

Foreign ship owners decide to fly the Indian flag

Registering under the Indian flag allows foreign vessels carry cargo and containers on local routes, in accordance with the country's cabotage laws.

The initiatives taken by the Narendra Modi government to promote India's coastal shipping sector has started yielding results with some foreign ship owners seeing benefits of registering ships under the Indian flag to carry cargo on local routes.



In shipping, a ship flies the flag of the country where it is registered and is subjected to the tax jurisdiction of that nation. Only Indian registered ships are allowed to carry cargo on local routes, according to a so-called cabotage rule.

Rules on registering ships in India have often faced criticism even by the local fleet owners because of multiple taxes hurting their operational competitiveness. But foreign ship owners have already converted, or are in the process of converting, some of their ships to fly the Indian flag.

To be sure, the sudden interest among global ship owners to run Indian flag ships along the country's vast coast line is focussed on container shipping and has been kindled by the unfolding business environment for

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- Editor: "Marine Waves"

shipping containers by sea as the shipping ministry led by Nitin Gadkari eases rules and offers incentives for diverting cargo from the predominant road and rail by tapping a cheaper mode of transport which also reduces the carbon footprint.

Singapore-based container shipping company Pacific International Lines Pte Ltd is the first to convert one of its container ships registered in Singapore to the Indian flag to run a service linking Mundra port in Gujarat with the container transshipment terminal at Vallarpadam in Cochin port.

Privately held Pacific International, one of the largest ship owners in South-East Asia and ranked 18th among the world's top container ship operators with a fleet of 164 ships, is looking at registering at least three more ships in India, said a person familiar with the development. Singapore is a much sought-after place by global fleet owners to register ships because of the island nation's investor-friendly and tax-friendly rules.

Dubai-based feeder operator Simatech Shipping LLC has started the process of registering two of its container ships under the Indian flag and putting them on a service linking Mundra with Cochin, Colombo and Mangalore, said an executive at one of its India offices, asking not to be named.

A spokesperson for India's Directorate General of Shipping (DGS), which oversees the ship registration process, confirmed the development. "We've started getting enquiries from more global fleet owners to register ships under the Indian flag," said the spokesperson.

Sea Consortium Pte Ltd, which runs container shipping services under the brand name X-Press Feeders, is also discussing the possibility of running Indian flag container ships, a company official said.

Coastal shipping is a different opportunity altogether, said an executive at Pacific International. "If you look at the local cargo moving by road and if we try to convert that into coastal, it is a huge opportunity.

Besides, due to the government's new policy and projects like Sagar Mala and more emphasis on coastal shipping, naturally the traffic as well as the number of participants will increase. Plenty of ships can come and start operations. That will decongest the roads, there will be lot many advantages, customers will benefit financially also," the executive said, declining to be named.

For years, global container carriers have been calling for the opening up of Indian cabotage trade (shipping cargo on local routes) mainly for container transportation—a plea backed by India's port and terminal operators.

The demand is based on the argument that India's locally registered container fleet of 16 ships is inadequate to

meet the rising requirements of container trade.

This is particularly so when the government is looking to ship containers directly which are now sent via neighbouring hub ports by setting up terminals in India that can facilitate this task by allowing bigger vessels to dock. These require more Indian container ships to feed containers to transshipment terminals and vice versa.

Indian fleet owners, under the banner of industry lobby Indian National Shipowners' Association (INSA), have been opposing this demand.

Registering ships under the Indian flag by foreign fleet owners would be a half-way meeting point between these two conflicting positions, says a shipping industry executive who declined to be named.

This will help India increase its shipping tonnage (capacity) while foreign owners will get access to Indian container cargo without the need to ease the cabotage rule. India has targeted to raise its tonnage to 43 million gross tonnage (GT) by 2020 from 10.4 million GT.

"It (converting foreign ships into the Indian flag) is non-controversial and is not an emotive issue with the local fleet owners unlike easing of cabotage," he added.

Last year, India's shipping ministry issued detailed guidelines for implementing a financial scheme to incentivise shifting some portion of the cargo now carried by rail and road to coastal shipping and inland waterway routes to help develop them as an integral part of the country's logistics chain.

The scheme proposes to provide monetary incentives to beneficiaries when they transport certain identified commodities, containerized cargo or automobiles on Indian flag vessels on local routes.

Among others, transportation of any commodity in containers will be eligible for an incentive of Rs.3,000 per twenty foot equivalent unit (teu)—the standard size of a container.

Further, India-registered ships carrying export-import containers, empty containers and containers stuffed with cargo meant for local consumption plying on local routes were exempted last year from payment of customs and excise duty on bunker (ship fuel).

This was a big bonanza for Indian ships because bunker accounts for about 40% of the operating cost of a ship.

Since 2004, India-registered ships are subjected to tonnage tax—a levy based on the cargo carrying capacity of a ship in place of corporate tax which cut the tax outgo of a shipping company to 1-2% of their income. About 95% of the global shipping fleet operates under the tonnage tax regime.

From the Editor's Desk



Law & Freedom: *the end of Law is not to abolish or restrain, but to preserve and enlarge freedom. For in all the states of created beings capable of Law, where there is no Law, there is no freedom. – John Locke*

There's no end to Education. *It is not that you read a book, pass an examination, and finish with education. The whole of life, from the moment you are born to the moment you die, is a process of learning. – J. Krishnamurti*

Point of view: *We can look upon a road, from two different points of view. One regards it as dividing us from the object of our desire; the other sees it as the road which leads us to our destination; and as such it is part of our goal. – Rabindranath Tagore*

The great gift of human beings is that we have the power of empathy; we can all sense a mysterious connection to each other. – Meryl Streep

WISHING ALL OUR READERS, SEAFARING BRETHRENS, FAR AND NEAR, ON LAND, AS WELL AS THOSE OUT ON THE DEEP SEAS AND THE OCEANS

“A Peaceful, Happy and Prosperous New Year, 2016”

We read and hear of "The delivery of speedy and inexpensive justice, to the common, general-public, which remains a distant dream, and the perennial twin-problems of 'backlog' and 'delays' in the administration of justice still persists". The judicial system's focus seems more on protecting the powerful and influential, rather than putting laws into action keeping the weakest citizens in mind. "The object of the discipline enforced by the Court in case of contempt of court is not to vindicate the dignity of the Court or the person of the Judge, but to prevent undue interference with the administration of justice." -Bowen, L.J. in Hellmore v. Smith (2) (1886), L. R. 35 C. D. 455. The object of conferring power to punish for its contempt on courts under contempt of courts Act, 1971 is to ensure that rendering justice shall be free from forces outside and nobody shall interfere with the administration of justice but on the other hand in a democratic structure, the people should have the right to criticize judges while grave deliberate error WHILE to err is human. The purpose of the contempt power should not be to uphold the majesty and dignity of the court but only to enable it to function. The Indian judiciary in its landmark judicial pronouncement has always tried to establish the balance between Freedom of Speech and Court's power to punish for contempt. In Re: Vinay Chandra Mishra (the alleged contemnor) [AIR 1995 SC 2348], the Hon'ble Supreme Court reiterated the position of law relating to the powers of contempt and opined that the judiciary is not only the guardian of the rule of law and third pillar but in fact the central pillar of a democratic State. If the judiciary is to perform its duties and functions effectively and true to the spirit with which they are sacredly entrusted to it, the dignity and authority of the courts have to be respected and protected at all costs. Otherwise the very corner-stone of our constitutional scheme will give way and with it will disappear the rule of law and the civilized life in the society. It is for this purpose that the courts are entrusted with extraordinary powers of punishing those who indulge in acts, whether inside or outside the courts, which tend to undermine the authority of law and bring it in disrepute and disrespect by scandalizing-it. Contempt of Court in a Nutshell "Any act which hinders or impairs the judicial proceedings and interferes in the administration of justice constitutes Contempt of Court. Such act or conduct is dealt under the Contempt of Court Act, 1971. Section 2(a) defines contempt as both civil and criminal contempt. Civil Contempt, as per Section 2 (b), means willful disobedience to any judgment, decree, direction, order, writ or other process of a court or willful breach of an undertaking given to a court. Criminal Contempt has been defined in Section 2(c) which states that Publication of any matter or any other act which lowers or tends to lower the authority of any court or interferes or tends to interfere in the judicial proceedings or administration of justice.

Duty of advocate - *An Advocate's duty is as important as that of a Judge. He has a large responsibility towards society. He is expected to act with utmost sincerity and respect. In all professional functions, an Advocate should be diligent and his conduct should also be diligent. He should conform to the requirements of law. He plays a vital role in preservation of society and justice system. He is under an obligation to uphold rule of law. He must ensure that the public justice system is enabled to function at its full potential. He, who practices law, is not merely a lawyer, but acts as moral agent. This character, he cannot shake off, by any other character on any professional character, he derives from the belief that he shares sentiment of all mankind. This influence of his morality is one of his possession, which, like all his possession, he is bound to use for moral ends. Members of the Bar, like Judges, are the officers of Court. Advocacy is a respectable noble profession on the principles. An Advocate owes duty not only to his client, but to the Court, to the society and, not the least, to his profession. Besides, the foremost is of Inequality, unfair and*

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(contd. from page 3)

corrupt practices in Public Services. Neglect, Discrimination even after reporting to higher authorities, but for further harassment and humiliation to the core. Even the senior citizen with multi-organ defects by over ageing are not spared. What is preached is never followed. Hence, how do sincere, honest people work as Social and Rights Activist, but for Gandhian ideals of PEACE and NON VIOLENCE keep digesting " Not seen, Not heard and no say of the happenings". With the result, high inequality in public services of citizen's interest, by ill-conceived local police, especially of those at the verge of retiring Inspr.'s, DSP/ACP's, with an awakening to amass money or gain influence for post retirement. Probably the vigilance is inactive to these findings in public-interest. Rightly suggested by Madras HC Advocate N L Rajah that "Govt.Services, need to come under the New Consumer Act.. 'Professionally speaking' There can be no excellence in the law, without excellence in lawyers.

