

Elektrans aims to grow 'global tanker exposure'

Indian tanker player plans fresh acquisitions to boost its international trading scope

Pinaki Routray **New Delhi**

Elektrans Shipping has ambitious plans to scale up its international activities as it mulls growing its fleet.

It launched its shipowning operation two years ago with one products tanker, the 33,500-dwt *Dishtya Pushti* (built 1998), bought in 2014 for \$9.2m. It has since expanded to five ships, including one very large gas carrier (VLGC), the 75,800-cbm *Sharpov* (built 1979), co-owned with foreign investors.

The company has now set its sights on increasing its fleet to 20 ships over the next two years, including the acquisition of medium-range (MR) tankers and VLCCs.

It teamed up with Mumbai-based shiprecycler Arya Ship Charterers, controlled by Pawan Arya, when it established itself as a shipowner in 2014.

Elektrans managing director Daniel Chopra told TradeWinds: "We want to move internationally with proper corporate governance and take the business into the next generation."

ASSET PLAY AMBITIONS

He says it aims to take advantage of changing market dynamics by adopting Greek-style asset play.

Having long experience working with Peter Dohle Schiffahrts of Germany, Chopra says he has learned important lessons, both in asset play and deploying ships on long-term charters to generate stable returns.

"Importantly, I have learned the art of how to build long-running relationships with clients," he said.

Chopra adds that the company started off as an India-centric player, with its focus mainly on domestic cargoes. But in recent months it has deployed part of its fleet internationally.

He says Elektrans will increasingly look to deploy around 90% of its ships in the international trades over the next two years as the fleet expands.

It is looking to acquire younger tonnage of between five and 10 years old, mainly built in Japan and South Korea, but Chopra says he would also purchase Chinese-built vessels if they are European-owned.

"European-owned ships are undoubtedly well maintained and carry good credibility internationally," Chopra said.

The company is looking to spend \$100m over the next year on steel, including VLCCs and a couple of MRs.

It has also recently been hiring international shipping professionals for its top management



STEERING NEW COURSE: Elektrans managing director Daniel Chopra.

Photo: ELEKTRANS

board as part of its efforts to gain overseas exposure.

In April, Glen D'Costa joined the group as executive board member of Elektrans Global. He earlier served as managing director of Epic Ship Management and as a senior director at Epic Gas.

D'Costa and Chopra are co-owners of Gauri Ships, an Elektrans group subsidiary.

"Hiring international shipping professionals makes our customers and financiers satisfied, and they gain confidence in us," Chopra said.

The company has shifted its focus towards the Middle East and, in April, set up a commercial management base in Dubai also to develop close contacts with prospective clients in energy-rich Central Asian countries.

The company looks to have secured faith in its operations by successfully deploying its fleet on long-term contracts.

Chopra says this helped it to raise funds from private-equity investors and banks for fleet expansion.

Investor backing has facilitated Elektrans' tanker acquisitions made in the past 18 months — namely the 149,000-dwt *Dishtya Akula* and 95,000-dwt *Dishtya Ameya* (both built 1995) and 16,000-dwt chemical tanker *NuShi Nalini* (built 2012).

The *Dishtya Akula* was the first ship to transport an Iranian crude oil cargo after the easing of UN sanctions in February. It loaded 130,000 tonnes for Litasco, the trading arm of Russia's Lukoil.

Elektrans is speaking to other international charterers and cargo owners, including BP and Shell, to secure long-term freight deals.

Chopra believes business opportunities will emerge in West Africa for crude oil exports into Asia and Europe.

But he expects energy transport — tankers and gas carriers — to face pressure in the next two to three years as newbuildings join the fleet.

Elektrans' strategy of deploying ships on long-term hires is, however, expected to see it through any tough times ahead.

In addition to setting up joint ventures to grow the fleet, Elektrans is looking to diversify using similar structures, including in shipmanagement.

HOOK-UP WITH THOME

The company entered into an equal joint venture with Thome Ship Management in 2013 and Chopra reveals that Elektrans is looking to put part of its fleet under Thome's management in the near future.

Meanwhile, the shipowner is also planning to set up an online travel management system — Fly Hi Marine Travels — for seafarers that will enable them to handle their own itineraries from ship to home and back without the assistance of agents. The system is expected to be launched in the next month.

Chopra has also discovered a clever way of motivating Elektrans' employees and attracting new customers by recruiting Ravi Shashtri, former captain of India's cricket team, as its brand ambassador.