NSB

सत्यमेव जयते

भारत सरकारŭ / GOVERNMENT OF INDIA
पोत परिवहन मंत्रालय / MINISTRY OF SHIPPING
नौवहन महानिदेशालय / DIRECTORATE GENERAL OF SHIPPING
"बिटा बिल्डिंग", 9 वी मंजिल / "BETA BUILDING", 9th FLOOR
आई-थिंक टेक्नो कैम्पस / I-THINK TECHNO CAMPUS
कांजुर गॉव रोड / KANJUR VILLAGE ROAD
कांजुर मार्ग (ईस्ट) / KANJUR MARG (EAST
मुंबई – 400 042 / MUMBAI – 400 042

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शीघ्र डाक
SPEED POST

F. no.: NSB (07)/2016 Dated: 25.10.2016

To,
All Members (As per enclosed list)

26 OCT 2016

Sub : Record note of 130th meeting of National shipping Board held on 04.10.2016 at Chennai.

Sir,

Enclosed herewith please find the record note of 130th meeting held at Chennai on 04.10.2016, which is duly approved by the Chairman, National Shipping Board [NSB].

6.4: Indian Ports Act -

Yours faithfully,

(Capt. K. P. Jayakumar)
Secretary, National Shipping Board
&
Deputy Nautical Adviser to the Govt. of India

Copy to : The Chairman, National Shipping Board [NSB] – for information.

Record note of the 130th meeting of the National Shipping Board held on 04.10.2016 at Hotel GRT Grand, Chennai

The 130th Meeting of the National Shipping Board (NSB) was held under the Chairmanship of Dr. Vishwapati Trivedi, Chairman, National Shipping Board on 4th October, 2016 at Hotel GRT Grand, Chennai.

The list of participants is enclosed at Annexure – 1.

1. Beginning the meeting, Dr. Vishwapati Trivedi, Chairman, NSB welcomed the Hon'ble Members of Parliament and all other members of NSB, representatives of organisations and special invitees for sparing their valuable time to attend the meeting. Chairman, NSB expressed gratefulness to CMD, Ennore Port for hosting the 130th NSB meeting. He also informed that the meeting was scheduled to be inaugurated by the Hon'ble Minister of State for Shipping and Road Transport & Highways, but due to exigency, the Hon'ble Minister could not participate in the meeting.

2. After a round of introductions, Shri M.A. Bhaskarachar, Chairman-cum-Managing Director, Kamaraj Port Ltd., the hosts, welcomed the participants to the meeting. He expressed his happiness and privilege for Kamaraj Port to have been entrusted the important task of organizing the 130th NSB meeting at Chennai.

3. Thereafter, Chairman, Kamaraj Port made a presentation of the activities and developmental plans of Kamaraj Port. He also stated that Kamaraj Port Ltd., which was earlier known as Ennore Port Ltd. is doing very well and progressing well with fully mechanized facilities in handling of port activities. He also informed that this is the only port which is functioning as company amongst the major ports. The presentation briefly dwelt on the history of the port, the existing facilities, as well as current activities and performance of the port. The presentation also highlighted the ongoing development activities being undertaken at the port like construction of terminals, port connectivity through rail & road. A copy of presentation is enclosed at Annexure - 2.

4. Confirmation of the last minutes of the Meeting.

The Secretary, NSB, informed the members that the minutes of the last meeting were circulated on 09.08. 2016 and no comments were received till date. Since no comments were raised by the participants, the minutes of 129th meeting of NSB were confirmed.

5. Review of Action Taken Report [ATR] on Minutes of 129th meeting of NSB –

5.1 Inclusion of Shipping in the Logistic Sector Council of the Skill India Mission –

This matter has been taken up with the Ministry of Skill Development and Entrepreneurship, Govt. of India by NSB. The Chairman requested the Ministry of Shipping to take this matter up with the Ministry of Skill Development and Entrepreneurship and advice them to entrust the matter of skill development of seafarers to the Logistics Sector Skill Council.

[Action : Ministry of Shipping]

5.2 Multi-skilling as mandatory part of training of seafarers [para 2.2 of ATR] & Enhancement of Skill of Seafarers who are already in Employment [para 2.3 of ATR]

A Committee under the Chairmanship of Jt. Director General of Shipping has been formed by the DG Shipping to look into the issues relating to skill development of seafarers. This Committee has already convened two meetings. This matter was discussed and it was suggested that Mr. LS Shukla, Member, NSB may consider identifying some of the skills which are required to be either mandatory or optional during the training of seafarers.

5.3 Allowing New Training Institute & Courses [para 2.4 of ATR] –

It was suggested that DG Shipping should issue orders at the earliest as was directed by the Hon'ble Minister of Shipping in the 129th meeting of NSB held at New Delhi.

[Action : DG Shipping]

5.4 Financial issues with regard to payment of salary to seafarers; no prepayment of loans facility; no refinancing; no escrow account for ship purchases [para 3 of ATR]; Difficulties in Shore Leave at Ports for Indian Seafarers [para 3.1 of ATR] & Prepayment of ECB without prior permission of RBI [para 3.4 of ATR] -

The matter was discussed. It was decided that Shri Ajit Khot, Member, NSB would coordinate with Chairman, NSB in the matter.

[Action : Mr.Ajit Khot]

5.5 Recognition of foreign CoCs [para 3.2 of ATR] –

Representative of DG Shipping informed that meetings were held at the Directorate General of Shipping with stakeholders in the matter. It was informed that India currently recognizes CoCs of UK, Italy, Malaysia and Iran.and the predominant view of DG Shipping was to consider CoCs from countries maintaining high standards for evaluation to consider acceptance, provided the country issuing the CoC to the Indian seafarer accept the Indian seafarer for service in the ships of their country. It was also the view of DG Shipping that CoCs from competing countries in the seafarer employment market should not be considered for recognition. Accordingly, the DG Shipping representative informed that the DG Shipping has decided the recognition of CoCs from foreign maritime nations maintaining high standards (except those from flags of convenience) would continue to be considered for recognition through bilateral agreement. The Member from ICCSA was of the view that this matter needs to be reconsidered by the DG Shipping.

Subsequent to the discussions, it was decided that if the Member from ICCSA desired to require the review of the decision in the matter, a self contained note could be submitted to DG Shipping for their reconsideration and DG will send written comments and decisions for placing in the next NSB meeting.

5.6 Cumbersome Process and Delays in issue of clearance to offshore vessel [para 3.3 of ATR] –

The representative of Indian Navy informed that there is no delay in issuance security clearance and process is not cumbersome. He has also requested that Mr. Ajit Khot may cite specific case to examine the matter. The matter was discussed and it was decided that in case of any further simplification of procedure the matter needs to be taken up with Ministry of Defence.

[Action : Mr.Ajit Khot]

5.7 PPP report [para 4 of ATR] –

The matter may be treated as concluded as the gist of the PPP report has been presented to the Board at the 130th meeting. A final detailed version will be made available soon.

5.8 Suggestion of the Hon'ble Minister[para 7 of ATR]:

5.8.1 Study the movement of coal cargo from Paradip Port to the west coast of India. The matter is included as separate agenda point for discussion.

5.8.2 Methods to promote cruise shipping and Ro-Ro ships. The matter is included as separate agenda point for discussion.

5.8.3 What are the real problems for the cruise ship operations in India? The matter is included as separate agenda point for discussion.

5.8.4 Design of barges in the Inland Waterways to increase the DWT from 2500 MT to 5000 DWT and use of LNG fuel on coastal ships and Inland vessels:

These issues were discussed in a meeting of all stakeholders held under the Chairmanship of Dr.Vishwapati Trivedi, Chairman, NSB at New Delhi on 24.8.16. Presentations were also made by IRS, Lloyds Register, NKK (all classification societies) and DNV and Lots Shipping. The conclusions would be sent to the Ministry of Shipping for consideration. Record of discussions is enclosed at Annexure-3.

5.8.5 Why is the ship building industry not picking up in spite of the incentives declared by the Government? Proposals for boosting the Ship Building Industry.

5.8.6 Economy and ecology should be the motto. NSB to study methods to reduce pollution in ports and optimization of resources by recycling water etc., in the ports. This may be studied in active consultation with the stakeholders.

5.8.7 What are global best practices in mechanization and modernization of the shipping industry and ports etc?

5.9 Handling of Classified Documents[para 11.4 of ATR] –

The matter is under examination. DG Shipping and Indian Navy will coordinate and arrive at a decision in the matter and Secretary, NSB will inform the final decision in the next meeting of NSB.

[Action : Secretary, NSB]

5.10 Seafarers Welfare Levy to be charged on ships calling at Indian Ports submitted by NUSI [para 12.2 of ATR] –

Capt.Piyush Sinha, Member of NSB, was to assist NSB in drafting a report to be sent to the Ministry of Shipping for advising the Major Port Trusts to establishing welfare centres for seafarers. The report is awaited. In addition, Seafarers Unions were to carry out study regarding the model currently used in different ports providing welfare activities for seafarers and submit report to NSB for discussion. Letter dated 20.08.2016 has been received from NUSI giving certain suggestions. However, it was decided that a report from the Seafarers Unions with regard to the study regarding the model used in different ports would be provided in this matter.

[Action : Seafarers Unions and Capt.Piyush Sinha]

5.11 Tonnage tax benefit if Trainee Ratings are employed on board Indian flagships [para 12.4 of ATR] –

The reply of Directorate General of Shipping in the matter was discussed. It was observed that this benefit is currently extended only to NCV trainees and not to regular GP rating trainees working on board foreign going vessels. It was decided that the office of the DG Shipping would need to look into this aspect.

[Action : DG Shipping]

5.12 Fixing of responsibility on ship's agents at ports [para 12.5.1 of ATR] –

The representative of DG Shipping informed that as per Section 211 of the Indian Contract Act 1872, an Agent is bound to conduct the business of his principal according to the directions given by the principal, or in the absence of any such directions, according to the custom which prevails in doing business of the same kind at the place where the agent conducts such business.

As per Section 233 of the Indian Contract Act 1872, in cases where the agent is personally liable, a person dealing with him may hold either him or his principal, or both of them, liable.

It is therefore for the ports or the affected parties to invoke the provisions of the legislations.

5.13 Income Tax Tribunal ruling regarding seafarers taxation submitted by NUSI / MUI [para 12.5.2 of ATR] –

The matter was discussed. The seafarers unions [NUSI and MUI] have been advised to submit detailed proposal in consultation with their advocates indicating specific amendments /modification in IT Act that are desired to resolve the issue for taking up the matter with Ministry of Shipping.

[Action : NUSI & MUI]

5.14 Use of satellite phone in Indian waters proposed by MUI [para 12.5.3 of ATR] –

After discussions, it was decided that MUI would submit a paper with the suggested solutions for the point raised.

On receipt of the proposal, the matter would be considered by NSB. If required, NSB would take up the matter with the Ministry of Communication through Ministry of Shipping.

[Action : NUSI, INSA]

6. Agenda points of 130th NSB meeting –

6.1 Effect of GST on various sectors of shipping industry –

Dr. Vishwapati Trivedi, Chairman, NSB informed that GST Council has been set up by GoI and from 1st April 2017 onwards GST is going to be introduced by the Government of India. In this regard, Chairman, NSB has already discussed the matter with Secretary (Shipping) and Minister of Shipping, GoI.

The various stakeholders were requested prior the meeting to examine the provision of GST and flag critical issues that could be taken up by the Ministry. Shipyards Association of India had suggested few points. INSA had prepared power-point presentation in the matter. CEO, INSA made the presentation on the effect of implementation of GST in shipping sector from the ship-owners perspective. A copy of presentation is enclosed at Annexure-4.

The Chairman, NSB was of the view that a meeting of the stakeholders with GST Commissioner would be useful in understanding issues that are unique to the shipping sector.

[Action : NSB to arrange interaction with GST Commissioner]

6.2 Movement of coal cargo from east coast to west coast of India by Indian ships – – Insq will follow up with NSB.

This matter was discussed and the CEO, INSA made a presentation on the effect of movement of coal cargo from east coast to west coast of India by Indian ships in comparison with foreign ships and its cost effectiveness. A copy of presentation is enclosed at Annexure-5. It was concluded that NSB will advice the Ministry of Shipping to take up with the Ministry of Power to issue an "expression of interest" for evincing response from logistics operators on their interest in 'end to end' carriage of coal from pithead to power plant.

[Action : NSB and Ministry of Shipping]

6.3 Potential of Ship Repair Industry in India and policy suggestions –

Representative of Shri LS Shukla, Member NSB made a presentation on this aspect. Copy of the presentation is enclosed at Annexure-6. Due to paucity of time, it was considered appropriate to discuss this subject in the next meeting of the NSB. The Chairman requested members to suggest policy measures to enable setting up ship repair facilities in India.

[Action : Secretary, NSB]

6.4 Discussion on Non-Major Ports –

6.4.1 Review of Indian Ports Act, 1908 –

Members were informed that the Ministry of Shipping, GoI, vide letter No. PD-24015/22/2016-PD-1(321880) dated 15th September, 2016 had entrusted NSB with the task of reviewing the existing Indian Ports Act, 1908 with reference to indentifying obsolete/redundant clauses, and clauses that required to be amended as well as new proposed clauses. This recommendation of NSB was to be submitted to the Ministry before 10.12.2016.

This matter was discussed and it was decided that Chairman should constitute a Committee to look into the matter and obtain comments/suggestions/ recommendations from stakeholders, so that the necessary recommendations could be submitted to Ministry of Shipping, GoI. The Committee members would be from amongst port experts, legal experts and private ports and Maritime Boards. Suitable sitting fees and travel expenses can be paid to non-official members to ensure participation.

[Action: NSB]

6.4.2 Presentation by Maharashtra Maritime Board –

The Maharashtra Maritime Board [MMB] made a presentation on Maharashtra Maritime Development Policy 2016. In their presentation, MMB highlighted various development activities and proposed projects being undertaken in their ports. A copy of presentation is enclosed Annexure-7. The Board advised the MMB that any policy issues regarding connectivity or finance, if there are any, may be sent to NSB for consideration.

