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MINUTES OF 111TH MEETING OF THE NATIONAL SHIPPING BOARD HELD AT HOTEL GRAND BAY, VISHAPATNAM ON 21ST NOVEMBER 2008 AT 1000 HRS.

111th meeting of National Shipping Board (NSB) was held under the Chairmanship of Capt. PVK Mohan, on 21.11.2008 at Vishakhapatnam. List of those present in the meeting is enclosed at Annexure – 1.

2. The meeting began with invocation and subsequent lighting of lamp by the dignitaries.

3. Chairman, Vishakhapatnam Port Trust (VPT), initiating the discussions, welcomed Chairman, NSB, DG Shipping and other Members of the Board to the meeting. In his welcome address, Chairman, VPT, described Vishakhapatnam as the 'JEWEL OF THE EAST COAST' with a natural harbour against the backdrop of beautiful hills. He also informed that the country's first Ship Building Yard was set up at Vishakhapatnam. He stated that the port has handled 64.6 MT during the last financial year i.e. 2007-2008 and it is expected that in the next 3 to 4 years, VPT would handle more than 80 MT, once the new projects are implemented. He also emphasized that Coastal Shipping would have an important role to play in the future.

4. Chairman, NSB in his introductory address informed that he has been associated with the NSB for the last 12 years as a Member and it was his privilege to Chair the meeting of the NSB for the first time being hosted at Vishakhapatnam. He also informed to the board that the NSB was inaugurated by Late Pandit Jawaharlal Nehru, the first Prime Minister of India, in March 1959 and in March, 2009 the NSB would be celebrating its Golden Jubilee.

5. Chairman stated that in past, the NSB has taken up the issues relating to Ship owners, Shipyards, Taxation issues relating to Seafarers, Security, which are of utmost importance in the present day's scenario. He added that the issue of income tax relating to Seafarers in under active consideration of the Ministry of Finance. Regarding piracy issues, he stated that initiatives have been taken up by the NSB and the Ministry of Shipping had taken up issues with Ministry of Defense which finally resulted in the presence of the Indian Navy in the trouble areas/regions. He requested the Members to assist the NSB, financially, for the Golden Jubilee celebrations and also create awareness among the Trade and Shipping Industry. He stated that the NSB would endeavor to have regular meetings and be pro-active and bring glory to the Board/Ministry and the Shipping Industry, in general.

6. Thereafter, minutes of last meeting were taken up and confirmed in order.

Chairman, NSB informed that he had made a few recommendations in the last meeting and asked for the action taken on them for discussion.

7. Informing about action status of resolution of the last meeting **(Ref. Para 12 (a) minutes of the 110th Meeting),** Member Secretary stated that the concept paper on exemption of income tax for the Indian Seafarers has been discussed with the Hon'ble Minister and same was handed over to the Ministry of Finance. CMD, SCI informed that this issue has been earlier taken up with the Finance Minister, and suggested that it now needs to be taken up with the Prime Minister. He also suggested that the Golden Jubilee Celebration of NSB should preferably be inaugurated by the Prime Minister.

Nautical Advisor to the Govt. of India (NA) informed that the Indian Seafarers working on foreign ships are exempted from paying income tax, whereas the Indian Seafarers working on Indian Ships are liable to pay 30 % income tax. General Secretary, Forward Seamen's Union of India extended his support on behalf of his Union, on this issue.

7.1 On the subject of extension of subsidy for ship building industry, **(Ref. Para 12 (b) minutes of the 110th Meeting).** Special Secretary and Financial Advisor informed that it is subject to availability of budget and that this has to be addressed to the Ministry of Finance for continuing support to the Ship Building Industry. He also stated that the Board needs to consider more investment planning.

CMD, SCI, stated that the South Koreans and Japanese have followed the concept of building ships for their own country, with the support of their country's ship owners, which has eventually helped them to become leaders in Ship Building. He pointed out the fact that foreign vessels built in Indian Shipyards are costing less when compared to the Indian ships built in Indian Shipyards. Nautical Advisor to the Govt. of India stated that there is a need to convince the Finance Ministry to support the Ship Building Industry by way of subsidy. The calculations and statistics should be prepared and put up to the Ministry for its consideration.

7.2 on the subject of including representative of ship building sector **(Ref. Para 12 (c) minutes of the 110th Meeting). i**t was informed that the newly formed board consists of member from shipyard.

