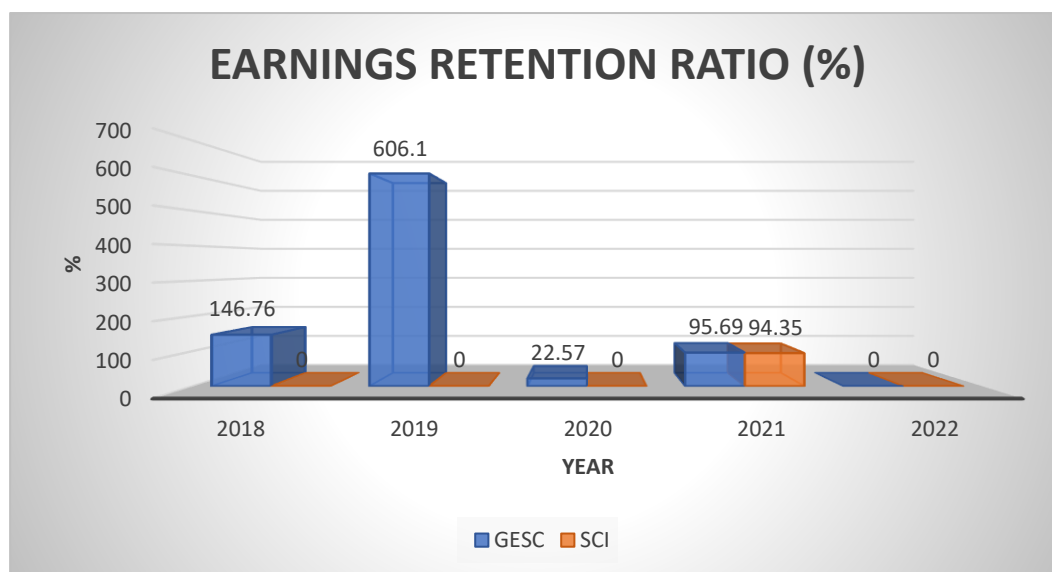


Fig. 3.30

During the year 2021 SCI retained 94.35% of their net profits. GESC has retained 95.69% of its et profit during the year 2020 and 606.1% in 2019 which is the highest. GESC has better earnings retention ratio.

### 3.14 VALUATION RATIO

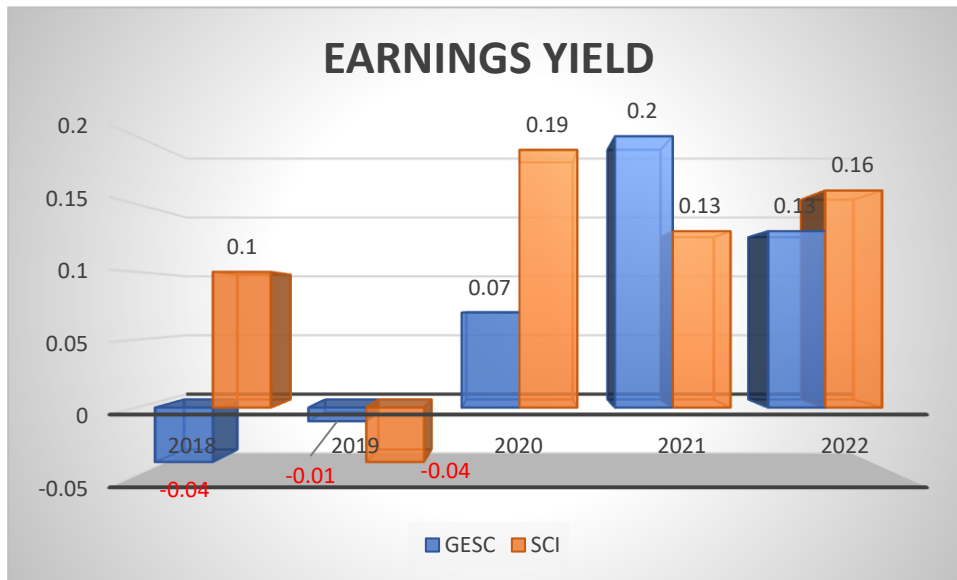


Fig 3.31

A stock with higher earnings yield indicates that the company will give a higher rate of return. Here GESC has an earnings yield of 0.13 during the year 2022. It had better return during the year 2020. GESC had a negative return during the year 2018 and 2019.

Here GESC has an earnings yield of 0.13 during the year 2022. It had better return during the year 2020. GESC had a negative return during the year 2018 and 2019 which means that the company is not earning enough to keep up with inflation rate. So SCI has better Earnings Yield during the year 2022.

