



# Annual Report 2014-2015



सत्यमेव जयते

**MINISTRY OF SHIPPING**  
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**MINISTRY OF SHIPPING**  
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कागज का  
मितव्ययी प्रयोग,  
पर्यावरण संरक्षण  
में आपका  
सहयोग



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## CHAPTER – I

# INTRODUCTION



1.1 Ministry of Shipping was formed in 2009 by bifurcating the erstwhile Ministry of Shipping, Road Transport and Highways into two independent Ministries.

1.2 Maritime Transport is a critical infrastructure for the economic development of a country. It influences the pace, structure and pattern of development. The Ministry of Shipping encompasses within its fold shipping and port sectors which also include shipbuilding and ship repair, major ports and inland water transport. The Ministry has been entrusted with the responsibility to formulate policies and programmes on these sectors and their implementation.

1.3 Comprehensive policy package is necessary to address the diverse issues facing the maritime transport sector. The capacity of the ports in terms of their berths and cargo handling equipment needs to keep pace with the growing requirements of the overseas trade. The shipping industry must be enabled to carry higher shares of the sea-borne trade in indigenous bottoms.

1.4 Historically, investments in the transport sector, particularly in the ports, have been made by the State, mainly because of the large resources required, long gestation period, uncertain returns and a number of externalities associated with this infrastructure sector. However, the growing resource requirements

and the concern for managerial efficiency and consumer responsiveness have led to the active involvement of the private sector in infrastructure services in recent times. To encourage private sector participation, Ministry of Shipping has laid down comprehensive policy guidelines for private sector participation in the Major ports.

### FUNCTIONS

1.5 The subjects allocated to the Ministry of Shipping are listed at **Annexure - I**.

### Organizational set-up

1.6 Shri Nitin Gadkari is the Union Minister of Shipping.

1.7 Shri Pon. Radhakrishnan is the Minister of State for Shipping.

1.8 Secretary (Shipping) is assisted by Additional Secretary, Joint Secretary (Shipping), Joint Secretary (Ports), Adviser, Joint Secretary (Coordination), Chief Controller of Chartering (CCC), Development Adviser (Ports), officers at the level of Directors, Deputy Secretaries, Under Secretaries and other Secretariat/ Technical Officers.

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

1.11 Senior 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 Development Adviser (Ports) renders technical advice on matters relating to the development of Major Port Projects, Andaman & Lakshadweep Harbour Works (ALHW) and the Dredging Corporation of India. He is also associated with processing technical and administrative matters related to the International Navigation Association – Permanent International Association for Navigational Congress (INA-PIANC) of which India is a member country. DA(Ports) also coordinates the Research Committee works of the Ministry in respect of Ports, Shipping and Inland Water Transport (IWT) sectors.

1.14 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
4. Minor Ports Survey Organisation

#### (B) AUTONOMOUS BODIES

1. Tariff Authority of Major Ports (TAMP)
2. Port Trusts at Mumbai, Kolkata, Kochi, Kandla, Chennai, Mormugao, Jawaharlal Nehru, Paradip, V.O. Chidambaranar (Tuticorin), Visakhapatnam and New Mangalore
3. Dock Labour Board at Kolkata
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 Port 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. Kamarajar Port Ltd., Ennore
7. Sethusamudram Corporation Limited.

1.15 The Organisation Chart of the Ministry of Shipping is given at **Annexure - II**.





## CHAPTER-II

# YEAR AT A GLANCE



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

### GEOGRAPHICAL FEATURES

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

### TWELFTH FIVE YEAR PLAN

2.3 Planning Commission has approved a Gross Budgetary Support (GBS) (at current prices) of Rs. 6,960 crore for the Ministry of Shipping for the 12th Plan period. This implies a 108.5% increase in GBS allocation to the Ministry during the current Plan compared to 11th 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 11th Plan actual expenditure and 12th Plan allocation of GBS and IEBR is given below (**Table 2.1**):

### ANNUAL PLAN 2014-15

2.5 The Budget Estimate of GBS for FY 2014-15 was Rs. 899.00 crore for the Ministry. However, at the stage of Revised Estimate (RE), this has been reduced to Rs. 450.00 crore. Against the RE allocation of Rs. 450.00 crore, actual expenditure as on 31.12.2014 was Rs. 386.38 crores.



**TABLE NO. 2.1**

(Rs in Crore)

| Sector   | GBS                          |                                  | IEBR                         |                                  | TOTAL                        |                                  |
|----------|------------------------------|----------------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
|          | 11 <sup>th</sup> Plan-Actual | 12 <sup>th</sup> Plan-Allocation | 11 <sup>th</sup> Plan-Actual | 12 <sup>th</sup> Plan-Allocation | 11 <sup>th</sup> Plan-Actual | 12 <sup>th</sup> Plan-Allocation |
| Ports    | 1227.90                      | 3057.47                          | 5676.66                      | 12706.96                         | 6904.56                      | 15764.43                         |
| Shipping | 388.38                       | 2402.53                          | 8864.76                      | 6239.22                          | 9253.14                      | 8641.75                          |
| IWT      | 535.25                       | 1500.00                          | 0.00                         | 0.00                             | 535.25                       | 1500.00                          |
| Total    | 2151.53                      | 6960.00                          | 14541.42                     | 18946.18                         | 16692.95                     | 25906.18                         |

2.6 Summary of Annual Plan 2014-15 is given in (Table 2.2) :

**TABLE NO. 2.2**

| Sector              | 2014-15 (BE) |         | 2014-15 (RE) |         | Actual Exp. (2014-15) * |  |
|---------------------|--------------|---------|--------------|---------|-------------------------|--|
|                     | GBS          | IEBR    | GBS          | IEBR    | GBS                     |  |
| Ports & Lighthouses | 512.40       | 2351.22 | 328.02       | 2100.47 | 286.83                  |  |
| Shipping            | 119.60       | 1286.10 | 5.00         | 52.00   | 3.37                    |  |
| IWAI                | 267.00       | -       | 116.98       | -       | 96.18                   |  |
| Total               | 899.00       | 3637.32 | 450.00       | 2152.47 | 386.38                  |  |

\* upto 31st December, 2014

## ANNUAL PLAN 2015-16

2.7 Total Plan allocation for the Ministry during the year 2015-16 is Rs. 4546.53 crore, out of which the share of GBS and IEBR are Rs. 932.79 crore and Rs. 3613.74 crore respectively (Table No. 2.3).