The legal profession at the highest level develops absorptive and analytic capacities of the human mind and offers great intellectual stimulus. It is no small service to be called upon to defend life, liberty and the other fundamental rights. But a large degree of equipment is needed to discharge such duties properly. A lawyer with a well- furnished mind alone can be truly a counsellor at law; he alone can, not merely look up precedents, but guide his client along the path of wisdom, even of generousities which may appear irrelevancies to the preoccupied client. In the hands of such a lawyer, the law represents the application of reason to noble and purposeful ends. It is per-eminently a time for deep, national introspection. We must be self-critical to meet the truth face to face. The bar is more commercialized than before. Today the law is looked upon, not as learned profession but as a lucrative one. The due process of law has become less due than tortuous and unending. Wooden - hard hard-headedness assesses a situation in terms of preconceived fixed notions while ignoring or rejecting any contrary indications. In short it is the obstinate refusal to learn from experience. The expression "public affairs" most certainly, would take within its ambit all matters entailing "public interest" or "common good" in a profound sense. As Lord Buckmaster observed, it would be more true to say of the finest lawyers that, so far from having a narrow outlook on the world, there is no horizon too large for them to gaze at. There is no learning that comes amiss to the lawyer; there is no phase of all the myriad mysteries of the human heart which may not be the subject of the case which he has to consider. Above Quotes are from the published articles and speeches of the renowned greatest legal- luminary, a doyen of the Bar himself, - N A Palkhivala. Source: Book titled "WE, THE PEOPLE" and "We, the Nation"). "Some advice you don't ask for. That is what I call feedback- unsolicited opinions about you or your work those comments are sometimes more valuable than what you do ask for we tend to ask for guidance - and we want it to be positive. Feedback is usually unsolicited and often unfavourable but bit can be most valuable even if embarrassing." "If same granted, you can get too much negative or contradictory feedback, become discouraged but feedback, be properly evaluated, from a contributor can be invaluable in gaining perspective on where you're going." "We need to measure ourselves with someone else's yardstick occasionally if you're getting the same feedback from several sources -either positive or negative -pay attention." SOURCE: Book PERSONAL EXCELLENCE - The Puzzle of...- Be receptive to feedback, by Dianna Boober

*We live in an age which been increasingly and overwhelmingly surrounded by so called 'information technology' (IT). The IT, with its improvements devised almost with a day -to- day recurrence, refers to the tools for storing and dissemination of information, aimed at catering to, besides several others, those having an appetite or taste, real and sincere, or otherwise, for so-called 'knowledge'. In today's context, the mission to spread 'knowledge' has reached an all time high that it won't be wrong to call it a knowledge explosion. Even so, it is inconceivable that there can be justifiable reason or excuse to remain blinded, or be struck or stuck-up or stung; if, instead, one can easily find clues for searching and pitching at the right kind of information to suit own needs or aspirations. Albeit, as a wise man pithily quipped, - present day knowledge is by and large narrowed down to one thing- that is, the quest to simply know which side of the bread is buttered. Bound to be so, so long as the tendency is to try vainly or vaingloriously take the posture of being a jack of all trade. Never taking care to get to know not to bite more than what can be chewed, much less digested. In essence, solution, perhaps, lies only in 'moderation' in every sense. For that matter, that is a must, particularly in every sphere of human activity that has something to do with legislation and legal system impacting and impairing gravely the 'public interest'. Selectively, confining to the objective exercise or study on hand, intelligence so also intellect lies in identifying what and where to look for, also which one is more likely to be largely useful or of practical value in life. **THERE CAN BE NO EXCELLENCE IN THE 'LAW', WITHOUT EXCELLENCE IN LAWYERS.** "We don't always win. But if we fight the good fight and we stay strong, we will keep moving towards our goals. Never, ever, ever give up." - **Craig Ballantyne***

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Cabotage Laws: India Shipping Industry Registration Foreign Shipbuilders:

We read and hear of "The delivery of speedy and inexpensive justice, to the common, general-public, which remains a distant dream, and the perennial twin-problems of 'backlog' and 'delays' in the administration of justice still persists". The judicial system's focus seems more on protecting the powerful and influential, rather than putting laws into action keeping the weakest citizens in mind.

"The object of the discipline enforced by the Court in case of contempt of court is not to vindicate the dignity of the Court or the person of the Judge, but to prevent undue interference with the administration of justice." -Bowen, L.J. in *Hellmore v. Smith (2)* (1886), L. R. 35 C. D. 455. The object of conferring power to punish for its contempt on courts under contempt of courts Act, 1971 is to ensure that rendering justice shall be free from forces outside and nobody shall interfere with the administration of justice but on the other hand in a democratic structure, the people should have the right to criticise judges. The purpose of the contempt power should not be to uphold the majesty and dignity of the court but only to enable it to function. The Indian judiciary in its landmark judicial pronouncement has always tried to establish the balance between Freedom of Speech and Court's power to punish for contempt. In *Re: Vinay Chandra Mishra* (the alleged contemnor) [AIR 1995 SC 2348], the Hon'ble Supreme Court reiterated the position of law relating to the powers of contempt and opined that the judiciary is not only the guardian of the rule of law and third pillar but in fact the central pillar of a democratic State. If the judiciary is to perform its duties and functions effectively and true to the spirit with which they are sacredly entrusted to it, the dignity and authority of the courts have to be respected and protected at all costs. Otherwise the very corner-stone of our constitutional scheme will give way and with it will disappear the rule of law and the civilized life in the society. It is for this purpose that the courts are entrusted with extraordinary powers of punishing those who indulge in acts, whether inside or outside the courts, which tend to undermine the authority of law and bring it in disrepute and disrespect by scandalizing-it. Contempt of Court in a Nutshell "Any act which hinders or impairs the judicial proceedings and interferes in the administration of justice constitutes Contempt of Court. Such act or conduct is dealt under the Contempt of Court Act, 1971. Section 2(a) defines contempt as both civil and criminal contempt. Civil Contempt, as per Section 2 (b), means willful disobedience to any judgment, decree, direction, order, writ or other process of a court or willful breach of an undertaking given to a court. Criminal Contempt has been defined in Section 2(c) which states that Publication of any matter or any other act which lowers or tends to lower the authority of any court or interferes or tends to interfere in the judicial proceedings

or administration of justice. Below is the series of cases that have added to the understanding of contempt of court.

1. Allahabad High Court Order: imprisonment for Criminal Contempt to a Lawyer, Ram Kumar Singh, a practicing advocate since 1983, who had sent a letter to the Supreme Court as well as the Chief Justice of India, alleging that the current Chief Justice of the Allahabad High Court was "pro-government" and "unfit to administer in his present capacity".

2. Supreme Court stays Contempt Proceeding against Madras High Court Chief Justice, Sanjay Kaul: This case revolves around the biasness in selection of civil judges on religious grounds. The Supreme Court stayed a controversial interim order passed by Madras High Court judge Justice C.S. Karnan, allegedly undermining the authority of High Court Chief Justice Sanjay Kishan Kaul. Staying Justice Karnan's order of April 30, 2015, passed in suo motu proceedings relating to the appointment of officers of lower judiciary, a Bench headed by Chief Justice H.L. Dattu ordered that the judge be restrained from either hearing or issuing any further directions in the case. You may find the stay order of the Supreme court.

3. Allahabad High Court sends 11 lawyers to jail for criminal contempt of court.

4. Himachal Pradesh High Court issues contempt notice to the "The Tribune" Newspaper. The court observed that this mis-quoting is prone to spread misinformation among the general public that the Judges have carved out a special privilege for themselves.

5. Paras Saklecha V/s Shri Justice A.M Khanwilkar, Chief Justice, High Court of Madhya Pradesh. A contempt petition filed against Chief Justice of Madhya Pradesh High Court was dismissed by the High Court. A petitioner in Public Interest Litigation had filed the application alleging that certain utterances made by the Chief Justice A.M. Khanwilkar, while hearing the writ petition amounts to contempt. Read more...

6. M.V Jayarajan vs. High Court of Kerala & Anr. In this case the apex court stated that "Judges expect, nay invite, an informed and genuine discussion or criticism of judgments, but to incite a relatively illiterate audience against the Judiciary is not to be ignored. What had landed Mr. Jayarajan in trouble was his use of Malayalam words 'shumbhanmar' (fool, idiot, dunce) and 'pulluvila' (of little value) and other usages in his remarks against the judges of the High Court during a public speech here on June 26, 2010. The Supreme Court upheld the conviction of Kerala CPM leader MV Jayarajan for calling state high court judges "idiots", but reduced the sentence from six months to four weeks. An apex court bench headed by Justice Vikramajit Sen upheld Jayarajan's

conviction holding that he has no remorse for his utterances against high court judges.

7. Re: KK Mishra @ Balram. A Verdict which has drawn attention of almost everyone where Allahabad High Court has convicted a lawyer for committing criminal contempt of subordinate Court and has sentenced him to undergo simple imprisonment of six months. Division bench of Justices Sudhir Agarwal and Shamsher Bahadur Singh has also restrained the lawyer from entering the High Court and District court premises for a period of three years. In the said case the lawyer, had hurled abuses and made wild allegations of bribery and corruption against Reference Officer (Civil Judge) and threatened him of dire consequences when he would come out of the court after the court hours.

8. Court on its motion vs. Seema Sapra. The sentence was imposed on Seema Sapra by a Division Bench of Delhi High Court comprising of Justice Valmiki J Mehta and Justice PS Teji in contempt proceedings originally initiated against her by a Bench comprising Justice Ravindra Bhat and Justice Vibhu Bhakru after she had accused Justice Vibhu Bhakru of corruption in open court.

9. Dr. GN Saibaba Vs. State of Maharashtra. The Nagpur bench of Bombay High Court has rejected bail application Dr. Gokarakonda Naga Saibaba who was arrested for his alleged links with Maoists. Justice Arun B. Choudhari, while dismissing the bail application also directed registration of Criminal Contempt against the author Arundhati Roy for the article she had written in The Outlook criticising the non-granting of bail to the Professor.

10. Saroj Mittal vs State Delhi High Court initiated contempt proceedings against Superintendent AIIMS and Tihar Jail Superintendent due to non-following of the High Court directions.

11. Court at its own motion vs. Ramamoorthy Madras High Court closed the Suo motu contempt petition initiated against four Advocates for disrupting the Court proceedings in a District Court, after they submitted their unconditional apology as affidavits. The court also directed the Advocates to appear before the District Munsif cum Judicial Magistrate, Rameswaram, in open Court and tender their unconditional apology. A Division bench of Justices Satish K. Agnihotri and Dr.P.Devadass said that the Advocates, should not impede the running of the Courts, place bottlenecks on the road to justice.

12. Reference order by Justice Dama Seshadri Naidu of Kerala High Court. A Single Bench of Kerala High Court presided over by Justice Dama Seshadri Naidu has doubted the correctness of the judgment rendered by a Division Bench led by the then Chief Justice of Kerala High Court, Dr. Manjula Chellur in the case of Jyothilal

K. R. v. Mathai M.J., reported in 2014 (1) KLT 147. The Division Bench had held in that case that the contemnor need not appear until a notice is given by the Division Bench. It had further directed the Single Bench to refer matters pertaining to contempt to the Division Bench. The Judgment in Jyothilal was criticized by senior lawyers and former Judges alike. Read more Respect for the judiciary is the vital part of an affective rule of law. But respect cannot be enforced; it can only be earned.

Double First For DNV GL With New Rule Set Class Contract For LNG-Fuelled

Bulkers: ESL Shipping's new dual-fuelled bulk carriers will not only be the first large LNG-fuelled bulkers, but the first vessels constructed to the new DNV GL rule set. Due for delivery in early 2018, the two highly efficient 25,600 dwt vessels are optimized for trading in the Baltic Sea region.



"It is fitting that the first vessels that will be constructed to the most forward looking set of classification rules are themselves at the cutting edge of maritime innovation," said Knut Ørbeck-Nilssen, CEO of DNV GL - Maritime. "We have created these rules to be ready for the future and we have long pioneered the use of LNG as a ship fuel. To see these two come together in a double first for the industry is a remarkable moment. We look forward to working with ESL, Deltamarin, Sinotrans & CSC Qingshan Shipyard and all the project partners to make this project a success."

"We are proud to be the world's first shipyard applying the new and innovative DNV GL rules for a newbuilding, just two months after DNV GL has launched its new rules in October this year," said Liu Guangyao, Deputy General Manager of Sinotrans & CSC at the Marintec China Trade Fair recently. "We appreciate the support that DNV GL has committed to provide on the project during both the design and construction phase, especially in a project with many advanced extra class notations. We are looking forward to a close cooperation and a successful delivery."

Featuring the Deltamarin B.Delta26LNG design, the two highly efficient ships will feature dual-fuel main and auxiliary machinery, resulting in CO2 emissions per ton of cargo transported half that of present vessels. The bulk carriers will be built to the new DNV GL rules for general

dry cargo ships with DNV GL ice class 1A and will have type C LNG tanks of approximately 400 m³ capacity enabling bunkering at several terminals within the Baltic region. The B.Delta26LNG has a shallow draft of maximum 10 m, an overall length of 160 m, and a breadth of 26 m.

