

Apeejay bets on a tide in shipping

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Calcutta: Apeejay Shipping Ltd has charted out an ambitious plan to acquire at least four more ships to reach a combined fleet capacity of 1 million tonne DWT (dead-weight tonnage).

This would translate to nearly a 50 per cent jump in capacity from the present, putting the Calcutta-based shipping line at a competitive position internationally as a dry bulk cargo carrier.

The company ranks third after Great Eastern Shipping and the Shipping Corporation of India. The Indian shipping companies have witnessed major turbulence over the years with many big names hollowed out by dramatic twists and turns of fortunes

that mark the sector.

Apeejay, which now boasts of 10 ships, appeared to have managed to weather the storm and also reaped the benefit of buoyancy in bulk charter rates post pandemic, hauling record profits. Unlike GE Shipping or the SCI, the carrier does not want to venture into container ships or tankers.

"We want to focus on dry bulk ships, given our knowledge and expertise in the sector. Having a combined DWT of 1 mt will be a good place to be among bulkers in India as well as globally," Karan Paul, chairman of Apeejay Surrendra Group, told **The Telegraph**.

Vessel acquisitions would cost the shipping line about \$50-75 million or about Rs 410-620 crore over the next 3-5 years. It will be funded



Karan Paul

through a mix of debt to equity ratio of 1:3. The company would look to buy the pre-owned ships rather than procuring new ones from yards, in an attempt to contain the impact of volatility in ship prices.

While the focus remains on augmentation, renewal of the fleet is also in the offing. In the immediate future, Apeejay would acquire one more ship and sell a couple of ageing vessels to enhance operational

efficiency and reliability of the fleet.

The shipping line, which owns Panamax and Supramax vessels, specialises in coal movement on the Indian coast. Arranging finance may not be challenging as the company managed to deliver its best ever performance with Rs 400 crore profit in FY23 on the back of a Rs 300 crore profit in FY22.

However, Paul reminds that it would require nerves of steel to stay in the shipping game. After all, many marquee names have gone out of business or have been reduced to a shadow of their former glory days in the last one-and-half decades.

"The shipping industry goes through periodic boom and bust. Bulk carriers, tank-

ers and containers — all segments go through their respective highs and lows. Managing the extreme volatility is key to the long term survival," Paul mused. He remembered the many challenges Apeejay Shipping, founded by his uncle the late Jit Paul in 1948, faced for a quarter of a century.

Apeejay Shipping, which is going to complete its 76th year of existence on Friday, announced the acquisition of the 10th ship, a Japanese built gearless Panamax vessel with 76,812 DWT capacity, taking the total fleet capacity to 671,332 DWT.

The vessel will be called APJ Indrani, named after Paul's wife and supermodel Indrani Dasgupta Paul.

"My wife is thrilled beyond words," Paul chuckled.