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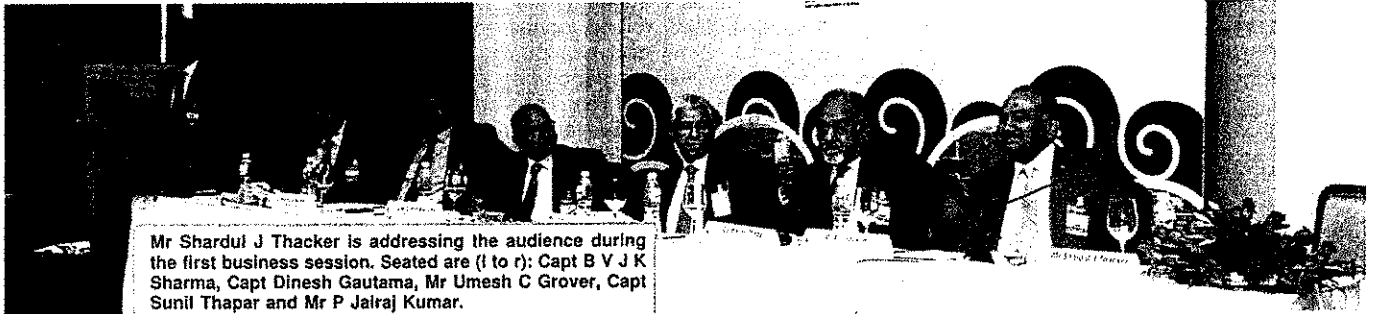
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## news

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In line with World Maritime Day theme for 2015  
BSN to dwell on "Maritime Education and Training" VOL. XIV-NO. 02 TUESDAY, 21 OCTOBER 2014 Price: Rs. 10/-

## Relooking Regulations for Fast tracking Growth



Mr Shardul J Thacker is addressing the audience during the first business session. Seated are (l to r): Capt B V J K Sharma, Capt Dinesh Gautama, Mr Umesh C Grover, Capt Sunil Thapar and Mr P Jairaj Kumar.

■ **BSN Network / Mumbai**  
International Maritime Law Association (IMLA) held its conference on "Relooking Regulations for Fast tracking Growth" in Mumbai. The conference topic was of immense importance to the maritime industry in particular and the country in general.

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Dear readers, please note there will be no issue of BSN on Thursday, 23<sup>rd</sup> October 2014 and Monday, 27<sup>th</sup> October 2014 due to festive Diwali season.  
BSN wishes all its readers, supporters and well wishers a Happy Diwali and prosperous New Year.



**Indian Institute of Management**  
**PROGRAMME ON LOGISTICS**  
**December 1 - 4, 2014**

## Relooking Regulations for Fast tracking Growth

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IMLA was envisaged and promoted by late Mr. Subramaniam Venkiteswaran, who keenly propagated the need for updating Indian laws, particularly maritime laws to bring them in line with international laws. He worked hard to create a common platform for Maritime Industry. IMLA was formed to serve this purpose. Mr. Venkiteswaran, who was founding president of IMLA, held this position till his demise on 21<sup>st</sup> December 2013.

Hon'ble Mumbai High Court Judge, Mr. K.R. Shriram, Chief Guest at the conference, was highly appreciative of the role Mr. S. Venkiteswaran played in pushing for reforms in Indian laws. Concluding his brief address he said "let this be a good beginning."

Guest of Honour, Jt. Director General of Shipping, Directorate General of Shipping, Mr. Deepak Shetty underscored the need for legislative rehash, process simplification and transaction simplification in the backdrop of world economy that is getting flat with reliance on knowledge economy that is interconnected and interdependent.

Talking of Merchant Shipping Act, he said that though it had stood the test of time, there was need to relook at MSA. He informed the audience of the work done by Mr. Venkiteswaran in drafting a revamped MSA, which unfortunately is yet to see the light of the day. He urged all stakeholders to engage in a long haul collaborative effort so as to see recast MSA in 3-5 years time.