"We are very excited to have been selected to take part in this ground breaking project," said Morten Løvstad, Business Director Bulk Carriers at DNV GL. "Being asked to work with such an innovative team as the classification partner is a testament to the creativity and hard work that so many colleagues at DNV GL have invested in the new rule set. These vessels will set new standards for efficiency and environmental performance. They are an important step forward in showing how shipping can be a force for sustainability today and in the future."

World's Largest FRP Lock Gates Installed:

On Saturday 9 January the largest fibre reinforced polymer (FRP) lock gates in the world were installed in the new Lock III in the Wilhelmina canal in Tilburg.



On behalf of Rijkswaterstaat (Dutch Directorate-General for Public Works and Water Management), Royal HaskoningDHV has deployed its valuable expertise in the field of fibre reinforced polymers for the design principles, the design review and quality control. Fibre reinforced polymer (FRP) expert Liesbeth Tromp of Royal HaskoningDHV: 'This project demonstrates that we are increasingly making better use of the benefits of RFP in infrastructure and that the Netherlands is a world leader in this field!'

Sustainable world first: Never before have FRP lock gates of these dimensions (6.2 x 12.5 metres) been installed. The mitred gates can control a water level difference of no less than 7.90 metres. Fibre reinforced polymers are strong, light and require very little maintenance. An important sustainable benefit is that the gates have a two to three times longer lifetime than conventional gates of wood or steel, because fibre reinforced polymers do not corrode. In addition, there is very little wear on the pivot points of the gates, because the gates have the same specific weight as the water. The project is therefore a sustainable world first.

International interest: Rijkswaterstaat and Royal HaskoningDHV are the initiators in the development of

regulations for the application of this innovative material in civil engineering structures. Together with market participants, a revision of the national 'CUR guidelines' has been carried out and will be published this year. 'Good regulations and an understanding of the material is crucial to enable projects of this nature,' says Liesbeth. There is also international interest in this expertise. This was apparent during the Smart Rivers Conference in Buenos Aires in September 2015. The presentation of the gates by Rijkswaterstaat was followed with much interest by international governments and manufacturers attending the conference. The innovation was reason enough for PIANC (the organiser of the conference) to establish a new, international working group 'Composites for Hydraulic Structures' in which, in addition to Rijkswaterstaat, the American government is represented, among others. Royal HaskoningDHV is also represented in this committee.

Partnerships: The use of FRP for the lock gates was a joint decision of the province of North Brabant and Rijkswaterstaat and was realised in cooperation with the knowledge of Royal HaskoningDHV and the contractor combination Heijmans/Boskalis. The lock gates were produced by the Dutch company FiberCore Europe and the construction company Hillebrand was responsible for the assembly.

Widening of the Wilhelmina canal project: The Wilhelmina canal near Tilburg will be made wider and deeper. Also, the current locks II and III will be replaced with a new lock, new dam walls will be constructed and environmentally friendly embankments will be built. Widening of the Wilhelmina canal will enable larger ships (class IV ships) to sail through the canal in Tilburg faster. This will mean less freight traffic on the roads, less traffic jams and less CO₂ and particulate emissions.

Royal Caribbean Voted 'Best Cruise Line' At Annual Travvy Awards:

The votes are in and Royal Caribbean International was once again awarded voted the "Best Cruise Line Overall" and the "Best Cruise Line in the Caribbean" by the travel agent community. The cruise line received a total of six awards at this week's Travvy Awards ceremony.

Royal Caribbean received Gold awards in the following categories:

- Best Cruise Line Overall
- Best Cruise Line in the Caribbean
- Best Contemporary Cruise Line
- Best Cruise Line for Families
- Best Cruise Line for LGBT

The line also was honored with a silver award for the Best Cruise Line in Europe.

"We are extremely honored to be recognized by our valuable travel partners with these prestigious awards," said Vicki Freed, senior vice president of Sales, Trade



Support and Services for Royal Caribbean International. "The travel agent community is the hospitality and travel industry's most knowledgeable experts and this recognition is certainly gratifying."

The Travvy Awards were created to honor the best of the best in all categories of travel, including cruises, tours, hotels and resorts, travel agencies, travel insurance, car rentals, airlines and more. They also honor selected individuals in these categories for being the most innovative executives in the industry.

Royal Caribbean International is an award-winning global cruise brand with a 46-year legacy of innovation and introducing industry "firsts" never before seen at sea. The cruise line features an expansive and unmatched array of features and amenities only found on Royal Caribbean including, jaw-dropping, Broadway-style entertainment and industry-acclaimed programming that appeals to families and adventurous vacationers alike. Onboard, guests are catered to with the cruise line's world-renowned friendly and engaging Gold Anchor Service by every staff and crew member. Royal Caribbean has been voted "Best Cruise Line Overall" for 13 consecutive years in the Travel Weekly Readers Choice Awards.

The cruise line sails 23 of the world's most innovative cruise ships to the most popular destinations in Bermuda and the Caribbean, Europe, Canada and New England, Alaska, South America, Asia, and Australia and New Zealand.

Taking Steps To Realise South Africa's Seafarer Supply Potential: South Africa has the potential to become a global supplier of high-quality, highly-skilled ship's officers.

This is the view of Daniel Ngubane, newly appointed Group CEO of Marine Crew Services (MCS), the Cape Town-based training and crewing specialist which has successfully trained and placed hundreds of South African and African seafarers on local and international vessels since opening its doors in 2003.

"South African seafarers are highly sought after internationally and demand for senior officers is particularly high. This, combined with the country's world-class training and certification standards, provides an ideal

opportunity for South Africa to play a more active role in the global seafarer supply market."

Mr Ngubane says the South African Government has already taken significant steps, through its Operation Phakisa initiative, to grow the country's participation in the global maritime economy.

"We believe there is enormous potential for MCS to support Governmental aims by increasing the number of trainee seafarers, as well as the number of training berths made available to them."

For the past 12 years, MCS has worked closely with a number of international ship owners and managers to provide berths for South African cadets, a collaboration which he describes as 'highly successful and mutually beneficial' as it has given them the opportunity to gain sea time while providing vessel owners and managers with additional certified, qualified and English speaking manpower.

One of MCS's strategic objectives is to increase the number of training berths in 2016 in order to reduce the number of young South Africans who, having completed their theoretical training, are lost to the industry because they are unable to obtain practical, sea time experience.

Operation Phakisa, or the Oceans Economy initiative, is also expected to lead the changes in the South African Ships Register.

According to Ngubane, "The Government, in recognising the potential of the industry, is considering a number of incentives aimed at making the South African ship register sought-after internationally and ultimately, stimulating increased training and employment opportunities for local seafarers."

MCS, the only private South African manning company with ISO 9001 accreditation has, to date trained in excess of 880 officers, ratings and cadets, among them around 50% are black female seafarers, the highest number of sea-going, black female seafarers in South Africa.

Ngubane also heads Marine Bulk Carriers (MBC), a vessel owner and operator active in the off-shore oil and gas exploration sector and which is due to take delivery of two, 78m, 12 000 horsepower Anchor Handling Tug and Supply (AHTS) vessels during the first quarter of 2016.

Ngubane succeeds Deanna Collins and Jan Rabie who have been at the helm of sister companies, MCS and MBC, since 2003 and who have made a significant contribution, along with co-founder Robert Knutzen, to the growth of the South African maritime industry.

India Court Jails 25 Foreign Ship Crew Members In Arms Case:

An Indian court on Monday sentenced crew members of a private American ship, including 25 foreigners, to five years in prison for illegal possession of arms in Indian waters in a verdict that could spark diplomatic tension.

The crew, which included foreign nationals from Ukraine, Estonia and six British former soldiers, was arrested from the 'Seaman Guard Ohio' in 2013 after they failed to produce papers authorising them to carry weapons in India's territorial waters. Ten Indians were also arrested.



The court in India's southern city of Tuticorin, in Tamil Nadu state, found the crew guilty of violating Indian laws by possessing prohibited arms. It also fined each crew member 3,000 rupees (\$45).

"This judgment is totally unfair and a great injustice to the accused," Arumugaram Ravipandian, a lawyer representing all 35 crew members, told Reuters.

Ravipandian said his clients would seek bail and challenge the verdict in a higher court.

The crew, that spent nine months in prison after the incident, has been out on bail but not allowed to leave India since 2013.

Paul Towers, a former British soldier among those convicted, said the weapons on board their ship were properly registered.

"We are speaking to our consulate ... this is not justice," said Towers.

The British High Commission in New Delhi said it was providing consular assistance but could not interfere in another country's judicial process.

"Our staff in India and the UK have been in close contact with all six men since their arrest to provide support to them and their families, including attending court," it said in a statement.

"Ministers have also raised this case at the highest levels, pressing for delays to be resolved."

No comment was immediately available from the Ukrainian and Estonian embassies.

The southern tip of India is close to major trade routes and cargo ships often travel with armed guards to deter pirates.

The ship was operated by a U.S. maritime security firm and the incident highlighted the loosely regulated practice of placing guards on ships for protection against pirate attacks.

Action by the Indian authorities has led to diplomatic rows in similar cases. Relations between India and Italy soured after a 2012 incident in which two Italian marines allegedly killed two Indian fishermen mistakenly believed to be pirates.

India's Reliance Defence To Set Up Shipyard In Andhra Pradesh State:

India's Reliance Defence Ltd has signed an accord with a provincial government to set up a naval facility along the country's eastern coast with an initial investment of 50 billion rupees (\$748 million), the company said on Sunday.



Reliance Defence, a unit of billionaire Anil Ambani's Reliance Infrastructure Ltd, plans to build submarines and aircraft carriers as well as to provide services including maintenance and refitting of ships at the facility.

It will be located 70 km (45 miles) south of Visakhapatnam in the southern state of Andhra Pradesh.

Reliance Chairman Ambani cited estimates saying the Indian navy could spend nearly 200 billion rupees annually over the next 15 years on acquisitions and fleet modernisation of submarines and aircraft carriers.

This would generate a "huge pipeline of opportunity", according to a copy of his speech at an industry event released by the company.

Prime Minister Narendra Modi's government wants a greater role for Indian state and defence firms as the government is forecast to spend \$250 billion over the next decade to upgrade its military.

The government has, however, yet to move forward on its plans to build up the submarine fleet, meaning any order for companies including Reliance Defence may be years away.

Effects of Rogue Waves On Ships:

To understand the effects of rogue or freak waves on ships at sea, it is vital to first develop an understanding of rogue waves in itself, the occurrence of such a phenomenon and the reason behind such an occurrence.

The occurrence of sea waves is an uncertain phenomenon. That is, if you consider a certain area of the sea surface, the waves passing through that area would definitely be periodic in nature, but the parameter of each wave (amplitude, time period, frequency, wave height and wavelength) will vary at a rate that cannot be determined to any exact measure.



To understand that with an example, let us suppose that a wave of height 10 meters passes through a given area on the sea surface at this instance. Then one cannot be sure if the next wave passing through the same area on the sea surface will have the same height. This natural uncertainty in the nature of sea surface waves makes it important for us to study sea waves in a probabilistic and statistical approach, rather than a deterministic approach.

So, we plot the probability of the occurrence of a particular wave height on what is called a histogram. The horizontal axis representing increasing height of wave and the vertical axis representing the probability of occurrence of a wave of the corresponding height.