**TABLE NO. 2.3**

| Sector              | 2015-16 (BE) |         |         |
|---------------------|--------------|---------|---------|
|                     | GBS          | IEBR    | Total   |
| Ports & Lighthouses | 479.50       | 2786.24 | 3265.74 |
| Shipping            | 153.29       | 827.50  | 980.79  |
| IWAI                | 300.00       | -       | 300.00  |
| Total               | 932.79       | 3613.74 | 4546.53 |

2.8 Out of the GBS of Rs. 932.79 crore, Rs. 93.28 crore has been earmarked for the North Eastern Region.

## PORT SECTOR

### CARGO TRAFFIC AT INDIAN PORTS

2.9 During April, 2014 - December 2014, major and non-major ports in India handled a total cargo throughput of 775.18 MT. The traffic grew by 6.79% over the corresponding period of previous year. The 12 Major Ports handled a traffic of 433.87 MT during April - December 2014, representing an increase of about 5.04% over the corresponding period of previous year. Of the 12 Major Ports, cargo handled during April - December 2014 at 11 ports showed positive growth. Amongst these 11 major ports, growth in throughput at Mormugao was the highest at 19.89% followed by Kamarajar Port (14.27%), VO Chidambaranar (9.82%), Kandla (7.22%), Mumbai (5.78%) and Paradip (5.24%).



## COMMODITY-WISE CARGO TRAFFIC AT MAJOR PORTS

2.10 During 2014-15 upto December 2014, 12 Major Ports handled 433.865 MT of traffic as against 423.57 MT during 2005-06. The composition of the cargo is given below (Table 2.4):

TABLE NO. 2.4

| Year    | POL    | Iron Ore | F & RM | Coal   | Container (in Million TEUs) | Other Cargo | Total  |
|---------|--------|----------|--------|--------|-----------------------------|-------------|--------|
| 2005-06 | 142.09 | 79.17    | 12.19  | 58.76  | 61.98(4.61)                 | 69.38       | 423.57 |
| 2006-07 | 154.34 | 80.58    | 14.13  | 59.98  | 73.44(5.54)                 | 81.31       | 463.78 |
| 2007-08 | 168.75 | 91.80    | 16.63  | 64.93  | 92.27(6.71)                 | 84.94       | 519.31 |
| 2008-09 | 176.14 | 94.04    | 18.23  | 70.40  | 93.14(6.59)                 | 78.59       | 530.53 |
| 2009-10 | 175.09 | 100.33   | 17.72  | 71.71  | 101.24(6.90)                | 95.00       | 561.09 |
| 2010-11 | 179.17 | 87.06    | 19.99  | 72.73  | 113.93(7.52)                | 96.97       | 570.03 |
| 2011-12 | 179.10 | 60.40    | 20.39  | 78.78  | 120.10(7.78)                | 101.36      | 560.14 |
| 2012-13 | 185.98 | 28.47    | 14.74  | 86.66  | 119.82(7.70)                | 110.12      | 545.79 |
| 2013-14 | 187.31 | 24.66    | 13.74  | 104.73 | 114.64(7.46)                | 110.42      | 555.50 |
| 2014-15 | 140.36 | 12.53    | 11.43  | 87.11  | 89.88(5.98)                 | 91.54       | 433.86 |

2.11 While the commodities viz. Coal, Fertilizers, Containers, and POL are showing steady growth, there has been decline in handling of Iron Ore due to restriction imposed by the Government on Iron Ore mining. 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 48% followed by Chennai (25%) and the remaining share of 27% being handled by other major ports.

## CARGO TRAFFIC AT NON-MAJOR PORTS

2.12 During the Eleventh Five Year Plan (2007-12), the traffic at non-major ports increased at an annual rate of close to 14.75%. Non Major ports handled around 44% of the total maritime freight traffic of the country during April to December, 2014. The growth in cargo handled at non-major

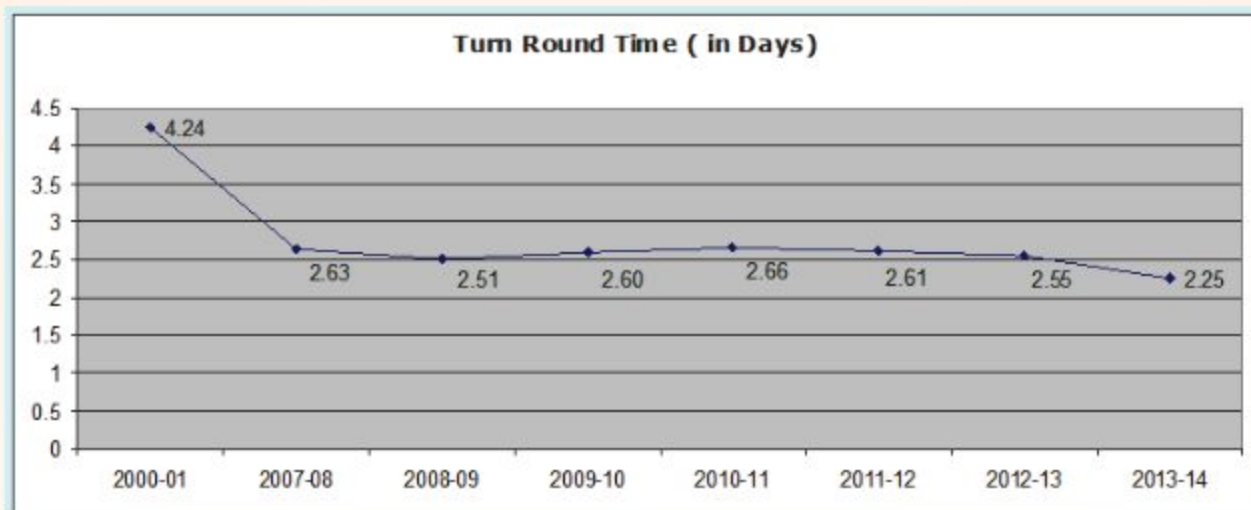
ports has been facilitated by sustained growth in non-major ports located in Andhra Pradesh and Gujarat aided by substantial increase in the cargo traffic of coal, containers, building materials and fertilizers. The growing importance of non-major ports in handling cargo traffic has helped alleviate the congestion at major ports. Gujarat accounted for around three fourth of the total

traffic handled by non-major ports followed by Andhra Pradesh (17%), Maharashtra (4%) and Orissa (3%). Four maritime states namely Gujarat, Maharashtra, Orissa and Andhra Pradesh together accounted for close to 97% of the total traffic by the non-major ports in the current year i.e. during April- December, 2014.