Momentum is gathering to repeal 100 odd laws, he informed, adding that DGS had identified 5 portions of MSA that had outlived their time. He pointed to a plethora of DGS circulars that are a maze with many of them cross referencing others.

Turning to piracy and its impact on seafarers, Mr. Shetty said seafarers held captive are pretty much on their own and need our assistance. He urged all present to introspect in this regard.

He urged industry to actively participate in the pre-consultative process on new legislation.

Mr. A.K. Gupta, Chairman and Managing Director, underscored the need for policy measures to protect Indian fleet which is vital for the growth of the country's economy. He pointed out that the share of Indian companies in carrying Indian cargo has been falling and this needed introspection.

He said stagnation of Indian tonnage was a result of non-competitive fiscal regime, which had undermined the benefits accruing from Tonnage tax. There was a need to provide national cargo support, which is lacking. Taking a cue from PM's call for 'Make in India' he said at least 30% of cargo support should be provided to Indian companies. He informed that they were talking to Ministry of Shipping in this regard.

Talking of maritime law he said there was dearth of colleges teaching maritime law in India. Referring to anomalies in law, he said Pilotage Rules held the master of the vessel responsible for an incident, such as the vessel running aground, even if the vessel was under control of the pilot. Citing the example of Italian Marines, he said, our domestic legal system was unprepared in many ways. Talking of our laws being outdated and sometimes in conflict with international laws, he said, our Admiralty laws rely on 163 year old statute, which will remain in force until repealed/replaced. He added India is yet to adopt Geneva Convention on 'Arrest of Ships'.

In the given scenario, he expressed fears of cartels dictating freight rates from weak shipping countries.

Speaking of the importance of harmonious rules he said non-adoption of IMO rules at national levels negated the gains achieved by agreements arrived at after years of efforts. Citing problems due to non harmonious rules, he said, US and some other countries have their own standards on sewage treatment, causing difficulties for ship operators.

Another difficulty due to multiplicity of rules he said was increasing work load on seafarers. Underscoring the importance of the discussions he said these can throw up the required changes.

Mr. N.N. Kumar, Chairman, JNPT in his speech highlighted the existence of plethora of laws and multiplicity of agencies that monitored the functioning of the ports.

Mr. Kumar lamented that Ports have to deal with as many as 6 ministries including Ministry of Finance, Ministry of Health, Ministry of Environment, Ministry of Commerce, Ministry of Food. It doesn't end here, there are State departments to contend with. What's more some of these could sometimes work at cross purposes. Besides, he spoke 5 uniformed agencies that visit the port.

He cited a sad incident, where Food Safety and Standards Authority of India's (FSSAI) stand on the labeling, that did not

meet their requirement led to the entire stock of chocolates spoiling within the port.

For making India a maritime hub, he opined that, India needed to have a common platform. Sagar Mala was a good beginning he said. A single maritime planning authority needed to look at the redundant rules and scrap them. Updating laws in the backdrop of changes in geopolitical situation, technology, port's working, multi modal transportation was critical, he said. Citing a piquant situation that arises from old laws he said containers are not recognized in law as they didn't exist when the century old laws came into existence.

Complying with port requirements involves huge costs. He informed that in JNPT one had to fill up 34 forms. Ships berthing in the port had to provide 12 documents some of them being same ones provided on earlier visits. He therefore highlighted the tremendous importance of simplifying ports processes. He said we need to understand international practices and change our laws accordingly. He also spoke of studying transshipping business in countries such as Sri Lanka.

He said there is a big need to apply mind to reduce repeated compliance, wherever it occurs. Besides he said administrative and legal reforms are a must.

I wouldn't paint a gloomy picture said Mr. Julian Bevis, Senior Director, Group Relations, South Asia, Maerskline India Pvt. Ltd. expressing positive sentiments on the Indian economy and the new government. He said the government is open to change and it is set to lift the economy now it was for the industry get clarity on commercial aspects. He opined, "We need to collectively work with the government".

Highlighting the key issues facing the logistics industry he said the key economic challenges are: logistics in the country is relatively expensive, it is inefficient and is a high percentage of GDP. This has implications for the manufacturing sector and the 'Make in India' initiative. He asked the industry to articulate the problems clearly for the government to act in the matter.

