



सत्यमेव जयते

**GOVT. OF INDIA**  
**MINISTRY OF SHIPPING**  
**NEW DELHI**

**ANNUAL REPORT**  
**2017-18**



# **ANNUAL REPORT 2017-18**



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# INTRODUCTION



***Indigenous Aircraft Carrier by Cochin Shipyard Limited***

- 1.1 The 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



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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.

## 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.

1.7 Shri Pon. Radhakrishnan and Shri Mansukh L. Mandaviya are Ministers of State for Shipping.

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

1.9 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.

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

1.11 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.

1.12 The Finance Wing, Accounts Wing and Transport Research Wing are common with the Ministry of Road Transport & Highways.

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

### (A) ATTACHED/SUBORDINATE OFFICES

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

### (B) AUTONOMOUS BODIES

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

### (C) SOCIETIES/ASSOCIATIONS

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

### (D) PUBLIC SECTOR UNDERTAKINGS

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





# YEAR AT A GLANCE



**Container handling at Tuticorin Port**

## BACKGROUND

2.1 The Maritime Sector in India comprises of Ports, Shipping, Shipbuilding and Ship repair and Inland Water Transport System. 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. There is a need 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.

## TWELFTH FIVE YEAR PLAN

2.3 Planning Commission approved a Gross Budgetary Support (GBS) (at current prices) of Rs 6,960 crore for the Ministry of Shipping for the 12th Plan period (2012-2017). This implies a 108.5% increase in GBS allocation to the Ministry during the 12<sup>th</sup> Plan as compared to 11<sup>th</sup> Plan allocation of Rs. 3337.58 crore. Out of GBS of Rs 6960.00 crore approved by Planning Commission, the share of Ports, Shipping and IWT sectors are Rs. 3057.47 crore, Rs. 2402.53 crore and Rs. 1500.00 crore respectively.

2.4 A comparison of Actual Expenditure (GBS

and IEBR) of 11<sup>th</sup> and 12<sup>th</sup> Plan is given below:

(Rs in crore)

| Sector   | GBS              |                  | IEBR             |                  | TOTAL            |                  |
|----------|------------------|------------------|------------------|------------------|------------------|------------------|
|          | 11th Plan-Actual | 12th Plan-Actual | 11th Plan-Actual | 12th Plan-Actual | 11th Plan-Actual | 12th Plan-Actual |
| Ports    | 1227.90          | 1959.72          | 5676.66          | 9940.71          | 6904.56          | 11900.43         |
| Shipping | 388.38           | 259.66           | 8864.76          | 3173.51          | 9253.14          | 3433.17          |
| IWT      | 535.25           | 966.02           | 0.00             | 264.30           | 535.25           | 1230.32          |
| Total    | 2151.53          | 3185.40          | 14541.42         | 13378.52         | 16692.95         | 16563.92         |

## OUTLAY FOR 2017-18

2.5 The Budget Estimate of Gross Budgetary Support (GBS) for FY 2017-18 was Rs 1773.00 crore for the Ministry. However, at the stage of Revised Estimate (RE), this has been reduced to Rs. 1568.21 crore. Against the RE allocation of Rs. 1568.21 crore, actual expenditure as on 31.12.2017 was Rs.1031.00 crore. Summary of GBS and Internal & Extra Budgetary Resources (IEBR) outlay for 2017-18 are given below in Table -1:

**Table 1**

| Sector               | 2017-18 (BE) |         | 2017-18 (RE) |         | Actual Exp. (2017-18) * |
|----------------------|--------------|---------|--------------|---------|-------------------------|
|                      | GBS          | IEBR    | GBS          | IEBR    | GBS                     |
| Ports & Light-houses | 865.55       | 3969.66 | 672.12       | 3546.36 | 453.74                  |
| Shipping             | 268.41       | 832.59  | 141.17       | 876.20  | 86.35                   |
| IWAI                 | 303.00       | 0.00    | 450.00       | 735.70  | 244.15                  |
| Others               | 336.04       | 0.00    | 304.92       | 0.00    | 246.76                  |
| Total                | 1773.00      | 4802.25 | 1568.21      | 5158.26 | 1031.00                 |

\* upto 31st December, 2017

## OUTLAY FOR 2018-19

2.6 The details of Total GBS and IEBR outlay for the 2018-19 are given in Table-2.

**Table 2**

| Sector              | 2018-19 (BE) |         |         |
|---------------------|--------------|---------|---------|
|                     | GBS          | IEBR    | Total   |
| Ports & Lighthouses | 963.83       | 4265.18 | 5229.01 |
| Shipping            | 177.65       | 564.62  | 742.27  |
| IWAI                | 500.00       | 0.00    | 500.00  |
| Others              | 239.65       | 0.00    | 239.65  |
| Total               | 1881.13      | 4829.80 | 6710.93 |

2.7 Out of the GBS of Rs. 1881.13 crore, Rs 140.00 crore have been earmarked for the North Eastern Region.





## PORT SECTOR

### CARGO TRAFFIC AT INDIAN PORTS

2.8 During April – December 2017, major and non-major ports in India handled a total cargo throughput of around 872 MT. The traffic grew by 2.66% over the corresponding period of previous year. The 12 Major Ports handled a traffic of 499.41 MT during April – December 2017, representing an increase of about 3.64% over the corresponding period of previous year. Of the 12 Major Ports, cargo handled during April – December 2017 at 8 ports showed positive growth. Amongst

these 8 major ports, growth in throughput at Cochin was the highest at 17.27% followed by Paradip (14.59%), Kolkata (incl. Haldia) (12.45%), New Mangalore (6.60%), JNPT (5.94%), Chennai (3.79%), Visakhapatnam (1.30%) and Kandla (0.19%).

### COMMODITY-WISE CARGO TRAFFIC AT MAJOR PORTS

2.9 During 2017-18 upto December 2017, 12 Major Ports handled 499.41 MT of traffic as against 481.87 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<br>(In Million<br>TEUs) | Other<br>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          | 569.85 |
| 2011-12         | 179.10 | 60.40    | 20.39 | 78.78  | 120.10 (7.78)                     | 101.36         | 560.13 |
| 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 |
| April-Dec. 2017 | 169.28 | 33.47    | 11.42 | 104.43 | 99.10 (6.77)                      | 81.71          | 499.41 |

2.10 While the commodities viz. Coal and POL are showing steady growth, there has been fluctuation in traffic of Iron Ore, 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 (23%) and the remaining share of 34% being handled by other major ports.

### CARGO TRAFFIC AT NON-MAJOR PORTS

2.11 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 2016-17 was 485.3 million tonnes which was 42.5% of the total maritime traffic of the country. The Maritime States namely Gujarat, Andhra Pradesh and Maharashtra accounted for 93.9% of the traffic handled by non-major ports. The cargo traffic handled by non-major ports during April-September, 2017 was 248.3



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million tonnes recording growth of 1.4% over corresponding period of previous year.

### PORT EFFICIENCY

2.12 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 82.56 hours during 2016-17 and has further improved to 64.83 Hours upto December, 2017 during 2017-18.

### PLAN TARGETS

2.13 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 MT. 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.

2.14 The projected capacity during the terminal year of Twelfth Plan period for the Major Ports was 1229.24 MT, nearly, 1.53 times of the existing capacity. The expected demand by the end of the 12th plan in terms of cargo handling at Major Ports as per the Twelfth five year plan is 943.06 MT 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 1065.83 MT.

### MARITIME AGENDA 2010-20

2.15 In the Maritime Agenda 2010-20, a target of 3,130 MT port capacity has been set for the year 2020. More than 50 per cent of this capacity is to be created in the non-major ports as the traffic handling by these ports is expected to increase to 1,280 MT. The objective of the Maritime Agenda is not only creating more capacity but augmenting port performance. This enlarged scale of operation is expected

to reduce transaction costs considerably and make Indian ports globally competitive. The proposed investment in major and non-major ports by 2020 is expected to be around Rs. 277380 crore. Most of this investment has to come from the private sector including foreign direct investment (FDI). FDI up to 100 percent under the automatic route is permitted for construction and maintenance of ports. Private-sector participation will not only increase investment in the ports infrastructure, but also efficiencies in ports through induction of latest technology and better management practices. Public funds will be mainly deployed for common use infrastructure facilities like deepening of port channels, rail and road connectivity from ports to hinterland etc.

### PRIVATE-SECTOR PARTICIPATION

2.16 Maritime Agenda 2010-20 has estimated that investment required in new projects of major ports will be Rs. 1,09,449.40 crore of which Rs. 72,878.20 crore is expected to come through private sector participation and the balance Rs. 36,571.20 crore to be funded through internal and extra budgetary support. States have also identified projects for development of non-major ports at an estimated cost of Rs. 1,67,930.80 crore for creation of additional capacity of 1293.60 MT. The private sector is envisaged to fund most of the projects through PPP basis viz. Design Build Finance Operate and Transfer (DBFOT basis) or Build Operate Own and Transfer (BOOT basis) etc.

2.17 During 2017-18, upto December, 2017, 15 projects have been awarded/approved involving an investment of Rs. 3158.48 crore and additional capacity of 17.93 MTPA.

### RECENT REFORMS/INITIATIVES

2.18 Recent policy reforms and initiatives: The following initiatives have been taken for improving the efficiency and productivity of Major Ports:



## MAJOR PORT AUTHORITIES BILL

2.19 The Government has introduced a bill in the Winter Session of the Parliament in 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 this effect, it has been decided to replace the Major Port Trusts Act, 1963 which governs the Major Ports by the Major Ports Authority Bill, 2016 to provide greater autonomy to Ports.

2.20 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 Ports Authority Bill, 2016 would help to impart faster and transparent decision making benefiting 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 Ports Authority 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 members from the present 17 to 19 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 each representative 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 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 22 cases.
- g) Empowers the Board to make its own Master Plan.
- h) Provisions of CSR & development of infrastructure by Port Authority have been introduced.



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2.21 The Bill was referred to the Department Related Standing Committee on Transport, Tourism and culture on 12th January, 2017 for examination and report. The Committee took oral evidence of officials, heard views of various stakeholders and undertook site visit. The Committee considered and adopted the Report in its meeting held on 12th July 2017. The matter is under consideration of the Ministry.

### MODEL CONCESSION AGREEMENT FOR PORT SECTOR

2.22 Model Concession Agreement (MCA) gives the various parameters for the implementation and maintenance of PPP projects. The MCA which is presently in vogue was earlier approved by the Cabinet in January, 2008.

2.23 More than 50 PPP Projects have since been awarded by Major Ports based on this MCA after following due procedure. Though PPP mode has been largely successful in Port Sector, some PPP Projects have experienced

difficulties during operations, which have necessitated a review of the MCA. Keeping in view the experience gained in managing PPP projects, a revised draft MCA as proposed by the Ministry of Shipping has been approved by the Government.

- 2.24 The salient changes in the revised MCA are:
- Change in equity holding requirements to provide Exit Route to developers.
  - Payment of Royalty by private operators to Port on “per MT of cargo handled” basis instead of “% of Gross Revenue”
  - Provision for Additional Land
  - Improved utilization of Project Assets and higher Productivity
  - Amendment in Definition of “Change in Law”
  - Provision for Commercial Operation before COD
  - Provision for Mitigation Measures – Constitution of a Board

### CHABAHAR PORT



**Hon'ble MoS (Finance & Shipping),  
Shri Pon. Radhakrishnan with Iranian Transport Minister during the Chabahar Port inauguration**





2.25 India is developing Chabahar Port in Iran which is expected to open up new opportunities for trade and transit from and to Afghanistan. As part of India's continuous assistance and support to Afghanistan, the first shipment of 16308 MT of wheat was flagged off on 29.10.2017 from Deendayal Port (Kandla) to Afghanistan via Chabahar

Port. Inauguration ceremony of the phase-I of Shahid Beheshti Port at Chabahar, Iran was held on 3rd December, 2017 by the Hon'ble President of Iran. At the ceremony the Indian delegation was led by Shri Pon. Radhakrishan, Hon'ble Minister of State for Finance & Shipping.



**First wheat shipment on 29.10.2017 from Kandla to Afghanistan via Chabahar**

## RENAMING OF KANDLA PORT AS DEENDAYAL PORT

2.26 Ports in India are generally named after the city or town in which these are situated. However, the Government, in special cases, after due consideration, have renamed the Ports after great leaders in the past. In recognition of the invaluable contribution and sacrifices made by Pandit Deendayal Upadhyay towards serving the nation and also upliftment of the poor & downtrodden, Kandla Port has been renamed as "Deendayal Port, Kandla" w.e.f 25.9.2017.

## FOURTH CONTAINER TERMINAL AT JNPT

2.27 1st Phase of the prestigious project relating to Development of fourth Container Terminal at Jawharlal Nehru Port Trust, the foundation stone of which was laid by Hon'ble Prime Minister in October, 2015, has

been completed during December, 2017 as per schedule, resulting in capacity addition of 30MTPA.

## 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 very deep 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).

## EASE OF DOING BUSINESS

2.29 As part of promoting Ease of Doing Business to promote and facilitate business at ports a number of activities undertaken such as constitution of committee to identify and recommend measures for reduction in cost



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and dwell time at JNPT, the Committee recommended 42 action points, out of which 35 have already been implemented by various stakeholders and the remaining are under progress. Some of the significant steps taken are elimination of Manual Forms, accommodation for laboratories of Participating Government agencies (PGAs) in Ports, Direct Port Delivery, installation of container scanners, E-delivery orders, RFID based Gate-automation System, integration of Customs IGM/EDI messages with JNPT terminal operating system along with the bill of entry and out of charge messages, real time monitoring of traffic, etc. In addition, full integration of Customs ICEGATE with PCS, 100% cashless transaction in all Major Ports, digitization of land records, all ports pensioners linked with Aadhaar Biometric system, establishment of Helpline/ Call Center facilities, feedback and rating system are being implemented in Major Ports.

### PROJECT UNNATI

2.30 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.

2.31 The benchmarking study focused on identifying how efficiently capacity is utilized and underlying operational performance metrics across commodities. The low berth

productivity and crane productivity across container terminals at Major Ports along with potential to drive 15-20% higher volumes of coal across ports, just by replicating 'best demonstrated performance' consistently was studied. Potential to double volumes of POL by replicating BDP and reducing non working time and high costs of labour and maintenance dredging across ports was also analyzed. On the basis of the quantitative and qualitative benchmarking carried out, a clear roadmap for improvement for each port has been laid out covering changes in the areas of core business processes, equipment, organization structure, people skills, information technology and infrastructure.

2.32 A total number of 116 new initiatives for 12 Major Ports have been identified which would 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. All the 116 recommendations are to be implemented by December 2019. Out of these, 86 have already been implemented. The implementation of these initiatives will further improve the efficiency and performance of the Ports.

### MARITIME INDIA SUMMIT

2.33 Maritime India Summit 2016 (MIS 2016) was held during 14-16 April 2016 in Mumbai. MIS was the maiden such effort by the Ministry to showcase investment opportunities offered by India's maritime sector.

2.34 The Summit was attended by more than 5000 domestic and international delegates from more than 40 countries. Nearly 200 companies participated in the exhibition that accompanied the Summit.

2.35 The Summit was inaugurated by Shri





Narendra Modi, Hon'ble Prime Minister of India and was addressed by a galaxy of speakers including Union Ministers, Chief Ministers, Ministers of State Governments, senior officials, industry experts, bankers and consultants. In his inaugural address Prime Minister called upon the maritime community to take advantage of investment opportunities offered by India's maritime space. He assured of all possible support from the Government for seamless growth of the sector. Prime Minister also released the National Prospective Plan (NPP) of Sagarmala on the occasion.

2.36 Various issues concerning the maritime sector were discussed during the 12 thematic sessions spread over two days. These included:

- a) Promoting Port Led Development in India
- b) Shipbuilding, Ship Repair and Ship Breaking
- c) Skill development through Maritime Education and Training
- d) Inland Water Transportation and Coastal Shipping
- e) Cruise Shipping and Lighthouse Tourism
- f) Hinterland Connectivity and Multi-Modal Logistics
- g) Maritime Financing
- h) Island Development and Aquatic Resources
- i) Maritime Security

2.37 An Investment Catalogue containing details of 240 projects identified for investment in coming years was shared with delegates.

2.38 141 business agreements entailing

investments worth Rs. 83000 crore were signed during the summit. Of these 49 MoUs worth approx Rs. 35539.79 Crore have already been completed. An Investment Facilitation Cell of Ministry, India Maritime Plus is following up on the progress of the remaining business agreements.

## SAGARMALA

2.39 Sagarmala, a flagship programme of Ministry of Shipping, promotes a comprehensive coastal port-led development in the country by harnessing 7500 km coastline of Indian Peninsula for port modernization, port led industrialization, enhancement of seamless connectivity & coastal community development. The programme aims to double the share of domestic waterways (inland & coastal) in the modal mix from 6% to 12 %, 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 Lakh direct jobs, in the next 10 years.

2.40 National Perspective Plan for the programme was released on 14th April 2016. Under Sagarmala programme, over 500 projects are identified for implementation over next 20 years requiring total investment of more than Rs. 8 Lakh Crore. 289 projects worth Rs. 2.17 Lakh Crore are already under various stages of implementation and development. From the budget head of Sagarmala, Rs. 1,018 Crore has been sanctioned and Rs. 677 Crore has already been released for the development and implementation of 50 projects worth Rs 3,575 Crore.

2.41 Sagarmala Development Company Limited (SDCL) has been incorporated on 31st August 2016 for providing equity support to project SPVs and residual projects and Indian Port Rail Corporation Limited (IPRCL) has been incorporated on 10th July 2015



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to undertake the port-rail connectivity projects under Sagarmala Programme.

2.42 A roadmap has been created for increasing the Indian port capacity to 3500+ MMTPA to cater to the projected traffic of 2500 MMTPA by 2025. From the master planning of 12 major ports, 128 port capacity expansion projects (Rs. 84,395 Crore) have been identified for implementation over next 20 years and are expected to add 828 MTPA to the port capacities. The Coastal Berth Scheme has been extended upto March 2020 and its scope has also been expanded. 48 projects (Rs. 2,377 Crore) have been taken up for financial assistance under the Scheme, out of which 26 projects (Rs. 1,186.80 Crore) have been sanctioned for the financial assistance of Rs. 452.60 Crore. To improve the connectivity of ports, 97 road connectivity projects (Rs. 166,878 Crore, 8,523 Km) and 83 rail connectivity projects (Rs. 64,652 Crore, 6,877 Km) have been identified. Inter-Ministerial Committee (IMC) was constituted under the aegis of NITI Aayog for development of 14 Coastal Economic Zones in India. Under coastal community development, Ministry of Shipping has taken a number of initiatives for skill development, notably setting up of Center of Excellence in maritime and shipbuilding at Mumbai and Vizag, National Technology Centre for Ports, Waterways and Coasts at IIT Chennai, etc., and development of fishery infrastructure in the maritime states.

### SHIPPING SECTOR

2.43 Shipping industry is one of the most globalised industries operating in a highly competitive business environment that is far more liberalized than most of the other industries and is, thus, intricately linked to the world economy and trade. Indian maritime sector facilitates not only transportation of national and international

cargoes but also provides a variety of other services such as cargo handling services, shipbuilding and ship repairing, freight forwarding, light house facilities and training of marine personnel, etc.

2.44 Shipping is an important indicator of both commodity and services trade of any country. It plays an important role in 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 16th amongst the countries with the largest cargo carrying fleet. Indian shipping tonnage is 12.34 million G.T. as on November 30, 2017, with the public-sector Shipping Corporation of India having (3.38 Mill. GT) the largest share of 27.43%. In terms of ownership in world tonnage, however, India has a share of only 1.3% as on January 1, 2017. In comparison, China ranked 3rd, with a share of 12.2%. (Source: ISL Shipping Statistics and Market Review 2017 – Vol1/2)

2.45 As on November 30, 2017, 32.43% of the Indian fleet was over 20 years of age and 17.82% in the age group of 15-19 years. (Source: INSA) As on 1st January 2017, the international average age of ships is 14.3 years. 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 7.86% in 2015-16.