## PORT EFFICIENCY

2.13 Efficiency at ports has an important bearing on the transaction cost of the shipping lines. Major ports have improved their efficiency of operation particularly in terms of turnaround time (TRT). Amongst the 12 Major ports, improvement in TRT during 2013-14 in comparison to 2012-13 was discernible in most of the major ports. The Average Turnaround Time (Port A/c) improved from 4.24 days in 2000-01 to 2.25 days in 2013-14 as depicted in graph below:





During the year 2014-15, upto December, 2014 the average turnaround time has further improved to 2.22 days.

### ELEVENTH FIVE YEAR PLAN TARGET

2.14 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%. Actual capacity addition during the plan (2006-07 to 2011-12) was however moderate and showed a growth of 6.65% per annum. The cargo handling capacity in Major Ports at the end of December 2014, was 838.68 MT.

### TWELFTH FIVE YEAR PLAN TARGET

2.15 The projected capacity during the terminal year of Twelfth Five Year Plan period for the Major ports would be 1229.24 MT, nearly, 1.53 times of the existing capacity. The expected demand by the end of the 12th Year 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%.

### MARITIME AGENDA 2010-20

2.16 In the Maritime Agenda 2010-20, a target of 3,130 MT port capacity has been set for the year 2020. More than 50% 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 crores. Most of this investment has to come from the private sector including foreign direct investment (FDI). FDI up to 100% 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

2.17 Maritime Agenda 2010-20 has estimated that investment required in new projects of major ports will be Rs. 1,09,449.40 crores of which Rs. 72,878.20 crores is expected to come through private sector participation and the balance Rs. 36,571.20 crores to be funded



through internal and external 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 Public Private Partnership (PPP) basis viz. Design Build Operate Finance and Transfer (DBFOT basis) or Build Operate Own and Transfer (BOOT basis) etc.

2.18 During 2014-15, upto December, 2014, 15 projects have been awarded/approved involving an investment of Rs. 7297.35 crores and additional capacity of 69.47 MTPA.

### **SAGARMALA**

2.19 "Sagar Mala" for rapid capacity expansion and modernization of Ports along India's East and West Coast was amongst the new initiatives which were announced by the then Prime Minister on 15th August, 2003. The Sagar Mala project envisaged developing India's ports to levels comparable with the best global ports in terms of infrastructure, efficiency and quality of service, increasing the tonnage capacity, upgrading and creating ship building and ship repair facilities and increase the use of inland waterways for transportation. The project also envisaged the setting up of new ports along with coast where required draft was available. The Ministry was unable to secure Cabinet approval for the project before the Lok Sabha was dissolved on 6th June, 2004.

2.20 Recognizing the importance of the maritime sector in the economic growth, the Hon'ble President of India, in his address to the Parliament on 9th June, 2014, had stated that "The Government would evolve a model of port-led development. Our long coastline will become the gateway of India's prosperity. My government will facilitate modernization of

existing ports on one hand, and development of new world-class ports on the other. Stringing together the Sagarmala project we will connect the ports with the hinterland through road and rail. Inland and Coastal Waterways will be developed as major transport routes." It has, thereafter, been decided that the Ministry of Shipping shall be the nodal Ministry for Sagarmala initiative.

2.21 A stakeholder consultation was organized by Ministry of Shipping on 30 September, 2014 at New Delhi to discuss the concept and various aspects of implementation related to Sagarmala Project. Based on inputs received in the stakeholder consultation, a concept note was prepared and uploaded on the Ministry's official website for suggestions and comments. Thereafter, a Cabinet Note was sent to Cabinet Secretariat on 19.2.2015 for approval of the concept of port-led development based Sagarmala project; the institutional framework required for its implementation; and taking up identified projects covered in the concept of Sagarmala forthwith in the initial phase of the project.

### **SHIPPING SECTOR**

2.22 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. As on December 31, 2014, India had a fleet strength of 1205 ships with Gross Tonnage (GT) of 10.31 million, with the public-sector Shipping Corporation of India having the largest share of 38%. Of this, 358 ships with 9.09 million GT cater to India's overseas trade and the rest to coastal trade.

2.23 Leaving aside the flag of convenience countries, the country with the highest Dead



Weight Tonnage (DWT) is Hong Kong with 7.6% of world tonnage. Though India has one of the largest merchant shipping fleets among developing countries, it is ranked seventeenth in the world in terms of DWT with a share of only 1.00% as on January 01, 2014. In comparison, China is ranked eighth with a share of 4.1%. Indian vessels are also older than the international average age of 16.7 years. As on March 31, 2014, 43.04% of the fleet was over 20 years of age and 10.39% in the age group of 16-20 years. While India's overseas seaborne trade has been growing substantially over the years from 224.62 million tonnes in 1999-2000 to 754.87 million tonnes in 2012-13, 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 10.87% in 2012-13.

2.24 India is also one of the major countries supplying seafarers.

2.25 The global shipping industry has been experiencing turbulent waters since the year 2012 due to the continued economic downturn. Indian shipping companies faced problems of restricted cash inflows due to very low charter hire and freight rates in all segments of shipping.

2.26 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 ship. Further, during crisis situation, Indian shipping contributes to the uninterrupted supply of essentials, and can serve as second line of defence.

2.27 In order to provide the Indian shipping industry a level playing field and make it competitive at international level, the

Government implemented certain policies as mentioned below:

- Acquisition of all type of ships through import has been brought under the Open General Licence (OGL).
- To attract investment for the growth of this sector, the Government has allowed 100% Foreign Direct Investment (FDI) in the shipping sector.
- With a view to provide a level playing field to the Indian shipping sector, the Government has introduced tonnage tax regime during 2004-2005.
- The services involving transportation of coastal goods are liable to service tax. Realising the need for encouraging transportation of goods through coastal shipping rather than road or rail, in the Union Budget 2014-15, Government has announced an increased abatement from taxable value for levy of service tax on coastal transportation services from 50% to 60% which has resulted in decrease of effective service tax from 6.18% to 4.94%.
- Government has decided to exempt customs and excise duty on bunker fuels namely, IFO 180 CST and IFO 380 CST used in Indian flag vessels for transportation of EXIM and empty containers between two or more ports in India. This measure will reduce the cost of transportation and promote the growth of coastal shipping.
- The growth of the Indian flag tonnage has not kept pace with the growth of the EXIM trade. In this context, it is felt necessary to encourage tonnage owned by Indian entities but flagged outside the country to facilitate Indian ship-owners to get access to finance and business abroad. Hence, Ministry of Shipping has decided to allow Indian ship owners to buy ships and flag these ships abroad limiting such acquisition



to the Indian tonnage owned by these shipping companies.