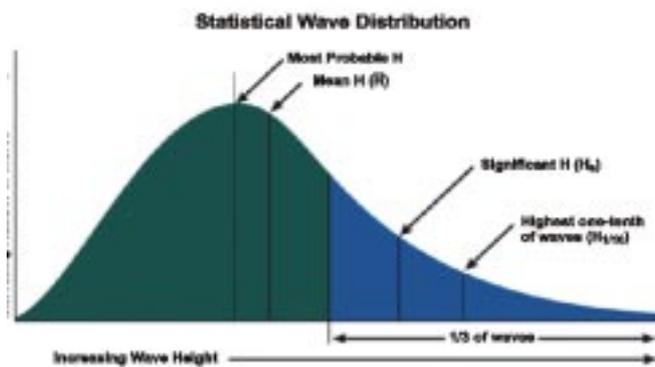


Figure 1: Sea wave spectrum

In the above histogram, note the following things:

The probability of a zero wave height is zero (which is evident, since there is no sea without a wave)

The probability of occurrence of extremely high waves is also tending to zero

The wave height corresponding to the maximum probability is somewhere higher than zero, in the moderate height region. These are the wave heights we see daily in a normal sea. The height corresponding to the maximum probability is maximum probable height

The average of highest one-third of waves is the significant wave height (H_s). This is very important, as in, it is considered the reference point of designating a wave as a freak wave

Any wave that has a height more than that of significant height is called a rogue wave. So, as clearly evident, the probability of occurrence of a freak wave is lower, but

due to its height, the energy stored in one freak wave can be high enough to cause damage to ships

To know what effects rogue waves have on ships, we need to know the motion of a ship in a wave. When a ship operates in head seas, it experiences pitching coupled with heaving motions. The more the amplitude of the encountering wave, higher is the pitching and heaving amplitude.

Extreme combined motions of pitching and heaving in ships result in the forward part of the ship plunging into the sea surface after it encounters a wave. So, in some cases, when the sea state is high, there is a probability of increased height of waves that a ship may encounter. Sometimes, these waves may be higher than that corresponding to significant wave height, which is called freak waves or rogue waves.

The problem with such waves, is that they cannot be predicted, owing to the natural uncertainty of sea waves.

The following are the effects on ship that occurs because of encountering rogue waves at sea:

Bow Slamming: When a ship encounters high waves (especially in head seas), high amplitude pitching and heaving combined, produces an effect that sends the bow out of the water. As the wave passes aftward, the bow falls onto the surface (or slams the surface), with high acceleration, resulting in tremendous slamming forces in the forward structure of the ship.



Formation and Propagation of Cracks: Due to high slamming and pounding forces in the forward structure, the hull at the bow section is often prone to cracks that can propagate over the entire depth of the bow section.

Buckling of plates: The shell plates at the bow and the bottom plating upto 25 percent of the ship's length aft of the forward perpendicular is subject to effects of slamming which result in buckling of these plates. Especially the bottom plating in the forward region, because in most lading cases, the ship is in hogging condition, which maintains the bottom shell in a state of

compression. Major augment of stresses in the bottom plating therefore result in exceeding the buckling stress of the material, which may be much lower than the ultimate tensile stress.

Ultimate Failure: When forward structures have been subjected to large number of cycles of freak waves or slamming forces over a longer period of time, the structure undergoes fatigue. If scantling and structural surveys are not carried out regularly, then ultimate failure, leading to complete rupture of bow sections is not an impossibility when encountered with freak waves.

So designers have over the years, developed methods to combat freak waves by incorporating various factors of safety in structural design. Broadly, we will discuss them under the following distinctions:

Inclusion in Structural Formulae: When the scantlings of a ship are calculated in preliminary design phase, designers use empirical formulae suggested and tested by classification societies. These formulae have been developed over extensive observation and analyses of statistical data of stressed that ships are subjected to at sea, and accordingly, factor of safety are considered in determining the scantlings, so as to prevent failure due to waves that are above the significant height.

Additional Strengthening against Slamming: The hull girder is additionally strengthened at the bow. Some of the additional structures that are included are discussed below:

Panting stringers that run longitudinally, are welded to the sideshell forward of the collision bulkhead. The height between subsequent stringer is usually 2 to 2.5 meters

Panting Beams run transversely inside the deck shell, joining the panting stringer to the centreline wash bulkhead

Angled pillars are used to support the panting beams at the centreline: Panting web sections or perforated flats are used after between every one or two panting stringers. The side frames are end connected to these and the panting stringers via tripping brackets to ensure smooth stress flow

Plate floors are used at every frame space ahead of the collision bulkhead.

Navigational Measures Taken On-Board:

Navigational measures are also taken on board a ship, to combat rogue waves, especially in high sea states. Remember the initial paragraphs of this article where we discussed about pitching and heaving motions induced onto a ship? The idea of navigational measures is just to reduce the pitching amplitudes.

The pitching amplitudes depend on the encountering angle and the encounter frequency. The encounter frequency is changed by changing the speed of the ship, and the encounter angle is altered by changing the

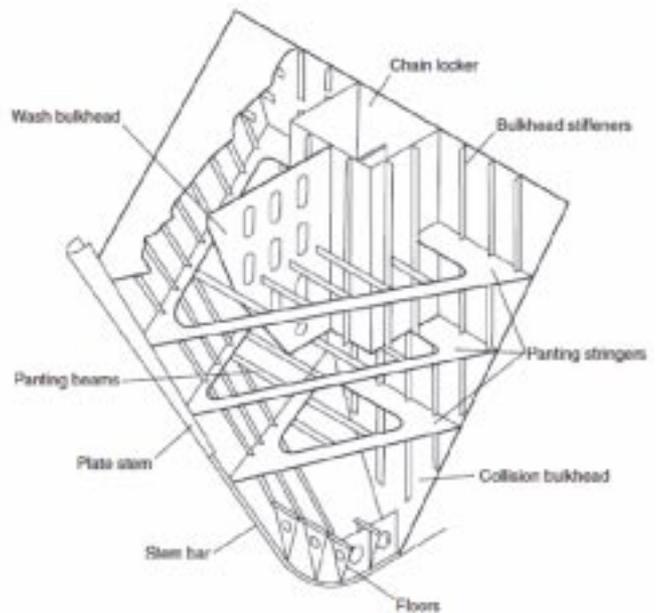


Figure 2: Additional strengthening of forward structure

heading of the ship. Though the latter may not always be feasible on fixed routes, the former is mostly used to reduce unwanted motions on the higher side.

A quick update on issues regarding loss prevention and regulatory matters in the recent past:

The UK P&I has released two bulletin since the last update. The first bulletin reports of security issues in Mauritania in which a gang of men armed with knives boarded a vessel at port when carrying cargo operations.

The second bulletin reports about a hardened stance from cargo receivers in China regarding any shortage of grain cargo over 0.5%. The bulletin contains feedback from correspondents about various measures that can be taken to protect the Owners interests.

TT Club - New Container weight FAQ's: The TT Club has joined other industry bodies in producing an FAQ on the upcoming regulations on the mandatory weighing of containers. The FAQ address various questions such as the responsibilities of the shipper, the carrier and the terminal, the accuracy standards required under the regulations and how the national and international issues interact during the supply chain.

Singapore Straits - Nav warning for vessel sunk: Readers in the Singapore region may be aware of an incident late last week in which a vessel sank in the East bound lane of the TSS. The UK Club has released a small note to increase awareness of the matter and Members are advised to check the Navigation warnings for the latest status of the situation.

A T&P notice from the Singapore MPA on the subject has also been released.

An interesting recreation of the incident was added by vesselfinder on youtube.

Fire hazards in the ships laundry: The Marshall Islands has released a marine safety advisory that deals with the fire hazard posed by improperly maintained laundry systems. The MSA deals with a USCG investigation into a fire in a laundry of a cruise vessel.

The UK Club has in the past also highlighted the issue of fire hazards in the Laundry.

Australia - Voyage planning and nautical charts: The Marshall Islands has come out with a helpful marine advisory to assist Members preparing their vessels going to the Australian ports. The advisory covers various publications and charts that are required to be carried on-board the vessels and also links to best practices.

High Risk Area - reduced: The Joint war risk committee has reduced the area declared high risk in the vicinity of Somalia and the Gulf of Aden. Readers interested in the announcement can find details on the BiMCO website.

There have also been further amendments to the High risk areas and the details can be found in the circular released by UK War risk.

Cargo wetting damage: Claims due to cargo getting wet is one of the largest sources of bulk carrier losses. Capt David Nichols, one of the UK Club risk assessors has written an excellent article on the subject highlighting the main points that need to be considered. The press release on the subject which touches upon the main points can be found on the Club website.

Bodily injury news - Winter edition: The winter edition of the Bodily injury news is on the UK Club website. This edition talks about the costs of healthcare in the US and a ship-owners obligation to those on-board the ship. The edition also looks at claims filed by longshore workers against ship owners for injuries suffered on board the vessel.

The edition will be of great interest to readers with ships going to US.

MARS - Nov & Dec Edition: The MARS editions for the November 2015 and December 2015 have been released. The latest editions contain some interesting incidents of incidents leading to loss of life, collisions and contact damage due to lack of proper pilot exchange and other incidents related to safety and maintenance.

Enforcement of arbitration awards in the UAE - UKDC: The UK Defence club has released a new sounding on the practical aspects of enforcing an arbitration award in the UAE. The sounding talks about the change in the position of the UAE judicial system after the UAE ratified the New York convention in 2006.

USCG - Ultra low sulphur guidance: The USCG has revised its guidance to ship operators following reports

that the main engines may not attain the expected speeds following the use of the ultra low sulphur fuel. The revisions include having a proper master pilot exchange in view of the amended vessel characteristics and also to check if the pilot cards may need to be amended. The Marine safety alert can be found at the USCH homeport page or at an advisory by Liberia.

Curious Case of Missing Engineers: India is a rising economy in the world waiting to be explored by many global giants to leverage the technological capability of Young Indian Talent. World view of India has changed in the last 3 decades from being a country of bunch of illiterates to a country of more than 700 million young talent with average age of 35 waiting to challenge the world. India has also become the talent capital of the world. We are known as a young country in an ageing world by the market rating companies. India has exported more than \$110 billion+ IT exports during FY15 and marching towards achieving a \$200 Billion dream.

Welcome to the silicon valley of India, Bangalore a city buzzing with energy, diversity, excitement being the host for more than 3000 small, big & start Ups IT companies which created a global footprint for India's technological capability. It was a bright Monday morning, Shradha got up early & hurried up to her catch her shuttle bus to beat the Bangalore traffic. Monday's are the biggest nightmares for recruiters as many offered engineers go on missing their target companies and go missing in Bangalore overflowing with almost 10 million population and recruiters fail to trace them down. Shradha panicked by seeing no of her candidates not turning up to join & started calling them to enquire about their whereabouts;

Shradha : "Hello Chanchal! How are you? Hope you are on the way to join us today?"

Chanchal : "Hi, I am on the way, will be there soon! I got delayed"

Shradha : "Hello Yash! Good Morning! Where are you?, Are you joining us today?"

Yash: Hi, I am sorry yaar, my Grand Father passed away this morning & will not be able to join today, will call you next week"

Shradha: "Hi! Gadar! Where are you? I am awaiting for you at our office waiting to welcome you!

Gadar :Hello! Hello! Phone gets switched Off! No traces for the rest of the day/week And list goes on...