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

| As on     | Number of vessels | GT       | DWT      | Increase (%)<br>(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                |

Source: D.G. Shipping

- 2.46 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. On a positive note, the share of cargo carried by Indian vessels in India's EXIM trade has improved slightly to 7.9% in FY- 2016 from 7.45% in the previous year.
- 2.47 The Indian shipping industry continues to be affected by chronic lack of growth of Indian fleet size, compounded by issues 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 due to lack of cargo support from Indian industry. On the coast too, Indian flag vessels are trying, with limited success, to induce more cargo from road and rail on to the coast and the longstanding issue of only one-way traffic.
- 2.48 Keeping in view of the Government's policy of strengthening and promoting the Indian maritime sector in a competitive framework, the government has taken initiatives from time to time to provide the Indian shipping industry a level playing field and to make it competitive at the international level. One of the issues hindering the growth of coastal shipping has been the cost of bunkers used by vessels providing coastal transportation services. Recognizing the need to make Indian shipping competitive, including modal shift of cargo from land to sea, the Central Government, on the recommendation of the GST Council, has reduced GST on bunker fuel used by Indian flag ships from 18% to 5%. It is expected that this tax incentive will go a long way in promoting Indian tonnage as well as for incentivizing development of transshipment hubs in India.
- INLAND WATER TRANSPORT**
- 2.49 Various projects for the development and maintenance of National Waterways (NWS) 1,2,3,4 & 5 (Ganga, Brahmaputra, West Coast Canal, Krishna – Godavari rivers along with canal system between Kakinada - Puducherry; and Brahmani river – East Coast Canal, Matai river, Mahanadi delta rivers) were implemented by Inland Waterways Authority of India (IWAI) for the development and maintenance of Inland Water Transport (IWT) on the National Waterways.
- 2.50 Transportation of imported coal from Sand heads in Bay of Bengal for NTPC, STPP, Farakka through NW-1 which started in October 2013, continued during 2016-17 and terminated in July, 2017.
- RECENT INITIATIVES**
- a) The Government has approved the implementation of the Jal Marg Vikas Project



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for capacity augmentation of navigation on NW-1 (Ganga) from Haldia to Varanasi with technical and financial assistance from the World Bank at a cost of Rs.5369 crore. Under the project, the construction of multi-modal terminal at Varanasi, Sahibganj and Haldia and new navigational lock at Farakka has commenced.

- b) On NW-2 (Brahmaputra) regular Ro Ro service from Dhubri to Hatsingmari commenced in July, 2017.
- c) On NW-4 for developing the stretch between Muktiyala and Vijaywada, work for dredging and installation of floating terminals at four locations has commenced.
- d) On NW-16 (Barak) dredging work between Silchar and Bhanga has commenced.
- e) It has been decided to develop eight 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) and NW-97 (Sunderbans).
- f) IWAI has been promoting the movement of cargo on NWs such as cement, fly ash, pulses, defence equipment etc.

## CHARTERING

2.51 As per the existing Government policy the

| Sl. No.      | Ministry/ Department / State Government | PSUs                   | Cargo(es)                  | NOC in number | Quantity (in MMT) |
|--------------|---|------------------------|----------------------------|---------------|-------------------|
| 1            | Fertilizer                              | FACT, RCF, MMTC NFL    | Fertilizers/ Raw Materials | 31            | 3.81              |
| 2            | P&NG                                    | HPCL, BPCL, IOCL, MRPL | LPG/Crude                  | 14            | 10.06             |
| 3            | Steel                                   | RINL, MMTC             | Boiler Coal, Limestones    | 4             | 1.35              |
| <b>TOTAL</b> |   |                        |                            | <b>49</b>     | <b>15.22</b>      |

2.54 An amount of Rs. 2.24 lakh on account of 1% chartering service charge in respect of old cases of chartered ships was received during 2017-18 (upto 31st December, 2017). The chartering services charge at the rate of 1% on freight / dead freight/demurrage / charter hire earned by Indian companies

import of bulk cargoes, both dry and liquid, to be made by Government Departments/ PSUs on FOB/ FAS basis and in case of any departure therefrom, prior permission and No Objection Certificate will have to be obtained from the Chartering Wing of Ministry of Shipping on a case-to-case basis with the approval of the concerned administrative Ministry/ Department.

2.52 The Chartering Wing is responsible for advising Government Department/ PSUs to comply with the Government Policy of FOB/FAS import, processing the cases/ issuance of NOC in case of departure from Government Policy, guiding/assisting Government Departments/ PSUs for in-chartering of ship(s), if/when required and attending old references of finalized agreements when received, issues relating to pending arbitration cases, pending Audit cases, and reference(s) from Indian Council of Arbitration relating to arbitration rules etc.

2.53 The details of the "NOCs" granted for deviation from the Government Policy of FOB/FAS by Government Departments/ PSUs during the Financial Year 2017-18 (upto 31st December, 2017) are as under:-

on vessel fixed through Chartering Wing for carriage of import / export cargoes was made applicable from February, 1993. Since then the amount collected/received on this account have totalled up to Rs. 167.29 crore (up to 31.12.2017) which has been deposited in the Consolidated Fund of India.



# SAGARMALA



## SAGARMALA PROGRAMME

3.1 The implementation of the projects under Sagarmala Programme has now gained movement. More than 500 projects, at an

estimated infrastructure investment of Rs. 8 Lakh Crore, have been identified (**Table 1**) under Sagarmala. Out of these, 251 focus projects are to be taken up between FY 2017-18 to FY 2019-20 (**Table 2**).

**Table 1: Summary of projects under Sagarmala**

| Project Theme                 | Till 2017-18 |                           | 2018-19    |                           | 2019-20   |                           | 2021-25   |                           | 2025-35   |                           | Total      |                           |
|-------------------------------|--------------|---------------------------|------------|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|------------|---------------------------|
|                               | #            | Project Cost (Rs. Crore.) | #          | Project Cost (Rs. Crore.) | #         | Project Cost (Rs. Crore.) | #         | Project Cost (Rs. Crore.) | #         | Project Cost (Rs. Crore.) | #          | Project Cost (Rs. Crore.) |
| Port Modernization            | 122          | 45,323                    | 67         | 10,124                    | 8         | 4,913                     | 29        | 51,550                    | 19        | 26,380                    | 245        | 138,290                   |
| Port Connectivity             | 88           | 59,635                    | 77         | 33,075                    | 14        | 28,960                    | 23        | 126,713                   | 3         | 390                       | 205        | 248,772                   |
| Port led Industrialization    | 6            | 4,029                     | 18         | 91,055                    | 2         | 6,321                     | 22        | 348,304                   | 0         | 0                         | 48         | 449,708                   |
| Coastal Community Development | 29           | 3,138                     | 11         | 2,180                     | 2         | 360                       | 1         | 0                         | 0         | 0                         | 43         | 5,678                     |
| <b>Total</b>                  | <b>245</b>   | <b>112,124</b>            | <b>173</b> | <b>136,434</b>            | <b>26</b> | <b>40,554</b>             | <b>75</b> | <b>526,567</b>            | <b>22</b> | <b>26,770</b>             | <b>541</b> | <b>842,449</b>            |

**Table 2: Summary of Focus Projects under Sagarmala**

| Project Theme                 | 2017-18 |                           | 2018-19 |                           | 2019-20 |                           | Total |                           |
|-------------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|-------|---------------------------|
|                               | #       | Project Cost (Rs. Crore.) | #       | Project Cost (Rs. Crore.) | #       | Project Cost (Rs. Crore.) | #     | Project Cost (Rs. Crore.) |
| Port Modernization            | 23      | 11,406                    | 66      | 10,114                    | 8       | 4,913                     | 97    | 26,433                    |
| Port Connectivity             | 17      | 5,351                     | 71      | 30,055                    | 14      | 28,960                    | 102   | 64,365                    |
| Port led Industrialization    | 2       | 3,165                     | 18      | 91,055                    | 2       | 6,321                     | 22    | 100,541                   |
| Coastal Community Development | 17      | 2,468                     | 11      | 2,180                     | 2       | 360                       | 30    | 5,008                     |
| Total                         | 59      | 22,390                    | 166     | 133,403                   | 26      | 40,554                    | 251   | 196,348                   |

3.2 289 projects worth Rs. 2.17 Lakh Crore are already under various stages of implementation and development. Rs. 677 Crore has been released for 50 projects during FY 2015-16, FY 2016-17 & FY 2017-18. 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. 48.28 Crore released). In addition, TEFR is under preparation for development of underwater viewing gallery and restaurant at Beyt Dwarka Island and the consultant is being selected for preparing DPR for the National Maritime Heritage Centre proposed at Lothal.

3.3 Projects under Sagarmala will be implemented by relevant Central Ministries, State Governments, Ports and other agencies primarily through the private or PPP mode. In addition, the Sagarmala Development Company (SDC), is to provide funding support to project SPVs and residual projects under Sagarmala. SDC has identified a few SPVs for the purpose of equity investment in-line with Sagarmala objectives. Additionally, SDC 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

3.4 Master Plans have been finalized for the 12 major ports. Based on the same, 128 port capacity expansion projects (total cost: Rs. 84,395 Crore) have been identified for implementation over the next 20 years. Out of these projects, 6 projects have been implemented, 52 projects are under implementation and 70 projects are under various stages of development.

3.5 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.

## PORT CONNECTIVITY ENHANCEMENT

3.6 Indian Port Rail Corporation Limited (IPRCL) has taken up 38 works (Total cost: Rs. 18,980 Crore). Out of these, 14 projects (cost: Rs. 796 Crore) are under implementation, 4 projects (cost: Rs. 818 Crore) are under tendering, DPR prepared for 2 projects (cost: Rs. 40 Crore), DPR under preparation for 7 projects (Rs. 9,826 Crore).





- 3.7 34 rail connectivity projects (cost: Rs. 42,703 Crore) are being taken up by Ministry of Railways and 4 projects (cost: Rs. 3,590 Crore) are to be taken up either in Non-Government Rail (NGR) or JV model through Indian Port Rail Corporation Limited. Out of the 34 rail projects, 5 projects (Rs. 1,628 Crore) have already been implemented, 19 projects are under implementation (Rs. 23,833 Crore), 10 projects (Rs. 17,242 Crore) are under various stages of development.
- 3.8 Total 97 road connectivity projects have been identified under Sagarmala to be implemented by MoRTH, NHAI, State PWDs and Port Trusts. 2 projects (Rs. 7,000 Crore) undertaken by MoRTH are under implementation. 58 project are undertaken by NHAI, out of which, 2 projects (Rs. 140 Crore) have been implemented, 8 projects (Rs. 10,926 Crore) are under implementation. 18 projects are undertaken by Port Trusts, out of which, 2 projects (Rs. 169 Crore) have been implemented and 3 projects (Rs. 75 Crore) are under implementation. 19 projects are undertaken by State PWDs, out of which, 7 projects (Rs. 2,622 Crore) are under implementation. Out of these 97 projects, 56 road projects (Rs. 18,747 Crore) are included under Bharatmala programme.
- 3.9 Additional coastal shipping potential of 130 MMTPA by 2025 has been identified under Sagarmala. Multiple steps have been taken to promote coastal shipping. 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 48 projects (cost: ₹2,376.69 Crore) have been taken up for financial assistance under the Scheme. Of these 48 projects, 26 projects (cost: ₹1,186.80 Crore) have been sanctioned for total financial assistance of ₹452.60 Crore and ₹261.11 Crore has been released to Major Ports/ State Maritime Boards/State Governments while the remaining 22 projects are under various stage of development and process of approval.
- 3.10 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. Four meetings of the IMC have been held so far (22<sup>nd</sup> March 2016, 3<sup>rd</sup> May 2016, 1<sup>st</sup> June 2016 and 14<sup>th</sup> October 2016). 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 for rail connectivity from coal mines at Talcher to Paradip Port via Haridas-Paradip line.

## PORT-LINKED INDUSTRIALIZATION

- 3.11 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



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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.

3.12 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, 29 potential port-linked industrial clusters across three sectors, namely – Energy, Materials and Discrete Manufacturing, have been

identified under Sagarmala. These include 13 bulk clusters for basic input industries such as Power, Refineries & Petrochemicals, Steel and Cement, 2 Maritime clusters and 14 discrete manufacturing clusters, in the labour intensive sectors of Electronics, Apparel, Leather Products, Furniture and Food-Processing etc. The master plans for the proposed Maritime Clusters in Gujarat and Tamil Nadu have been prepared.

3.13 Based on availability of land with the Major Ports, Ministry of Shipping is developing a SEZ at JNPT and Smart Port Industrial Cities (SPICs) at Kandla and Paradip.



**Inauguration of Sagarmala Pavilion, Vibrant Gujarat by Shri Mansukh L Mandaviya, Hon'ble Minister of State, Shipping, Road Transport & Highways**

### COASTAL COMMUNITY DEVELOPMENT

3.14 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. A budgetary allocation of Rs. 100 crore was allocated in 2017-18 under Sagarmala for coastal community development activities.

3.15 On the skill development front, skill gap study of 21 coastal districts 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, 1,605 candidates have been trained, 868 candidates have been placed and 285 students are under training. The Skill gap



survey has been shared with DDU-GKY for integration in their training plans. To address skill gap in ports and maritime sector in 21 coastal districts, Ministry of Shipping will also be funding skill development under DDU-GKY to train 10,000 persons annually for next 3 years.

3.16 A 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) is being setup. 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.



**Hon'ble Minister of Shipping and RTH, Shri Nitin Gadkari launching the Centre of Excellence in Maritime and Shipbuilding (CEMS) on 17th November 2017**

3.17 Ministry is also funding the fire safety training project for workers at Alang-Sosiya Shipyard and the cutting-edge skills training project in Ports & Maritime Sector. So far 2,796 people have been trained. The course curriculum has been revised and updated to conform to the common norms for skill development schemes under National Skill Qualification Framework notified by the Ministry of Skill Development & Entrepreneurship. Indian Register of Shipping (IRS) is now conducting

third party assessments.

3.18 As part of the coastal community development component of the Sagarmala Programme, Ministry is part-funding fishing harbour projects in convergence with the Department of Animal Husbandry, Dairying and Fisheries (DADF). Rs. 85 Crore has been released so far for 9 projects (cost: Rs. 622 Crore). In addition, in-principle approval has been given for development of deep sea fishing vessels and fish processing centres





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in convergence with DADF.

### POTENTIAL IMPACT

3.19 The projects identified under Sagarmala Programme are expected to mobilize more than Rs. 8.00 lakh 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 one crore new jobs, including 40 lakh direct jobs, in the next 10 years.

### INDIAN PORT RAIL CORPORATION LTD. (IPRCL)

3.20 IPRCL is a first of its kind Joint Venture Company (JVC) between the Major Ports under the Ministry of Shipping and RVNL. The company was registered on 10th July, 2015 as a Public Limited Company under the Companies Act, 2013. Its objective is to provide efficient rail evacuation systems to Major Ports and Minor ports thereby enhance their capacity and throughput. IPRCL is meant to strengthen port connectivity, the second pillar of Sagarmala Programme.

3.21 Some of the key accomplishments of IPRCL are:

- a) 38 railway projects have been taken up across nine (9) Major ports at a total cost Rs 18,980 crore (approx.). Work on 14 Projects costing Rs 796 Crore has already commenced. Bids for four more projects costing Rs 818 crore are under process.

- b) DPR is under preparation for a heavy haul rail corridor from Talcher to Paradip to evacuate coal mines of Mahanadi Coal Ltd (MCL) to the ports for shipping them to the southern states of India through the Coastal routes. DPR has been prepared for Barithengarh-Ratnagiri Chord Line for rail connectivity from coal mines at Talcher to Paradip Port.
- c) The Company will provide end-to-end services in developing rail evacuation infrastructure at various Major and Minor Ports of India.

### SAGARMALA DEVELOPMENT COMPANY LTD.

3.22 As part of the efforts to promote port-led development in the country, the Sagarmala Development Company Limited (SDCL) has been incorporated under the Companies Act, 2013. The company was registered as a Public Limited Company on 31st August, 2016. It will have an initial authorized share capital of Rs. 1,000 crore and a subscribed share capital of Rs. 90 crore. The main objective of the company is to identify port-led development projects under the Sagarmala Programme and provide equity support for the project Special Purpose Vehicles (SPVs) set up by the Ports / State / Central Ministries and funding window and /or implement only those residual projects which cannot be funded by any other means / mode. The process for appointment of a regular Managing Director and Functional Directors in SDCL has been initiated. Six projects are under evaluation for equity investment and DPRs are being prepared for nine projects to be taken up for equity infusion by SDCL.



# PORTS



**Container terminal at Jawaharlal Nehru Port**

## 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 which has been in existence for 138 years. It has a vast hinterland comprising the entire Eastern India including West Bengal, Bihar, Jharkhand, UP, MP, Assam, North East 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 41.78 Million Tonnes (MT) of traffic in 2017-18 (upto December, 2017). While KDS handled traffic of 12.55





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MT, HDC handled 29.23 MT. The port has 50 berths (KDS – 33 and HDC – 17) handling various types of cargoes including containers with an effective rated capacity of 78.00 MTPA.

- 4.4 Important projects awarded during the year are Liquid Cargo Handling Jetty at Shalukkali, Haldia Dock-II, involving an investment of Rs. 172.52cr and capacity addition of 2.43 MTPA and setting up of Outer Terminal –II for Liquid cargo handling at HDC, involving an investment of Rs. 94.59 Crore. and capacity addition of 2.00 MTPA.

### 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.

- 4.6 Paradip Port handled traffic of 74.39 Million Tonnes (MT) during the year 2017-18 (upto December, 2017). The port has fifteen berths/jetties, three SPM & one Ro-Ro Jetty for handling different types of cargoes with an effective rated capacity of 234 MTPA. LOA issued on 19.04.2017 for Development of New Coal Berth for handling of coal imports at Paradip Port on BOT basis at the estimated cost of Rs. 655.56 Crore, of Capacity: 10 MTPA.

### VISAKHAPATNAM PORT

- 4.7 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.

- 4.8 Visakhapatnam Port has 24 berths plus 1 single point mooring with an effective rated capacity of 121.00 MTPA. The port handled traffic of 46.56 MMT during the year 2017-18 (upto December, 2017). Project relating to connectivity of Vizag Port to NH -16 from two to four of 4 kms (Phase II), Electrification of East Yard- 11.23 TKMs )Phase I) and 10 MW Solar Power plant have been completed during the year.



**Hon'ble Minister of State Shri Mansukh Mandaviya participated in Swachhta Pakhwada by cleaning the beach at Visakhapatnam organised by VPT.**





## KAMARAJAR PORT LIMITED (ENNORE)

- 4.9 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.
- 4.10 Over the years, the port which was initially primarily handling coal 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 9 berths with an effective rated capacity of 66.00 MTPA. The port handled a traffic of 21.80 MT during 2017-18 (upto December, 2017) which includes Coal, POL, and other cargo.
- 4.11 Some of the notable achievements of the Port during the year (upto December, 2017) include commissioning of Container Terminal, Marine liquid Terminal, completion of Construction of Coal berth No. 3 and capital dredging Phase III, Online pass and RFID access control system for all cargoes & person and implementation of Enterprise Resource Planning (ERP) system.



**Hon'ble Minister of Shipping and RTH, Shri Nitin Gadkari inaugurating rail yard project at KPL Ennore**



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### CHENNAI PORT

- 4.12 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 130 06' N latitude and 800 18' E-longitudes on the Bay of Bengal.
- 4.13 Chennai Port has 24 berths with an effective rated capacity of 134.00 MTPA. The port handled a cargo of 39.44 MT during the year 2017-18 (upto December, 2017). The cargo handled comprises (container – 22.56 MT, POL – 10.16 MT, Fertiliser – 0.12 MT and others – 6.60 MT). Projects relating to Strengthening of JD4 & JD6 have 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
- 4.14 A number of projects taken up by the port for implementation during the year include Development of Marine Highway along East coast connecting Chennai and Kamarajar (Ennore) Ports, ERP in the Port Trust, Construction of EXIM Godown- 2 nos for storage of export and import cargo alongwith allied structures and Construction

of Coastal Road Protection Work.