7.3 on the subject of placing restrictions on older ships **(Ref. Para 12 (d) minutes of the 110th Meeting).** Chairman, NSB stated that DG Shipping may examine the issue of placing restrictions on ships over a certain age, from entering into the port. NA stated that this issue has

been taken care of by issuing circulars from time to time and stated that in case the vessel is not classed with IRS and is above 25 years of age, the vessels should undergo an inspection equivalent to an Annual Statutory Survey and an Intermediate Statutory Audit by IRS before undertaking operations in the field, with this, review of Action Taken Report was completed.

8. Following the agenda of the meetings, NA made a presentation on the piracy issues effecting Shipping. He highlighted the need for protection of Indian ships from the Somali Pirates. He stated that the ships now had to sail via Cape of Good Hope, instead of using the Suez Canal, resulting in the ships covering a longer distance, taking more sailing time and correspondingly resulting in higher cost. He stated that the coalition forces had recommended security corridor along the Gulf of Aden. He commended the Indian Navy in thwarting the attempts of Somali pirates on not only on Indian but also on a foreign ship. He also informed that the Indian Navy had successfully sunk a mother ship of Somali pirates. He stated that various Resolutions passed by IMO and UN were in place to check piracy. He also highlighted the concerns and proposals of the Shipping Industry and Indian Navy for development of Naval Warships patrolling the Gulf of Aden and recommendations by the Ministry of Defense. Further NA, commended the efforts of Chairman, NSB in helping release of Indian hostages on the vessels m.v. Stolt Valor.

8.1 Director, Naval Operations stated that the armed forces are getting directly involved in Piracy issues though it is not the responsibility of the armed forces. He stated that for protecting the Indian ships with convoys, a political decision is to be taken by the Government. Further he informed that the Laws on Piracy are not clear and requested that suitable legislation could be framed. Joint Director (operation), Coast Guard Headquarters, stated that the legal aspect would be drafted by professional lawyers.

8.2 Chairman, NSB stated to formulate a strategic plan in assisting the Indian Ships transiting the Gulf of Aden by way of deploying Marshals.

8.3 General Secretary, Forward Seaman's Union of India, stated that the role of Indian Navy is very supportive and appreciative. He reminded that Indian Seafarers working in FOC vessels are also Indian citizens and their interest also should be looked after.

8.4 General Secretary, Maritime Union of India, stated that the piracy today has gone hi-tech and stated that political solution can be found by Somali only when a stable Government exists.

8.5 Summing up the presentation, Chairman, NSB stated that **NSB would recommend (1) Increased presence on Indian Navy in the troubled region. (2) a need to have regular patrolling by a force in the line with United Peace Keeping Force. These recommendations could be forwarded to the Ministry for consideration.**

9. Initiating discussion on the status of Coastal Shipping, Member Secretary informed that a Committee earlier formed under the Chairmanship of the then Chairman, NSB had recommended various suggestions for growth and development of Coastal Shipping which need to be followed up. He also added that the DG Shipping had completed its report on technical aspects of seamless integration of river-sea navigation. He further informed that the draft "Coastal Policy" has been forwarded for the consideration of Ministry.

9.1 DG Shipping stated that there should be an end-to-end solution with regard to origin destination study. She also stated that we need to work on incentives, which should be viable. She added that the Inter-Ministerial Committee could help them in framing the Policy. She desired that all the States should participate in supporting the shipping corridor with regard to Coastal Shipping. She further stated that we need to take up at least 2 to 3 routes which could be prioritized and technical viability worked upon.

9.2 CMD, SCI stated that over the years, the position has remained the same and very little has been invested in coastal shipping though it is the cheapest means of transporting goods.

9.3 Special Secretary and Financial Advisor suggested that it would be prudent to consider updating the Committee's studies and identify the most potential routes for the economic development of Coastal Shipping.

9.4 Member Secretary stated that the Planning Commission has initiated a similar study through RITES which is to complete its report soon and we could then finalize these issues.

9.5 Prof., NMR Foundation, Coimbatore, stated that the Coastal Shipping is comparatively less polluting and cheaper resulting in savings in fossil fuels as well as in lower health related adverse consequences and costs, both to individuals and society at large.

9.6 Deputy Chief Ship Surveyor, D.G. Shipping made a presentation on Construction and operation of the Indian River-Sea Vessels (Type-3 and Type – 4)

9.7 DG Shipping stated that the State also should play a crucial role in the integrated transportation system, which is cheaper than the rail and road transport. She felt that a multi model transport with inland waterways is needed and a draft action plan would be prepared in this direction.