6.4.3 Presentation by Tamil Nadu Maritime Board –

The Tamil Nadu Maritime Board [TNMB] made a presentation on the activities of TNMB. In their presentation, TNMB highlighted various development activities and proposed projects being undertaken in their ports. A copy of presentation is enclosed Annexure-8. The Board advised the TNMB that any policy issues regarding connectivity or finance, if there are any, may be sent to NSB for consideration.

6.5 Requirement of ships taken up from trade [STUFT] by Indian Navy –

The matter was discussed. It was decided that Indian Navy would discuss this issue with INSA with regard to the requirement of ships by Indian Navy.

[Action: Indian Navy & INSA]

7. Due to paucity of time the other agenda points could not be taken up. It was decided the remaining agenda items would be taken up during the next meeting.

[Action: NSB]

The meeting concluded with a vote of thanks to the Hon'ble Members of Parliament, Chair, CMD, KPL and Members & Special Invitees of NSB.

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Annexure – 1

List of Members & Special Invitees Of 130th Meeting of National Shipping Board Held on 04.10.2016 At Hotel GRT Grand, Chennai

1. Dr. Vishwapati Trivedi, Chairman, NSB
2. Shri M. A. Bhaskarachar, Chairman, Kamarajar Port Limited, Ennore.
3. Dr. K. Haribabu, Hon'ble M. P. (L S) & Member, NSB.
4. Shri Gajanan Kirtikar, Hon'ble M. P. (L S) & Member, NSB.
5. Shri Kodikunnil Suresh, Hon'ble M. P. (L.S), Member, NSB.
6. Shri K. Rahman Khan, Hon'ble M. P. (R S), & Member, NSB.
7. Shri Atul Patne, CEO, Maharashtra Maritime Board.
8. Capt. Harish Bahuguna, Director General, Naval Operations & Member, NSB.
9. Director General, Indian Coast guard, & Member, NSB.
10. Shri Anil Devli, Chief Executive Officer, Indian National Ship-Owners Association (INSA), & Member, NSB.
11. Shri Aditya Suklikar, President, Indian Coastal Conference Shipping Association (ICCSA) & Member, NSB.
12. Shri Abdulgani Y. Serang, General Secretary-cum-Treasurer, National Union of Seafarers of India (NUSI), & Member, NSB.
13. Shri Amar Singh Thakur, General Secretary, Maritime Union of India (MUI), & Member, NSB.
14. Shri Ajit Khot,Member, NSB.
15. Capt. Piyush Sinha, Member, NSB.
16. Shri Ajit Yeshwanth Rao, Vice President (Representative of Bhartiya Navik Sena union).
17. Shri. L.S. Shukla, Member, NSB.
18. Shri B. R. Sekhar, Chief Surveyor with the GoI.
19. Shri S. Barik, Principal Officer, MMD, Chennai.
20. Shri M. M. Hasija, Adviser, Ministry of Shipping, GoI.
21. Capt. K. P. Jayakumar, Secretary NSB & Dy. NA to Govt. of India.
22. Capt. M. Anbarasan, State Port Ofiicer, Tamil Nadu Maritime Board.
23. Shri R. Nagarajan, Shipping Officer, Tamil Nadu Maritime Board.
24. Capt. Aditya Gaur.
25. Capt. Harish Khatri, Nautical Adviser, Maharashtra Maritime Board.
26. Cdr. Sandeep Kumar, Hydrographer, Maharashtra Maritime Board.
27. Shri Mahesh Yadav, ADG (NSB).
28. Shri Pradip Badhye, P.S. to CEO, Maharashtra Maritime Board.

Annexure - 2

Presentation on Kamarajar Port Limited

(erstwhile Ennore Port Limited)

at 130th Meeting of

National Shipping Board

at

Chennai

4th October, 2016

1

Kamarajar Port Limited

Introduction:-

- Kamarajar Port Limited (KPL) formerly known as Ennore Port Limited is the 12th and the youngest Major Port under Ministry of Shipping.
- The only Corporate port amongst Major Ports and functioning as a Land Lord Model, KPL became operational in 2001.
- As Port Authority, KPL undertakes overall Port Planning, Dredging, Connectivity projects and renders marine services, whereas cargo handling terminals are developed primarily through PPP under BOT mode.
- The Authorised Capital of KPL is Rs.500 crores and the Paid Up Capital is Rs.300 Crores with Government of India holding Rs.200 Crores and Chennai Port Trust holding Rs.100 Crores.

2

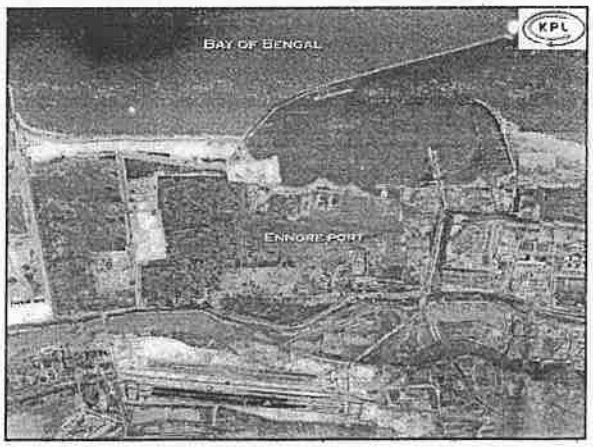
Landlord Model

- ❖ **KPL as Port Authority invests and develops Common Infrastructure such as...**

  Dredging of Harbour and Channel
  Rail and Road Connectivity
  Common Utilities

- ❖ **Cargo handling facilities are developed & operated through Public Private Partnership (PPP)**

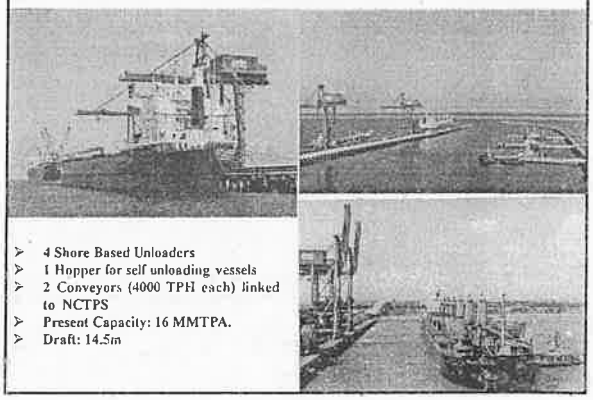
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Details of Existing Terminals

#	Name of Terminal	Mode	Existing Capacity in MTPA	Commissioned
1	Coal Berths - 1	Dedicated to TNEB	8.00	12 MTPA (since 2001) 4 MTPA (addition in Mar'16)
2	Coal Berth – 2	Dedicated to TNEB	8.00	
3	Common User Coal Terminal	BOT	10.00	8MTPA (since 2011) 2 MTPA (addition in 2015)
4	Iron Ore Terminal	BOT	6.00	Not Operational [LoI issued for Conversion]
5	Marine Liquid Terminal – 1	BOT	3.00	2009
6	Car-cum-General Cargo Berth	Own	3.00	2012
	Sub-Total (A)		38.00	

Coal Berth-1&2 (dedicated to TANGEDCO)



- 4 Shore Based Unloaders
- 1 Hopper for self unloading vessels
- 2 Conveyors (4000 TPH each) linked to NCTPS
- Present Capacity: 16 MMTPA.
- Draft: 14.5m

Marine Liquid Terminal



- Cost : Rs. 417 Cr
- Capacity: 3 MMTPA
- Status: Commissioned in 2009
- Draft: 13.5 m

Common User Coal Terminal



- Cost : Rs. 400 Cr.
- Capacity : 10 MMTPA
- Status: Commissioned in 2011
- Draft: 16.5 m

Iron Ore Terminal



- Cost: Rs. 480 Cr.
- Capacity: 12 MMTPA
- Status: Being Converted to Coal Terminal
- Draft: 13.5 m

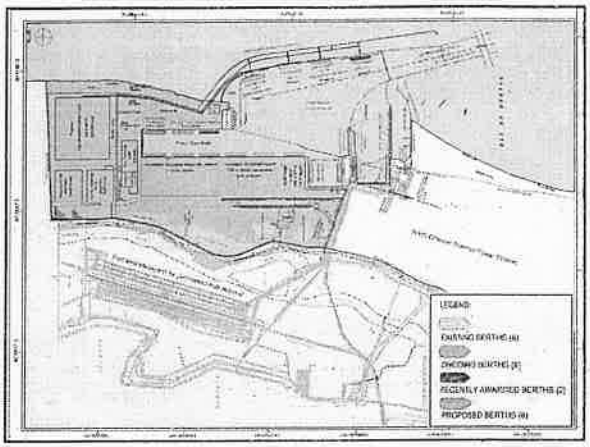
Car-cum-General Cargo Terminal



- Cost : Rs. 140 Cr.
- Capacity: 3,00,000 cars
- Parking Yard: 220000 sq.m.
- Draft: 10.5 m

Details of Terminals
Under Construction / Awarded / Under Planning

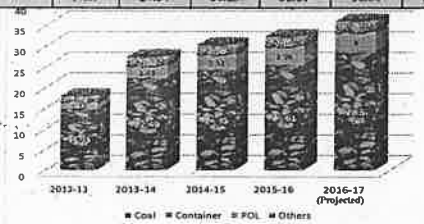
#	Name of Terminal	Mode	Capacity (in MTPA)	Project Cost (Rs. in Cr)	Expected Commissioning
A	UNDER CONSTRUCTION				
1	Container Terminal	PPP	16.80	1270.00	Dec'16
2	Multi Cargo Terminal	PPP	2.00	151.00	Feb'17
3	Coal Berth – 3	Captive	9.00	235.00	Jun'17
4	Coal Berth – 4	Captive	9.00	245.00	Aug'17
5	LNG Terminal	Captive	5.00	5151.00	Mar'19
B	AWARDED				
1	RoRo cum GCB-2	Own	3.00	320.00	Aug'18
2	IOCL Captive Jetty	Captive	3.00	465.00	Dec'19
C	UNDER PLANNING				
1	MLT-II	Captive	3.00	393.00	Jun'20
	Sub-Total (B)		50.80	8230.00	
	Total Capacity by 2020		88.80		
	No. of Berths: Existing:6 / under various stage:8 / Total:14 (88.8 MTPA) Available for Future Development: 8 Berths (62 MTPA) With this, Port's total capacity will be 150 MTPA				



Throughput

(In million tonnes)

Cargo Handled	2012-13	2013-14	2014-15	2015-16	2016-17 (Projected)	2016-17 (upto Sept'16)
TANGEDCO Coal	9.85	14.07	15.13	17.00	20.00	7.99
Common User Coal	5.05	8.42	9.22	8.61	8.50	3.52
POL	1.22	2.43	3.32	3.99	4.00	2.09
Other Cargo	1.74	2.42	2.58	2.61	3.00	1.29
Container	-	-	-	-	0.50	0
Total	17.99	27.34	30.25	32.21	36.00	14.89



Status of Port Connectivity - Road

KPL

1. **Existing Road Connectivity:**

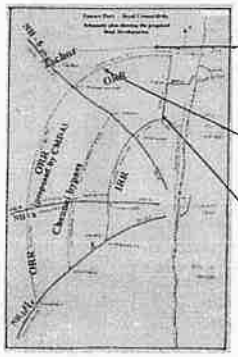
- Kamarajar Port is primarily connected to NH-5, NH-45 & GST Road through TPP road.
- Existing connectivity needs updations and augmentation for absorbing the growth of cargo.

2. **Proposed New Road Connectivity:**

☐ **Northern Port Access Road:**
- National Highways Authority of India(NHAI) has undertaken the project to give connectivity to KPL through NH 5.
- Pre project activities are going on.

☐ **Outer Ring Road (ORR):**
- CMDA(Chennai Metropolitan Development Authority) is developing the Outer Ring Road (ORR) along the periphery of Chennai connecting all the major National Highways converging at Chennai.
- The road has an approximate length of 62 km.
- First phase of ORR from Vandalur to Nemilichery has been completed.
- Work on 2nd phase is going on.
- The end point of ORR is at Minjur, 10 km away from KPL to provide additional connectivity.

Road Connectivity



Northern Port Access Road- KPL to NH-5 at Tachur including link to TPP Road.

Outer Ring Road (CMDA)

Chennai – Kamarajar Port Connectivity Project (SPV Project)

13

Status of Port Connectivity - Rail

1. Existing Rail Connectivity:

- Kamarajar Port has rail connectivity connecting it to Chennai-Gudur trunkline at North of Athipattu – Pudur railway station.
- The existing connectivity needs up gradation and augmentation for future cargo growth.
- 24 rakes per day

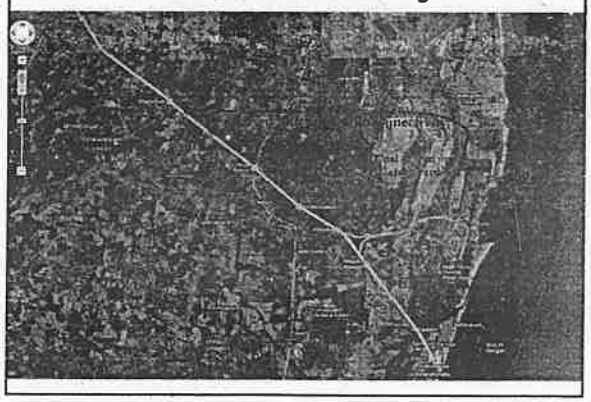
2. Proposed New Rail Connectivity:

❑ Northern Rail Link (NRL):

- With the increasing rail traffic of Kamarajar Port and also in order to have an alternate rail route from the main line to Kamarajar Port, apart from existing rail connectivity, Kamarajar Port has plans to develop a new Northern Rail Link.
- The proposed Northern Rail Link takes off from the northern side of Minjur Station (in the Chennai-Gudur Railway mainline) and enters into Kamarajar Port. A "Y" connection is proposed both at Minjur take off and at the Port entry / exit side.
- DPR submitted to Southern Railway for approval.

