



सत्यमेव जयते

**GOVERNMENT OF INDIA
MINISTRY OF SHIPPING
New Delhi**



**ANNUAL REPORT
2018-19**

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Hon'ble Minister of Shipping Shri Nitin Gadkari at the listing ceremony of Cochin Shipyard Limited

- 1.1 Ministry of Shipping was formed in 2009 by bifurcating the erstwhile Ministry of Shipping, Road Transport and Highways into two independent Ministries.
- 1.2 Maritime Transport is a critical infrastructure for the economic development of a country. It influences the pace, structure and pattern of development. The Ministry of Shipping encompasses within its fold shipping and port sectors which also include shipbuilding and ship repair, major ports and inland water transport. The Ministry has been entrusted with the responsibility to formulate policies and programmes on these sectors and their implementation.
- 1.3 Comprehensive policy package is necessary to address the diverse issues facing the maritime transport sector. The capacity of the ports in terms of their berths and cargo handling equipment needs to keep pace with the growing requirements of the overseas trade. The shipping industry must be enabled to carry higher shares of the sea-borne trade in indigenous bottoms.
- 1.4 Historically, investments in the transport sector, particularly in the ports, have been made by the State, mainly because of the large resources required, long gestation period, uncertain returns and a number of externalities associated with this infrastructure sector. However, the growing resource requirements and the concern for managerial efficiency and consumer responsiveness have led to the active involvement of the private sector in infrastructure services in recent times. To encourage private sector participation, Ministry of Shipping has laid down comprehensive policy guidelines for private sector participation in the Major ports.



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Functions

1.5 The subjects allocated to the Ministry of Shipping are listed at [ANNEXURE-I](#).

Organizational set-up

1.6 Shri Nitin Jairam Gadkari is the Union Minister of Shipping. Shri Pon. Radhakrishnan and Shri Mansukh L. Mandaviya are Ministers of State for Shipping.

1.7 Secretary (Shipping) is assisted by Additional Secretary, Sr. Economic Adviser, Joint Secretary (Shipping), Joint Secretary (Ports), Joint Secretary (Sagarmala), Joint Secretary (DGLL & PG), Adviser (Statistics), Development Adviser (Ports), officers at the level of Directors, Deputy Secretaries, Under Secretaries and other Secretariat/ Technical Officers.

1.8 The Finance Wing is headed by Additional Secretary & Financial Adviser who assists in formulating and processing of all policies and other proposals having financial implications.

1.9 The Accounts Wing is headed by a Pr. Chief Controller of Accounts who is inter-alia, responsible for accounting, payment, budget, internal audit and cash management.

1.10 Adviser (Transport Research) renders necessary data support to various Wings of the Ministry for policy planning, transport coordination, economic & statistical analysis on various modes of transport with which the Ministry is concerned.

1.11 The following attached/subordinate offices, autonomous organisations, societies/ associations and public sector undertaking are functioning under the administrative control of the Ministry of Shipping:

ATTACHED/SUBORDINATE OFFICES

1. Director General of Shipping
2. Andaman, Lakshadweep Harbour Works
3. Directorate General of Lighthouses and Lightships

AUTONOMOUS BODIES

1. Tariff Authority of Major Ports (TAMP)
2. Port Trusts at Mumbai, Kolkata, Cochin, Kandla (Deendayal), Chennai, Mormugao, Nhava Sheva (Jawaharlal Nehru), Paradip, Tuticorin (V.O Chidambarnar), Visakhapatnam and New Mangalore
3. Calcutta Dock Labour Board
4. Inland Waterways Authority of India
5. Seamen's Provident Fund Organization
6. Indian Maritime University

SOCIETIES/ASSOCIATIONS

1. Seafarer's Welfare Fund Society
2. Indian Port Association.

PUBLIC SECTOR UNDERTAKINGS

1. Shipping Corporation of India
2. Cochin Shipyard Limited
3. Dredging Corporation of India
4. Ennore Port Limited
5. Sagarmala Development Company
6. Indian Port Rail Corporation Limited (IPRCL)
7. Indian Ports Global Limited (IPGL)
8. Sethusamundram Corporation Limited.
9. Hooghly Cochin Shipyard Limited
10. Central Inland Water Transport Corporation Limited
11. Hooghly Dock and Ports Engineers Limited
- 1.12 The Organization Chart of the Ministry of Shipping is given at [ANNEXURE-II](#).



BACKGROUND

2.1 The Maritime Sector in India comprises of Ports, Shipping, Shipbuilding and Ship repair and Inland Water Transport Systems. India has 12 Major ports and about 200 non major ports. Indian Shipping Industry has over the years played a crucial role in the transport sector of India's economy. Approximately 95% of the country's trade by volume and 68% by value is moved through Maritime Transport. Therefore, shipping and ocean resources, ship design and construction, ports and harbours, issues relating to human resource development, finance, ancillaries and new technologies need to be developed in the light of the emerging scenario. Shipping continues to remain unchallenged as the world's most efficient means of transportation and we need to do all we can to recognize, reward and promote quality within the industry.

GEOGRAPHICAL FEATURES

2.2 India has a long coastline of about 7517 km, spread on the western and eastern shelves of the mainland and also along the Islands. It is an important natural resource for the country's trade.

Gross Budgetary Support (GBS) and Internal and Extra Budgetary Resources (IEBR) Outlay For 2018-2019

2.3 The Budget Estimate of Gross Budgetary Support (GBS) for FY 2018-2019 was Rs.1881.13 crore for the Ministry. However, at the stage of Revised Estimate (RE), this has been enhanced to Rs. 1938.76 crore. Against the RE allocation of Rs. 1938.76 crore, actual expenditure as on 31.12.2018 was Rs.1455.52 crore. Summary of GBS and Internal & Extra Budgetary Resources (IEBR) outlay for 2018-2019 are given below:



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(Rs in Crore)

Sector	2018-2019 (BE)		2018-2019(RE)		Actual Exp.(2018-2019)*	
	GBS	IEBR	GBS	IEBR	GBS	IEBR
Ports& Light-houses	963.83	4265.18	702.55	4708.50	670.92	3261.53
Shipping	177.65	564.62	129.00	714.62	130.42	740.18
IWAI	500.00	0.00	882.49	0.00	862.00	140.62
Others	239.65	0.00	224.72	0.00	219.00	0.00
Total	1881.13	4829.80	1938.76	5423.12	1882.63	4142.33

*upto 31st December, 2018

OUTLAY FOR 2019-2020

2.4 The GBS and IEBR outlay details for 2019-2020 are given below:-

Sector	2019-2020 (BE)		TOTAL
	GBS	IEBR	
Ports& Light-houses	869.85	4847.79	5717.64
Shipping	115.00	730.00	845.00
IWAI	757.00	0.00	757.00
Others	160.71	0.00	160.71
Total	1902.56	5577.79	7480.35

2.5 Out of the total GBS of Rs. 1902.56 crore, Rs. 86.84 crore have been earmarked for the North Eastern Region during 2019-2020

PORT SECTOR

Cargo Traffic at Indian Ports

2.6 During 2017-18, major and non-major ports in India handled a total cargo throughput of around 1208 MT. The traffic grew by 6.52% over the corresponding period of previous year. The 12 Major Ports handled a traffic of 518.64 MT during April – December 2018, representing an increase of about 3.77% over the corresponding period of previous year. Of

the 12 Major Ports, cargo handled during April – December 2018 at 9 ports showed positive growth. Amongst these 9 major ports, growth in throughput at Kamarajar Port was the highest at 18.38% followed by Cochin (8.92%), Kolkata (incl. Haldia) (8.74%), Paradip (8.11%), JNPT (7.39%), Visakhapatnam (5.85%), Deendayal (4.68%), New Mangalore (2.90%) and Chennai (1.03%).

Commodity-wise Cargo Traffic at Major Ports

2.7 During 2018-19 upto December 2018, 12 Major Ports handled 518.64 MT of traffic as against 499.78 MT over the corresponding period of previous year. The composition of the cargo is given below:



(In Million Tonnes)

Year	POL	Iron Ore	F&RM	Coal	Container (In Million TEUs)	Other Cargo	Total
2005-06	142.09	79.17	12.19	58.76	61.98 (4.61)	69.38	423.57
2006-07	154.34	80.58	14.13	59.98	73.44 (5.54)	81.31	463.78
2007-08	168.75	91.80	16.63	64.93	92.27 (6.71)	84.94	519.31
2008-09	176.14	94.04	18.23	70.40	93.14 (6.59)	78.59	530.53
2009-10	175.09	100.33	17.72	71.71	101.24 (6.90)	95.00	561.09
2010-11	179.17	87.06	19.99	72.73	113.93 (7.52)	96.97	570.03
2011-12	179.10	60.40	20.39	78.78	120.10 (7.78)	101.36	560.14
2012-13	185.98	28.47	14.74	86.66	119.82 (7.70)	110.12	545.79
2013-14	187.31	24.66	13.74	104.73	114.64 (7.46)	110.42	555.50
2014-15	188.77	17.91	16.20	117.86	119.44 (7.96)	121.16	581.34
2015-16	196.42	15.35	15.90	125.96	123.12 (8.20)	129.72	606.47
2016-17	212.37	42.54	14.00	117.59	124.58 (8.45)	137.32	648.40
2017-18	226.68	41.05	14.89	120.77	133.63 (9.14)	142.35	679.37
April-Dec. 2018	172.18	29.82	11.29	121.14	107.90 (7.34)	76.31	518.64

2.8 While the commodities viz. Coal and POL are showing steady growth, there has been fluctuation in traffic of Fertilizer and Containers during the last few years. However, steep increase has been noticed in Iron Ore Traffic. The other general traffic continued to grow. Jawaharlal Nehru Port Trust (JNPT) continued to be the leading container handling port in the country with a share of about 43% followed by Chennai (22%) and the remaining share of 35% being handled by other major ports.

Cargo Traffic at Non-major Ports

2.9 During the Twelfth Five Year Plan (2012-17), the traffic at non-major ports grew at Compound Annual Growth Rate of 6.53% per annum. The cargo handled by non-major ports in 2017-18 was 529.10 million tonnes which was 43.8% of the total maritime traffic of the country. The Maritime States namely Gujarat, Andhra Pradesh and Maharashtra accounted for 93.5% of the traffic handled by non-major ports. The cargo traffic handled by non-major ports during April-December, 2018 was 426.46 million tonnes recording

growth of 9.9 % over corresponding period of previous year.

Port Efficiency

2.10 Efficiency at ports has an important bearing on the transaction cost. Major ports have improved their efficiency of operation particularly in terms of turnaround time (TRT). The Average Turnaround Time improved from 107.28 hours in 2011-12 to 64.43 hours during 2017-18 and has further improved to 59.93 Hours upto December, 2018 during 2018-19.

Plan targets

2.11 The Eleventh Five year plan envisaged an increase in capacity of major ports to 1,016.55 MT by the end of 2011-12 from the pre-plan base level of 504.75 MTPA. Average annual growth in capacity addition was envisaged at 15 per cent. Actual capacity addition during the plan (2006-07 to 2011-12) was however moderate and showed a growth of 6.65 per cent per annum.



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2.12 The projected capacity during the terminal year of Twelfth Plan period for the Major ports was 1229.24 MTPA. The expected demand by the end of the 12th Plan in terms of cargo handling at Major Ports is 943.06 MTPA with an estimated annual growth of 10.98%. The actual cargo handling capacity in Major Ports at the terminal year of Twelfth Plan period was 1359 MTPA (Re-rated).

2.13 Major ports further added 62.90 MTPA of capacity during 2018-19, thus making the total capacity of 12 Major ports 1514.09 MTPA at the end of 2018-19.

Private-sector Participation

2.14 With the adoption of Model Concession Agreement (MCA) for PPP in port sector, the private participation in infrastructural development in Indian ports got a boost. By 2017-18, 15 PPP projects with an investment of Rs. 20533 crore and involving capacity addition of 218MTPA are under implementation. Another 41 PPP projects with an investment of Rs. 20822 crore and involving capacity addition of 368 MTPA are under operation.

2.15 During 2018-19, in Major Ports, 25 projects have been awarded involving an investment of Rs. 2164.21 crore and additional capacity of 10.73 MTPA. In 2018-19, 32 projects having an investment of Rs. 8495.25 crore were completed, enhancing the capacity by 62.90 MTPA.

Recent reforms/initiatives

2.16 The following initiatives have been taken for improving the efficiency and productivity of Major Ports:

Major Port Authorities Bill

2.17 The Government introduced the Major Port Authorities Bill, 2016 in the Lok Sabha on 16th December, 2016, to modernize the institutional structure of the Major Ports so that they are in a position to perform

efficiently in the competitive port sector. To provide greater autonomy to Ports, it has been decided to replace the Major Port Trusts Act, 1963 which governs the Major Ports by the proposed Bill.

2.18 With a view to promote the expansion of port infrastructure and facilitate trade and commerce, the proposed Bill aims at decentralizing decision making and to infuse professional approach in governance of ports. The new Major Port Authorities Bill, 2016 would help to impart faster and transparent decision making system with a view to benefit the stakeholders and better project execution capability. This will eliminate the need of Government approvals for operational decisions. The Bill is aimed at reorienting the governance model in central Ports to landlord port model in line with the successful global practice. This will also help in bringing transparency in operations of Major Ports. The proposed Bill has been prepared after extensive consultation with the stakeholders and Ministries/ Departments. The salient features of the Major Port Authorities Bill are as under:

- a) Port Authorities have been notified in the Bill instead of Port Trusts.
- b) The Bill is more compact in comparison to the Major Port Trusts Act, 1963 as the number of sections has been reduced to 65 from 134 by eliminating overlapping and obsolete Sections.
- c) The new Bill has proposed a simplified composition of the Board of Port Authority which will comprise of 11-12 members including Independent Members from the present 19 to 21 Members representing various interests. A compact Board with professional independent members will strengthen decision making



- and strategic planning. Provision has been made for inclusion of one representative each of the State Government in which the Major Port is situated Ministry of Railways, Ministry of Defence and Customs, Department of Revenue apart from a Government Nominee Member and two Members representing the employees of the Major Ports Authority.
- d) The role of Tariff Authority for Major Ports (TAMP) for fixation of tariff has been done away. PPP operators will be free to fix tariff based on market conditions and notified by the Port Authority. The Board of the Port Authority has been delegated the power to fix the scale of rates for other port services and assets like land.
- e) An Adjudicatory Board has been proposed to be created to carry out the residual function of the erstwhile TAMP for Major Ports, to look into disputes between ports and PPP concessionaires, to review stressed PPP projects and suggest measures to revive such projects and to look into complaints regarding services rendered by the ports/private operators operating within the ports would be constituted.
- f) The Boards of the Port Authority have been delegated full powers to enter into contracts, planning and development, fixing of tariff except in national interest, security and emergency arising out of inaction and default. In the present MPT Act, 1963 prior approval of the Central Government was required in 32 cases, whereas in the proposed Bill, such approval would be required only in 8 occasions.
- g) The Bill empowers the Board to make its own Master Plan in respect of the area within the port limits to the exclusion of any local authority and to construct or erect structure, pipelines, telephones, communication towers, electricity supply or transmission equipments etc within port limits.
- h) Provisions of CSR & development of infrastructure by Port Authority have been introduced.
- 2.19 Based on the recommendations of the Parliamentary Standing Committee, Official amendments to the Bill have also been introduced in the Lok Sabha. However the Bill was not taken up for consideration and passing by the Lok Sabha.
- Model Concession Agreement for Port Sector**
- 2.20 Model Concession Agreement (MCA) gives the various parameters for the implementation and maintenance of PPP projects. More than 50 PPP Projects have since been awarded by Major Ports based on the MCA of 2008. The Model Concession Agreement has been amended with a view to obviate the problems being faced in execution of PPP Projects on account of certain provisions of the present MCA, in order to enhance confidence of investors and make the investments in the Port Sector attractive.
- 2.21 The salient changes in the revised MCA are:-
- a) Change in equity holding requirements to provide Exit Route to developers.
- b) Payment of Royalty by private operators to Port on “per MT of cargo handled” basis instead of “percentage of Gross Revenue”



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- c) Provision for Additional Land
- d) Improved utilization of Project Assets and higher Productivity
- e) Amendment in Definition of "Change in Law"
- f) Provision for Commercial Operation before COD
- g) Provision for Mitigation Measures – Constitution of a Board

Chabahar Port

2.22 A Memorandum of Understanding (MoU) for development of Chabahar Port by India was signed in Tehran between India and Iran on 06th May 2015 by Minister of Shipping Shri Nitin Gadkari from the Indian side and Minister Dr. Abbas Akhoundi from the Iranian side, and thereafter the contract was executed on 23rd May, 2016 at Tehran (Iran) during the visit of Hon'ble Prime Minister of India to Iran. The Contract was signed between Aria Banader Iranian Port & Marine Services Company (ABI) of Iran and India Ports Global Ltd. (IPGL) of India for equipping and operating two terminals at first development phase of Shahid Beheshti- Chabahar Port. The Ports & Maritime Organization of Islamic Republic of Iran (PMO) and Ministry of Shipping, Government of India were the Confirming Parties to the Contract.

2.23 In its meeting held on 24.02.2016, the Govt. also approved the proposal of this Ministry for the provision and operationalization of credit of USD 150 Million from EXIM Bank for Chabahar Port Development.

2.24 In order to implement Chabahar project, an SPV, India ports Global Ltd was incorporated in January 2015, which was promoted by Jawaharlal Nehru Port Trust (JNPT) and Kandla Port Trust [(now Deendayal Port Trust) DPT].

2.25 Since there were challenges in activation

of the Main Contract, the foundation of a short period Contract was laid during the visit of His Excellency President of Islamic Republic of Iran to New Delhi in February 2018. Resultantly a formal Short Lease Contract between the two sides was signed on 6th May 2018. For implementation of the same, an SPV India Ports Global Chabahar Free Zone (IPGCFZ) with 98% share holding by IPGL and 1% each by JNPT & DPT was incorporated in Iran. In order to insulate JNPT and DPT, 100% equity shares of JNPT & DPT in IPGL have been purchased by Sagarmala Development Company Ltd. (SDCL) (a company under Administrative control of Ministry of Shipping).

2.26 Government of India has taken-over the operations of two berths at Shahid Behesti Port, Chabahar, Iran during Chabahar Trilateral Agreement meeting held at Chabahar on 24th December 2018. Port Office of "India Ports Global Chabahar Free Zone" (IPGCFZ), Indian SPV at Chabahar was also inaugurated jointly by the Head of delegations of India, Iran and Afghanistan. The physical take-over of the terminal area, cargo handling equipment and Office building was completed by 29th December 2018. IPGCFZ commenced its first cargo operation in Iran on 30th December 2018.

2.27 With this first step a long journey has commenced. By its engagement in Chabahar, India has written a history and is leading the regional cooperation and joint efforts to support land locked Afghanistan. This also fulfils India's long cherished dream of its engagement at Chabahar Port.

Major Initiatives/Achievements

- a) Hon'ble Prime Minister inaugurated the Fourth Container Terminal (FCT) at Jawaharlal Nehru Port Trust (JNPT) (Phase-I) on 18.02.2018, which is India's



Chabahar Trilateral Agreement meeting held at Chabahar on 24th December 2018



MV MACHERAS carrying 72458 MT of Cargo(Corn) originating from Brazil berthed at terminal on 30th December 2018 in Chabahar Port



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largest FDI project in the port sector and the largest container terminal in India with a capacity of 4.8m TEUs. The estimated investment in FCT is Rs. 7,915 crore spread over eight years over two phases (Phase-I Rs. 4719 Crore and Phase-II Rs. 3196 crore). Phase-I construction of Fourth Container Terminal has been completed and operations have commenced.

- b) Paradip Port became the 2nd Major Port after Deendayal Port (Kandla) to achieve the milestone of handling 100 MT of cargo during 2017-18.
- c) Some of the PPP Projects at Major Ports came under stress due to high Storage Charges. A committee under Chairman, Indian Ports Association (IPA) considered the issues including the storage Charges which had resulted in some of the PPP Projects getting stressed. Based on the recommendations made by the said committee a methodology has been worked out for dealing with such abnormal storage charges and bring the stressed project on track. Guidelines in this regard have been issued to the Major Ports on 11.07.2018.
- d) As per the instructions issued by MoS in February, 2009, surplus funds were being invested by the Major ports in the Public Sector Banks (PSBs). The practice of the ports parking their surplus funds, solely in the fixed deposits with the PSBs, has been reviewed in the current economic scenario in the light of the guidelines on investment of Provident fund/pension fund/surplus funds issued by the Ministry of Labour and Employment and Department of Public Enterprises. In supersession of the earlier instructions, revised guidelines have been issued by this Ministry to all the Major Ports on 27.7. 2018 on investing of their pension /provident/gratuity fund and surplus funds.

- e) In the wake of recent unprecedented rains and floods in the State of Kerala, the Cochin Port took all pre-emptive measures to obviate any severe affect during the deluge. As a result of these measures taken by the Cochin Port, the Port was not affected by the floods at all and in fact the port helped in bringing relief materials to the State during the initial days. There was minimal effect on the cargo handling and other operations of the port. The Port also took several measures for providing relief and assistance to the flood affected areas in the Eranakulam district. These included Opening up of Relief Camps, medical aids assistance, food distribution, priority berthing of vessels bringing flood relief materials etc. Relief materials brought by Naval Ship INS Depak, INS Mysore, INS Mumbai, INS Sharda and Coast Guard Vessels ICGS Vikram were also handled on priority at the port. Cochin Port Trust contributed Rs.62 lakhs to the Chief Minister Relief Fund comprising Rs. 31 lakhs as employee's one day salary and equal amount from the COPT's funds.
- f) Revised guidelines have been issued on 31st January, 2018 for enhancing the validity period of security clearance of bidders/ companies participating in Public Private Partnership (PPP) projects and dredging projects in Major Ports from three years to five years so as to harmonise it with the validity period followed by Ministry of Home Affairs (MHA).

Deep draft berth at Major Ports

- 2.28 With a view to enable Major Ports to handle larger vessels the Ministry has prepared an action plan for increasing the draft in Major Ports. The outer harbour in Visakhapatnam Port has draft of more than 18 mtrs. It is proposed to create a draft of more than 18 mtrs, in Mormugao Port and Kamarajar Port (Ennore).VOOPT



and DPT have already deferred higher draft by reducing requirement of under keel clearance after doing simulation studies.

Ease of Doing Business

- 2.29 Towards facilitating 'Ease of Doing Business (EoDB)', Ministry of Shipping had identified various parameters for reducing dwell time and transaction costs in the Major Ports. These include elimination of manual forms, accommodation for laboratories to Participating Government Agencies (PGAs), Direct Port Delivery, Installation of Container Scanners, E-delivery orders, RFID based Gate-automation System, etc. These initiatives have already been implemented at Jawaharlal Nehru Port Trust (JNPT) and are being taken up in other Major Ports.
- 2.30 Besides, a centralized web-based Port Community System (PCS) has been operationalised across all Major Ports which enables seamless data flow between the various stakeholders.
- 2.31 Besides, JNPT under EoDB has undertaken a number of initiatives for ensuring convenience to trade & reduction in cargo EXIM Dwell time. To ensure faster cargo evacuation JNPT has set up a Customs Processing Zones, Centralized Parking Plaza, besides undertaking widening of Port Highways. It has also developed a Common Rail yard. JNPT has procured electronic RTGSs for increasing yard productivity, besides making ground breaking initiatives for increasing Direct Port Delivery & Direct Port Entry to facilitate trade. All these reforms are regularly communicated to the stakeholders through website update, social media & regular stakeholder meetings. India's impressive record in improving its ranking under the Trade Across Borders(TAB) parameter of EoDB from 146 to 80 was to a large extent reforms undertaken in JNPT.

Project Unnati

- 2.32 An exercise was undertaken to prepare a Quantitative Benchmarking Module which covered the operational, financial, human resources and efficiency related parameters for benchmarking of efficiency and productivity of Major Ports in India against international standards and define Key Performance Indicators for the ports and terminals. The study covered marine operations, stevedoring, jetty operations, vessel operations Yard performance, Labor productivity, Cargo storage (containers & dry bulk only), rake operations (loading/unloading of rakes), maintenance (Equipment uptime and breakdowns), Gate-In and Gate-out operations, safety, customs and penetration of IT.
- 2.33 A total number of 116 new initiatives for 12 Major Ports were identified under Project Unnati to increase the volume of traffic significantly and also avoidance of capital expenditure. The roadmap for improvement has been suggested along with the timelines, approach and methodology for implementation. Out of these, 92 have already been implemented and all the initiatives are to be implemented by December 2019.

SHIPPING SECTOR

- 2.34 Shipping industry is one of the most globalised industries, intricately linked to the world economy and trade, and operating in a highly competitive business environment. The Indian maritime sector facilitates not only transportation of national and international cargoes but also provides a variety of other services such as shipbuilding and ship repairing, freight forwarding, light house facilities, training of marine personnel, etc.
- 2.35 Shipping is an important indicator of, both, commodity and services trade of any country. It plays an important role in



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the Indian economy, with around 95% of India's trade by volume and 68% in terms of value being transported by sea. India's shipping tonnage was only 1.92 lakh Gross Tonnage (GT) on the eve of independence. It increased gradually thereafter, but was practically stagnant at around 7 million gross tonnage (GT) till the beginning of 2004-05. However, the tonnage tax regime introduced by the Government of India in that year boosted the growth of the Indian fleet as well as its tonnage. Now India has one of the largest merchant shipping fleet among the developing countries and ranks 17th in the world. Indian shipping tonnage is 12.69 million G.T. as on December 31, 2018, with the public-sector Shipping Corporation of India having (3.15 million

GT) the largest share of 24.83%. In terms of ownership in world tonnage, however, India has a share of only 1.36% as on July 1, 2018. In comparison, China ranked 2nd, with a share of 13.43%.

- 2.36 As on December 31, 2018, 41.35% of the Indian fleet was over 20 years of age and 12.71% in the age group of 16-20 years as per INSA. As on 1st July, 2018, the international average age of ships is 14.6% years as per ISL Shipping Statistics and Market review 2018 – Vol 9/10. While India's overseas seaborne trade has been growing exponentially over the years, there is a sharp decline in the share of Indian ships in the carriage of India's overseas trade from about 40% in the late 1980s to 6.4% in 2016-17.

Size and average age of the Indian fleet in the last five years

As on	Number of vessels	GT	DWT	Increase (%) (In terms of GT)	Average age (years)
31.3.2012	1135	11030751	16611651	5.6	18.1
31.3.2013	1158	10454789	15376982	-5.2	17.5
31.3.2014	1213	10497540	15322526	0.4	17.9
31.3.2015	1210	10506388	15471273	0.1	18.3
31.3.2016	1273	10858288	16036798	3.3	18.9
31.3.2017	1313	11547576	17257865	6.3	19.2
31.3.2018	1384	12581592	19082274	9.0	19.3
31.3.2019	1407	12788813	19386644	1.64	19.9

Source: D.G. Shipping

2.37 The global economy grew in the first half of 2017 with improving market confidence. This brought some signs of recovery to the shipping industry. However, overall the shipping industry continued to be subdued due to excessive shipping capacity for a prolonged period of time. Despite the slight optimism, Indian shipping companies faced problems of restricted cash inflows due to very low charter hire and freight rates in all segments of shipping. The challenges includes regulations framed to meet tighter environmental requirements

(which would mean huge upfront costs for shipping companies), continued supply of new tonnage (which leads to depressed freight rates) and shortage of trained and qualified seafarers at optimum pay scales. The impact of all these issues on the ton/mile cost for shipping transportation would be enormous.

- 2.38 The Indian shipping industry continues to be affected by chronic problems related to an aging fleet, inability to participate in critical sectors and large ticket contracts of LNG trade and carriage, and dismal



share in the carriage of Indian EXIM trade. On the coast too, Indian flag vessels are trying, with limited success, to induce more cargo from road and rail on to the coast.

- 2.39 During 2018-19, the major initiative in the shipping sector is relaxation of Cabotage for coastal transportation of EXIM and empty containers w.e.f. 21st May, 2018 and agriculture, horticulture, fisheries and animal husbandry commodities w.e.f. 22nd May, 2018. Further, ships chartered by Indian citizen or a company or a cooperative society registered in India are not required to take licence for chartering vessels for transportation of EXIM and empty containers w.e.f. 21st May, 2018 and for agriculture, horticulture, fisheries and animal husbandry commodities w.e.f. 22nd May, 2018.

INLAND WATER TRANSPORT (IWT)

- 2.40 Various projects for the development and maintenance of National Waterways (NWs) were implemented by Inland Waterways Authority of India (IWAI). Out of the 106 new NWs declared by National Waterways Act, 2016, Detailed Project Reports (DPRs) of 30 technically viable NWs have been prepared and development activities have been initiated on 10 viable new NWs.

Recent initiatives

- 2.41 The major initiatives for development of NWs in 2018-19 are explained below.
- Under the Jal Marg Vikas Project (JMVP) being implemented at an estimated cost of Rs. 5,369 crore for development of cargo transportation on river Ganga, the multimodal terminal at Varanasi has been completed and was inaugurated by the Hon'ble Prime Minister on 12th November, 2018.
 - On NW-2 (Brahmaputra) Ro-Ro service

from Dhubri to Hatsingmari is going on and a new service was introduced from Neamati to Kamlabari.

- On NW-4 for developing the stretch between Muktiyala and Vijaywada, work for dredging and installation of floating terminals at four locations is going on.
- On NW-16 (Barak) dredging work between Silchar and Bhanga is going on.
- Work has started for development of ten new National Waterways (NWs) viz. NW-16 (Barak), NW-37 (Gandak), NW-27, NW-68 and NW-111 in Goa, NW-9 in Kerala, NW-86 (Rupnarayan), NW-97 (Sunderbans), River Ghagra (NW-40) and River Kosi (NW-58).
- IWAI has been promoting the movement of cargo on NWs such as cement, fly ash, pulses, defence equipment etc.
- For the Kumbh Mela, 2019, IWAI in consultation with the Government of U.P. provided 4 floating terminals on NW-110 (river Yamuna) and 5 temporary Jetties at Chatnag, Sirsa, Sitamarhi, Vindhyachal and Chunar between Prayagraj and Varanasi on NW-1 (river Ganga) for embarkment and dis-embarkment of pilgrims.

SAGARMALA

- 2.42 The Sagarmala Programme is the flagship programme of the Ministry of Shipping to promote port-led development in the country through harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. The main vision of the Sagarmala Programme is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment.
- 2.43 Under the Sagarmala Programme, 602 projects at an estimated investment of more than Rs. 8.78 Lac Crore have been identified for implementation over the next



20 years. Of these, 107 projects (costing Rs. 23,751 Cr) have been completed and 162 additional projects (costing Rs. 2.48 Lac Cr) have been awarded. These projects are being implemented by relevant Central Ministries, State Governments, Ports and other agencies primarily through the private or PPP mode.

2.44 Under the budget head of Sagarmala, a total of Rs. 1,792.26 Cr has been sanctioned and Rs. 1,055.64 Cr has already been released for the development and implementation of 88 projects for a total project cost of Rs 5,514.04 Cr. These include, coastal berth, fishing harbors, RO-Pax ferry services and skill development projects.

2.45 A roadmap has been created for increasing the Indian port capacity to 3000+ MMTPA to cater to the projected traffic of 2500 MMTPA by 2025. For all the 12 major ports, master plans have been finalized. From the port master plans, 108 port capacity expansion projects with project cost of Rs. 67,789 Cr have been identified for implementation over next 20 years. Out of these 108 projects, 22 projects (cost: Rs. 15,244 Cr) have been completed and 37 projects (worth Rs. 14,275 Cr) are taken up for implementation. Under the Project Unnati, 116 initiatives have been identified for improving port operational efficiency. Out of which, 91 initiatives have been implemented so far to unlock 80 MMTPA capacity.

Sagarmala Programme

- 3.1 Sagarmala Programme has now moved from conceptualization and planning to the implementation stage. As part of the programme, the National Perspective Plan has been prepared and was released on 14th April 2016 at the maiden Maritime India Summit – 2016 by the Hon'ble Prime Minister.
- 3.2 More than 600 projects, at an estimated infrastructure investment of Rs. 8.78 Lac crore, have been identified (Table 1) under Sagarmala. Out of these, 105 projects (worth Rs. 0.16 Lac crore) have been completed, and 414 projects (worth Rs. 4.16 Lac crore) are already under various

stages of implementation & development. (Table 2).