### 3.15 PER SHARE RATIO

#### 3.15.1 BASIC EPS

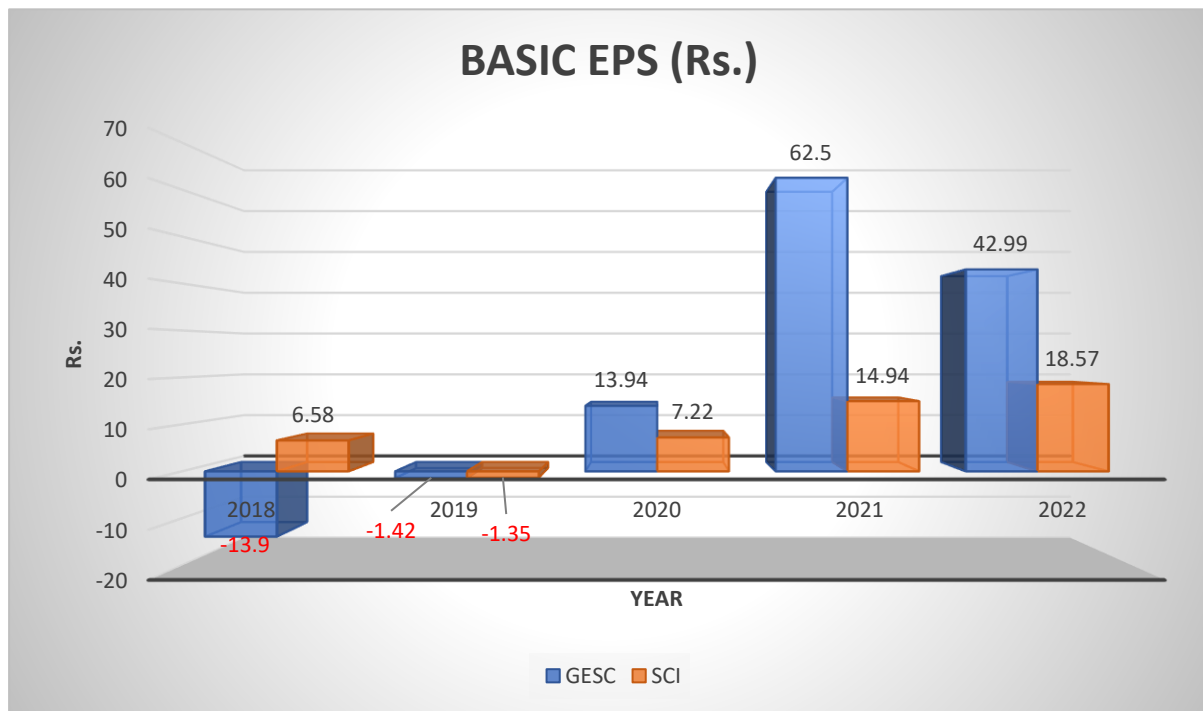


Fig 3.32

During the year 2022 SCIs shareholders have got Rs. 18.57 as earning. Basic EPS is calculated by dividing Profit After tax divided by Shares outstanding. The earnings have almost tripled from the year 2018 where it was 6.58 Rs. and it is 18.57 Rs in 2022. GESC's shareholders have got Rs. 42.99 as earning. The earnings have reduced to 42.99 from the year 2021 where it was 62.5 Rs. and it is 42.99 Rs in 2022. Here comparing SCI's EPS GESC has higher EPS but it has decreased when comparing to 2021 EPS. Where as SCI's EPS has increased. So with better EPS GESC has higher EPS

## **CHAPTER 4**

### **SUMMARY & CONCLUSION**

#### **4.1 FINDINGS**

- The average age of GESC's fleet 14.13 Years is lower than that of SCI's 14.70. fleet being 14.13 it enjoys the benefit of lower operational cost.
- GESC is currently India's leading bulk carrier operator with a portfolio of 14 bulk carriers covering the fleet sizes Supramax, Kamsarmax and capsizes.
- The 5 VLCC's of SCI is its high value asset which is the 30% of the total fleet capacity in DWT.
- In both the companies Gas tankers were the oldest. GESC's LPG Carriers had an age of 18.40 Years where as SCI's GAS Tankers had an age of 21.
- Greatship (India) Limited (GIL) is a completely owned subsidiary of GE Shipping and one of India's leading offshore oilfield services providers.
- The average age of SCI's fleet has been reduced from 18 years in 2007 to around 14.70 years as a result of new acquisitions.
- Operating costs are lower with a youthful fleet.
- Threat of new entrants into the market following the SCI Privatization move.

#### **4.2 SUGGESTION**

The Indian marine and shipping industry is one of the most active areas of the economy. India's port sector is being pushed by rapid expansion in foreign trade. Because of the increasing demands during the Financial Year 2022 Major ports of India handled around 650 million tonnes of cargo. And India is geographically well placed such that vessels going between East Asia and America and between Europe and Africa pass through Indian waters. The two biggest shipping company in India with a total of 94 Mainline vessels and 32 off shore vessels contribute greatly to the nation and internationally as well. The financial

performance of these companies are also decent which made profits for the last 3 years. Currently in the shipping Industry in India there is a drive for the privatization of the Govt. owned Shipping Corporation of India. GE Shipping can try its mettle by taking part in the bid and to become one big shipping company of India. There are also other bidders who might become a threat to GE Shipping once they own the stakes in SCI. This privatization move will increase the competition and efficiency of SCI.

### **4.3 CONCLUSION**

The marine and shipping business in India is one of the most active areas of the economy. In terms of Indian flagged tonnage, Shipping Corporation of India Ltd (SCI) is one of India's leading shipping companies. The business might be a government-owned company situated in Mumbai that runs and controls fleets that handle both national and international lines. The corporation has operational interests in virtually every aspect of the shipping industry, serving both national and international commerce. The Great Eastern Shipping Co. Ltd. is India's largest private sector company and one of the world's major maritime and shipping firms. For almost 60 years, the corporation has been a pioneer in the shipping and marine business, pioneering several firsts for the state and therefore the industry. Today, the company holds a recognised position both worldwide and in India, and it serves some of the world's most important clients. Both the companies have total of 94 main line vessels and 32 Off Shore vessels. The companies managed to recover from the losses incurred during the year 2019 in the next 3 years. Even though the shipping Corporation of India has a greater fleet size the market capitalization the GE Shipping is above that of Shipping Corporation of India.

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