14

Rail Connectivity



IT System

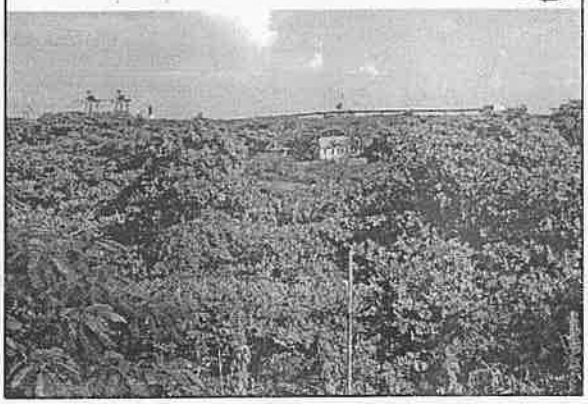
- KPL has implemented Port Operations Management System (POMS) through NIC and is electronically exchanging messages with its stake holders like Shipping Agents, Importer/ Exporters, etc. through Port Community System (PCS).
- KPL is also exchanging EDI messages with Customs Department (ICEGATE) through PCS.
- All charges are collected though RTGS, NIFT & e-payments gateway of PCS.
- All Tenders / Quotations are published in KPL Website and also in e-publishing sites of CPP Portal.

16

IT System (contd.)

- All Tenders valuing more than Rs. 5 Lakhs, the bids are received only through e-procurement.
- Contract awarded to ELCOT for implementation of ERP System
- An on-line pass system implemented to enable the Port users to apply and print passes on line.
- GIS based Land management system project has commenced and work is in progress.

Environment Friendly Port





Record Note of the discussions during meeting held on 24.08.16, at 1100 hrs., in the Conference Room of the Ministry of Shipping, New Delhi, under the chairmanship of Dr. Vishwapati Trivedi, Chairman, National Shipping Board to discuss new technologies and vessel designs..

A meeting of the National Shipping Board (NSB) was held under the Chairmanship of Dr. Vishwapati Trivedi, Chairman National Shipping Board on 24.08.2016 at Ministry of Shipping, New Delhi, to discuss new technologies and vessel designs for use in shallow water navigation and coastal navigation [list of participants is attached as Annex 1].

2. During the meeting, presentations were made by members of classification societies covering different aspects of vessel design and new technology in ship design and propulsion including LNG fuel. Presentation was also made by an inland vessel operator.

2.1 Presentation by class NK

The presentation from class NK made by Shri A.V. Pradhan outlined the use of Electric Motor Inverter Propulsion System and Azimuth Pods with Contra rotating propulsion that improves the efficiency of vessels by about 25%. He also informed that the technology is available and is in use on shallow draft vessels, especially harbour tugs. He also shared information on the use of LNG fuel on vessels, including bunkering methodologies in use.

2.2 Presentation by class LR

Shri Anil Kumar, Lloyds Register Marine, in his presentation on LNG Fuelling & New Technology also shared a number of documents in use in Europe for construction of LNG fuelled vessels like ES-TRIN (2017), AND (1948), LR classification of LNG vessels, Gas Bunkering Standards, Quality Ship Building, Hybrid Installation, Guidelines for use of Battery etc. He also informed that LR has carried out survey of New Construction in South Asia, including India.

2.3 Presentation by Class DNV-GL

The presentation from DNVL-GL made by Dr. Piyush Raj was on methodology used by them to improve fuel efficiency by hull modification and fuel technology. He also informed that hydrogen cell is also in use for propulsion and is suitable for small size vessels like inland vessels.

2.4 Presentation by Class IR

The presentation from Indian Register of Shipping made by Shri Girish, dealt on the availability of new technology like LNG fuel and methodology for designing of shallow draft vessels and coastal vessels.

2.5 Presentation by LOTS Shipping

The presentation made by Capt. Philip Mathew, LOTS shipping focused on the use of technology that was affordable. He also stated that 'Pusher Tug - Dumb Barge' combination system needs to also be looked into as it is economical and scalable.

3. During discussions and deliberations subsequent to presentation, the following emerged.

3.1 The representatives from IWAI informed that under 'Jal Marg Vikas Project', a vessel design consultancy has been short listed through tender process for designing of shallow draft vessels, LNG fuelled vessels and 'Push Tug Barge Flotilla'.

3.2 The representative of Petronet LNG, Capt. Sanjay Gupta, informed that management of Petronet India Ltd. has taken a decision to provide LNG fuel at locations along the Ganges for which they have signed an MOU with IWAI.

3.3 New technology and methodology should be considered during construction of shallow draft vessels for the Ganges. However, when doing so, the characteristics of the river like the current flows, available depths, shifting of channels and repair facilities etc., needs to be also considered.

3.4 There is wealth of information and technology base available with the classification societies for designing of fuel efficient ships including use of green fuel technology like LNG, Hybrid Fuel System, Hydrogen Cell, Electric Propulsion etc.

3.5 A cabotage frame-work needs to be proposed to ensure that vessels used in coastal waters & inland waters are constructed in India. A suitable proposal in this regard can be drafted for the consideration of the government.

3.6 Compulsory use of green fuel technology like LNG in construction of certain percentage of new tonnage, especially the new construction by the government may be a good idea to introduce new technology to coastal shipping and inland navigation. Before compulsorily rolling out the new technology including LNG vessels etc., the commercial viability of the operation needs to be evaluated.

3.7 Financing for construction of Inland vessels and coastal vessels needs to be simplified and covered by priority banking without insisting on collaterals security.

3.8 To encourage use of clean fuels, tax rebate needs to be considered by the government.

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Annexure - 4

INSA –GST representation areas

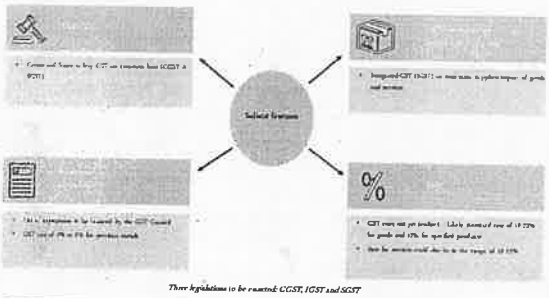
Page 1

Shipping companies – current indirect taxes on key revenue streams

Revenue stream	Tax applicable	Tax rate
International transportation – import cargo	Service tax	4.5%
International transportation – export cargo	No – place of provision outside India (Exemption outside India - Rule 10 of Place of Provision Rules)	
Coastal transportation	Service tax	4.5%
Time charter of vessels	Service tax If customer located outside India - Zero rated	15%
Bare boat charter	VAT	5% (varies from State to State)
Bare boat charter cum demise	VAT on full value Service tax on 10% of interest and finance charges	Service tax – 15% VAT - 5% (varies from State to State)

Page 2

The proposed GST framework in India



Three legislations to be enacted: CGST, IGST and SGST

Page 3 *Draft for discussion purpose only*

GST Model law – key provisions on applicability of GST and place of supply

Criteria for levy of IGST, SGST and CGST on services

Location of supplier	Place of supply	Type of supply	Legislative reference	Levy of GST
State A	State A	Intrastate supply	Section 3A of IGST Act	CGST and SGST
State A	State B	Interstate supply	Section 3 of IGST Act	IGST

Criteria for determining Place of supply

Type of service	Provision under Model GST Law
Transportation of cargo	Where supplied to a registered person, location of such person Any other person, location at which goods are handed over for their transportation
Default rule for other services	Location of recipient where the address on record exists Location of the supplier of services in other cases

Page 4

GST Model law – key provisions on applicability of GST and place of supply

- Location of supplier of service defined as:
  - Where supply made from registered place of business – registered place of business
  - Where supply made from a place other than registered place of business ie fixed establishment elsewhere, the location of such fixed establishment
  - Where supply is made from more than one establishment, location most directly concerned with the provision of the supply
  - In absence of above, usual place of residence of the supplier
- Location of recipient of service defined as:
  - Where supply received at a place of registered place of business – registered place of business
  - Where supply received at a place other than registered place of business ie a fixed establishment elsewhere, the location of such fixed establishment
  - Where supply received at more than one establishment, location most directly concerned with the receipt of the supply
  - In absence of above, usual place of residence of service recipient

Page 5

Summary of key GST representations
A. Shipping sector - Critical GST representation areas

No	Transaction	Key GST representations
1	International transportation of cargo	• Import cargo and export cargo transportation should be notified as zero rated supplies • Any coastal transportation which is a part of a continuous international transportation journey should also be zero rated • Level playing field vis-à-vis foreign shipping companies – mechanism to ensure that foreign shipping companies providing taxable services to overseas customers also register under GST and pay GST
2	Time charter - Fuel and any other goods or services used by customers	• Clarification that in case of time charter of vessels, fuel or any other goods or services used by the customer is not to be added to the value of charter hire charges for levy of GST
3	Zero rating of Import of services	• Services such as ship repairs, renovation, agency fees, bare boat charter, etc received by shipping companies outside India should either be zero rated or exempt from GST
4	GST credit of catering services received	• GST credit on catering services received on board the ship or at offshore rigs / platforms should be allowed
5	Custom and excise duty exemptions on ships	• Specific provisions under the Customs Act and GST Act granting exemption from IGST on import of all types of vessels and goods imported under essentiality certificate

Page 6

Summary of key GST representations
B. Shipping sector - Other GST representation areas

No	Transaction	Key GST representations
6	Coastal transportation	• Clarification on place of supply under various transaction scenarios
7	Time charter and bare boat charter	• Clarification on whether BBCD would be regarded as goods or services • Clarification on place of supply under various transaction scenarios
8	Loading and unloading charges	• Clarification on the place of supply under various business scenarios
9	Inland transportation services by road	• Clarification on the place of supply under various business scenarios
10	Sub committee for Shipping industry	• Formation of subcommittee in the GST Council for the shipping industry in order to address the indirect tax issues and challenges faced by the shipping industry in a granular manner

Page 7

Summary of key GST representations
C. Other representation areas

No	Transaction	Key GST representations
11	GST input tax credit mechanism	• To provide a refund of excess credits, or allowing the shipping companies to pool their credit balances across the States • Alternatively, extend the facility of distribution of input tax credit for goods also to other registered place of business of the assessee
12	Location of service provider and service recipient	• Clarification on location of service provider and service recipient under various scenarios
13	ISD registration	• Whether multiple locations can obtain ISD registration
14	Transitional provisions	• Specific provisions for cut over transactions including related party transactions • If refund claim under the earlier law is rejected, it should be allowed to be allowed to be carried forward as GST credit
15	Input tax credit	• Input tax credit on goods and services in relation to construction of immovable property, outdoor catering, health insurance of employees, travel expenses of employees, staff welfare expenses should be allowed • Time limit for availment of input tax credit should be extended to 2 years from the date of receipt of invoice

Page 8

Summary of key GST representations
C. Other representation areas

No	Transaction	Key GST representations
16	Tax pre-deposits for appeals	• Pre-deposit should be 10% in all cases and SGST Commissioner should not be given discretionary powers for invoking a higher pre-deposit of up to 50% • Pre-deposit should be allowed be made by way of bank guarantees.
17	Import of services – valuation	• Tax payment challan should be added in list of documents for availing GST credit • Import of services from related parties should not be subjected to GST Valuation Rules. • Transaction value should be accepted as this would effectively be a wash transaction with no loss to the Government exchequer
18	Credit of GST – order of utilization	• IGST and CGST credits should be allowed to be taken as a common credit pools across various locations so that they could be set off against output GST liabilities of any state
19	Other representation areas	• SGST rate should be uniform across States • Fast track of pending litigations for quick disposal of pending litigations • Time of supply for transactions on which GST is payable on reverse charge basis should continue to be "payment to vendor or date of supply (in case the payment is not made within 6 months)"

Page 9

1

Shipping sector - Critical representation areas

Page 10

1. International transportation

Impact if export and import cargo are not notified as 'zero rated supplies'

A. Impact on Indian shipping companies

Type of services	Charterer (service receiver)	GST applicable	Input tax credit to shipping company	Input tax credit to customer
Import cargo	Indian consignee	Yes	Yes	Yes
Import cargo	Foreign consignor	No	No	-
Export cargo	Indian consignor	Yes	Yes	Yes
Export cargo	Foreign consignee	Yes	Yes	No

B. Impact on foreign shipping companies

Type of services	Charterer (service receiver)	GST applicable	Input tax credit to customer
Import cargo	Indian consignee	Yes – under reverse charge	Yes
Import cargo	Foreign consignor	No	-
Export cargo	Indian consignor	Yes – under reverse charge	Yes
Export cargo	Foreign consignee	Yes – may be practically difficult to levy GST since both parties outside India	No

Page 11

1. International transportation

Desired provision under the GST law:

- Import cargo and export cargo transportation should be notified as zero rated supplies
  - To enable full credit / refund of taxes paid on inputs and input services
- Refund should also be allowed in respect of input taxes used for provision of export cargo and import cargo transportation services
- Any coastal transportation which is a part of a continuous international transportation journey (ie transshipment services) should also be zero rated
- Level playing field vis-à-vis foreign shipping companies
  - If the above request is not addressed and if GST is applicable, there should be a level playing field vis-à-vis foreign shipping companies
  - In case of a foreign shipping company providing import cargo or export cargo transportation to an overseas charterer – there should be a mechanism in place to ensure that the foreign shipping company registers under GST and pays the applicable GST

Page 12

2. Time charter - Fuel and any other goods or services used by customers

Transaction:

- Shipping company provides vessels on time charter to its customers
- Shipping company does not supply fuel required for running of vessels
- Charterer (customer) uses the fuel required for running the vessel on its own

Desired clarification:

- In case of time charter of vessels, fuel or any other goods or services (such as helicopter services, drilling fluids, logging services, etc) used by the customer is not to be added to the value of charter hire charges for levy of GST

Justification for the desired clarification:

- In case of time charter of vessels, service provided is providing a vessel on hire along with crew. The vessel is at the disposal of the customer for its use
- Free fuel is not supply, in actual terms it is self-consumption by charterers
- Fuel is not used by the shipping company for providing a service
- No benefit accrues to the shipping companies on account of supply of fuel
- Hirer is not concerned if the charterer is making intended use of the vessel or not once the same is given on hire