### V.O. CHIDAMBARANAR PORT

- 4.15 V.O. Chidambaranar Port is located strategically close to the East- West International sea routes on the South Eastern coast of India at latitude 80 45'N and longitude 780 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.
- 4.16 The Port has 15 berths with an effective rated capacity of 79.00 MTPA. It handled a traffic of 26.56 MT during the year 2017-18 (upto December, 2017). Project relating to Dredging in front of Coastal Berth was awarded during the year. Projects relating to construction of dedicated berth for handling coastal cargo and deployment of one number additional harbor mobile crane at III & IV berth under the terms and conditions of the existing concession agreement at VoCPT at a cost of Rs. 29.38 crore and capacity addition of 4.36 MTPA were completed.



**Hon'ble Ministers Sh. Nitin Gadkari & Shri Pon Radhakrishnan at the MoU signing ceremony between VoCPT and TANGEDCO**



## COCHIN PORT

- 4.17 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 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 Kerala State and parts of Tamil Nadu and Karnataka. 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. 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.
- 4.18 Cochin Port has 20 Berths plus a Single buoy mooring and with an effective rated capacity of 74.00 MTPA. The Port handled 21.40 Million tonnes during 2017-18 (Upto December 2017). The cargo handled by the port includes break bulk, container, dry bulk, liquid bulk. The container handling grew to 4.07 lakh TEUs (Upto December, 2017) as against 3.67 lakhs TEUs during the corresponding period of the preceding year (2016-17). The fourth International Business Meet on Bunkering-Destination Cochin-2017 was held on 12.05.2017. Cochin Port was bestowed with an award by Ministry of Shipping for achieving highest growth in operational profit and 3rd place in terms of highest traffic growth during 2016-17. Cochin Port is also facilitating the construction of the Multi User Liquid Terminal (MULT) in partnership with IOCL for handling LPG and POL Products, which is due for commissioning in February, 2018.

## NEW MANGALORE PORT

- 4.19 New Mangalore Port was declared as the 9th Major Port on 4th May 1974 and was formally inaugurated on 11th January 1975. The Port has handled a traffic of 31.01 million tonnes during the current financial year 2017-18 (upto December 2017) as against 29.09 million tonnes handled during the corresponding period of last year (upto December 2016). The major commodities handled include POL Crude, coal, iron ore fines, LPG, fertilizer, edible oil, , wooden logs, cement, liquid chemicals, containerized cargo etc.
- 4.20 The port has 16 berths and one Single Point Mooring (SPM) with an effective rated capacity of 98.00 MTPA. 840 KW Roof Top Solar Power Generation was commissioned in the covered storage sheds inside the port. This is in addition to 4 MW solar power generation plant commissioned during 2016-17. Work commenced on mechanisation of berth no. 18 for handling coal and other bulk cargo.

## MORMUGAO PORT

- 4.21 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 mtrs. which is presently being deepened to -19.80 mtrs. 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.
- 4.22 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





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effective rated capacity of the port is 63.00 MTPA. The port handled a traffic of 18.94 MT during the year (upto December, 2017). The Port has undertaken some projects under Sagarmala Programme which include providing additional rail lines and paving, S&T system for railway yard, Development of Liquid/LPG Berth at Vasco Bay, Development of Coastal cargo/multipurpose berth at Vasco bay.

## JAWAHARLAL NEHRU PORT

4.23 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.

4.24 Jawaharlal Nehru Port is an all weather tidal Port having 12 berths with an effective rated capacity of 88.00 MTPA. The port handled traffic of 48.89 MT during 2017-18 (upto December, 2017) of which containerised cargo accounted for 43.03 MT which is 88.01% of total traffic. The first phase of the project relating to development of the Fourth container terminal has been commissioned which will result in capacity addition of around 30 MTPA.



**Hon'ble Minister of Shipping and RTH, Shri Nitin Gadkari inaugurating project at JNPT**

## MUMBAI PORT

4.25 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.

4.26 Originally a general cargo port, today Mumbai Port is a multi-purpose port handling all types of cargo viz breaks 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.

- 4.27 The port has 35 berths (including OCT) with an effective rated capacity of 78.00 MTPA. The port handled traffic of 47.53 million tonnes during 2017-18 (upto December, 2017). The major cargo commodity handled is POL (59.02 % of the total traffic). Important projects awarded during 2017-18 are: Lease of waterfront for Floating Restaurant, Upgradation of International Cruise Terminal and Facelift of Indira Dock.

## DEENDAYAL PORT

- 4.28 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 25 berths including oil jetties & dry cargo berths and an off-shore terminal at Vadinar plus 3 single buoy mooring with an effective rated

capacity of 246.00 MTPA. The port handled 81.12 MMT of traffic during 2017-18 (upto December, 2017). Project relating to Deployment of two Mobile Harbour Cranes at Kandla Port at an estimated cost of Rs 94.00 Crore and involving capacity addition of 3.50 MTPA was awarded. Project relating to Berth 11 & 12 Phase- II at Deendayal (Kandla) Port at an estimated cost of Rs. 159.81 Crore and involving a capacity addition of 7.20 MTPA was completed.

- 4.29 Hon'ble Prime Minister visited Kandla Port on 22.05.2017 and laid the foundation stone for 3 port infrastructure projects namely General Cargo Berths No. 14 and 16 and Dr. Babasaheb Ambedkar Convention Centre. Letters of Award for 3 other projects were also given during the function viz. Mechanisation of Fertilizer Handling facility, Deployment of 2 Mobile Harbour Cranes and ROB at Kandla. These projects involve Rs. 994.88 crore investment and create capacity addition of 13.9 MTPA.





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## PERFORMANCE OF MAJOR PORTS

### 4.30 Traffic handled at Major Ports:

(In million tonnes)

| S. No. | Port               | Actual 2016-17 | Provisional 2017-18<br>(upto December, 2017) |
|--------|--------------------|----------------|--|
| 1      | Kolkata            | 16.81          | 12.55  |
| 2      | Haldia             | 34.14          | 29.23  |
| 3      | Paradip            | 88.96          | 74.40  |
| 4      | Visakhapatnam      | 61.02          | 46.56  |
| 5      | Chennai            | 50.21          | 39.44  |
| 6      | V.O. Chidambaranar | 38.46          | 26.56  |
| 7      | Cochin             | 25.01          | 21.38  |
| 8      | New Mangalore      | 39.95          | 31.01  |
| 9      | Mormugao           | 33.18          | 18.94  |
| 10     | Jawaharlal Nehru   | 62.15          | 48.89  |
| 11     | Mumbai             | 63.05          | 47.53  |
| 12     | Deendayal (Kandla) | 105.44         | 81.12  |
| 13     | Kamarajar (Ennore) | 30.02          | 21.80  |
|        | Total              | 648.40         | 499.41                                       |

### 4.31 Cargo Handled at Major Ports

(In Million tonnes)

| S. No. | Commodity           | Actual 2016-17 | Provisional 2017-18<br>(upto December, 2017) |
|--------|---------------------|----------------|--|
| 1      | POL                 | 212.37         | 169.28                                       |
| 2      | Iron Ore            | 42.54          | 33.47  |
| 3      | Fert. Raw Materials | 14.00          | 11.41  |
| 4      | Coal                | 117.59         | 104.43                                       |
| 5      | Containerised Cargo | 124.58         | 99.10  |
| 6      | Others              | 137.32         | 81.72  |
|        | Total               | 648.40         | 499.41                                       |

### 4.32 Capacity at Major Ports

(In Million tonnes)

| S. 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          |



| S. No. | Year                              | Port capacity | Traffic Handled |
|--------|-----------------------------------|---------------|-----------------|
| 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          |
| 17     | 2017-18 (upto December, 2017 (*)) | 1359.00*      | 499.41          |

**(\*)Provisional – The capacities of the Major Ports have been re-rated as per berthing policy 2016, Stevedoring Policy, Project Unnati initiatives.**

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

(i) Average Turn Round time:

| S. No | Port               | Average Turn round Time/(Hours) |                                      |
|-------|--------------------|---------------------------------|--------------------------------------|
|       |                    | 2016-17                         | 2017-18<br>(upto December, 2017 (*)) |
| 1     | Kolkata            | 113.52                          | 92.64                                |
| 2     | Haldia             | 82.80                           | 81.12                                |
| 3     | Paradip            | 119.76                          | 84.15                                |
| 4     | Visakhapatnam      | 90.00                           | 61.55                                |
| 5     | Chennai            | 60.24                           | 55.68                                |
| 6     | V.O.Chidambaranar  | 105.60                          | 67.92                                |
| 7     | Cochin             | 47.76                           | 37.68                                |
| 8     | New Mangalore      | 56.40                           | 48.28                                |
| 9     | Mormugao           | 99.60                           | 65.18                                |
| 10    | Jawaharlal Nehru   | 48.48                           | 54.24                                |
| 11    | Mumbai             | 78.48                           | 69.22                                |
| 12    | Deendayal (Kandla) | 105.60                          | 61.96                                |
| 13    | Kamarajar (Ennore) | 64.80                           | 57.13                                |
|       | Total (All Ports)  | 82.56                           | 64.83                                |

**(\*)Provisional**



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(ii) Average Output per Ship Berth Day:

(In Tonnes)

| S. No. | Port               | Average Output Per Ship Berth Day |                                      |
|--------|--------------------|-----------------------------------|--------------------------------------|
|        |                    | 2016-17                           | 2017-18<br>(upto December, 2017) (*) |
| 1      | Kolkata            | 4204                              | 4132                                 |
| 2      | Haldia             | 7491                              | 8236                                 |
| 3      | Paradip            | 23727                             | 23962                                |
| 4      | Visakhapatnam      | 13068                             | 13647                                |
| 5      | Chennai            | 15888                             | 15276                                |
| 6      | V.O.Chidambaranar  | 10456                             | 11446                                |
| 7      | Cochin             | 17450                             | 19872                                |
| 8      | New Mangalore      | 17094                             | 16134                                |
| 9      | Mormugao           | 13461                             | 14605                                |
| 10     | Jawaharlal Nehru   | 23316                             | 22889                                |
| 11     | Mumbai             | 8414                              | 8577                                 |
| 12     | Kandla             | 18464                             | 18526                                |
| 13     | Kamarajar (Ennore) | 22916                             | 24002                                |
|        | Total (All Ports)  | 14583                             | 14979                                |

**(\*)Provisional**

# SHIPPING

## CHAPTER – V



***INS Vikramaditya docked at Cochin Shipyard Limited***

- 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 its entire efforts to ensure uninterrupted supply of essentials and serves as second line of defence.
- 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. 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 meeting of the IMO Committee, Sub-Committees, Council and Assembly and has actively contributed towards the development of various Conventions, Protocols, Code and Guidelines developed by the IMO.
- 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



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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 contract 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 support for import contracts being on FOB/FAS basis, while India's EXIM trade has been steadily growing at Compounded Annual Growth Rate (CAGR) of 4.5%, 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 7.86% in 2015-16. 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 5.44% from US\$262.29 billion in 2015-16 to US\$276.54 billion in 2016-17 while imports increased by 0.46% from US\$381 billion in 2015-16 to US\$382.74 billion in 2016-17. (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. Consequently, the dependence on the foreign flag ships for the carriage of overseas trade is becoming higher and higher. Continued slippages in the share of Indian shipping in the carriage of India's overseas trade is resulting in increasing dependence on foreign flag ships for the carriage of overseas trade and in turn causing a drain on precious foreign exchange in terms of payment of freight charges, which could otherwise be used for other high priority imports or for building up indigenous infrastructure. 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 the need to augment the Indian tonnage and increase the quantity of Indian EXIM and coastal cargo carried on Indian ships, which also calls for cargo support. 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 has 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 tramp 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 AND SHIP REPAIR

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 27 Shipyards in the country, 6 under Central Public Sector, 2 under State Governments and 19 under private Sector. The breakup of the government owned, controlled shipyards is 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
  - (i) Under Government of Gujarat
    - Alock Ashdown Co. Ltd.
  - (ii) Under Government of West Bengal
    - Shalimar Works Limited, Kolkata.

5.13 The global shipbuilding industry is going through an extended downturn for the past 2-3 years, 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.





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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. India has a fleet strength of 1367 as on 30.11.2017, comprising 926 coastal vessels. 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. Moreover, Indian Navy has embarked on an ambitious defence indigenization programme which needs to be implemented through all active Indian shipyards.

### 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.

5.15 The present order book positions (Rs in crore) in both shipbuilding and ship repair sectors as on 31.12.2017 shipyard wise, is as under:

| Sl. No | Shipyard Name   | Shipbuilding | Ship- repair |
|--------|---|--------------|--------------|
| 1.     | * ABG Shipyard Ltd.   | 9,936        | NIL          |
| 2      | *Bharati Defence & Infrastructure Ltd.                        | 7,000        | NIL          |
| 3.     | Chowgule & Co. Ltd.   | 219          | 7.63         |
| 4.     | Dempo Shipbuilding /Modest Infrastructure Ltd                 | NIL          | 5.8          |
| 5.     | *L&T Shipbuilding Ltd.  | 2,832        |              |
| 6.     | Mandovi Drydocks Ltd.   | 42           | NIL          |
| 7.     | *Reliance Naval & Engg. Ltd. (Formerly Pipavav Shipyard Ltd.) | 4,122        | 846          |
| 8.     | Shoft Shipyard Pvt. Ltd.                                      | 75           | 6.0          |
| 9.     | *Tebma Shipyards Ltd.   | 63           | 7.5          |
| 10.    | Titagarh Wagons Ltd.  | 173          | NIL          |
| 11.    | Vijai Marine Shipyard   | 76           | NIL          |
|        | Total   | 24,538       | 873          |

Source: Inputs from SAI Members as on 31st Dec. 2017 and data available with SAI

\* Shipbuilding orders shown against these shipyards includes orders received during earlier shipbuilding subsidy scheme (2002-2007) which are yet to be delivered.



## NEED FOR SHIPBUILDING

5.16 A robust and vibrant domestic shipbuilding industry is important for the following reasons:-

- a) Due to its dependence on a number of industries, this industry has huge multiplier effect on investment, employment and turnover similar to that of industries in the 'infrastructure' sector and hence has been a starting point of industrialization for countries around the world including Japan, South Korea and China.
- b) The shipbuilding industry is labour intensive and this works in favor of countries like India with large and relatively cheap workforce. In India this industry employs over 30,000 people directly. However, over the years, the industry has developed a large number of

ancillary units and subcontractors around them employing lakhs of people.

- c) It promotes indigenous development of complex design and engineering skills which are essential for sustenance and growth of indigenous defence capabilities. Without establishing a competitive shipbuilding capability, India cannot become a maritime force.
  - d) Since shipbuilding industry is primarily based in coastal areas, its promotion is strongly linked to the port led prosperity being promoted under Sagarmala.
- 5.17 Indian shipyards face cost disadvantages of about 20%-35% in comparison to foreign shipyards primarily due to fiscal and monetary policies of the government. The break-up of the cost disadvantages is as under:

| Sl. No. | Cost Elements           | % Cost Differential versus Competition |
|---------|-------------------------|--|
| 1       | Taxation and Duties     | 4% - 10%                               |
| 2       | Freight Charges         | 2% - 3%                                |
| 3       | Bulk Discount           | 5% - 10%                               |
| 4       | Design                  | 2% - 4%                                |
| 5       | Interest Costs          | 5% - 6%                                |
| 6       | Other Costs             | 2% - 3%                                |
|         | Total Cost Disadvantage | 20% - 35%                              |

5.18 The likely growth in demand for shipbuilding in India is expected to emerge from the 106 new National Waterways 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 in the next five years. Further, UTL also requires 14 vessels from 2019-20 to 2022-23.

5.19 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. Further, 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. GMB is also working on developing a Marine Shipbuilding



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Park in Bhavnagar along with a Maritime Services cluster in Ahmadabad or Gujarat International Finance Tec-City (GIFT) City.

## GOALS OF INDIAN SHIPBUILDING INDUSTRY

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

5.20 According to a report published by the Ministry of Shipping at the India Maritime Summit 2016, the global ship repair market is approximately US\$ 12 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. According to the Ministry of Shipping report, Indian Ship Repair market potential is estimated to be approximately US \$ 1.5 billion.

5.21 As per the statistics of India's Shipbuilding and Ship repair Industry, published by the Ministry of Shipping, the total market size of the Indian ship repair industry in fiscal 2015 is approximately 5043 million. As per published report, the ship repair industry is expected to grow at a CAGR of 8 to 10% between fiscal 2016 and fiscal 2021. Indian ship repair yards will be driven by greater

focus towards diversifying their revenue streams to withstand the slowdown in ship building. Indian yards are expected to benefit from the increasing strength of the Indian Navy and Coast Guard's operational and support fleet, which will drive the repairs business. Moreover, higher indigenizations in ships for clients engaged in the defence sector are expected to augur well for this sector.

## POTENTIAL OF SHIP-REPAIR INDUSTRY

5.22 India has a sizable number of 1367 ships on coastal and overseas trade as on 30.11.2017. 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 in Indian Coast
- d) Naval and Coast Guard ships

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

5.24 A long coast line with number of all weather ports which are not subjected to severe weather conditions and naturally protected is the primary advantage. With strategic



location in the trade route of tanker/bulk carrier traffic on east & west and ready availability of trained workforce, there are tremendous opportunities for huge revenue generation.

## ABUNDANCE OF LABOUR

5.25 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

5.26 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

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

## RECENT STEPS/INITIATIVES IN SHIPBUILDING AND SHIPREPAIR

5.28 To promote shipbuilding in Indian shipyards, the Union Cabinet has on December 9, 2015 approved 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 has been revised in October 2017 and the updated the web portal for processing the online applications

by DG(S) submitted by shipyards online, has been rolled out on 31.10.2017.

5.29 The Union Cabinet has also approved 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. Further, all government departments or agencies procuring vessels for governmental purposes or for own purposes shall undertake bulk tendering for their vessel related requirements with deliveries starting from 2016-17.

5.30 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, issuance of infrastructure bonds for meeting working capital requirements. 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.

5.31 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.

5.32 "Build the Ship" 2017 Conference was organized by the Ministry of Shipping, and hosted by Cochin Shipyard Limited, in Kochi





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on 17th November, 2017. The objective of the conference was to discuss and formulate the growth strategy for shipbuilding, ship design, ship repair and ancillary industries in India. The conference also witnessed the Exchange of MoUs for setting up of Siemen's Center of Excellence in Maritime and Shipbuilding, supported by the Ministry of Shipping. Additionally, Hooghly-Cochin Shipyard Limited – a joint venture of HDPEL and CSL, was also launched during the event.

### INTERNATIONAL SHIP REPAIR FACILITY

5.33 The Cochin Shipyard Limited (CSL) is developing International Ship Repair Facility (ISRF) within the premises of Cochin Port Trust 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 already conveyed the approval to the project in May, 2016. The project would be completed by August, 2019.



***Hon'ble Minister of Shipping & RTH laying the foundation stone for International Ship Repair Facility in Cochin***

### NEW LARGE DRY-DOCK AT CSL

5.34 The Cochin Shipyard Limited is constructing 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 their premises with a cost of Rs. 1799 Crores (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. The project would be completed by August, 2019.

- 5.35 To promote ease of doing business in the ship repair sector, the Ministry of Shipping has simplified the procedure and eliminated the requirement of registration of Ship Repair Units (SRUs) with Directorate General (Shipping).

## SHIP RECYCLING

- 5.36 Ship breaking 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 375 LDT to 2375 MT are taken up for breaking in Kerala also. Ship breaking takes place at Mumbai also, where Mumbai Port Trust has restricted beaching/breaking of the 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 comparative 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.

## SHIP BREAKING CODE (REVISED), 2013

- 5.39 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                     |
| <b>Total cost</b>                                 | <b>111</b>             |

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

## SHIP BREAKING SCRAP COMMITTEE:

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).

- 5.38 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.