10. Chairman, NSB has informed that NSB would celebrate its Golden Jubilee in the month of March 2009 and formed a Sub-Committee comprising S/Shri S. Hajara, CMD, SCI as Chairman of the Sub-committee; (2) S. Vlumani, CMD, EPL; (3) Dr. P. Vijayan, Director, NMA; (4) Mr. Jitendran, Chairman, Cochin Shipyard; (5) Atul Agarwal, Vice president, INSA; and (6) Capt. H. Khatri, Dy. Director General of Shipping, Directorate General of Shipping to be the Member Secretary, to look into all the aspects in connection with the celebration.

10.1 Chairman, NSB, further stated that in commemoration of the occasion, a postal stamp could be brought out. Prof. NMR stated that a Seminar may be conducted. CMD, EPL suggested that a Souvenir should be brought out, marking the occasion. Chairman, NSB stated that the celebrations would be spread throughout the year and the main function would be held at New Delhi. Proposal for awards for Outstanding Bravery at Sea would be structured by the Sub-committee. He also stated that a Draft letter on this issue would be sent to the Ministry for onward transmission to the Prime Minister for consideration.

11. D.G. Shipping mooted the idea of NSB having a permanent Secretariat. Chairman, NSB directed that there is an urgent need to resolve this issue.

12. Recommendation of the NSB

(a) Issue of taxation waiver for Indian seafarers to be further pursued with the office of Prime Minister by Ministry of Shipping, Road Transport & Highways, New Delhi.

(Action: MOSRT&H }

(b) To pursue the issue of subsidy for ship building sector. Necessary paper to be prepared by Ship building sector and processed to Ministry of Finance by Ministry of Shipping, Road Transport & Highways.

(Action: Ship building Sector/MOSRTH)

(c) Considering the continuing menace of piracy in the Arabian sea and in connected sea areas and noting the extraordinary success of the Indian Navy present in the area; (i) Government of India should favorably consider increasing the Naval presence in the piracy infested area. (ii) Actively pursue for an United Nations Task Force to curb piracy through co-ordinated efforts of interested maritime powers.

(Action: MOSRTH)

(d) Draft "Coastal Policy" to be discussed in MSDC and further fine-tuned.

(Action: MOSRTH)

13. The meeting ended with a vote of thanks to the Chair.

Annexure-I.

List of Members and Special Invitees participated in the 111th Meeting of the National Shipping Board held on 21st November ,2008 at 1000 hours at Visakhapatnam Port Trust, Visakhapatnam.

Sr. No.	Name of the Member/Special Invitee	Name of Organization represented	Signature
1.	LAKSHMI VENKATACHALAM	DG Shipping	
2.	CAPT. M.M. SAGGI	NA DGS	
3.	Capt. A S Rana (IN)	DNO/IHQ MoD (Navy)	
4.	Comdr. V.V. Phatak	Jt Director (Ops), CG HQ	
5.	SURESH KUMAR	Dy. Chief Ship Surveyor, DGS	
6.	S. K. SINHA	SIC, MMD Vizag & Exa-cum-DY DG (Tech)	
7.	Comdr. SK Sawhney	Officer-In charge Coast. Guard (EGGNO)	
8.	Ajeya Kallam	Chairman, VPT	
9.	C. BALAKRISHNAN	Spl. Secy & FA, Min of S,RTH	
10.	S. HAJARA	CMD, SCI Ltd PRESIDENT, INSA	
11.	N.M. RAMASWAMY	Chairman, Prof. NMR Foundation for R&D, Coimbatore	
12.	P. ABOOBACKER	GENERAL MANAGER, COCHIN SHIPYARD LIMITED	
13.	SADHAN RANJILAL	GENERAL SECRETARY FORWARD SEAMEN'S UNION OF INDIA	
14	Capt. P.V.K. Mohan	Chairman, NSB	
15	Capt. H. Khatri, Dy DG	DGS.	

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17	S. G Khan	Maritime Union of India	SGKhan
18	A K. TEWARI	Dy. Secretary, D/Shipping	AKTewari
19	S. VELUMANI	CMD, Ennore Port Ltd	SVel
20	Dr P. VIJAYAN.	V.C, Indian Maritime University,	
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