- In order to accelerate the trading relations between India and Myanmar, Shipping Corporation of India has started a direct container shipping service from Chennai Port on October 03, 2014. The service has been started initially on a fortnightly basis and SCI has plans to make to a weekly in future when the service becomes popular with the trade.
- The Directorate General of Shipping has been granting General Trading Licence (GTL) to Indian ships with a validity of one year. Recognizing the need for further simplification of the procedure for issuance of GTL, Ministry of Shipping has decided that the shipping companies who are already in possession of a valid GTL may approach the Registrar of Indian Ships for issuance of a new one time GTL, at any time before expiry of the GTL.
- The green channel scheme for extension of surveys has been made applicable to all ships below 25 years of age, irrespective of type of the ship, subject to their meeting certain conditions. Also, survey towards grant of extension and exemption from intermediate docking has now been permitted to be carried out by any Regional Office with which the vessel is classed. Both these steps will give flexibility to shipping

companies in their smooth operation.

- To mitigate the shortage of management level shipboard officers, the Directorate General of Shipping has now allowed management level officers of Indian nationality having Certificate of Competency from abroad to be considered eligible for temporarily placement on Indian flag vessels.

## PIRACY

2.28 The incidence of piracy has been of great concern to the Government. The Government has deployed naval vessels for assistance to merchant vessels in the piracy-affected areas. The government has also been raising the issue of piracy and the need for more concerted international action at the meetings of the United Nations and the International Maritime Organisation (IMO) and United Nations office on Drugs and Crime (UNODC).

2.29 During the reported year, of the remaining 10 Indian seafarers held hostage by the Somalia pirates, 8 were released. One Indian hostage in M.V. Albedo is reported to have passed away due to cholera. Another Indian seafarer on M.V. Iceberg-I who is missing is reported to be unaccounted for during the piracy captivity. Break-up of the 10 hostages is as follows (**Table 2.5**):

**TABLE NO. 2.5**

| S. No. | Name of the ship        | Flag     | No. of Indian crew held as hostages | Date when hijacked | Date of Release |
|--------|-------------------------|----------|-------------------------------------|--------------------|-----------------|
| 1.     | Ex-M.T. Asphalt Venture | Panama   | 7                                   | 29.9.2010          | 30.10.2014      |
| 2.     | M.V. Albedo             | Malaysia | 2*                                  | 26.11.2011         | 5.6.2014        |
| 3.     | M.V. Iceberg-I          | Panama   | 1                                   | 29.3.2010          | Unaccounted for |
|        | <b>Total</b>            |          | <b>10</b>                           |                    |                 |

\*One Indian hostage is reported to have passed away due to cholera.



2.30 A Committee of Secretaries for Anti Piracy and Hijack at Sea (COSAPH) chaired by Cabinet Secretary has the executive responsibility for hands on crisis management and advise the Cabinet Committee on Security (CCS).

2.31 The issue of captivity of Indian seafarers and their early release has been discussed and deliberated during the meetings of Inter Ministerial Group of Officers (IMGO), a body reporting to COSAPH set up under the Ministry of Shipping and headed by the SS&FA, Ministry of Shipping to address issues of hijacking of merchant ships involving Indian seafarers

## COASTAL SHIPPING

2.32 The share of Coastal Shipping in domestic cargo movement is around 7% including just 0.5% through Inland Waterways. The contiguous coastline of India covers 5400 kms and 2100 kms of shores on more than 1190 islands. Therefore, there is huge potential for coastal shipping in India. Coastal shipping is best suited for bulk cargo. Coastal transportation at present is regulated through a policy on cabotage enshrined in the Merchant Shipping Act, 1958. As an intermediate measure, a scheme of green channel clearance of coastal cargo and priority berthing for coastal vessels has been operationalized. Coastal vessels are exempted from lighthouses dues.

An incentive schemes for shippers to encourage model shift of domestic cargo from road/rail to coastal and inland water for transportation of Fertilizer, Food grains, Marbles, Tiles, Sugar, Salt over - dimensional cargo, Vehicles and Containers through Indian flag vessels, River sea vessels or barges has been finalised. The scheme will initially be implemented for two years from April 2015.

## INLAND WATER TRANSPORT

2.33 Recognizing Inland Water Transport as a fuel efficient, environment friendly and cost effective mode of transport especially for over-dimensional cargo, bulk and hazardous goods the Hon'ble Finance Minister in his Budget speech for 2014-15 delivered on 10th July, 2014, announced implementation of "Jal Marg Vikas" project for capacity augmentation of National Waterway-1 (NW-1). Accordingly, Ministry of Shipping in association with Inland Waterways Authority of India (IWAI) is in the process of implementing this project with the technical and financial assistance of World Bank from Haldia to Allahabad. Varanasi - Haldia segment of this project is expected to be completed by June, 2019 and Varanasi-Allahabad sector by December, 2020. Completion of this project would ensure navigation with about 1500 DWT vessels from Allahabad to Haldia through waterways.

2.34 It is proposed to establish Integrated Waterways Transportation Grid (IWTG) with a view to connect all existing and proposed NWs with road, rail and ports connectivity. The proposal envisages comprehensive development of existing five National Waterways, (NW-1, 2, 3, 4, 5) and Indo Bangladesh Protocol Route with minimum 2.5 meter depth, 31 priority terminals, round the clock navigational aids, waterway ports connectivity, improved road connectivity and rail connectivity at terminals, wherever feasible. Total investment has been estimated as Rs. 22763 crore (Rs. 2631 crore in Phase-I and Rs. 20132 crore in Phase-II). The entire project is proposed to be completed in eight years.

## CHARTERING

2.35 The Baltic Dry Index opened the year at 2113 on 2nd January, 2014 reflecting improvements in all segments of Baltic Dry cargo (BDI on 2nd January 2013 was at 698). However



this improvement started fading continuously month after month during the year and reached at its lowest level of 724 on 21st July, 2014. During the year it improved and reached to the level of 1248 on 30th November, 2014. This improvement, however short-lived and BDI started its down-trend journey to the level of 782 at the end of calendar year i.e. on 24th December, 2014.

2.36 The Baltic Dry Tanker Index opened the year at 1021 on 2nd January, 2014 as against 696 on 2nd January, 2013. Thereafter Baltic Dry Tanker Index slowly started weakening and reached the lowest level of 605 on 24th September, 2014, however, marginally recovered to the level of 884 on 24 December, 2014.