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5.40 The project has the following main components:

- a) Upgrading 70 yards ( Providing impervious floors to prevent pollutants in sub-soil)
- b) Improvement of existing Environmental Facility (Effluent Treatment Plant Incinerator and Oil Recovery systems etc).
- c) Introduction of Mobile Decontamination Units.(Pollution Response Equipment to avoid oil spill and fire)
- d) 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 in any)
- e) 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.
- f) 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)
- g) Training and capacity building of yard and associated stakeholders continuous process as to make Alang's workforce and training totally knowledgeable and skillful in the field so that productivity will be increased in ship recycling)

5.41 The Safe and Environmentally Sound Recycling of Ships Bill, 2017: For ratification of Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships,

2009, a draft Bill has been prepared and has been uploaded on the website of the Ministry of Shipping for obtaining views of stakeholders.

### COASTAL SHIPPING

5.42 Coastal Shipping is a fuel efficient, environment friendly mode that can ease traffic congestion and arrest loss of human lives caused due to accident. The share of waterway transportation in domestic freight traffic is a mere 7% which is very low compared to developed countries. The aim of the Government is to increase the share of waterway transportation to 10% by 2019-20. Sagarmala has identified additional potential of coastal cargo transportation of 130 million tonnes. The low share of waterway transportation of domestic freight traffic compared to road and rail results from certain intrinsic impediments such as absence of assured return cargo, high manning costs, high duties on bunker fuel, absence of last-mile connectivity etc.

5.43 Several steps for the promotion of coastal shipping have been taken in the last three years to increase the share of coastal transportation. These include scheme for construction of coastal berths, cabotage relaxation for specialized vessels, increase in discount in vessels and cargo related charges for Ro-RO vessels from 40% to 80%, GST on Bunker fuels used in Indian Flag Vessels has been reduced from 18% to 5%. Cabotage restriction have also been relaxed for ports which transship at least 50 % of the container handled by them to enable shipping line to consolidate Indian and EXIM containers at transshipment port in India for onward transportation to destination ports by main shipping lines from 7th March, 2016. On the request of Ministry of Shipping, Department of Fertilizers has included the primary movement of subsidized urea and P&K fertilizers by rail and/or coastal shipping

or inland water transportation including road bridging on 29th March, 2017. Now movement of subsidized fertilizers by coastal route and road also qualifies for reimbursement of freight subsidy which will encourage the coastal movement of fertilisers.

## CRUISE SHIPPING

5.44 Cruise shipping is a fast growing component of the leisure industry worldwide. It has potential to earn huge amount of foreign exchange and generation of employment. Tourism is the driver of growth in the areas touched by it. Indian population size and its enormous popularity as tourism destination are major factors that can sustain cruise tourism in India. Ocean cruises have impact

on ports and the area within 50 kms driving distance of the port. River cruises have the potential to foster economic development along the route. Currently Indian ports are primarily ports of call for cruise lines.

5.45 Highest contribution to economy comes from being a home port for cruise ships which leads to creation of direct job opportunities in various sectors like tourism, handicrafts, travel, duty free retail, logistics, constructions and indirect job opportunities in real estate, transport etc. Average employment generation on a cruise ship is 1 job for 3-4 passengers which translate into major employment on board ships which use Indian ports as home ports.



**Hon'ble Minister of Shipping & RTH, Shri Nitin Gadkari at the foundation stone laying ceremony of the International Cruise Terminal at Mumbai Port**





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5.46 To promote cruise shipping in the country, the following initiatives have been taken:

- a) The Government constituted a Task Force to promote cruise tourism in the country under the Chairmanship of Secretary (Tourism) with Secretary (Shipping) as Co-Chairman
- b) Revised Standard Operating Procedure (SOPs) for cruise vessels finalized in consultation with Bureau of Immigration (BOI), MHA, CBEC, CISF and Port Authorities; Order for implementation of new SOPs were issued w.e.f. 28th November, 2017. All Major Ports have also been directed to adopt new SOPs w.e.f. 29th November, 2017.
- c) A Monitoring Committee for implementation of revised SOPs was constituted on 2.1.2018 comprising

of representatives of Ministry of Shipping, Tourism, Mumbai Port, BOI, CISF, Ministry of Finance and IPA.

- d) A uniform tariff rate at all major ports has been fixed at \$0.35 per GRT to attract cruise vessels in India.
  - e) A new cruise terminal is developed at Chennai and Mormugao in addition to the existing terminals at Cochin, Mumbai, and New Mangalore Port.
  - f) Cruise Tourists arriving with e-visa are exempted from the requirement of Biometric enrolment for three years i.e. till 30.12.2020.
- 5.47 Costa Neo Classica cruise ship has made Mumbai port as home port involving embarkation and disembarkation of passengers with 1st voyage on 25th November, 2017. It will have voyages till 3rd March, 2018.



**Costa Neo Classica at Mormugoa Port Trust**



# FUNCTIONING OF ORGANIZATIONS



***Hon'ble Minister Shri Nitin Gadkari meeting with Hon'ble Prime Minister for the leadership & guidance in the successful IPO of Cochin Shipyard Ltd (CSL)***

## **A. DIRECTORATE GENERAL OF SHIPPING**

6.1 The Directorate General of Shipping, 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, 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



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Examiners of Master/Mates and Engineers respectively.

### FUNCTIONS OF OFFICES UNDER THE ADMINISTRATIVE CONTROL OF THE DIRECTORATE GENERAL OF SHIPPING

6.3 The Mercantile Marine Departments (MMDs) were set up in 1929 with Headquarters at Mumbai, Kolkata and Chennai. Two new MMDs at Kochi and Kandla were 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 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/Recognised Organisation 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 there after 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 constructions/re-construction abroad and subsequent periodical/annual surveys has been delegated to recognized Classification Societies. The inspection reports submitted by the Classification Societies are scrutinized by MMDs and thereafter certificates with appropriate validity are issued.

### SAFETY EQUIPMENT SURVEYS

6.7 The Department carries 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. This Survey is mandatorily carried out by the Department.

### INTERNATIONAL OIL POLLUTION PREVENTION (IOPP) SURVEYS

6.8 The Department is 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. This survey is also entrusted to authorized classification societies and on receipt of their report, the Department issues the IOPP Certificate after scrutinizing the said report.

## CERTIFICATE OF FITNESS AND INTERNATIONAL POLLUTION PREVENTION CERTIFICATE (IPPC)

6.9 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 on the basis of their report.

## SAFETY RADIO TELEGRAPHY SURVEY (SRTS)

6.10 All Sea going vessels over 300 G.T. are required to be surveyed and issued with a Safety Radio Telegraphy/Telephony 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.

## EXAMINATIONS

6.11 The MMDs conduct various grades of Certificate of competence Examinations in Nautical and Engineering disciplines under the International Convention of STCW '78, as amended in '95 under M.S. (STCW) Rules '98, Fishing Grade Examinations and the Examinations for various Certificates of Competency under IV Act. As on 31.12.2017, 4149 fresh Certificates of competency were issued in nautical disciplines and 7562 fresh Certificate of Competency were issued

in Engineering discipline. A Committee has been set up to review the process of distribution of examination fees to examiners/surveyors.

## INSPECTION OF TRAINING INSTITUTES

6.12 The Pre-Sea and Post-Sea Maritime Training Institutes in the private sector are inspected by the MMDs at various stages before and after approval by the DGS.

## REGISTRATION OF SHIPS

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

| Sl. no | Period | Coastal | Overseas | Total |
|--------|--------|---------|----------|-------|
| 1      | 2015   | 874     | 373      | 1247  |
| 2      | 2016   | 897     | 406      | 1303  |
| 3      | 2017   | 929     | 443      | 1372  |

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

- I. To provide means for securing the presence on-board at proper times of the seamen who are so engaged.
- II. To facilitate making of apprenticeship to the sea service.
- III. 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.
- IV. Issue of Continuous Discharge Certificate-cum-Seafarers Identity Document (CDC).

6.15 In the year 2017, CDCs issued were as under;

|                 |        |
|-----------------|--------|
| Fresh CDC       | 24,502 |
| Renewal CDC     | 2,849  |
| Duplicate CDC   | 458    |
| Replacement CDC | 13,820 |

6.16 Issuances of Certificate of Competency (Cook). In the year 2017, COC(cook) certificates were issued as under



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|                         |      |
|-------------------------|------|
| Cook (Certificate)      | 1195 |
| Duplicate (Certificate) | 4732 |

## SEAMEN'S EMPLOYMENT OFFICE MUMBAI/ KOLKATA/ CHENNAI

6.17 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:-

- I. Issuance of license, regulating and controlling the recruitment and placement service providers.
- II. 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.
- III. 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

6.18 India has a long maritime tradition and is ranked 19th largest shipowning country 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.

6.19 There are 138 Maritime Training Institutes approved by the Director General of Shipping at present.

6.20 Annual intake capacity of the approved Pre-sea Courses is given in the table below:

| Pre-sea Training                            | Total approved annual capacity |
|---|--------------------------------|
| Pre-sea training for Nautical discipline    | 4348                           |
| Pre-sea training for Engineer discipline    | 4729                           |
| Pre-sea training for polyvalent discipline  | 31                             |
| Pre-sea training for GP Rating              | 5744                           |
| Certification course in Maritime Catering   | 1076                           |
| Orientation Course in Maritime Catering     | 2080                           |
| NCV (Deck)/(Engine)                         | 80                             |
| Pre-Sea Training Electro Technical Officers | 850                            |
| <b>Total</b>                                | <b>18938</b>                   |





## 6.21 Region-wise annual intake of pre-sea courses:

| Region   | No of Pre sea Institutes | Name of the Course                              | Approved intake |
|--|--------------------------|---|-----------------|
| Eastern Re-<br>gion                              | 11                       | Pre Sea training for Nautical Discipline        | 310             |
|  |                          | Pre Sea training for Engineer Discipline        | 490             |
|  |                          | Pre sea training for GP Rating                  | 640             |
|  |                          | Certificate Course in Maritime Catering         | 160             |
|  |                          | Orientation course in Maritime Catering         | 160             |
|  |                          | Pre Sea training for Electro Technical Officers | 120             |
|  |                          | <b>TOTAL</b>                                    | <b>1880</b>     |
| Western<br>Region                                | 24                       | Pre Sea training for Nautical Discipline        | 1972            |
|  |                          | Pre Sea training for Engineer Discipline        | 1575            |
|  |                          | Pre-sea training for Polyvalent discipline      | 31              |
|  |                          | Pre sea training for GP Rating                  | 1880            |
|  |                          | Certificate Course in Maritime Catering         | 756             |
|  |                          | Orientation Course in Maritime Catering         | 720             |
|  |                          | NCV (Deck)                                      | 80              |
|  |                          | Pre-sea for Electro Technical Officers          | 360             |
| <b>TOTAL</b>                                     | <b>7374</b>              |   |                 |
| South West<br>Region                             | 4                        | Pre Sea training for Nautical Discipline        | 40              |
|  |                          | Pre Sea training for Engineer Discipline        | 450             |
|  |                          | Pre sea training for GP Rating                  | 220             |
|  |                          | Certificate Course in Maritime Catering         | 80              |
|  |                          | Orientation Course in Maritime Catering         | 80              |
|  |                          | <b>TOTAL</b>                                    | <b>870</b>      |
| Southern<br>Region                               | 29                       | Pre Sea training for Nautical Discipline        | 1666            |
|  |                          | Pre Sea training for Engineer Discipline        | 2114            |
|  |                          | Pre sea training for GP Rating                  | 2220            |
|  |                          | Certificate Course in Maritime Catering         | 80              |
|  |                          | Orientation Course in Maritime Catering         | 720             |
|  |                          | Pre Sea Course for Electro Technical Officer    | 370             |
|  |                          | <b>TOTAL</b>                                    | <b>7170</b>     |
| Northern<br>Region                               | 8                        | Pre Sea training for Nautical Discipline        | 360             |
|  |                          | Pre Sea training for Engineer Discipline        | 100             |
|  |                          | Pre sea training for GP Rating                  | 624             |
|  |                          | Certificate Course in Maritime Catering         | 00              |
|  |                          | Orientation Course in Maritime Catering         | 400             |
|  |                          | <b>TOTAL</b>                                    | <b>1484</b>     |
| North East<br>Region                             | 1                        | Pre sea training for GP Rating                  | 160             |
|  |                          | <b>TOTAL</b>                                    | <b>160</b>      |
| <b>TOTAL</b>                                     | <b>77</b>                | <b>GRAND TOTAL</b>                              | <b>18938</b>    |
| <b>TOTAL NO. OF MARITIME TRAINING INSTITUTES</b> |                          | <b>: 138</b>                                    |                 |
| <b>No of Pre Sea Institutes</b>                  |                          | <b>: 77</b>                                     |                 |
| <b>No of Post Sea Institutes</b>                 |                          | <b>: 61</b>                                     |                 |



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## 6.22 Region wise post sea institutes:-

| Region | Post Sea Institute Competency |
|--------|-------------------------------|
| North  | 14                            |
| East   | 9                             |
| West   | 21                            |
| South  | 17                            |
| Total  | 61                            |

6.23 A ban imposed on opening of maritime training institutes in 2010 was lifted in November, 2016. Since then the Directorate has granted 12 'in principle approvals' for opening of pre-sea maritime training institutes. Out of these one institute has been granted approval for conduct of GP rating course.

6.24 This Directorate has granted 40 "in principle approvals" for opening of post-sea maritime training institutes. Out of these, six institutes have been granted approval for conduct of post sea courses.

6.25 During this year, complaints were received against three maritime training institutes and surprise inspections were carried out against them. Order of withdrawal and closure was issued in case of two Maritime Training institutes.

### SEAMEN'S PROVIDENT FUND ORGANIZATION, MUMBAI.

6.26 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.

### NATIONAL WELFARE BOARD FOR SEAFARERS

6.27 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.

### SEAFARERS' WELFARE FUND SOCIETY

6.28 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.

### INITIATIVES TAKEN BY THE DIRECTORATE GENERAL OF SHIPPING

#### E-GOVERNANCE INITIATIVES

6.29 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

6.30 Indian seafarers are required to possess a certificate called Continuous Discharge Certificate (CDC) to be able to work on an Indian flag ship. Approximately 24,000 such certificates are issued annually by the DGS. Entire process of issuance of CDC is made online since June, 2015. 107326 numbers seafarers have utilised this facility till end of December, 2017.

## REGISTRATION OF SHIPS

6.31 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 onwards. 1514 Indian ships have utilized this facility till end of December, 2017.

## ISSUANCE OF LICENSING AND CHARTERING PERMISSIONS

6.32 The filing of an application for permission, processing of such application, payment of fee and issuance of such permission is completely online, since November, 2014. 2520 applications have been so processed till end of December, 2017.

## TABLET BASED EXAMINATIONS

6.33 The conduct of CoC exams is being moved from a paper based format to the smart tablet based template [paperless] to be done through such a systems based approach. To begin with, the Engineering examinations

for all grades on Near Coastal Vessels are being carried out on tablets. Gradually the engineering examination on other vessels and examinations on nautical stream would be conducted on tablets.

## CONCURRENT FEEDBACK SYSTEM

6.34 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 redressal. 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 four member team has been constituted to monitor the redressal of grievances. Total 1984 number of feedbacks were received in the year 2017, of which 1977 stand resolved till end of December, 2017 and action is being taken to redress the remaining grievances. It is observed that the average response time to redress the grievances time during the year is 3.85 days, whereas this response is seen to have been reduced during the quarter ending 31.12.2017 to 2.7 days. The DGS is making all out efforts to reduce the response time and also endeavours to identify those areas where the performance is poor and take necessary corrective action to improve the grading in such areas.

## E- LEARNING PLATFORM

6.35 The Director General of Shipping is the first maritime administration to rolled 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.



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### INITIATIVES ON MERCHANT SHIPPING LAWS

#### Revamped Merchant Shipping Bill to replace Merchant Shipping Act, 1958

6.36 The Merchant Shipping Bill which was introduced in the Lok Sabha on 16.12.16 stand 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 and also stand laid on the table of the Lok Sabha on 18.07.17. The proposal for official amendments subsequent to the report of the Committee is under process in the Ministry of Law, Gol, for approval of the Cabinet. The new legislation will repeal the existing Merchant Shipping Act, 1958 and Coasting Vessels Act, 1838. The provisions of the Bill will simplify the law governing the 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 ADMIRALTY (JURISDICTION AND SETTLEMENT OF MARITIME CLAIMS) ACT, 2017

6.37 Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2017, was passed by the Lok Sabha on 10.03.17 and came up for discussion in the Rajya Sabha on 24.07.17. The Bill was passed unanimously by the House same day. 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 age old 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.

6.38 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 and chattel as earlier, but also other claims such as 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 of the seafarers. The Bill also provides for protection against wrongful and unjustified arrest and has provision for transfer of cases from one High Court to other High Court.

6.39 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 same 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 was 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, and then from 21.03.17 to 20.06.17 and later on 20.06.17 to 19.06.18, for fostering an ease of doing business in the liner shipping industry in India without, however, compromising the core anti-competition principles

#### RE-ELECTION OF INDIA TO THE COUNCIL OF THE INTERNATIONAL MARITIME ORGANISATION

6.40 India has already been re-elected to the Council of the International Maritime Organization [IMO] under Category "B" representing the States with the largest interest in international seaborne trade, for the biennium 2018-19, at the 30th session of the Assembly of the IMO, held at London on 1st December, 2017, by securing second highest votes in the said category.





## B. THE SHIPPING CORPORATION OF INDIA LIMITED



**Capt. Radhika Menon, Master, SCI is the first female seafarer ever to get IMO Bravery Award**

6.41 During the last 55 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 01.12.2017 owned 69 vessels of 6.01 million DWT, 3.35 million GT and constitutes about one-third of the Indian tonnage. SCI as on 01.01.2018 owns 68 vessels of 5.96 million DWT, 3.328 million GT.

### CRUDE TRANSPORTATION

6.42 India has one of the world's fastest growing energy markets and Energy security is of paramount importance. SCI is actively involved in imports and well as coastal

movement of crude. In 2016-17, SCI's crude tankers (excluding VLCC's) have helped India import 15 million tonnes of crude and transport about 7.5 million tonnes of crude around the Indian coast. Further SCI has imported 7.5 million tonnes of crude by in chartering vessel to meet the COA requirement. Currently SCI has a fleet of 35 crude and product tankers. Of these, five are VLCCs and they are mainly employed on voyage charter.

### LNG TRANSPORTATION

6.43 SCI co-owns four LNG carriers in Joint Venture with premier Japanese companies and independently manages their techno-commercial operations. SCI has also signed MOU with GAIL for transportation of LNG



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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. Further, SCI is also actively looking to participate/invest in one LNG/FSRU project in the coming year. SCI thus plays an integral role in India's long term objective of shifting to gas for its energy needs.

### DRY BULK TRANSPORTATION

6.44 SCI's bulk carriers are actively involved in the coastal transportation of Indian coal to the Indian Power Generating Companies. SCI moved 1.98 million tonnes of coal around the coast in 2016-17. SCI has also imported coal for steel major, SAIL, to the tune of 3.92 Lakh tonnes in the period 2016-17. Further, SCI vessels are involved in transportation of Iron Ore along the Indian Coast.

### CONTAINER MOVEMENT

6.45 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, out of which two are employed on the coast and one in its Far East service. Presence of SCI in this segment has proved to have a moderating effect on the freight rates thus protecting the interest of Indian exporters.

### DRDO PROJECT

6.46 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. For serving the DRDO SCI has already acquired two MPSVs viz; SCI Sabarmati on 18.11.2016 and SCI Saraswati on 07.07.2017.

### OFFSHORE SEGMENT

6.47 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. ONGC, India's largest E&P operator, has been major client for SCI. These old OSVs have been gradually phased out by SCI and they have been replaced by a young and technologically advanced fleet of vessels. The current offshore fleet of SCI comprises of 3 nos. 80T AHTSVs, 4 nos. 120T AHTSVs, 2 nos. PSVs and 2 nos. MPSVs which are effectively serving the Indian offshore sector.