- 3.3 Total 86 projects (worth Rs. 5,426 crore) have been sanctioned by the Ministry of Shipping at a cost of Rs. 1,723 crore and total fund released is Rs. 1018 crore till 31.12.18. This includes unique and innovative projects such as Gogha-Dahej RO-Pax Ferry Services Project (Rs. 117 crore sanctioned and Rs. 99.18 crore released) and RO-RO Services Project at Mandwa (Rs. 66.56 crore sanctioned and Rs. 63.15 crore released). In addition, DPR is under preparation for development of the National Maritime Heritage Complex at Lothal.

Table 1: Summary of projects under Sagarmala

Project Theme	Till 2017-18		2018-19		2019-20		2021-25		2025-35		Total	
	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)
Port Modernization	107	38,040	99	33,744	15	8,635	36	54,004	8	10,680	265	145,102
Port Connectivity	82	63,095	69	48,180	46	35,797	13	103,453	3	390	213	250,915
Port led Industrialization	18	136,860	1	11,147	5	4,288	33	322,598	0	0	57	474,893
Coastal Community Development	28	2,185	34	4,268	6	740	0	0	0	0	68	7,194
Total	235	240,180	203	97,339	72	49,460	82	480,055	11	11,070	603	878,104

Table 2: Summary of Status of Projects under Sagarmala

Project Theme	Port Modernization		Port Connectivity		Port Led Industrialization		Coastal Community Development		Total	
	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)	#	Project Cost (Rs. Cr.)
Completed	60	9,705	29	5,269.2	2	512.33	14	1,099.7	105	16,586.23
Under Implementation	67	46,033	63	60,124.8	17	147,494	17	1,114.5	164	254,766.3
Under various stages of development	108	66,776	102	83,028	6	6,788	34	4,493.4	250	161,085.4
Total	235	122,514	194	148,422	25	154,794.3	65	6,707.6	519	432,437.9



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3.4 Projects under Sagarmala will be implemented by relevant Central Ministries, State Governments, Ports and other agencies primarily through the private or PPP mode. The Sagarmala Development Company Limited (SDCL) was incorporated on 31st August 2016, after receiving Cabinet approval on 20th July 2016, for providing funding support to project SPVs and residual projects under Sagarmala. SDCL has identified a few SPVs for the purpose of equity investment in-line with Sagarmala objectives. Recently, SDCL has invested equity of Rs. 125 crore in Krishnapatnam Rail Company Limited (KRCL), a government majority-owned SPV, to improve connectivity to Krishnapatnam Port. Additionally, SDCL is also in process of preparation of DPRs for specific projects that could provide avenues for future equity investment by the company.

Port Modernization & New Port Development

3.5 Master Plans have been finalized for the 12 major ports. Based on the same, 107 port capacity expansion projects (total cost: Rs. 67,700 Cr) have been identified for implementation over the next 20 years. Out of these projects, 20 projects have been implemented, 38 projects are under implementation and 27 projects are under various stages of development.

3.6 In addition, 6 new port locations (Vadhavan, Enayam, Tajpur, Paradip Outer Harbour, Sirkazhi, Belekeri) have been identified. Techno-Economic Feasibility Reports have been finalized for 5 ports and is under preparation for Tajpur port. DPR is under preparation for Vadhavan, Paradip Outer Harbor and Enayam ports. Note seeking in-principle approval for setting up a transshipment port at Enayam has been approved on 5th July 2016 by the Cabinet.

Port Connectivity Enhancement

3.7 Indian Port Rail Corporation Limited (IPRCL) has taken up 32 projects (Total cost: Rs. 18,253 crore). Out of these, 8 projects (cost: Rs. 175 crore) completed, 7 projects (cost: Rs. 709 crore) are under implementation, 1 project (cost: Rs. 60 crore) is under tendering, DPR prepared for 2 projects (cost: Rs. 715 crore), DPR under preparation for 14 projects (Rs. 16,594 crore).

3.8 23 rail connectivity projects (cost: Rs. 24,877 crore) are being taken up by Ministry of Railways and 5 projects (cost: Rs. 3,590 crore) are taken up either in Non-Government Rail (NGR) or JVs. 10 projects (cost: Rs. 2,903 crore) are to be taken up by ports. Out of the 38 rail projects, 10 projects (Rs. 2,543 crore) have already been implemented, 16 projects are under implementation (Rs. 18,000 crore), DPR prepared for three projects (Rs. 252 crore) and 3 projects (Rs. 4,700 crore) are under various stages of development.

3.9 Total 112 road connectivity projects have been identified under Sagarmala to be implemented by MoRTH, NHAI, State PWDs and Port Trusts. 6 projects have been completed, 23 projects are under implementation, DPR prepared for 3 projects, DPR under preparation for 27 projects, 3 projects under tendering, and DPR to be prepared for 50 projects. 11 projects are long-term projects. 4 projects (Rs. 7,672 crore) undertaken by MoRTH are under implementation. 96 projects are undertaken by NHAI, out of which, 3 projects (Rs. 217 crore) have been implemented, 13 projects (Rs. 13,906 crore) are under implementation. 6 projects are undertaken by Port Trusts, out of which, 2 projects (Rs. 51 crore) have been implemented and 4 projects (Rs. 259 crore) are under implementation.

5 projects are undertaken by State PWDs, out of which, 1 project (Rs. 15 crore) completed, 2 projects (2,685 crore) are under implementation. Out of these total 112 road connectivity projects, 60 projects (19,915 crore) are proposed to be implemented under Bharatmala scheme.

3.10 Additional coastal shipping potential of 130 MMTPA by 2025 has been identified under Sagarmala. Multiple steps have been taken to promote coastal shipping. Ministry of Shipping has made relaxation u/s 406/407 for easier licensing requirement for chartering vessels for coastal movement of EXIM/empty containers, Agricultural and horticulture commodities, animal husbandry products and farm produce and fertilizers. Cabotage has been relaxed for 5 years for specialized vessels (RO-RO, RO-PAX). Scope of the Coastal Berth Scheme has been extended upto March 2020 and its scope has also been expanded. The scheme has been integrated into the Sagarmala Programme. A total of 59 projects (cost: Rs. 2,646 crore) have been taken up for financial assistance under the Scheme. Of these 59 projects, 41 projects (cost: Rs. 1,585 crore) have been sanctioned for total financial assistance of Rs. 633

crore and Rs. 348 crore has been released to Major Ports/State Maritime Boards/ State Governments while the remaining 18 projects are under various stage of development and process of approval.

3.11 An Inter-Ministerial Committee (IMC) has also been constituted to develop a strategy and implementation roadmap for the coastal shipping of coal and other commodities/product. Five meetings of the IMC have been held so far (22nd March 2016, 3rd May 2016, 1st June 2016, 14th October 2016 and 19th March 2018). As recommended in the IMC, DPR is under preparation for heavy haul rail corridor between Talcher&Paradip to promote coastal shipping of coal from MCL mines to coastal power plants in Maritime States. Under Phase-1, DPR has been prepared for Barithengarh-Ratnagiri Chord Line providing an alternative route between Talcher and Paradip bypassing Cuttack. To expedite development of BR chordline project, legal and financial advisors have been appointed by SDCL. This Ministry has partnered with Asian Development Bank (ADB) for a coastal shipping study to develop a perspective plan for transport of various commodities through coastal route.



Dr. Malini V. Shankar addressing workshop on the Coastal Shipping at Mumbai on 8th Oct 2018



Port-Linked Industrialization

3.12 For promoting port-led industrialization, 14 Coastal Economic Zones (CEZs) covering all the Maritime States and Union Territories have been proposed. CEZ perspective plans have been prepared and Detailed Master Plans will be prepared for 4 pilot CEZs in the first phase of development (Gujarat, Maharashtra, Tamil Nadu and Andhra Pradesh). The development of CEZ requires involvement of multiple agencies from the Central Ministries and State Governments. An Inter-Ministerial Committee (IMC) was constituted under the aegis of NITI Aayog for development of CEZs in India. As recommended by IMC, the institutional framework for development of CEZs would be similar to the institutional framework adopted by DMICDC for development of industrial corridors and industrial nodes. A Challenge Method has been proposed to select sites for development of CEZs across the country. The IMC also recommended that in place of fiscal incentive an equalized incentive be provided to the tenants of the CEZs linked to the job creation and the corporate tax paid by these tenants.

3.13 Vision of the Sagarmala Programme is to reduce logistics cost and time for the movement of EXIM and domestic cargo and development of port-proximate future industrial capacities near the coast is a step in this direction. In this regard, 38 potential port-linked industrial clusters across Energy, Materials, Discrete Manufacturing and Maritime sectors have been identified under Sagarmala. Out of these industrial parks, one mega food processing park at Satara, Maharashtra (Rs. 139 crore) has been completed and 3 Power Clusters (Rs. 76547 crore) in Krishnapatnam (AP), Ennore (TN) and Tuticorin (TN), 8 Electronics Manufacturing Clusters (Rs. 1704 crore) in AP, Gujarat, Odisha, Kerala,

West Bengal and 3 Food Processing Parks (Rs. 1,348 crore) in Andhra Pradesh and Kerala are under implementation.

3.14 Based on availability of land with the Major Ports, Ministry of Shipping is developing a SEZ at JNPT (Rs. 12,624 crore), Smart Industrial Port City (SIPC) at Paradip (Rs. 3,350 crore) and Kandla (Rs. 11,147 crore) and Coastal Employment Units (CEUs) at VoCPT and KPL

Coastal Community Development

3.15 Coastal community development is an important objective of the Sagarmala Programme. In this regard, Ministry of Shipping is taking up a number of initiatives/projects in the areas of coastal community skill development and development of fishermen community. Budget of Rs. 100 crore has been allocated under Sagarmala for coastal community development activities.

3.16 On the skill development front, skill gap study of 21 coastal districts (spread across 9 states and 3 UTs), has been completed and domain ministries & concerned state governments have been asked to implement the district action plans. In addition, skill gaps surveys for Kanyakumari and Palghar have also been taken up under Sagarmala Programme. Under coastal district skilling programs in convergence with DDU-GKY, 1978 candidates have been trained, 1143 candidates have been placed and 87 students are under training. Ministry of Shipping will fund skill development under DDU-GKY Phase-II to train 10,000 persons annually for next 3 years.

3.17 Centre of Excellence in Maritime and Shipbuilding (CEMS), a first of its kind in Asia with two campuses with 24 laboratories in total (6 laboratories in IRS Mumbai and 18 in Indian Maritime University campus in Vishakhapatnam)



has been setup. CEMS will provide 50 courses across 18 specializations; covering 770 modules out of which 270 will be tools and algorithm based courses while 500 will be process and sector based. It can train 10,512 students and is proposed to run on a Hub and Spoke Model with majority funding from private sector. Total project cost is estimated to be Rs. 766 crore. Ministry of Shipping has sanctioned Rs. 50.07 crore towards setting of the CEMS. CEMS will equip students with employable engineering and technical skills in the areas of Ship Hull Design, Ship Detailed Design, Shipbuilding & Maintenance, Repair & Overhaul (MRO), Product Lifecycle Management (PLM), and advanced digital manufacturing-factory concepts.

- 3.18 Ministry is also funding the Occupational Health and safety training project for workers at Alang-Sosiya Shipyard. The first time trainees in the year were about 5000, while about 17,000 people have undergone refresher trainings. In addition to this, a specialize hospital, to treat burn or other injuries is expected to start functioning within the next 3 months. Employees State Insurance Corporation (ESIC), MoL&E has given its approval to

run the hospital and it will be run by GMB.

- 3.19 As part of the coastal community development component of the Sagarmala Programme, Ministry is part-funding fishing harbour projects in convergence with DADF. Out of 27 fishing harbour projects (cost: Rs. 4,068 crore) identified under Sagarmala, 15 projects (cost: Rs. 1,374 crore) have been funded under Sagarmala. Ministry of Shipping has sanctioned Rs. 361.16 crore and released Rs. 198.46 crore. In addition, in-principle approval has been given for development of deep sea fishing vessels and fish processing centres in convergence with DADF.

Potential Impact

- 3.20 The projects identified under Sagarmala Programme are expected to mobilize more than Rs. 8.78 Lac crore of infrastructure investment, double the share of domestic waterways (inland & coastal) in the modal mix, generate logistic cost savings of Rs. 35,000-40,000 crore per annum, boost merchandize exports by USD 110 Billion and enable creation of 1 crore new jobs, including 40 Lac direct jobs, in the next 10 years.



INTRODUCTION

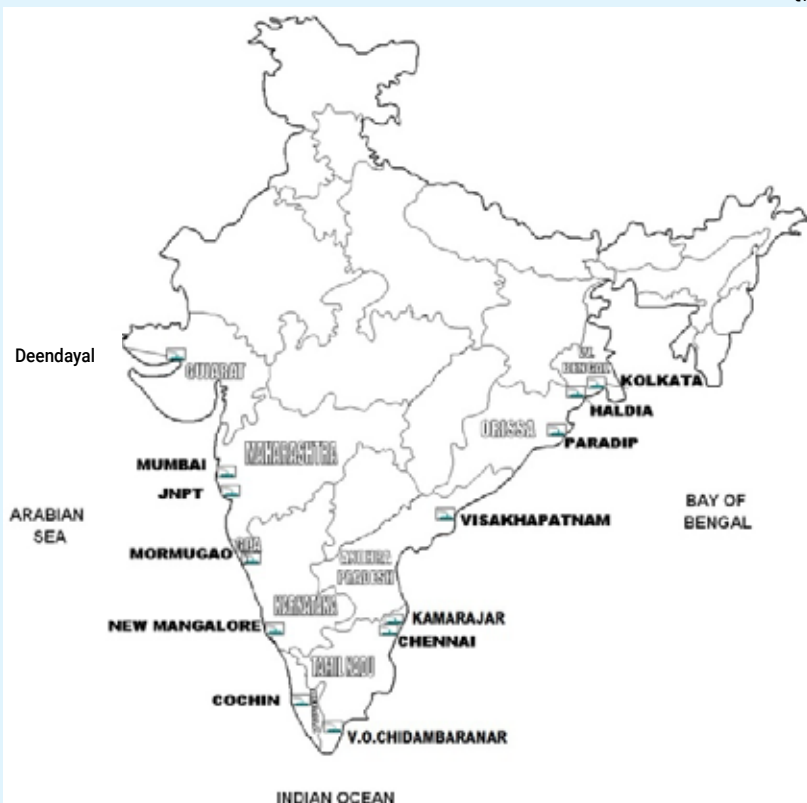
4.1 Ports provide an interface between the ocean transport and land-based transport. There are 12 Major Ports in India out of which 6 are located on the East Coast and 6 on the West Coast.

MAJOR PORTS IN INDIA

KOLKATA PORT

4.2 Kolkata Port is the only riverine major port in India having an existence of about 138 years. It has a vast hinterland comprising the entire Eastern India including West Bengal, Bihar, Jharkhand, UP, MP, Assam, North East Hill States and the two landlocked neighbouring countries namely, Nepal and Bhutan. The port has twin dock systems viz. Kolkata dock System (KDS) on the eastern bank and Haldia Dock Complex (HDC) on the western bank of river Hooghly.

4.3 Kolkata Port handled 45.82 Million Tonnes (MT) of traffic in 2018-19 (upto December, 2018). While KDS handled traffic of 12.96, Million Tonnes (MT), HDC handled 32.86 Million Tonnes (MT). The port has 55 berths (KDS – 34 including 6 Oil Jetties and HDC – 21 including 3 Jetties) handling various types of cargos including containers with an effective rated capacity of 82.57 MTPA.



4.4 Important projects awarded during the year include Installation of Container Scanners at an estimated cost of Rs. 29.38 crore, Construction of 1.5 lakh sq. meters of Hardstand inside the Dock at an estimated cost of Rs. 54.58 crore. Major Projects completed during the year include Up-gradation of Track nos. 10, 12,14,16,18,19,20,21,22 and 23 at EJC Yard at a cost of Rs. 37.17 crore and Development of hardstand area msg. About 1.13 lakh sq. Mtrs. behind Berth No.

13 inside the Dock at a cost of Rs. 44.34 crore.

Notable achievements during the year

- a) Capesize vessel MV Cape Mary (289 m long and carrying 62373 tons of Coal at a draft of 9 m), after partial discharge at Sandheads within KoPT limit was brought up at new anchorage location 7 miles south of Sagar Light House. She anchored in the position for further lighterage without assistance of any tug.



Capesize vessel MV Cape Mary after partial discharge at Sandheads, KoPT

- b) In the 148-year-old history of KoPT, Cape Size vessel M.V. Samjohn Solidarity, carrying 1,64,928 MT Coal made her maiden call on 17.10.18 at Sandheads. The vessel (LOA : 292 mtrs, Beam : 45 mtrs, Draft : 17.21 mtrs) discharged around 1 lakh MT of Coal on barges by 2 Floating Cranes. The entire discharged quantity was brought to Floating Jetty at Haldia. The vessel was slated to proceed to Paradip to offload rest of her cargo.



Cape Size vessel M.V. Samjohn Solidarity at Sandheads

- c) On 19.11.18, 24 Reefer points were commissioned and declared ready for operations at the Container Terminal of HDC achieving higher operational efficiency and fulfilling long pending demand of the Trade
- d) The first ever midnight city tour was conducted on 16.06.18 and later on 01.10.2018. KoPT conducted heritage cruises touching the historic land and water marks of this port-city, viz. the bridges, turrets, ghats, indenture memorials, museums etc. generating considerable public enthusiasm.
- e) On 01.12.2018, KoPT introduced a Logistic Data Bank which aims to track container cargo almost on real time basis, using RFID services. The service allows different stakeholders / Shipping Lines etc. to check the movement of containers / identify bottlenecks / facilitate smooth flow of containers / reduction of dwell time etc.



Introduction of Logistic Data Bank to track container cargo at Kolkata Port

PARADIP PORT

4.5 Paradip Port is one of the major ports in India. Government of India took over the management of the port from the State Government on 1st June, 1965. The Government of India declared Paradip Port Trust (PPT) as the eighth major port in India on 18th April, 1966 making it the first major port in the East Coast commissioned in independent India.

Paradip Port is situated 210 nautical miles south of Kolkata and 260 nautical miles north of Visakhapatnam at Latitude 20 – 15'58.63 N and Longitude 86' – 40-27".34 E.

4.6 The Port handled traffic of 80.43 Million Tonnes (MT) during the year 2018-19 (upto December, 2018). The port has Sixteen (16) berths/jetties, Three (3) SPM & One (1) Ro-Ro Jetty) for handling different types of

cargoes with an effective rated capacity of 239 MTPA. Major projects awarded during the year are 1) LPG Terminal at South Oil Jetty at an estimated cost of Rs. 690

crore and capacity addition of 0.75 MTPA, 2) Installation of Container Scanners at an estimated cost of Rs. 40 crore.



An aerial view of the Paradip International Cargo Terminal

Notable achievements during the year

- a) Mechanized Coal Handling Plant (MCHP) has achieved a milestone by Ship loading 86,896 MT of Thermal coal in the shortest possible time of 17.51 hrs with gross productivity 4868 TPH (1,16,835 TPD) surpassing the previous records in the month of May, 2018.
- b) Port created all time record by successfully completing movement of 27 vessels within 20 Hrs. i.e. from 0600 hrs on 13th Oct 2018 to 0200 hrs on 14th Oct 2018.
- c) On 29th Oct 2018 PPT introduced possibly for the first time in India, the Mediterranean Mooring Method to discharge edible oil from "MT Delfine" without using the berth.
- d) All time record traffic of 6.39 Lakh Tonnes handled in a single day on 13th Oct 2018
- e) Possibly for the first time in India G12 grade coal from MCL was blended homogenously with G4 grade coal of ECL in 65:35 ratio to achieve GCV of 4033 Kcal/Kg suitable for Thermal power plants and Shipped mechanically at MCHP through "M.V. Diamond Star" on 06th Nov, 2018.
- f) Iron Ore Handling Plant achieved an all-time record by Tippling (unloading) an Iron Ore Fines rake in 1 Hr 45 Mins on 11th Dec 2018 and an Iron Ore Pellet rake in 1 Hr 50 Mins on 5th Dec 2018.

NEW MANGALORE PORT

- 4.7 New Mangalore Port was declared as the 9th Major Port on 4th May 1974 and was



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formally inaugurated on 11th January 1975. The Port has 16 berths and one Single Point Mooring (SPM) with a rated capacity of 98.00 MTPA. It handled traffic of 31.91 million tonnes during the year 2018-19 (upto December 2018). Important project relating to Installation of Container Scanners was awarded during the year.

Notable achievements during the year

22.52% growth in container traffic during the year (upto December, 2018) by handling 99856 TEUs compared to 81503 TEUs handled in the corresponding period of previous year, handling of heavy lift Over Dimensional Consignment (ODC) during the month of October 2018 arrived through the vessel 'Happy Dragon' on 09.10.2018 at the port.

COCHIN PORT

4.8 The modern Port of Cochin was developed during the period 1920-1940 due to the untiring efforts of Sir Robert Bristow. The port of Cochin is located on the Willington Island at Latitude 9°58" North and 76°14' East on the South-West coast of India about 930 KM south of Mumbai and 320 KM North of Kanyakumari. With its strategic location on the South-West Coast of India and at a commanding position at the cross roads of the East-West Ocean trade, the port is a natural gateway to the vast industrial and agricultural produce markets of the South-West India. The hinterland of the Port includes the whole of Kerala State and parts of Tamil Nadu and Karnataka States. A study carried out on the traffic flow in the hinterland of the Port indicates that about 97% of the total volume of traffic is accounted for by Kerala State. Cochin with its proximity to the international sea route between Europe and the Far East and Australia can attract a large number of container lines offering immense business opportunities.

4.9 Cochin Port has 20 Berths plus a Single

buoy mooring and with an effective rated capacity of 78.60 MTPA. The Port handled 23.29 Million tonnes during 2018-19 (Upto December 2018). The cargo handled by the port includes break bulk, container, dry bulk, liquid bulk. The container handling grew to 4.27 lakh TEUs (Upto December, 2018) as against 4.08 lakhs TEUs during the corresponding period of the preceding year (2017-18).

4.10 Important Projects awarded during the year include Upgradation of Cruise Berthing facilities at Ernakulam Wharf (Rs. 25.70 crore) and Installation of Solar panel of 100 KwP at various lands at CoPT area-phase-II. Projects relating to Construction of ROB (Rs. 30 crore) and Multi-User Liquid Terminal at Puthuveypen SEZ (Rs. 240 crore, capacity 4.10 MTPA) were completed during the year.

Notable achievements during the year

a) Entering into a Memorandum of Understanding (MoU) for utilizing Q2-Q3 berths at Mattancherry Wharf for berthing of Indian Navy Ships, laying of foundation stone for proposed new International Cruise Terminal at Ernakulam Wharf by Hon'ble Minister of State for Tourism. During the year 25 cruise ships also visited the port.

JAWAHARLAL NEHRU PORT

4.11 Constructed in the mid 1980's and commissioned on 26th May, 1989, Jawaharlal Nehru Port has come a long way by becoming a world-class international container handling port. It is situated in between 18°56'43" North and 72°56'24" East along the eastern shore of Mumbai harbour off Elephanta Island.

4.12 Jawaharlal Nehru Port is an all weather tidal Port having 15 berths with an effective rated capacity of 118.00 MTPA. The port handled a traffic of 52.53 MT during 2018-19 (upto December, 2018)

of which containerized cargo account for 46.21 MT which is 88 % of total traffic. The port has 5 fully automated Container Terminal, 4 of these operating in PPP format in partnership with Major Global Terminal Operators namely APM, PSA and DP world. Project relating to Installation of Container Scanners (Rs.120 crore) was

awarded during the year. A new Container Terminal Bharat Mumbai Container Terminal Pvt. Ltd. (MBCTPL), SPV of Port of Singapore (PSA) with a total capacity of 60 million tonnes (4.8 million TEUs) was commissioned for operations under Phase-I in February. Phase-II is expected to start in 2022.



Inauguration of JNPT Fourth Terminal by Hon'ble Prime Minister

Notable achievements during the year

- a) JNPT initiated major steps under Ease of Doing Business and by improving infrastructure, simplifying process and enhancing the level of Digitization and thereby significantly contributing towards improving India's rank under World Bank evaluation of "Trading across the Border's" from 146 to 80 during 2018."

MUMBAI PORT

4.13 Mumbai Port is the second oldest Major Port in India after Kolkata. It is situated almost midway (Latitude 18° 54'N, Longitude 72° 49' E) on the west coast of India. The port has long been the principal gateway of India. Strategic location is one factor in its special favour. It lies midway along the West Coast of India and is gifted

with a natural deep-water harbour of 400 sq. Kms. protected by mainland of Konkan on its east and island of Mumbai on its west. The deep waters in the harbour provide secure and ample shelter for shipping throughout the year.

4.14 Originally a general cargo port, today Mumbai Port is multi-purpose ports handling all types of cargo viz break bulk, dry bulk, liquid bulk and containers. The Port has extensive wet and dry dock accommodation to meet the normal needs of ships using the port. The port provides services/facilities from pilotage to berthing, storage to delivery of cargo and ancillary services of running Container Freight Station (CFS), Port Railways as also maintenance of crafts, equipment and building.



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4.15 The port has 35 berths (including OCT) with an effective rated capacity of 79.00 MTPA. The port handled a traffic of 45.39 million tonnes during 2018-19 (upto December, 2018). The major cargo commodity handled is POL (61.85 % of the total traffic). Important projects awarded during the year are: ERP (Rs. 100 crore) and Modernization of Sassoon Dock Fishing Harbour-(Execution by GOM) (Rs. 52.17 crore), upgradation of International Cruise Terminal.

Notable achievements during the year

- a) Mumbai Goa cruise service was launched at a function organized on 20.10.2018 in the august presence of Shri Nitin Gadkari, Hon'ble Minister of Shipping and Shri Devendra Fadnavis, Chief Minister of Maharashtra and other dignitaries. The cruise services will be available every alternate day from Mumbai and the Cruise ships will be having capacity upto 350 passengers and 150 crew. This cruise service will give a boost to the tourism development in India.
- b) An agreement has been signed between Mumbai Port Trust and Cochin Shipyard Ltd. (CSL) on 11.1.2018 to revive one of the largest dry docks on the west coast of India, the Hughes Dry Dock (HDD) at Mumbai Port which was built in 1914. Cochin Shipyard Limited will be developing a world class integrated ship repair facility that will mark its strong presence on the global scenario, thereby further strengthening the concept of "Make in India".

KAMARAJAR PORT LIMITED (ENNORE)

4.16 Kamarajar Port Limited (KPL), the 12th Major Port under the Ministry of Shipping was commissioned in 2001, primarily as a Coal Port dedicated to handling Thermal Coal requirements of Tamil Nadu Electricity Board (TNEB). KPL has the

distinction of being the only corporate port amongst the Major Ports administered by the Central Government.

- 4.17 Over the years, the port, which was primarily handling coal at initial stage, has developed as a multi cargo port and now has created facilities for handling liquid bulk, Iron Ore, auto mobiles and general cargo. The port has 7 operational berths and 3 non-operational berths with rated capacity 84.00 MTPA. The port handled a traffic of 25.80 MT during 2018-19 (upto December, 2018) which includes Coal, POL, and other cargo. Project relating Installation of Container Scanners (Rs. 40 crore) was awarded during the year. Projects completed during the year include Coal Berth No. 4 (Rs. 277 Crores 9.00 MTPA capacity), Construction of Internal Roads and Gate Complex (Rs. 14.7 crore) and construction of Container Pre-Stacking Yard and other ancillary Works (Rs. 25.79 crore)

Notable achievements during the year

- a) The cargo throughput of KPL handled during the period from April to December 2018 is 25.80 million tonnes as against 21.80 million tonnes handled in corresponding period of previous year which was 18.34% higher than previous year.
- b) The vessel call of CHX Service by Maersk Line India Private Limited at the newly developed Adani Ennore Container Terminal at the Port was inaugurated on 20.10.2018.
- c) The first rake of container rail consisting of 90 TEU's has been evacuated from KPL Railway siding to ICD Whitefield, Bangalore on 23.10.2018 @ 17.00 hrs. The train operator M/s. Container Corporation of India Ltd. has scheduled regular services between Kamarajar Port and ICD Whitefield, Bangalore.

CHENNAI PORT

- 4.18 Chennai Port is an all weather artificial harbour with one Outer Harbour and one Inner Harbour with a wet Dock and a Boat Basin with round the clock navigation facilities. The Port was established in 1875 located at 13° 06' N latitude and 80° 18' E-longitudes on the Bay of Bengal.
- 4.19 Chennai Port has 24 berths with an effective rated capacity of 134.00 MTPA. The port handled a cargo of 39.85 MT during the year 2018-19 (upto December, 2018). The cargo handled comprises (container – 23.79 MT, POL – 9.74 MT, Fertiliser – 0.20 MT and others – 6.12

MT). Projects relating to Strengthening of JD4 & JD6 has been awarded during the year. Projects relating to upgradation of cruise passenger terminal at WQ IV & installation of 400 KW solar power on roof top of buildings have been completed during the year

Notable achievements during the year

- a) The Cruise Vessel M.V. LE LAPEROUSE, French flag vessel on maiden visit to the newly constructed state of the art Cruise Passenger Terminal at Chennai Port with 151 Passengers and 113 crews arrived from Trincomalee on 25.12.2018 and sailed to Port Blair on 27.12.2018.



Cruise vessel Le Laperouse at Chennai Port

- b) Modernized International Cruise Terminal at ChPT was inaugurated by Thiru K.J. Alphons, Hon'ble Union Minister of State (Independent Charge) for Tourism on 12.10.2018 in the presence of Thiru Pon Radhakrishnan, Hon'ble Minister of State for Finance & Shipping.
- c) M.V. Thuringia, calls Chennai Port on its maiden voyage on 17.04.2018.
- M/s Interasia Lines Singapore Pvt. Ltd., a leading container line joined the consortium partners of China India team (CI3) service. This weekly service to China connects Chennai Port to Port Kelang, Singapore, Shanghai, Ningbo, Hong Kong and Shekou Ports leading to considerable saving in time and money to the exporter. The CI3 service aims to place a vessel on weekly schedule through their consortium



Inauguration of Cruise Terminal Chennai Port by Shri P. Radhakrishnan Hon'ble Minister of State for Shipping and Shri K.J. Alphons, Hon'ble Minister of State for Tourism

partners of Wan Hai, Interasia, OOCL, COSCO and Seacon.

- d) The Chennai Port yet has created another milestone in its 137 years of service to the Maritime Trade of the Country when it berthed a VLCC (Very Large Crude Carrier) vessel M.T. New Diamond on 31st August 2018 in its continuous endeavour to provide efficient services to meet the

requirements of the Port Users and EXIM trade. The vessel M.T. New Diamond of length 333 meters, beam 60 meters with a GRT of 160079 tonnes is the largest tanker till date to call Chennai Port. A year-long effort taken to bring the VLCC involved a thorough technical simulation study and training of pilots. As per information from CPCL, VLCCs are likely to visit Chennai Port regularly.



Berthing of VLCC in Chennai Port - first time inside the harbour among the Major Ports of India

MORMUGAO PORT

- 4.20 Mormugao Port, situated on the west coast of India, is more than a century old port. It has modern infrastructure capable of handling a wide variety of cargo. It is a natural harbour protected by a breakwater and also by a mole. The Port has an approach channel of depth -14.4 mts. which is presently being deepened to -19.80 mts. The existing rail and road connectivity provides seamless logistic network to the rest of the Country. There is a modern Vessel Traffic Management System installed for providing reliable modern services. The existing VTMS system is being replaced with new System.
- 4.21 The Port has 10 operating berths including a ship repair yard with a floating dry dock. Apart from this, there are also 6 mooring dolphins for handling bulk cargo. The effective rated capacity of the port is 63.40 MTPA. The port handled a traffic of 13.72 MT during the year 2018-19 (upto December, 2018). The project relating

to Extension to Railway Line No. 8 (Rs. 8.40 crore) was awarded and projects relating to Providing additional railway lines and paving (Rs. 18.00 crore) and S&T system for railway yard (Rs. 14.01) were completed during the year.