Page 13

3. Zero rating of import of services

Current position

- Services received at overseas port such as ship repairs, renovation, dry docking, etc – exempt from service tax since performed outside India
- Obtaining vessels from overseas entities on bare boat charter – exempt from service tax and VAT

Possible GST implications:

- GST Place of Supply Rules do not have a rule for 'performance based services'
- GST could be applicable on import of services including bare boat charter, ship repairs, renovation and dry docking services

Desired provision under the GST law:

- Services such as ship repairs, renovation, agency fees, bare boat charter, etc received by shipping companies outside India should either be zero rated or exempt from GST

Justification for the desired provision:

- Globally, in major maritime jurisdictions like UK, Singapore, Netherlands, Greece etc, taxes relating to the shipping industry are either zero rated/exempted, whether such services are availed domestically or internationally by non-resident or resident ship owner

Page 14

4. GST credit of catering services received

Provisions of the Model GST law:

- GST paid on catering services received is not eligible for input tax credit

Desired provision under the GST law:

- Credit should be allowed in respect of GST paid on catering expenses incurred in relation to the crew and other staff

Justification for the desired provision:

- Shipping companies are required to provide for food facilities to the crew on board the ship and the crew located at offshore rigs and platforms
- Providing food facilities to crew on board or at offshore rigs and platforms is a statutory requirement (based on a combined reading of Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008 and Maritime Labour Convention 2006)
- Catering expenses incurred for the above are in the furtherance of business and are essential for providing the output services

Page 15

5. Continuation of customs & excise duty exemptions

Current position

- Under the present Customs and Excise legislation, import of the following types of vessels is exempt from Basic Customs Duty ('BCD'), Additional Customs Duty ('ACD' or 'CVD') and Special Additional Customs duty ('SACD'):
  - Chapter 8901 – cargo ships for transport of persons and goods, ferry boats
  - 8905 1000 - dredgers
- Further, import of vessels for oil and gas operations under 'essentiality certificate' are exempt from custom duties
- Exemption from customs and excise duties on procurement of vessels results in lower costs which in turn enhances the competitiveness of the Indian Shipping industry
- Moreover, such exemptions are consistent with the practices followed in major international maritime jurisdictions

Page 16

5. Continuation of customs & excise duty exemptions

GST Model law

- No specific mention under GST Model law on taxability of import as well as domestic procurement of all types of vessels

Desired provision under the GST law:

- Specific provisions under the Customs Act granting exemption from IGST on import of all types of vessels and goods imported under 'essentiality certificate'
- Specific provisions under the GST Act granting exemption on domestic procurement of all types of vessels and procurement of goods under 'essentiality certificate'
- If a vessel is imported on bare boat charter or time charter basis and if IGST is paid on value of vessel imported, whether GST would again be applicable on hire charges payable – could lead to double taxation

Page 17

2

Shipping sector – other representation areas

Page 18

6. Coastal transportation

Possible GST implications based on GST Model law:

Supplier location	Recipient location	Transportation of goods	Place of supply	Type of supply	Levy of GST
Mumbai	Mumbai	Mumbai to Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	Within Maharashtra	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	West Bengal to Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Delhi	Mumbai to Chennai	Delhi	Interstate	IGST

- Clarification on GST implications on specific transactions
- Level playing field vis-à-vis foreign shipping companies
  - In case of a foreign shipping company providing coastal transportation to an overseas charterer – there should be a mechanism in place to ensure that the foreign shipping company registers under GST and pays the applicable GST

Page 19

7. Time charter and bare boat charter of vessels

Possible GST implications based on GST Model law:

Supplier location	Recipient location	Movement of vessel given on hire	Place of supply	Type of supply	Levy of GST
Mumbai	Mumbai	Mumbai to Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	Within Maharashtra	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	West Bengal to Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Delhi	Mumbai to Chennai	Delhi	Interstate	IGST

- Clarification on specific transactions

Page 20

8. Loading and unloading charges

Current indirect tax treatment	GST implications
• Service tax applicable at 15% • CENVAT credit on input services available	• Intrastate supply – SGST + CGST • Interstate supply – IGST

GST place of supply:

- Where supplied to a registered person, location of such person
- Any other person, location of service receiver

Supplier location	Recipient location	Place of performance	Place of supply	Type of supply	Levy of GST
Mumbai	Mumbai	Mumbai	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Delhi	Mumbai	Delhi	Interstate	IGST
Mumbai	Delhi	Chennai	Delhi	Interstate	IGST

- Clarification on specific transactions

Page 21

9. Inland transportation services

Current indirect tax treatment	GST implications
• Service tax applicable at 4.5% • CENVAT credit not available	• Intrastate supply – SGST + CGST • Interstate supply – IGST

GST place of supply:

- Where supplied to a registered person, location of such person
- Any other person, location at which goods are handed over

Supplier location	Recipient location	Transportation of goods	Place of supply	Type of supply	Levy of GST
Mumbai	Mumbai	Mumbai to Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	Within Maharashtra	Mumbai	Intrastate	SGST, CGST
Mumbai	Mumbai	West Bengal to Chennai	Mumbai	Intrastate	SGST, CGST
Mumbai	Delhi	Mumbai to Chennai	Delhi	Interstate	IGST

- Clarification on specific transactions

Page 22

10. Sub committee for Shipping industry

- Formation of subcommittee in the GST Council and Empowered Committee for the shipping industry in order to address the indirect tax issues and challenges faced by the shipping industry in a granular manner

Page 23

3

Common industry representation areas

Page 24

11. GST credits mechanism

Possible impact on shipping companies

- Shipping Companies may not have output services in majority of the ports and hence may not have an output GST liability for such States, however, they could incur GST on inputs and input services procured at such ports
- Input tax credit blockages on account of purchase of goods such as ship stores, consumables, fuel, spares, etc
- This could result in significant blockage of input tax credit in various States

Desired provision under GST law

- To ensure that there is no excess credit accumulation in the individual States:
  - Shipping Companies should either be allowed to claim refund of excess credits in the States and such refunds should be paid expeditiously; or
  - Shipping Companies should be allowed to pool their negative and positive credit balances across States
  - Alternatively, extend the facility of distribution of input tax credit for goods also to other registered place of business of the assessee

Page 25

12. Location of service provider and service recipient

Provisions of the Model GST law

- Location of supplier of service defined as the registered place or fixed establishment from where 'supply is made'
- Location of recipient of service defined as the registered place of fixed establishment from where 'supply is received'

Clarifications required:

- In case of provision of services (transportation of services, time charter and bare boat charter)
  - Location of supplier of service would be the registered premises from where invoices are raised
  - Location of receiver of service would be the registered premises to which the invoice is addressed
- The above position should apply even in case time charter or bare boat charter at offshore platforms (12 to 200 nautical miles)

Page 26

13. Input service distributor registration

Provisions of the Model GST law

- Input Service Distributor ('ISD') has been defined to mean:
- *"An office of the supplier of goods and / or services which receives tax invoices issued under section 23 towards receipt of input services and issues tax invoice or such other document as prescribed for the purposes of distributing the credit of CGST (SGST in State Acts) and / or IGST paid on the said services to a supplier of taxable goods and / or services having same PAN as that of the office referred to above".*

Clarification required:

- Shipping companies could have offices at multiple locations which receive tax invoices, but no services are provided from such locations
- Under the Model GST law, in our view, there is no restriction on obtaining an ISD registration for multiple locations – clarification desired on this aspect

Page 27

14. Transitional provisions

Services provided and invoices raised prior to GST roll out date

- No specific provisions under the GST Model law on the above.

Desired provisions under GST law:

- If service tax has already been paid – no GST should be payable
- If service tax credit is taken by customer after GST roll out date – such credit should be allowed to be carried forward as GST credit
- Clarification on taxability of continuous contracts whose start date is prior to go live date but continue even after

Refund claims pending prior to GST roll out date

- As per Section 154 of the GST Act, pending refund claims shall be disposed off as per the previous law – refund to be paid in cash
- However, if the refund claim is rejected, the refund would lapse

Representations to be made:

- If refund claim under the earlier law is rejected, it should be allowed to be allowed to be carried forward as GST credit

Page 28

14. Transitional provisions

Related party transactions

- In case of related party transactions for import of goods or import of services done prior to the GST go live date, but invoices raised after the GST go live date – whether the GST valuation rules would be applicable?
- If yes, clarity would be required on the valuation mechanism to be followed for such transactions

Page 29

15. Input tax credit

Desired provisions under GST law

- Allowing input tax credit on goods and services in relation to construction of immovable property, outdoor catering, health insurance of employees, travel expenses of employees, staff welfare expenses
- Time limit for availing input tax credit is before filing the return for September of subsequent financial year or before filing the annual return, whichever is earlier – time limit should be extended to 2 years from the date of receipt of invoice
- In case of delay or default in payment of output GST or filing of GST returns by the supplier of goods and services – interest should not be recovered from recipient on credit availed in respect of such goods and services

Page 30

16. Tax pre deposit for appeals

- Pre-deposit of tax in case of appeals would be 10%
- However, for SGST, where tax in dispute is higher than INR 250 million, pre-deposit could be as high as 50% (if GST Commissioner is of the opinion that the case as a 'serious case')

Desired provision under GST law:

- Pre-deposit should be 10% in all cases and SGST Commissioner should not be given discretionary powers for invoking a higher pre-deposit of up to 50%
- Pre-deposit should be allowed in the form of a bank guarantee in all cases

17. Import of services - valuation

Clarifications desired:

- Import of services from related parties should not be subjected to GST Valuation Rules since the IGST paid on import of services is anyways available as a credit and hence valuation of such services should not have any impact on Revenue.
- Transaction value should be accepted as this would effectively be a wash transaction with no loss to the Government exchequer

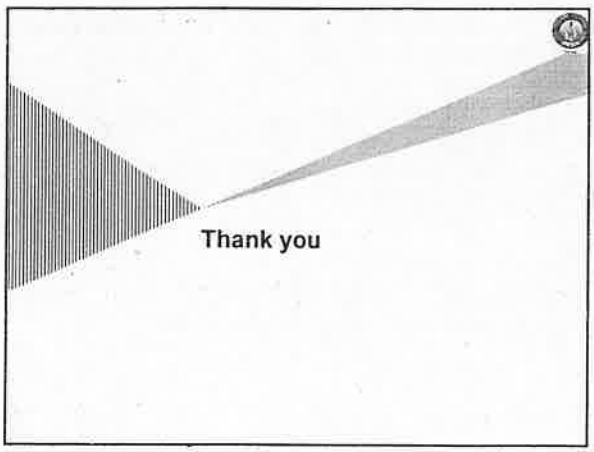
18. Credit of GST – order of utilisation

Clarifications desired:

- CGST credit of one State allowed against output CGST of another State
- IGST credit of one State allowed against output IGST of another State

19. Other representation areas

- SGST rate should be uniform across States. If this is not possible, the variance of SGST rates should be kept at minimum
- Fast track of pending litigations – for quick disposal of pending litigations
- Time of supply for transactions on which GST is payable on reverse charge basis should continue to be "payment to vendor or date of supply (in case the payment is not made within 6 months)"
  - Under current model GST law it is difficult to keep a track of different events and time of their occurrence to determine the actual supply for the purpose of discharging liabilities



Annexure - 5

10/26/2016

OUTLOOK
on
INDIAN COAL SECTOR

By

INDIAN NATIONAL SHIPOWNER'S ASSOCIATION

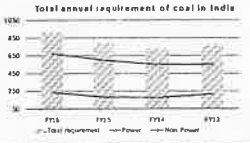
Coal Requirement in India

- The annual requirement of coal in India grew at a CAGR of 7% from FY12 to FY16.
- The coal demand by power sector & non power sector in FY16 stood at 673 MT & 237 MT respectively.
- In FY16, share of coal by power sector was 74% of the total coal requirement in India.
- Coal requirement of non-power sector viz Steel, Cement, Sponge iron, Paper, Textiles, Brick, Fertilizer among others was 26% of total coal requirement in FY16.

Total annual requirement of coal in India (in million tonnes)

Sector	FY16	FY15	FY14	FY13	FY12
Power	673	602	581	553	500
Y-o-Y growth	12%	3%	5%	11%	
Non Power	237	185	179	216	194
Y-o-Y growth	28%	3%	-18%	11%	
Total Requirement	910	787	760	772	694
Y-o-Y growth	16%	4%	-2%	11%	

Source: Ministry of Coal



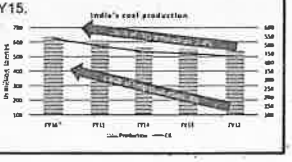
Coal Production in India

- Coal production in India grew at a CAGR of 4.26% from FY12 to FY16.
- Total coal production in FY16 stood at 638 million tonnes (MT), increased by 4% from FY15.
- In FY16, Coal India Limited (CIL) achieved its highest ever throughput of 538.75 MT recording a y-o-y increase of 9% from FY15.
- The Singareni Collieries Company Limited (SCCL) produced 60 MT of coal in FY16 FY15.

India's Coal Production

In million tonnes	FY16	FY15	FY14	FY13	FY12
Total production	638.03	612.44	565.70	556.40	539.90
Y-o-Y growth	4.2%	8.3%	1.7%	3.1%	
CIL	538.75	494.23	462.53	452.21	435.84
Y-o-Y growth	9.0%	6.9%	2.3%	3.8%	
SCCL	60.38	52.53	50.47	53.19	52.21
Y-o-Y growth	14.9%	4.1%	-5.1%	1.9%	
Others	38.92	65.68	52.70	51.00	51.85

Source: Ministry of Coal



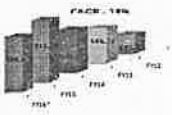
Coal Imports into India

- In FY16, India imported ~200 million tonnes of coal.
- The coal imports grew at a CAGR of 18% from FY12 to FY16.
- Indonesia, Australia and South Africa Indonesia, Australia and South Africa were principal destinations exporting coal to India.
- Due to increase in production by CIL, there has been a plunge in coal imports in the current fiscal.