He said the perception about investment climate outside the country was not good. There is a need to let market forces work and reap economies of scale.

Legislative infrastructure is as important as physical infrastructure, he stressed. It is importance to put up infrastructure before its demand gets urgent, he stressed.

Presenting investors view point he said PPP model should balance risk and reward. He felt it was presently skewed in favour of the government ports.

He called for consistency and simplification of our policy measures. He cautioned, we live in an interconnected world and are competing with other countries.

Concluding on an upbeat note he said "there was no need to be gloomy" and that he had observed "enormous change for the positive". He added "working together with clarity and focus we can make a difference."

Following the above keynote addresses by speakers, the first business session focused on the theme 'Pitfalls of Indian Shipping'.

The session was moderated by Capt Dinesh Gautama, President, Navkar Corporation Limited.

The topics of discussion during the session were "The archaic shipping laws of India – An overview"; "Archaic Laws: The adverse effect on India's foreign trade"; "How do we now update the shipping laws – Amend? Suspend? Re-Vamp?";

"IMO's FAL (Facilitation) Convention – Has India amended its regulations to comply?" and "Shipping Bye-laws, Procedures, Rules & Regulations – Do they make matters worse?"

The panelists during this session were: Capt B V J K Sharma, JMD & CEO, JSW Infrastructure Limited; Mr Shardul J Thacker, Partner, Mulla & Mulla & Craigie Blunt & Caroe; Mr Umesh C Grover, Chief Executive Officer, INSA; Capt Sunil Thapar, Director (Bulk Carriers and Tankers, The Shipping Corporation of India Lt; Mr P Jairaj Kumar, Chairman & M, Ocean Sparkle Limited.

The second business session had as its theme the all important areas "Cabotage, Tariff & PPP".

The session was moderated by Mr Rajeeva Sinha, Whole Time Director, Adani Ports & SEZ Ltd.

The topics covered in the session were: "What is the judicious view on cabotage law with a long-term perspective?"; "Cabotage relaxation would lead to international competition and greater efficiencies. On the contrary, relaxing the law might tilt the scales against Indian shipping"; "The implications of the new guidelines and its Investment and PPP scenario in port sector; reforms needed to attract more investment"; and "Implications of New

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## Relooking Regulations for Fast tracking Growth

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**Tariff guidelines: impact on private port developers and investors”.**

The panelists during the session included: **Mr T S Balasubramanian**, Member (Finance), Tariff Authority for Major Port; **Mr K K Sinha**, CEO & Executive Director, Essar Ports Limited; **Ms Vinita Venkatesh**, Director, Krishnapatnam Port Container Terminal, **Mr Saibal K De**, Director & CEO-Port, IL&FS Maritime Infrastructure, Company Ltd; **Mr Rajieve Krishnan**, Chief Operating Officer, APM Terminals, Mumbai; **Mr Vijay G Kalantri**, Chairman & Managing Director, Dighi Port Ltd.

In the third and final business session on Customs & Taxation the topics covered were:

“**Government policy towards Indian Freight Forwarding**”; “**Taxation issues concerning Service Tax and TDS for Freight Forwarders**”; “**Simplified procedures for transshipment of container moved by water through IWT or Coastal ports to Gateway Port**”; “**Measures to be followed by customs to be more trade friendly and transparent for better trade facilitation**”; “**Indian shipping industry and Government policy towards Indian tonnage tax**”; and “**Ensuring a level playing field for Indian shipping companies presently faced with various direct / indirect Taxes**”.

This session was moderated by **Mr Tushar Jani**, Chairman, SCA Group of Companies.

The panelists during the session were: **Mr Sailesh Bhatia**, President, Association of Multimodal, Transport Operators of India (AMTOI); **Mr Samir J Shah**, Vice Chairman, Federation of Freight Forwarders' Associations in India (FFFAI); and **Mr Girish Mistry**, Partner & Head for Taxation, Transport & Logistics, KPMG India.