Shradha has 10 joiners but only 5 people landed up for the joining day. James Jesus the hiring manager was very upset & got into a huddle with TA Head to work a risk mitigation strategy. Engineering head ordered to conduct an RCA (Root Cause Analysis) of why so many are dropping out in the last minute causing huge embarrassment affecting Brand India.

A team conducted a detailed research and analyzed causes & reasons for missing engineers and published report to the management team;

It's clearly a candidate's era and not an employer's era

War for Talent is creating a very unhealthy competition among the competing companies to hire Right Talent

Abundant opportunities for talented people leading to multiples choices & confusion which is the right place

Very good start up ecosystem disrupting the growth of traditional large companies by attracting young talent with higher risk reward model

People are looking for job security, work life balance and does not want a high pressure jobs

People are gravitating towards money, money & money leading talent war among competing companies.

Robots as co-workers: A sneak peek inside mega fulfillment centers: 2015 has been a great year for both the Indian e-commerce companies and the consumers thanks to the overwhelming support of the VCs or angel investors.

Perhaps we have reached the end of phase-1 of the e-commerce story in India, wherein companies such as Flipkart, Amazon, Snapdeal, JABONG, Myntra, YepMe... increased their penetration into Tier 2, Tier 3 cities (besides the obvious Tier 1) and won the consumer confidence which was vital for the thriving e-commerce echo system. Phase-1 was all about customer acquisition and setting the right front-end, back-end and supply chain by using appropriate technologies. A lot of it was made possible by burning the VCs or angel investors' money :-)

I believe that the year 2016 will be the beginning of phase-2 of the e-commerce story in India, wherein the companies will have to switch gears from pure price play model to overall customer experience model and at the same time will also have to start working towards profitability.

Emerging markets, such as India, has highly price sensitive consumers who are constantly looking for value for money, reasonable number of choices, convenience and above all, a good customer experience. This leaves very less options towards profitability for these burgeoning e-commerce companies. This blog explores - automation of fulfillment centers as one such option that can help reduce operational expense, boost productivity, reduce logistic errors, decrease customer lead time and thereby enhancing overall customer experience, all leading to profitability in the long term.

Fulfillment centers or warehouses are one of the key pillars of e-commerce companies. It's mind-boggling to imagine that often these fulfillment centers span across multiple football fields, having thousands of rows, each rows having numerous shelves packed with countless

products and where workers would have to roam these shelves searching for the products needed to fulfill each new order. Simply put, it would appear like finding a needle in a hay stack!

Way back in the year 2010, Amazon.com (unquestionably the mother of all e-commerce companies) realized that the biggest bottleneck in their fulfillment centers, leading to increased delivery lead times and thus hindering customer experience, was order picking at their fulfillment centers. Employees used to wander stacks of shelves to pick up merchandise for orders before finally returning to their station to place them in bins and send them for delivery. The solution to this peculiar logistics problem was automation using robots!

Squat orange robots, called Kiva, began zooming around the shelves instead, picking up goods and carrying them to the Amazon employees at their stations. The result? What used to take hours of walking could happen in mere minutes instead. Originally made by a startup, Amazon bought in 2012, the robots have since been integrated with its fulfillment center technology. There are roughly 15,000 Kiva robots spread across the 10 centers in the company's network, which has more than 50 facilities in the US.

Let's come back to the phase-2 of the e-commerce story in India and see how Indian companies are reaping the benefits of automation by automating their fulfillment centers.

Introducing the Butler and the Sorter, the advanced robotics systems for automation at distribution and fulfillment centers. Probably one of the best examples of Make in India initiative, created by another Indian startup called the GreyOrange, these robotic systems form the backbone of these mega (multi-football field) fulfillment centers, claiming to boost productivity up to 10X by automating storage and order picking at fulfillment centers.

Robotics and supply chain management

The Butler system takes care of the complexities of forward and reverse logistics. It also allows to add more Mobile Storage Units (MSUs) programmatically to the fulfillment center automation system based on business demand. A right combination of Butlers, MSUs and Pick-up Stations tied to the business volume can ensure smooth sorting, order consolidation and routing.

The Sorter system is the solution to reduce the outbound sortation window at the distribution and fulfillment centers. It can scan the parcels with 1D or 2D bar-codes, the dimensioning and weighing module can capture the parcels' data. In a nutshell, it's an automated tool to sort parcels of all shapes and sizes, accurately and much more efficiently than a human being!

Inspired by Kiva (the Squat orange robots used by Amazon), logistics players such as Gati, DTTC, Gojavas,

Mahindra Logistics, Delhivery etc. as well as the e-commerce unicorns such as Flipkart have also integrated the advanced robotics systems (namely Butler and Sorter) for automation at their distribution and fulfillment centers. One would argue that they have leveraged the best practices from their worldwide counterparts such as Amazon and Alibaba, but it's interesting to note that the Indian companies have also improvised to suite local requirements in order to provide fast and affordable services.

I believe that the fulfillment centers can be made more efficient by seamlessly integrating the advance robotic system with the existing ERP & CRM system, something which is probably unexplored. The advanced robotic system would get invoked the moment a customer makes a purchase, automated system would consolidate the order and route the parcel to the delivery team via conveyor belts and drones flying inside the fulfillment centers all working in tandem towards a delightful customer experience.

I also believe that these fulfillment centers can derive benefits from the evolving Internet-of-Things (IoT) technologies to tackle the existing industry wide challenges such as re-routing, parcel loss or delay, theft and out-of-order delivery.

Indian auto companies will have to shift out of diesel; sooner rather than later...:

Will they finally make the shift out of diesel? When the Supreme Court imposed a ban on registration of diesel SUVs in Delhi above 2000cc , it raised a storm of protest from companies that had bet on diesel. But this was always coming and it is surprising that the auto companies had not anticipated that. But first some history to the debate!

Started with a price arbitrage... For long, diesel enjoyed a special status in India. It was supposed to power tractors and heavy commercial vehicles that were supposed to power the wheels of the economy. Soon auto companies saw the arbitrage. With the introduction of sophisticated diesel engines, they could give the same performance as a petrol car at much cheaper operating cost. This became the enduring business model for companies like Tata Motors and M&M. Things changed when the current government decided to remove the subsidies on diesel and subjected it to free pricing. With the price advantage gone, the major advantage of diesel cars was already lost.

Volkswagen was the last straw...

The Volkswagen fiasco was the last straw on the diesel engine's back. When VW admitted that they had installed Cheat Software to fool the pollution testing equipment, it virtually opened a Pandora's Box. It turned out that diesel engines were awfully polluting and a real threat to the environment. Governments the world over have gotten strict with diesel engines. This is likely to lead to

the introduction of stricter and more transparent testing norms and higher cost of compliance for diesel car makers. With the cost advantage gone and the compliance costs much higher, diesel as a business model does not inspire any longer.

Indian cities are choking... When the Supreme Court talked about Delhi, the broad reference was to most of the large cities in India. A plethora of cars on the roads, traffic jams and poor infrastructure has made diesel pollution the real bane of Indian cities. Delhi may just be the tip of the iceberg. Most of the other cities in India like Mumbai, Chennai, Kolkata, Bengaluru and Hyderabad will have to follow suit. This will have to happen sooner rather than later. With the climate commitments coming up, diesel will have to bear the brunt of the decision.

These trends could have long term repercussions for the auto industry in India. Diesel powered cars as a business model may not have a very bright future in India. We have already seen M&M launch its first petrol SUV. This may be the beginning of a new automobile trend in India. Passengers cars may increasingly shift out of Diesel and move to petrol versions. VW may not have caused it, but it has definitely hastened the entire move out of diesel.

The Future of Content is - Video. And it's Scary!:

Have you noticed off late, how the sheer number of videos that we watch from the Internet has exploded. Thanks to the smart phones in our pocket, and the 3Gs and the 4Gs in the air, we now consume videos as copiously as we drink colas. And this transformation has been fairly recent, because till sometime back watching a video on YouTube was like booking a train ticket on the IRCTC portal; frustrating, exhausting and mind-numbing. Buffering was a term that we all came to hate and live with. It was like bad karma, and watching video was like a punishment, no less.

Funnily, the capability/capacity to watch videos has supposedly been around for quite some time. Does, the broadband tingle a bell? I remember back in the times when NDA was in government, with Atal Bihari Vajpayee as the Prime Minister, the then telecom minister Pramod Mahajan used to make promises of a 'videod' future, where we will be able to see a Dev Anand or a Sunil Dutt film at a just a click at almost every press conference. That was in around the year 2000. But then even as the bandwidth grew, from 128 Kbps to 512, from 1 Mbps to 2 and then to 5, the video revolution was largely limited because of the 'Pull' factor, namely, one had to visit a website or a portal to pull (or download) a video. So be it a YouTube or a Bit Torrent, we had to go to all these sites in search of something specific. We were searching for videos to watch, and since these portals were just hosting the videos they were not pushing the envelope in terms of technology.

And while we talk about technology, we just cannot ignore the role played by the porn portals that revolutionised the delivery of videos over the WWW.

Because of all these portals that had to deliver videos to hundreds of thousands of people (at times even millions) simultaneously, they perfected the art of content delivery. The world owes a big debt to these carnal-delighters for making the magic of seamless video possible.

Yet, even with the XXX, the content was still 'pull'. We had to visit these websites (rather discretely at times) to select the content that we wish to view, quite like visiting a mall where we choose what we want, except that most of the times we don't have to pay for it.

The big revolution happened when this pull changed to push because of the social media that turned the video into a viral. Thanks to all those vines, snippets, and so on, videos were there in front of you, shared by your friends on Facebook, by the people you follow on Twitter and your connects, etc. on LinkedIn. Video was the new 'in' form of content, snacky and ready to be had.

Just about the time, we were getting used to this video-pervasive world; Facebook came along and decided to enable video on the walls automatically (Facebook native video player). One doesn't really need a tech background to be able to appreciate the sheer amount of technology at play here to make possible that seamless play. So what does this video revolution mean for the broadcaster/creators and aggregators?

Well, it means to start off with; the first step would be to realise and come to terms with the fact that video is going to be the king in the days to come. With seamless, high-speed Internet on the anvil, say the likes of Reliance Jio, video would be the norm. Just like you had bloggers in the past, you would have vloggers in the future. Consumers would be the creators and creators would be the consumers

There are three essential trends that can be summed up to encapsulate the shift:

Video will be Popcornable: The big shift is happening towards micro video content, something that is quick and snackable. Gone are the days when, you could shoot great interviews and then post them online. These days, you will have to segment the footage, add supers, and so on. The ideal length of a video that can hold a user interest would be 60 secs. Production values will have to be immensely higher to hold attention for more than that.

Mobile, the be-all and end-all: When it comes to viewing videos, mobile handsets have an undeniable lead over every other devices. I mean, all you have to do is look in a train and everyone would be watching a video on their phones. These days, people even carry a magnifier with them, just so they can watch the video more clearly. But pretty soon, mobile would be the primary device for shooting and uploading videos. Thanks to the ever increasing MP (rather clarity) of the mobile camera, a decent smart phone today is all you need to

create a good video. With apps like Twitter, Vine, Instagram, Tumblr, all pushing for video, the phone would not only record, but also upload simultaneously like in say Periscope. Hence, it is the, mobile that will create and consume the video content in the coming days.