Notable achievements during the year

The arrival of the luxury cruise line Angriya at Mormugao Port on 21.10.2018 marked the beginning of a new chapter in domestic cruise tourism in India. The inaugural visit of Cruise ship Angriya brought around 200 guests to the state from Mumbai Port. Angriya cruise is a 7-deck, 131 meter long passenger ship built in Japan. The Luxury ship has 104 rooms divided into eight different categories. It has a dormitory, deluxe rooms and luxury suites. The dormitory has bunk beds, while rooms have single and double beds, The Cruise has luxury on the underwater level as well. The vessel can accommodate 399 passengers at a time and has 67 crew members including hospitality and marine crew.



Inaugural visit of Luxury Cruise Liner Angriya at Cruise Terminal of Mormugao Port



V.O. CHIDAMBARANAR PORT

4.22 V.O. Chidambaranar Port is located strategically close to the East- West International sea routes on the South Eastern coast of India at latitude 8° 45'N and longitude 78° 13'E located in the Gulf of Mannar, with Sri Lanka on the South East and the large land mass of India on the West. The Port is well sheltered from the fury of storms and cyclonic winds and is operational round-the-clock all through the year.

4.23 The Port has 15 berths with an effective rated capacity of 111.46 MTPA. It handled a traffic of 25.71 MT during the year 2018-19 (upto December, 2018). Important projects relating to Commissioning of 8 nos. of Hopper for 10 years on Revenue share (License basis) (Rs. 38.08 crore, 6.41 MTPA capacity), dredging in front of Coastal berth (Rs. 96.34 crore) and Construction of NCB III on EPC mode (Rs. 36.52 crore, 10.22 MTPA capacity) were completed during the year.



Hon'ble Union Minister, Shri Nitin Gadkari and MoS, Shri P. Radhakrishnan inaugurated the Truck parking Terminal at VoCPT

Notable achievements during the year

The port created a new record by handling 51,413 Metric Tonnes of Coal in a single day at IXth Berth from the vessel MV Ultra Gujarat on 14.06.2018, surpassing the previous record of 45,396 Metric Tonnes of Coal handled in a single day from the vessel M.V. Sea Hope on 19.02.2018.

a) There was no night navigation to the

shallow water berth at the port due to constraint in the depth available. The construction of Coastal berth along with dredging near the jetty and approaches were carried out during the month of April 2018. Subsequently with the lighting arrangement in the berth, the night navigation of shallow Water Berth for docking/un-docking was allowed from June, 2018.

b) On 15.10.2018, V.O. Chidambaranar Port, for the first time in Port's history handled a vessel with 14 metre draft. The vessel 'MV Zheng Jun' was docked at the North Cargo Berth-I at 1600 Hrs. The Panama flagged vessel 'MV Zheng Jun' with Length of 229 metres and beam of 32.26 metres arrived from the Port of Samarinda, Indonesia with 74,962 Tonnes of coal for Neyveli Thermal Power Limited (NTPL).

DEENDAYAL PORT (KANDLA)

4.24 Deendayal Port (erstwhile Kandla Port) was established in the year 1950 as a Central Government Project and Union Government took over Kandla for its development as a Major Port. Kandla Port has 31 berths including SPM, Oil jetties & RO-RO Jetties with an effective rated capacity of 258.10 MTPA. The port handled 84.91 MMT of traffic during 2018-19 (upto December, 2018). The cargo handled comprises POL, Iron Ore, Fertilizers, Coal (Thermal/coking) etc. Projects relating to deployment of two Mobile Harbour cranes (Rs. 91 crore) and Mechanised bagging and rake loading plant at NG 34 (Cost Rs. 122.03 crore) were commissioned during the year.

Notable achievements during the year

Installation of two HMCs of 100 MT capacity each, handling of Metro coaches (new cargo). In terms of cargo handling, the port continued to remain at the talk among all major ports

VISAKHAPATNAM PORT



Meeting to review Major Ports activities at Visakhapatnam Port on 12-13 July, 2018

4.25 Port of Visakhapatnam, a natural harbour is located almost between Kolkata and Chennai on the East coast of India at latitude 17°41' and longitude 83°17'. It was opened to commercial shipping on 7th October, 1933. The Visakhapatnam Port is the only Indian Port possessing three international accreditations viz. ISO 14001; 2004 (EMS)/OHSAS 18001 and ISO 9001:2000 (QMS). The Port has mechanized handling facilities for iron ore, iron pellets, alumina, fertilizer raw material, crude oil & POL products, liquid ammonia, Phosphoric acid, edible oil, caustic soda and other liquid cargoes. The inner harbor can accommodate fully laden Panamax vessels of draft upto 14.5 meters and the outer harbor can accommodate Supercapex vessels of 200,000 DWT with a draft upto 18.10 meters. The port has the distinction of possessing Supercapex handling facility and the deepest container terminal among Major Ports of India.

4.26 Visakhapatnam Port has 27 berths plus 1 single point mooring with an effective rated capacity of 131.09 MTPA. The port handled traffic of 49.28 MMT during the year 2018-19 (upto December, 2018). Project relating to Installation of Container Scanners (Rs. 29.68 crore) was awarded and project relating to restoration / rehabilitation of breasting and mooring dolphin of offshore tanker terminal (OSTT) at Outer Harbour (Rs. 20.67 crore) was completed during the year.

Notable achievements during the year

Declared winner of platinum award in service sector for outstanding achievement in Environment Management as part of “Annual Greentech Environment Award, 2018” by Greentech Foundation on 31.05.2018.

- Award of 1st prize in Andhra Pradesh Green Awards, 2017 in Public Sector Industries category on 14.07.2018.
- Adjudged as winner in Outstanding Renewable Energy User under service sector in India as part of “Green Energy Awards, 2018” on 07.09.2018. On 25th November, 2108 M/s. ESSAR Vizag Terminal Ltd., made a new record by loading 100,000 TPD into Vessel M.V. Ishwari, surpassing



Vishakhapatnam Port, winner of Outstanding Renewable Energy User under Service Sector in India as part of Green Energy Awards, 2018

PERFORMANCE OF MAJOR PORTS

4.27 Traffic handled at Major Ports

(In million tonnes)

Sl. No.	Port	Actual 2017-18	Provisional 2018-19 (upto December, 2018)
1	Kolkata	17.39	12.96
2	Haldia	40.50	32.86
3	Paradip	102.01	80.43
4	Visakhapatnam	63.54	49.28
5	Chennai	51.88	39.85
6	V.O. Chidambaranar	36.58	25.71
7	Cochin	29.14	23.29
8	New Mangalore	42.05	31.91
9	Mormugao	26.90	13.72
10	Jawaharlal Nehru	66.00	52.53
11	Mumbai	62.83	45.39
12	Deendayal (Kandla)	110.10	84.91
13	Kamarajar (Ennore)	30.45	25.80
	Total	679.37	518.64



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4.28 Cargo Handled at Major Ports

(In Million tonnes)

Sl. No.	Commodity	Actual 2017-18	Provisional 2018-19 (upto December, 2018)
1	POL	226.68	172.18
2	Iron Ore	41.05	29.82
3	Fert. & Fert. Raw Materials	14.89	11.29
4	Coal	120.77	121.14
5	Containerized Cargo	133.63	107.90
6	Others	142.35	76.31
Total		679.37	518.64

4.29 Capacity at Major Ports

(In Million tonnes)

Sl. No.	Year	Port capacity	Traffic Handled
1	2001-02	343.95	287.58
2	2002-03	362.75	313.55
3	2003-04	389.50	344.80
4	2004-05	397.50	383.75
5	2005-06	456.20	423.41
6	2006-07	504.75	463.78
7	2007-08	532.07	519.31
8	2008-09	574.77	530.53
9	2009-10	616.73	561.09
10	2010-11	670.13	570.03
11	2011-12	689.83	560.14
12	2012-13	744.91	545.68
13	2013-14	800.52	555.50
14	2014-15	871.52	581.34
15	2015-16	965.36	606.47
16	2016-17	1065.83	648.40
	Re-rated capacity 2016-17	1359.00*	
17	2017-18	1451.19	679.37
18	2018-19 (Upto Dec., 2018)	1477.22	518.64

(*) The capacities of the Major Ports have been re-rated as per berthing policy 2016.



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4.30 The details of important performance indicators of the Ports are given below:

(i) Average Turn Round time

Sl. No	Port	Average Turn round Time/(Hours)	
		2017-18	2018-19 (upto December, 2018) (*)
1	Kolkata	91.20	90.48
2	Haldia	90.24	69.36
3	Paradip	79.48	61.52
4	Visakhapatnam	61.99	61.52
5	Chennai	52.99	46.97
6	V.O.Chidambaranar	64.56	48.72
7	Cochin	37.02	35.96
8	New Mangalore	49.00	47.23
9	Mormugao	63.18	88.74
10	Jawaharlal Nehru	53.76	51.12
11	Mumbai	65.57	58.80
12	Deendayal (Kandla)	60.24	71.28
13	Kamarajar (Ennore)	52.86	46.93
Total (All Ports)		64.43	59.93

(*)Provisional

(ii) Average Output per Ship Berth Day

(In Tonnes)

Sl. No.	Port	Average Output Per Ship Berth Day	
		2017-18	2018-19 (upto December, 2018) (*)
1	Kolkata	4132	4431
2	Haldia	8343	9625
3	Paradip	24810	25628
4	Visakhapatnam	13528	13536
5	Chennai	16014	17772
6	V.O.Chidambaranar	11961	14836
7	Cochin	20880	23052
8	New Mangalore	16378	17929
9	Mormugao	14525	14515
10	Jawaharlal Nehru	23290	23735
11	Mumbai	9043	10556
12	Deendayal(Kandla)	18531	17512
13	Kamarajar (Ennore)	24590	23782
Total (All Ports)		15333	16391

(*)Provisional



INTRODUCTION

- 5.1 Shipping plays an important role in the economic development of the country, especially in India's international trade. The Indian shipping industry also plays an important role in the energy security of the country as energy resources such as coal, crude oil and natural gas are mainly transported by ships. Further, during a crisis situation, Indian shipping contributes to ensure uninterrupted supply of essentials and serves as second line of defence and commercially viable rates.
- 5.2 The salient features of India's shipping policy are the promotion of national shipping to increase self-reliance in the carriage of country's overseas trade and protection of stakeholder's interest in EXIM trade. India's national flag-ship provides an essential means of transport for crude oil and petroleum product imports. The National shipping makes significant contribution to the foreign exchange earnings of the country.
- 5.3 India has been a founder member of the International Maritime Organization (IMO), a specialized agency set up under the United Nations, primarily dealing with the technical aspects of shipping relating to Maritime Safety, Protection of Marine Environment, Standards of Training and related legal matters. India has been participating in various meetings of the IMO Committees, Sub-Committees, Council and Assembly and has actively contributed towards the development of various Conventions, Protocols, Codes and Guidelines developed by the IMO.



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- 5.4 To promote Indian tonnage and to save precious foreign exchange, the Cabinet on December 10, 1957 had decided that in all negotiations for large contracts involving shipping arrangements by Central Government Departments, State Government Departments and Public Sector Undertakings (PSUs) under them, the Department of Transport would invariably be consulted and all such import contracts were to be finalized on FOB/FAS basis and those for exports on C&F/CIF (Cost and Freight/Cost, Insurance and freight) basis and in case of departure there from, prior permission was required to be obtained from Department of Transport on a case-to-case basis.
- 5.5 In the changed context of economic liberalization and new thrust on competitiveness and performance improvement of PSUs, the Government on November 15, 2001 decided that while the existing policy for placing import contracts on FOB/FAS basis will continue, the policy was relaxed in case of exports. Government Departments/PSUs were permitted to finalise export contracts on FOB/FAS basis without seeking prior clearance from the Ministry of Shipping.
- 5.6 However, despite government push for import contracts being on FOB/FAS basis, thanks to the decreasing quantum of FOB contracts, while India's EXIM trade has been steadily growing at Compounded Annual Growth Rate (CAGR) of 7.3%, from 2004-05 to 2016-17, the share of Indian ships in the carriage of India's EXIM trade has drastically declined from 13.7% in 2004-05 to about 7.15% (provisionally) in 2017-18. In 1987-88, the share of Indian ships in India's EXIM trade was 40.7%.
- 5.7 Exports have come to be regarded as an engine of economic growth in the wake of liberalization and structural reforms in the economy. According to sources from Ministry of Commerce, India's exports in value terms increased by 9.88% from US\$ 275.85 billion in 2016-17 to US\$ 303.38 billion in 2017-18, while imports increased by 21.13% from US\$ 384.36 billion in 2016-17 to US\$ 465.58 billion in 2017-18. (Source: RBI)
- 5.8 Over a period of time though, while the movement of traffic in terms of export and import cargoes has witnessed a growth, the capacity of Indian shipping has not kept pace with the same due to lack of investment in the Indian flag. Consequently, the dependence on the foreign flag ships for the carriage of overseas trade is becoming higher and higher, which is in turn causing a drain on precious foreign exchange in terms of payment of freight charges. There is tremendous potential for increasing earnings/savings of Indian shipping companies by increasing the share of national shipping in India's overseas trade from the present.
- 5.9 According to a study conducted by the National Council of Applied Economic Research (NCAER), shipping as a single industry is one of the largest contributors to the foreign exchange pool of India and, it is expected, on the basis of the NCAER's analysis of the trade and freight data, that a 5% increase in the national shipping tonnage saves or earns an additional 17% of the freight bill. Thus there is a need to augment the Indian tonnage and increase the quantity of Indian EXIM and coastal cargo carried on Indian ships. The emerging sectors, where there is a potential for enhancing trade (exports and imports), need to be focused upon and ways to open up sea routes on these sectors need to be considered. Some examples are the International North-South Transport Corridor (INSTC) route, which would considerably shorten the distance from India to Commonwealth of



Independent States (CIS) through Iranian ports; the routes to South East Asian countries, which still have the scope for development, like Thailand, Vietnam etc., akin to the sea routes which were opened up for Bangladesh and Myanmar (as part of Act East Policy of the Government).

5.10 During the years, India's overseas trade has expanded considerably both in terms of composition and direction due to the policy of export promotion being pursued by the Government. At the same time, efforts are being made to provide and improve the trade related infrastructure, especially the transport, to facilitate the movement of traffic more efficiently. So far as the movement of traffic by ships to overseas destinations is concerned, both Indian as well as the foreign flag ships operating consortium liner shipping services have been providing the services either directly or through transshipment arrangements for the general cargo in break-bulk or containerized form. Similarly for the bulk cargo moving either as imports or exports, the services of trans ships, both Indian and foreign, usually engaged on chartering basis, are available to all the destinations.

5.11 Improvement in export related infrastructure has been a consistent endeavour to promote exports. Inadequacies in seamless transport through road, rail, ports and airports are obstacles faced in the infrastructure development for promoting exports. However, it is a fact that in the transport sector, most of the funding in our country has been towards the railways and road and highways sectors. While the importance of roads and railways in the economy is undeniable, there is also a greater need to encourage the maritime sector to enable it to achieve its full potential. Thus there is a strong case for supporting waterway transportation.

SHIPBUILDING, SHIP REPAIR AND SHIP BREAKING

5.12 The Ministry of Shipping is the nodal Ministry for formulating policy measures for the promotion of Indian Shipbuilding and Ship repair Industry. There are 28 Shipyards in the country, 6 under Central Public Sector, 2 under State Governments and 20 under private Sector. The breakup of the government owned/ controlled shipyards are as under:-

(a) Ministry of Shipping, Government of India

- Cochin Shipyard Limited, Kochi
- Hooghly Cochin Shipyard Limited – a joint venture of HDPEL and CSL

(b) Ministry of Defence, Government of India

- Mazagaon Dock Limited, Mumbai
- Garden Reach Shipbuilders and Engineers Limited, Kolkata
- Goa Shipyard Limited, Goa
- Hindustan Shipyard Limited, Visakhapatnam

(c) State Governments

- Alcock Ashdown Co. Ltd. – Government of Gujarat
- Shalimar Works Limited – Government of West Bengal

5.13 The global shipbuilding industry is going through an extended downturn post 2009 with world's leading shipyards facing financial troubles due to lack of orders. The effects are being particularly felt in bulk cargo vessel segments (Bulkers, Containers, Crude Tankers), wherein ships delivered during 2008-12 period have created an excess supply of vessels in the



market, pushing down the charter rates. However, orders are still being placed for five segments - Cruises, LNG Carriers, LPG Carriers, Chemical Tankers and Product Tankers, and demand for these is expected to sustain for the next 3-5 years and beyond. The global ship repair market is worth \$17-20 billion, with Singapore, China, Japan and Dubai accounting for more than 45% of the market share. India requires a vibrant and robust shipbuilding and ship-repair industry for economic as well as strategic reasons. At present Indian shipbuilding industry has less than 1% of global share. Keeping in view that India has a coastline of 7500 km, inland water ways potential of 20,000 km, shipbuilding has been identified as one of the key sectors under the 'Make in India' initiative.

SHIPBUILDING

5.14 Ship-building is a manufacturing industry endowed with the unique feature of having nearly 65 percent value addition coming from other technology/ancillary industries such as steel, electronics, engineering and electrical equipment, port infrastructure as well as trade and shipping services. Another characteristic feature of ship-building is that unlike other manufacturing industries which pre-dominantly follow make-to-stock inventory model, shipbuilding is an order-driven industry where each vessel is custom built on receipt of the ship-building order. Thus, building an order book is essential for growth and sustenance of

the shipbuilding industry. Order book growth for commercial ships is largely driven by the growth in world trade and commerce, which spurs demand for new ships. The evolving environment-friendly international regulations also trigger demands for replacement of old ships.

Order Book Position

5.15 As on 31.12.2018, Cochin Shipyard Limited (CSL) has 35 ships on order including, 1 No. Indigenous Aircraft Carrier for the Indian Navy, 1 No. Technology Demonstration Vessel for DRDO, 2 Nos 500 Pax cum 150 Ton Cargo Vessel for A&N Administration, 2 Nos. 1200 Pax cum 1000 Ton Cargo Vessel for A&N Administration, 16 Fishing Vessels for Tamil Nadu Fishermen (under the scheme of Dept. of Fisheries, Tamil Nadu), 3 Nos Marine Ambulance for the Dept. of Fisheries, Govt. of Kerala, 10 Ro-Ro & Ro-Pax Vessels for the IWAI. Further CSL has emerged the L1 bidder for 8 Nos Anti-Submarine Warfare Shallow Water Craft (ASW SWC) Project for the Indian Navy. CSL has also emerged L1 in the Ministry of Home Affairs tender for the construction of 9 Nos Floating Border Outpost for the Border Security Force.

5.16 The present order book positions (Rs in crore) in both shipbuilding and ship repair sectors as on 31.12.2018 in respect of 8 member shipyards of Shipyards Association of India (SAI), which is an association of private sector shipyards comprising 20 members, is as under: -

Present Order Book as on 31.12.2018

Rs. in crore

Sl. No	Shipyard Name	Shipbuilding	Ship- repair
1.	Chowgule & Co. Ltd.	388	39.98
2.	L&T Shipbuilding Ltd.	954.43	73.54
3.	Mandovi Drydocks Ltd.	67	5
4.	Reliance Naval & Engg. Ltd. (Formerly Pipavav Shipyard Ltd.)	4140	N.A

Sl. No	Shipyard Name	Shipbuilding	Ship- repair
5.	Shoft Shipyard Pvt. Ltd.	45	NIL
6.	Marine Frontiers Pvt Ltd.	42.12	NIL
7.	A.C Roy & Company	35.1	NIL
8.	Dempo Shipbuilding & Engg. Ltd.	2	NIL
Total		5,673.65	118.52

Source: Shipyard Association of India



Shri K. K. Aggarwal addressing CEMS Workshop at Visakhapatnam

Potential in Shipbuilding

5.17 The likely growth in demand for shipbuilding in India is expected to emerge from the 106 new National Waterways (NWs) declared under the National Waterways Act, 2016. Out of 106 newly declared NWs, development of 32 NWs has been found to be technically feasible by the IWAI. There is requirement of 65 vessels by IWAI. Further, Union Territory of Lakshadweep also requires 14 vessels from 2019-20 to 2022-23.

5.18 Maritime clusters are vital for the growth of the ship building & repair industry as they provide ancillary services, manufacturing of ancillary products, maritime services and financial services for the industry. Based on the studies conducted under the Sagarmala Programme, Tamil Nadu

has been identified for development of a Maritime cluster as part of the National Perspective Plan of Sagarmala Programme. Factors such as proximity to the major shipping routes between Asia and Europe, presence of steel industry, shipyards and ports in the vicinity favour the development of a Maritime Cluster in Tamil Nadu. Gujarat Maritime Board (GMB) is also working on developing a Marine Shipbuilding Park in Bhavnagar, along with a Maritime Services cluster in Ahmedabad or Gujarat International Finance Tec-City (GIFT) City.

Goals of Indian shipbuilding industry

- To establish India's reputation as a low-cost manufacturing location for Product and Chemical Tankers.



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- b) To ensure all Inland vessels are built in domestic shipyards.
- c) To ensure that top global suppliers of advanced equipment stock and/or assemble their products in India.
- d) To ensure all government-owned/PSU vessels are built in India.

SHIP REPAIR

5.19 The global ship repair market is approximately US\$ 17 to 20 billion. Shipyards in China, Singapore, Bahrain, Dubai and Middle East account for a major share of this market. These locations have achieved a dominant position despite higher cost of ship repair services compared to other Asian countries, largely due to the availability of a skilled workforce and the latest technology, which allows these shipyards to attract demand from other low cost locations like India, Malaysia and Indonesia. Indian Ship Repair market potential is estimated to be approximately US \$ 1.5 billion.

Potential of ship-repair industry

5.20 India has a sizable number of 1401 ships on coastal and overseas trade as on 31.12.2018. Fleet expansion by domestic shipping is envisaged. Focus is required in the following categories:

- a) Commercial ships visiting Indian Ports
- b) Coastal vessels / service crafts
- c) Dredgers operating on the Indian Coast and Inland Waterways
- d) Naval and Coast Guard ships

5.21 India is located strategically on the international trade route, whereby it can attract ships for its ship-repair activity. This represents increasing market potential for the ship-repair business, as ship owners prefer to repair their ships without deviating from their trade routes

as much as possible. Ship-repair service, a supplementary service provided by most of the shipyards, is also a labour-intensive activity that utilizes the existing ship-building infrastructure to provide additional returns on the capital invested.

STRENGTHS OF INDIAN SHIP REPAIR INDUSTRY

Geostrategic location of India

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

Abundance of labour

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

Competitive labour rates

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

Quality of work

5.25 The speed of execution and quality of work is comparable to that of Indonesia, Philippines and Vietnam which have a



significant presence in the world ship repair industry.

RECENT STEPS/INITIATIVES IN SHIPBUILDING AND SHIPREPAIR

Financial Assistance Policy on Shipbuilding

5.26 To promote shipbuilding in Indian shipyards, the Union Cabinet has on December 9, 2015 approved the New Shipbuilding Financial Assistance policy for Indian shipyards for contracts signed during a ten year period, viz. 2016-2026. The Guidelines for Shipbuilding Financial Assistance Policy have been revised in October 2017 and the updated web portal for processing the online applications by DG(S) submitted online by shipyards has been rolled out on 31.10.2017. Further, it has also been clarified online by this Ministry on 14.03.2018 that Fair Price in respect of shipbuilding contracts for ships procured from Indian shipyards by Central Government/State Government Departments, Organizations set up under Acts of Parliament and controlled & managed by central Government Departments and CPSEs, secured by shipyards on L1 basis through tender process, will be considered as the L1 Price discovered/determined through competitive, open and fair bidding process.

Right of Refusal to Indian Shipyards

5.27 The Union Cabinet has also approved on 09.12.2015 that all government departments or agencies including CPSUs have to provide Right of First Refusal to Indian shipyards while procuring or repairing vessels meant for governmental or own use till 2025, after which only Indian shipyards would build and repair vessels. Guidelines were uploaded on the website of this Ministry on 31.05.2016. Subsequently, a few provisions of the guidelines regarding Quay Length and Non-Destructive Testing facilities have been modified by this Ministry to facilitate

more Indian shipyards, including small shipyards to take advantage of this policy. The modified guidelines have been uploaded on the website of Ministry of Shipping on 22.01.2019.

Grant of Infrastructure Status

5.28 The Department of Economic Affairs has notified the inclusion of standalone 'Shipyards' in the Harmonized Master List of Infrastructure Sub-sectors on 13.04.2016. With this inclusion, shipyards will be able to avail flexible structuring of long term project loans, long term funding from Infrastructure Funds at lower rates of interest and for a longer tenure equivalent to the economic life of their assets, relaxed ECB norms, and issuance of infrastructure bonds for meeting working capital requirements. A standalone shipyard is defined as a floating or land-based facility with the essential features of waterfront, turning basin, berthing and docking facility, slipways and/or ship lifts, and which is self sufficient for carrying on shipbuilding/repair/breaking activities.

Ease of Doing Business

5.29 To promote ease of doing business in the sector, Government has issued simplified procedure for tax compliance for the shipyards while procuring duty free goods for shipbuilding in the Union Budget 2016-2017. GST has been introduced in 2017 for simplification of tax structure.

International Ship Repair Facility

5.30 The Cochin Shipyard Limited (CSL) is developing an International Ship Repair Facility (ISRF) within the premises of Cochin Port Trust (CoPT) by installing a Ship lift Facility of 130m x 25m x 6000T capacity, with 6 Workstations and allied facilities at the cost of Rs. 970 Crores. The Public Investment Board of Ministry of Finance has conveyed approval to the project in May, 2016.



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New Large Dry-dock at Cochin Shipyard Ltd. (CSL)

5.31 The Cochin Shipyard Limited is constructing a New Dry Dock (Graving Dock of size 310m x 75/60m x 13m and Gantry Crane : 600 Tons x 1, LLTT Cranes : 75 Ton x 2, and other allied facilities) within its premises, at an estimated cost of Rs. 1799 crore (Rs. 920 crore for Civil + Rs. 879 crore for Machinery, electrical & consultancy). The project has already been approved by the Cabinet Committee Economic Affairs in July, 2016.

5.32 The new Dry Dock will enable the Company to build and repair specialized and technologically advanced large vessels such as LNG vessels, larger aircraft carriers, drill ships and dry-dock repairs of semi-submersibles, jack-up rigs, etc. Subsequent to the receipt of all statutory clearances for the Dry Dock project, letter of acceptance was issued for the construction (Civil, Mechanical and Electrical) on April 27, 2018. Tendering for the 600 T Gantry crane is also under progress. The project has commenced and ground breaking was done jointly by the Hon'ble Union Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Shri Nitin Gadkari and Hon'ble Chief Minister of Kerala, Shri Pinarayi Vijayan on October 30, 2018.

Joint Venture with Hooghly Dock and Port Engineers Ltd. (HDPEL)

5.33 A joint venture partnership between Cochin Shipyard Limited (74% stake in equity) and HDPEL (26% stake in equity) for upgradation and modernization of shipbuilding infrastructure at the two shipyard sites of Salkia and Nazirgunge in Kolkata has been approved. A joint venture company named Hooghly Cochin Shipyard Ltd. (HCSL) has been

incorporated as a subsidiary company of Cochin Shipyard Limited on October 23, 2017. The Company executed shareholders agreement on November 17, 2017, and concession agreement and lease agreement were executed on January 19, 2018. The consultancy work for DPR has been awarded to M/s. KITCO. HCSL is in the project implementation stage.

SHIP RECYCLING

5.34 Ship breaking in India takes place mainly at Alang-Sosiya in Gujarat. Ship breaking is also carried out in a limited manner at Kolkata, but it is restricted to vessels upto overall length of 157 meters. Small ships varying from 200 LDT to 2500 LDT are taken up for breaking in Kerala also. Ship breaking takes place at Mumbai also, where Mumbai Port Trust has restricted beaching/breaking of Chemical Tankers, POL Tankers, Passenger Vessels, Reefer Vessels and Fishing Trawlers at ship breaking plots. Since the ship breaking plots in Mumbai Port Trust are small in size compared to plots at Alang, general cargo vessels of 1000 LDT are generally brought for beaching/ breaking. The ship breaking capacity available in the country with the public and private sector is approximately 4.5 Million LDT.

Shipbreaking Code (Revised), 2013

5.35 Ship Recycling in the country is regulated under the Ship Breaking Code (Revised), 2013. This Code, 2013, which had been formulated based on the directions of the Apex Court, is in some areas more stringent than Hong Kong International Convention on safe and Environmentally sound recycling of ships(HKC). However, analysis had shown some gaps between the Code and the HKC. Amendments to the Code, have accordingly been carried out to make it HKC compliant.



Ship Breaking Scrap Committee

5.36 A Ship Breaking Scrap Committee (SBSC) under the Chairmanship of Joint Secretary (Shipping) was constituted vide orders no.SR-12011/3/2012-MG dated 22.07.2014 to inter alia, streamline various measures relating to modernization/upgradation of ship breaking yards, implementation of Ship Breaking Code, 2013 and administration of ship breaking scrap development fund (Ferrous Scrap Development Fund).

5.37 Project for development of Alang-Sosiya ship breaking yards with JICA assistance: Gujarat Maritime Board (GMB) has finalised a project for upgradation of existing environmental infrastructure at Alang Sosiya ship recycling yard at a total cost of US\$ 111 million, which includes US\$ 76 million as soft loan from JICA. A loan agreement has been signed on 15.09.2017 between JICA and Ministry of Finance.

5.38 The cost of the project will be shared as follows:

Item	Cost (in million US\$)
Loan from JICA	76
Taxes & Admn cost to be borne by GMB	25
Balance to be shared between GMB and M/o Shipping	10
Total cost	111

5.39 The project has the following main components:

- Upgrading 70 yards (Providing impervious floors to prevent pollutants in sub-soil)
- Improvement of existing Environmental Facility (Effluent Treatment Plant Incinerator and Oil Recovery systems etc).

- Introduction of Mobile Decontamination Units.(Pollution Response Equipment to avoid oil spill and fire)
- Introduction of Large Mobile Cranes (for enhancing safety in material handling from ships to plots and Beach Cleaning Wheel Loaders to collect wastes from coastal area, if any)
- Introduction of Tank Cleaning Barge (for decontamination of cargo hold of oil tankers anchored at Alang Anchorage, thus making them gas free to avoid fire /explosion and to prevent oil spill.
- Introduction of Multipurpose Vessel (proposed for standby operation when at Anchorage at Alang when decontamination is in process, for surveillance to address any accidental oil spill and firefighting)
- Training and capacity building of yard workers and associated stakeholders

5.40 GMB had initiated the process for selection of a Project Management Consultancy in October, 2017. The combined evaluation (Technical and Financial proposal) under quality & cost base system (QCBS) has been completed at GMB's Steering Committee level as on 14th November, 2018. As a part of approval procedure and as recommended by the Steering Committee, the proposal has been put up to the GMB's Tender Acceptance Committee chaired by Chief Secretary, Gujarat. Thereafter the matter will be referred to JICA for their concurrence. Acceptance letter for the Project Management Consultancy is expected to be issued sometime in February, 2019.



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Accession to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009

5.41 It has been decided in principle to ratify the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009. A draft Cabinet Note has been circulated for inter-ministerial consultations. Legislative Department is preparing a draft Recycling of Ships Bill, 2019, which will enable enforcement of the provisions of the Hong Kong Convention.

COASTAL SHIPPING

5.42 Coastal Shipping is a fuel efficient and environmentally friendly mode to reduce road and rail congestion. The ability to move large volumes in a short period gives coastal shipping a distinct comparative advantage over other modes of transport. Despite the inherent advantage, Coastal Shipping is still in its infancy in India. The coastal traffic grew @16.16 % in 2017-18, reaching 233.63 metric tones, compared to 201.12 metric tones in 2016-17. To promote coastal shipping in India the following policy decisions have been taken:-

- a) Cabotage has been relaxed under section 407 of Merchant Shipping Act, 1958, for coastal movement of :
 - EXIM/EMPTY containers
 - Agriculture, horticulture, fisheries and animal husbandry commodities.
 - Fertilizers.
- b) The requirement of licensing for chartering the vessel under section 406 of MS Act, 1958 has been exempted for the following:
 - EXIM/EMPTY containers
 - Agriculture, horticulture, fisheries and animal husbandry commodities.
 - Fertilizers.