### FINANCIAL HEALTH

6.48 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. The period of recession in the shipping markets intertwined with depressed world economic activity has lasted over nine years, however SCI has been performing reasonably well despite the downturn in the industry. SCI has posted profit in last three consecutive years i.e. 2014-15, 2015-16 & 2016-17. In 2016-17 despite the decrease in revenue from operations SCI has posted a profit after tax of Rs. 135.50 crore. SCI being a diversified company having operations in tanker segment-crude, product and gas carriers, bulk carriers, liner vessels, offshore supply vessels, passenger cum cargo vessel, has been able to sustain itself despite the industry downturn. Though revenue from operations has decreased over previous years, the overall financial health of company has improved substantially



with prudent financial management. SCI has through sustained efforts backed by improved market credibility been successful in achieving a reduction in the interest margins of the existing FCNR loans and

raised fresh borrowing at attractive rates.

## FINANCIAL PERFORMANCE

6.49 Financial performance of SCI during the last 3 years is as under:-

(Rs. in crores)

| Financial Year               | 2014-15        | 2015-16        |                 | 2016-17         |
|------------------------------|----------------|----------------|-----------------|-----------------|
|                              | (As per IGAAP) | (As per IGAAP) | (As per Ind AS) | (As per Ind AS) |
| Total Income (Rs. in Crores) | 4587.60        | 4277.2         | 4214.7          | 3592.10         |
| Net profit (Rs. in Crores)   | 200.93         | 377.29         | 753.30          | 135.50          |
| Dividend (%)                 | Nil            | Nil            | Nil             | Nil             |

## C. DREDGING CORPORATION OF INDIA LIMITED

6.50 Dredging Corporation of India Ltd., (DCI) was incorporated in March, 1976 with an authorised capital of `30 crore and paid-up capital of ₹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 the 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 organisations.,

## CAPACITY AUGMENTATION

6.51 The inland cutter suction dredger named as DCI GANGA has been inducted into the fleet on 6th December, 2016. The vessel has been put into operation at the dredging project being carried out at Puducherry. This is the first of Inland fleet being inducted into the fleet in recent times.

## DREDGING OPERATIONS

6.52 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 and NST and its approaches of VPT. Capital Dredging Contracts were executed at Mormugao Port, Chennai Port, Andaman and Nicobar island, Puducherry, Gogha and Dahej. The above works were executed either under



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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

6.53 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Company adopted Ind AS from 1st April, 2016, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles of Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Pursuant to the adoption of the Ind AS, the Accounting Policies have been revised as on transition date and the effect of the same has been reflected in the results. The figures for the previous year have been recast as per the new Ind AS adopted by the company. The Profit after tax of the Company is Rs. 712.27 lakh for the year as compared to Rs. 4350.18 lakh for the previous year. The Company's earning per share is Rs. 2.54 for 2016-17 as compared to Rs. 15.54 for 2015-16.

6.54 The operational income of the Company is Rs. 58587.17 lakh as compared to Rs.

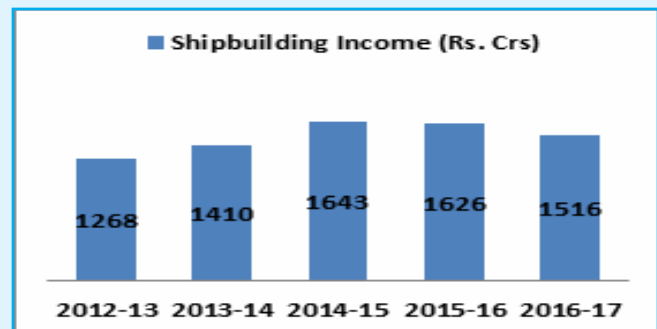
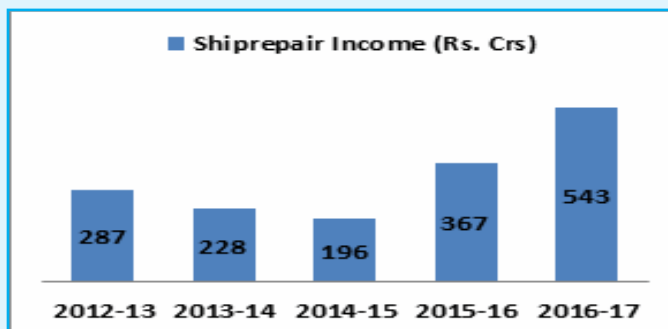
66585.89 lakh for the previous year. The other income is Rs. 1381.78 lakh as compared to Rs. 1532.21 lakh for the previous year. The total income for the year is Rs. 59968.95 lakh as compared to Rs. 68118.10 lakh for the previous year.

## DIVIDEND

6.55 Keeping in view the financial performance of the Company and other relevant considerations, the Company has not paid any dividend for 2016-17.

## D. COCHIN SHIPYARD LIMITED

6.56 In the year 2016-17 the Company achieved a total ship building income of Rs. 1515.82 crores as against Rs. 1625.96 crores in 2015-16. During the year 2016-17, the yard delivered one Deck Cargo and Launch Barge for National Petroleum Construction Company (NPCC) Abu Dhabi and four Fast Patrol Vessels to Indian Coast Guard. In the ship repair front, the Company achieved a total ship repair income of Rs. 543.05 crores in 2016-17 as compared to Rs. 367.49 crores in 2015-16. CSL had the privilege of receiving INS Viraat for the 13th time – her last refit and INS Vikramaditya for her maiden refit – both have been handled professionally on schedule by CSL and Indian Navy is very impressed. The work package of INS Vikramaditya was carried out from September 23, 2016 to November 05, 2016 and completed five days ahead of schedule. Other major vessels repaired during the year include INS Sarvekshak, GTV Samudra Sarvekshak, DCI Dredge XXI.





## INITIATIVES FOR CAPACITY ADDITION

6.57 CSL continued to operate in the existing dry dock and other facilities in the leased area at CoPT wherein the new International Ship Repair Facility (ISRF) is being constructed at a total capital outlay of Rs.970 crores. Repair activities of thirty four vessels have been completed from the existing facilities during the financial year 2016-17. Environmental Clearance for the project was accorded by Ministry of Environment, Forests & Climate Change (MoEFCC) on 22 June 2017. CSL proposal was deliberated in the NBWL meeting held on 08 Dec 2017 and clearance letter from MoEFCC in this regard is expected shortly. Contract for the procurement of Shiplift & Transfer system was awarded in January 2017. Construction contract (Comprehensive Civil, Mechanical and Electrical works) and contract agreement was signed on 27 Oct 2017. Construction works were commenced on 17 Nov 2017. CSL expects to position Kochi as a major ship repair hub with major operations in the present ship repair dock coupled with increased capacities that would be available when the ISRF is commissioned.

6.58 With regard to the new dry dock, the Government of India approval for the project has been received on 20th July 2016. Environmental Clearance for the project was accorded by the Ministry of Environment, Forests & Climate Change (MoEFCC) on 09th November 2016 and clearance from National Board of Wildlife was obtained in March 2017. CSL has also prequalified four leading construction firms for the construction works and detailed engineering is in progress.

## FACILITY UPGRADE AND CAPITAL EXPENDITURE

6.59 The total capital expenditure incurred in 2016-17 amounted to Rs. 118.12 crores. This related to Renewals and Replacements,

Modernisation, Expansion, Dry Dock, ISRF, Kandla Port and Research and Development Projects.

## INITIAL PUBLIC OFFER OF CSL

6.60 The Cabinet Committee on Economic Affairs (CCEA) at its meeting held on 18th November 2015 approved the Initial Public Offer of CSL ("IPO") consisting of issue of 2,26,56,000 fresh equity shares of the face value of Rs. 10 each at a price to be determined through a book building process in order to fund its future growth plans; and sale by Government of India of 10% of its stake in the Company comprising of 1,13,28,000 equity shares of face value of Rs. 10 each out of its current shareholding of 11,32,80,000 equity shares at a price to be determined through a book building process.



**Hon'ble Minister of Shipping and RTH, Shri Nitin Gadkari and Shri Madhu S. Nair CSL Chairman at the IPO launch of CSL in Mumbai**



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## E. DIRECTORATE GENERAL OF LIGHTHOUSES & LIGHTSHIPS

6.61 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.

### GOVERNING ACT/MANDATE

6.62 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 reports 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

6.63 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:

| Sl. 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

6.64 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 colourscheme, 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**



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## LIGHTSHIP

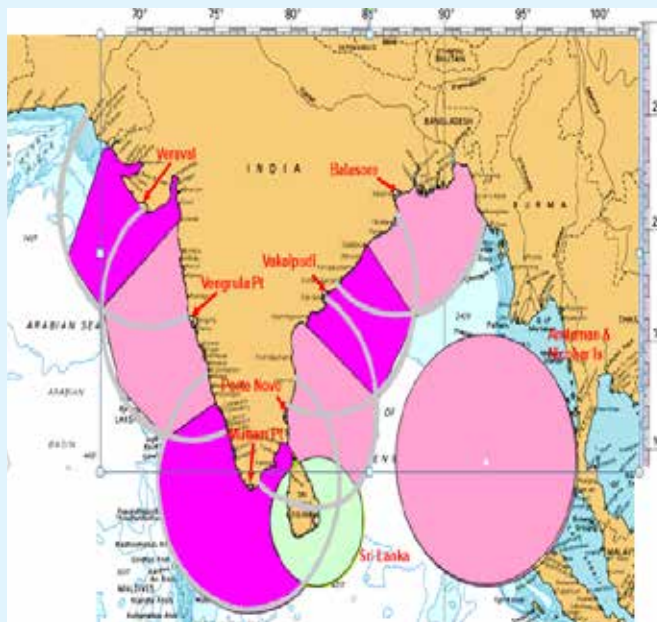
6.65 A Lightship serves the same purpose as lighthouse and is positioned in the sea, where it is not feasible to construct a lighthouse. DGLL maintains a lightship "PERIGEE" off the Bhavnagar coast, in Gujarat.



**Lightship**

## NATIONAL NAVTEX NETWORK

6.66 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

6.67 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**





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### Development of Tourism

6.68 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 following 08 Lighthouses along the coast of India for promotion of tourism at initial stage:-

- I. KanhojiAngre ( 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)

### ESTABLISHMENT OF HERITAGE LIGHTHOUSE AND MARITIME MUSEUM AT MUTTOM POINT LIGHTHOUSE

6.69 Muttom Point Lighthouse situated in the State of Tamil Nadu is in operation since 1875. In order to disseminate the heritage value of the lighthouse and spread awareness about the functioning of lighthouse among general public a maritime museum has been established in the lighthouse premises. The museum houses heritage traditional lighthouse equipment, optics, various types of illuminates used in lighthouses. The museum is also provided with mini-video hall for display of documentary movies about the organisation and provides information on lighthouses on Indian Coast. The museum was inaugurated by Hon'ble Union Minister of State for Finance and Shipping Thiru Pon Radhakrishnan on 19th



***Shri Pon Radhakrishnan, Hon'ble Minister of State for Shipping and Finance inaugurating the Maritime Museum at Muttom Point Lighthouse***





November, 2017.

## ESTABLISHMENT OF NEW LIGHTHOUSE AT VEMBAR

6.70 For easy identification of landmark and to provide seamless coverage of lighthouse along the Indian Coast a new Lighthouse at Vembar situated in the State of Tamil Nadu has been established. This lighthouse will be of immensely helpful to the local fisherman community. The lighthouse has been dedicated to the nation by the Hon'ble Union Minister of State for Finance and Shipping Thiru Pon Radhakrishnan on 19th November, 2017.



**Vember Lighthouse**

## F. INDIAN MARITIME UNIVERSITY

6.71 IMU is a Teaching-cum-Affiliating University established on 14th November 2008 to provide quality maritime education, training and research. Headquartered in Chennai, it has 6 Regional Campuses at Chennai, Kolkata, Mumbai Port, Navi Mumbai, Visakhapatnam and Cochin. IMU is conducting the following Under Graduate and Post Graduate Programmes in its 6 Campuses –

### UG PROGRAMMES

- I. B.Tech (Marine Engineering) - 4 years
- II. B.Tech (Naval Architecture & Ocean Engineering) – 4 years

- III. B.Sc (Ship Building & Repair) – 3 years
- IV. B.Sc (Maritime Science) – 3 years
- V. B.Sc (Nautical Science) – 3 years
- VI. B.B.A (Retail, e-Commerce and logistics) - Introduced from Academic Year 2017-18
- VII. Diploma in Nautical Science leading to B.Sc. (Nautical Science) – 1 year

### PG PROGRAMMES

- I. MBA (Port and Shipping Management) – 2 years.
- II. MBA (International Transportation & Logistics Management) – 2 years.
- III. M.Tech (Naval Architecture and Ocean Engineering) – 2 years.
- IV. M.Tech (Dredging and Harbour Engineering) – 2 years.
- V. M.Tech (Marine Engineering & Management) – 2 Year - Introduced from Academic Year 2017-18
- VI. M.Sc (Commercial Shipping & Logistics)- 2 Year - Introduced from Academic Year 2017-18
- VII. Post Graduate Diploma in Marine Engineering – 1 year.

### PH.D PROGRAMMES

- I. Till 2016-17 Ph.D programmes were being conducted only in the Visakhapatnam Campus - in Naval Architecture and Ocean Engineering. From January 2018 onwards all other Campuses except Cochin are gearing up for Ph.D./MS(by Rearch programmes). Entrance test for the same was conducted on 11.12.2017.

6.72 IMU has 24 Affiliated Institutes across the country which offer one or more of the following Programmes:

- I. Diploma in Nautical Science
- II. B.Sc in Nautical Science
- III. B.Sc in Ship Building & Repair
- IV. B.Tech in Marine Engineering

6.73 In IMU the Academic Year is from 1st August to 31st July of the next year. The Admission details for the Academic Years 2014-15 to 2017-18 are as shown under:



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## Admission Details - Academic Year-wise

| 2014-15 |      | 2015-16 |      | 2016-17 |      | 2017-18 # |      |
|---------|------|---------|------|---------|------|-----------|------|
| IMU     | AI   | IMU     | AI   | IMU     | AI   | IMU       | AI   |
| 740     | 1198 | 804     | 1775 | 963     | 1540 | 1012      | 1597 |

IMU = IMU's Campuses; AI= Affiliated Institutes.

(#) Admissions for August 2017 batch only

- 6.74 The Programme-wise admission details for the Academic Year 2017-18 in Indian Maritime University Campuses is as shown below:

### Admission details in IMU Campuses - Programme-wise

| Sl. No.      | Programme  | Sanctioned Strength | No. of Candidates Admitted |
|--------------|--|---------------------|----------------------------|
| UG           |  |                     |                            |
| 01.          | Diploma in Nautical Science Leading to B.Sc (Applied Nautical Science) | 200                 | 51                         |
| 02.          | B.Sc (Nautical Science)  | 305                 | 288                        |
| 03.          | B.Sc (Maritime Science)  | 40                  | 22                         |
| 04.          | B.Sc (Ship Building & Repair)*   | 40                  | -                          |
| 05.          | B.Tech (Marine Engineering)  | 366                 | 360                        |
| 06.          | B.Tech (Naval Architecture & Ocean Engineering)                        | 80                  | 52                         |
| 07.          | B.B.A (Retail, e Commerce and logistics)                               | 100                 | 58                         |
| <b>Total</b> |  | <b>1131</b>         | <b>831</b>                 |
| PG           |  |                     |                            |
| 01.          | MBA (Port & Shipping Management)                                       | 60                  | 54                         |
| 02.          | MBA (International Transportation & Logistics Management)              | 90                  | 80                         |
| 03.          | M.Tech (Naval Architecture & Ocean Engineering)                        | 20                  | 5                          |
| 04.          | M.Tech (Dredging & Harbour Engineering)                                | 20                  | 14                         |
| 05.          | M.Tech (Marine Engineering & Management)                               | 20                  | 18                         |
| 06.          | M.Sc (Commercial Shipping & Logistics)                                 | 30                  | 10                         |
| 07.          | PG Diploma in Marine Engineering (to commence in January 2018)         | 160                 | -                          |
| <b>Total</b> |  | <b>400</b>          | <b>181</b>                 |

\* Admissions to B.Sc (Ship Building & Repair) discontinued from the Academic Year 2017-18 at IMU Cochin Campus.

## G. HOOGHLY DOCKING & ENGINEERING LIMITED

- 6.75 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-RECONSTRUCTURING OF HDPEL

6.76 For Rehabilitation-cum-Restructuring of HDPEL through formation of a Joint Venture Company, an exercise made by IL & FS (The Consultant) shows that SPV process will not generate adequate revenue for meeting salary requirement of present manpower. Hence, manpower reduction considered to be a prerequisite towards J.V. formation. 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 J. V. 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 Joint Venture Partner at estimated cost of Rs. 66 crore.

6.77 It was decided to discharge the tender and to form J.V. between CSL and HDPEL after finalizing the proposal with J.V. Model. On 23rd October, 2017, a new J. V. Company between Hooghly Dock & Port Engineers Ltd. (HDPEL) and Cochin Shipyard Ltd. (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 J.V. Company.

## H. CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

6.78 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.



**Inauguration ceremony of Sea route to Baratang and foundation stone laying for infra projects for development of A&N**



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6.79 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 (Crore) in case of unwillingness and "Winding up of CIWTC as per provision of Companies Act, 1956". CIWTC 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 under liquidation.

### I. ANDAMAN LAKSHADWEEP HARBOUR WORKS

6.78 Andaman Lakshadweep Harbour Works (ALHW) a subordinate offices 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 in Androth in Lakshadweep Island. In Kalpeni Island, breakwater with wharf at ice side is constructed to cater the vessels having draft up to 1.8m.

- b) Wharves for Mainland ships at Haddo berth no.1 to 4, Chatham, Hope Town, Mayabunder, Hutbay & Campbell Bay (in A&N Islands). And at Androth wharf to cater the ship having draft upto 3.00m.
- c) Open jetties to cater mainland-island ships having draft upto 5.8 m at Kavaratti, Agathi, Amini & Minicoy Islands.
- d) 49 Nos. of Ferry Jetties /Vehicle Ferry jetties have been constructed in A&N Islands.
- e) In Lakshadweep 15 nos. of ferry jetties having constructed to cater the vessels daft upto 1.5m inside the lagoon at western side of Islands.
- f) Ship repair facilities such as Dry Dock in Port Blair, Slipways at Port Blair, Mayabunder and Little Andaman.

### J. TARIFF AUTHORITY FOR MAJOR PORTS

6.79 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 major port trusts and private terminals operating 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. The Authority consists of a Chairman and two Members. The





Chairman is of the rank of the Secretary to the Government of India, one Member from amongst economists and one Member with experience in finance. The Headquarter of Tariff Authority for Major Ports is located at Mumbai. Tariff Authority for Major Ports is an ISO 9001:2008 and ISO 27001:2013 certified organization.

6.80 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.

| Sl. No. | Guidelines  | Notification Date & Gazette No. |
|---------|---|---------------------------------|
| (i).    | Tariff Guidelines, 2005   | 31/03/2005 vide G. No. 39       |
| (ii).   | Upfront Tariff Guidelines, 2008                                 | 26/02/2008 vide G. No. 27       |
| (iii).  | Reference Tariff Guidelines, 2013                               | 30/09/2013 vide G.No. 254       |
| (iv).   | Policy for Determination of Tariff for Major Port Trusts, 2015  | 27/01/2015 vide G.No. 30        |
| (v).    | Stevedoring and Shore Handling Guidelines for Major Ports, 2016 | 15/11/2016 vide G.No.407        |

## LAND POLICY GUIDELINES ISSUED BY GOVERNMENT OF INDIA

6.81 This Authority is mandated to follow the Land policy guidelines issued by the Government from time to time in the matter of regulating lease rentals at the major ports. The Land Policy Guidelines, 2014 were 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

6.82 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.



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# INLAND WATER TRANSPORT



***IWAI vessel MV Zakir Hussain carries 350 Tons cement consignment of Dalmia Bharat Cement Ltd. from Haldia to Patna***

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. IWAI is now focused on developing more 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 Inland Waterways Authority of India (IWAI) was set up on 27<sup>th</sup> 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**

7.3 IWAI has undertaken development and maintenance of IWT related infrastructure facilities (fairway, terminals and navigation aids) on NW-1 (Ganga, Bhagirathi, Hooghly river system), NW-2 (Brahmaputra) and NW-3 (West Coast Canal in Kerala).