Content will still be king

A picture is said to be worth a 1000 words, thus, a video must be worth a lot more. So, we can just shoot and show, right? No! Considering the sheer number of videos being uploaded in a day (check www.internetlivestats.com to be amazed). For your video to be compelling enough for a viewer to stay and watch, would really need it to say something of relevance and value. You know, a few of your friends might enjoy seeing a vine, wherein you make real stupid faces. But it won't go a long way say like a video of an island closing its roads so that migratory crabs can cross over. Hence, just like any other piece of media, like say an article, a film or a podcast, the real essence will be in its story line.

According to estimates by Cisco (who provide the network that power the internet), video will comprise 69 percent of all consumer online traffic in the next two years. Not only that, even, Mark Zuckerberg was heard telling that in "five years, most of [Facebook] will be video".

So what does it mean for a person like me who has spent a major part of his life in the company of words? Well, it means, that we will have to relearn again, will have to view content from an agnostic point of view, its format would be irrelevant very soon. And more importantly, will have to pay a lot more attention to all that is happening, right from software packages to mobile Apps.

In the new world of parallax, 3D infographics, VR or animated infographics, things can be pretty disconcerting and scary for the old-schoolers. Guess what, I am applying to admission to the new school and suggest you do that too. Click, Action!

The Missing \$100 Bn in mobile advertising: Industry analysts are underestimating the power of mobile advertising.

When industry veteran Steve Ballmer didn't pay much heed to the iPhone launch in 2007, he wasn't alone. Most of the tech industry predicted the growth of mobile and telecom very differently. In general, predicting industry shifts due to significant changes in technology has been difficult. However, consumer behaviour usually provides a few hints.

For starters, users across the world today are connected via mobile like never before. Services are now accessed chiefly, if not only, on mobile. And consumers are moving farther away from the web towards mobile apps, which has given rise to a new era of mobile experiences. These three concurrent tectonic changes come together to place mobile at the cusp of unprecedented change. Some of this impact is already noticeable - on 11th November this

year, during Singles Day in China, Alibaba sold goods worth \$14 billion, 70 per cent of which happened on mobile. This dwarfs even the combined annual GMV of all the digital commerce players in India.

Naturally, the phenomenal growth of mobile has an important implication for mobile advertising. Industry veterans and analysts are potentially underestimating the power of mobile advertising. It's bigger than just a \$100 billion industry. The gap primarily emerges on account of how radically commerce has embraced mobile, and the role advertising is playing in fuelling this growth.

Commerce on mobile is the future - and here's why: Three major trends signify the inevitable growth of commerce on mobile. The first is that shopping app usage is not as high as you imagine. According to Forrester, nearly 60 per cent of smartphone users have fewer than two retailer-specific apps on their phone, while 21 per cent don't have any at all! To top that off, consumers who do have shopping apps spend only 5 per cent of their mobile time on them. Hence, for a retailer looking to capture consumer time on mobile, existing m-Commerce strategies like retailer apps are a difficult proposition. Apps alone are not the answer.

Secondly, while we like to think of online, offline, and mobile shopping behaviour differently, consumers don't. They just shop the same way across channels - and this includes impulse shopping. According to eMarketer, over 70-80 per cent of purchases are impulse or discovery driven, and not intent-driven or carefully planned by consumers. However, mobile applications today aren't built to support impulse shopping or discovery. Instead, most apps offer an overwhelming array of choice and a search bar that expects you to already know what you want. Discovery on mobile is non-existent.

The role of advertising in accounting for the \$100 Billion: The global m-commerce market is estimated to be worth \$3.2 trillion by 2017, according to research by Forrester. Assuming that half of this market is of travel and digital goods, it's safe to estimate that the core market for m-commerce will be worth a whopping \$1.5 trillion by 2017. While this opportunity is of enormous significance, the fact that typically 70-80 per cent of purchases across channels are driven by impulse or discovery, pegs serendipitous shopping on mobile a lucrative proposition.

With 8-10 per cent of this industry making it to commerce advertising budgets, excluding new customer acquisition costs, we uncover an untapped market of about \$100 billion. This opportunity to present consumers with 'shoppable' advertising on mobile completely changes the nature of the game. It also brings to light an entire retail-driven segment of advertising unaccounted for in the growth story of mobile advertising. It's exciting that even advertising agencies aren't working with this \$100 billion business yet - and hence the opportunities for rapid scale are mind boggling.

Driving mobile advertising with a discovery platform: By marrying 85 per cent of consumer's mobile app time with convenience, speed, personalization and a trustworthy companion, mobile discovery platforms like Miip have the potential to add business worth \$100 billion to advertising-driven m-commerce. It helps consumers discover products across a multitude of apps, where they spend 85 per cent of their time on mobile. It satiates the unevolved, innate human nature to explore. Additionally, it makes immediate gratification viable with a buy button within the advertising experience itself. For a consumer, this implies that she no longer has to go to a 'destination' - an online or mobile store - to buy products. She also no longer has to already know what she is looking for. A discovery platform can help her serendipitously chance upon amazing things she might love.

With a discovery platform, advertising now also has a human touch. These platforms are more than a way to discover things -it is also a personal companion that slowly understands consumer preferences through various discovery experiences. MiiP does this by reading consumer emotions, soliciting sentiments and reactions, and even creating a personal graph that fuels its next curated selection. With time, it will be able to preempt what a consumer is likely to love and to help her discover that, on whatever app she is using on mobile. As advertisers and retailers move towards offering nearly an infinite selection of products and experiences, curated and personalized discovery can bring relevant products to the demanding consumer of today.

Shopping on mobile has always been intent-driven. By carving out an industry for discovery, m-commerce is going to see wider adoption. But importantly, it redefines the very nature of advertising on digital platforms. In an industry that has seen many an ebb and flow, discovery-led shopping could be a pivotal phase in shaping the future of advertising.

Does India have a Supply chain strategy?:

Logistics provides a definite competitive edge to the economy and the country spends around 14 % compared to around 8 % Globally.Hence opportunities exist to save 3 to 4 % of our GDP which is billions of dollars...

In a recent conference i was asked -Does India have a SCM strategy ? If so this should be spelt out clearly and communicated by Govt of India.I have invested last nine years in Logistics & SCM and have seen an urgency last 18 months in Ports connectivity and related infrastructure .Defence logistics is crucial in case of a quick,short and swift war.Hence, we hope Defence manufacturing under 'make in India' will finally see the light of the day and logistics improvements would be a by product of this.

Ports,Road,Rail ,Terminal ,yard management,CFS/ICD ,Freight ,Warehousing and cold storage- in all these areas Technology investments will increase and if Ports dwell time improve the newer,smaller and minor private ports

with better flexibility ,productivity ,work ethics in the next seven to ten years the bigger govt ports will become less relevant.Sounds bizarre since Airport infrastructure was privatised 15 years back .

It is naive to expect overall development would happen without the right people ecosystem ,better compliance ,safety and transparency in governance and decision making. This industry will be the biggest employment provider next 15 years in the entire value chain.

We are hearing exciting plans that are about to be executed in rail and surface transport but certain improvements need to be visible to change perception.I was in Old Delhi railway station recently and was horrified at the lack of general cleanliness and basic facilities.Can i request the rail officials to first change this before Jan 26th, India's republic day? Surely ,changing one station cannot take more than a month..The google plan for 400 railway stations will not change this..

Once these visible changes happen quickly the country would be in a position to understand and appreciate the trillion dollar investments in the Logistics infrastructure.This will also prevent the media projecting the bullet trains as white elephant..

What is your take ? Do you share the optimism that the investments in Logistics infrastructure next decade would pay off ?How can we change the mindset of beureacracy who are used to outdated modes of technology and need to share the urgency of the countrymen and Govt in going the extra mile?

Bank of Baroda Fraud: How the Masterminds Pocketed a Billion Rupees through Illegal Remittances:

Masterminds of illegal remittances racket operating through Bank of Baroda were allegedly charging Rs 1.35 for every dollar sent abroad.

Will Indian Banks Cut Loan Rates Now?:

New borrowers are likely to benefit from the Reserve Bank of India's (RBI's) policy rate cuts from April when Indian lenders start calculating their minimum loan rate or base rate on the marginal cost of deposits.

The base rate replaced the seven-year-old system of prime lending rate in July 2010 to bring in more transparency. However, the purpose does not seem to have been served. Otherwise, how does one explain the fact that between January and December, local banks have cut their base rate by an average 60 basis points although RBI has cut its policy rate by 125 basis points to 6.75%. Incidentally, the banks have pared their deposit rates by around 100 basis points. One basis point is a hundredth of a percentage point.

According to State Bank of India chairman Arundhati Bhattacharya, banks cannot cut their base rate in tandem with the drop in repo rate simply because the banks are not dependent on market borrowings. For instance, 97%

of the State Bank of India's liabilities are deposits and a cut in repo rate does not automatically lead to a decline in deposit rates. The repo or repurchase rate is the rate at which RBI gives money to commercial banks. When a bank has excess liquidity, it can park money with RBI at the reverse repo rate, which is currently 5.75%. The difference between the repo rate and the reverse repo rate is the interest rate corridor where, in normal circumstances, the inter-bank call money rates move.

Be it repo or reverse repo, such policy or signal rates do not work in isolation. For instance, RBI can cut its repo rate, but if there is scarcity of money in the system, the market rates will not decline. Conversely, if there is ample liquidity in the system, the market rates can go down even though there is no rate cut.

In such a scenario, the reverse repo rate or the rate at which RBI sucks out liquidity from the system becomes the signal rate. RBI uses the lever of cash reserve ratio or CRR to manage liquidity-if it wants to drain liquidity, it raises CRR and it pares CRR when it wants to increase the supply of money in the system. Currently, commercial banks keep 4% of their deposits with RBI in the form of CRR; they do not earn any interest on this. Many bankers feel that a cut in CRR will help faster transmission of the monetary policy.

Let's go beyond theories and look at the ground reality.

Bankers have many arguments on why they cannot pare their base rate.

One of them is a drastic cut in deposit rates will impact the flow. As a savings instrument, bank deposits compete with small savings schemes of the government that offer high rates and certain mutual fund schemes that are tax efficient. Earnings on bank deposits are taxable.

Even if the banks pare their deposit rates, they get the benefit with a lag effect as the existing deposits will continue to offer the old rate till they mature; the new rate is applicable only to fresh deposits.

Bankers also justify their inability to pass on the full benefit of the policy rate cut to their borrowers saying a decline in rates does not bring down the cost of their entire deposit portfolio. They typically cut the fixed deposits rates but the cost of the so-called CASA or current and savings accounts, which roughly vary between 25% and 50% of commercial banks' deposit portfolios, remains the same. Banks do not offer any interest rate on money kept in the current account, while most banks are offering 4% on savings account balance.

If we accept these arguments and endorse banks' unwillingness to transmit the policy rate cut, how do we explain their alacrity in raising loan rates when RBI raises its policy rate? Historically, Indian banks are quicker in monetary transmission when the policy rate rises than when it comes down. The marginal cost-based loan rate for new borrowers will solve the problem, at least partially.

For a permanent solution, the banks would need to focus on garnering floating rate deposits. Currently, such deposits form a minuscule portion of banks' liabilities. Any change in policy rate will automatically bring down the cost of such deposits and banks will not have to pay the old rate till they mature.

The banks will also have to find an answer to why most of them have kept their savings accounts rate unchanged at 4%. RBI freed the savings bank rate in October 2011. I understand that the Competition Commission of India has been looking into allegations of cartelization among banks in the move to keep the savings rate constant at 4%.