CRUISE SHIPPING

5.43 Cruise shipping is a fast growing component of the leisure industry worldwide. Huge amount of foreign exchange can be earned and sizeable direct & indirect employment can be generated onshore by providing the right policy environment and infrastructure for the growth of cruise shipping and tourism. Cruise tourism leads to significant regional development and also leads to the development of allied services in the vicinity. Currently Indian ports are primarily ports of call for cruise lines at ports in Mumbai, Cochin, Goa, New Mangalore and Chennai. However, Coasta New Classica cruise has made Mumbai a home port in 2017-18 & 2018-19. In addition, India's first domestic Cruise Ship Angriya, with best in class amenities, has commenced operations between Mumbai and Goa on every alternate day.

5.44 Some of the steps taken by the Ministry of Shipping for promoting the cruise tourism sector are as follows:

- a) The port charges have been reduced to a uniform single rate of \$0.35 per GRT for first 12 hrs of stay w.e.f from 3rd November, 2017.
- b) Walk-in berthing/preferential berthing to home port cruise without any extra charge.
- c) Cruise tourists arriving with e-visa are exempted from the requirement of bio-metric enrolment for a period of three years i.e. till 31.12.2020
- d) Foreign flag vessels allowed to call at Indian ports for a further period of 10 years i.e. till 5.2.2024 without obtaining a license from Director General of Shipping.
- e) Standardized Operating Procedures (SOPs) for cruise vessels revised and operationalized in November, 2017.

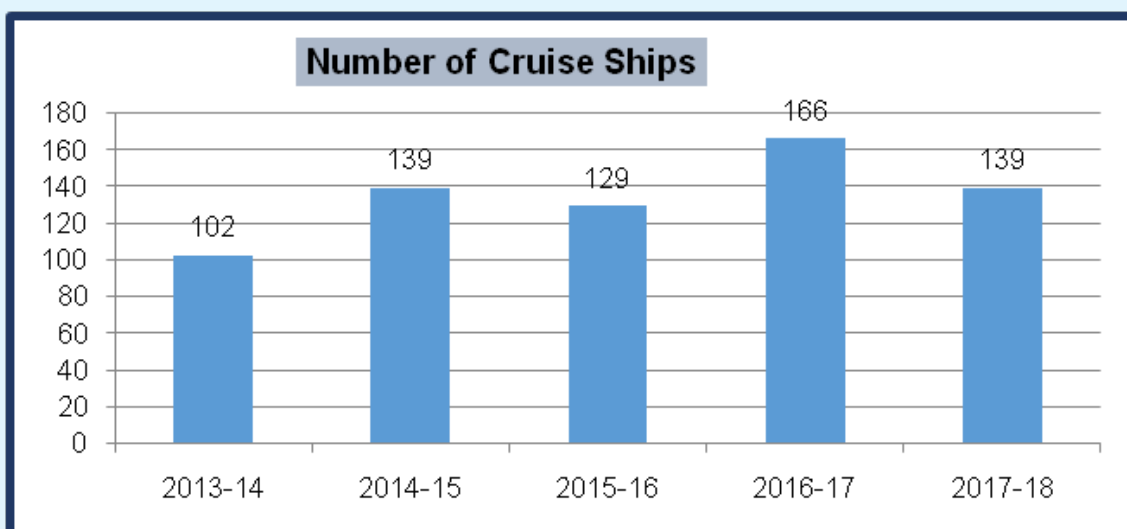
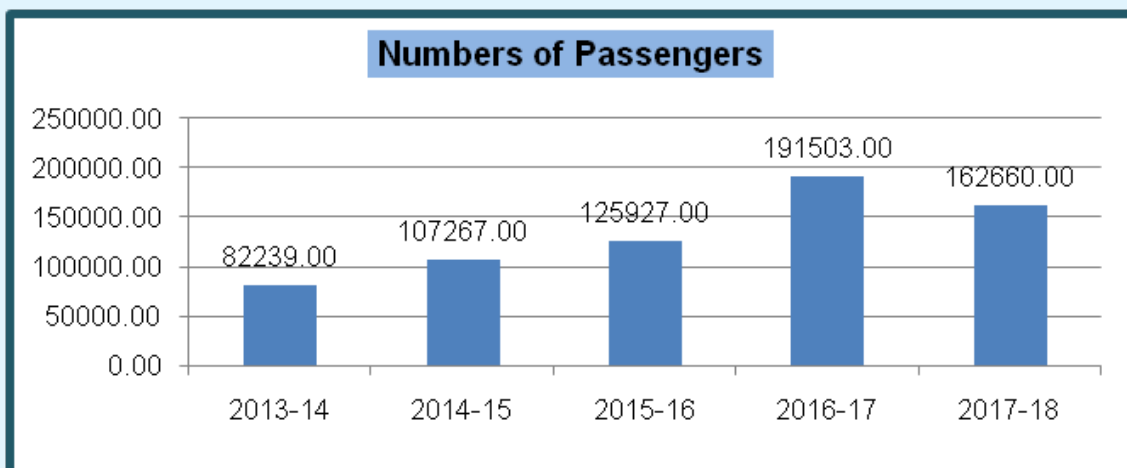


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- f) The foundation stone for upgrading the cruise terminal at a cost of Rs. 300 Crore out of which Rs 197 Crore is to be borne by Mumbai Port Trust and balance by PPP operators, was laid on 11th January, 2018.

The table below shows the status of Cruise Ships & Passengers at Major Ports in India

All India		
Year	No. of Cruise Ships	No. of Passengers
2013-14	102	82239
2014-15	139	107,267
2015-16	129	125,927
2016-17	166	1,91,503
2017-18	139	1,62,660



INITIATIVES ON MERCHANT SHIPPING LAWS

Revamped Merchant Shipping Bill to replace Merchant Shipping Act, 1958

5.45 The Merchant Shipping Bill was introduced in the Lok Sabha on 16.12.16. The Bill was

examined by the Department Related Parliamentary Standing Committee on Transport, Tourism, and Culture. The Committee has presented its 249th report to the Rajya Sabha on 18.07.17. The new legislation will repeal the existing Merchant



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Shipping Act, 1958 and the Coasting Vessels Act, 1838. The provisions of the Bill will simplify the law governing merchant shipping in India. Further, certain redundant provisions will be dispensed with and remaining provisions will stand consolidated and simplified so as to promote ease of doing business, transparency and effective delivery of services. The recommendations of the Parliamentary Standing Committee are under consideration in the Ministry. In between, NITI Aayog observed that the Bill is still too bulky and its provisions are very restrictive in nature w.r.t. Ease of Doing Business. Currently the process of appointment of Consultant for revising the Bill is going on. After finalization of the revision of Bill, the same will be placed before the Cabinet for approval.

The Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017

- 5.46 The Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2017, was passed by the Parliament on 24.07.17. The President gave his assent to the Bill on 09.08.17. The law aims to establish a legal framework for consolidation of related laws to replace the archaic laws of British era with modern Indian legislation and to confer admiralty jurisdiction on all High Courts of the coastal states of the country.
- 5.47 As per the new Act, High Courts of all the coastal states shall exercise admiralty jurisdiction over maritime claims, which include several aspects not limited to goods imported, but also claims in relation to payment of wages of seamen, loss of life, salvages, mortgage, loss or damage, services and repairs, insurance, ownership and lien, threat of damage to environment etc. The law accords highest priority to payment of wages to the seafarers. The Act also provides for protection against wrongful and unjustified arrest and has provision for transfer of cases from one High Court to other High Court.

5.48 Vessel Sharing Agreements [VSAs] had been exempted from the provisions of section 3 of the Competition Act, 2002, initially for a period of one year w.e.f. the 11th of December, 2013, until the 10th of December, 2014, and the exemption was again extended for one more year w.e.f. the 5th of February, 2015 upto the 4th of February, 2016 After a joint review of the said exemption, conducted by the Competition Commission of India and Directorate General of Shipping, Govt. of India, it has again been extended w.e.f 02.03.16 up-to 01.03.17, then from 21.03.17 to 20.06.17, then from 20.06.17 to 19.06.18 and later on from 04.07.2018 to 04.07.21, for fostering ease of doing business in the liner shipping industry in India, without, compromising the core anti-competition principles.

Achievements of the Ministry

- The seafarers employed on ships worldwide increased from 108446 in 2013 to 154349 in 2018. India now provides 9.35% of the global seafarers and ranks 3rd in the list of seafarer supplying nation to world maritime industry.
- A world class Center of Excellence in Maritime and Ship Building (CEMS) has been set up by Ministry of Shipping in collaboration with Siemens and Indian Register of Shipping (IRS).
- Cabotage has been relaxed for coastal transportation of EXIM and empty containers w.e.f. 21st May, 2018 and agriculture, horticulture, fisheries and animal husbandry commodities w.e.f. 22nd May, 2018.
- Ships chartered by Indian citizen or a company or a cooperative society registered in India are not required to take licence for chartering vessels for transportation of EXIM and empty containers w.e.f. 21st May, 2018 and for agriculture, horticulture, fisheries and animal husbandry commodities w.e.f. 22nd May, 2018.



A. DIRECTORATE GENERAL OF SHIPPING

6.1 The Directorate General of Shipping {DG(S)}, an attached office of the Ministry of Shipping, Government of India was established in 1949 for administering the Indian Merchant Shipping Act, 1958 and all matters relating to shipping policy and legislation, implementation of various International Conventions relating to safety, prevention of pollution and other mandatory regulations of the International Maritime Organizations, promotion of maritime education and training, examination & certification of seafarers and supervision of other subordinate offices for their effective functioning etc. The Director General of Shipping is appointed under section 7 of the Merchant Shipping Act, 1958.

6.2 The Director General of Shipping's administrative secretariat consists of Additional Director General of Shipping and Deputy Directors General of Shipping (non-technical). On the technical side, the Director General is assisted by the Nautical Adviser for Navigational Issues, Chief Surveyor on Marine Engineering Issues and Chief Ship Surveyor on the Naval Architecture issues. The field formation of Directorate General of Shipping is headed by Principal Officers who are assisted by surveyor of Engineering, Nautical and Naval Architecture sides. The Heads of allied offices supported by their subordinate officers also assist the Director General of Shipping in the overall discharge of various statutory functions. The Nautical Adviser and Chief Surveyor are also Chief Examiners of Master/Mates and Engineers respectively.



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Functions of Offices under the administrative control of the DG(S)

- 6.3 The Mercantile Marine Departments (MMDs) were set up in 1929 with Headquarters at Mumbai, Kolkata and Chennai. MMD, Kochi was elevated to district level office and a new district level office at Kandla was opened in 2005. These Departments were directly under the Ministry till the establishment of the Directorate General of Shipping at Mumbai in 1949. The main functions of MMDs are to administer the various Merchant Shipping laws and rules relating to safety of ships and life at sea, registration of ships, tonnage measurement, crew accommodation, survey for load line, safety construction, prevention of pollution, enquiries into shipping casualty and wrecks, surveys of passenger ships, radio equipments on board, inspection and approval of statutory equipment for life saving and fire fighting appliances, wireless telegraphy, global maritime distress and safety systems, navigational aids, pollution prevention equipments, supervision of repairs and construction of ship on behalf of State and Central Government organizations, Port State Control inspection, examination and certification of various grades of certificates of competency as per relevant examination rules under Merchant Shipping Act, 1958 etc.
- 6.4 The additional responsibilities were imposed from time to time in the form of new statutes like Multimodal Transportation of Goods Act, Admiralty Act, Recruitment and Placement of Seafarers Rules and so on and also various International Conventions. Surveys, inspections & Certification relating to safety of ships have been delegated to the Classification societies/Recognized Organization with selective supervisory role for the DGS on important surveys.

Passengers Ship Survey

- 6.5 All passenger ships are subjected to survey of hull, Machinery, equipment etc. during construction and thereafter annually. On completion of survey, Certificates such as Passengers Ship Safety Certificate, Space Certificate, Special Trade Ship Safety Certificate, Exemption Certificate, 'A' Certificate and Certificate of Survey are issued.

Cargo Ship Safety Construction (CSSC) Surveys

- 6.6 Under the requirements of SOLAS, 74 Convention as amended, administration is responsible for conduct of CSSC Surveys of various types of Cargo Ships under construction and periodical and annual surveys thereafter. The task of surveys of Cargo Ships under construction/reconstruction abroad and subsequent periodical/annual surveys and issuance of certificate have been delegated to recognize Classification Societies.
- 6.10 All Sea going vessels over 300 G.T. are required to be surveyed and issued with a Safety Radio Certificate in compliance with the M.S. (Radio) Rules, 1983 and Chapter IV of SOLAS 74 as amended from time to time. The survey consists of checking of Radio equipment for distress, safety and normal communication on board. With the harmonization of Certificates, the Safety Radio Certificate is issued.

Examination

- 6.11 In line with modern developments in technology and to encourage our young Marine Engineers to work on technologically advanced ships, where ship is propelled using both Steam and Motor power, the Chief Examiner of Engineers defines qualifying sea service requirements for Candidates appearing for combined Steam and Motor examination after working on these ships for various



grades of Competency Examination vide EAC Circular 7 of 2018.

Safety Equipment Surveys

6.12 The Classification Societies (ROs) carry out the Surveys of Safety Equipment on board ships under the requirements of SOLAS Convention 1974 as amended and the M.S. (Fire Fighting Appliances) Rules, 1990 and M.S. (Life Saving Appliances) Rules, 1991 and issue certificate.

International Oil Pollution Prevention (IOPP) Surveys

6.13 The Classification Societies (ROs) are also responsible for survey and certification for Oil Pollution under the various Annexes of MARPOL 73/38 Convention. In this survey, inspection of pollution prevention equipment is undertaken to protect and safeguard the marine environment.

Certificate of Fitness and International Pollution Prevention Certificate (IPPC)

6.14 The Certificate of Fitness / IPPC for the carriage of Noxious Liquid Substances in Bulk are issued after survey is carried out under Annex – II of the MARPOL and the Gas and Chemical Codes formulated by the International Maritime Organizations. This survey is usually carried out by the Classification Societies on behalf of the Department and the certificate is issued to the vessel by them.

Registration of Ships

6.15 There is consistent increase in the vessels registered under Indian flag as evident from the chart below:

S.No	Year	Coastal	Overseas	Total
1	2016	897	406	1303
2	2017	929	443	1372
3	2018	945	456	1401

6.16 The main functions of the Government Shipping Offices established under Section 11 of the Merchant Shipping Act, 1958 are:

- a) To provide means for securing the presence on-board at proper times of the seamen who are so engaged.
- b) To facilitate making of apprenticeship to the sea service.
- c) To hear and decide disputes under Section 132 between a Master, owner or agent of a ship and any of the crew of the ship.
- d) Issue of Continuous Discharge Certificate-cum-Seafarers Identity Document (CDC).

6.17 In the year 2018, CDCs issued were as under;

Fresh CDC	72112
Renewal CDC	2868
Duplicate CDC	500
Replacement CDC	13293

Seamen's Employment Office Mumbai/ Kolkata/ Chennai

6.18 The Seamen's Employment Office, Kolkata / Mumbai / Chennai established under section 12 of the Merchant Shipping Act 1958, continued to function in accordance with the provisions contained in Section 95 to 98 of the M.S. Act and as guided by the instructions and orders issued by the Directorate from time to time. In term of the amended section 95 of the M.S. Act, 1958 the business of the Seamen Employment Offices includes:-

- a) Issuance of license, regulating and controlling the recruitment and placement service providers.
- b) Ensuring that no fees or other charges for recruitment or placement of seafarers are borne directly or indirectly or in whole or in part, by the seafarers.
- c) Ensuring that adequate machinery and procedure exist for the investigation, if necessary, of complaints concerning the activities of recruitment and placement service providers.



Maritime Training in India

6.19 India has a long maritime tradition and is ranked 16th largest ship owning country by dead weight tonnage in the world. The single largest contribution of India to the Maritime Community is the presence of a strong, dedicated, efficient and reliable reservoir of officers and ratings of Merchant Navy in India. The safety and efficiency of ships are crucially dependent upon professional ability and dedication of well trained seafarers. Great importance has always been attached to the maintenance of high quality training imparted to maritime personnel in India, which has facilitated India to emerge as a major manpower supply nation to the world-wide shipping. The ever increasing demand of the India seafarers world-wide is testament of the quality of education and training received in India.

6.20 There are 169 Maritime Training Institutes approved by the Director General of Shipping at present. The Summary of the capacity of the various pre-sea training institutes is given as under:

Pre-sea Training Courses	Total approved annual capacity
Diploma in Nautical Science	4120
Graduate Marine Engineering	4236
Electro Technical Officers	2066
BE/B-Tech marine Engineering	3036
Training for General Purpose Ratings	7740
Certificate Course in Maritime Catering	626
B. Sc Nautical Science	2375
TOTAL	24,199

6.21 Annual intake capacity of the approved pre-sea courses is given in the table below:

Region	Name of the course	Approved intake
Eastern Region	Diploma in Nautical Science	80
	Graduate Marine Engineering	180
	Electro Technical Officers	360
	BE/B-Tech marine Engineering	706
	Training for General Purpose Ratings	1020
	Certificate Course in Maritime Catering	NIL
	B. Sc Nautical Science	320
	TOTAL	2,666
Western Region	Diploma in Nautical Science	3040
	Graduate Marine Engineering	2780
	Electro Technical Officers	596
	BE/B-Tech marine Engineering	320
	Training for General Purpose Ratings	2320
	Certificate Course in Maritime Catering	226
	B.Sc Nautical Science	585
	TOTAL	9,867



Region	Name of the course	Approved intake
Northern Region	Diploma in Nautical Science	680
	Graduate Marine Engineering	120
	Electro Technical Officers	NIL
	BE/B-Tech marine Engineering	120
	Training for General Purpose Ratings	560
	Certificate Course in Maritime Catering	NIL
	B.Sc Nautical Science	NIL
	TOTAL	1,480
Southern Region	Diploma in Nautical Science	320
	Graduate Marine Engineering	1156
	Electro Technical Officers	1110
	BE/B-Tech marine Engineering	1890
	Training for General Purpose Ratings	3840
	Certificate Course in Maritime Catering	400
	B.Sc Nautical Science	1470
	TOTAL	10,186

6.22 A ban imposed on opening of maritime training institutes in 2010 was lifted in November, 2016. Prior to November 2016 total no. of institutes was 147. Since then the Directorate has granted approval for new Maritime Training Institutes.

6.23 During this year on-line processing of applications for grant of approval for new Pre-sea and Post-sea institutes and approval for conduct of new course has been initiated. Accordingly, on-line issuance of In-principle approval and approval of maritime courses to institutions for conducting maritime courses has been introduced.

6.24 During this year, complaints were received against 8 maritime training institutes and surprise inspections were carried out against them. Order of withdrawal and closure was issued against these institutes.

Initiatives taken by the Directorate General of Shipping

E-Governance initiatives

6.25 Directorate General of Shipping has undertaken several measures to provide its services to its stakeholders on an e-platform. The e-governance project by the name e-samudra was conceived by the DGS in the year 2004. In the past two years, these e-samudra modules have been revamped/upgraded in accordance with the new requirements. Thereby many of the services of DGS are now brought on an e-Platform. These are as under:

Issuance of Continuous Discharge Certificates

6.26 Indian seafarers are required to possess a certificate called Continuous Discharge Certificate (CDC) to be able to work on an Indian flag ships. Entire process of issuance of CDC has been made online



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since June, 2015. Total number of seafarers who have utilized this facility by the end of December, 2018 is 1,12,295 and the number of CDC issued is 72,112.

Registration of ships

6.27 The DGS through its field offices [Mercantile Marine Departments] functions as the registrar of Indian flag ships. The entire process of registration of Indian ships and related processes such as alteration of name, change in mortgage etc., has been made online since May, 2015. Total number of ships who have utilized this facility by the end of December, 2018 is 2165.

Issuance of Licensing and Chartering permissions

6.28 "The filing of an application for permission, processing of such application [for both export and import charter], payment of fee and issuance of such permission is completely online, since November, 2014. 3615 applications have been processed till the end of December, 2018".

Concurrent feedback system

6.29 A concurrent feedback mechanism has been developed and hosted on the official website of the DGS to receive feedback/ inputs from service users on various services provided by DGS. The said feedback mechanism also provides for receiving grievances from other stakeholders and enables their grievances redressed. Concurrent feedback mechanism allows the users of the service to rate the service utilized and also to provide descriptive comments on the same. The concurrent feedback mechanism has now been converted into a robust Grievance Redressal Mechanism. A three member team has been functioning to monitor the redressal of grievances. In total 2485 feedbacks were received in

the year 2018, which were resolved. It is observed that the average response time to redress the grievances during the year is 1.9 days, whereas this response time is seen to have been reduced during the quarter ending 31.12.2018 to 1.2 days.

E- Learning Platform

6.30 The Director General of Shipping is the first maritime administration to roll out online learning platform or post sea training for seafarers. This training is provided to the seafarers free of cost. The LMS based platform has a number of interactive videos, mock tests and doubt clearing sessions. More than 18,000 Indian seafarers are using this platform.

A. Standards of Accessibility for person with Disabilities (Divyangjan), for passenger shipping services

6.31 Standards of Accessibility for Persons with Disabilities (Divyangjan), for passenger shipping services, as required under Section 40 of the Rights of Persons with Disabilities Act, 2016 read with proviso to Rule 15 of Rights of Persons with Disabilities Rules, were formulated and issued vide DGS Order No. 09 of 2018 dated 04.09.18. This will enable the Divyang persons to have special facilities in passenger shipping services in the country.

B. SEAMEN'S PROVIDENT FUND ORGANIZATION, MUMBAI

6.32 The Seamen's Provident Fund Scheme, the first social security scheme for Indian Merchant Navy Seamen, brought under statute by enactment of the Seamen's Provident Fund Act, 1966 (4 of 1966) was introduced retrospectively with effect from 1st July, 1964, to provide for the institution of a provident fund for seamen as old age retirement benefit and their family members in the event of death of seamen members. The Seamen's Provident



Fund is vested in and administered by the Board of Trustees consisting of the Chairman and three representatives each of the Government, Employers and Employees. The Director General of Shipping is an ex-officio Chairman of the Board of Trustees and the Commissioner is the Chief Executive Officer and the Secretary to the Board in the year 2018. SPFO was maintaining the PF account of approximately 80000 Indian seafarers

C. NATIONAL WELFARE BOARD FOR SEAFARERS

6.33 As provided under Section 218 of Merchant Shipping Act, 1958 the Government of India has constituted a National Welfare Board for Seafarers headed by the Union Minister of Shipping for advising the Government on the measure to be taken for promoting the welfare of Seamen whether on shore or aboard. The Board functions with Minister of shipping as the chairman and Minister of state for shipping as Vice Chairman. It comprises of 2 Members of Parliament (one from Lok Sabha and one from Rajya Sabha), 4 representatives from Central Government, 3 representatives each of Ship-owners and Seafarers, 2 representatives from Port Trusts, 1 non-official Member from the field of Seamen's Welfare of Public, representative from Society interested in Seamen's Welfare.

D. SEAFARERS' WELFARE FUND SOCIETY

6.34 The SWF Society is set up as a Central Organization for the Welfare of Indian Seafarers and their families. It is registered under the Societies Registration Act 1860 and as a Trust under the Bombay Public Trust Act 1950. The Society represents various interests connected with Indian Shipping which includes representatives of Indian and Foreign Ship-owners and also of Seafarers' Unions separately for officers and seamen. The control of business and

affairs of the Society is vested with the Committee of Management of which the Director General of Shipping is the ex-officio Chairman. SWFS holds the gratuity of 75000 Indian seafarers approximately.

E. DIRECTORATE GENERAL OF LIGHTHOUSES AND LIGHTSHIPS

6.35 In the vast ocean, a mariner is not sure of his position unless he is guided by some signal from the land/space. DGLL provides service to enable the mariners to know their position with respect to a fixed point on the land with the help of Visual Aids to Navigation such as lighthouses, light vessels, buoys, beacons and Radio Aids to Navigation like Differential Global Positioning System (DGPS), Radar Beacons (Racons), Vessel Traffic Service (VTS) & Automatic Identification System (AIS) etc.

Mandate

6.36 Headquarters of the Directorate, situated at Noida, is headed by the Director General of Lighthouses & Lightships. All policy matters concerning administration, development, planning etc. are decided at headquarters in consultation with Ministry of Shipping. For the purpose of effective superintendence of Lighthouses and other Aids to Marine Navigation, the Indian coast is divided into nine regional Directorates known as Lighthouse Districts with their headquarters at Gandhidham, Jamnagar, Mumbai, Goa, Cochin, Chennai, Visakhapatnam, Kolkata and Port Blair. Regional Lighthouse Directorate is headed by a Director, who reports on the technical matters to the Deputy Director General and who finally report to the DGLL. A team of qualified Engineers, Technical and Ministerial staff assists the Director in effective superintendence and management of lighthouses and Marine Aids to Navigation.

Aids to Navigation

6.37 There were 17 lighthouses at the time of Independence. As on date, the details of Aids to Navigation maintained by the DGLL are as shown below:

S. No.	Aid to Navigation	Nos.
1.	Lighthouses	194
2.	Lightship	01
3.	DGPS Stations	23
4.	Racons	64
5.	Deep Sea Lighted Buoys	21
6.	National Automatic Identification System (AIS) Physical Shore Stations (PSS)	87
7.	Vessel Traffic Service - Gulf of Kachchh(9 Radar +4 AIS Base Stations & 2 Direction finder)	01
8.	Lighthouse Tender Vessels	03
9.	National Navtex Chain (7 Tx. Stations, 7 Monitoring Stations & Navtex Control Centre at Mumbai & Vizag.)	01

Lighthouses

6.38 A Lighthouse is a structure on land, close to the shore line or in the water. The Lighthouse tower serve as a day mark with its colour scheme and a powerful light with a specific character serve the mariners during the night. A lighthouse may be used to indicate dangerous Shoals, Sand Bank, Rock etc to obtain a Line of Position and to indicate Landfalls, Headlands, entrance to estuaries/ports etc. Solarization of Lights of all the 194 Lighthouses has been completed.



Lighthouse Nagapattinam, Tamil Nadu

Lightship

6.39 A Lightship serves the same purpose as lighthouse and is positioned in the sea, where it is not feasible to construct a lighthouse. DGLL maintains a lightship "PERIGEE" off the Bhavnagar coast, in Gujarat.

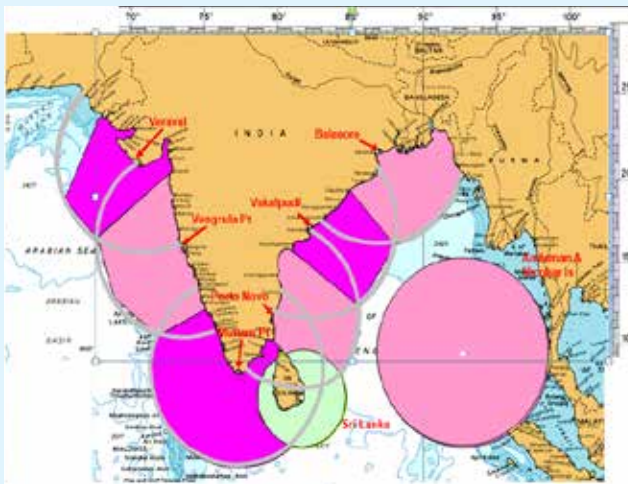


Lightship off Bhavnagar Coast

National Navtex Network

6.40 The Directorate General of Lighthouses & Lightships has established a National NAVTEX Network along the coastline of India in order to meet the International Maritime Organization (IMO), Global

Maritime Distress and Safety System (GMDSS) requirement by establishing 07 Transmitting Stations on West Coast, East Coast and in Andaman and Nicobar Islands. The NAVTEX Network broadcasts Maritime Safety Information (i.e. Weather Forecast, Weather Warning, Navigation warnings & SAR messages). The data are provided at NAVTEX Centre by the Indian Metrological Department (IMD), National Hydrographic Office Indian Coast Guard (ICG) and Directorate General of Shipping at Mumbai from where it is relayed to various transmitting stations. Presently the system is working on trial basis.



Lighthouse Tender Vessels

6.41 To cater to the need of maintenance of Lighthouses in the islands and for maintaining the channel marking buoys in the Gulf of Kachchh and Gulf of Khambat, the Directorate is maintaining three ocean-going vessels, M.V. Sagardeep-II, M.V. Deepstambh-II and Indira Point.



MV Indira Point

Development of Tourism

6.42 Lighthouses, due to its natural and scenic locations, have tremendous tourist potential. The DGLL is promoting tourism at lighthouses in phased manner. In order to give impetus to promote tourism at Lighthouses, the Ministry has identified 08 Lighthouses along the coast of India have been taken up for promotion of tourism at initial stage.

- i. Kanhoji Angre (Maharashtra)
- ii. Sunk Rock (Off Mumbai Coast)
- iii. Aguada (Goa)
- iv. Muttom Point (Tamil Nadu)
- v. Mahabalipuram (Tamil Nadu)
- vi. Kadalur Point (Kerala)
- vii. Minicoy (Lakshadweep)
- viii. Chandrabhaga (Odisha)

Development of infrastructure for visitors at Lighthouses

6.43 Directorate General of Lighthouses & Lightships has taken initiative for Improvement/development of infrastructure for visitors at Gopnath, Veraval & Dwarka Lighthouse. The project was launched by the Hon'ble Minister of State for Road Transport, Shipping, Chemical & fertilizers Sri Mansukh L Mandaviya on 27/10/2018 at Gopnath Lighthouse.

Establishment of new Lighthouse at Tries Island

6.44 For easy identification of landmark and to provide seamless coverage of lighthouse along the Indian Coast a new Lighthouse at Tries Island situated in Andaman & Nicobar Island has been established. This lighthouse will be of immensely helpful to mariners.



Shri Mansukh L. Mandaviya, MoS launching tourism development projects at three Lighthouses in Gujarat



Lighthouses at Tries Island, Andaman & Nicobar Islands

Organising of Level-1 AtoN Manager Training Course at Marine Navigation Training Institute, Kolkata from 23rd Jul to 17th August, 2018, Kolkata

6.45 DGLL in association with IALA organized a 4 weeks "Level-1" A to N Manager training programme at MNTI from 23rd July, 2018 to 17th August, 2018 for the participants of NIOR countries and

other littoral states. The training was conducted as per module course IALA E141/1. The training was attended by total 18 participants : Bangladesh(2); China(1); Fiji(1); Indonesia(1); Malaysia(1); Myanmar(1); Singapore(1); Somalia(1); Sri Lanka(2); Sudan(1); Thailand(2); India(04) [01-Paradeep Port, 01-Chennai Port, 02-DGLL].



Shri D. K. Sinha, DGLL addressing participants at International training programmes at Kolkata

F. INDIAN MARITIME UNIVERSITY (IMU)

6.46 IMU is a teaching-cum-affiliating University established on 14th November, 2018 to provide quality maritime educations, training and research. The Ministry of Shipping, Government of India, Indian Register of Shipping (IRS) and Siemens Industry Software (SISW) have entered into a tripartite agreement on 01.11.2017 to promote skill building for shipbuilding, consequent to which IMU entered into an MoU with CEMS for establishing a Centre of Excellence in IMU, Visakhapatnam Campus on 14.02.2018.

6.47 During the year 2017-18, 988 students were admitted in IMU Campuses and 1561 students were admitted in the Affiliated Institutes. 5 Statutes, 7 Ordinances and 3 Regulations were published in the Gazette of India during the year 2017-2018. IMU Chennai Campus conducted 6-week International training programme on Port Management, Ocean Engineering

and Marine Engineering for African delegates under the auspices of Indian Technical and Economic Cooperation (ITEC), Ministry of External Affairs, Govt. of India in the year 2018. New HQ Building of IMU became ready in January' 2018 and Vice Chancellor and Administrative Offices started functioning from new building w.e.f. 19th January 2018. National Seminar on Impact of E-Commerce on Retail Markets for Goods and Services in Indian (Estuary'18) was conducted between 22.02.2018 and 23.02.2018.