### **FAIRWAY DEVELOPMENT**

7.4 On NW-1 and 2 which are alluvial rivers, dredging and bandalling are to be carried



out every year during post monsoon period on shallow areas (called shoals) to maintain targeted Least Available Depth (LAD). NW-3 being a tidal canal with predictable tidal variation of water levels, once the desired depth is provided by capital dredging, it can be maintained for a number of years by carrying out nominal maintenance dredging.

- 7.5 IWAI has deployed 9 Cutter Suction Dredgers (CSD), 1 Hydraulic Surface Dredger (HSD) and 1 Amphibian Dredger (AD) in NW-1, 2 CSDs, and 2 HSD in NW-2 and 3 CSDs (2 CSDs Departmental + 1CSD on contract) and 2 ADs in NW-3. With these 20 dredgers, IWAI aims to provide higher LAD in NW-1 and 2, [3 m in Haldia-Farakka, 2.5 m in Farakka-Barh, 2 m between Barh and Ghazipur for 330 days in NW-1 and 2.5 m between Dhubri and Dibrugarh in NW-2] and assured 2.0 m in entire NW-3.
- 7.6 In NW-3, out of 205 km of total length, capital dredging has been completed resulting in availability of 2.0 m LAD in the entire length. However, widening of navigational channel in a small length of about 4 km remains to be done and is in progress now.
- 7.7 Development of the two stretches of Indo Bangladesh Protocol Route i.e; Zakiganj to Ashuganj and Sirajganj –Daikhawa covering a length of 470 km is being taken up under an MoU finalised between Govt. of India and Govt. of Bangladesh through a cost sharing ratio of 80:20 between India and Bangladesh.

## TERMINALS

- 7.8 On NW-1, IWAI has constructed low and high level jetty at Patna and of permanent river terminal at GR jetty II area of Kolkata. Fixed terminals also exist at Pakur and Farakka. On NW-2, low and high level jetties have been provided at Pandu (Guwahati). Pandu terminal has also been provided with broad

gauge railway connectivity and is being developed as a multimodal transport hub for North-Eastern sector.



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

- 7.9 On NW-3, 8 permanent terminals have been constructed at Kottapuram, Aluva, Maradu, Thanneermukkon, Trikkunnapuzha, Kayamkulam, Vaikom and Kollam while construction of terminal through CPWD at Alappuzha is in near completion. Two Ro-Ro jetties, constructed at Bolghatty and Willingdon islands for seamless connectivity of NW-3 with Vallarpadam Container Transhipment Terminal for container transportation are successfully under operation.



**ODC Movement – NW-3**

- 7.10 Floating pontoon jetties are also available at various places on NW-1 [Haldia, Kolkata (BISN, Botanical garden), Tribeni, Shantipur, Swaroopganj, Hazardwari, Katwa, downstream Farakka, upstream Farakka, Rajmahal, Sahibganj, Bateshwarsthan, Bhagalpur, Munger, Semaria, Buxar, Ghazipur, Varanasi (Rajghat) and Allahabad] and on NW-2 [Hatsingimari, Jogighopa, Pandu, Tezpur, Silghat, Vishwanath ghat, Neamati, Bogibeel, Sengajan, Dibrugarh and



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Oriumghat]. These floating pontoons can be shifted at any other location depending on demand.

7.11 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. To facilitate dry docking repair in NER, a project for construction of slipway at Pandu has been sanctioned at a cost of Rs. 50.75 crore.

## NAVIGATIONAL AIDS

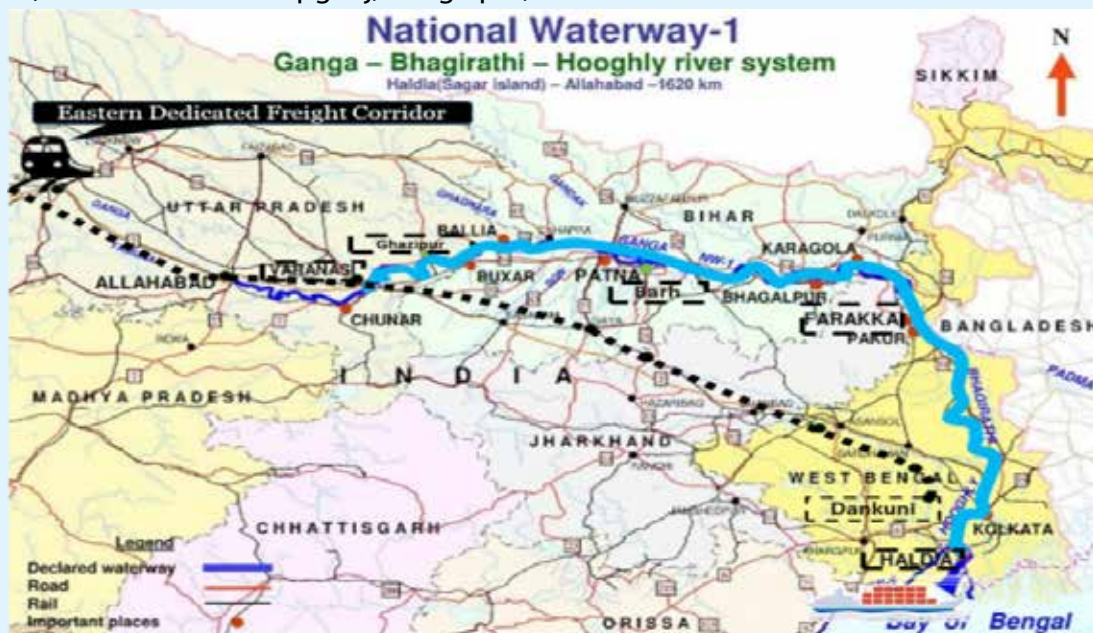
7.12 IWAI has provided 24 hours navigational aids from Haldia to Ballia (1140 km) of NW-1, from Dhubri to Silghat (442 km) on NW-2 and entire 205 km in NW-3. In addition, permanent Beacon post with lights also provided for safe navigation in NW-1. Besides, day navigation marks are maintained in balance length of NW-1 and NW-2. To provide state-of-the art computer based navigational aids, IWAI has four Differential Global Positioning System (DGPS) stations at Swaroopganj, Bhagalpur,

Patna and Varanasi on NW-1 and four DGPS stations at Dhubri, Jogighopa, Bishwanath Ghat and Dibrugarh on NW-2.

7.13 A state of art world class River Information Services (RIS) system in the Sagar - Farakka stretch of NW-1 has been operational. The RIS would exchange the information between waterways operators and users and also give information like, wind speed, fog conditions, danger areas, depth information route details between operators and vessel masters. IWAI has published navigational charts, navigational atlas and developed a real time navigation software which are being used on NW-1, 2, 3 and Sunderbans waterways for safe navigation. In addition, IWAI provides river pilots on NW-1 and NW-2 on need basis.

## JAL MARG VIKAS PROJECT ON NW-1

7.14 The implementation of the Jal Marg Vikas Project (JMVP) for capacity augmentation of navigation from Haldia to Varanasi on NW-1 (1390 km), with the technical and financial assistance of the World Bank has been approved by the Government at a cost of Rs. 5369 crore.







7.15 The following are the significant developments during the period of report:-

- a) The studies on environmental and social impact assessment of the project; and traffic potential and transport forecast model were completed. Most of the studies on technical feasibility/ detailed engineering (FEED) have been completed, while a few are in progress as per the stipulated timelines.
- b) Ministry of Environment, Forest & Climate

Change (MoEF&CC) conveyed its decision that maintenance dredging in rivers does not require prior environment clearance and cleared the JMVP for implementation subject to IWAI implementing certain environment safety measures prescribed by MoEF&CC.

- c) The Board of the Executive Directors of the International Bank for Reconstruction & Development approved the loan of USD 375 million.



### Major Interventions under Jal Marg Vikas Project

- d) The construction work of Phase-I(A) of the Multimodal Terminal at Varanasi terminal is in progress. Physical progress of 25%

and financial progress of Rs. 52.92 crore has been achieved as on 31.12.2017.



**Construction of Multimodal Terminal at Varanasi**



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- e) The Standing Committee of National Board for Wildlife 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.
- f) Hon'ble Prime Minister laid the foundation stone of Multimodal Terminal at Sahibganj on 06.04.2017. 183.13 acres of land requisitioned for construction has been acquired by the State Government and is being transferred to IWAI. R&R package for 482 identified project affected families has been sanctioned and is under implementation by the State Government. The work on construction of Phase-I of the terminal is in progress. Physical progress of 25.62% and financial progress of Rs. 99.45 crore has been achieved as on 31.12.2017.



**Construction in progress of Multimodal Terminal at Sahibganj**

### NATIONAL WATERWAYS - 2

- 7.16 A scoping Mission/Team of expert consisting of officials of IWAI, Indian Army and Directorate of IWT of Govt. of Assam made a joint visit of all the important locations along NW-2 for assessment of additional Inland Water Transport (IWT) and complementary logistics infrastructures required to facilitate

large scale cargo and passenger movement through National Waterways-2.

- 7.17 A two day Road Show on potential of IWT to improve connectivity of NER with rest of India as well as with neighbouring countries nearby Bhutan, Bangladesh and Myanmar was organised by IWAI at Guwahati on 22 & 23<sup>rd</sup> May, 2017 in which many stakeholders participated. The recommendations received from stakeholders are being acted upon. Accordingly a multimodal terminal and logistic park is proposed to be setup at Jogigopha. Further, permanent terminals are also proposed at Silghat, Neamati and Bogibeel.



**Road Show cum Conference on National Waterway -2**

- 7.18 Hon'ble Union Minister of Road Transport & Highway, Shipping and Water Resources, River Development & Ganga Rejuvenation has flagged off regular cement cargo through NW-2. Making a new milestone towards Government of India's constant endeavours to promote economically more viable and environment friendly mode of transport in NER, two barges of 200 tonnes capacity each, has carried 400 tonnes of cement from IWAI's Pandu Port to Dhubri covering a distance of 223 km. The vessels sailed on 29.12.2017 and reached Dhubri on 31.12.2017.





**Flagging off of regular Cement Cargo transportation through NW-2**

## NATIONAL WATERWAY - 4

7.19 To develop the stretch between Vijayawada to Muktiyala of Krishna River for movement of cargo, a project has been sanctioned for Rs. 96.0 crore and the works are at various stages of implementation. Dredging operation has commenced. Work has been awarded for installation of floating terminals at four locations and the same is in progress.



**Laying of the foundation stone for Phase-I activities were held on 03.10.2017 by Hon'ble Vice President, Shri M. Venkaiah Naidu in the presence of Hon'ble MoS&RTH Shri Nitin Gadkari and Hon'ble Chief Minister of Andhra Pradesh Shri N. Chandra Babu Naidu.**

## NATIONAL WATERWAY- 5

7.20 On NW-5 to obtain the basic design parameters for interventions required for development of a fairway with LAD 3.0 m a Consultant has been engaged for preparation of Detailed Project Report (DPR). This activity is likely to be completed by December 2018. Once the DPR is available, the construction of interventional structures will commence. The construction activities of Phase-1 of NW-5 are likely to be completed by year 2021-22.

### STATUS OF 106 NEW NATIONAL WATERWAYS:

7.21 As part of the preparatory works undertaken for development on 106 new National Waterways, IWAI has grouped those under

03 categories as under:

- (A) **Category – I:** DPRs completed for 8 waterways which are considered to be the technically viable. Developmental activities have been initiated in Phase-I as given below:-
  - a) NW-16 - River Barak: Fairway development work by maintenance dredging commenced through flagging off by Hon'ble Minister of Shipping, RT&H in November, 2017. Consultancy services for upgradation of terminals awarded in August 2017.
  - b) NW-37 - River Gandak: Work order for River Conservancy works has been issued. Re-tender for floating terminal facilities has



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been invited in November 2017.

- c) NW-97 - Sunderbans (Protocol Route) Waterways: Project proposal for dredging, navigational aids and loading facility is approved. Tender for dredging work has been invited during November 2017 and tender for floating terminal is in progress.
- d) Three NWs of Goa: Cumberjua River (NW-27), Mandovi River (NW-68) and Zuari River (NW-111): Works are proposed to be executed by Mormugao Port Trust & Captain of Port, Goa after entering MoU.
- e) NW-9 - Alappuzha - Kottayam - Athirampuzha Canal: Dredger mobilized for departmental dredging and waiting for clearance of disposal sites. Tendering for navigational aids has been floated by Regional Office, Kochi.
- f) NW-86: Rupnarayan River (West Bengal) (:): Tendering for dredging and floating terminals is under progress.

**(B) Category – II:** 46 NWs - Those waterways which are in the coastal regions and have some tidal stretches are being considered for development in this category. The number of such coastal rivers and canals is 60 (14 rivers of Sunderbans have been considered as one waterway and extension of West Coast Canal has been considered in NW-3, thus making a total of 46 new waterways). These 60 rivers have been divided into 8 clusters based on their geographical locations.

Two stage DPR studies (stage I feasibility study and based on viability, stage II DPR study) for all the rivers have already been awarded. Based on the outcome of Stage-I feasibility reports of 46 NWs, preparation of Detailed Project Reports (DPRs) for 24 NWs have been awarded by IWAI. DPRs are being finalized and accordingly development works would be initiated. Preparation of DPR of 02 NWs has been taken up by Thane Municipal Corporation and Government of Nagaland.

**(C) Category – III:** 52 NWs - The remaining waterways which are in remote, inaccessible and hilly regions have been grouped in this category. These 52 rivers/canals (Krishna and Godavari rivers have been included as extension of NW-4, hence effectively 52 new waterways in the list of 106 waterways) have also been sub-divided into various clusters and initially only feasibility studies for all these waterways have been awarded. Field survey in 49 NWs has been completed. Security clearance of 03 NWs awaited. Feasibility study reports of 47 NWs have been received. Work for preparation of DPR of river Yamuna (NW-110) and river Jhelum (NW-49) has been awarded. Feasibility of remaining waterways is being established for further TEF/DPR studies.

## CARGO TRANSPORTATION BY INLAND WATERWAYS

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

(In million tonne)

|                       | 2013-14      | 2014-15      | 2015-16      | 2016-17       |
|-----------------------|--------------|--------------|--------------|---------------|
| National Waterway – 1 | 3.349        | 5.050        | 6.237        | 4.618         |
| National Waterway – 2 | 2.475        | 0.520        | 0.602        | 0.609         |
| National Waterway – 3 | 1.066        | 0.965        | 1.061        | 1.033         |
| Goa Waterways         | @            | @            | @            | 15.651        |
| Maharashtra Waterways | @            | @            | @            | 33.293        |
| <b>Total</b>          | <b>6.890</b> | <b>6.535</b> | <b>7.900</b> | <b>55.204</b> |

@ - Not declared as National Waterways till 12<sup>th</sup> April 2016





## MOVEMENT OF OVER DIMENSIONAL CARGO BY IWT MODE

7.23 There had been many successful movements of Over Dimensional Cargo (ODC) on NW-1, 2 and 3 in the last 3-4 years. Considering that IWAI has upgraded IWT infrastructure on NW-1, 2 and 3 and based on interaction with various project promoters and logistic operators, it is expected that ODC movement on NWs will increase substantially in the coming years. ODC movement on NW-2 is also likely to increase when construction of hydro electric power plants in Arunachal Pradesh picks up. Transportation of ODC on NW-1 has gone up from 672 tonnes in 2008-09 to 3,807 tonnes in 2016-17.

## OPERATION AND MAINTENANCE IWAI TERMINALS ON PPP MODE

7.24 In tune with evolving economic scenario, IWAI intends to introduce private sector participation for the development of inland water transport sector in India. IWAI is planning to Equip, Operate and Manage some of its terminals through Supply/Equip, Operate and Manage (SOM) model. This model envisages Equipping, Operating and Managing the terminals by a private terminal operator through a revenue sharing model. This modal is close to the hybrid annuity model (HAM) and is essentially a realignment of risk sharing. The identified O-D pair for the above mentioned model is the cluster of Garden Reach terminals at Kolkata and Gaighat (South bank) & Kalughat (North bank) terminals at Patna. IWAI has floated a tender for the following terminals through SOM (Supply/Equip, Operate and Manage) mode for a period of 30 years.

- (i) GR Jetty - Kolkata
- (ii) Gaighat & Kalughat - Patna

7.25 The key commodities would be container cargo, bulk cargo and break bulk cargo especially the Nepal bound containers. There is traffic potential both ways i.e. upstream

as well as downstream. The private sector has evinced keen interest in the SOM mode for various projects for the development of National Waterways such as Mandovi & Zuari in Goa and Amba in Maharashtra. The legal, commercial and technical due diligence for developing Transaction Structure for Private participation in the development of these NWs is under process.

7.26 Besides above, to explore the possibilities of developing commercially viable sub stretches of NW- 4 & 5 in PPP mode, the consultancy work has been awarded to M/s Feedback Infra Pvt. Ltd. Draft report has also been submitted by the consultant. As per report both waterways are not found viable for development through PPP mode except one terminal at Pankapal on NW-5.

## KALADAN MULTIMODAL TRANSIT TRANSPORT PROJECT

7.27 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 and IWT components of the project.

7.28 The ongoing work of Port & IWT component under Phase-I of the project is completed. Some additional works have been proposed at Paletwa and Sittwe which are scheduled to be completed by April 2018.

## 7.29 NATIONAL INLAND NAVIGATION INSTITUTE (NINI)

- a) 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



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dredging courses, refresher courses for hydrographic surveyors, courses for repair and maintenance of vessels, etc. are conducted in NINI regularly. Till June 2017, total 7043 Candidates have been trained at NINI.

- b) The administration and management of the Institute is done through M/s ARI, New Delhi.
- c) A scheme for placement of NINI trained candidates on board IWAI vessels under Apprentice Act has also been implemented.
- d) An "Inland Vessel Maneuvering Simulator" has been setup and commissioned in March, 2010.
- e) An MoU was signed between IWAI and M/s ARI for setting up of a "Marine Simulator Centre" (MSC) at NINI on 50:50 revenue sharing basis has been implemented successfully. The first Course commenced on 15th April, 2012. MSC, NINI conducts the following courses:
  - i. Radar Observer Simulator Course (ROSC)
  - ii. Automatic Radar Plotting Aid (ARPA)
  - iii. Ship maneuvering Simulator (SMS)

- iv. Liquid Cargo Handling Simulator (LCHS)
  - v. Electronic Chart Display & Information System (ECDIS)
- f) With the approval of DG shipping, following courses are also being conducted in NINI:
- i. Elementary First Aid (EFA),
  - ii. Fire prevention and Fire Fighting (FPFF),
  - iii. Personal Survival Technique (PST),
  - iv. Personal Safety and Social Responsibility (PSSR)

### RIVER CRUISE/TOURISM

7.30 River cruise/ tourism have been a regular feature on National Waterways 1 & 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.

### COOPERATION WITH BANGLADESH ON INLAND WATER TRANSPORT



**Shri Rajive Kumar , Secretary (Shipping) Govt. of India and Shri Ashok Madahab Roy, Secretary Shipping, Govt. of Bangladesh exchanging MOU on Passenger and Cruise Tourism on the Coastal and Protocol Route between India and Bangladesh on 8.4.2017**



- 7.31 An Inland Water Transit and Trade Protocol exists between India and Bangladesh under which inland vessels of one country can transit through the specified routes of the other country. The existing protocol routes are (i) Kolkata – Silghat-Kolkata, (ii) Kolkata–Karimganj-Kolkata, (iii) Rajshahi–Dhulian-Rajshahi and (iv) Silghat–Karimganj-Silghat. For inter-country trade, six ports of call have been designated in each country. These are ; Kolkata, Haldia, Karimganj, Dhubri, Pandu, and Silghat in India and Narayanganj, Pangaon, Khulna, Mongla, Sirajganj and Ashuganj in Bangladesh. This Protocol has been extended up to 30.06.2020 with a provision for automatic renewal.
- 7.33 During 2016-17, 25.84 lakh tonnes of cargo (fly ash) has been transported in between Kolkata/Haldia and Bangladesh. During 2017-18, upto Nov. 2017, transportation of cargo has reached 20.61 lakh tonnes.
- 7.33 An MoU on Passenger and Cruise Services on the Coastal and Protocol route and a MoU for fairway development of the Sirajganj-Daikhowa & Ashuganj-Zakiganj of Indo-Bangladesh Inland Water Transit and Trade Protocol Routes were signed on 8.4.2017. Tender document for fairway development has been shared with Bangladesh.