2.37 During the period under report from 1st January, 2014 to 31st December, 2014, a total number of 300 vessels were chartered through Ministry of Shipping for shipment of total quantity of approx. 230.49 lakh Mts. of cargo on Government's account. Out of 300 ships chartered, 101 ships were Indian ships which carried approx. 78.61 lakh tonnes i.e. approx. 34.11% of the total quantity. The main cargoes for which shipping arrangements were made during the year included Crude Oil, Coking Coal, Fertilizer, Fertilizer Raw Material, Lime Stone and Iron Ore, etc. besides Project/Container/Break bulk cargoes.

2.38 Concerted efforts were made to provide shipping coverage at competitive freight rate and as per the requirement of indenting departments. While making shipping arrangements, efforts were made for maximum utilization of available/ suitable Indian tonnage.

#### **SWACHH BHARAT ABHIYAN**

2.39 Ministry of Shipping and all the organizations under it have participated in the

national cleanliness campaign from 25.09.2014 till 31.10.2014.



2.40 Summary of Activities carried out in the Ministry during the period of 25th September to 31st October, 2014, plan for one year i.e. up to 2nd October, 2015 and plan for the period up to 2019 are as follows:-

#### **ACTIVITIES DURING 25th SEPTEMBER TO 31st OCTOBER 2014:**

- Cleanliness drive was undertaken from 26th September, 2014 to 30th September, 2014.
- Hon'ble Minister RTH&S administered the oath on 2nd October, 2014.
- Saplings were planted by Hon'ble Minister of Shipping, Secretary, Additional Secretary and other officers.

#### **PLAN FOR THE YEAR:**

Renovation of toilets and LED lights in corridors.

#### **PLAN FOR THE REMAINING PERIOD UP TO 2019:**

Renovation of conference room and regular cleaning and repair of building.

2.41 Activities carried out in Organizations under Ministry of Shipping:-

- Launched special cleanliness drive, conducted open house discussion on improving cleanliness around the work place, held meetings with end users/



stakeholders and prepared action plan to promote cleanliness in the port premises, in Head offices as well as in regional offices.

- Administered the pledge to officers and staff on 2nd October, 2014.
- Creating public awareness and involvement of local people is part of the plan.
- Events in Major Ports included cleanliness drives in port premises (Dock areas, offices, toilets, block), distribution of plants, awareness campaign by ports on maintenance of cleanliness and hygiene.
- Ports have adopted large number of schools for construction of toilets.

#### MINIMUM GOVERNMENT MAXIMUM GOVERNANCE

2.42 Under above drive initiatives taken by the Ministry are as under:-

- **Delegation of more powers to Major Port Trusts:** Financial powers have been delegated to Major Port Trusts under the Major Port Trusts Act, 1963 from time to time for conducting business. The powers as last delegated in 1997 were Rs. 50 crore for undertaking new capital works and Rs. 100 crore for replacement works. The Ministry of Shipping has increased the delegation of powers to Major Port Trusts w.e.f. 11.2.2015 substantially to decentralize and expedite decision making including authorizing Major Port Trusts to decide on works amounting to Rs. 200 crores irrespective of whether they are new or otherwise.
- **Simplification of procedures for collection of light dues for container vessels :** As part of improving ease of doing business in India, procedure for collection of Light

Dues for container vessels has been simplified w.e.f 26.11.2014. The Light Dues for container ships are now being collected based on Twenty-foot equivalent (TEU) instead of the earlier process based on tonnage basis which was cumbersome.

- **Exempting Customs Duty / Excise Duty on Bunker Fuels :** In order to give a fillip to coastal shipping and Indian Tonnage, the Government has exempted Customs and Excise Duty on Bunker Fuels used in Indian flag vessels for transportation of EXIM and empty containers w.e.f 11.11.2014 along the coast.
- **Simplifying Ship Licensing Procedures :** The procedure and process for grant of General Trading Licenses to Indian ships has been simplified. The move enables ships to have one time/life time General Trading Licenses dispensing with the requirement for periodic licensing. The powers to grant General Trading Licenses, which was centralized in the Office of DG(Shipping), has also been delegated to all Registrars of Ships, across the country. E-payment of fees for all ship licensing services has been operationalized with paperless transactions
- **Enterprise Resources Planning (ERP) system** has been implemented in Cochin Shipyard and implementation of ERP to be completed in all major ports by December 2015
- **Procedures for grant of permission** for India-Bangladesh protocol vessels have been electronically enabled.
- **Online examination and online counselling** for common entrance test for maritime courses by Indian Maritime University





## CHAPTER-III

# PORTS



3.1 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

3.2 Kolkata Port is the only riverine major port in India having an existence of about 138 years. It has a vast hinterland comprising the entire Eastern India including West Bengal, Bihar, Jharkhand, UP, MP, Assam, North East Hill States and the two landlocked neighboring 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.

3.3 Kolkata Port handled tonnes of 32.37 MT traffic in 2014-15 (upto December, 2014). While KDC handled a traffic of 10.49 MT, HDC handled 21.88 MT. The port has 52 berths (KDS – 35 and HDC – 17) handling various types of cargos including containers with a capacity of 71.40 MTs. Important projects awarded by the port during the year (upto December, 2014) include integrated ship-shore services including backup operations at berths 3,4,5,7 and 8 NSD of KDS, integrated container handling at berth nos. 10

and 11 of HDC and NSD Lock gate operating machinery. M/s. Bharat Kolkata Container Terminals Pvt. Ltd., a wholly owned unit of PSA International has commenced container handling operations at KDS from December, 2014.

#### PARADIP PORT

3.4 Paradip Port is one of the major ports in India. Government of India took over the management of the port from the State Government on 1st June, 1965. The Government



of India declared Paradip Port Trust (PPT) as the eighth major port in India on 18th April, 1966 making it the first major port in the East Coast commissioned in independent India. Paradip Port is situated 210 nautical miles south of Kolkata and 260 nautical miles north of Visakhapatnam at Latitude 20° – 15'55.44 N and Longitude 86° – 34.62' E.

3.5 The Port handled a traffic of 53.52 Million Tonnes (MT) during the year 2014-15 (upto December, 2014). The port has 16 berths/jetties for handling different types of cargoes with a capacity of 108.80 MT. Project relating to Development of Multi-purpose Clean Cargo Berth (PPP, estimated cost Rs. 431 crores, capacity 5 MTPA) was awarded (LOA issued on 30.12.2014). Dredging of CQ-II upto 14.50 mtrs. draft has been completed to handle larger size vessels. The port received the prestigious Golden Peacock National Quality Award for its excellent service delivery in the 24th Word Congress on total quality and leadership at Thiruvananthapuram, Kerala on 23.5.2014. The port was also adjudged as the winner of the Golden Peacock Innovation Management Award, 2014 in the 14th London Global Business Meet held on 28-31 October, 2014 in London.