India's Coal (Coking & Non-Coking) Imports

In million tonnes	FY16*	FY15	FY14	FY13	FY12
Imports	199.88	217.74	166.86	145.79	102.85
Y-o-Y growth (%)	-8.2%	30.5%	14.5%	41.8%	

Source: Ministry of Coal ; * Provisional



India's Humongous Freight Bill!

- The 3 year combined forex outgo on coal imports was INR 175,596 crore.
- As per the current import policy, coal falls under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. ***A policy that is acting against Indian Shipping.***
- It is a matter of grave concern that CIL has not entered into any contract with Indian shipping companies to import coal: Please click to view the document

Foreign exchange outgo on import of thermal coal (non – coking)

FY16*		FY15		FY14	
Quantity (in MT)	Value (in INR cr.)	Quantity (in MT)	Value (in INR cr.)	Quantity (in MT)	Value (in INR cr.)
129.58	57497.5	168.39	70758.6	128.70	47340.0

Source: Ministry of Coal,
*Figure for FY16 is from April 2015 to January 2016

Government's Intention to Substitute Imports with Domestic Production

- ***CAGR of coal production by CIL from FY12 to FY16 stood at 5.44% - surpassing 4.26% CAGR of India's total coal production.***
- The robust production growth of CIL was mainly due to the government's intention of reducing import dependency of coal by enhancing domestic production of coal.

Government working to eliminate coal import: Piyush Goyal

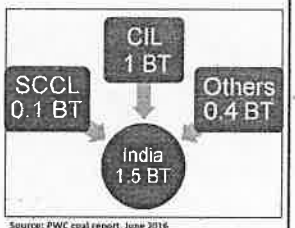
Coal production rose 20 per cent in 2015-16: Piyush Goyal

Norms relaxed for utilisation of domestic coal: Piyush Goyal

Coal imports may save Rs 40,000 crore this fiscal: Piyush Goyal

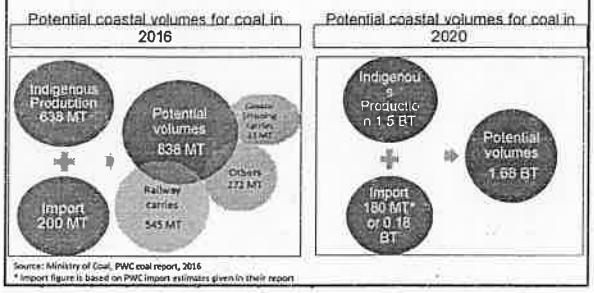
Coal Scenario in India - 2020

- The total coal demand in India is expected to be around 1.2–1.5 billion tonnes (BT).
- Ministry of Coal, Government of India, has set up a target of increasing coal production to reach a production level of 1.5 BT by FY20.
- To achieve this, production road map of CIL focuses on achieving coal production of 1 BT by FY20.



Source: PWC coal report, June 2016

Potential Coal Volumes for Coastal Shipping in India

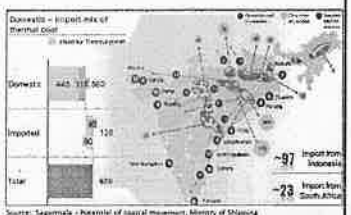


Source: Ministry of Coal, PWC coal report, 2016
* Import figure is based on PWC import estimates given in their report

Movement of Coal in India

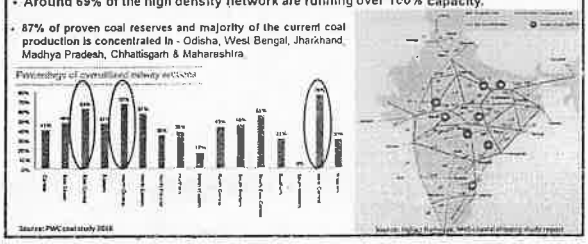
- 55% of CIL's coal and 70% of SCCL's coal is transported through railways.
- Indian railways carried 545 million tonnes of coal in FY15.
- In FY15, EXIM traffic of thermal coal handled at major ports & non-major ports was 64 & 158 million tonnes per annum (mtpa) respectively.
- However, coastal traffic of thermal coal handled at major ports was ~21 mtpa in FY15.

Data sources: IPA, Indian Railway annual report, RWC report



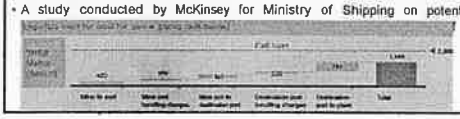
Railways are Over Utilized

- Existing railway line capacities are over utilized. ~40% of the railway sections in India are over utilized (running over 100% capacity).
- **Around 69% of the high density network are running over 100% capacity.**
- **87% of proven coal reserves and majority of the current coal production is concentrated in** - Odisha, West Bengal, Jharkhand, Madhya Pradesh, Chhattisgarh & Maharashtra.



Coastal Shipping of Coal – The TNEB Way!!

- Tamil Nadu Electricity Board (TNEB) is utilizing coastal shipping to meet coal requirement of its power plants.
- In FY15, 13.6 MT of coal was transported coastally by TNEB using Indian tonnage.
- TNEB has a "Contract of Affreightment" along with "Freight Rate Agreement" with Poompuhar Shipping Corporation Ltd. for carrying coal on a long term basis.
- ***This model of transportation ensures cost effective & efficient service for the power company, long term cargo & freight assurance for the shipping company and boosts Indian tonnage and shipping revenues of the government – a win-win situation for all.***
- A study conducted by McKinsey for Ministry of Shipping on potential of coastal using rail and



Why Not Indian Flag vessels for India's Coal??

- From FY14 to FY16, more than 18 million tonnes of coal was transported using shipping as a mode of transportation – **Unfortunately all this was carried by foreign flag ships**
- The statement below showing licenses issued by DGS is testimony to this fact. 329 licenses were issues by D.G.S from FY14 to FY16.

Statement of Coastal Coal Enquiries received, NOC issued from INSA and Licenses by DGS			
In numbers	FY16	FY15	FY14
Total enquiries received	196	271	164
NOC issued by INSA	214	243	158
Licenses issued by DGS	118	129	98

Source: INSA

- Statement showing the quantities of cargoes for which shipping arrangements were made by chartering wing, ministry of shipping for the year 2014 & 2015 are further disheartening.

Shipping arrangements for coal by chartering wing, MoS				
	Indian Flag		Foreign Flag	
	No. of vessels	Quantity (in lakh MT)	No. of vessels	Quantity (in lakh MT)
01-01-2014 to 31-12-2014	15	11.25	153	129.15
01-01-2015 to 31-12-2015	0	0	48	45.56

WHY THIS DISPARITY??

Source: Ministry of Shipping, Annual Report 2015-16

Coastal Shipping – Is It Competitive??

Operating parameters for a coastal voyage	Impact on an Indian flag ship	Impact on a foreign flag ship	Competitive advantage rests with
Flag	Higher tax rate	Lower tax	Foreign flag ship
Safe manning rules a) Number of seafarers b) Nationality of seafarers	The number of seamen to be mandatorily employed is fixed and higher per voyage.	Not in the purview of these rules; lower manning scales	Foreign flag ship
Bunkers	Purchase cost ~30% higher than a foreign flagship operating on the coast	Not levied, tax free	Foreign flag ship
Seafarers taxation	Indian seafarers on Indian flagships have to pay tax and hence cost of employees goes up	Not levied, tax free	Foreign flag ship
Tonnage tax	Plus other additional taxes are payable such as MAT	Not levied, tax free	Foreign flag ship
Service tax on freight	Applicable	Not levied, tax free	Foreign flag ship

Freight cost comparison of Indian flag vs Foreign flag

- Due to high operating costs, freight for Indian vessels tend to be Higher than foreign vessels.
- For a vessel carrying 54,000 tonnes of coal from Paradip to Mundra, foreign flag vessel making one of voyage and Indian vessel operating on continuous basis - ***The difference in per ton calculated freight comes to 54% higher for Indian flag vessel.***
- ***Above is in spite of allocating USD 12000 for a one time license/conversion charges for the foreign flag vessel***
- Primary reasons for the difference in vessel operating cost:-
  - ***Service Tax***
  - ***Duty paid bunkers***
  - ***Income tax paid on crew salary***

Crucial Actions for Increasing Share of Indian Flag Ships

- ***There is potential of 1.68 BT for coastal coal movement in 2020,*** but all will be in vain if it cannot
  - Increase the share of Indian flag ships carrying coal
  - Earn revenue for Indian exchequer
- Indian flag vessels are unattractive mainly due to higher operating cost on account of duty paid bunkers, tax on wages of seafarers and cost due to empty ballast voyage. ***Policies favoring Indian flag ships and making it affordable to operate must be adopted.***
- It is of utmost importance that logistics of coal movement should be arranged using ***Long Term Contracts with Indian shipping companies.***
- ***A transparent logistics contracting process must be adopted,*** keeping in view government's Ease of Business policy.
- ***Punitive actions must be taken on unfair practices adopted by charterers*** such as floating multiple enquiries, overlapping laycan, fiddling with quantity of cargo to avoid

THANK YOU !
ANY QUESTIONS ?

Anil Devli
ceo@insa.org.in

Annexure – 6

Potential Of Ship Repair in India & Policy Suggestions

Present Scenario

Current International Ship Repair Market Share- Approx. 20 Billion $

Immediate Opportunity for Indian Ship Repair Industry : Approx. 1.11 billion $

Existing Indian Ship Repair Industry : Approx. 0.58 billion $

35 Registered Ship Repair Units (SRU's) in India

Case1: Significant Loss for International Business Opportunity

Area Wise Representation of Country along with No. of Ship Repair Units



Case2: Indian Ship owners are also diverting to Foreign Repair Yards.

Ship Repair Expenditure of SCI for its fleet in the last 5 years



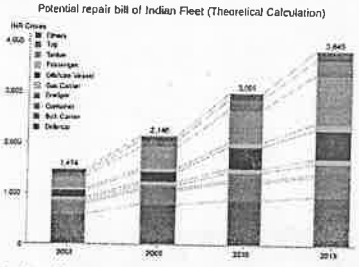
Opportunity to create infrastructure for repair of large ships. This would help ship repair business that is going to international yards due to lack of infrastructure in India and competitive pricing overseas.

Current infrastructure includes repair berth, workshops, steel fabrication and replacement etc.

Our ship repair yards can undertake dry-docking activity of ships that forms the most revenue generating activity in ship repair. Afloat repairs and breakdown repairs of ships calling to ports for trade forms major component of workshops involved in ship repair activity.

Potential repair Bill of Indian Fleet

Potential repair bill of Indian Fleet (Theoretical Calculation)

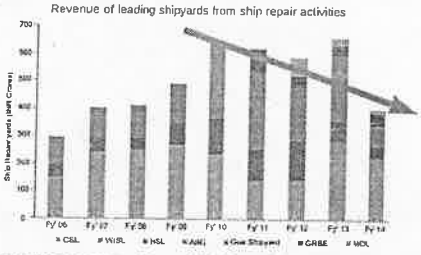


Indian ship repair yards could capture a higher share of market by improvement in infrastructure, increasing ship repair yard capacity and competitive performance. Excluding some of the niche markets such as gas carriers and highly specialized Defence vessel, Indian ship repair yards could cater to all types of ships owned and operated in Indian waters.

Source: Maritime

Revenue of Leading Indian Shipyards from Ship Repair Activities

Revenue of leading shipyards from ship repair activities



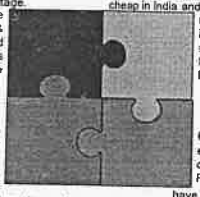
The revenue of leading ship repair yards have doubled from INR 300 Crore in 2006 to more than INR 600 Crore in 2013. Financial year 2014 saw sudden drop in cumulative revenue of major ship repair yards. Fall in repair income of Western India, HSL, ABG and Goa Shipyard attributed to fall in cumulative repair revenue of ship repair yards. ABG Shipyard and Western India shipyard lost a large number of customers due to financial difficulty.

Source: Maritime

Strengths Of Indian Ship Repair Industry

Geostrategic location of India: A long coast line with number of all weather ports which are not subjected to severe weather conditions and naturally protected is the primary advantage. With strategic location in the trade route of tanker/bulk carrier traffic on east & west and ready availability of trained workforce, there are tremendous opportunities for huge revenue generation.

Abundance of labor: All the resources required for the Ship Repair Units to function efficiently are available and there is a huge untapped potential. The ship repair industry promises relatively continuous flow of revenue and employment for all segments of labor class (from highly skilled to unskilled). Most of the existing and new ship repair yards in India concentrate on new building and providing services to naval and coastal vessels.



Competitive labor rates: The subcontract labor rates for steel work, pipe work, blasting and painting, mechanical and electrical works are very cheap in India and are comparable to labor rates in Indonesia and Vietnam. In fact it is 10% to 15% lower than subcontract labor rates of Indonesia and 25% lower than Philippines.

Quality of work: The speed of execution and quality of work is comparable to that of Indonesia, Philippines and Vietnam who have a significant presence in the world ship repair industry.

Demand Drivers

- The development of marine and port sector is now becoming a priority for the government.
- Growth of coastal shipping is expected to increase the facilities at port.
- More coastal vessels can be expected which in turn will create more business opportunities for ship repair yards.
- Increase in offshore activities at Indian coast is also a hope for the ship repair industry. More oil rigs and ships are expected to be operated in the Indian waters.
- Rise in number of industries especially in Gujarat and Maharashtra is expected to attract more vessels to Indian coast.
- As a part of the Indian Navy expanding their fleet, more vessels are expected to be repaired which will boost Indian repair industry.
- Demand for developing ancillaries to ship repair industry for triggering a high growth in the Indian industrial sector.

Potential of Indian Ship Repair Industry.

