

**GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3046
ANSWERED ON:05.09.2007
APPOINTMENT OF AGENTS BY SCI
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Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Shipping Corporation of India has appointed agents to provide their services to customers;
- (b) if so, the details of the services being provided by such agents;
- (c) the criteria for appointment of agents by SCI;
- (d) whether the agents of SCI violate guidelines for submission of their accounts to the company;
- (e) if so, the number of agents who have violated such guidelines during each of the last three years;
- (f) the details of the penalty imposed on them during the said period; and
- (g) the action taken to check the recurrence of such offence in future?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) & (b): Shipping Corporation of India(SCI) is having a wide network of agents spread across the globe. Brief details of the services provided by the agents appointed by SCI are enumerated below:

- (i) To attend to Custom House, Port Health, Immigration Consular and other formalities and arrange pilotage and towage, if required, for prompt entry of our vessel in the port.
 - (ii) To attend to the vessel's all husbanding needs while in port as instructed by SCI and/or by vessel's master including supply of provision, bunkers, water, stores, receipt and dispatch of spare parts, repairs to ships' equipments, cash advance to the Master, delivery and dispatch of crew mail, legal assistance, medical attendance and hospitalization of ships' crew and other personnel, rendering assistance in signing-on and signing-off of crew and other personnel, arranging for crew/officers hotel accommodation, repatriation etc. or any other service as required by SCI and all other logistical support as and when required.
 - (iii) Liaise with the Port State Control and other authorities for prompt dispatch/ turnaround of the vessels.
 - (iv) Information about the vessel's arrival/ berthing/ daily working/ departure is to be communicated to the controlling service and operating departments.
 - (v) Cargo solicitation, cargo booking/receiving, liaison with Inland Container Depot(ICD)/Container Freight Station (CFS) operators for stuffing/de-stuffing of export cargoes, cargo documentation, preparation and issuance of shipping orders, close liaison and co-ordination with ICD/CFS operators, railways, customs and shippers, Cost and Freight(C&F) agents etc. to ensure prompt carting, stuffing, transporting of cargo etc.
 - (vi) To notify shippers and/or consignees about arrival of ships, readiness to load/ discharge cargoes and to co-ordinate with stevedores, terminal operators, customs etc. for the prompt and proper handling of the ships/ cargo.
 - (vii) To obtain all permits, licenses etc. as and when required by SCI for import/ usage/ export of all goods, materials, machinery and equipment utilized by SCI.
 - (viii) To track and monitor movement and condition of containers on SCI inventory with terminal operators and transporters, depot operators and CFS operators, as and when required.
 - (ix) To represent SCI at the local meetings of shipping conference.
 - (x) Any other jobs entrusted to the agents by the Corporation from time to time.
- (c): Agents of SCI are appointed at major ports/region of the world, wherever SCI's vessels ply, to cater to the requirements of vessels

calling at that port. The need for appointment of agent arises when any SCI vessels call at particular port/ area where no agent is there to cater to the needs of the vessel and/or possibility of cargo/ business generation is available/perceived by SCI. Whenever an existing agent intends to wind up their business with SCI or SCI terminates their services, a new agent is required to be appointed to ensure uninterrupted services to SCI's vessels and business. The criteria for eligibility includes experience and financial credentials.

(d): According to the guidelines earlier prescribed, submission of voyage accounts by the agents to the Company was to be made within 20 days. However, many agents expressed difficulties in submitting complete voyage accounts with proper supporting documents as required by the agency agreement within the time frame issued by the SCI mainly due to non-receipt of supporting documents from port authorities or from the service providers. Accordingly, the guidelines are now revised and all the agents are required to submit voyage accounts within 35 days from the date of sailing of the vessel.

(e) & (f): As far as penalty for violating guidelines for submission of accounts is concerned, no such penalty has been imposed on any of the agents yet. However, the services of some agents were terminated for certain irregularities during past three years as per the following details:

Name of the agent	Date of termination
(i) Kanoo Group, Dubai	- 09.04.2006
(ii) Yusuf-bin-Ahmed Kanoo W.L.L, Bahrain	- 09.04.2006
(iii) Yusuf-bin-Ahmed Kanoo, Ras Tanura	- 09.04.2006
(iv) State Enterprise for Water Transport, Basrah	- 31.07.2006
(v) R.Jumabhoy and Sons, Penang	- 13.12.2006
(vi) Ahlers Agency N.V. Antwerp	- 26.12.2006
(vii) R.A. Burke, Dublin	- 08.02.2007

(g): Clauses have been inserted in the revised agency agreements with provision for levying penalty if submission of accounts by the agents is violated. This will work as a deterrent for the agents. Additionally, monitoring and reconciliation of account have been beefed up in the office to keep proper control of the expenses and finances of agents accounts.

SCI is also endeavoring to arrange inspection of major agents' accounts, functions, infrastructure, services rendered by the agent etc. periodically so as to enable them render better services to SCI. SCI has drawn up a schedule to visit all its major agents over the period of next 24 months. SCI has planned to visit following agents during the month of August/ September, 2007 and 3 or 4 more agents between September-December, 2007

- (i) M/s. A.V. Bhanoji Row Garuda Visakhapatnam
- (ii) M/s. Oceanmasters L.L.C., Dubai & other U.A.E. ports
- (iii) M/s. KNS Agency, U.S.A.

SCI has also commenced an agency grading system in which major agents are rated by-annually by various divisions and then a corporate grading is prepared and depending upon the ratings obtained by the agents, follow up actions are being taken by SCI to improve the performance of the agents.