### NEW MANGALORE PORT

3.6 New Mangalore Port was declared as the 9th Major Port on 4th May 1974 and was formally inaugurated on 11th January 1975. Over the years, the Port has grown from the level of handling less than a lakh tonnes of cargo to 39.37 MT handled during the year 2013-2014. During the year 2014-15 the port has handled a traffic of 27.1 MT (upto December, 2014). The major commodities imported through the Port are POL Crude for Mangalore Refinery and Petrochemicals Limited (MRPL), Coal, Iron Ore Fines, LPG, Fertilizer, Edible Oil, Limestone, Wooden Logs, Cement, Liquid Chemicals,

Containerized cargo etc. and the major export cargo are POL products, Iron Ore Pellets, Granite Stone, Maize, Wheat, Containerized cargoes like Coffee, Cashew Kernels, etc.

3.7 The port has 15 berths and 1 **Single Point Mooring (SPM)** with a total capacity of 77.77 MTPA. During the year the New Mangalore Port Trust (NMPT) awarded consultancy work for detailed architectural drawing, design estimates and tender document in connection with construction of business development park for export and testing centre. The Notice for Invitation to Tender (NIT) for construction of business of development park was issued on 7.11.2014 and Letter of Award (LOA) issued on 24.12.2014 and work is under progress. Work has also been awarded for feasibility study on deepening the channel upto +18 mtrs. With the increase in container volume, to augment the stacking area, work was awarded for extending additional container stackyard for stacking both laden and empty container near the berths. NMPT has been conferred "Greentech award, 2014" in Golden Category for Port Sector by Greentech Foundation, New Delhi for outstanding achievement in environment management. This is the third consecutive year the port is bagging this award.

### COCHIN PORT

3.8 The modern Port of Cochin was developed during the period 1920-1940 due to the untiring efforts of Sir Robert Bristow. The port of Cochin is located on the Willington Island at Latitude 9'58" North and 76'14' East on the South-West Coast of India about 930 KM South of Mumbai and 320 KM North of Kanyakumari. With its strategic location on the South-West Coast of India and at a commanding position at the cross roads of the East-West Ocean trade, the port is a natural gateway to the vast industrial and agricultural produce markets of the South-West India. The



hinterland of the Port includes the whole of Kerala State and parts of Tamil Nadu and Karnataka State. A study carried out on the traffic flow in the hinterland of the port indicates that about 97% of the total volume of traffic is accounted for by Kerala State. Cochin with its proximity to the international sea route between Europe and the Far East and Australia can attract a large number of container lines offering immense business opportunities.

3.9 Cochin Port has 19 berths plus a single buoy mooring and a capacity of 49.66 MTPA. The port handled 15.99 MT of traffic during 2014-15 (upto December, 2014). The cargo handled by the port includes Break Bulk, Container, Dry Bulk, Liquid Bulk. The growth in container traffic during this period was 6.2%, handling 2.81 lakh TEUs against 2.64 lakhs TEUs during the previous year. Some of the important projects awarded during the year (upto December, 2014) are study of siltation for implementation of nautical depth concept in the port, re-construction of Q1 berth in Mattancherry wharf, standardisation of electrical power supply distribution network at W. Island – Phase III and procurement of floating crafts – 2 nos. mooring launches. The Cochin Port has been asked by IOC to supervise the construction of Rs. 242 crores Jetty. The port is taking up revamping of fire-fighting facilities at North and South tanker berths.

### **JAWAHARLAL NEHRU PORT**

3.10 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 Latitude 18 56'43" North and Longitude 72 56'24" East along the eastern shore of Mumbai Harbour off Elephanta Island.

3.11 Jawaharlal Nehru Port is an all weather tidal

Port having 12 berths with a capacity of 65.80 MT. The port handled a traffic of 48.07 MT during 2014-15 (upto December, 2014) of which containerised cargo account for 42.96 MT. Important projects awarded by the port during the year are extension of container berth and other facilities at JN Port, development of 4th container terminal, construction of ROB near Nhava Sheva Police Station. A number of other projects are in the process of award/implementation which include centralised parking plaza, construction of mooring dolphin, modernisation of port owned terminals (JNP Container Terminal), construction of additional reefer yard & development of port based multi-product SEZ.

### **MUMBAI PORT**

3.12 Mumbai Port is a fully integrated multi-purpose Port handling container, dry bulk, liquid bulk and break bulk cargo. The port has extensive wet and dry dock facilities to meet the normal needs of ships using the port. There are three enclosed wet docks namely, Prince's, Victoria and Indira Docks, having a total area of 46.30 hectares and quayage of 7,776 meters inside the wet basin and 853 meters along the harbour wall. The Prince's and Victoria Dock basins are now being filled up and will be used as Container Storage Yard under the Offshore Container Terminal Project.

3.13 There are 4 berths at Jawahar Dweep, to handle Crude and POL tankers and an offshore berth at Pir Pau to handle liquid chemical and some of the POL traffic. Fourth berths at Jawahar Dweep which was commissioned in 1984, can handle tankers with a maximum loaded draft of 12.20 meters and upto 1,25,000 displacement tonnes. Two berths can receive tankers upto 70,000 displacement tonnes. The New Pir Pau Jetty commissioned in December 1996 can handle tankers of 47,000 DWT with a maximum



loaded draft of 11.1 meters. Container Freight Stations have been set-up at Manganese Ore Depot and Timber Pond. Rail Container Depot has been developed at Cotton Depot as well as inside the Docks to International Container Depot (ICD) traffic.

3.14 The port has 31 berths with a total capacity of 50.25 MT. The port handled a traffic of 46.16 MT during 2014-15 (upto December, 2014) which represents a rise of 5.78% over the traffic during corresponding period of 2013-14. The major cargo commodity handled is POL (58.55% of the total traffic). Iron and steel are the major cargo handled in the dock areas. The port has improved its average pre-berthing detention considerably to 7.64 hours during the period as against 15.05 hours during 2013-14. Two important projects relating to construction of Offshore Container Terminal on BOT basis and construction of second liquid chemical berth for handling chemical / specialised grades of POL off Pir Pau Pier are under implementation.

#### **KAMARAJAR PORT LIMITED (ENNORE)**

3.15 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.

3.16 The port has 6 berths with a total capacity of 30 MT. The port handled a traffic of 22.63 MT during 2014-15 (upto December, 2014) which includes Coal, POL, and other cargo. Development of additional automobile parking yard, railway connectivity to container and multi-cargo terminals, construction of two lane concrete road connecting container and multi-cargo terminals, vessel traffic management

system are important projects awarded by the port during the year.