- India is located strategically on the international trade route, it can attract ships plying from west to east in the trade route for its ship-repair activity. This represents increasing market potential for the ship-repair business, as ship owners prefer to repair their ships without deviating from their trade routes as much as possible.
- The number of vessel calls to major Indian Ports was analyzed that a vessel that called more than 5 times in a year would present a higher potential for repairs in India, than the one that called less than 5 times in a year. Vessels that called on Indian Ports only once a year present a low potential for carrying out repairs in India.

Ship Repair Potential of India

Sr.No.	Vessel for Repairs	East Coast	West Coast
1	High Potential	117	112
2	Medium Potential	567	541
3	Low Potential	1764	1684
4	Offshore Vessels	188	122
5	Navy and Coast Guard	100	100
	Total	2736	2559

- Excluding the vessels under Low potential category would yield the following numbers for ship repair: East Coast: **972** vessels and West Coast: **875** vessels. This presents ample potential for ship repair in India.

Challenges faced by Indian Ship Repair Industry

Challenges

- Higher waiting time
- Non-uniform processes and Reliance on sub-contractors
- Domestic Taxation
- Tedious Customs bonding process
- Cost of dry docking is about 15% higher than Other Countries
- Lack of Infrastructure
- Low Revenue
- Dependence on Foreign Countries
- Highly Scattered and dis-organized Industry
- Attrition of trained human resources
- Higher cost for arranging trained & skilled service engineers
- Financial Stress in Maritime Environment

Policy Suggestions / Way Forward

CUSTOMS

- Simplified custom procedures for all Central and State level clearances
- Exemption from Custom and Excise Duties on capital investments for ship repair industry.
- Custom Bonded Warehouse Rules to be amended to suit Ship Repair.
- Simplification of procedures including Priority clearance for import Duty exemption for scrap generated in ship repair.

TAXATION

- Promote single point taxation OR rationalize tax structure (State & Central) in line with competitive yards in Asia.
- Exemption of Service Tax on Ship Repair.

CONCESSIONS

- Existing concessions to Ship repair units should continue.

MISCELLANEOUS

- Identify and Empower existing workshops which can take dry-dock or slipway on lease for repair of ships. They do not own large infrastructure required for undertaking repair.
- PPP model to encourage Ship repairs with provisions of Floating Dry-Docks at strategic locations.

Annexure - 4.



Maharashtra Maritime Development Policy 2016

Presented by: Shri Alul Patne, IAS, Chief Executive Officer Maharashtra Maritime Board

Date : 04 October , 2016

Key features of New Port Policy 2016

- Extensive cross-sector coverage to all the relevant sub-sectors
  - shipyards, coastal shipping, Inland waterways and coastal economic zones etc
- Transparency and fairness in awarding of projects
  - Awards will be, henceforth on bidding basis only and not on nomination
- Involvment of MMB throughout the lifecycle of the projects
  - Environmental clearances will be obtained by MMB
  - Handholding private sector in undertaking maritime projects
- Various models for development of rail and road connectivity
  - For road connectivity, port developers are handed over connectivity up-to NH
  - For rail, MoU with Rail Vikas Nigam Ltd or Konkan railways

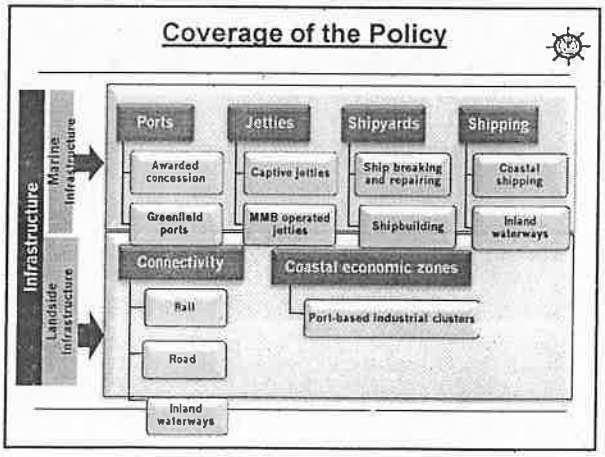
Key features of New Port Policy 2016

- Formation of Maharashtra Port Connectivity Corporation
  - Govt involved to facilitate connectivity
- Well defined mechanism for processing of unsolicited proposals
  - Swiss challenge mechanism
- Fast tracking of clearances and provision of additional incentives
  - Exemption from Royalty on minor minerals (sand/silt etc), stamp duty, electricity duty, Non-agricultural charges, Industrial power charges, VAT exemption, port dues

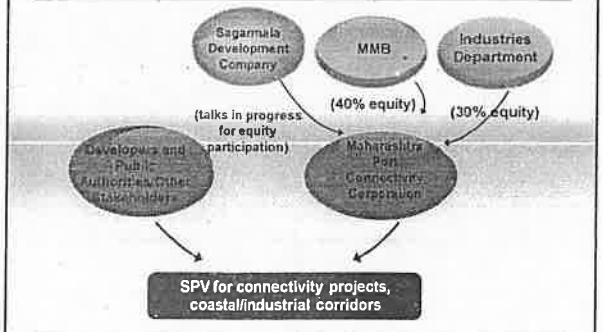
Key features of New Port Policy 2016

- Enhancing viability of projects awarded
  - Providing fiscal incentives
  - Regulating award of new maritime projects
- Synchronising maritime and industrial development
  - Planning of industrial estates in Coastal Areas
  - Promoting development of Industrial Clusters/Free Trade Warehousing Zones(FTWZs) Coastal Economic Zones(CEZ) in vicinity of ports
- Validity of MMDP 2016 will be five years from date of notification
  - Will be revised every five years to align with changes in requirement and the external environment

Coverage of the Policy



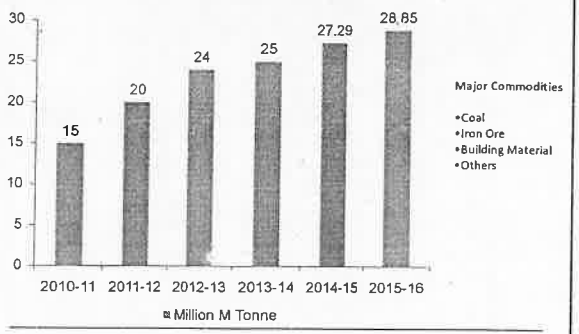
Formation of Maharashtra Port Connectivity Corporation



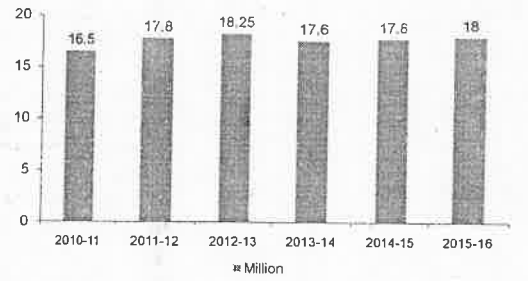
Projects submitted under Sagarmala

Sr. No.	Name of Project	Scheme	Cost (in crores)
1.	Construction of Ro-Ro jetty and Breakwater at Mandwa Port	Coastal Shipping and Inland Waterways	135.29
2.	Construction of Dighi to Roha railway line (Request for funding from SDC towards equity participation of MMB)	Port connectivity	08.86
3.	Construction of Jaigad to Dighi railway line (Request for funding from SDC towards equity participation of MMB)	Port connectivity	21.34
4.	Development of port at Vadhavan (Request for funding from SDC towards equity participation of MMB)	New Port development	78.00
5.	Nirmal Sagar Tat Abhiyan	Coastal Community initiatives	50.00
6.	Ro-Ro connectivity	Coastal Shipping and Inland Waterways	65.92

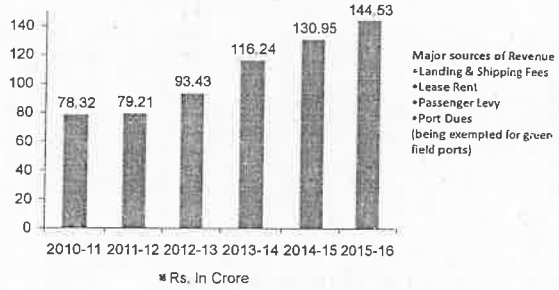
Performance of Maharashtra Maritime Board
Cargo Handling



Passenger Traffic

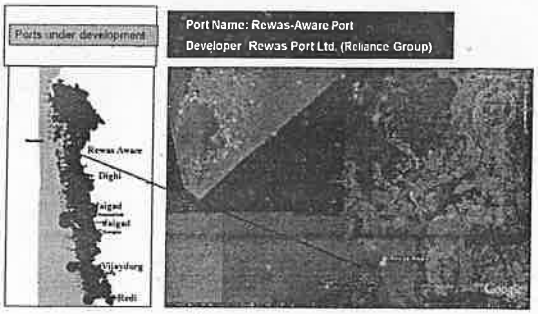


Revenue



Greenfield Ports

Rewas-Aware Port, Dist. Raigad



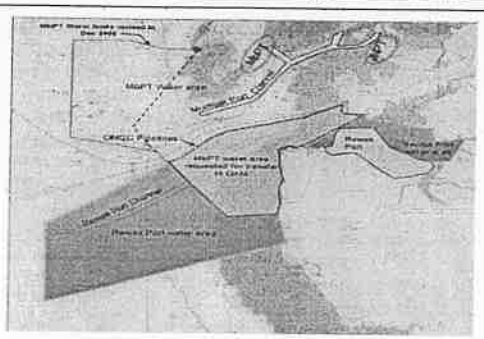
Rewas-Aware Port : Status

Port	Agreement Date	DPR	EC	Zero Date / Financial Closure	Construction of berths	Commissioning of port	Remarks/ Issues pending
Rewas-Aware *(Reliance Group)*	17/3/2002	✓	✓	30/9/2016	-	-	**Issues:** • Right of Way through MbPT waters not yet obtained.

Salient features:

- Promoter Share Holding: Reliance Group- 67.64%, Amma Lines Group- 21.36%, MMB- up to 11% (Yet to be taken)
- Berths: 28 (Ph-I:9), Design draught: 18-20 mtrs. (Ph-I:14.5 m)
- Proposed investment: Rs.5200 crore (Ph I)
- Projected cargo traffic – 43 MTPA initial phase
- 839.1 ITZ land leased to RPL, About 500 acres Pvt. land purchased by Developer

Rewas-Aware Port- Navigation channel

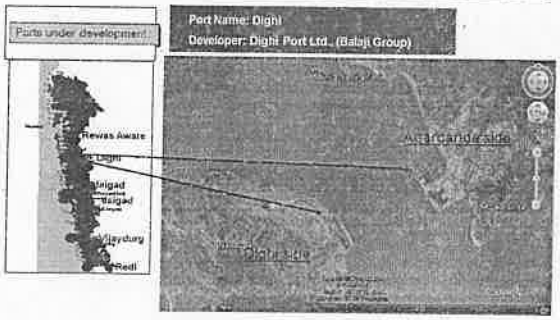


MMB's suggestions with regard to development of Non Major ports

- Major ports are also supported by respective State Governments and hence, they should help in developing non-major ports :
  - ➢ By permitting delimitation of their limits in case a waterfront is not in active use so that it be utilized by non-major ports
  - ➢ By providing Free Right of Way to non major ports in the waters being actively used by major port
    - ✓ An example is the proposed non-major port at Rewas-Aware in Maharashtra which needs aforementioned support from Mumbai Port Trust as its Navigational channel falls in existing port limits of Mumbai Port



Dighi Port, Dist. Raigad

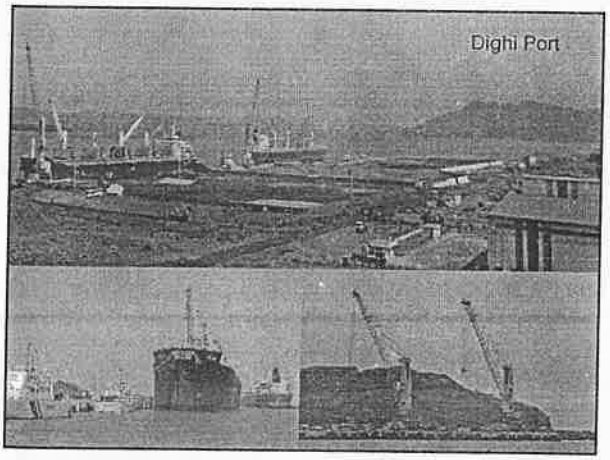


Dighi Port: Status

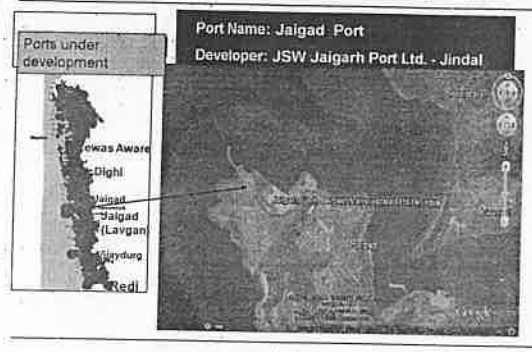
Port	Agreement Date	DPR	EC	Zero Date / Financial Closure	Construction of berths	Commissioning of port	Remarks/ Issues pending
Dighi *(Balaji Group)*	17/3/2002	✓	✓	✓	✓	2011	➢ 02 berths on Dighi side operational ➢ 03 berths under construction at Agardanda side by IL &FS ➢ MoU between RVNL & Dighi Port signed on 18.04.2015 for Dighi-Roha Rail project, MMB to take 11% equity (8.86 crore) ➢ SH 92,96,97 handed over to Dighi Port for development in 2015

Salient features:

- Berths: 5, Design draught: 12 mtrs , Proposed Investment :- Rs. 3500 crore (Phase-I)
- Projected cargo traffic- 30 MTPA; Current capacity 12MTPA;Cargo handled till date 10 MT
- 77.38 Ha. of Govt. land and 97.42 Ha. of ITZ land transferred