G. TARIFF AUTHORITY FOR MAJOR PORTS

Role & Functions of the Authority

6.48 The Tariff Authority for Major Ports (TAMP) was created in 1997 by an amendment to the Major Port Trusts Act, 1963 and was constituted by the Government of India through a Gazette Notification on 10/04/1997. The regulatory jurisdiction of the Authority extends to all the Major Port Trusts and private terminals operating



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therein. The Authority is statutorily mandated to frame the Scale of Rates and Statement of Conditions for the services rendered by the Major Port Trusts and Private Terminals thereat as well as charges for use of port properties. The Authority consists of a Chairman and two Members. The sanctioned strength of officers and staff of the Authority is 36. Tariff Authority for Major Ports is an ISO 9001:2008 and ISO 27001:2013 certified organisation.

6.49 The Authority follows the following guidelines issued by the Government of India as policy direction u/s 111 of the Major Port Trusts Act, 1963 for regulating tariff of Major Port Trusts and Private Terminals operating thereat.

(i).	Upfront Tariff Guidelines, 2008
(ii).	Reference Tariff Guidelines, 2013
(iii).	Policy for Determination of Tariff for Major Port Trusts, 2018
(iv).	Tariff Guidelines, 2019, for regulation of tariff for BOT operators operating in Major Port Trusts, under the Tariff Guidelines, 2005.
(v).	Guidelines for Determination of Upfront Tariff for Stevedoring and Shore Handling Operations, 2016.
(vi).	Berthing Policy for Dry Bulk Cargo for Major Ports, 2016.

6.50 During 2018-19, the Government reviewed Tariff Policy, 2015 applicable for Major Port Trusts in consultation with the Major Port Trusts and TAMP and issued revised Policy in December 2018.

6.51 During 2018-19 it was decided to revise the Tariff Guidelines, 2005 for BOT Terminals at Major Ports. An Internal Committee under the Chairmanship of Additional Secretary & Financial Adviser (Shipping) was constituted to steer the process of revision of 2005 Tariff Guidelines applicable to BOT Terminals operating at the Major Port Trusts. The draft Tariff Guidelines, 2019, were circulated and also hosted on the website of the Ministry of

Shipping for inviting comments of the Major Port Trusts, BOT operators governed by the 2005 Guidelines, Indian Private Ports & Terminals Association (IPPTA) and users/ user organizations. After taking into consideration the comments and suggestions received from the various stakeholders and the views of TAMP, the Ministry of Shipping finalized the Tariff Guidelines, 2019 for regulation of Tariff for BOT operators operating in the Major Port Trusts under the Tariff Guidelines of 2005. The Tariff Guidelines were notified in the Gazette of India, Extraordinary (Part-III Section 4) on 7th March, 2019 vide Gazette No. 92.

6.52 An exercise for review of Reference Tariff Guidelines, 2013 has been undertaken in 2018-19. In the meanwhile, the validity of the Reference Tariff Guidelines has been extended for one more year upto 8 September 2019 or until further Order whichever is earlier.

Land Policy Guidelines issued by Government of India

6.53 TAMP follows the Land Policy Guidelines issued by the Government from time to time. The Land Policy Guidelines, 2014 was announced by the Ministry of Shipping in January 2014 and subsequently, the Ministry vide its communication dated 14 October 2015 forwarded the clarification and amendments to the Land Policy Guidelines 2014.

Consultative Process and Position relating to Tariff Cases

6.54 The Authority has adopted a definite procedure for disposal of tariff cases. In order to promote participative approach in tariff fixing, special care is taken to give adequate opportunities to users to furnish written and / or oral submissions. Port-level joint hearings are organized to facilitate maximum participation of the

greatest number of users to hear their arguments on all tariff proposals and final decisions are taken in the Authority meetings and tariff Orders are notified in the Gazette of India.

H. ANDAMAN LAKSHADWEEP HARBOUR WORKS

Introduction

6.55 Andaman Lakshadweep Harbour Works (ALHW) a subordinate office under Ministry of Shipping was established during 1965 for the service of A&N Islands and Lakshadweep Islands. The ALHW is entrusted with the responsibilities of formulating and implementing the programme of Ministry of Shipping for providing Port and Harbour facilities in Andaman & Nicobar and Lakshadweep Islands. From its inception, ALHW has been implementing the Port development schemes from the funds provided by Ministry of Shipping under Central Sector Plan schemes starting from the Third Five Year Plan onwards. Apart from the creation of Port infrastructures, ALHW is also entrusted with maintenance of Port structures & Cargo Handling equipments under the funds provided by Andaman & Nicobar Administration and Lakshadweep Administration.

Performance

a) Sheltered harbours with breakwater at



Rangat in Middle Andaman, Hut Bay in Little Andaman, Campbell Bay in Great Nicobar and Mus in Car Nicobar of A&N Islands and Androth and Kalpeni in Lakshadweep Islands.

- b) Wharves for Mainland ships at Haddo berth no. 1 to 4, Chatham, Hope Town, Mayabunder, Hutbay & Campbell Bay (in A&N Islands), Androth, Kalpeni, Minicoy, Kavaratti, Amini & Agathi in Lakshadweep Island i.e. 09 Nos. of wharves in A&N Island and 06 Nos in Lakshadweep Islands.
- c) Jetties for Inter island ships at Rangat, Diglipur, Havelock, Little Andaman, Mus, Kamorta, Campbell Bay & Port Blair (in A&N Islands) (i.e. 15 nos. in A&N Islands).
- d) 49 Nos. of Ferry Jetties /Vehicle Ferry jetties have been constructed in A&N Islands and similarly in Lakshadweep Islands, 15 Nos. of jetties have been constructed to cater to low draught vessels.
- e) Ship repair facilities such as Dry Dock in Port Blair, Slipways at Port Blair, Mayabunder and Little Andaman.

Projects

6.56 Andaman Lakshadweep Harbour Works (ALHW) has completed following projects during 2018-19.

- (a) **Construction of Jetty at Afra Bay in Great Nicobar Islands**



- Estimated Cost : Rs. 1721 lakh
- Date of commencement: 19.01.2015
- Date of completion: 11.05.2018

(b) Construction of (2x203) KL HSD Storage tank at Car Nicobar



- Estimated Cost: Rs. 252.00 Lakh
- Date of Commencement: 02.12.2013
- Date of Completion:- January, 2019

Creation & development of infrastructure amenities

- a) Andaman Lakshadweep Harbour Works (ALHW) in the past 53 years has constructed various harbour facilities in the islands as per the requirements in a phased manner after conducting detailed hydrographic surveys at site, model studies & experiments at Central Water and Power Research Station, Pune and other consultants such as Indian Institute of Technology, National Institute of Ocean Technology, Chennai, NEERI Nagpur, NIO Goa etc.
- b) Apart from construction of Port and Harbour facilities, ALHW attends to the maintenance of harbour facilities including operation and maintenance of Cargo Handling Equipments, Ship Repair facilities etc.
- c) The projects executed by ALHW in the islands are being funded directly by the Ministry of Shipping under Central Sector Plan.
- d) The Andaman & Nicobar Administration has also provided the required funds under the State Sector plans for improvements to the harbour facilities, creation of minor port development schemes, and also for the maintenance of the Port facilities and operation of Cargo handling equipments.



- e) The development of Port, Harbour and allied facilities in the Lakshadweep Islands are of paramount importance for the sustained and integrated development of these remote islands. This department has strived hard in providing harbour facilities such as navigational channels, permanent RCC jetties, Navigational aids and Foreshore facilities in Lakshadweep. The harbour facilities provided by the department at Lakshadweep are being maintained with the funds allotted by the Lakshadweep Administration under Maintenance Grant.

PUBLIC SECTOR UNDERTAKINGS (PSUs)

I. SHIPPING CORPORATION OF INDIA LTD. (SCI)

- 6.57 During the last 57 years, SCI has been providing yeoman service to the country's economy by meeting its ocean transport requirements. Starting out as a Liner shipping company with 19 vessels with a capacity of mere 0.19 million Dead Weight Tonnage (DWT) in 1961, SCI as on 31.12.2018 owns 63 vessels of 5.68 Million DWT, 3.5 Million GT and constitutes about 29% (in terms of dwt) of the Indian tonnage.

Crude transportation

- 6.58 India has one of the world's fastest growing energy markets. Energy security is of paramount importance. Looking at nation's immense energy needs for growth, SCI gradually shifted its focus from liner business to energy transportation starting with crude oil transportation in 1964. SCI ordered several crude and product tankers in 1970s to exclusively meet the needs of the Indian Oil Industry. Today SCI has a fleet of 33 crude and product tankers. SCI has five VLCCs and they are mainly employed on voyage charter.

LNG transportation

- 6.59 In 2004, SCI was the first Indian Shipping Company to have ventured into LNG Transportation and remains the only Indian company operating in LNG sector in India. It co-owns four LNG carriers in consortium with premier Japanese companies and independently manages their techno-commercial operations. Further, SCI has also signed MOU with GAIL for transportation of 5.8 million tonnes per annum of LNG from USA to India from 2016-17 where SCI is providing technical consultancy and has step-in right for equity ownership (upto 26%) with the winning bidders. A JV in Hong Kong is formed for managing LNG vessels and is currently developing opportunities in providing O&M services to LNG FSRU's and FSU's.

Commodity/product transportation

- 6.60 SCI took fullest advantage of the recession in the shipping industry in early 1980 and did massive fleet acquisition (tankers as well as dry bulk vessels) to meet nations growing EXIM trade. In 1991, SCI diversified into cryogenic operations. As of date, SCI has 16 dry bulk carriers. The Bulk Carriers market worldwide is prevailing at all time low levels.

Container movement

- 6.61 One of the strengths of SCI lies in their having a diversified fleet. As Liner business was changing from break bulk to containers, SCI was the first Indian Shipping Company to acquire cellular container vessels in 1993. SCI is the only Indian Shipping Company providing container services from India to West as well as East. Though small, SCI today also has a fleet of three container vessels. Presence of SCI in this segment has proved to have a moderating effect on the freight rates thus protecting the interest of Indian exporters.



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Coastal services

6.62 SCI also manages Oceanographic & Coastal Research vessels on behalf of Government agencies/departments viz. three vessels owned by Geological Survey of India under Ministry of Mines and one vessel of National Centre for Antarctic & Ocean Research, one vessel of Centre of Marine Living Resources and Ecology and three vessels of National Institute of Ocean Technology under Ministry of Earth Sciences.

DRDO project

6.63 SCI has provided/deployed its two offshore vessels on long term charter to the Defence Research & Development Organization (DRDO), for their strategic missions of national importance. On 12th December 2018, Indian Navy inducted its first Deep Submergence Rescue Vehicle (DSRV) in Mumbai. SCI's offshore vessel, SCI Sabarmati, was selected for conducting the maiden trials of the first DSRV of India.

Offshore Segment

6.64 SCI entered the offshore segment, by acquisition of 10 Offshore Supply Vessels in 1984-85. The vessels have been providing vital support to the Indian offshore oil industry by way of assisting the E&P companies in their exploration & production activities.

Financial health

6.65 SCI had been a continually profit-making organization till financial year 2010-11; however, prolonged depressed market conditions impacted SCI and incurred losses for three years from FY 2011-12 to FY 2013-14. In 2014-15, however, SCI managed a turnaround and posted a profit after tax of Rs.200.93 crore due to the tanker market showing improvement which partly offset the losses of the bulk

carrier segment. The judicious cancellation of contracts and control of costs coupled with lower bunker prices helped in SCI posting positive results in the initial years. Despite decrease in revenue from operations, the over-all financial health of company has improved substantially with prudent financial management. SCI has despite the continuing volatility in freight rates; posted consolidated net profits post FY 2013-14. The below table shows the financial performance of SCI during last 3 years:

Financial Year	2015-16*	2016-17**	2017-18
Total Income (Rs. Crore)	4214.7	3592.6	3617.5
Net profit (Rs. Crore)	753.3	142.3	253.8
Dividend (%)	Nil	Nil	Nil

*Figures are restated as per IND AS

** Figures are restated as per IND AS8

J. DREDGING CORPORATION OF INDIA LIMITED

6.66 Dredging Corporation of India Limited (DCI) was incorporated in March, 1976 with an authorized capital of Rs. 30crore and paid-up capital of Rs. 28 crore. 1.44% and 20% of the share capital was disinvested by the Government in the years 1991-92 and 2003-2004 respectively. 5% of the share capital was further disinvested by the Government in the year 2014-15. During 2016-17 0.09% of the share capital was offered and purchased by the employees. Its shares are listed on Mumbai, Kolkata and National Stock Exchanges. The Government holding in the Company is 73.47%. The Company is engaged in providing maintenance and capital dredging services, beach nourishment, land reclamation, shallow water dredging, marine port constructions activities, PMC services to Ports, India Navy etc. Located strategically on the eastern seaboard at Visakhapatnam, DCI helps in attaining and

continuous availability of desired depths, in the shipping channels of major and minor ports for fishing harbours, Indian Navy and other maritime organizations.

Dredging operations

6.67 The Company has secured on tender basis the dredging contract at Haldia/ Kolkata Port for five years from 1/1/2017. The Company has been performing the dredging at the port for the past thirty years. The Company also caters to the maintenance dredging requirements of other major ports/ India Navy etc. The Company is taking up capital dredging assignments depending on the availability of the vessels and other logistic requirements. During the year under review, maintenance dredging contracts were executed for Kolkata Port, Cochin Port Trust, Cochin Shipyard, RGPPL-Dabhol, Gangavaram, Mumbai Port Trust and New Sand Trap and its approaches of Visakhapatnam Port Trust. Capital Dredging Contracts were executed at Paradip Port, Bangladesh, Andaman and Nicobar Island, Puducherry, Gogha and Dahej. The above works were executed either under the existing contracts or renewal of the contracts entered into with the Ports etc., during the previous years or new contracts entered into during the year

Financial Results

6.68 The Profit after tax of the Company is Rs. 1664.27 lakh for the year 2017-18 as compared to Rs. 712.26 lakh for the previous year. The Company's earnings per share is Rs.5.94 for 2017-18 as compared to Rs. 2.54 for 2016-17. The operational income of the Company is Rs. 59187.36 lakh as compared to Rs. 58417.77 lakh for the previous year. The other income is Rs. 2024.54 lakh as compared to Rs. 1381.78 lakh for the previous year. The total income for the year is Rs. 61211.90

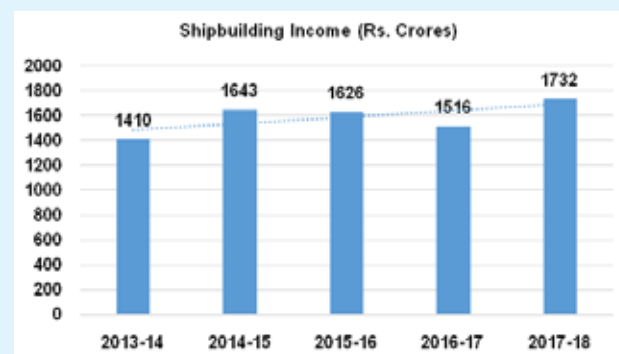
lakh as compared to Rs. 59896.55 lakh for the previous year.

Dividend

6.69 Keeping in view the financial performance of the Company and other relevant considerations the Company has paid dividend of 20% of paid up share capital amounting to Rs.2 per share aggregating to Rs. 5.60 crore to the share holders for 2017-18 of which Rs. 4.11 crore was paid to GOI. The Company has not paid any dividend for the previous year 2016-17.

K. COCHIN SHIPYARD LIMITED

6.70 The performance of Cochin Shipyard Limited (CSL) continued to be good during the year 2017-18. In spite of the continued global down-turn in shipbuilding industry, the turnover for the year was Rs. 2355.12 crore as compared to Rs. 2058.87 crore in the year 2016-17. The Profit Before Tax was Rs. 604.86 crore as against Rs. 493.40 crore in the previous year. The net profit was Rs. 396.75 crore as compared to Rs. 321.55 crore for the previous year. This performance is creditable considering the continuing recessionary conditions in the shipping and ship building sector. The net worth of the Company of the last five years is as under:



Operational Highlights

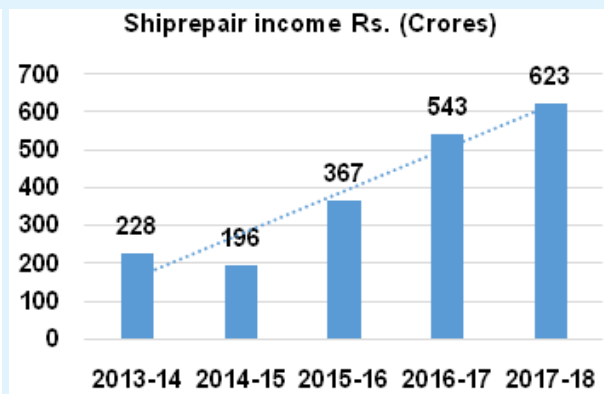
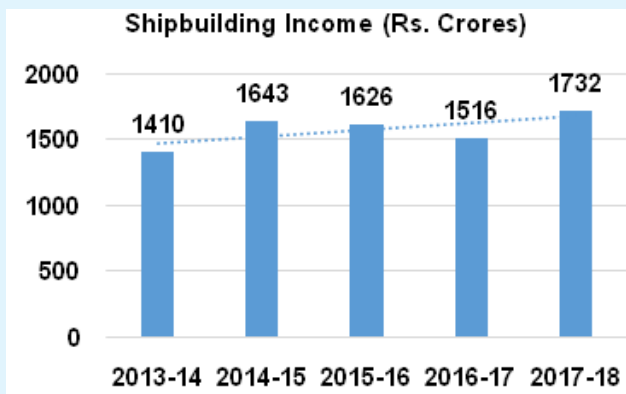
6.71 The Company achieved a total shipbuilding income of Rs 1731.86 crore during 2017-18 as against Rs 1515.82 crore in 2016-17. During the year 2017-18, the yard



completed the delivery of two Double ended Ro-Ro vessels for Kochi Municipal Corporation. The yard completed various major milestones on the projects which are under construction such as keel laying and launching of SH 20 - Technology Demonstration Vessel (Special Purpose Vessel), steel cutting and keel laying of SH 21 and SH 22 - 500 pax vessels, steel cutting and keel laying of SH 23 and SH 24 - 1200 pax vessels and steel cutting for 16 nos. fishing vessels. Indigenous Aircraft Carrier (IAC) project progressed satisfactorily. Machinery outfitting of engine room and installation of 415 volt power generation and distribution system was completed. 3D modelling of major ship systems upto flight deck was also completed. Trials of DG sets 1 and

5 were completed successfully. Critical AFC equipment was received at the Yard. Phase third contract is expected to be concluded in the current financial year.

6.72 During the year, the Company achieved a total ship repair income of Rs 623.27 crore as compared to Rs 543.05 crore during the financial year 2016-17. Major vessels repaired during the year include INS Shakti, INS Nireekshak, INS Airavat, INS Sujata, INS Sutlej, M V Sagardweep - II, M V Kalighat, M V Bharat Seema, WSV Samudra Nidhi, DCI Dredge XIX etc. Also, after a long interval, CSL has started refit of Offshore Drilling Vessels by undertaking ongoing refit of MODU Sagar Bhushan from ONGC during the year. Company's income from Ship building and Ship repair in the last five years is as under:



International Shiprepair Facility (ISRF) at Cochin Port Trust

6.73 The Cochin Shipyard Limited (CSL) is developing an International Ship Repair Facility (ISRF) within the premises of Cochin Port Trust (CoPT) by installing a Ship lift Facility of 130m x 25m x 6000T capacity, with 6 Workstations and allied facilities at the cost of Rs. 970 Crores. The Public Investment Board of Ministry of Finance has conveyed approval to the project in May, 2016.

New Dry Dock Project

6.74 The new Dry Dock will enable the Company to build and repair specialized

and technologically advanced large vessels such as LNG vessels, larger aircraft carriers, drill ships and dry-dock repairs of semi-submersibles, jack-up rigs, etc. The project has commenced and ground breaking was done jointly by the Hon'ble Union Minister of Shipping Shri Nitin Gadkari & Hon'ble Chief Minister of Kerala Shri Pinarayi Vijayan on October 30, 2018

Joint Venture with Hooghly Dock and Port Engineers Ltd. (HDPEL)

6.75 The Ministry of Shipping vide Letter No. SY-11018/1/2010- HDPE dated March 29, 2017 approved the formation of joint venture partnership between



Cochin Shipyard (74% stake in equity) and HDPEL (26% stake in equity) for upgradation and modernization of shipbuilding infrastructure at the two shipyard sites of Salkia and Nazirgunge in Kolkata. On October 23, 2017 a joint venture company named Hooghly Cochin Shipyard Ltd. (HCSL) has been incorporated as a subsidiary company of Cochin Shipyard. The Company executed shareholders agreement on November 17, 2017, Concession agreement and lease agreement were executed on January 19, 2018.

New Initiatives

- 6.76 CSL has entered into an Agreement with the Mumbai Port Trust on 20 Oct 2018 for operation and management of ship repair facility at Indira Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for further expansion in the field of ship repair. MOU has been signed with Kolkata Port Trust on March 17, 2018 for operations and management of ship repair facility at Netaji Subhas Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for the growth of ship repair in the region. Similar MOU has been signed with the Andaman and Nicobar Administration for Management of Ship Repair Services in the Marine Dockyard at Port Blair.
- 6.77 CSL signed an MOU with Central Institute of Fisheries Technology on August 30, 2017 for technical association in the construction of fishing vessels based on which CSL signed contract on January 29, 2018 for construction of 16 nos Tuna Long Lining & Gillnetting Fishing Vessels under the diversification of trawl fishing boats from Palk bay into deep sea fishing boats under Central sector on Blue Revolution Scheme with financial assistance from Government of India and the Government of Tamil Nadu. The Company also signed

an MOU with Joint Stock Company United Shipbuilding Corporation (USC), Russia, on February 02, 2018 to collaborate and engage in design, development and execution of high end 'state of the art' vessels for inland and coastal waterways. Another MOI was signed on January 18, 2018 with Defence Research and Development Organization (DRDO) for export of Defence vessels incorporating Defence systems developed by DRDO and produced by Indian OEMs.

Facility Upgrade and Capital Expenditure

- 6.78 The total capital expenditure incurred in 2017-18 amounted to Rs. 157.10 Crore. This related to Renewals and Replacements, Modernization and Expansion, Dry Dock, ISRF, Kandla Port and Research & Development projects, infrastructure for IAC etc.

L. SAGARMALA DEVELOPMENT CORPORATION LIMITED

- 6.79 The Union Cabinet, after approval of Cabinet Note on Sagarmala Programme, Concept and Implementation on 25th March 2015, gave approval for incorporation of Sagarmala Development Company (SDC) on 20th July, 2016 with following decisions:
- Formation and incorporation, of the Sagarmala Development Company (SDC), under the Companies Act, 2013 and appointing Secretary (Shipping) as the ex-officio Chairman and a Board of Directors comprising of the Managing Director, two Functional Directors, one Government Director and two Non-Official (Independent) Directors of the SDCL.
 - Selection of the initial set of Managing Director and the two Functional Directors of the Company, through a Search-cum-Selection Committee to be headed by the Chairman, Public Enterprises Selection Board (PESB) with Secretary (Shipping),



Secretary (DOPT) and an expert (to be nominated by the Ministry of Shipping from outside the Ministry) as members. The Government Director and two Non-Official (Independent) Directors, on the Company Board, shall be appointed by the Ministry of Shipping, after taking prior approval of the Competent Authority.

- c) To set-up the SDC with an Initial Authorized Share Capital of Rs. 1,000 Crore and a Subscribed Share Capital of Rs. 90 Crore with the provision of increasing it in future if the need arises.
- d) A budgetary allocation of Rs. 250 Crore for FY 2016 -17 and an equal amount for each of the subsequent 4 years is solicited.
- e) Management of the Community Development Fund (CDF) by SDC and charging a nominal fee as per the service agreement with the CDF and SDC.

6.80 Sagarmala Development Company Limited (SDCL) was incorporated on 31st August, 2016 and it will raise funds as debt/equity(as long term capital), as per the project requirement, by leveraging resources provided by the Government of India and from multi-lateral and bilateral funding agencies. As per the approved structure of Sagarmala Programme, the implementation of the projects shall be done by the line ministries, State Governments/State Maritime Boards (SMBs) and SPVs and the SDCL will provide a funding window and/or implement only those residual projects that cannot be funded by any other means/mode.

6.81 SDCL endeavors to provide a framework and funding for ensuring integrated development of Indian maritime sector. This includes Green field port/brown field port development, last mile connectivity to the ports, Coastal economic zones

and other relevant activities under Sagarmala Programme. With SDCL being a common equity investor and project development agency, it can lead to better communications and coordination among the different implementing agencies. The Company acts as a patient investor providing long-term equity as well as aims to provide residual capital to cover up equity short-fall in specific projects. SDCL also acts as the facilitator for pre-development tasks by providing support in project studies, DPRs, financing arrangements, facilitating approvals and clearances.

6.82 During 2018-19, the Sagarmala Development Company Limited infused Rs 125 crores in the Krishnapatnam Rail Company Limited (KRCL). KRCL is tasked with the development of a double railway line between Krishnapatnam Port and Venkatachalam and single railway line between Venkatachalam and Obulavaripalle. This project will result in reduction of transit distance from the existing route by over 50 km. The train operations are scheduled to begin in 2019. SDCL has also taken over the Indian Ports Global Limited (IPGL). Investment in Chabahar port through IPGL is first overseas strategic venture for India. The Chabahar project gives India a sea-land access route into Afghanistan and Central Asia through Iran's eastern borders. India, through IPGL, on 24th December 2018, took over operations at Chabahar port. With the objective of improving connectivity to Haldia Port, the Sagarmala Development Company Limited has also infused equity in an ROB project connecting Haldia Port to the road network. SDCL invested Rs. 50 crores in the SPV for this project formed with NHAI.



Shri Gopal Krishna, Secretary(Shipping) inaugurating the Corporate Office at SDCL, New Delhi

M. INDIAN PORT RAIL CORPORATION LIMITED (IPRCL)

6.83 In order to provide efficient rail evacuation systems to Major Ports and thereby enhance their handling capacity and efficiency, a proposal seeking approval of Cabinet to form a Special Purpose Vehicle (SPV) was mooted by the Ministry. The Cabinet approved the proposal of formation of SPV on 25th March, 2015. Based on this decision a company namely Indian Port Rail Corporation Ltd. (IPRCL) has been incorporated on 10th July 2015 under Companies Act, 2013, in which the subscribed share capital of Rs.100 Crore has been contributed by 11 Major Ports and Rail Vikas Nigam Limited (RVNL). The authorized share capital of the company is Rs.500 Crore. The company has subsequently further diversified into Ropeways and the name has accordingly been changed to "Indian Port Rail & Ropeway Corporation Limited".

Objectives of IPRCL

- a) To provide efficient and competitive rail evacuation systems to Ports in India by way of creating last mile connectivity of the ports
- b) Modernization of the rail infrastructure at ports; creating and managing the internal port railway system.
- c) Creation of new and enhancement of capacity in embedded hinterland connectivity.
- d) To create railway infrastructure at Major Ports and other designated areas including land, building, locomotives and maintenance facilities for achieving the main objectives mentioned above.
- e) To carry on the business of development, operations & maintenance of Ropeways and other modern transit systems.

N. INDIAN PORT GLOBAL PRIVATE LIMITED



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6.84 In view of strategic interest of gaining reliable sea / land access route to Afghanistan and other Central Asian Countries, Ministry of External Affairs moved a Cabinet Note dated 5th September, 2014. As per para 12 of the said Note, it was proposed to establish a Joint Venture Company, comprising of Jawaharlal Nehru Port Trust (JNPT) and Deendayal (erstwhile Kandla) Port Trust (DPT) to enter into Contract with Iran's Port & Maritime Organization (P&MO) to participate in development of Phase 1 of Chabahar Port. Cabinet approved the Indian participation in Chabahar Port Development on 18.10. 2014. Accordingly India Ports Global Private Limited (IPGPL) was incorporated on 22nd January 2015 with an authorized capital of Rs.10 crore and a paid-up capital of Rs. 5 crore. The two promoters were Jawaharlal Nehru Port Trust and Deendayal Port Trust, holding equity in the ratio of 60:40, respectively.

6.85 A Memorandum of Understanding (MoU) for development of Chabahar Port by India was signed in Tehran between India and Iran on 06th May 2015 by Minister of Shipping Shri Nitin Gadkari from the Indian side and Minister Dr. Abbas Akhouni from the Iranian side, and thereafter the contract was executed on 23rd May, 2016 at Tehran (Iran) during the visit of Hon'ble Prime Minister of India to Iran. The Contract was signed between Aria Banader Iranian Port & Marine Services Company (ABI) of Iran and India Ports Global Ltd. (IPGL) of India for equipping and operating two terminals at first development phase of Shahid Beheshti- Chabahar Port. The Ports & Maritime Organization of Islamic Republic of Iran (PMO) and Ministry of Shipping, Government of India were the Confirming Parties to the Contract.

6.86 Since there were challenges in activation of the Main Contract, the foundation of a short period Contract was laid during the visit of His Excellency President of Islamic Republic of Iran to New Delhi in February 2018. Resultantly a formal Short Lease Contract between the two sides was signed on 6th May 2018. For implementation of the same, an SPV India Ports Global Chabahar Free Zone (IPGCFZ) with 98% share holding by IPGL and 1% each by JNPT & DPT was incorporated in Iran. In order to insulate JNPT and DPT from possible impact of United State sanctions after US withdrew from the Joint Comprehensive Plan of Action, 100% equity shares of JNPT & DPT in IPGL have been purchased by Sagarmala Development Company Ltd. (SDCL) (a company under Administrative control of Ministry of Shipping).

O. SETHUSAMUDRAM CORPORATION LIMITED

6.87 Sethusamudram Corporation Limited (SCL) is an SPV set up under the Companies Act in the year 2004, with the approval of Cabinet, to implement the Sethusamudram Ship Channel Project (SSCP). Due to various litigations against the SSCP, the work has been stalled by an order of Hon'ble Supreme Court in August, 2007 and since July, 2009 all work has been stopped at the project site.

P. HOOGHLY DOCK & PORT ENGINEERS LIMITED

6.88 Hooghly Docking & Engineering Limited (HDPEL), situated at Kolkata, is one of the oldest shipyards in India. It was established in 1819 in the private sector known as Hooghly Docking & Engineering Company Limited. On merger of the Port Engineering Works with Hooghly Docking & Engineering Limited, the Hooghly Dock & Port Engineers Limited was formed by



an Act of Parliament titled “The Hooghly Docking and Engineering Company Limited (Acquisition and Transfer of Undertakings) Act, 1984”. Government of India has nationalized the ailing company, so as to utilize the available infrastructure through adequate investment for modernization and increase the capacity for Ship Building and Ship Repair in the country. The nationalized Company had remained with the Ministry of Industry till 27.07.1986 and was thereafter transferred to erstwhile Ministry of Surface Transport and now it is under the administrative control of Ministry of Shipping.

Rehabilitation-Cum-Restructuring of HDPEL

- 6.89 The Cabinet vide its meeting dated 16.09.2015 approved the Improved Voluntary Retirement Scheme (IVRS) at IDA Linked 2007 Pay Scale for HDPEL employees and Rehabilitation-cum-Restructuring of HDPEL through formation of Joint Venture (JV). The Improved VRS was implemented w.e.f. 13.10.2015 for 3 months wherein 268 employees opted and released under the scheme. As on date there are 45 employees in HDPEL. The Competent Authority has approved the proposal on 23.06.2016 for Rehabilitation-cum-Restructuring of HDPEL by selection of JV with Cochin Shipyard Ltd. (CSL). Accordingly, on 23rd October, 2017, a new JV Company between HDPEL and CSL in the name of “Hooghly Cochin Shipyard Ltd.” was incorporated and Shareholders’ Agreement signed on 17th November, 2017 at Cochin. CSL having a share of 74% and HDPEL having a share of 26% in the JV Company.
- 6.90 A proposal for liquidation & restructuring of and providing Improved VRS for the employees of HDPEL has been forwarded to appraisal Ministries/Department on 27.12.2018 for inter-ministerial consultation.