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# TRANSPORT RESEARCH

- 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 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 2017-18
- Basic port Statistics of India – 2015-16
  - Half-Yearly update on Indian Port Sector for period ending 31st March, 2017 and 30th September 2017
  - Indian Shipping Statistics 2016
  - Statistics of India's Ship-building & Ship-repairing Industry 2015-16
  - Statistics of Inland Water Transport 2015-16
- 8.4 The work relating to the preparation of publications "Basic Port Statistics- 2016-17", "Indian Shipping Statistics 2017", "Statistics of Inland Water Transport 2016-17" and "Statistics of India's Ship-building & Ship-repairing Industry 2016-17" is under progress.
- 8.5 A web-portal "Port Data Management Portal (PDMP)" has been developed for collection of for collection of monthly data on cargo handled through from Major and Non-Major Ports.



# INTERNATIONAL COOPERATION



***Hon'ble Minister of Shipping and RTH, Shri Nitin Gadkari and Shri Gopal Krishna, Secretary(Shipping) with Iranian Delegation***

## 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 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 As a specialized agency of the United Nations, IMO is the global standard-setting authority for the safety, security and environmental performance of international shipping. Its main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and universally implemented. IMO adopts and



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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 67 treaties which are open for countries to become parties. Out of these 67 treaties, India is a party to 33 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, are taken up in the Ministry for India becoming a party to these Convention. The legislative proposals incorporating the provisions of these Conventions are in progression and immediately upon enactment of these legislations, India's accession/ratification to these conventions will be communicated to the IMO respectively.

9.4 Besides, India is also a party to 2 important Conventions of the International Labour Organisation (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.



**Hon'ble Minister Sh. Nitin Gadkari Speaking at the IMO Council**

### MARITIME TRANSPORT COOPERATION INSTRUMENTS/ARRANGEMENTS:

#### A. BILATERAL COOPERATION ARRANGEMENTS

9.6. India has entered into cooperation instruments/arrangements with other maritime countries and regional groupings by way of Agreements or MoUs to foster growth of Indian maritime sector as well as to safeguard India's maritime interests.



A brief list and status of these cooperation arrangements is as under, namely:-

| Sl. No. | Name of the Country<br>(Year of signing)   | Areas of Cooperation   |
|---------|--|--|
| 1.      | Cyprus<br>(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.  |
| 2.      | United Arab Emirates<br>(January 25, 2017) | Recognition and acknowledgement of the certificates issued by the issuing party after meeting the conditions pertaining to: <ol style="list-style-type: none"> <li>Training, qualifying and evaluating seafarers as per the provisions of Section 6/1 of the STCW convention.</li> <li>Registering the issued certificates in a special record.</li> <li>Upon its request, the Department shall be allowed to visit the facilities of certificates to make sure of the relevant procedures as per the provisions of the Regulation No. 60/1 of the STCW Convention in order to check:-                             <ul style="list-style-type: none"> <li>Standards of competency.</li> <li>Registering certificates of competency.</li> <li>Issuing, renewing and cancelling certificates of competency.</li> <li>Standards of physical fitness for the certificates of competency holders.</li> <li>Applied methods of sharing details about the validation of certificates.</li> </ul> </li> <li>The quality standards shall be in accordance with the provisions of Regulations No. 8/1 of the STCW Convention.</li> </ol> |
| 3.      | United Arab Emirates<br>(January 25, 2017) | Institutional Cooperation on Maritime Transport which would facilitate and promote Seaborne transport to avoid any unnecessary prolongation of lay times, and simplify and expedite wherever possible customs and other formalities to be observed in ports as well as facilitate the use of existing installation for the disposal of wastes.   |
| 4.      | Egypt<br>(September 02, 2016)              | Cooperation to develop relationship in the field of International Maritime Transport on the basis of equity and mutual benefits; exchange information between the competent authorities of both the parties on maritime transport; provision of technical assistance for the development of maritime transport by promoting and encouraging the cooperation between the Maritime shipping companies of both the countries; cooperation for developing training programs in institutes of either of the counties in the fields of the marine environment and prevention of the marine pollution and Promotion of Electronic Data Interchange between the two countries with regard to vessels and ports security procedures according to ISPS code requirements.  |



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| Sl. No. | Name of the Country<br>(Year of signing)          | Areas of Cooperation  |
|---------|---|---|
| 5.      | Spain<br>(July 05, 2016)                          | Conduct of studies on port traffic demand between the two countries; commercial promotion of maritime transport between the two countries; promotion of the making of agreements on ports and terminals in the network of both countries; promotion of commercial exchange in the context of port activity and transport by sea; planning, management and exploitation of port infrastructures, development of intermodals and port logistics; modernization of existing ports and development of new world class ports; development of Information and Communication Technologies, establishment of one-step shops and other fields improving the simplification of processes and benefit the competitiveness of all operators of the logistics chain; cooperation in the fields of environment and green port initiative; cruise shipping, sea plane and ferry services in Major ports; and promotion of business development in the port context and of the setting up of Indian port enterprises in Spain and of Spanish port enterprises in India. |
| 6.      | India, Afghanistan and Iran<br>(May 23, 2016)     | Creation of a reliable transport corridor for the smooth transport and transit of goods and passengers through Chabahar Port among Republic of India, Islamic Republic of Afghanistan, and Islamic Republic of Iran; increasing the efficiency of the transport corridor aimed at optimizing transport costs; to attract transit of goods and passengers of other countries through the international transport and transit corridors; to facilitate access to international markets by using land, sea and/or air transportation through Chabahar port and to ensure travel safety and implement safety standards with respect to the transport and transit of goods and passengers, as well as environmental protection among Contracting Parties.  |
| 7.      | Republic of Korea<br>(April 13, 2016)             | To cooperate for strengthening administrative, technical and human resources through exchanges to promote mutual benefits in the fields of port development and operation.  |
| 8.      | Hashemite Kingdom of Jordan<br>(October 11, 2015) | Cooperation between the shipping organizations and enterprises; exchange and training of staff and students; exchange of information to expedite transportation of commercial goods at sea and at ports; joint ventures in the fields of maritime transportation, shipbuilding and ship repairs, maritime training, maritime information technology including development of simulators, port facilities and related maritime activities.   |
| 9.      | Bangladesh<br>(06 June, 2015)                     | Cooperation between the shipping companies to participate in the transportation of sea and river borne cargo to and from the ports of the contracting countries through their own or chartered vessels, contracting to RSV equivalent standards, on the basis of mutual benefits regardless of the mode of contract (FOB, C&F and CIF etc) and benefits to the shipping companies of either contracting country on port dues and other dues.  |





| Sl. No. | Name of the Country<br>(Year of signing)   | Areas of Cooperation   |
|---------|--|--|
| 10.     | Republic of Korea<br>(May 18, 2015)  | Cooperation in maritime transport and logistics, including training of seafarers; joint ventures in the fields of maritime transport and logistics; construction of logistics infrastructure linking land-based transport with maritime transport; utilization, development and management of domestic and overseas ports.   |
| 11.     | Vietnam<br>(May 24, 2013)  | Cooperation between the shipping organizations and enterprises; exchange and training of staff and students; exchange of information to expedite transportation of commercial goods at sea and at ports; joint ventures in the fields of maritime transportation, shipbuilding and ship repairs, maritime training, maritime information technology including development of simulators, port facilities and related maritime activities.  |
| 12.     | Austria<br>(October 3, 2012)   | Cooperation on shipping infrastructure in particular by promoting safe, efficient and cost effective shipping and ports infrastructure development as well as operation and maintenance; exchange of information concerning shipping and ports infrastructure as well as benefits from the opportunities offered in the shipping and ports infrastructure sector; expansion of plans in the shipping and ports infrastructure sector and realization of special projects in this area; recognition of the projects in the field of "Maritime Communication Solutions". |
| 13.     | Sri Lanka<br>(January 7, 2011)   | Passenger services between the ports of Tuticorin and Colombo and between Rameshwaram and Thalaimannar.  |
| 14.     | The Netherlands<br>(February 12, 2008)<br>(Renewed on May 10, 2011, May 11, 2014 and October 11, 2017) | Research and Development; shipbuilding; innovation and sustainability; safety and security; port planning and development; simulation of cargo flows between the two countries; government policies; Ports; Maritime transport and logistics.  |
| 15.     | South Africa<br>(March 23, 2006)   | Cooperation between the shipping organizations and enterprises; exchange and training of staff and students; exchange of information to expedite transportation of commercial goods at sea and at ports; joint ventures in the fields of maritime transportation, shipbuilding and ship repairs.   |
| 16.     | United States of America<br>(April 14, 2015 and April 8, 2015)   | Shipping and intermodal operations; Maritime safety and security; Port Management; Dredging and Dredger construction; Ship Recycling; Maritime Training and Education; Technological Development related to Maritime sector; Inland Water Transport and other fields of mutual interest.   |
| 17.     | Morocco<br>(February 22, 2000)   | Cooperation for rendering sustained mutual assistance and advice on merchant shipping and other related matters.   |
| 18.     | China<br>(November 29, 1996)   | Cooperation in the field of Maritime Transport.  |



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| Sl. No. | Name of the Country<br>(Year of signing)   | Areas of Cooperation   |
|---------|--|--|
| 19.     | Iran<br>(January 3, 1995)  | Maritime transport and port affairs; multimodal transport for transit cargo between the ports of Iran in the Persian Gulf and Caspian Sea through the Asian countries; transit of goods to the third countries through territory of one another; shipping agents and forwarding companies; ship building and ship repair.  |
| 20.     | Singapore<br>(January 24, 1994)  | Maritime Transport.  |
| 21.     | Russian Federation<br>(December 23, 1994)  | Participation of vessels in the carriage of all cargoes between the ports of the two countries; elimination of obstacles that hamper the development of sea trade between the port of their countries; cooperation between the shipping companies, charterers and shippers.  |
| 22.     | Federal Republic of Germany<br>(June 15, 1966)   | Maritime Transport.  |
| 23.     | Denmark<br>(February 6, 1965)  | Recognition of tonnage certificates of Merchant Ships.   |
| 24.     | Finland<br>(February 20, 1963)   | Recognition of tonnage certificates of Merchant Ships.   |
| 25.     | Poland<br>(June 27, 1960)  | Strengthen and develop cooperation in maritime transport.  |
| 26..    | Pakistan<br>(December 14, 2006)  | Protocol on Resumption of Shipping services between India and Pakistan signed on 15 January 1975 to improve direct shipping service between the two countries on the basis of sovereign equality and mutual benefit.   |
| 27.     | IBSA (Trilateral agreement between India, Brazil and South Africa)<br>(September 13, 2006) | Promote transportation of goods and passengers along the International "North-South" Transport corridor, and, access to the international market through rail, road, sea, river and air transport; assistance in increasing the volume of international transport of passenger and goods; security of travel, safety of goods as well as environmental protection according to the international standards; harmonization of transport policies as well as legal and legislative frameworks. |
| 28.     | Belgium<br>(September 24, 1997)<br>(Renewed on September 14, 2012)<br>[MoU]                | Maritime transportation and Port development; Promotion of each other's ports through inclusion of promotion material in port exhibitions and by continuous exchange of information/documents; Tailor-made Training programmes.  |

B. Details of Bilateral/ Unilateral Agreement for Mutual recognition of certificates of competency (CoCs) of Seafarers between India and other countries

### BILATERAL AGREEMENTS:

India has signed the Mutual Recognition of Certificates of Competence (CoC) of Seafarers with Iran, Malaysia, UK and UAE.



## UNILATERAL AGREEMENTS

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             |

## STATUS OF MARITIME COOPERATION WITH NEARBY COUNTRIES

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

### SRI LANKA

- 9.7 Ferry Service between Tuticorin and Colombo: 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.
- 9.8 Ferry Service between Rameswaram and Talaimannar: A dialogue is on between Sri Lankan Government and Indian Government regarding development of infrastructure in both countries to make this service operational.
- 9.9 Long Range Identification Tracking (LRIT) service: LRIT services are extended to Sri

Lanka in terms of IMO guidelines with effect from October 8, 2014.

## BANGLADESH

- 9.10 India-Bangladesh Shipping Service: 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 actionize the said agreement has also been signed on November 15, 2015. The agreement will facilitate an 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).
- 9.11 Protocol on Inland Water Transit and Trade (PINTT): 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. One 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 PINTT include Dhubri (India) in exchange of Pangaon (Bangladesh) has been shared with Bangladesh through MEA.



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9.12 MoU for use of Chittagong and Mongla Ports for movement of goods to and from India. 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, a draft Agreement has been shared with Bangladesh. After this agreement is signed, an SOP will be finalized to administer the MOU / Agreement.

### TRILATERAL COOPERATION ARRANGEMENTS

9.13 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

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 2017

9.14 First meeting of the Joint Maritime Commission between India and Russia was held on February 7, 2017 through Video Conferencing.

9.15 First meeting of the Joint Working Group on Maritime and Shipping issues between India and Greece was held on March 6, 2017 through Video Conferencing.

9.16 First meeting of the Working Group was held in New Delhi on November 27-28, 2017 to discuss and negotiate and finalize BIMSTEC Coastal Shipping Agreement.



# ADMINISTRATION AND FINANCE

## ADMINISTRATION

10.1 Administration Wing of the Ministry of Shipping is headed by Joint Secretary (Administration) who is assisted by Chartering Officer (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 complaint 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, 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". The essay competitions both in Hindi and English were conducted during Harmony Communal Week / Vigilance Awareness Week. The Participants are rewarded for participating in these events.



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### 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. 1<sup>st</sup> 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.

### 10.7 RIGHT TO INFORMATION ACT

- 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.
- 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.
- In the Ministry of Shipping (Main Sectt.), we have appointed/designated 26 CPIOs and 16 Appellate Authorities based on the Divisions, who are in the rank of US, Deputy Secretary and 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.shipping.nic.in](http://www.shipping.nic.in)
- 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.
- Copies of the RTI Act and circulars received from DOPT on RTI are circulated promptly to all the organizations for compliance.
- Useful guidance material/instructions are also circulated to all CPIOs/ Appellate Authorities.
- 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.
- All the useful records are duly maintained.
- The Quarterly details of RTI Applications and RTI Appeals received and disposed of by this Ministry during the period from 01.01.2017 to 31.12.2017 is as under:-

| Sl. No. | Period             | RTI Applications received and disposed of | RTI Appeals received and disposed of |
|---------|--------------------|---|--------------------------------------|
| 1       | January – March    | 224                                       | 15                                   |
| 2       | April – June       | 166                                       | 11                                   |
| 3       | July – September   | 139                                       | 14                                   |
| 4       | October – December | 146                                       | 12                                   |
|         | Total              | 675                                       | 52                                   |



## DEPARTMENTAL ACCOUNTING 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 3 in Delhi, 1 in Kolkata, 1 in Mumbai and 1 in Noida. 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'.

### INTERNAL AUDIT

- The Internal Audit Wing in the Pr. CCA organization of Ministry of Shipping has



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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.

- The Officers of the Internal Audit Wing as well as offices posted in other section have been imparted various trainings related to Internal Audit in the past. This year three AAOs have been imparted training in Risk Bases Audit.
- 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.
- 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

10.11 The summary of important audit observations, appearing in the most recent Audit reports of the year ended March, 2016 is at **ANNEXURE-IV**

### COMPUTERISATION OF ACCOUNTS:

10.12 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 COMPACT, E-Lekha, PFMS and GePG etc.

### COMPACT

10.13 Comprehensive software package for Expenditure Accounts covering major accounting functions i.e. pre-check, GPF, Budget, Pension and Compilation.

### E-LEKHA

10.14A 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

10.15 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.

10.16 PFMS has operationalized an active interface with 90 banks (26 Public Sector Banks, 59 Regional Rural Banks and 5 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 139 Centrally Sponsored Schemes (CSS) and more than 800 Central Sector Schemes (CSS), along with State Plans and Additional Central Assistance (ACA), the CPSMS is managing funds in excess of Rs.3,00,000 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.

## GE PG

10.17 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 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.

10.18 The position of savings/excess in respect of above mentioned Grant No. 87 for the year 2017-18 and actual expenditure for the year 2017-18 (upto 31<sup>st</sup> December, 2017) 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 2015-16 to 2017-18 (upto 31<sup>st</sup> December, 2017) are given in **ANNEXURE-VII**. Profile of actual Expenditure in 2017-18 (upto 31<sup>st</sup> December, 2017) is at **ANNEXURE-VIII**.

10.19 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-IX**.

## VIGILANCE

10.20 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.

10.21 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.

10.22 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.

10.23 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 2017 is given as under:-



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| Sl. No | Type of proceedings | Opening balance | Received during the year | Total | Disposed of | Pending | Nature of cases  |
|--------|---------------------|-----------------|--------------------------|-------|-------------|---------|--|
| 1      | Major               | 16              | 4                        | 20    | 6           | 14      | Corruption, tender irregularities and other financial irregularities, etc. |
| 2      | Minor               | 1               | 1                        | 2     | 1           | 1       |  |

10.24 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.

10.25 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.

# USE OF OFFICIAL LANGUAGE



**Prize distribution ceremony during Hindi Pakhwada 2017-18**

11.1 Keeping in view the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs, for implementation of the Official Language Policy of the government, Ministry of Shipping continued its efforts towards greater use of Hindi in official work during 2017-18. The work pertaining to the progressive use of Hindi in the Ministry is under the administrative control of Adviser (Economics), assisted by Joint Director (OL). The Hindi Section consists of one Assistant Director (OL), two Senior Translators, one Junior Translator and one Stenographer. Hindi Section helps in the implementation of official language (Hindi) policy in the Ministry as well as in all subordinate and attached offices under its administrative control.

## IMPLEMENTATION OF SECTION 3(3) OF THE OFFICIAL LANGUAGE ACT 1963

11.2 In pursuance of the Official Language Policy of the Govt. of India, all documents covered under section 3(3) of the official Language Act, 1963 are being issued both in English and Hindi. Efforts are also being made to reply the letters in Hindi which are received in English from region 'A' & 'B'.

## OFFICIAL LANGUAGE IMPLEMENTATION COMMITTEE (OLIC)

11.3 There is an Official Language Implementation Committee (OLIC) under the Chairmanship of Adviser (Economics) in the Ministry. This Committee regularly reviews the progress made in the use of Hindi in the Ministry. It gives appropriate suggestions and recommends measures to



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## MINISTRY OF SHIPPING

be taken for the effective implementation of the Official Language Policy. Three meetings of the Committee have been held so far in 2017-18.

### INSPECTIONS TO PROMOTE USE OF HINDI

11.4 In pursuance of Official Language Policy in the Ministries/ Departments and their Attached/ Subordinate Offices etc. of Central Government Official Language Section of the Ministry regularly conducts inspections regarding progressive use of Hindi in above said Offices. Inspection Questionnaires are reviewed and the shortcomings found regarding implementation of Official Language Policy are brought in the notice of the concerned Offices. During 2017-18 Subordinate Office DGLL, Noida and two Sections namely Administration and General of the Ministry are inspected. Besides, Hindi Section assists Attached/ Subordinate Offices during the inspection of the Parliamentary Committee on Official Language.

### ORGANISATION OF HINDI PAKHWARA (FORTNIGHT) AND HINDI WORKSHOP

11.5 In order to encourage the use of Hindi in official work 'Hindi Pakhwara' was organized in the Ministry from 14.09.2017 to 28.09.2017. During Hindi Padhwara various competitions were held. Two workshops

were also conducted during this period. Prizes were awarded by Secretary(Shipping) to the winners of competitions held during Hindi Pakhwada.