By choosing to overlook the alleged cartelization, RBI has given them a long rope. Now, the new base rate formula seems to be the only way to ensure faster transmission of the monetary policy. The components of base rate include the cost of funds, the so-called negative carry on CRR and the compulsory investment in government bonds, overhead costs and average return on net worth.

However, there has been no uniform rule on the calculation of the cost of funds. Typically, banks look at the blended cost. RBI wants them to look at the marginal cost of funds. Now, there will be no escape for banks from cutting loan rates. A more than 125 basis point drop in commercial paper rates is proof of that.

Also, paring the pile of bad debt will help banks cut loan rates as the cost will come down when they do not need to set aside funds to take care of bad loans.

4 Myths about Diversity & Inclusion that HR needs to tackle right away!: From the PM to Head honchos, everyone is talking about the importance of Diversity and Inclusion (D&I) at the workplace. The benefits of having a work culture which respects and accommodates groups that are diverse in nature are well-known, especially among HR practitioners who have taken to drive this agenda like fish to water. There is loads of buzz and a few misconceptions as well. Here's how you can make sense of the noise:

#1. We have a woman director on our Board and we have a Prevention of Sexual Harassment policy in place. These are signs that we respect gender diversity at work!

You're right. These are signs that give out the right signals. However, these are legal requirements at the end of the day, SEBI mandates having a woman director and the law requires certain policies to be in place. Is this enough? Not really. Be innovative and make a customized intervention that will make your employees feel truly understood. How? Start by understanding them at a level that explains what respect means to them.

Look at how you can retain women in your organization once they begin their journey of motherhood. Don't neglect the men when you introduce flexi-hours policies

or transportation back home after a late night shift. After all, their priorities are equally important.

Also, look beyond the two genders. Gender identity and sexual orientation is another strand of diversity that often gets neglected. Based on your organization, take a stance and work around it.

#2. We have ramps in office. This makes it accessible for persons with disabilities as well. There! Done!

Having a ramp is a solution to a physical/architectural barrier. The barrier that should be tackled with equal rigour is a psychological one.

Persons with disabilities have a different set of needs. Being aware about it and making those changes sensitively is what needs to be looked at. Be it introducing braille menus in the canteen or even training employees on communicating in sign language, just go for it!

#3. Our organization has a PAN India presence. We celebrate as many diverse festivals as possible in office and have an annual Traditional Day as well.

Celebrations in office are great but is it a sustainable approach to take while communicating the importance of cultural/social diversity? Not really.

How aware are your employees about the cultures in the country? With a PAN India presence, are they equipped to understand the mind-set of a customer belonging to a different state?

You could even start with making sure all your policies and internal communication campaigns are vernacular language friendly.

#4. Many of our senior employees do work with our new joinees at the workplace for certain projects.

That's great! When different generations at the workplace work together, a lot of key learning/s get exchanged. However, you need to dig a little deeper to see how this momentum can be sustained.

Take inspiration from 'The Intern' where Robert De Niro applies to a senior citizen intern program at an e-commerce start-up! Or introduce structured sessions where the new joinees pass on their knowledge to the seniors as well. Remember, learning has to be both ways!

All of this sounds easier said than done. However, valuing diversity is just the first step in this journey. Inclusion is the next big step and that is the one you should be taking right now.

A dilemma called Work-Life balance: The latest buzz in the corporate world these days is Work-Life balance. Sweden known for its massages, meatballs and IKEA is one of the first countries to implement a 30 hour working week so as to improve productivity and

better employee morale. A 40 hour work week for a full-time employee has been trimmed to 30 hours. On the other hand it is already illegal in Germany for employees to contact staff during holidays. Several major companies such as Volkswagen and BMW have also implemented their own restrictions on contacting employees out of hours. Last year the German Labour Ministry banned managers from contacting staff outside of work. Car manufacturer Daimler installed software on its systems which automatically deletes emails sent to staff out of hours. Clearly all these companies are realising that keeping employees happy by allowing them to spend more time with family is a way forward to success. This trend is catching fast across the globe but sadly India has to do a lot of catching up on this front.

In India success is measured not in terms of how much time you spend with your family but how much time you spend at work. India probably would be the only country in the world where many organisations still work 6 days a week x 4 weeks per month. Companies which are working 5 days a week will always find an excuse to call their employees even on Saturdays on some pretext or the other - If it is a lean period the sales team is called to discuss strategies to improve business while if it is a boom period the team is called to take care of the extra volume of business. Companies directly can't be blamed for this practice as calling employees to work on a weekend is more an individual driven diktat like by the head of the department in that company. Also all organisations can't be classified as employee unfriendly. There are many who strictly want their employees to stay away from work on weekends and if the boss wants to call the team then he has to justify his action to his superior.

Over a period of time a work culture has evolved in India where spending more time at the work gets you the Label of a dedicated worker. What counts in India is not the quality of output but the quantity of time you have spend on a particular assignment. I have seen so many of my friends who will proudly announce to all their peers and juniors that every year all their earn/privilege leaves lapses without realising that their company doesn't recognises it is a parameter for performance evaluation. In such an atmosphere if you declare that you are going on a vacation suddenly all eyes will turn to you as if you have committed an unpardonable sin. If the vacation is all about travelling to a foreign destination it still gets accepted but if the vacation is about taking time out to help your kids study for their exams, the reason seems flippant.

So how do we move from a workaholic culture to workaholiday culture. We will have to start with a basic premise that " Work is important but Family is even more". Organisations will have to realise that taking their employees on a foreign junket for a conference can only motivate them to an extent but if the top performers are given an all paid 5 day/4 night package even at a

domestic destination along with the family, it will motivate them to a much higher level. Employees should be told to consume all the leaves they are entitled to within that year and if they do so then they will earn some points which get counted in their appraisals. While organisations which are evolved understand the importance of a motivated employee and have a very effective HR policy along with a strong HR team, it's companies which are still evolving that have to pull up their socks. HR is not a department which helps you fill the employment form at the time of joining and monitors your leave record but it is a department which will help create a highly motivated team which enables an organisation to achieve its objective. Just like your mother who will never allow you to leave empty stomach for work, a HR will ensure a healthy breakfast (employee friendly policies) so as to have a highly satisfied and motivated employee who along with a team will achieve the organisational goal.

To promote Work-Life balance companies will have to focus on 2 aspects which are the 2F's - Family and Flexibility. Companies have to realise that the more time an employee spends with his family the more he will be able to focus on work and better will be the productivity. The moment an employee joins an organisation he becomes a part of that family and along with him his family also gets linked to the organisation. Companies will also have to be more flexible. If an employee comes late to office because he had to attend a parents-teacher meeting at school it is ok. Similarly the role of an organisation doesn't end by simply giving a 3 month maternity leave to women employees. In fact women need more time at home once a baby comes in this world. While the first year is about running to the paediatrician for the vaccinations, year 2 is about the crèche and year 3 is about nursery admissions. But life doesn't stop here. The subsequent years are about schooling which is even more challenging. So how about allowing women employees who have young ones to leave an hour early or allowing them to work from home for a couple of days in a week. At least they will be able to devote more time to their young ones. In the end i will just conclude with "Winning employee trust is a must and companies who work towards it will always keep ahead".

Content Strategy: How to get started: If you are following developments in the digital marketing space, you probably have realized that you got to do some content marketing.

Drawing up a content strategy is the first step in that direction.

A lot of companies are stuck here. Getting started on a content strategy is perhaps like shaking things up. Stopping the way you did things and starting afresh. At this point of time, inertia kicks in. Procrastination becomes the norm.

Here are some steps that could help you as a marketer get started on content:

Hire a writer or editor: We all know English. 'So anyone who speaks good English can write'. This is an immediate quick fix in most companies. Read the following carefully: There are subject matter experts. There are writers and editors. Both thrive in mutually exclusive worlds. You cannot extend subject matter expertise with writing that would be understood by customers. Similarly, you cannot expect a writer with strong language skills to start connecting with your customers instantly. You as a marketer and the writer or editor have to be a team.

Content plan: This is up your alley. You are already good at planning. Now with the writer or editor in tow, figure out your content calendar. You already know keywords that matter to your business. Now, take a look at the year and plot your content strategy. Identify the stuff your existing or potential customer would look through the year. For example, right now, you can be relevant to your customers by identifying 5 interesting gifting ideas this year or 5 gifting ideas that do not pinch pockets. If your audience is discerning, you work on something like '5 gifts that would enhance your influence on people'.

Customer first: You are creating content for existing or potential customers to use. It is for their benefit and best interest. Do not digress from this objective. You want your customers to share the video, podcast or text that you have created as much as possible. That will happen only when your content does not cry out 'buy my product or service'. Leave 'crying out loud'. You should not even give a hint of your proposition. I must say that this is easier said than done. The impact would be known only when you get started.

What to begin with: If you are just starting out, you begin with a blog. Indulge in small talk with your audience through the content. Share something that in your view makes a difference to the life of your target audience. Your company's digital identity has to establish credentials. This is just like striking a conversation as an individual. Use your social media channels to push it out. For an established brand, you may want to let your audience know that here on, this is a space for 'information you can use'. Get into a weekly, fortnightly or a monthly cycle for the conversation.

How much content: The answer to this depends on how much you know about your target audience. It also depends on your capabilities to produce content. As always, it is a good idea to start small and then grow big. If you already have established social media channels and a blog, you may want to set a regular pattern of posting. This is just like publishing a periodical or a newspaper. Overdoing one type of content because it works or pushing out too much content across platforms in a day could harm your relationship with your audience. Test waters with a daily activity across content. So release a small relevant post one day, a video another day.

Podcast one day and a blog article another day. You can release the same post on diverse social media platforms through the day. Ensure that it is not repeated on one channel too much.

Taxation of e-Commerce Start-ups: E-Commerce has arrived in a big way as the next "in" thing for conducting business in today's fast paced world. Information and Communication Technology has matured to such an extent that it is now possible to transact businesses online "Automatically". An E-Commerce business model has almost negligible Capital Expenditure Costs and generally is dependent on Operational Expenditure. Due to the inexpensive costs necessary for setting up an e-Commerce business, a start-up that is backed by a unique and creative idea suddenly sees exponential growth followed with high returns. The transition from 'Brick and Mortar model' to 'Mobile Click and Order' model has changed the dynamics of the global market place has forced the Governments too to find new methods to define and tax such E-Commerce Setups.

The Organisation for Economic Co-Operation and Development (OECD) has coined up many e-Commerce definitions to date, however the latest definition coined up in the year 2009 summarizes an e-Commerce business transaction as a sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving and placing orders in automation. It excludes orders made by telephone calls, facsimile or manually typed emails from the ambit of the definition. The primary characteristic of conducting business using the e-commerce platform would be that there would be a Human to Computer relation rather than the traditional Human to Human relation.

In order to establish a stable e-Commerce business without any taxation compliance difficulties, it is first essential that we understand the nature of the business. As the e-Commerce platform is a very flexible and a lucid platform, anyone can transact anything over it via the virtual presence. Hence it can be a real challenge to identify the complex nature of business transactions of a company that has diversified its processes by leveraging this e-Commerce platform. Understanding the underlying business processes involved in execution of the services online is essential to determine the flow of the information and finances forming part of the transaction. An e-Commerce Platform is hosted in a virtual platform which is supported by sophisticated forms of communication and processing technologies. Locations and the nature of the equipment used in hosting the business form a crucial part in the tax planning of the business.

The following issues are inherent in determining the Income and Tax Liability under the Income tax Act -

Determination of the economic attachment of the business. Since it is a virtual marketplace, it cannot be

physically identified as the situs (place) of the business.