Q. CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

- 6.91 Central Inland Water Transport Corporation Limited (CIWTC) was incorporated on 22nd February 1967 incorporated in May 1967 as a Govt. of India Undertaking, when it took over all the assets and liabilities of the erstwhile River Steam Navigation Company Limited under a Scheme approved by the Calcutta High Court on 03.05.1967. However, due to inherent limitations and infrastructure bottlenecks in the water transport sector, the operations of CIWTC could never become viable and the company incurred operational losses in each Financial Year since its inception and surviving on the support/Grants-in-aid on Govt. of India for payment of salary/wages and other statutory dues of its employees.
- 6.92 The Cabinet on 31st August, 2016 approved the proposal for Dissolution of Central Inland Water Transport Corporation Ltd. (CIWTC) “Disposal of movable and immovable assets” & “Improved Voluntary Retirement Scheme (VRS) for the remaining five employees with provision of Compulsory Retirement (CR) in case of unwillingness and “Winding up of CIWTC as per provision of Companies Act, 1956”. All the land parcels of CIWTC have been transferred/handed over to Central Government, CPSEs etc. and all the movable assets has been disposed.
- 6.93 CIWTC with the approval of the Competent Authority on 19.12.2017 has appointed Insolvency Professional for conducting voluntary liquidation in terms of Insolvency & Bankruptcy Code, 2016 read with in terms of Insolvency & Bankruptcy Board of India notification dated 31.3.2017 on Voluntary Liquidation Process Regulation, 2017 pursuant to Cabinet decision of voluntary winding-up of CIWTC. At present, CIWTC is in the process of liquidation.



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IWAI vessel MV RN Tagore with 16 TEU containers from Kolkata to Varanasi, November 2018

Introduction

7.1 The Inland Water Transport (IWT) mode is widely recognized as a fuel efficient, environment friendly and cost effective mode, especially for bulk goods, over dimensional cargo and hazardous goods. The primary requirement for making this mode commercially viable is development of IWT infrastructure (fairway, terminals and navigation aids) and at the same time creating an enabling environment for augmentation of IWT fleet, primarily by the private sector. Inland Waterways Authority of India (IWAI) is now focused on developing the technically and economically viable National Waterways under the National Waterways Act, 2016 in order to create IWT network across the

country to supplement already congested road and rail networks.

7.2 The IWAI was set up on 27th October 1986 vide Inland Waterways Authority of India Act, 1985, for regulation and development of inland waterways for the purposes of shipping and navigation, and is inter-alia responsible for development, maintenance and regulation of National Waterways (NWs). The development and regulation of waterways which are not declared as NWs remain under the domain of the respective State Governments.

National Waterways 1, 2, 3, 4 & 5

7.3 NW-1(Ganga-Bhagirathi-Hooghly River System from Haldia to Allahabad), NW-2 (Brahmaputra River from Dhubri –

Sadiya) & NW-3(West Coast Canal from Kottapuram to Kollam & Champakara, Udyogmandal Canals in Kochi) have been developed and operational with 24 hour navigational facilities and a combination of fixed and floating terminals with mechanized cargo handling facilities at strategic locations. NW-4 in Andhra Pradesh has been taken up for Phase-I development in Mukhtyala-Vijayawada Stretch and developmental activities have been initiated on NW-5 in Odisha.

improvement of its navigability and also development and maintenance of other infrastructure such as navigation aids and terminal facilities as laid down in the IWAI Act, 1985 (82 of 1985). During 2016-17, the important works carried out for development and maintenance of fairway, navigational aids and terminal facilities on NW-1 for maintenance of the following Least Available Depth (LAD):

National Waterway No. 1

7.4 The Ganga - Bhagirathi - Hooghly river system between Haldia (Sagar) and Allahabad (1620 km) was declared as National Waterway-1 (NW-1) in 1986. Since then IWAI is carrying out various developmental works on the waterway for

(a)	Haldia – Farakka stretch	(560 km)	2.6 m to 3.0 m
(b)	Farakka – Barh stretch	(400 km)	2.1 m to 2.5 m
(c)	Barh – Ghazipur stretch	(290 km)	1.6 m to 2.0 m
(d)	Ghazipur – Chunar/ Allahabad	(370 km)	1.1 m to 1.5 m



7.5 Fixed terminals at GR Jetty-2 (Kolkata), Pakur, Farakka (owned by Farakka Barrage Project) and Patna (Low level and high

level), Multimodal Terminals at Varanasi and floating terminals at 20 locations have been provided on NW-1. DGPS

station setup at Swaroopganj, Bhagalpur and Patna providing DGPS connectivity between Sagar and Buxar (1195 km) and River Information System (RIS) between Haldia Farakka (Ph-I)-Patna (Ph-II) completed and in operation. Departmental dredgers (11), Survey vessels (13) are deployed on NW-1.

Jal Marg Vikas Project (JMVP) on NW-1

7.6 Jal Marg Vikas Project (JMVP), a Project on river Ganga is being implemented at an estimated cost of Rs. 5,369 crore with the technical assistance and financial support of the World Bank (USD 375 million). The Project is scheduled to be completed by March, 2023. The objective of JMVP is to improve navigability of NW-1 on Haldia-Varanasi stretch of Ganga-Bhagirathi-Hooghly River System by fairway development to provide an assured depth of 2.2 to 3.0 meter and a bottom channel width of 45 meter for at least 330 days in a year to make it navigable for vessels of up to 2000 Dead Weight Tonnage (DWT) and to provide civil, structural, logistics and communications interventions required for this Project.

7.7 Detailed Engineering & FEED, ESIA and IWT Sector Development Strategy & Business Development Studies were carried out on NW-1 for project formulation. Based on the outcomes of these studies, a detailed proposal for implementation of JMVP was prepared. As per this proposal, JMVP envisages to improve navigability of NW-1 on the Haldia-Varanasi stretch of Ganga-Bhagirathi-Hooghly River System by March, 2023.

Fairway Development

7.8 Provision of Least Available Depth (LAD) of 2.2 m to 3 m on Haldia- Varanasi stretch, with bottom channel depth of 45 m. This component also includes re-engineering of river bends, dredging, bandalling, bank protection works; provision of River Information System (RIS) and Vessel Traffic Management System (VTMS) etc.

Civil Construction Works

7.9 Construction of multimodal terminals at Varanasi, Sahibganj and Haldia; intermodal terminals at Ghazipur and Kalughat; Ro-Ro terminals at Rajmahal, Manikchak, Samdaghat, Manihari, Kahalgaon,



Major Interventions under Jal Marg Vikas Project



- Tintanga, Hasanpur, Bakhtiyarpur, Buxar and Saraikota; one New Navigational Lock at Farakka; and vessel repair & maintenance complexes at Sahibganj and Gaighat.
- 7.10 The vexatious issue of requirement of environment clearance for maintenance dredging in rivers was also resolved and the Ministry of Environment, Forest & Climate Change (MoEF&CC) conveyed the decision that maintenance dredging in rivers did not require prior environment clearance and cleared the JMVP for implementation subject to IWAI implementing certain environment safety measures prescribed by MoEF&CC.
- 7.11 The proposal for implementation of JMVP at the estimated cost of Rs. 5369.18 crore, appraised and recommended by the Public Investment Board, was approved by the Cabinet Committee on Economic Affairs on 03.01.2018 with the following funding pattern:
- IBRD Loan- Rs. 2,512.00 crore (US\$ 375.00 million)
 - Government of India Counterpart Funds (budgetary allocation and proceeds from issue of infrastructure bonds: Rs. 2,556.00 crore (US\$ 380.00 million); and
 - Private sector participation under PPP mode: Rs. 301.00 crore (US\$ 45.00 million).
- 7.12 After due negotiations between the Government of India and the World Bank, the Board of the Executive Directors of the International Bank for Reconstruction & Development approved the loan of USD 375 million for the project on 12.04. 2017. The Loan Agreement between the World Bank and the Government of India and the Project Agreement between the World Bank and IWAI were signed on 02.02.2018. The Loan Agreement and the Project Agreement became effective from 23rd March, 2018.
- 7.13 On completion, JMVP will provide an alternative, cost-effective, safe and environment-friendly mode of transport and would be an attractor for industries and logistic players in and around the project corridor, enabling socio-economic growth in the region covering the States of Uttar Pradesh, Bihar, Jharkhand and West Bengal. The progress achieved under each component of JMVP during the period of report is summarised below:
- ### Provision of LAD
- Revised Dredging Management Plan and Strategy for NW-1, approved on 2.6.2017, was taken up for implementation.
 - Contract for Provision of least assured depth (LAD) of 3m and bottom channel width of 45 m on the Farakka-Kahalgaon stretch (146 Kms) through Performance Based Assured Dredging contract was awarded to M/s Adani Ports & SEZ Ltd. on 09.04.2018 at a cost of Rs.150.00 crores.
- 7.14 Procurement process for Provision of LAD of 3 m and bottom channel width of 45 m on the Sultanganj-Mahendrapur stretch (74 Kms) through Performance Based Assured Dredging contract; Provision of LAD of 3 m and bottom channel width of 45 m on the through Performance Based Assured Dredging contract; Provision of LAD of 2.5 m and bottom channel width of 45 m on the Barh – Doriganj stretch (109 kms) and on the Doriganj-Ghazipur stretch (178 kms) through Quantity based maintenance dredging contracts (Mix & Match – IWAI dredger + SP-CSD from Service Provider); Provision of LAD of 2.5 m and bottom channel width of 45 m through Quantity based maintenance dredging contract (Mix & Match – IWAI dredger + SP-CSD from Service Provider); Provision of LAD of 2.2 m and bottom channel width of 45 m on the Ghazipur



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- Varanasi stretch (133 kms) through Performance based Assured Dredging Contract are at advanced stages of finalisation.

Bank Protection Works

- a) Locations requiring bank protection works have been identified in the Farakka Feeder Canal (9.438 km), Farakka to Haldia reaches (33.095 km) and river bend at Farakka (3.20 km).
- b) Geo-technical investigations on the Farakka Feeder Canal and river bend at Farakka have been completed.
- c) The draft DPR and drawings have been finalized on the basis of inputs received from the World Bank, the Farakka Barrage Project and IIT, Madras.
- d) A Joint Committee consisting of Addl. Chief Secretary (I&WD, Govt. of West Bengal), KoPT and IWAI was formed on 17.03.18 to discuss the modalities of carrying out the works. The Committee met on 19.06.18 and 18.01.2019.

Navigational Aids & RIS

- a) DGPS reference station with MF link was established at Swaroopganj with a view to provide sub-meter accuracy in position fixing so as to facilitate the operators to navigate their vessel smoothly and effectively along the navigational channel.
- b) The River Information System was made fully operational to monitor vessel movements through remote base stations at Haldia, Garden Reach (GR) Jetty, Tribeni, Swaroopganj, Kumarpur, Ballia and Farakka. These stations were integrated into two control stations at Farakka and GR Jetty. Both the control stations would monitor the vessels plying in this river stretch via Automatic Identification System (AIS) and communicate with

vessels via VHF. 30 IWAI vessels were equipped with Inland AIS system, short range radar and VHF.

Civil construction works

Construction of the Multimodal terminal at Varanasi:

- a) The multimodal terminal, with a terminal capacity of 1.26 MTPA, is being constructed in two Phases at Ralhupur Khas, Ramnagar, and Varanasi. Of the estimated requirement of 67.12 ha of land, 34.75 ha for Phase-I and Phase-II) and road connectivity to NH-7 have been acquired and registered in the name of IWAI.
- b) Civil construction work for Phase-I of the terminal, awarded to M/s AFCONS Infrastructure Ltd. at a cost of Rs. 169.70 crore in May, 2016, was completed in October, 2018. Hon'ble Prime Minister inaugurated the terminal on 12.11.2018 in the presence of Hon'ble Chief Minister of Uttar Pradesh, the Hon'ble Union Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation and the Hon'ble M.P., Chandauli.
- c) Work on road connectivity to NH-7 was completed in December, 2018.
- d) The Standing Committee of National Board for Wildlife, in its meeting held on 15.05.17, had recommended grant of permission for movement and plying of inland vessels through the Kashi Turtle Wild Life Sanctuary at Varanasi subject to IWAI taking the standard mitigation measures prescribed by the Wildlife Institute of India and conditions prescribed by the State Chief Wildlife Warden. IWAI has complied with/is complying with these mitigation measures as per the stipulations.



Inauguration of 1st Multi-Modal Terminal at Varanasi by Hon'ble Prime Minister on 12th November, 2018



Multi-modal Terminal at Varanasi

Construction of the Multimodal Terminal at Sahibganj

- The multimodal terminal, with a terminal capacity of 3.18 MPTA, is being

constructed in two Phases in Samdanala village of Sahibganj. Hon'ble Prime Minister laid the foundation stone of this multimodal terminal on 06.04.2017.



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- b) 192.37 acres of land requisitioned for the IWT terminal and for the road connectivity from the terminal to NH-80 have been acquired and the land is fully in the possession of IWAI. The IWT terminal will be connected to NH-80 through road and Sakrihali railway station by rail.
- c) R&R Package for 485 project affected families is being implemented at an estimated cost of Rs. 67.63 crore. Two Resettlement Colonies with all required infrastructure and civic amenities are being developed on 32.28 acres of land in Samdanala and Paltanganj villages. Land for both the colonies has been acquired; plotting of the Samdanala colony was completed and plots allotted to 288 families in the joint names of husband and wife; plotting in the Paltanganj Resettlement Colony has been completed. The houses will be constructed by the District Administration at an approved cost of Rs. 5.82 lakh per house and handed over to the families.
- d) Construction work for Phase-I of the multimodal terminal, awarded to M/s Larson and Toubro on 27.10.2016 at a cost of Rs. 290.90 crore, with a completion time line of May, 2019, achieved physical target of 56% and financial progress was Rs. 147.40 crore as on 31.12.2018.
- g) The work on Phase-I, awarded to M/s ITD Cementations at a cost of Rs. 517.36 crore on 30.06.2017 with a completion timeline of December, 2019, achieved physical progress of 25.01% and financial progress of Rs. 110.50 crore as on 31.12.2018.

Navigational Locks at Farakka

- h) The new navigational lock is being constructed on a 14.86 ha of land in the Farakka Barrage Project (FBP), taken on transfer from the FBP on 02.03.2016.
- i) The construction work of this lock, awarded to M/s Larsen & Toubro Ltd. on 24.11.2016 at a cost of Rs. 359.19 crore, with a completion time line of June, 2019, achieved physical progress of 22.30% and financial progress of Rs. 70.65 crore as on 31.12.2018.
- j) The existing Navigational lock at Farakka, along with land measuring 7.155 ha, was handed over to IWAI on 06.04.2018 by FBP. IWAI has initiated action for its modernization and rehabilitation to synchronize with the commissioning of the new navigational lock.
- k) On completion of work, both the locks will provide two-way passage to vessels across the Farakka Barrage, thereby facilitating smooth and seamless movement of vessels on NW-1.

Construction of the Multimodal Terminal at Haldia

- e) The multimodal terminal at Haldia, with a terminal capacity of 3.18 MPTA, is being constructed in two Phases on a 61 acre land in the Haldia Dock Complex leased from the Kolkata Port Trust (KoPT) on 30 year tenure.
- f) MoEF&CC granted Coastal Regulation Zone clearance for the terminal on 06.11.2017 subject to IWAI taking prescribed standard mitigation measures. IWAI has complied with/is complying with these mitigation measures as per the stipulations.
- l) The terminal is proposed to be constructed on a 5.159 ha land in Kalughat, Saran district of Bihar, with road connectivity to NH-19. Requisition for acquisition of the land was filed with the District Administration, Saran on 29.12.2016. Mapping/verification of land has been completed, but the land acquisition process is yet to be completed.
- m) The DPR and tender document for the terminal are at an advanced stage of finalisation.

Intermodal terminal at Kalughat



- n) The Terminal is being planned to handle mostly container traffic destined to Nepal.

Intermodal terminal at Ghazipur

- a) The terminal is proposed to be constructed on a 8.917 ha land in Ghazipur, Uttar Pradesh. 5.103 ha of land has already been acquired and registered. Balance 3.813 ha of land is at an advanced stage of acquisition.
- b) The Foundation Stone for the Terminal was laid by the Hon'ble Minister for Shipping, Road Transport and Highways on 25th January, 2018.
- c) The DPR for the terminal is at an advanced stage of finalization.

Ro-Ro terminals

- a) Locations for five pairs of Ro-Ro terminals have been identified at Rajmahal and Manikchak; Samdaghat and Manihari; Kahalgaon and Tintanga; Hasnapur and Bakhtiyarpur and Buxar and Saraikota.
- b) Draft DPRs for all the ten Ro-Ro Terminals have been submitted by the Engineering Consultant and are under finalization.
- c) Topographic survey for the terminals has been completed.
- d) Geotechnical investigation has been completed for the Rajmahal, Manikchak and Manihari Ro-Ro Terminals.

Integrated Vessel Repair & Maintenance Complexes

- a) The Integrated Vessel Repair & Maintenance Complexes are proposed to be set up at Sahibganj and Gaihat (Patna).
- b) Feasibility Report for the Complex at Sahibganj has been submitted by the Consultants. The complex is proposed to be set up on a 56.22 acre land near the ongoing multimodal terminal at Sahibganj. DPR is under preparation.

- c) Draft Feasibility Report for the Complex at Gaihat has been submitted by the Consultant and is under finalization.

Design of Inland Waterway Vessels

- a) M/s DST, Germany, the consultants engaged for design of Inland Waterway Vessels, submitted 13 designs of inland waterway vessels for NW -1. These models were tested at the facilities of the Consultant in Nuremburg, Germany. The approved designs have been uploaded on the IWAI website for public information for the prospective vessel builders.
- b) In the meantime, after due assessment of market conditions, IWAI has concluded that IWAI should own at least one vessel each conforming to these designs to kick start the vessel construction activity and demonstrate their effectiveness to the private vessel builders/shippers. Accordingly, the process for getting these vessels constructed within India has been initiated.

Commercialization on NW-1

- a) M/s Hamburg Port Consulting, the Consultants engaged to provide consultancy services for planning and implementation of commercialisation on NW-1, had recommended arranging 20 pilot movements of cargo vessels on NW-1 by IWAI to kick start commercialisation on NW-1. Out of these, 14 pilot movements were organised and successfully implemented by IWAI.
- b) One of the pilot movements undertaken was by MV Rabindranath Tagore, India's container inland vessel, transporting container cargo consisting of 16 containers (equivalent to 16 truck-loads) of food and snacks from Kolkata to Varanasi. This container vessel was received by the Hon'ble Prime Minister at Varanasi on 12th November, 2018.

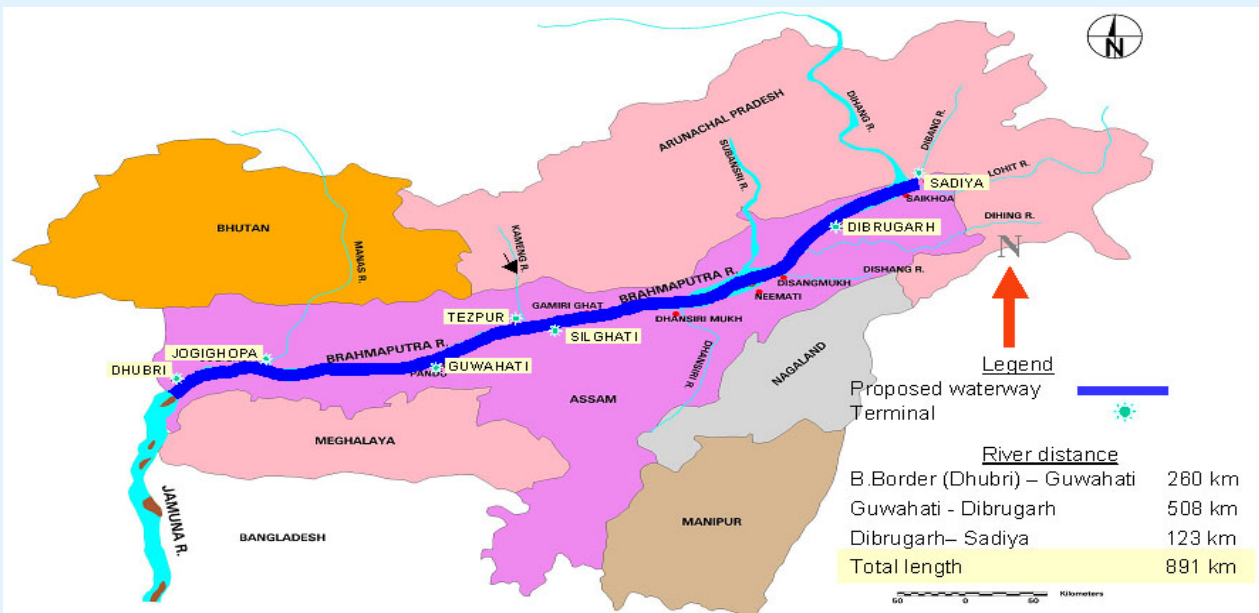


Construction in progress of Multimodal Terminal at Sahibganj

National Waterway –2

7.15 National Waterway-2 comprises of river Brahmaputra from Dhubri to Sadiya of 891 Km in the state of Assam. A navigable fairway of minimum 45 m width and 2.5 m Least Available Depth (LAD) was maintained by the IWAI in Dhubri-Pandu (255 km) and Pandu-Neamati (374 km)

stretch. In Neamati-Dibrugarh stretch, 2.0 m LAD was maintained for 350 days. In Dibrugarh-Sadiya (Orumghat) stretch, LAD of 1.5 m was maintained for 365 days. Night navigation facilities provided between Dhubri and Silghat can be extended in a short period of time depending upon demand.



7.16 Currently, there are only four road bridges across river Brahmaputra - at Jogighopa, Guwahati, Tezpur and Sadiya for connectivity between southern and northern parts of Assam. People residing on either side of the river need to cross

the river using conventional ferry service at various locations for their day to day needs.

7.17 Earlier, IWAI had started a similar Ro-Ro service between Dhubri and Hatsingimari which reduced the travel distance by 190



Ro-Ro Service on NW-2 (Dhubri –Hatsingimari)

km. A permanent Ro-Ro terminal was constructed at Dhubri for the purpose to provide a direct link between Assam and Meghalaya avoiding circuitous route of 220 km through Jogighopa, Ro-Ro operation between Dhubri & Hatsingimari has been established. IWAI has deployed its own modern Ro-Ro Vessel M.V. Gopinath Bordoloi for Ro-Ro operation in this route from July, 2017. Two Ro-Ro routes are under operation viz. i) between Neamati to Kamalabari and ii) between Hatsingimari and Dhubri. Ro-Ro terminals are also proposed at Neamati-Kamalabari and Maijan (Dibrugarh) to Sengajan are proposed for which DPR has been prepared. IWAI have deployed 4 nos. of Departmental Dredgers and 6 nos. of Survey Launches in NW-2.

7.18 The IWAI had launched a Roll on-Roll off (Ro-Ro) service from 11th October '2018 in Assam from Neamati to Manjuli Island. The new Ro-Ro facility has been started in collaboration with the Government of Assam to provide the much-needed connectivity for Majuli Island. This service has reduce the road route distance of 423 km that trucks take from Neamati to Majuli Island via Tezpur Road Bridge to only 12.7 km with the use of river route. Majuli is one

of the biggest riverine islands (144 km²) in the world located on river Brahmaputra and faces serious challenges of connectivity. It has 144 villages with a population of over 1,50,000.

7.19 The IWAI had procured a new vessel MV Bhupen Hazarika at a cost of Rs 9.46 crore for the new service from Neamati to Manjuli island and is also providing the needed terminal infrastructure . The 46.5 metre long, 13.3 metre wide vessel has the carrying capacity of eight trucks and 100 passengers. The IWAI is also planning to procure more such Ro-Ro vessels for use on river Brahmaputra.

The National Waterway (NW) - 3 (West Coast Canal)

7.20 The NW-3 consists of three main stretches viz. Champakara Canal, Udyogmandal canal and West Coast canal which runs parallel to the coastline. Fairway maintenance works including maintenance dredging, channel marking are taken up on a year to year basis. The NW-3 which comprised of the West Coast Canal between Kottappuram & Kollam (168 km), Udyogmandal canal (23 km) and Champakkara canal (14 km) [total 205 km] was extended by another 165 km towards



North from Kottapuram till Kozhikode during April, 2016. Detailed Project Report (DPR) for the development of the extended stretch has been prepared.

7.21 NW-3 is provided with channel of 2.00m LAD and 32/38m bottom width except 2.20 km sections spread over 2 locations, where LAD of 2.00m has been achieved for single lane navigation channel. IWAI has already constructed 8 no. permanent terminals on NW-3 viz., Kottapuram, Aluva, Maradu, Vaikom, Thanneermukkom, Trikkunnapuzha, Kayamkulam and Kollam. In addition, there are 2 nos. terminals viz., Bolghatty & Willingdon island has also been developed in Cochin Port Trust limit for container traffic through Ro-Ro / Lo-Lo service.

7.22 Navigational aids are provided in the entire stretch of NW-3 for round the clock navigation. In addition, permanent Beacon post with lights also provided safe navigation in NW-3. IWAI have owned 1 no. Cutter Suction Dredger (CSD) and 1 no. Amphibian dredger along with one Survey Launch in NW-3.

National Waterway (NW) - 4

7.23 The Kakinada-Puducherry stretch of canals and the Kaluvelly tank, Bhadrachalam-Rajahmundry stretch of river Godavari and Wazirabad - Vijayawada stretch of river Krishna with a total length of 1,078 kms was declared NW-4 in 2008. The stretch was further extended upto Nashik in Godavari and upto Galagali in river



Over Dimensional Cargo (ODC) Movement on NW-3



Krishna in Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu and Puducherry under the National Waterways Act, 2016. The length of NW-4 is 2890 kms and it is planned to be developed in three phases :-

- a) Phase-I: - Vijayawada-Muktyala stretch of Krishna River.
- b) Phase-II: - Kakinada to Vijayawada and Rajahmundry to Polavaram after completion of Phase-I.
- c) Phase-III :- Remaining stretches of NW-4 after completion of Phase-I and Phase-II

7.24 Development work of Phase-I of NW-4 at a cost of Rs. 96 crore is being implemented. Ro-Ro Services between Ibrahimpatnam



& Lingayapalam, for transportation of construction materials on NW-4 (river Krishna) is also under operation. Land acquisition for the construction of terminals is in progress in consultation with the Government of Andhra Pradesh.

National Waterway (NW) – 5

7.25 The Phase-wise break-up for the development of NW-5 are given below:-

Paradip/Dhamra to Pankapal (via Kani River)	212 km
Pankapal to Talcher (River Brahmani)	120 km
East Coast Canal (Charbatia to Geonkhali) & Matai River (Charbatia to Dhamra)	256 km
Total	588 km

7.26 To start the development works in NW-5, a Memorandum of Understanding (MoU) has been signed by Inland Waterways Authority of India (IWAI) with Govt. of Odisha, Paradip Port Trust (PPT) and Dhamra Port Company Limited (DPCL) on 30.6.2014 for developing the commercially viable stretch of 332 km under two phases. During Phase-1, it is proposed to take up the development of 212 km stretches from Paradip/Dhamra to Pankapal. The 120 km stretch between Pankapal and Talcher will be taken up in the Phase - II.

7.27 The stretch between Pankapal to Dhamra and Paradip in NW-5 has been taken up for development under Phase-I, for which the proposal has been submitted for obtaining the environmental clearance including CRZ and Wild Life Clearance. The DPR of NW-5 completed in 2010, which was further upgraded for the stretch Pankapal to Dhamra and Paradip (Ph.-I) in 2016.

7.28 A DPR for construction of new Weir cum Barrages & Rubber Dam with Navigational Locks, Check Dams and raising/ construction of Embankments along with Drainage Sluices etc. on Brahmani River System of NW-5 in Odisha has been commissioned. Detailed Engineering Report (DER) including Detailed Engineering Design and Drawing (DED & D) for the existing bridges which need modification / re-construction on NW-5 has also been taken up.

Status of 106 New National Waterways (NWs)

7.29 Under the National Waterways Act, 2016, 111 NWs (including 5 existing and 106 new), spread over 24 States, have been declared to promote Inland Water Transport (IWT) in the country. IWAI has initiated efforts for undertaking the developmental activities for providing safe fairway channel and creating infrastructures, in phased manner on the identified new NWs during 2016-17.

7.30 Feasibility Studies (FSs) were initiated on 106 National Waterways (NWs) of which studies on 103 NWs have been completed and reports available. Based on the findings of FSs, 36 NWs have so far been found feasible for development. Accordingly, second stage studies for preparation of Detailed Project Reports (DPRs) for 36 NWs have been taken up and DPRs for 30 NWs are available. Based on the DPRs, development works have been initiated on 10 technically viable new NWsin Phase.-I.

Cargo Transportation by Inland Waterways:

7.31 The details of cargo moved on NW-1, 2 and 3 during 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 are given below:



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(In million tonnes)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (upto Dec 2018)
National Waterway – 1	3.349	5.050	6.237	4.618	5.48	4.83
National Waterway – 2	2.475	0.520	0.602	0.609	0.56	0.40
National Waterway – 3	1.066	0.965	1.061	1.033	0.42	0.29
National Waterway – 4	^	^	^	^	^	0.31
Goa Waterways	@	@	@	15.651	11.09	2.95
Maharashtra Waterways	@	@	@	33.293	25.96	21.04
Gujarat Waterways	@	@	@	#	11.52	21.02
Sunderbans (NW-97)	^	^	^	^	^	2.42
Total	6.890	6.535	7.900	55.204	55.03	53.26

^ - Cargo Movement started in 2018-19, @ - Not declared as National Waterways till 12th April 2016, #- Cargo data not received for 2016-17

Movement of Over Dimensional Cargo (ODC) by IWT Mode

7.32 The major commodities transported on waterways are fly ash, coal, iron ore, limestone, Steel Pipes/Bars /Plates/ Coils, GC Sheet/Rail Tracks, containers, rice, stone chips, edible oil, sponge iron, soybean/de-oiled rice bran/rapseed extracts and ODC. ODC movement takes place on NWs as it is generally not feasible to move such cargo on railways and roadways. The transportation of Coal for NTPC Power Plant is being undertaken since November 2013 from Sandheads (Bay of Bengal) to Farakka through NW-1. During FY 2017-18 about 1.60 lakh tons of imported Coal was transported successfully by M/s Jindal ITF Ltd using barges of about 1500 – 2000 tons capacity. Besides this, more than 30 lakh tons cargo moved between India & Bangladesh through NW-1 and Protocol Route on Inland Water Transit & Trade Route. Several pilot movements were carried out during the year to demonstrate

technical and commercial feasibility of Inland Waterways Transportation (IWT) on NW-1 as a confidence building measure. Pilot movement of about 240 tons of bagged cement from Kolaghat on river Rupnarayan (NW-87) to Bhagalpur on river Ganga (NW-1) and 300 tons of bagged fly ash from Kahalgaon (NW-1) to Kolaghat of M/s Dalmia Bharat Cements was carried out by IWAI's shallow draft cargo vessel MV VV Giri under consultancy services for plan and implementation support for commercialization of NW-1.

Operation and Maintenance IWAI Terminals on PPP Mode

7.33 Operation and maintenance tender for "Equipping, Operating and Managing Inland Waterway Transport at Garden Reach Terminal in Kolkata and Kalughat Terminal in Patna", was awarded to M/s Summit Alliance Port Ltd. at a revenue share of 38.30% to IWAI, on 2nd August 2017. The agreement for the O&M work was entered into by IWAI and M/s Summit



Alliance Port East Gateway (India) Pvt. Ltd. (SPV registered on behalf of Summit Consortium) on 26-04-2018. The O&M arrangement provides for facilitation of Nepal bound cargo for inward/outward movement through inland water transport. The handing over ceremony of the GR Jetty-I & BISN Jetty and GR Jetty-II was presided over by Shri. Gopal Krishna, Secretary (Shipping), Government of India on 30-10-2018.