3.17 The port has signed an MOU with Govt. of Puducherry for the development of Puducherry Port as a Satellite Port. Foundation stone for the development of Container Terminal was laid in November, 2014. The Port has been conferred the "PSE Excellence Award, 2014 for operational performance" and another award for being "Company of the Year" by PSE Excellence Awards, 2014 conducted by the Deptt. of Public Enterprises, Govt. of India and Indian Chamber of Commerce.

#### **CHENNAI PORT**

3.18 Chennai Port is an all weather artificial harbour with one Outer Harbour and one Inner Harbour with a Wet Dock and a Boat Basin with round the clock navigation facilities. The Port was established in 1875 located at 130 06' N latitude and 800 18' E-longitude on the Bay of Bengal.

3.19 Chennai Port has 24 berths with a total capacity of 86.04 MTPA. The port handled a cargo of 39.78 MT during the year 2014-15 (upto December, 2014). The cargo handled comprises : Container – 22.79 MT, POL – 9.57 MT, Fertiliser – 0.43 MT and others – 6.99 MT. Construction of EXIM Godown – 2 Nos. for storage of export and import cargo alongwith allied structures and supply, operation and maintenance of 100 T capacity, 2 Nos. Mobile Harbour Cranes on revenue share basis are the important projects awarded by the port during the year. A number of projects have been taken up by the port for implementation during the year. These are:

- (a) Development of dry dock facility at Timber Pond/Boat Basin
- (b) Development of BD-II for handling alternative cargoes.
- (c) Development of dry port at Sriperumbudur under land lease model.



- (d) Development of Jawahar Dock (East) berths as Container Terminal at Chennai Port.
- (e) Development of Marine Highway along East coast connecting Chennai and Ennore Ports.
- (f) Project relating to ERP in the Port Trust has also been taken up for implementation.

### **MORMUGAO PORT**

3.20 Mormugao Port, situated on the West Coast of India, is more than a century old port. It has modern infrastructure capable of handling a wide variety of cargo. It is a natural harbour protected by a breakwater and also by a mole. The Port has excellent infrastructure and a conducive work culture. A deep draft channel with 14.4 mtrs. depth permits large vessels to enter the harbour.

3.21 Mormugao port has 6 berths plus trans-shipment with a total capacity of 43.76 MT. The port handled a traffic of 10.27 MT during the year (upto December, 2014). The coal terminal at berth No. 7 on DBFOT basis was commissioned during the year which will yield a capacity of 4.61 MT. Foundation stone for cruise terminal building project was laid down for state of the art new cruise berth terminal building project in August, 2014. The berth terminal building will be equipped with all facilities at par with any terminal at International Airport.

### **V.O. CHIDAMBARANAR PORT (TUTICORIN)**

3.22 V.O. Chidambaranar Port is located strategically close to the East- West International sea routes on the South Eastern Coast of India at latitude 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.

3.23 The Port has 15 berths with a total capacity of 42.06 MTPA. It handled a traffic of 23.31 MT

during the year 2014-15 (upto December, 2014). Capacity augmentation projects awarded by the port during the year include Grant of Licence for deployment of floating cranes at the port water limits for a period of 10 years for handling the cargo in vessels at the anchorage on revenue share basis.

### **KANDLA PORT**

3.24 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.

3.25 Kandla Port has 22 berths plus 3 single buoy moorings including an off-shore terminal at Vadinar with a capacity of 102.3 MTPA. The port handled 70.86 MT of traffic during 2014-15 (upto December, 2014). Projects relating to development of container terminal on BOT basis at existing cargo berths (11 & 12), development of marine liquid terminal facilities at OOT at Vadinar on captive use basis, setting up of SPM and allied facilities off VEERA in Gulf of Kutch are under implementation.

3.26 Adani Kandla Bulk Terminal with a capacity of 14.4 MMTPA was commissioned in 10.2.2015. The port received the "Best Major Port of the Year" MALA Award for 2014-15.

### **VISAKHAPATNAM PORT**

3.27 Port of Visakhapatnam, a natural harbour, 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.



3.28 Visakhapatnam Port has 22 berths with a total capacity of 88.92 MTPA. The port handled a traffic of 43.80 MT during the year 2014-15 (upto December, 2014). The project relating to dredging of northern arm in the inner harbour (-) 16.10 mts. Dredged depth to facilitate navigation of vessels of draft upto 14 mtrs. was awarded by the port during the year. A concession agreement was signed by the port for the project "extension of the existing container terminal" to be developed on DBFOT basis (capacity - 5.4 lakh TEUs). The port received Greentech Safety Foundation Award (Gold)-2014 for implementing safety practices in a large scale service sector organisation.

### PERFORMANCE OF MAJOR PORTS

3.29 Traffic handled at Major Ports (Table No. 3.1).

| S. No.       | Port               | Actual 2013-14 | Provisional 2014-15 (upto Dec., 14) |
|--------------|--------------------|----------------|-------------------------------------|
| 1            | Kolkata            | 12.87          | 10.49                               |
| 2            | Haldia             | 28.51          | 21.88                               |
| 3            | Paradip            | 68.00          | 53.52                               |
| 4            | Visakhapatnam      | 58.50          | 43.79                               |
| 5            | Chennai            | 51.11          | 39.78                               |
| 6            | V.O.Chidambaranar  | 28.64          | 23.31                               |
| 7            | Cochin             | 20.89          | 15.99                               |
| 8            | New Mangalore      | 39.37          | 27.10                               |
| 9            | Mormugao           | 11.74          | 10.27                               |
| 10           | Jawaharlal Nehru   | 62.35          | 46.17                               |
| 11           | Mumbai             | 59.19          | 48.07                               |
| 12           | Kandla             | 87.01          | 70.86                               |
| 13           | Kamarajar (Ennore) | 27.34          | 22.63                               |
| <b>Total</b> |                    | <b>555.50</b>  | <b>433.86</b>                       |

3.30 Cargo Handled at Major Ports (Table No. 3.2).

| S. No.                             | Commodity           | Actual 2013-14 | Provisional 2014-15 (upto Dec., 14) |
|------------------------------------|---------------------|----------------|-------------------------------------|
| 1                                  | POL                 | 187.25         | 140.86                              |
| 2                                  | Iron Ore            | 26.22          | 12.53                               |
| 3                                  | Fert. Raw Materials | 13.72          | 11.43                               |
| 4                                  | Coal                | 104.12         | 87.61                               |
| 5                                  | Containerised Cargo | 114.67         | 89.88                               |
| 6                                  | Others              | 109.52         | 91.55                               |
| <b>Total</b>                       |                     | <b>555.50</b>  | <b>433.86</b>                       |
| Select Port Performance Indicators |                     |                |                                     |

3.31 The details of important performance indicators of the Ports are given below (Annexure XII):

- Average Pre-Berthing detention and Average Turn Round time
- Average Output per Ship Berth Day

### MAJOR DEVELOPMENTS IN PORTS

3.32 Capacity at Major Ports (Table No. 3.3)

| 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          |
| 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 (upto Dec., 14) Provisional | 838.68        | 433.86          |



### **Other Port Related Organizations**

3.33 Besides these Major Ports, there are some organisations under the Ministry which are entrusted with port-related matters.