In case of Non-Residents, difficulty in the identification of the presence of the "Permanent Establishment".

Dilemma in choosing the tax laws of different states for the purpose of cross border transactions.

Identification of the nature of contract transacted in the business -

Is it a sale of goods or sale of service?

Is it a rental of goods or rental of service?

The Indian Tax laws have not identified the boundaries of the cyberspace that is forming part of the definition of India.

Business of an e-Commerce company can be broadly classified into the following categories -

E-Advertising - These are services provided for publishing advertisements, classified on websites. These websites may publish them as banners along with their contents. Some websites are specifically made to host such advertisements. Examples include - Google AdWords, Google AdSense, Olx, Quickr etc.

E-Sales - These services include selling of tangible goods in a virtual marketplace. The e-commerce website may sell on its own or may act as a mediator between the buyer and seller. The goods are delivered to the customer usually in a small lead time. These include sale of electronic items, clothes, furniture etc. Examples include Amazon, Flipkart, and Alibaba etc.

E-Delivery - These refer to pure digital content being served. Digital content is usually delivered instantaneously. These usually refer to copyrighted media such as movies, songs, images, software. Ever since the introduction of the e-Commerce platform, a new breed of services has emerged in the form of apps or electronic services such as cloud services, aggregators, web hosting services etc. These services have given rise to the concept of aggregators arranging or executing the services to the customer. Examples include Saavn, Soundcloud, Hungama, Ola, Uber, and Oyo Rooms etc.

Taxation of Incomes revolving around e-Commerce.

It is important that a general idea of the different types of incomes generated by an e-Commerce business is required to be known in order to implement an effective taxation framework. The following list consists of incomes that would be earned by an e-Commerce business. This list has also been characterised under the heads of income as provided by the Income Tax Act -

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Business Income (Profit and Gains from Business and Profession)

Web/Email Hosting Services (GoDaddy, BigRock, Rackspace, Google Cloud, Microsoft Azure, Amazon Web Services etc.) ITO v/s People Interactive (I) P Ltd, 2012

Network Connectivity Services (Cloudflare)

Cloud Services (Google Apps)

Electronic Services (Oyo Rooms, Trip Planning, Ola Cabs)

Commission and Listing Charges (eBay, Amazon, Flipkart)

Advertisement Charges (Google AdWords)

Income from Other Sources

Royalty

License of off-the-shelf standalone computer software

Selling or Renting of Copyrighted digital media

Fees for Technical Services

No incomes have been identified yet.

The Basics of Direct Taxation for an e-Commerce business has been covered in the following heads -

TDS Provisions for a Resident or a Non Resident e-Commerce Business

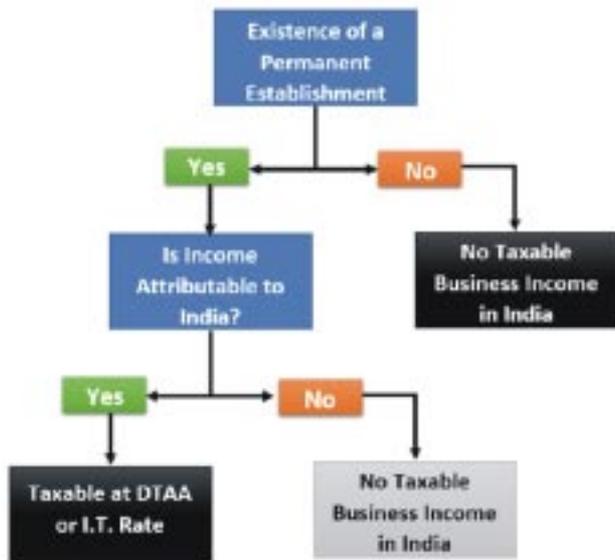
Tax Provisions for computing and taxing business incomes.

Provisions for Royalty and Fees for Technical Services.

TDS Provisions - In the case of "Resident", the provisions mentioned in Chapter XVII are directly applicable. The customer shall bear in mind such provisions prior to making payment to the e-Commerce company for the services received.

In the case of "Non-Resident", Section 195 of the Income Tax Act lays down that any payment made to a Non-Resident or a Foreign Company which is chargeable under the Income Tax Act shall deduct TDS at the prescribed rate in force (40%) and make payment to the e-Commerce business for the services rendered. However in case where payments which are to be made to the Non-Resident or Foreign Company are in the nature of Royalty or Fees for Technical Services, then TDS at the prescribed rate in force (10%) is to be deducted prior to making the payment.

Taxation of Business Income and Income from other Sources - The Income Tax Act makes it clear that any person who is a Resident in the Financial Year is liable to pay taxes in India on all his income earned in India and globally. However in-case of a Non-Resident, by virtue of the "Force of Attraction Principles", the income that is generated by business proceeds from India will be taxed in India. Global income earned from other



countries would not be taxed in India. Income that is attributable to India is determined by following the globally accepted International Taxation Principles. These principles are followed by the Government of India as well. Business Income that is attributable to India is ascertained by linking or attaching the income to the "Permanent Establishment" of the business in India. Incomes from Royalty or Fees for Technical Services attributable to India is independent from the concept of determining the presence of a Permanent Establishment.

Taxation of e-Commerce Business as a Resident: Assuming that the e-Commerce business is established as a Company, all income is taxed at the rates prescribed in the Finance Act from time to time. Currently the rates prescribed are 30% + Surcharge + Cess.

Taxation of e-Commerce Business as a Non-Resident: In the case of a Non-Resident, incomes categorized as "Royalty" or "Fees for Technical Services" would be charged to tax separately at 10% as per Section 115A. Taxes are levied on Royalty and Fees for Technical Services regardless whether it has been determined that the Non-Resident is having a Permanent Establishment in India.

In the case of a Non-Resident, having incomes categorized under the head "Profits and Gains from Business and Profession" (Business Income) from various countries and indulging in Cross border transactions, and where it has been determined that the business has a Permanent Establishment in India and there is some business income that has been attributed to that Indian Permanent Establishment, then the assessee has the following choices -

Compute Business Income and Taxes in the manner and rates provided in the Income Tax Act; or

Compute Business Income and Taxes in the manner and rates provided in the Double Taxation Avoidance Agreement (DTAA) between India and that respective foreign state where the company is a Resident.

The assessee has a choice of opting either DTAA or the Income Tax Act, whichever would be beneficial to him.

If it is determined that there is no existence of Permanent Establishment in India, then the incomes qualified as Business incomes would not be taxed in India.

Determination of a Permanent Establishment for an e-Commerce business - Generally for any business, the nature of the Permanent Establishment is usually a fixed physical location or an Agent acting on behalf of the NR in India. To determine a Permanent Establishment having income attributable to India, the following conditions must be fulfilled -

The PE is dependent on the Foreign Company or a Non-Resident.

Regular Business operations must be conducted in India on the initiative taken by the Foreign Company or Non-Resident.



The PE must be having the capacity to contract. However, in the case of e-Commerce companies, it is possible to conduct business in its regular course in India but without the physical Permanent Establishment or an Agent as the business is executed virtually in the cyberspace. The transactions in an e-Commerce business is generally automated and without human intervention, hence it can be said that, even the Permanent Establishment of the e-Commerce company performs its primary business functions in an automated environment. Hence, the permanent establishment for an e-Commerce company could be either a Physical Permanent Establishment or a Deemed Virtual Permanent establishment.

Situations for determining a Permanent Establishment for an e-Commerce business: In respect of an e-Commerce business entity, the point to be noted is that, generally the location of the servers used to operate the business from the e-Commerce website would be considered as the Permanent Establishment. There would be servers that merely host a static or an Informational website. These websites cannot be

interacted, in order to conduct business transactions. Such servers will not be constituted as a Permanent Establishment as these websites are not forming part of an integral business function.

The following situations generally arise when the Assessing officer tries to identify a permanent establishment in India -

Situation 1 - Business Functions are carried out on own Website or Application.

Own Server / Leased Server Operations.

Website is used for conducting business operations on a large scale.

Physical Location of server will be constituted as "Fixed place of Business".

Physical Location of Server constitutes Permanent Establishment.

Situation 2 - Advertisement of Products/Services in a website or a business website

The Advertising is generally in the form of an Website Advertisement Banner

It consists of only mere advertising and is not possible to transact using the advertisement or the website hosting it.

Server of the website does not constitute Permanent Establishment.

It was held in the case ITO v/s Right Florists Pvt. Ltd (Kolkata Tribunal) and in the cases of Advertisement Income for Google and Yahoo that mere advertising on third party website does not constitute a Permanent Establishment.

Situation 3 - No Physical Establishment in the form on an office or a server in the Host Country (India) and regular business operations are carried out towards the Indian Market

Website may constitute a Virtual Permanent Establishment

The Delhi Tribunal has held in the case of Galileo International and Amadeus Global Travel that business was transacted between the e-Commerce entity and the Indians at large even though there was no physical establishment within India either in the form of servers or functional offices. The Tribunal deemed the website as the virtual permanent establishment of the entity.

Strategy to start a start-up -

A budding entrepreneur must consult his finance and tax advisor in order to have clarity in the following so that he may avoid all hassles in complying with the tax laws of India and other states -

Define the products and services of the business

Define the underlying business processes to execute the services offered

Define the corporate holding structure and organization structure of the business

Define the data flows between servers and related entities during the regular course of business

Define locations for the servers and their roles in the business operations

Implement a taxation framework in the business to achieve automatic compliance

In order to provide consultancy to implement an efficient taxation framework in the e-Commerce business, the following objectives have to be addressed by the Chartered Accountant -

Characterization of Income from the business

Identification of the existence of Permanent Establishment in the host state (India)

Tracing the start and end point of a transaction

Reviewing the documentation to understand the nature of the contract

Removing legal difficulties of tax laws of various nations

Identification of the taxable jurisdiction

Daily Pulse India: Another Parliament Washout, How To Shed Bad Assets:

Let down again: Two days to go and the Parliament hasn't really done any serious business this time either. The washout that was the monsoon session has repeated itself yet again. Last time it was the Lalit Modi-related controversies and this time it's the National Herald court case against the Gandhi family and 'Delhi Cricket Association' corruption allegations against the finance minister that kept the lawmakers busy.

The Congress was quick to stall any kind of serious business and the NDA government's negotiation skills fell short. The monsoon session had started with two big hopes: The land acquisition bill and the GST bill. The land bill was watered down along the way and fell off the radar sharpening the focus on GST this time. For a while, it seemed like the GST may even make it through, but business was again sidetracked by politics.

That is not to say no business was done at all. Some smaller bills were passed - supplementary grants were passed in the Upper House, the National Waterways bills was passed in the Lower House. But with two more business days left in this session, it's unlikely anything bigger will happen now.

Discarding Assets: New loan rules allowed banks to take equity control of defaulting companies to ensure that the management is serious about turning the companies around. As part of the rules, banks should also exit these companies as quickly as possible. So, lenders are now talking to PE firms hoping they will take these assets off the hands. Banks in question are SBI and Axis Bank, while the PE investors being wooed are TPG, KKR and SSG. Hopefully, this will help banks clean up their balance sheets some more.

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“Maritime Group” knows as to what we are, not forgetting that we are here to share our valued flow of thoughts, inter-changed with quality of expression exchanged, is to arrive at a QUALITY consensus, since “MARINE NEEDS A MULTI-DISCIPLINARY APPROACH - Do something instead of killing time or else, time will be killing you.”

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