- 7.34 The project will facilitate a modal shift of up to 55% of the potential cargo in the catchment area to IWT mode. Existing potential of anchor cargo is of 56,000 TEUs (to/from catchment area) during the base year and expected to grow till 250,000 TEUs over next 15 years. Barging from Kolkata to Patna will lead to cost saving by ~24% vs road and ~ 4% vs rail when return cargo is available and barging from Kolkata to Kathmandu will lead to cost savings by ~13% vs road and ~ 26% vs rail when return cargo is available from around Patna.
- 7.35 The Kolkata terminals will also facilitate domestic bound and EXIM cargo for North Eastern Region and Bangladesh even as it will prove advantageous for shippers plying in the Indo-Bangladesh Protocol Route. On 25 October, 2018, India and Bangladesh signed milestone agreements to deepen their maritime relationship. Kolaghat (West Bengal, India) and Chilmari (Bangladesh) were declared as new Ports of Call (PoC). Besides an agreement for the use of Mongla and Chattogram Ports (Bangladesh) for transiting goods to and from India and passenger and cruise vessels from Kolkata to Dhaka and Guwahati through the protocol route were also agreed on.

River Cruise/Tourism

- 7.36 River cruise/ tourism have been a regular feature on NW-1 & NW-2 since the last seven years. Various companies namely M/s. Heritage River Cruises Pvt. Ltd., M/s. Vivada Inland Waterways, M/s. Assam Bengal Navigation Co.; Brahmaputra Cruises, operate their cruise vessels on NW-1 and Sunderban waterways. M/s Assam-Bengal Navigation Company and M/s Far Horizons are also operating cruise vessels on NW-2. River tourism on NW-3 is already popular among domestic and foreign tourists. River cruise on NW-1, 2 and 3 has gained momentum and is likely to flourish in future.
- 7.37 IWAI is now assisting with passenger transportation during the largest social congregation, at the Kumbh Mela in Prayagraj and the services will run from January 15 to March 15. IWAI has set up four floating terminals, one each at Kilaghat, SaraswatiGhat, Naini Bridge and SujawanGhat. Further, we have placed two vessels— CL Kasturba and SL Kamla, for pilgrim's movement. These vessels have a carrying capacity of 150-200 passengers and they are equipped with all necessary safety measures. In addition, navigational aids will be maintained between Prayagraj and Varanasi with the targeted LAD of one meter. Five temporary jetties at Chatnag, Sirsa, Sitamarhi, Vindhyachal and Chunar have also been set up for the embarkment and disembarkment of the passengers. From Kilaghat, the pilgrims will be taken in a merry-go-round on small vessels for the sacred bath. This service will be scaled up during the days of the 'Shahi Snan'. We believe that this service will not only reduce the stress on the cities during the Kumbh Mela, but also offer a scenic and a convenient option to the devotees to enjoy the sacred fair.



Ro-Ro service Assam's Majuli Island

7.38 Floating terminals have also been constructed at 11 locations along the length of the Brahmaputra waterway. These are at Hatsingimari, Dhubri, Jogighopa, Tezpur, Silghat, Biswanathghat, Neamati, Sengajan, Bogibeel, Dibugarh/ Oakland and Oriumghat.

7.39 IWAI is planning to start the India-Bangladesh coastal cruise line between Chennai and Cox's Bazar and signed SOP to facilitate cruise service from Chennai to Chittagong. The cruise liners operating between the two destinations, separated by 1600 nautical miles, will have to go via Chittagong port. Private players are expected to operate on the route. India and Bangladesh signed the Standard Operating Procedure (SOP) for cruise operations between the two countries on October 25, 2018. The SOP was signed during the Shipping Secretary level talks between the neighbouring countries.

7.40 On October 20, 2018 IWAI, in the presence of Hon'ble Minister of Shipping, RT&H and WR, RD & GR and Maharashtra Chief Minister, inaugurated a cruise route between Mumbai and Goa. The authority

also has cruise operations at Varanasi on river Ganga on NW-1.

7.41 The first cruise on the Transboundary River between Kolkata and Dhaka has been scheduled to begin operations in end March 2019. Buoyed by successful trial of cargo movement to Bangladesh via the inland waterways protocol route, India is now preparing to exploit the same path for tourism purposes. The cruise will take the Kolkata-Sunderbans route and, via protocol route, reach Bangladesh and travel to the Northeast. IWAI has already signed an agreement with Kolkata-based Heritage Cruise for the India-Bangladesh cruise.

National Inland Navigation Institute (NINI) at Patna.

7.42 NINI was constructed by IWAI at Patna and has been functional from February, 2004. Induction courses for deck and engine ratings, preparatory courses for Serang and engine drivers, basic and advanced dredging courses, refresher courses for hydrographic surveyors, courses for repair and maintenance of vessels, etc. are conducted in NINI regularly. So far, a total



8349 candidates have been trained at NINI till 31st March, 2018. The administration and management of the Institute is done by IWAI Patna from 1st of December, 2018. NINI has got upgraded to ISO 9001:2015 certifications from American Bureau of Shipping classification society on 23rd July, 2018. Placement of NINI cadets as apprentice in IWAI is discontinued for more than two years. Now placement is done only through private operator in Inland Vessels (IV) sector. IV Maneuvering Simulator is installed & fully functional presently. Same is being used to impart training to the candidates of IV sector. NINI has fully operational Marine Simulation Centre which conducts the following courses:

DG Approved courses (Foreign Going)

- a) Radar Observer Simulator Course (ROSC)
- b) Automatic Radar Plotting Aid (ARPA)
- c) Ship Maneuvering Simulator (SMS)
- d) Electronic Chart Display & Information System (ECDIS)

Non DG Approved Professional courses

- a) Bridge team Management (BTM)
- b) Bridge Recourse Management (BRM)
- c) Large Ship handling Simulator (LSHS)
- d) Risk Management
- e) Enclosed space entry

International Cooperation with Bangladesh

Indo Bangladesh Protocol on Inland Water Transit & Trade (PIWTT)

7.43 An Inland Water Transit and Trade Protocol agreement exists between India and Bangladesh under which the two Governments have made mutually beneficial arrangements for the use of their waterways for movement of cargo between the two countries for passage of goods between two places in one country through the territory of the other,

in accordance with the laws of the country through the territory of which goods are moving. The Protocol is valid upto June 2020. For inter-country trade, six ports of call have been designated in each country. [Haldia, Kolkata, Pandu, Silghat Karimganj and Dhubri in India and Narayanganj, Khulna, Mongla, Sirajganj Ashuganj and Pangaon in Bangladesh. The existing protocol routes are:

- a) Kolkata-Silghat-Kolkata,
- b) Kolkata- Karimganj- Kolkata,
- c) Rajshahi-Dhulian-Rajshahi,
- d) Silghat-Karimganj-Silghat.

Coastal Shipping Agreement

7.44 Coastal Shipping between India and Bangladesh will provide an alternative route for the transportation of exim cargo as well cargo to the north eastern part of the country using RSV or equivalent class vessels. The Agreement and SOP for coastal shipping had also been signed for operationalization.

MoU and SOP for the use of Chattogram and Mongla ports for movements of goods to and from India

7.45 The MoU was signed and its provides that Bangladesh shall allow use of Mongla and Chattogram Ports for the movement of goods to and from India. Movements of goods to and from Mongla and Chattogram ports shall be by waterways, rail, road or multimodal transport subject to the relevant laws and regulations of Bangladesh.

7.46 During the Shipping Secretary Level Talks (SSLT) held at New Delhi on 25.10.2018, discussions were held to finalize the SoP. The Indian side informed that after consulting all the stake-holders and concerned authorities, India has already forwarded the draft SoP to Bangladesh with a request to finalize and sign the



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same at an early date. Bangladesh side informed that Article-9 of the Agreement on use of Chattogram and Mongla Ports for movement of goods to and from India specifies that a Sub-group is to be constituted to deliberate upon the formulation of SoP. Accordingly, both the sides have agreed to nominate three officials each from India and Bangladesh in this sub-group, through diplomatic channels. The Sub-Group has been constituted by both the countries and discussion would be held shortly.

Automatic Renewal of Protocol on the Inland Waterways Transit and Trade (PIWTT)

7.47 The new version of PIWTT which allows for automatic renewal every five years was signed between India and Bangladesh. This PIWTT shall automatically be extended for successive five years unless either Government terminates the Protocol. The PIWTT is valid up to 5th June, 2020 with provision for automatic renewal.

MoU for development of fairway from Sirajganj to Daikhowa and Ashuganj to Zakiganj on Indo-Bangladesh Protocol route

7.48 An MoU for development of fairway from Sirajganj to Daikhowa and Ashuganj to Zakiganj on Indo-Bangladesh Protocol route between India and Bangladesh was signed on 08.04.2017. As per the MoU, the cost of dredging is to be borne in a 80:20 ratio between India and Bangladesh. The estimated cost of the project is Rs. 305 crore, out of which Rs. 244 crore is to be borne by India. The work order for dredging in Ashuganj - Zakiganj and Sirajganj-Daikhowa stretches of IBP routes have been issued by BIWTA, Bangladesh on 04.10.2018 and 11.11.2018, respectively.

19th Meeting of Standing Committee on PIWTT

7.49 The 19th meeting of the Standing Committee under the Protocol on Inland Water Transit and Trade (PIWTT) between India and Bangladesh was held in

New Delhi on 24th October, 2018. Shri Rajat Sachar, Senior Economic Adviser, Ministry of Shipping of India led the Indian delegation, Mr. Bhola Nath Dey, Additional Secretary, Ministry of Shipping of Bangladesh led the Bangladesh delegation. The issues discussed at the Standing Committee include operationalising of Rajshahi-Dhulian route, inclusion of Rajshahi- Daulatdia route in PIWTT, hydrographic survey and dredging work for seamless connectivity in no man's land, making Badarpur as extended Port of Call of Karimganj, providing navigational aids and dredging works in Indian side, organizing seminar/workshop by the both countries for the development and expansion of trade and commerce under PIWTT, introduction of trade between Chilmari-Dubri by shallow draft vessel etc.

Shipping Secretary Level Talks

7.50 The Shipping Secretary Level Talks between India and Bangladesh were held at New Delhi on 25 October, 2018. Shri Gopal Krishna, Secretary, Ministry of Shipping, Government of India led the Indian Delegation while Shri Md. Abdus Samad, Secretary, Ministry of Shipping, Government of Bangladesh led the Bangladesh delegation. The following three mutually agreed documents to facilitate and strengthen co-operation between India and Bangladesh through Inland Waterways and Coastal Shipping were signed by the respective designated competent authorities of the both countries.

- a) Agreement on the use of Chattogram and Mongla Ports for movement of goods to and from India
- b) Addendum to the Protocol on Inland Water Transit and Trade
- c) Standard Operating Procedure (SOP) of MoU on Passenger and Cruise Services on the Coastal and Protocol route.



Kaladan Multimodal Transit Transport Project (KMTTP), Myanmar

7.51 This project was conceptualized by the Ministry of External Affairs (MEA) to provide an alternative connectivity of Mizoram with Haldia/Kolkata ports through Kaladan River in Myanmar. The project envisages road transport from Mizoram to Paletwa (Myanmar), thereafter from Paletwa to Sittwe (Myanmar) by IWT and from Sittwe to Haldia/Indian Ports by maritime shipping. The project is piloted and funded by the MEA which appointed IWAI as their Project Development Consultant (PDC) for Port & IWT components of the project. Based on IWAI's recommendation, MEA had awarded the work to the successful bidder [M/s ESSAR Projects (I) Pvt. Ltd.] for construction of port and IWT components at a cost of Rs. 342 crore. The construction work at Sittwe and Paletwa was started in December, 2010 with a schedule to complete the same by 2014. However, the same could not be completed in time and MEA extended the time period up to March' 2017. The ongoing work of Port & IWT component is completed. Besides the above, some additional works have been proposed at Paletwa and Sittwe.

Phase – II

- 7.52 Works to be undertaken under this phase are as under
- a) Construction of Container handling facility at Sittwe/Paletwa including preparation of Detailed Project Report (DPR) – Tender floated.
 - b) Wreck removal from Sittwe Port Basin area: - Wrecks removal work from Sittwe Port Basin area completed.
 - c) Operation & Maintenance (O&M) of completed project components – Tender for the O&M works has been prepared and submitted to MEA for approval.

Forum of Cargo Owners and Logistics Operators FOCAL- new facility by IWAI

7.53 IWAI has launched a dedicated portal to connect cargo owners and shippers with real time data on availability of vessels. The portal has been named as the Forum of Cargo Owners and Logistics Operators (FOCAL) and it will facilitate responses from the logistics operators against the requirement raised by cargo owners and vice-versa. The users can register on the portal to key in the availability and details of vessels or the available cargo, as the case may be, the statement said adding, cargo owners will be able to put details like the origin, destination, type of cargo, etc. It has been designed and developed by the in-house IT Department and the Traffic wing of IWAI as part of its preparedness for optimal use of its ongoing capacity development on various National Waterways.

Tariff Regulations, 2018

- 7.54 Section 35, read with section 17 of the IWAI Act, enables IWAI to levy fees and charges at such rates as may be laid down by Regulations by notification in the official Gazette for services or benefits rendered in relation to the use of the National Waterways for the purposes of shipping, navigation, infrastructural facilities including facilities for passengers and facilities relating to the berthing of vessels handling of cargoes and storage of cargoes. IWAI has amended its Tariff (Levy and Collection of Fees and Charges) Regulations, 2011 on 20.09.2018. The following charges are collected from the vessels plying on National waterways for the facilities created, operated and maintained by IWAI.
- a) Waterway usage charges
 - b) Vessel related charges (Berthing, Towage & Pilotage)
 - c) Composite charges (For ODC cargo)
 - d) Cargo related charges (Terminal & Storage charges)
 - e) Miscellaneous charges (Crane hire, electricity & water supply etc.)



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- 8.1 The Transport Research Wing (TRW) provides research and data support to the Ministry of Shipping for policy planning and formulation. TRW is the nodal agency for collection, compilation and dissemination of information and data on Ports, Shipping, Ship-building & Ship-repairing industry and Inland Water Transport (IWT) at the national level. Apart from collection, compilation and publication of transport data pertaining to ports, shipping and inland waterways, it also scrutinizes and validates data received from various primary/ secondary sources for consistency and comparability. TRW is associated with review meetings on policy issues pertaining to Port, Shipping and IWT Sectors.
- 8.2 Apart from publications, Transport Research Wing coordinates with various other organizations like Ministry of Finance, Ministry of Commerce, NITI AAYOG, Central Statistical Organization (CSO) and National Sample Survey Organization (NSSO), Ministry of Statistics & Programme Implementation and State Governments etc.
- 8.3 The following publications have been released during the year 2018-19
- Basic Port Statistics of India – 2016-17
 - Half-Yearly update on Indian Port Sector for period ending 31st March, 2018 and 30th September 2018
 - Indian Shipping Statistics 2017
 - Statistics of India's Ship-building & Ship-repairing Industry 2016-17
 - Statistics of Inland Water Transport 2017-18
- 8.4 The publications are on the website of Ministry of Shipping: www.shipmin.gov.in under the head, "Transport Research Wing". The work relating to the preparation of publications "Basic Port Statistics-2017-18", "Indian Shipping Statistics 2018" and "Statistics of India's Ship-building & Ship-repairing Industry 2017-18" is under progress.
- 8.5 Apart the publication and dissemination of data, the TRW also analysis monthly cargo handled data of Major ports and disseminates to senior officers of the Ministry. TRW has taken necessary action for collection of monthly data on cargo handled through web-portal named as "Port Data Management Portal (PDMP)" from Major as well as Non-Major Ports. TRW prepare a monthly progress report of port projects costing of Rs. 150 crore and above and updates on OCMS (Online Computerized Monitoring System) of Ministry of Statistics & Programme Implementation. TRW has also taken initiative for compilation of service price indices for Port Sector.

COOPERATION WITH MULTILATERAL ORGANIZATIONS

- 9.1 India became a member of the International Maritime Organization (IMO) in 1959, which is the global standard setting authority for the safety, security and environmental performance of shipping and ensures that such standards are fair and effective and are universally adopted and implemented. India has been an active participant at the IMO. In fact, participation of India in the functioning of IMO has helped India to voice its developmental concerns to the international maritime community. India has been a member of the IMO Council and has got re-elected as Member of the IMO Council for biennial 2018-19 under Category 'B', representing nations with the largest interest in international seaborne trade, for biennial 2018-19 by securing second highest number of votes during the IMO Council election held on December 2, 2017.
- 9.2 IMO adopts and implements various treaties in the form of conventions/ protocols. From time to time, keeping in mind our national interests and the international standards evolved by IMO through its treaties, India has been becoming party to the treaties adopted by IMO. As on date IMO has adopted 59 treaties which are open for countries to become parties. Out of these 59 treaties, India is a party to 34 treaties (conventions/ protocols) which have been suitably incorporated into the Indian domestic legislation i.e. the Merchant Shipping Act, 1958.
- 9.3 Currently, there are three IMO Conventions namely, (a) International Convention

on Civil Liability for Bunker Oil Pollution Damage 2001; (b) International Convention for the Control and management of Ships' Ballast Water and Sediments, 2004; and (c) the Hong Kong Convention for Safe and Environmentally Sound Recycling of Ships 2009, which are under consideration in the Ministry for India to sign an instrument of accession.

- 9.4 India is also a party to two important Conventions of the International Labour Organization (ILO) meant for welfare of seafarers, namely the Maritime Labour Convention and the Seafarer's Identity Document Convention. India contributes approximately 6 to 7 percent of the total workforce in the shipping industry. India is home to the second largest number of seafarers after the Philippines. The International Labour Organization (ILO) has mandated standards for the maritime industry too. The Maritime Labour Convention is a single, coherent instrument which replaces and consolidates 37 separate ILO maritime labour conventions adopted since 1920.
- 9.5 Apart from IMO, India has been contributing significantly to the other multilateral organizations/agreements such as ASEAN (Association of South East Asia Nations); Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC); India, Brazil and South Africa (IBSA); Indian Ocean Rim-Association for Regional Cooperation (IORA); International North South Transport Corridor (INSTC), etc.

MARITIME TRANSPORT COOPERATION INSTRUMENTS/ARRANGEMENTS:

- A. Bilateral cooperation arrangements



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9.6. India has entered into the following cooperation instruments/arrangements with other maritime countries and regional groupings by way of Agreements or MoUs, to foster

growth of the Indian maritime sector as well as to safeguard India's maritime interests. A brief of these cooperation arrangements is as under:

Sl. No.	Name of the Country (Year of signing)	Areas of Cooperation
1	Malta (September 17, 2018)	Memorandum of Understanding between India and Malta for bilateral cooperation in the fields of maritime and port administration, maritime safety, vessel monitoring and marine pollution prevention, maritime training, education, research and innovation and cooperation in matters related to International Maritime Organization (IMO).
2.	Republic of Korea (April 10, 2018)	Seafarers (STCW), 1978 as amended in 2010 (Manila Amendments) between India and Republic of Korea was signed on April 10, 2018. Both India and Republic of Korea have agreed on the recognition of maritime education and training, certificates of competency, endorsements, training documentary evidence and medical fitness certificates for seafarers (hereinafter referred to as "certificates") issued by the Government of the other Party in accordance with the provisions of regulation I/10 of the STCW Convention, and cooperation between the two Parties in the training, certification and management of seafarers.
3.	Cyprus (April 28, 2017)	Technical assistance in developing merchant fleets, including training of seafarers and also assistance in commercial matters support and facilitate cooperation between training institutions and maritime organizations; establishment of functioning representations of shipping organizations and enterprises in other countries; allow Govt. representatives or diplomatic and consular missions of other country as well as representative of shipping enterprises register in other country to enter its ports and board vessels sailing under the flag or chartered by enterprises of the other country.

B. Unilateral Agreements

9.7 India has signed agreements for Mutual Recognition of Certificates of Competence (CoC) of Seafarers with Malaysia, UAE and Republic of Korea. India's CoC is recognized by the following countries:

1. Vincent/ Grind Anes	19. Luxemburg
2. Dominica	20. Cyprus
3. Greece	21. Malta
4. Georgia	22. Norway
5. Vanuatu	23. France
6. Brunei	24. Denmark
7. Liberia	25. Ire Land
8. Marshal Islands	26. Bangladesh
9. Kuwait	27. Ghana
10. Bahamas	28. Latvia
11. Qatar	29. Mauritius
12. Barbados	30. Antigua and Barbuda

13. Netherlands	31. Vietnam
14. Maldives	32. Australia
15. Japan	33. Singapore
16. Belize	34. Hong Kong
17. Jamaica	35. Panama
18. Isle of man	36. Belgium

9.8 Progress has been made on various areas of cooperation with nearby countries in 2018. The status of cooperation is as under:

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Ferry Service between Tuticorin and Colombo:

9.9 The Ferry Service, which was started on June 13, 2011, was discontinued due to some technical reasons. Efforts are being made to revive and bring the service back in operation.



Ferry Service between Rameswaram and Talaimannar:

9.10 A dialogue is on between Sri Lankan Government and Indian Government regarding development of infrastructure in both countries to make this service operational.

Long Range Identification Tracking (LRIT) service:

9.11 LRIT services are extended to Sri Lanka in terms of IMO guidelines with effect from October 8, 2014.

BANGLADESH

India-Bangladesh Shipping Service:

9.12 An agreement has been entered with Bangladesh on coastal shipping through sea & inland waterways of both the countries on June 6, 2015. A Standard Operating Procedure (SOP) to implement this agreement has also been signed on November 15, 2015. The agreement will facilitate easy movement of cargo from East Coast of India to North Eastern States of India and also between the two countries through River Sea Vessels (RSV). The cargo vessels of Bangladesh are being permitted by DG (Shipping) to make voyage to Ports of call in India from time to time. However, Indian Shipping Companies have not sent any cargo vessels to Bangladesh so far. This issue will be addressed by DG (Shipping).

Protocol on Inland Water Transit and Trade (PIWTT):

9.13 In pursuance of the Trade Agreement between Government of Bangladesh and the Government of India, a Protocol on Inland Water Transit and Trade is in existence since 1972, which is renewed by the two countries from time to time. Last such extension for 5 years has been signed on June 6, 2015. Under this Protocol, inland vessels of one country can transit

through the specified routes of the other country. Each country will provide the facilities of "Ports of Call" to the vessels of the other country engaged in inter-country trade and number of such ports of call will be equal in both countries. Accordingly, Narayanganj, Khulna, Mongla, Sirajganj and Ashuganj in Bangladesh and Kolkota, Haldia, Karimganj, Pandu and Silghat in India are identified as Ports of Call. An addendum to PIWTT was signed on 25.10.2018, adding Dhubri & Pangaon as the 6th Port of call in India and Bangladesh respectively.

Use of Chittagong and Mongla Ports of Bangladesh

9.14 An MOU was signed between India and Bangladesh on June 6, 2015 to allow India to use Chittagong and Mongla Ports of Bangladesh for movement of goods to and from India. As per request made by Bangladesh in the Shipping Secretary level talks held at Dhaka in December, 2016. The Agreement on use of Chattogram (Chittagong) and Mongla Port was signed on 25.10.2018. A draft SOP for operationalization of the said Agreement was forwarded to Govt. of Bangladesh through MEA for vetting. However, as per the decision at Shipping Secretary level talks, a sub-group have been constituted by India and Bangladesh (three member in each country) to examine the SOP. The meeting of the Committee would be held shortly.

C. Trilateral Cooperation Arrangements

9.15 A trilateral cooperation framework is under progress between India, Sri Lanka and the Maldives to finalize an Agreement for Trilateral Cooperation between India, Sri Lanka and the Maldives on maritime security for information exchange to enhance Maritime Domain Awareness, training, pollution control, joint exercises and capacity building. Director General of



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Shipping has extended the Long Range Identification and Tracking (LRIT) facility to Sri Lanka and is in communication with Maldives to offer the same facility within the guidelines of IMO and International Maritime Satellite Organization (IMSO).

Joint Working Group (JWG) Meetings held during the year 2018

- a) The sixth meeting of the 'India- Norway Joint Working Group (JWG) Maritime, was held on February 7, 2018 in which potential opportunities available in the maritime sector for further collaboration between the two countries was discussed.
- b) The first meeting of the Joint Working Group on Ports and Shipping between India and Denmark was held in Copenhagen, Denmark May 29, 2018 during the visit of Secretary (Shipping).
- c) The 7th Meeting of the Joint Committee on Ports and Maritime Cooperation between India and Iran was held in Mumbai on October 30-31, 2018.
- d) The first meeting of the India- Jordan Joint Maritime Committee (JMC) was held through Video Conferencing on December 5, 2018.

Visit of Hon'ble Minister of Shipping and Road Transport & Highways, Shri Nitin Gadkari to Republic of Korea

9.16 At the invitation of H.E. Mme. Kim Hyun-Mee, Minister of Land, Infrastructure and Transport (MOLIT) and the Ministry of Ocean and Fisheries (MOOF), Government of the Republic of Korea Shri Nitin Gadkari, Hon'ble Minister of Shipping, Road Transport & Highways, Water Resources, River Development and Ganga Rejuvenation visited the Republic of Korea from 9-11 April, 2018. He was accompanied by an official delegation and a 12 member Business delegation led

by FICCI and firms with business interests in maritime, highways and infrastructure sectors. During the visit, the Minister held discussions regarding strengthening of bilateral cooperation in the infrastructure sector and to share project information and networking with Korean companies.

9.17 The Minister visited Samsung Heavy Industries Limited and held discussion with the CEO and senior management on the following issues:

- a) Technology support for construction of small LNG tankers and LNG fuelled vessels for inland transport.
- b) Cooperation in Ship repair, maritime education, construction of small deep sea fishing vessels and funding operations for projects to be executed under 'Make in India' utilizing significant Korean component.

9.18 A meeting of the Korea India Maritime Cooperation Forum was held on 10 April, 2018 in which Korean businessmen were introduced to the opportunities available India in development of new ports, upgradation of ports, construction contracts for new berths, investment opportunities in logistic hubs, dry ports etc. A Memorandum of Undertaking on mutual recognition of Certificates of Competency of seafarers was signed between the two countries on 10 April, 2018.

Visit of Hon'ble Minister of Shipping and Road Transport & Highways, Shri Nitin Gadkari to Kenya

9.19 Shri Nitin Gadkari, Hon'ble Minister of Shipping, Road Transport & Highways, Water Resources, River Development and Ganga Rejuvenation addressed the Sustainable Blue Economy Conference held in Nairobi on 28 November, 2018. Kenya hosted the two day conference with Canada and Japan as co-hosts.



- 9.20 In his address, the Minister highlighted that India endorses the growth of the Blue Economy in a sustainable, inclusive and people centred manner through the framework of the Indian Ocean Rim Association (IORA). Blue Economy remains a critical aspect of India's economic development agenda, and more than 95% of our trade is being carried on by sea.
- 9.21 Shri Gadkari also held discussions with Mr James Wainaina Macharia, the Kenyan Cabinet Secretary (Minister) Transport, Infrastructure, Housing and Urban Development, during which he offered India's cooperation to Kenya for ship-building, vessels for coast guard, fishing trawlers. He invited the Kenyan Minister to visit India and see the expertise of Cochin Shipyard Ltd in building ships, which would be required by the newly established Coast Guard of Kenya, and also fishing trawlers for deep sea fishing.

Visit of coordinating Minister of Maritime Affairs of Indonesia

- 9.22 General (Retd.) Luhut Binsar Pandjaitan, Coordinating Minister of Maritime Affairs of Indonesia was on a two day official visit

- to India and he held a meeting with Shri Nitin Gadkari, Minister of Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation on May 17, 2018 to discuss bilateral cooperation in the maritime sector between the two countries. The Minister was accompanied by a 10-Member high level comprising of senior officials of Department of Maritime Affairs, Indonesia, Chairman of Agency for the Assessment and Application of Technology (BPPT) and the Ambassador of Indonesia, New Delhi.
- 9.23 Bilateral cooperation between India and Indonesia in the field of maritime training and education, possibility of starting direct shipping service between Andaman and Indonesia and cooperation under India-ASEAN Maritime Transport Agreement was discussed during the meeting. The vision of the Government of India to put India on global cruise market both for ocean & river cruises and its Sagarmala flagship program were highlighted. The two Ministers emphasized the need to steps to strengthen maritime relations between India and Indonesia.



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ADMINISTRATION

10.1 Administration Wing of the Ministry of Shipping is headed by Joint Secretary (Administration) who is assisted by Deputy Secretary (Administration), Under Secretary (Administration) supervising the work of Establishment Section, General Administration Section and Cash Section. The Establishment Section is entrusted with the service and administrative matters of 270 regular employees of (Group A, B, and C) of the Ministry. This includes the management of the various Cadres such as Central Secretariat Service (CSS), Central Secretariat Stenographers Service (CSSS), Central Secretariat Clerical Service (CSCS), Development Wing and Chartering Wing. Establishment Section implements all administrative orders issued by Department of Personnel & Training, Department of Pension & Pensioners' Welfare, Ministry of Finance, Union Public Service Commission, Central Information Commission, Central Vigilance Commission etc.

10.2 Special efforts have been made by the Ministry to ensure compliance of the orders issued from time to time regarding reservation for SC/ ST/ OBC in filling up vacant posts in the Chartering Wing and the Development Wing of this Ministry. Information with regard to the total number of Government Servants, separately for Secretariat and Non-Secretariat side (Group-wise) and representation of SC/ ST employees in the Ministry is given at ANNEXURE III.

Welfare

10.3 In the Ministry of Shipping, several welfare measures for all employees including the women employees of the Ministry were undertaken. There is an

Internal Complaints Committee on sexual harassment to look after the grievances of women employees relating to sexual/ Gender based harassment. Further, as part of the welfare measure for employees in the Ministry, a new initiative has been started to greet the employees on their birthday by giving a card, bouquet and a token gift, so as to keep their morale and motivation high.

10.4 To oversee the implementation of the Prohibition of Smoking in Public Places' Rules, 2008 in the Central Govt. Offices/ Buildings, the Ministry of shipping has constituted a Committee for surprise checking in the premises of the Ministry. The Ministry of Shipping is one of the few Ministries, which have successfully completed online APARs of IAS officers through SPARROW. The Biometric Attendance System has also been implemented in this Ministry.

10.5 Important Days of national importance viz. Anti – Terrorism Day, Communal Harmony Day, Sadbhavana Diwas, Swachhta Diwas, Constitution Day, International Yoga Day, Vigilance Awareness Week, Red Cross Day, Red Cross Raffle Draw, etc. were observed and "Pledge" taken by the employees of the Ministry of Shipping. Contributions were also raised and collected towards "Flag Day". Essay competitions both in Hindi and English were conducted during Communal Harmony Week / Vigilance Awareness Week. The Participants are rewarded for participating in these events.

E-Office

10.6 E-Office system has been implemented fully for all the officers and their supporting staff in the Ministry. This Ministry has also migrated to e-file system w.e.f. 1st January, 2017 and is one of those Ministries which



have switched over to e-filing system completely. All the existing physical files/ records have been digitized. Scanners have been provided to all the Sections/ Officers for scanning of daily routine papers/receipts/dak etc.