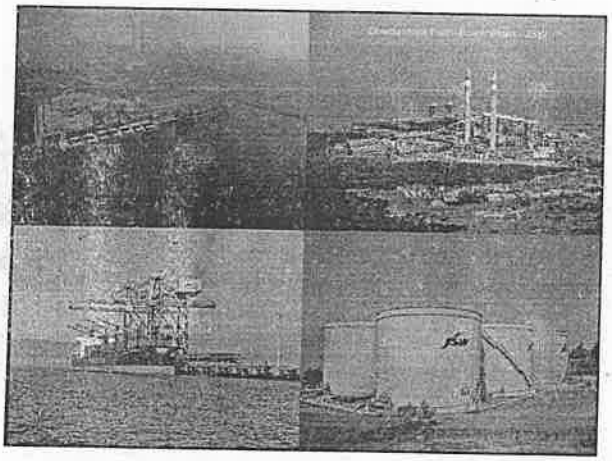
Jaigarh (Dhamankhol Bay)- Ratnagiri



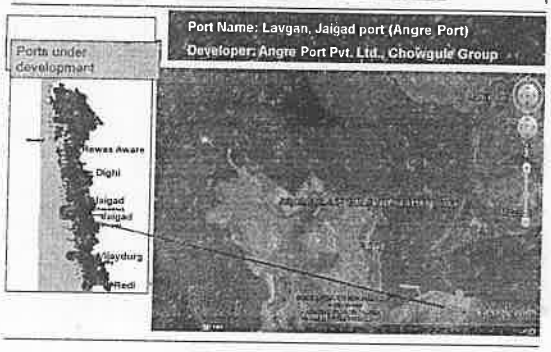
Jaigarh Port: Status

Port	Agreement Date	DPR	EC	Zero Date / Financial Closure	Construction of berths	Commissioning of port	Remarks/ Issues pending
Dhamankhol, Jaigad *(Jindal Group)*	24/6/2008	✓	✓	✓	✓	Ph 1: Aug'09 (2 berths, 550m) Ph 2: Likely in 2016	1) SH-164; Jaigad-Nivli handed over to JSW ; work in progress 2) Concession Agreement signed for Jaigad – Digni rail connectivity 3) MMB invested Rs. 4 cr as part of 11% contribution

Salient features:
- Promoter's shareholding: JSW Infrastructure (89%), MMB (11%)
- 110 Nautical Miles south of Mumbai.
- Berths: 7 (Ph-I: 2, Ph-II: 5), Design draught: 20 mtrs.
- Proposed Investment :Rs. 3000 crores (Ph-II), Investment so far- Rs. 1271crore
- Projected cargo traffic- 65 MTPA (By 2020); Current capacity – 30 MTPA
- 14.95 Ha. ITZ land transferred



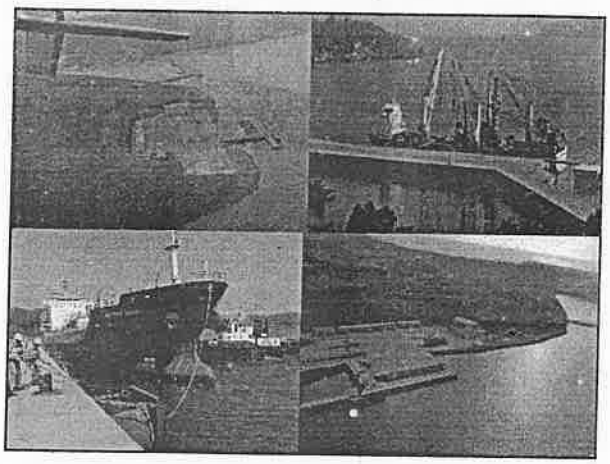
Angre port- Dist. Ratnagiri



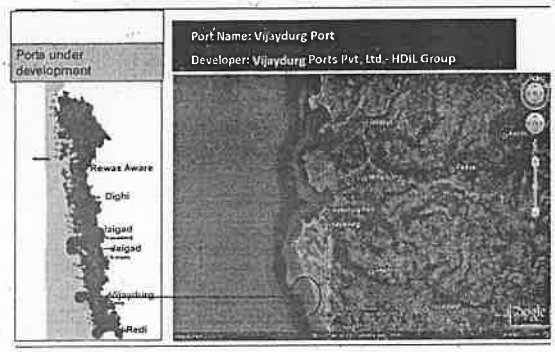
Angre Port: Status

Port	Agreement Date	DPR	EC	Zero Date /Financial Closure	Construction of berths	Commissioning of port	Remarks/ Issues pending
Lavgan, Jaigad *(Chowgule Group)*	28/3/2008	✓	✓	✓	✓	✓ 22.10.2014	▸ Cargo berth and Ship Repair Facility both functional.

Salient features:
- Promoter's shareholding: Chowgule group (100%)
- 110 Nautical Miles south of Mumbai.
- Berths: cargo berth + Ship Repair Yard, Design draught: 10 mtrs.
- Investment so far: Rs. 950 crore
- Projected cargo traffic- 18 MTPA initial phase (By 2020), Current capacity- 12 MTPA
- Cargo handled till date : 10,000 MT
- Ships repaired till date: 32 vessels



Vijaydurg port, Dist. Sindhudurg



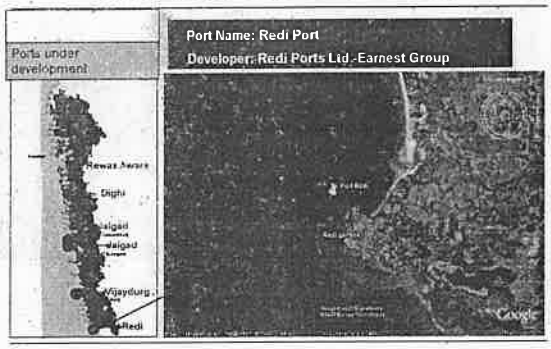
Vijaydurg Port: Status

Port	Agreement Date	DPR	EC	Zero Date / Financial Closure	Construction of berths	Commissioning of port	Remarks/ Issues pending
Vijaydurg *(HDIL Group)*	28/3/2008	✓	x	1) Not achieved			1) Moratorium from Aug'2010 to Dec'2014 2) EIA in progress

Salient features:

- Promoter's shareholding: Privilege Hitech Infrastructure (63%), Hindustan Transport Infrastructure (26%) and MMB (11%)
- 150 Nautical Miles south of Mumbai.
- Berths: 21 (Phase-I: 6 nos.), Design draught: 18 mtrs.
- Proposed investment :Rs. 2275 crore ;
- Projected cargo traffic- 12 MTPA initial phase (By 2020)

Redi port, Dist. Sindhudurg



Redi Port: Status

Port	Agreement Date	DPR	EC	Zero Date /Financial Closure	Construction of berths	Commissioning of port	Remarks/ Issues pending
Redi *(Earnest Group)*	25/2/2009	✓	x	Not achieved	-	-	EC under consideration of MoEF.

Salient features:

- Promoter's shareholding : Earnest Shipping & Shipbuilders Pvt.Ltd.- 89%, MMB 11%.
- 205 Nautical Miles south of Mumbai.
- Berths: 10 (Phase-1: 2 nos.), Design draught: 14.3 mtrs.
- Investment :Rs. 716 crore (Phase-I)
- Projected cargo traffic- 12 MTPA initial phase (By 2020),
- Export operations in progress from existing port facilities



Vadhavan Port, Tal. Dahanu, Dist. Palghar

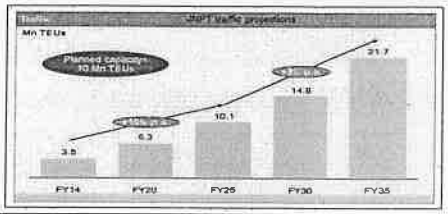
- **Salient Features**
  - Satellite Port for JNPT
  - Development on Landlord port model
  - Location : Entirely on inter-tidal land
- **Status**
  - MoU between JNPT & MMB signed on 5.6.2015 (JNPT- 74%, MMB- 26%)
  - Shareholders Agreement between MMB and JNPT on 15.4.2016
  - Final TEFR received
  - ToR for EC received
  - Core Committee under Shri. R. R. Sinha, Adviser for project implementation



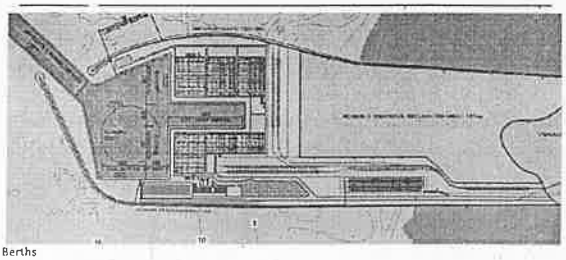
Cargo Projections for Vadhavan Port

Traffic Projection Summary

S. No.	Cargo	Import/ Export	2023	2028	2033	2038
1.	Containers					
	Total in MTEUs	I/E	0.83	2.68	8.63	15.15



Recommended Layout: Master Plan



Berths

- Container Berths - 12,
- Coal Berth – 2,
- Multipurpose/General Cargo Berth – 1
- Phase 1 layout has been developed with minimum dredging investment to cater 18,000 TEU vessels (16m draft) taking tidal advantage)

Capital Cost Estimates

Item	2023	2028	2033	2038
Project preliminaries and site development	25	3	3	3
Dredging and reclamation	2,799	560	438	85
Breakwater and island	2,462	560	438	35
Berths	385	821	366	245
Buildings	59	28	23	6
Stack yard and other backup area	160	206	166	80
Roads and railway	627	26	25	16
Equipment	796	2,149	2,474	1,475
Utilities and others	152	81	41	35
Port crafts and aids to navigation	2	-	0	0
Total (1+2+3+4+5+6+7+8+9+10)	7,464	6,567	6,034	2,489
Contingencies @ 10%	746	657	603	249
Engineering and Project Management @ 5%	373	328	302	124
Incremental Capital Cost (Rs. in crores)	8,584	7,552	6,939	2,863

MMB's Equity Participation in Vadhavan Port

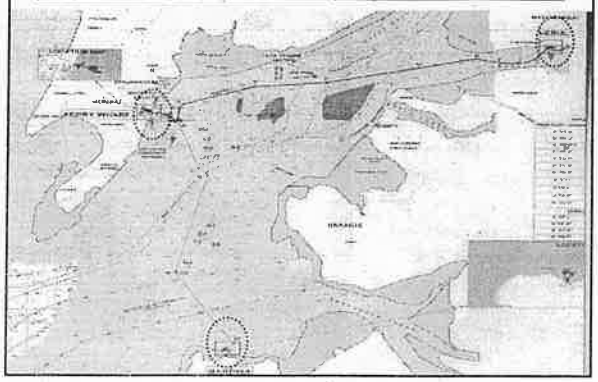
- Initial Paid Up capital : Rs. 300 crores
- MMB's share is 26% i.e. Rs. 78 crores
- Participation will be primarily in the form of cashless equity i.e. Inter-tidal Land. However, in case the value of land is less than the equity needed, balance shall be provided by MMB in cash

OTHER OPERATIONS OF MMB

- In addition to the Greenfield ports, MMB also operates various Captive jetties, Multipurpose jetties,MMB owned jetties and Shipyards along the 720 km coastline of Maharashtra
- The New Policy contains unambiguous directives for their development, operation and maintenance

Water Transportation

Water Transport on East coast of Mumbai



East coast water transport – Ferry wharf to Mandawa/Nerul

- Ro-Pax Vessels: 40 PCUs(Passenger Car Units) and 300 Passengers
- Pax Vessels: 250 seater fast passenger vessel
- Time and Frequency
  - Maximum travel time (one-way)
    - Ferry Wharf- Mandwa : 20 minutes
    - Ferry Wharf-Nerul: 60 minutes
  - Ferry will be available for the Users at each terminal every 30 minutes
- Infrastructure at Ferry Wharf, Nerul and Mandwa by MbPT, CIDCO and MMB respectively
- Ro-Ro jetty & Breakwater @ Mandwa- Rs. 135.29 crore
- commencement of work post monsoon

Maharashtra Maritime Board

Maharashtra Ro-Ro Connectivity Programme

Marve to Manori (Dist. Mumbai suburb)



- Large numbers of tourists use this route for reaching Essel World and Pagoda
- Road Distance: 37.4 kms.
- Time taken: 75 min

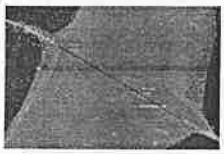


- Proposed Ro-Ro service : 0.5 kms.
- Time taken: 5 mins

Borivali to Gorai (Dist. Mumbai suburb)



- Gorai is tourist oriented place due to beaches, Essel World and Pagoda
- Road Distance: 26 kms.
- Time taken: 50 min



- Proposed Ro-Ro service: 0.5 kms.
- Time taken: 5 min

Bhayandar to Vasai (Dist. Thane-Palghar)



- Road Distance: 30 kms
- Time taken: 60 min



- Proposed Ro-Ro service: 1.89 NM (3.5 kms)
- Time taken: 20 min

Virar (Marambalpada) to Tembhikhodave (Dist. Palghar)



- Road Distance: 70 kms.
- Time taken: 120 min



- Proposed Ro-Ro service:1.26 kms
- Time taken: 10 min

Other initiatives of Maharashtra Maritime Board



- To conserve, manage and develop coast, MMB has started various schemes to involve government agencies and encourage Village, District and State level participation
- The goal is to involve and educate the communities about coastline from Environment, Tourism and Transport perspective
- The following are the schemes:
  - ✓ Nirmal Sagar tat Abhiyan – To organize the coastline by better management of waste disposal, Tourist Friendliness, encouraging healthy competition for cleanliness of beaches
  - ✓ Sagar tat Vyavasthapan Abhiyan – To manage tourism, transportation, water sports in an organized way at beaches



Other initiatives (contd.)

- The Nirmal Sagar tat Abhiyan will be implemented by establishing Shoreline Management Committees in all the Gram Panchayats
- These Committees will have 15 to 21 members with 30% being represented by women
- Their responsibilities shall be:
  - ✓ To protect, conserve and manage the nearest coastline
  - ✓ Making people aware about coastal protection
  - ✓ Managing Water Sports activities
  - ✓ Encouraging and enhancing the tourism in their respective areas
  - ✓ Promote conservation of environment by implementing ideas like biogas, solar and wind energy
  - ✓ To appoint lifeguards at the beaches to prevent the cases of drowning



Thank You.....