### INCENTIVE SCHEMES

11.6 Under this scheme of Department of Official Language, officers/ employees of all categories who write at least twenty thousand words in Hindi in a year in region 'A' and 'B' and ten thousand words in Region 'C' are eligible to participate in the Scheme. Under this Scheme, First, Second and Third prizes are given.

### IN-HOUSE MAGAZINE "NAUTARNI"

11.7 Articles are invited for the next issue of Ministry's in house Hindi magazine "Nautarni".

### HINDI SALAHAKAR SAMITI

11.8 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 has been reconstituted after the constitution of the 16<sup>th</sup> Lok Sabha and proposal for seeking date of the second meeting of the committee has been submitted before Hon'ble Minister of Shipping.





## ANNEXURE-I

(para 1.5 refer)

### MINISTRY OF SHIPPING

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

- a) Maritime shipping and navigation; provision of education and training for the mercantile marine.
- b) Lighthouses and lightships.
- c) Administration of the Indian Ports Act, 1908 (15 of 1908) and Major Port Trusts Act, 1963 (38 of 1963) and Ports declared as major ports.
- d) 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 roads on such waterways.
- e) Ship-building and ship-repair industry
- f) Fishing Vessels Industry
- g) Floating Craft Industry

#### II. IN RESPECT OF THE UNION TERRITORIES

- a) Inland Waterways and traffic thereon.

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

- a) Organisation and maintenance of mainland islands and inter-island shipping services.

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

- a) Legislation relating to shipping and navigation on inland waterways as regards mechanically propelled vessels and the carriage of passengers and goods on inland waterways.
- b) Legislation relating to and coordination of the Development of Minor and Major Ports.
- c) Administration of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948) and the schemes framed there under other than the Dock Workers (Safety, Health and Welfare) Scheme 1961.
- d) 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.

- e) Planning of Inland Water Transport.
- f) Formulation of the Privatisation Policy in the Infrastructure Areas of ports, shipping and inland waterways. The development of township of Gandhidham.
- g) Prevention and control of Pollution:
  1. Prevention and control of pollution arising from ships, shipwrecks and abandoned ships in the sea, including the port area;
  2. Enactment and administration of legislation relating to prevention, control and combating of pollution arising from ships; and
  3. Monitoring and combating of oil pollution in the port areas.

#### V. ACTS

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

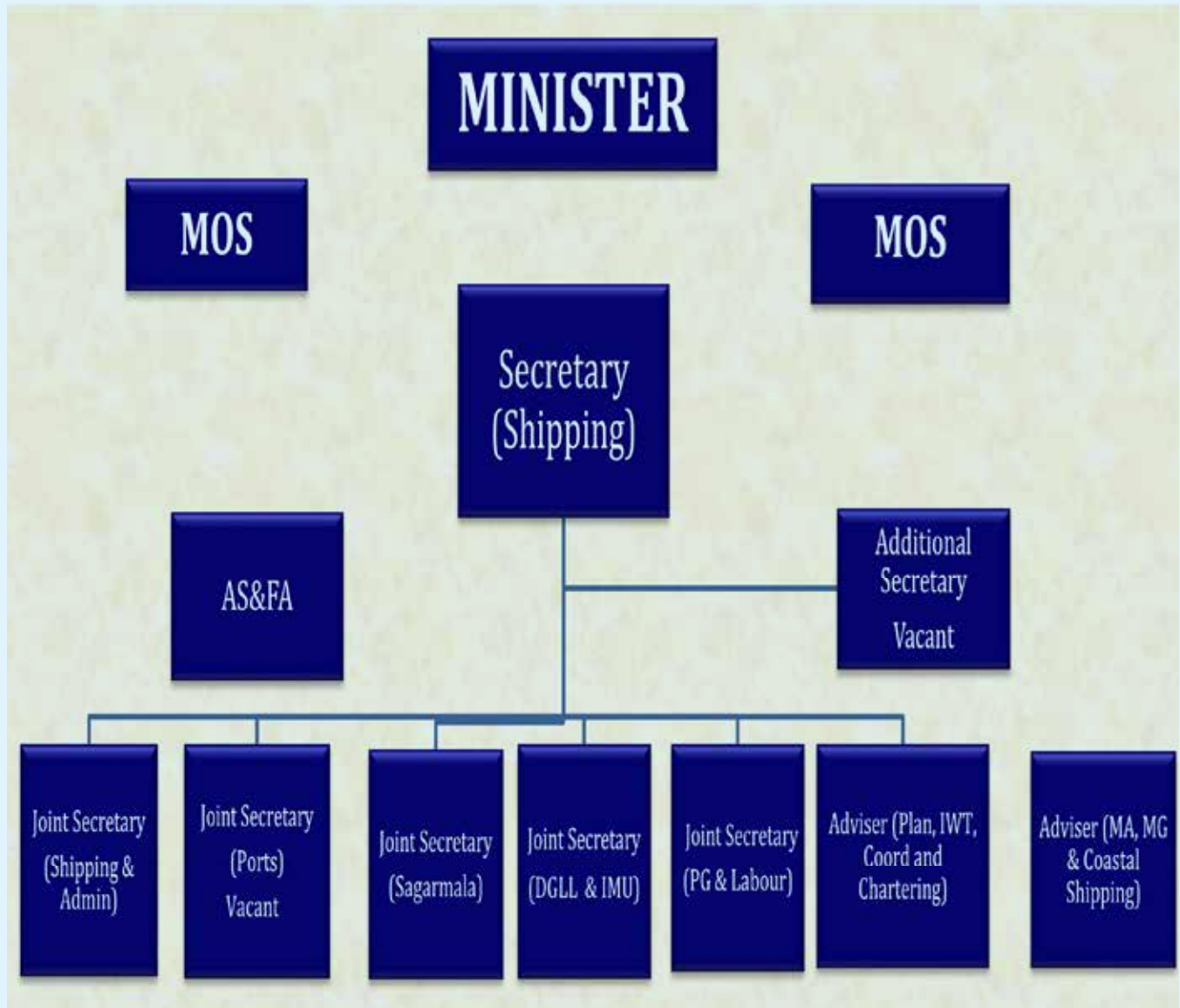


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# MINISTRY OF SHIPPING

## ANNEXURE-II

(para 1.15 refer)



# ANNEXURE-III

(para 10.2 refer)

Annual statement showing the representation of SCs, STs and OBCs as on 1<sup>st</sup> January, 2017 and Number of appointment made during the preceding calendar year 2016.

## MINISTRY: SHIPPING

| Group | Representation of SCs/STs and OBCs<br>(As on 01/01/2017) |     |     |      | Number of appointment made during the Calendar Year 2016 |     |     |              |        |                 |               |      |        |       |      |      |      |        |      |
|-------|--|-----|-----|------|--|-----|-----|--------------|--------|-----------------|---------------|------|--------|-------|------|------|------|--------|------|
|       | By direct recruitment                                    |     |     |      | Total employment   |     |     | By promotion |        |                 | By deputation |      |        |       |      |      |      |        |      |
|       | Total employees  | SCs | STs | OBCs | Others   | SCs | STs | OBCs         | Others | Total Employees | SCs           | STs  | Others | Total | SCs  | STs  | OBCs | Others |      |
| (1)   | (2)  | (3) | (4) | (5)  | (6)  | (7) | (8) | (9)          | (10)   | (11)            | (12)          | (13) | (14)   | (15)  | (16) | (17) | (18) | (19)   | (20) |
| A     | 54   | 4   | 2   | 4    | 44   | -   | -   | -            | -      | -               | 5             | 1    | -      | -     | 4    | -    | -    | -      | -    |
| B     | 78   | 19  | 8   | 19   | 32   | 2   | -   | -            | 1      | 1               | -             | -    | -      | -     | -    | -    | -    | -      | -    |
| C     | 71   | 13  | 4   | 6    | 48   | -   | -   | -            | -      | -               | -             | -    | -      | -     | -    | -    | -    | -      | -    |





## ANNEXURE-IV

(para 10.11 refer)

### IMPORTANT AUDIT OBSERVATIONS

The summary of important audit observations, appearing in the following most recent Audit reports for the year ended March, 2016 are given below:

#### 1. Report No.12 of 2017 Union Government (Civil), Compliance Audit Observations

##### MUMBAI PORT TRUST

- (i) **Loss of revenue due to failure to revise parking charges:** The Mumbai Port Trust (MbOT) has started the process of framing regulations and awarded the revised contract in April, 2017.

##### KOLKATA PORT TRUST

- (ii) **Under recovery of guaranteed on-board cum wharfage charges from a private party Decision.**

Decision of the management to grant credit for the cargo imported by a private party under strategic plan against another agreement relating to lease of land resulted in under-recovery of guaranteed on-board cum wharfage charges to the tune of Rs.13.36 core.

##### DIRECTOR GENERAL OF SHIPPING, MUMBAI

- (iii) **Non achievement of intended benefits and blockage of funds**

The Audit Department has approved the ATN, in principle, furnished by this Ministry. However, they have called for clarification and record verification on certain points which were to be sent directly to Monitoring Cell, Ministry of Finance. A final ATN has been prepared which is under submission for approval.

##### VISAKHAPATNAM PORT TRUST

- (iv) **Non realization of outstanding claims**  
With the approval of Internal Finance Wing, final ATN has been uploaded on the portal.

- (v) **Irregular reimbursement of tuition fees**  
Visakhapatnam Port Trust overpaid/irregularly paid Rs. 1.47 crore towards tuition fees for college courses contrary to provisions of wage settlement.

##### COCHIN PORT TRUST

- (vi) **Loss of revenue due to lack of due diligence in drafting of lease deed**

Cochin Port Trust incurred loss of revenue of Rs. 1.98 crore due to incorporation of contradictory clauses in a lease deed for allotment of land. Final ATN has been submitted for approval to upload the same in APMS Portal.

#### 2. Report No.9 of 2017 Union Government (Commercial), Compliance Audit Observations

##### DREDGING CORPORATION OF INDIA:

- (i) **Operation and Maintenance of Dredgers**

Due to delays in execution of dredging contracts within the stipulated time period, DCI had to sustain loss on account of recovery of liquidated damages by the Ports. Defective planning in mobilisation/de-mobilisation of dredgers was observed, which resulted in avoidable expenditure and consequent reduction of margins. DCI lost the opportunity to earn considerable amount of revenue due to failure to revalidate statutory certificates of the dredgers. Further, acceptance of dredger without successful trial run and failure in following the Planned Maintenance Schedules resulted in their non-utilisation for a considerable period.

##### THE SHIPPING CORPORATION OF INDIA LIMITED

- (ii) **Loss due to failure to restore interest payment clause**

Failure of the Management to restore the interest payment clause deleted by SBI while renewing the bank guarantees resulted in loss of interest of Rs. 19.24 crore.

- (iii) **Management of Agency Agreements**

The Company did not enforce maintenance of separate disbursement and freight collection accounts, timely submission of final disbursement accounts and conduct of special audits of agents despite enabling provisions in the Agency agreements. Besides, the Company failed to protect its own interest by obtaining lower bank guarantees from the agents than mandated by its own policy. There was a backlog in performance evaluation of agents with Company not submitting performance evaluation of the agents to the Board since June 2012. The existing model Agency agreement had also not been reviewed to address redundancies in the agreement on account of SAP implementation.





# ANNEXURE-V

(para 10.18 refer)

GRANT OF THE MINISTRY OF SHIPPING

FOR THE FINANCIAL YEAR 2017-2018 (UPTO 31/12/2017)

(Rs in crore)

| Grant No. & Name |                 | Original | Supplemen-<br>tary | Total<br>Budget | Actual<br>Expenditure | Saving |
|------------------|-----------------|----------|--------------------|-----------------|-----------------------|--------|
| Grant No.<br>87  | Revenue Account | 1388.84  | 0.00               | 1388.84         | 869.65                | NA     |
|                  | Capital Account | 384.16   | 0.00               | 384.16          | 160.75                |        |
| <b>Total</b>     |                 | 1773.00  | 0.00               | 1773.00         | 1030.40               |        |

**Source: Appropriation Accounts**



# ANNEXURE-VI

(para 10.18 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  | 2015-16 | 2016-17 | 2017-18<br>(upto 31.12.2017) |
|----|---|---------|---------|------------------------------|
| 1  | 0021-Taxes on Income other than Corporation Tax                             | 10.52   | 15.42   | 10.36                        |
| 2  | 0045-Other Taxes & Duties on Commodities & Services                         | 9.53    | 3.19    | 0.00                         |
| 3  | 0049- Interest Receipts   | 14.95   | 13.74   | 19.45                        |
| 4  | 0050-Dividends & Profits  | 117.23  | 132.84  | 193.61                       |
| 5  | 0070-Other Administrative Services  | 0.00    | 0.04    | 0.00                         |
| 6  | 0071-Contribution & Recoveries towards Pension & Other Retirements Benefits | 9.02    | 9.00    | 8.97                         |
| 7  | 0075-Miscellaneous General Services   | 0.00    | 0.00    | 0.00                         |
| 8  | 0210-Medical & Public Health  | 0.20    | 0.21    | 0.32                         |
| 9  | 0216-Housing  | 0.28    | 0.37    | 0.27                         |
| 10 | 1051-Ports and Light Houses   | 281.86  | 364.65  | 199.72                       |
| 11 | 1052-Shipping   | 107.19  | 140.35  | 85.84                        |
| 12 | 1056-Inland Water Transport   | 9.14    | 12.49   | 0.00                         |
| 13 | 1475 - Other General Economic Services                                      | 0.02    | 0.00    | 9.30                         |
| A. | REVENUE RECEIPTS *  | 560.04  | 692.30  | 527.84                       |

### CAPITAL RECEIPTS

|    | MAJOR HEAD                            | 2015-16 | 2016-17 | 2017-18 (upto 31.12.2017) |
|----|---------------------------------------|---------|---------|---------------------------|
| 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   | 2.89    | 29.32   | 54.25                     |
| 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         | 0.32    | 0.38    | 0.22                      |
| B. | CAPITAL RECEIPTS **                   | 3.21    | 29.70   | 54.47                     |

# ANNEXURE-VII

(para 10.18 refer)

MINISTRY OF SHIPPING

HEADWISE DETAILS OF EXPENDITURE FOR THE LAST THREE YEARS I.E. FROM 2015-16 TO 2017-18 (UPTO 31/12/2017)

(Rs. in crore)

| PARTICULARS   | 2015-16        | 2016-17        | 2017-18 (Up to 31.12.2017) |
|---|----------------|----------------|----------------------------|
| <b>REVENUE EXPENDITURE</b>  |                |                |                            |
| 2049-Interest Payment   | 7.55           | 20.45          | 0.14                       |
| 2071-Pension Payment  | 17.60          | 20.21          | 16.34                      |
| 2235-Social, Security & Welfare   | 0.03           | 0.09           | 0.04                       |
| 2852-Industries   | 130.58         | 32.70          | 21.38                      |
| 3051-Ports&Lighthouses (Gr.No.87)   | 719.25         | 744.69         | 531.75                     |
| 3051-Port and Lighthouses<br>Andaman & Nicobar administration                   | 14.89          | 14.46          | 5.64                       |
| 3052-Shipping   | 176.42         | 148.50         | 86.35                      |
| 3056-Inland Water Transport   | 322.47         | 359.09         | 262.97                     |
| 3451-Economic Services  | 42.66          | 10.58          | 35.31                      |
| 3601-Grant-in-aid to State Government   | 3.20           | 0.00           | 100.19                     |
| <b>TOTAL (Revenue Exp.)</b>   | <b>1412.22</b> | <b>1350.77</b> | <b>1060.11</b>             |
| <b>CAPITAL EXPENDITURE</b>  |                |                |                            |
| 4405-Capital outlay on fisheries  | 12.60          | 12.60          | 0.00                       |
| 4406-Capital outlay on forestry & wildlife                                      | --             |                | 0.00                       |
| 4801-Capital outlay on Power Proj   | 1.70           | 1.70           | 0.00                       |
| 5051- Capital outlay on Ports & Lighthouses<br>(Gr.No.87)                       | 189.75         | 316.71         | 182.58                     |
| 5051- Capital outlay on Ports & Lighthouses<br>Andaman & Nicobar administration | 26.33          | 14.46          | 1.76                       |
| 5052-Capital outlay on Shipping Andaman &<br>Nicobar administration             | 0.35           | 2.28           | 0.58                       |
| 5052-Capital outlay on Shipping (Gr.No.87)                                      | 3.55           | 5.40           | 0.00                       |
| 5053-Capital Outlay on Civil Aviation   | --             |                |                            |
| 5075-Other Transport Services   | 2.73           | 2.46           | 9.71                       |
| 5452-Capital outlay on tourism Andaman &<br>Nicobar administration              | 1.01           | 2.16           | 0.54                       |
| 6858-Loans for Engineering Industries   | 11.33          | 5.50           | 0.00                       |
| 7051-Loans for Ports & Light Houses   | 13.58          | 0.00           | 0.00                       |
| 7610-Loans to Govt. servants  | 0.20           | 0.00           | 0.00                       |
| <b>TOTAL (Capital Exp.)</b>   | <b>263.13</b>  | <b>363.27</b>  | <b>195.17</b>              |
| <b>Grand Total (Rev.+Cap.)</b>  | <b>1675.35</b> | <b>1714.04</b> | <b>1255.28</b>             |



## MINISTRY OF SHIPPING

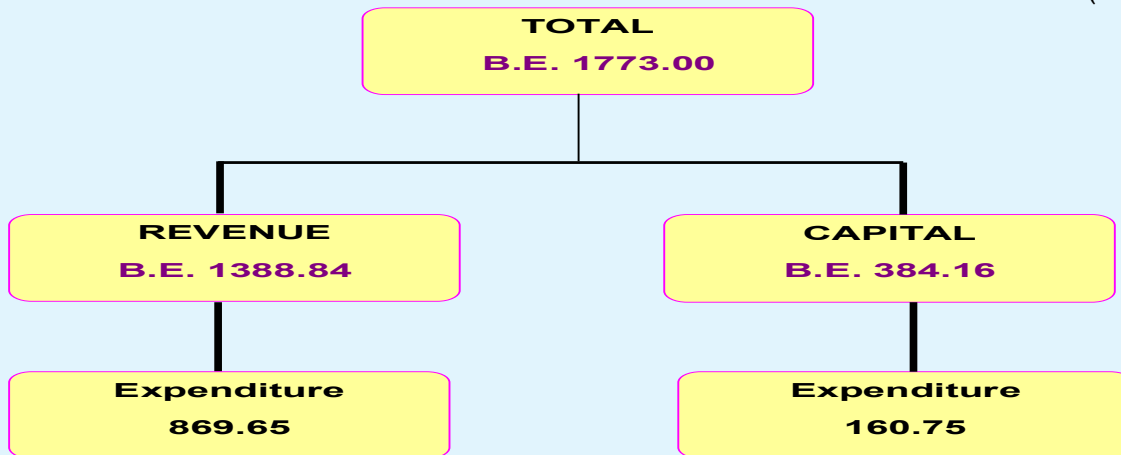
# ANNEXURE-VIII

(para 10.18 refer)

PROFILE OF ACTUAL EXPENDITURE (NET) IN 2017-18 (upto 31/12/2017)

### B.E. – BUDGET ESTIMATE

(Rs. in crore)



Source:- Consolidated Classified Abstract

# ANNEXURE-IX

(para 10.19 refer)

### MINISTRY OF SHIPPING

| DEPRECIATION RESERVE FUND (8115) | Rs in crore |
|----------------------------------|-------------|
| Opening Balance as on 01.04.2017 | 225.23      |
| Receipt during Apr-December 2017 | 9.29        |
| Payment during Apr-December 2017 | 2.49        |
| Closing Balance as on 31.12.2017 | 232.03      |
| GENERAL RESERVE FUND (8121)      |             |
| Opening Balance as on 01.04.2017 | 690.09      |
| Receipt during Apr-December 2017 | 103.80      |
| Payment during Apr-December 2017 | 37.39       |
| Closing Balance as on 31.12.2017 | 756.50      |

Source: Classified Consolidated abstract Account







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