Right to Information Act

- a) Detailed information relating to obligations listed in Section 4 of the RTI (Publications of Manuals) has been uploaded / hosted in the websites of the concerned organizations.
- b) For the implementation of the RTI Act, Ministry of Shipping has exclusively created a new cell and an Information and Facilitation Counter (IFC) at the Reception for the convenience of the general public who visit personally.
- c) In the Ministry of Shipping (Main Sectt.), we have appointed/designated 21 CPIOs and 13 Appellate Authorities based on the Divisions, who are in the rank of Under Secretary and Deputy Secretary/Director and equivalent respectively. Notifications/ Orders indicating the appointment of CPIOs/ Appellate Authorities under the Act have been published and uploaded / hosted on the website of the Ministry of Shipping i.e. www.shipmin.gov.in.
- d) Whenever a request is received from the public/citizen by the CPIO/IFC, the same is passed/transferred to the RTI Cell, where the application is registered after ensuring that fee has been deposited. Thereafter the request is sent to the concerned CPIOs/Appellate Authorities to provide desired information to the applicants / for disposal of First Appeal. A monthly statement in this regard is sent to DoP&T.
- e) Copies of the RTI Act and circulars received from DOPT on RTI are circulated promptly to all the organizations for compliance.
- f) Useful guidance material/instructions are also circulated to all CPIOs/ Appellate Authorities.
- g) An internal procedure has been established and circulated to all the concerned CPIOs/ Appellate Authorities and all Sections for guidance, while dealing with the requests/ appeals from public seeking information.
- h) All the useful records are duly maintained.
- i) The Quarterly details of RTI Applications and RTI Appeals received and disposed of by this Ministry during the period from 01.01.2018 to 31.12.2018 are as under:-

Sl. No.	Period	RTI Applications received and disposed of	RTI Appeals received and disposed of
1	January – March	179	21
2	April – June	210	15
3	July – September	121	12
4	October – December	121	5
	Total	631	53

Internal Audit

- a) The Internal Audit Wing in the Pr. CCA organization of Ministry of Shipping has been established as an effective tool for identifying the systematic errors/lapses in the functioning of various departments in the Ministry and advising the management for necessary action/rectification. This has proved to be as immense management tool to bring about objectivity and financial property in day to day functioning and by bringing greater sensitivity for financial prudence.
- b) The Officers of the Internal Audit Wing as well as officers posted in other section have been imparted various trainings



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related to Internal Audit in the past. This year three AAOs have been imparted training in Risk Based Audit.

- c) Consequent upon the effective utilization of Internal Audit mechanism during the past few years by the Pr. CCA's organization, there has been a significant improvement in maintenance of Accounts in all offices of the Ministry of Shipping.
- d) Audit paras which involve major irregularities/deficiencies are brought to the notice of Head of Departments and matter perused for settlement on paras and review meeting are also arranged by Pr. CCA office to take stock of the outstanding paras.

Important Audit Observation

10.7 The summary of important audit observations, appearing in the following most recent Audit reports of the year ended March, 2015 is at ANNEXURE-IV

DEPARTMENTAL ORGANIZATION

10.8 The Accounts and Budget wings of the Ministry of Shipping are functioning under the Pr. Chief Controller of Accounts. The office of the Pr. Chief Controller of Accounts is inter-alia responsible for making all authorized payments of the Ministry, Compilation of Monthly and Annual Accounts, Conduct of internal audit of all the units under the Ministry to ensure compliance of the prescribed Rules, Rendering Technical advice to the Ministry on Financial and accounting Matters, cash management and coordination with the Controller General of Accounts, C&AG, Finance Ministry and other related agencies.

10.9 The Pr. Chief controller of Accounts organization comprises of Pr. Chief Controller of Accounts, one Controller of Accounts, one Deputy Controller of Accounts, Six Pay & Accounts Officers located as 2 in Delhi, 1 in Kolkata, 1 in

Mumbai , 1 in Noida and 1 in Andaman (Port Blair). The Budget Section consists of one Under Secretary (Budget).

10.10 The Pr. Chief Controller of Accounts office is primarily responsible for the following major tasks:-

Payments

- Making Sanctioned Payments on behalf of the Ministry after conducting pre-check of bills as per approved Budget.
- Release of authorization to other Ministries to incur the expenditure on behalf of the Department.

Receipts

- Budgeting, accounting and reconciliation of the receipts of Ministry of Shipping.
- Monitoring the repayment of loans and interest thereof received from State Governments and other PSU's. The payment on account of Grants-in-Aid, Loan, Subsidy and equity to Public Sector Undertakings, Port Trusts and International Maritime Organization.

Submission of Accounts and Reports

- Preparation of monthly accounts, Finance Accounts, Annual Appropriation Accounts, and Statements of Central Transactions and their submission to the Controller General of Accounts, Ministry of Finance, Department of Expenditure, Government of India.
- Monitoring of Internal Extra Budget Resources (IEBR) and its submission to office of the CGA.
- Monitoring and submission of mandatory information as per Fiscal Responsibility and Budget Management (FRBM) Act and Rules.
- Preparation of Management Information Reports based on accounting, budget & audit data for submission to various authorities.



- Preparation of financial statistics on monthly basis regarding receipts and expenditure for upload on Ministry's website.

Budget

- Preparation and submission of Annual Budget Estimates and Revised Estimates, re-appropriation of funds of the Department of Shipping, Ministry of Shipping, Road Transport and Highways. Coordination with Ministry of Finance and other Departments in all the budget matters.
- Monitoring/disposal of all the Audit Paras and Observations made by the C&AG of India (civil and commercial) and coordination with Monitoring Cell of the Department of Expenditure, M/o Finance for the 'Action Taken Note'.

Computerization of Accounts

10.11 With a view to eliminate the delay in compilation of Accounts and to provide the information on expenditure accounts, on timely, accurate basis, the office of Pr. Chief Controller of Accounts at present is implementing various software packages like E-Lekha, PFMS and GePG etc.

E-Lekha

10.12 A web based application for generating daily/monthly of MIS of Accounting information. All the PAOs are uploading data daily on E-lekha. Pr. Account office is submitting the monthly account through E-lekha.

PFMS

10.13 In 2008-09 Hon'ble Finance Minister announced the establishment of Central Plan Schemes Monitoring System (CPSMS), which is now known as Public Financial Management System (PFMS), to provide comprehensive Decision Support and Management Information to various Scheme managers responsible

for administering Plan Schemes. Since then the scope of PFMS has been enlarged to cover direct payment to beneficiaries both under selected Plan and non-Plan Schemes. Today several Scheme managers are using CPSMS to directly credit the bank accounts of implementing agencies and beneficiaries.

10.14 PFMS has operationalized an active interface with 86 banks (26 Public Sector Banks, 50 Regional Rural Banks and 10 major Private Sector Banks) to provide immediate validation of bank accounts, prompt electronic credit to the beneficiary's bank account and bank reconciled expenditure statements to the implementing agencies with 104 Centrally Sponsored Schemes (CSS) and more than 600 Central Sector Schemes (CSS), along with State Plans and Additional Central Assistance (ACA), the CPSMS is managing funds in excess of Rs.4,00,000 crore annually. The system is geared for fund management and e-payments for Plan/non-Plan Schemes of the Government of India and report utilization under these schemes at different levels of implementation on a real time basis.

GEPG

10.15 The Government e-Payment Gateway (GePG) is envisaged to provide a payment gateway for the Civil Ministries and departments with the specific objective of leveraging the existing IT capabilities of the Core Banking Systems and application software functionalities of the CGA's organization towards the development of an integrated payment and accounting system for all levels of usage with seamless interface and data communication. This would result in the elimination of physical cheque processing system and traditional issues associated with it, which would ensure major cost savings for the department by greatly enhancing the



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overall payment processing efficiency; Online reverse file (payment scroll) giving MIS on unique e-Authorization ID for all e-payment fund transfers; Online auto-reconciliation to facilitate major savings in time and efforts and speed up the compilation of accounting processes; and ensuring a secure single point data capture of transaction data thereby eliminating duplication of work and data inconsistency.

Grant No. 87 – Ministry of Shipping

10.16 The position of savings/excess in respect of above mentioned Grant No. 87 for the year 2018-19 and actual expenditure for the year 2018-19 (upto 31st December, 2018) has been reflected in ANNEXURE-V. The Head-wise Details of Receipts as per the Statement of Central Transaction (SCT) for the last three years have been reflected in ANNEXURE-VI. Head wise details of expenditure for 2016-17 to 2018-19 (upto 31st December, 2018) are given in ANNEXURE-VII. Profile of actual Expenditure in 2018-19 (upto 31st December, 2018) is at ANNEXURE-VIII. The Ministry of Shipping is maintaining two funds viz. Depreciation Reserve Fund and General Reserve Fund for providing certain services required to develop transportation facilities in the country. Details are at ANNEXURE-XI.

Vigilance

10.17 The Vigilance Wing of the Ministry

coordinates and supervises the vigilance activities within the Ministry as well as the PSUs and autonomous bodies under its administrative control. The Wing is headed by the Chief Vigilance Officer (CVO) of the rank of Joint Secretary appointed with the approval of Chief Vigilance Commission.

10.18 There are 30 attached/subordinate/PSU/ autonomous bodies under the Ministry and each organization has either a part-time or full-time CVO. The part-time CVOs are appointed from amongst the officers of the concerned organization in consultation/concurrence with the CVC. The full-time posts of CVOs, wherever such posts exist, are filled-up by officers of organized services through DoP&T.

10.19 The emphasis has been laid on the role of preventive vigilance by taking prompt administrative actions and ensuring transparency including simplification of procedures and use of e-technology etc. Special emphasis was laid on the strengthening of vigilance machinery in various organizations under the Ministry of Shipping particularly the Port Trusts. Punitive action has been taken wherever required in consultation with CVC against the delinquent officials.

10.20 As a result of active monitoring and follow up, a large number of cases were finalized during the year. The details of vigilance cases disposed of/pending during the year 2018 is given as under:-

Sl. No	Type of proceedings	Opening balance	Received during the year	Total	Disposed of	Pending	Nature of cases
1	Major	14	4	18	14	4	Corruption, tender irregularities and other financial irregularities, etc.
2	Minor	1	1	2	0	2	

10.21 During the Vigilance Awareness Week, a pledge was administered to the staff and officers of the Ministry. The banners, posters were displayed at the prime locations of the building and Notice Board of the Ministry.

10.22 Vigilance activities in various organizations under this Ministry are being reviewed periodically through their reports/returns and also through interactions with CVOs/Head of the Organizations.

11.1 Hindi Section has been established in the Ministry of Shipping for implementation of the Official Language Policy of the Union Government. Presently it is under the administrative control of Joint Secretary (Admin./OL), assisted by Joint Director (OL). The Hindi section consists of one Assistant Director (OL), two Senior Translation Officers, one Junior Translation Officer and one Stenographer. Hindi section monitors the implementation of Official Language (Hindi) Policy in the Ministry as well as in all the offices under its administrative control.

11.2 Keeping in view the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs during the reporting period Ministry of Shipping continued its efforts to do maximum official work in Hindi for implementation of the Official Language Policy of the Union Government.

Implementation of Section 3(3) of the Official Language Act, 1963 (as amended 1967)

11.3 In pursuance of the Official Language Policy of the Government of India, all documents covered under section 3(3) of the Official Language Act, 1963 in Ministry were issued both in English and Hindi during the reporting period.

Official Language Implementation Committee (OLIC)

11.4 There is an Official Language Implementation Committee (OLIC) is constituted in the Ministry under the Chairmanship of Joint Secretary (Admin./OL). The Committee reviews the progress

made in the use of Hindi in the Ministry on quarterly basis. It gives appropriate suggestions and recommends measures to be taken for the effective implementation of the Official Language Policy. Three meetings of the Committee were held during the year 2018-19.

Inspections to promote the use of Hindi

11.5 The details of the inspections carried out by First Sub Committee of Parliament on Official Language and the Officials of this ministry during the reporting period to assess the progress of implementation of the Official Language Policy of the Union Government are given below:-

Inspections of the Committee of Parliament on Official Language:

11.6 Hindi section reviews the questionnaire of the offices under its control during the inspection by First Sub Committee of Parliament on Official Language and imparts necessary guidance to them. The First Sub Committee of the Committee of Parliament on Official Language inspected Haldiya Dock Complex, Haldiya on 29.10.2018.

Inspection in the offices under the control of ministry of Shipping:

11.7 The officials of the Ministry of Shipping inspected seven offices under its control during the reporting period namely:

- i. Paradip Port Trust, Paradip : 08.04.2018
- ii. Deen Dayal Port Trust, Kandla : 16.04.2018



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- iii. V.O. Chidambarnar Port Trust, Tuticorin : 21.06.2018
- iv. Directorate of Lighthouse and Lightships, Jamnagar : 18.10.2018
- v. Tariff Authority of Major Ports, Mumbai : 24.12.2018
- vi. Jawaharlal Nehru Port Trust, Mumbai : 26.12.2018
- vii. The Shipping Corporation of India Ltd., Delhi : 11.01.2019

Inspection of the section of the Ministry of Shipping

11.8 The officials of the Ministry of Shipping inspected nine sections of the Ministry during the reporting period namely:

- i. Vigilance Section : 09.01.2019
- ii. M.A. Section : 10.01.2019
- iii. Administration Section : 11.01.2019
- iv. IWT Section : 14.01.2019
- v. General Section : 15.01.2019
- vi. Sagarmala Section : 16.01.2019
- vii. Port Establishment-I Section : 8.01.2019
- viii. Port Establishment-II Section : 21.01.2019
- ix. Labour Section : 22.01.2019

Organization of Hindi Pakhwada (fortnight)

11.9 In order to encourage the use of Hindi in official work and to propagate Hindi, 'Hindi Pakhwada' was organized in the Ministry from 04-09-2018 to 18-09-2018. During Hindi Pakhwada various competitions were held. Prizes were awarded by the Secretary (Shipping) to the winners of the competitions held during Hindi Pakhwada. This year there were total 56 Prizes for 08 Competitions in which 36 Officers and

Staff participated and 32 participants won total 52 Prizes.

Organization of Hindi workshop

11.10 Two Hindi workshops were organized during the reporting period. One Hindi workshop was conducted during Hindi fortnight on 18.09.2018 in which 16 officers and staff were trained. The subject of the workshop was 'Use of Hindi in Official Work'.

11.11 Second Hindi workshop was conducted on 17-01-2019, in which participants were trained on how to install Hindi typing software UNICODE on their computers to facilitate them doing their official work in Hindi. 26 officers/staff/DEO's from various sections of the Ministry trained in this workshop.

Award scheme for the books originally written in Hindi and translated into Hindi from other languages on the subjects relating to Indian ports and Shipping:-

11.12 Ministry of Shipping is running an Award Scheme with an objective to promote book writing originally in Hindi and translation of books from other languages into Hindi on subjects related to India n Ports and Shipping, under which first, second and third prizes are given in both categories separately. Under this scheme, entries have been invited for the original and translated books published on the above subjects during last five years ie 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The last date of receiving of the entries in the Ministry is 31st March, 2019

Rajbhasha Shield Scheme:-

11.13 To promote use of Hindi in the headquarters of offices under the control of Ministry of Shipping a Rajbhasha Shield scheme is being run on annual



basis, under which region wise offices are awarded with a shield and certificate. Under this scheme, winners have been declared for the years 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. This scheme is also being implemented for the year 2018-19.

In-House Magazine "Nautarni"

11.14 Ministry's in house Hindi magazine "Nautarni" is being published to promote the creative writing in Hindi in the officers and employees of the ministry of Shipping. In this magazine creative and informative articles and the articles

related to the activities of the Ministry of Shipping are published. Till now 5 issues of this magazine are published and articles have been invited for the Sixth issue of this in house magazine.

Hindi Salahakar Samiti

11.15 With a view to render advice for effective implementation of the Official Language Policy of the Government, the Hindi Salahakar Samiti (Advisory Committee) of the Ministry of Shipping had been constituted and its tenure had expired on 17-09-2018. The process of reconstitution of the committee is in progress.



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ANNEXURE-I (para 1.5 refer)

I. THE FOLLOWING SUBJECTS WHICH FALL WITHIN LIST 1 OF THE SEVENTH SCHEDULE TO THE CONSTITUTION OF INDIA:

- Maritime shipping and navigation; provision of education and training for the mercantile marine
- Lighthouses and lightships
- Administration of the Indian Ports Act, 1908, (15 of 1908) and the Major Port Trusts Act, 1963 (38 of 1963) and ports declared as major ports
- Shipping and navigation including carriage of passengers and goods on inland waterways declared by Parliament by law to be national waterways as regards mechanically propelled vessels, the rule of the road on such waterways
- Ship-building and ship-repair industry
- Ship breaking
- Fishing vessels industry
- Floating craft industry

II. IN RESPECT OF THE UNION TERRITORIES:

- Inland waterways and traffic thereon

III. IN RESPECT OF THE UNION TERRITORIES OF THE ANDAMAN AND NICOBAR ISLANDS AND THE LAKSHADWEEP:

- Organisation and maintenance of mainland islands and inter-island shipping services

IV. OTHER SUBJECTS WHICH HAVE NOT BEEN INCLUDED UNDER THE PREVIOUS PARTS:

- Legislation relating to shipping and navigation on inland waterways as regards mechanically propelled vessels and the carriage of passengers and goods on inland waterways
- Legislation relating to and coordination of the development of minor and major ports
- Administration of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948) and the Schemes framed thereunder other than the Dock Workers (Safety, Health and Welfare) Scheme, 1961
- To make shipping arrangements for and on behalf of the Government of India/Public Sector Undertakings/State Governments/ State Government Public Sector Undertakings and autonomous bodies in respect of import of cargo on Free on Board/Free along Site and export on Cost and Freight/Cost Insurance and Freight basis
- Planning of Inland Water Transport
- Formulation of the privatization policy in the infrastructure areas of ports, shipping and inland waterways
- The Development of township of Gandhidham
- Prevention and control of pollution: (a) Prevention and control of pollution arising from ships, shipwrecks and abandoned ships in the sea, including the port areas; (b) enactment and administration of legislation related to prevention, control and combating of pollution arising from ships; and (c) monitoring and combating of oil pollution in the port areas



V ACTS AND RULES

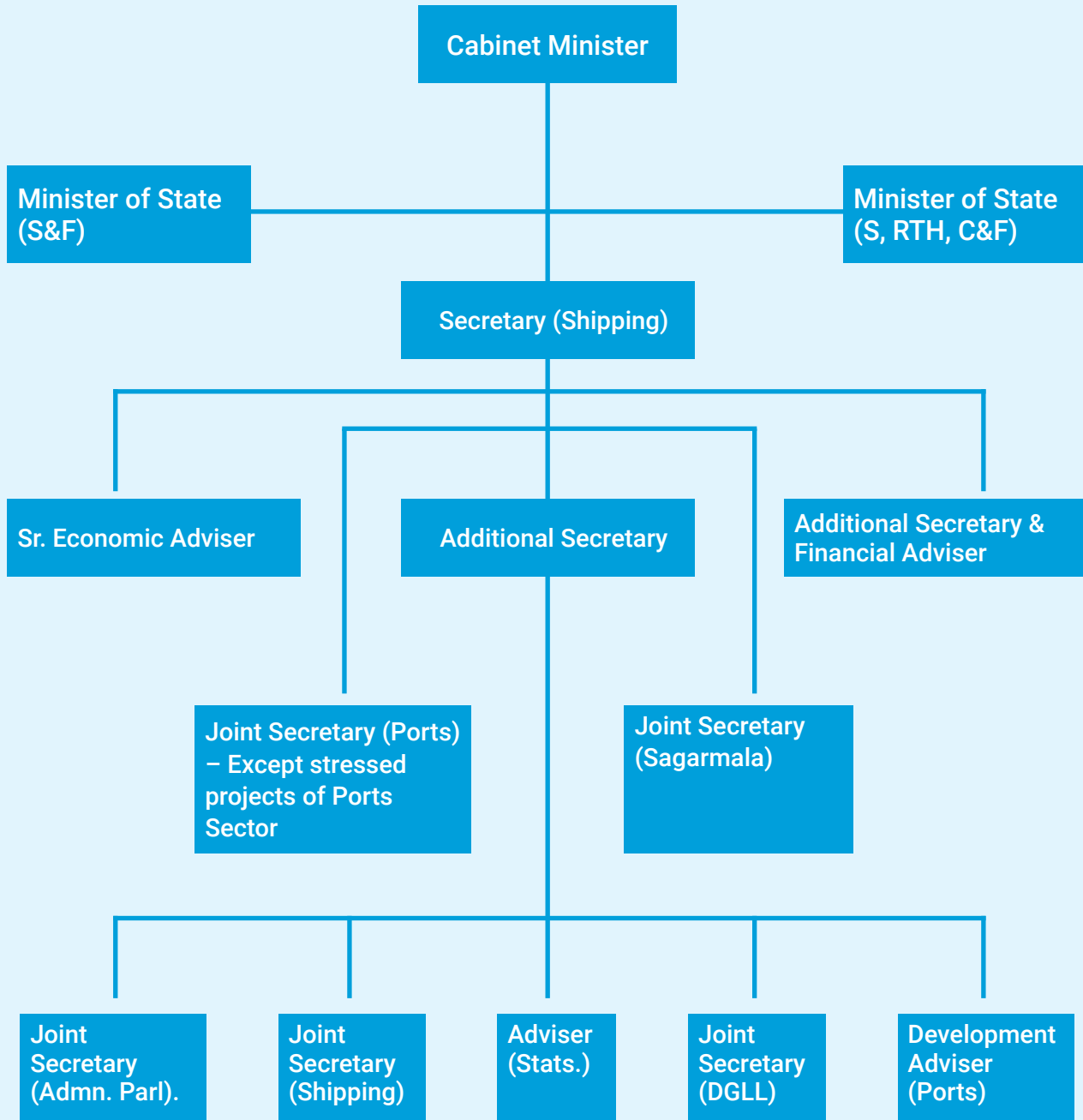
- Indian Ports Act 1908 (15 of 1908)
- The Inland Vessels Act, 1917 (1 of 1917)
- Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948)
- The Merchant Shipping Act, 1958 (44 of 1958)
- The Major Port Trusts Act, 1963 (38 of 1963)
- The Seamen's Provident Fund Act, 1966 (4 of 1966)
- The Inland Waterways Authority of India Act, 1985 (82 of 1985)
- The Multimodal Transportation of Goods Act, 1993 (28 of 1993)
- Indian Maritime University, Act, 2008
- The Coasting Vessels Act, 1838
- The National Waterways Act, 2016
- The Suppression of Unlawful Acts against Safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, 2002
- The Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017



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ANNEXURE-II (para 1.12 refer)





ANNEXURE-III (Para 10.2 refer)

Annual Statement Showing the Representation of SCs, STs and OBCs as on 1st January, 2019 and Number of appointments made during the Preceding Calendar year 2018:

Ministry/Department/Attached/Subordinate Office: Shipping

Representation of SCs/STs and OBCs (As on 01.01.2019)

Group	Total Employee	SCs	STs	OBCs	Others
A	57	04	01	02	50
B	101	22	10	23	46
C	51	13	04	07	27

Number of Appointments made during the Calendar Year 2018

BY DIRECT RECRUITMENT					
Group	Total Employee	SCs	STs	OBCs	Others
A	NIL	-	-	-	-
B	1	-	-	1	-
C	NIL	-	-	-	-
BY PROMOTION					
A	NIL	-	-	-	-
B	NIL	-	-	-	-
C	NIL	-	-	-	-
BY DEPUTATION					
A	NIL	-	-	-	-
B	NIL	-	-	-	-
C	NIL	-	-	-	-



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ANNEXURE-IV (para 10.7 refer)**IMPORTANT AUDIT OBSERVATIONS**

The summary of important audit Observations, appearing in the following most recent Audit report for the year ended March, 2018 are given below:

1. Report No.4 of 2018 Union Government (Civil), Compliance Audit Observations

Jawaharlal Nehru Port Trust**(i) Revenue loss to Jawaharlal Nehru Port Trust (JNPT)**

Award of an adjacent berth to the same entity operating the existing berth at a lower revenue share without safeguarding the financial interest of JNPT led to diversion of traffic from the existing to the new berth and consequent loss of revenue to the port. Over 2015-17, the loss of revenue amounted to Rs. 54.72 crore.

Mumbai Port Trust**(ii) Loss of revenue and undue benefit to the licensee**

Mumbai Port Trust suffered loss of revenue of Rs 17.13 crore during April 2015 to March

2017 as the Port failed to recover wharfage at the agreed rate from the licensee. Besides, the Port allowed revision of tariff at 130 per cent of scale of rates, without the approval of TAMP which was irregular.

(iii) Loss of revenue due to failure to revise casual occupation and service charges

Mumbai Port Trust failed to revise casual occupation charges and service charges since 1990-92 which led to loss of revenue to the port. Considering the revised charges proposed by the port in May 2002, the loss amounted to Rs. 15.10 crore (approx) during April 2012 to March 2017. The loss would continue till the Port takes necessary steps to revise these charges.

V.O. Chidambaranar Port Trust**(iv) Avoidable payment of compensation charges for Low Power Factor**

Failure to maintain prescribed power factor resulted in avoidable payment of compensation charges amounting to Rs. 1.46 crore

ANNEXURE-V (para 10.16 refer)**GRANT OF THE MINISTRY OF SHIPPING**

FOR THE FINANCIAL YEAR 2018-2019 (upto 31/03/2019)

(Rs in crore)

Grant No. & Name		Original	Supplementary	Total Budget	Actual Expenditure	Saving
Grant No. 87	Revenue Account	1839.47	343.62	2183.09	1945.15	NA
	Capital Account	421.66	125.00	546.66	241.94	
Total		2261.13	468.62	2729.75	2187.09	

Source: Appropriation Accounts & E-lekha



MINISTRY OF SHIPPING

ANNEXURE-VI (para 10.16 refer)

HEADWISE DETAILS OF RECEIPTS AS PER THE STATEMENT OF CENTRAL TRANSACTION (SCT) FOR THE LAST THREE YEARS

REVENUE RECEIPTS

(Rs. in crore)

	MAJOR HEAD	2016-17	2017-18	2018-19 (upto 1.03.2019)
1.	0021-Taxes on Income other than Corporation Tax	15.42	17.12	19.29
2.	0045-Other Taxes & Duties on Commodities & Services	3.19	0.00	-1.70
3.	0049- Interest Receipts	13.74	19.50	235.61
4.	0050-Dividends & Profits	132.84	193.67	202.37
5.	0070-Other Administrative Services	0.04	0.00	0.02
6.	0071-Contribution & Recoveries towards Pension & Other Retirements Benefits	9.00	8.73	9.19
7.	0075-Miscellaneous General Services	0.00	0.00	0.00
8.	0210-Medical & Public Health	0.21	0.41	0.42
9.	0216-Housing	0.37	0.36	0.45
10.	1051-Ports and Light Houses	364.65	302	306.99
11.	1052-Shipping	140.35	112.74	98.41
12.	1056-Inland Water Transport	12.49	16.48	24.72
13.	1475 - Other General Economic Services	0.00	19.17	0.00
	REVENUE RECEIPTS *	692.30	690.18	895.77

CAPITAL RECEIPTS

(Rs. in crore)

	MAJOR HEAD	2016-17	2017-18	2018-19
1.	4000- Miscellaneous Capital Receipts	0.00	0.00	0.00
2.	6858- Loans for Engineering Indst.	0.00	0.00	0.00
3.	7051- Loans for Port & Light Houses	29.32	54.25	260.82
4.	7056-Loans for Inland Water Transport	0.00	0.00	0.00
5.	7601-Loans & Advances to State Govt.	0.00	0.00	0.00
6.	7610- Loans to Govt. Servants	0.38	0.31	0.39
	CAPITAL RECEIPTS **	29.70	54.56	261.21



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MINISTRY OF SHIPPING

ANNEXURE-VII (para 10.16 refer)

HEADWISE DETAILS OF EXPENDITURE FOR THE LAST THREE YEARS i.e. FROM 2016-17 TO 2018-19 (upto 31/03/2019)

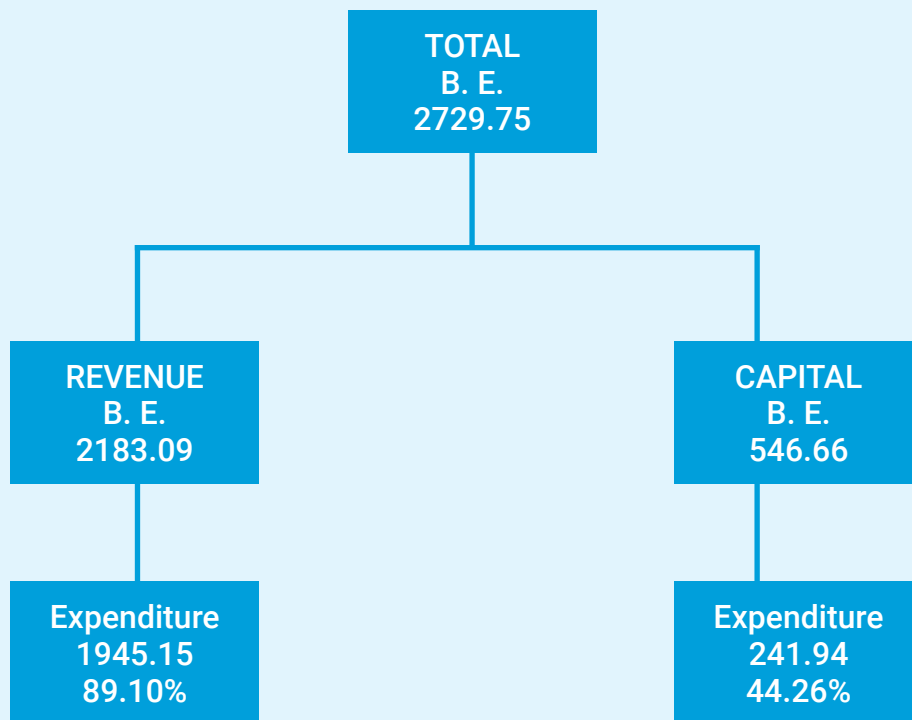
(Rs. in Crores)

PARTICULARS	2016-17	2017-18	2018-19
REVENUE EXPENDITURE			
2049-Interest Payment	20.45	0.25	0.38
2071-Pension Payment	20.21	26.25	30.79
2235-Social, Security & Welfare	0.09	0.07	0.06
2852-Industries	32.70	36.76	29.91
3051-Ports&Lighthouses (Gr.No.87)	744.69	764.05	773.33
3051-Port and Lighthouses Andaman & Nicobar administration	14.46	12.07	9.25
3052-Shipping	148.50	127.03	124.17
3056-Inland Water Transport	359.09	444.91	862.00
3451-Economic Services	10.58	49.56	55.74
3601-Grant-in-aid to State Government	0.00	195.60	100.00
TOTAL (Revenue Exp.)	1350.77	1656.55	1985.63
CAPITAL EXPENDITURE			
4405-Capital outlay on fisheries	12.60	9.06	8.18
4406-Capital outlay on forestry & wildlife	0.00	0.00	0.00
4801-Capital outlay on Power Projects	1.70	0.00	1.51
5051- Capital outlay on Ports & Lighthouses (Gr.No.87)	316.71	223.14	177.77
5051- Capital outlay on Ports & Lighthouses Andaman & Nicobar administration	14.46	4.55	5.74
5052-Capital outlay on Shipping Andaman & Nicobar administration	2.28	2.02	2.94
5052-Capital outlay on Shipping (Gr.No.87)	5.40	0.00	-25.26
5053-Capital Outlay on Civil Aviation	0.00	0.00	0.00
5075-Other Transport Services	2.46	9.71	0.00
5452-Capital outlay on tourism Andaman & Nicobar administration	2.16	0.97	1.05
6858-Loans for Engineering Industries	5.50	0.00	0.00
7051-Loans for Ports & Light Houses	0.00	0.00	0.00
7610-Loans to Govt. servants	0.00	0.00	0.33
TOTAL (Capital Exp.)	363.27	249.45	172.26
Grand Total (Rev. + Cap.)	1714.04	1906.00	2157.89



ANNEXURE-VIII (para 10.16 refer)

PROFILE OF ACTUAL EXPENDITURE (NET) IN 2018-19
(upto 31/03/2019)



Source:- Consolidated
Classified Abstract

B.E. – Budget Estimate



ANNEXURE-IX (para 10.16 refer)

MINISTRY OF SHIPPING

DEPRECIATION RESERVE FUND (8115)	Rs. in crore
Opening Balance as on 01.04.2018	241.78
Receipt during Apr-December 2018	19.00
Payment during Apr-December 2018	2.50
Closing Balance as on 31.12.2018	258.29
GENERAL RESERVE FUND (8121)	Rs. in crore
Opening Balance as on 01.04.2018	759.40
Receipt during Apr-March 2019	65.76
Payment during Apr-March 2019	56.93
Closing Balance as on 31.03.2019	768.23

Source : Classified Consolidated abstract Account



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