Annexure - 8

10/26/2016

PRESENTATION ON THE ACTIVITIES OF TAMIL NADU MARITIME BOARD

130th NATIONAL SHIPPING BOARD MEETING
ON 04.10.2016
AT HOTEL GRT GRAND, T.NAGAR, CHENNAI - 600 017.

Introduction

- Tamil Nadu Maritime Board was formed in 1997 under the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4/96), to administer, control, regulate and manage the minor ports in Tamil Nadu.
- There are three major ports viz., Ennore, Chennai and Thoothukudi and twenty three Non-major (Minor) ports within the 1076 KM long coastline of Tamil Nadu.



MINOR PORTS IN TAMIL NADU

Government Ports

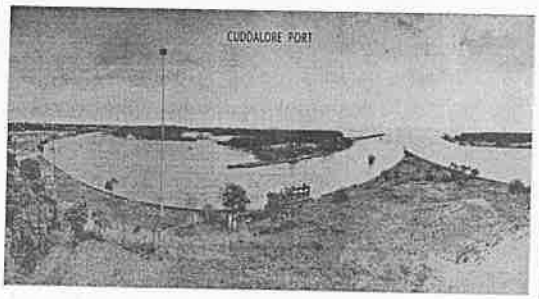
1) Cuddalore
2) Nagapattinam
3) Pamban
4) Rameswaram
5) Valinokkam
6) Kanyakumari
7) Colachel

Captive Ports

1) Kattupalli
2) Ennore Minor Port
3) Mugaiyur
4) Thiruchopuram
5) Silambimangalam
6) PY-03 Oil Field
7) Parangipettai
8) Kaveri
9) Vanagiri
10) Thirukkadaiyur
11) Thirukkuvalai
12) Punnakkayal
13) Udangudi
14) Manappad
15) Koodankulam
16) Chettinad Tharangambadi

Operational Ports

1) Nagapattinam Port
2) CPCL trestle Jetty (within Nagapattinam port limits)
3) Cuddalore Port
4) Chemplast Sanmar Limited Marine Terminal Facility (within Cuddalore port limits)
5) Pamban Port (Transit Channel)
6) Kanyakumari Port (Ferry Operation)
7) Rameswaram Port (Ferry Operation)
8) Kattupalli Port
9) Ennore Minor Port
10) Thirukkadaiyur



CUDDALORE PORT

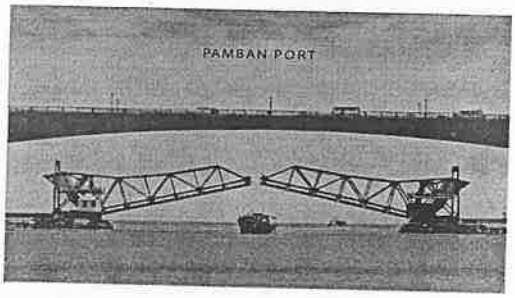
- This port is located at the confluence of rivers Gadilam and Paravanar in the district of Cuddalore.
- This is a riverine anchorage port where vessels anchor at a depth of 10 to 15 mtrs and cargo is handled through Barges.
- The hinterland of this port consists of the districts of Cuddalore, Villupuram, Salem, Namakkal, Karur, Perambalur and Thiruchirapalli.
- PRESENT AVAILABLE FACILITIES:-
  - Wharf Length : 1130 mtrs.
  - Stacking area : 80,000 sq. mtrs.
  - Cargo sheds : 5
- There is no traffic at this port now.



NAGAPATTINAM PORT

- This port is located at the mouth of river Kaduvaiyar in the Bay of Bengal roughly 260 Kms south of Chennai in Nagapattinam district.
- This is a riverine anchorage port which has a good holding ground and vessels anchor at a distance of 7 to 15 mtrs and cargo is handled through Barges.
- The hinterland of this port consists of Thanjavur, Thiruchirapalli, Salem and Coimbatore districts.
- PRESENT AVAILABLE FACILITIES:-
  - Wharf Length : 610 mtrs,
  - Stacking area : 13,000 Sq. mtrs,
  - Cargo sheds : 10,
  - Passenger terminal station : 1 and
  - Weigh-bridge : 60 ton capacity
- At present Edible Oil, Cement, Crude Oil, Naphtha and Petroleum products are handled.

Pamban Port (Channel)



Pamban Port

- This port is located in the southwest corner of Rameswaram Island in the Gulf of Mannar in Ramanathapuram District.
- Pamban pass is the only Navigational channel between Bay of Bengal and Arabian sea.
- The main activity at this port is to provide pilotage services for small drafted vessels passing through Pamban Channel.

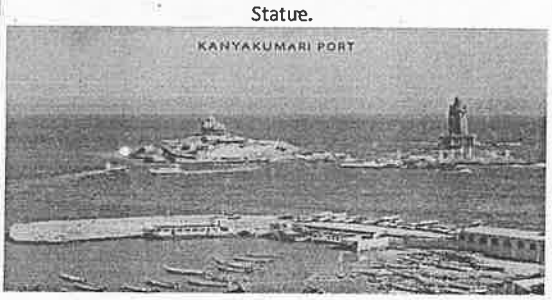
Ferry service at Rameswaram

Short trip Passenger ferry service is operated at Agnitheertham area within the port limits of Rameswaram.

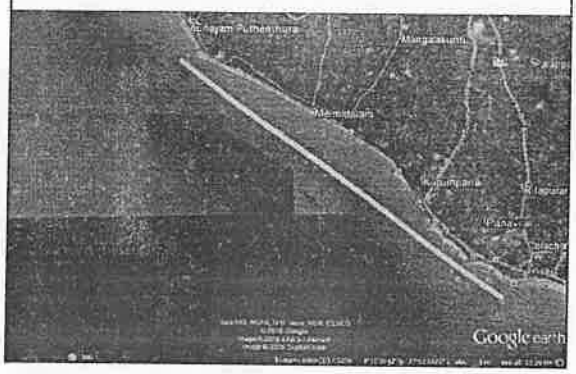


Kanyakumari Port

M/s Poompuhar Shipping Corporation Ltd is operating a Passenger ferry service from Kanyakumari Port to Vivekananda Rock Memorial and Ayyan Thiruvalluvar Statue.



Colachel and Enayam (Location from Google)



DEVELOPMENT OF COLACHEL (ENAYAM) PORT

Government of India has initiated the development of Colachel Port (at Enayam) which is located at about 10-12 Kms from Colachel as a Major Transshipment Hub.

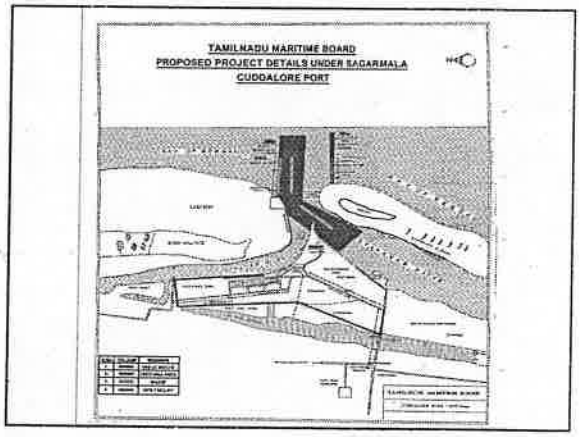
The Location falls close to the International Shipping Route which is ideal for development of a Transshipment Hub.

"Government of Tamil Nadu will provide necessary facilitation, cooperation and support for implementation of Colachel port (Enayam) in Kanyakumari District by Government of India as a major transshipment port".

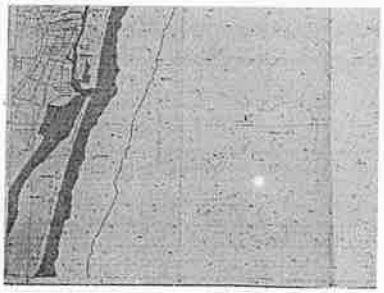
Development Proposal for Cuddalore Port under COASTAL BERTH SCHEME & SAGARMALA PROGRAMME through Ministry of Shipping, GoI

- Extension of North & South Breakwaters
- Construction of Berth / Storage facilities
- Capital dredging of the Channel to 8 – 9 metres.
- IIT Madras – Project Consultant & for Preparation of Detailed Project Report.
- Obtaining Necessary Environment / CRZ clearance – in progress

Estimated Cost - Rs. 115 Crores



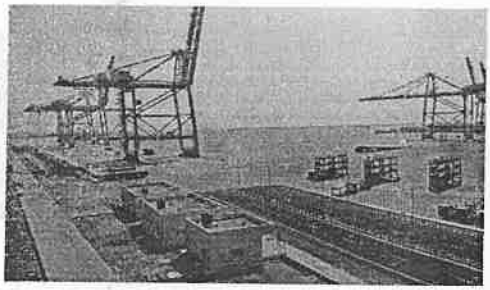
Navigational Chart of Cuddalore Port



Kanyakumari Port – Development under Coastal Berth Scheme of MoS, GoI

- Passenger Ferry Operation takes place between Kanyakumari Port wharf to Vivekananda Rock Memorial and Ayyan Thiruvalluvar Statue.
- The present jetty length on Vivekananda rock side is only 37 m and it requires maintenance for further activity for single ferry movement.
- An additional Jetty of 54 mtrs in length is proposed for construction at the Vivekananda Rock to increase the faster turn around of passengers, at an estimated cost of Rs.20 Crores.

Kattupalli Port



KATTUPALLI PORT

- Kattupalli Port, is a Non-Major Port under the administrative control of TN Maritime Board (TNMB)
- Port has a world-class Container Terminal , with annual capacity of 1.2 Million TEUs.
- Kattupalli port is operational for handling Containers, Project Cargo and Break-bulk Cargo.
- Port handles General Cargo, Project Cargo, Containers and Cars.
- Ship-building and Ship Repair Activities take place
- Modular Fabrication Facility for Project Cargo.

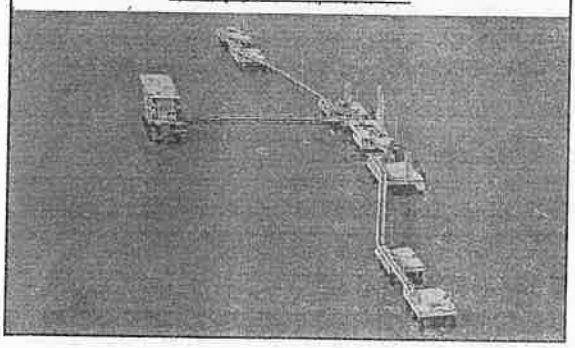
Ennore Minor Port



Ennore Minor Port

- In Operation since 1996.
- This port is located South of Ennore Major Port and 17 Kms North of Chennai.
- Multiple Buoy Mooring (MBM) System with submarine pipelines for mooring Ammonia tankers at about 1800 mtrs from shore at a depth of 15 mtrs.
- Operated by M/s Coromondal International Limited for receiving Liquid Ammonia for their fertiliser plant.

Chemplast Sanmar Marine Terminal Facility - Cuddalore



Chemplast Sanmar Marine Terminal Facility - Cuddalore

- Operational since 2009
- Located within the existing Cuddalore Port limits.
- Island jetty with berthing facility.
- Handles Vinyl Chloride Monomer (VCM) required for the Poly Vinyl Chloride (PVC) factory of Chemplast Sanmar Limited.

Thirukkadaiyur Port



Thirukkadaiyur Port

- Operation since 2001
- Single Buoy Mooring (SBM) /Single Point Mooring (SPM) System at a depth of 15.5 m to handle Naphtha as cargo.
- Located at Bay of Bengal, 2.5Km off West coast
- Capable of handling tankers of 20000 DWT, 170 M –LOA and a depth of 12 mtrs
- M/s. PPN Power Generating Company handles Naphtha through Shipments and Natural gas through Pipelines from Gas fields, for their 330 MW Gas Combined Cycle Power Project.

CPCL Jetty - Nagapattinam



M/s CPCL Jetty - Nagapattinam

- Operation since 2002
- An Open Sea Trestle Jetty with berthing facility.
- Located within the existing Port Limits of Nagapattinam and 8 Kms north of Nagapattinam near Vettar river mouth.
- Capable of handling vessels of 40000 DWT, LOA 210 mtrs. Draft required is 6.5 Mtrs at a water depth of 7.5 Mtrs so as to get 1 mtr under Keel clearance.
- M/s. Chennai Petroleum Corporation Limited, Chennai handles Crude Oil and Petroleum products for their Refinery.

DEVELOPMENT PROJECTS IN PROGRESS

1. PARANGIPETTAI PORT IN CUDDALORE DISTRICT

- A Deep water, all weather port
- A captive port to import coal for the 4000 MW Thermal Power plant of M/s. IL&FS Tamil Nadu Power Company Ltd.
- Porto Novo Maritime Ltd (a subsidiary of M/s. IL&FS Ltd) has proposed to develop this port.
- 1900 m long North Breakwater, 1170 m long South Breakwater and two Coal Berths
- Estimated Project Cost : Rs.1350 Crores.
- The Company is in the process of achieving Financial Closure.

2. CHETTINAD THARANGAMBADI PORT IN NAGAPATTINAM DISTRICT

- Location : North of Tharangambadi
- A captive port to import coal for the proposed Thermal Power plant of M/s. Chettinad Power Corporation Private Ltd.
- Open sea jetty for handling 5 MMTPA of coal through closed conveyor system.
- The Company is in the process of achieving Financial Closure.

3. SILAMBIMANGALAM PORT PROJECT IN CUDDALORE DISTRICT

- Location : North of Parangipettai
- In-principle approval has been granted to M/s. The Ramco Cements Limited, Chennai for setting up of a captive trestle jetty.
- A proposed captive port for import of coal, and export of clinker for the captive industry of the Company.
- An Open sea trestle jetty with closed conveyor system.
- Estimated Project Cost : Rs.350 Crores.
- The Company is in the process of obtaining Environment / CRZ Clearance.

THANK YOU