### **TARIFF AUTHORITY FOR MAJOR PORTS**

3.34 The Tariff Authority for Major Ports 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 empowered to fix rates for services rendered by port trusts and private terminals as well as charges for use of port properties. It is mandatory not only to notify the rates but also the conditionality's governing application of the rates. The Authority consists of a Chairman who 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 headquarters of Tariff Authority for Major Ports is located at Mumbai. At present, the sanctioned strength of officers and staff of this Authority is 36.

### **ANDAMAN LAKSHADWEEP HARBOUR WORKS (ALHW)**

3.35 Andaman Lakshadweep Harbour Works (ALHW) a sub-ordinate office under Ministry of Shipping was established during 1965 for the service of A&N Islands and Lakshadweep Islands. The ALHW is entrusted with the responsibilities of formulating and implementing the programme of Ministry of Shipping for providing Port and Harbour facilities in Andaman & Nicobar and Lakshadweep Islands. From its inception, ALHW has been implementing the Port development schemes from the funds provided by Ministry of Shipping under Central Sector Plan

schemes starting from the Third Five Year Plan onwards. Apart from the creation of Port infrastructures, ALHW is also entrusted with maintenance of Port structures & Cargo Handling equipments under the funds provided by Andaman & Nicobar Administration and Lakshadweep Administration.

### **PERFORMANCE**

- 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.
- Wharves for Mainland ships at Haddo berth no.1 to 4, Chatham, Hope Town, Mayabunder, Hutbay & Campbell Bay (in A&N Islands), Androth, Kalpeni, Minicoy & Agathi in Lakshadweep Island i.e. 09 Nos of wharves in A&N Island and 04 Nos in Lakshadweep Islands
- Jetties for Inter island ships at Rangat, Diglipur, Havelock, Little Andaman, Mus, Kamorta, Campbell Bay & Port Blair (in A&N Islands)
- 39 Nos. of Ferry Jetties /Vehicle Ferry jetties have been constructed in A&N Islands and similarly in Lakshadweep Islands, 15 Nos. of jetties have been constructed to cater to low draught vessels.
- Ship repair facilities such as Dry Dock in Port Blair, Slipways at Port Blair, Mayabunder and Little Andaman

### **YEAR AT A GLANCE**

- A total of Rs 32.88 Crores was allocated under the Budget Estimate for the financial year 2014-15 for the following Central Sector works apart from Rs. 7.12 Crores for establishment.



| FINANCIAL YEAR 2014-15 (Table No. 3.4) |               |       |       | (Rs. in Crores)                 |
|--|---------------|-------|-------|---------------------------------|
| S. No.                                 | Head          | B.E.  | R.E.# | Expenditure<br>(as on 30.11.14) |
| 1.                                     | Central       | 32.88 | 22.88 | 8.06                            |
| 2.                                     | Establishment | 7.12  | 7.71  | 4.40                            |

- The Central works being carried out by the ALHW in these Union Territory during 2014-15 are as under:
- Construction of Finger Jetties under development of Junglighat Harbour Phase –II (Completed)
- Shore protection works at Campbell Bay (In Progress)
- Replenishing of damaged Breakwater and approach to wharf at Hut Bay(In Progress)
- Replenishing of break water with tetrapods & reconstruction of wave deflection wall at Mus. (In Progress)
- Procurement of 2 Nos. 35 Ton Bollard Pull Tugs for A&N Administration(In Progress)
- Construction of jetty at Gandhi Nagar in Great Nicobar Island. (Completed)

- Construction of Jetty at Chowra. (In Progress)

#### DEVELOPMENT OF JUNGLIGHAT HARBOUR IN A & N ISLANDS:-

3.36 Development of Junglighat Harbour in A & N Islands was taken up in two phases. The first phase of which was taken up under central sector plan works was completed last year .The second phase of development which was taken up under Tsunami Rehabilitation Plan is also completed and other miscellaneous fore shore works are in progress. The project envisages basic facilities such as three Finger Jetties with allied port structures for safe berthing of inter island vessels & movement of passengers /cargo as well.

#### TRIBAL SUB-PLAN

3.37 ALHW has been operating the Tribal Sub-Plan since the Ninth Five Year Plan, through the funds extended by the A&N Administration. Landing facilities (jetties) have been created from the funds provided under the Tribal Sub-plan and are being maintained in the remote islands





inhabited by the tribal population for their welfare. During the current financial year a budget provision of Rs. 1654.00 Lakhs have been allocated by the A&N administration which is being utilized for maintenance of jetties in the tribal areas and for maintaining of cargo handling equipments such as cranes and forklifts stationed at these remote tribal areas.

### **DREDGING CORPORATION OF INDIA**

3.38 Dredging Corporation of India Ltd. (DCIL) was formed in 1976 to provide integrated dredging and related marine services for promoting the country's national and international maritime trade, beach nourishment, reclamation, inland dredging, environmental protection and ultimately to become a global player in the field of dredging.

3.39 Located strategically on the eastern seaboard of India at Visakhapatnam, DCI helps ensure continuous availability of the desired depths in the shipping channels of the Major and Minor Ports, Navy, Fishing Harbours and other Maritime Organizations. It further serves the nation in a variety of ways, be it capital dredging for creation of new harbours, deepening of existing harbours or maintenance dredging for the upkeep of the required depths at various ports.

### **FINANCIAL PERFORMANCE**

3.40 During the year 2013-14, the Corporation achieved a turnover of Rs. 772.70 crores as against Rs. 638.02 crore in 2012-13. The Profit after tax for 2013-14 was Rs. 37.55 crores as against Rs. 20.51 crore during 2012-13. The targeted turnover for the year 2014-15, as per the Memorandum of Understanding (MOU) entered into with the Ministry of Shipping is Rs. 806.00 crores and for 2015-16 the tentative turnover is Rs. 850.00 crores. The Board of

Directors recommended 30% dividend for the year 2013-14.

### **CALCUTTA DOCK LABOUR BOARD**

3.41 Calcutta Dock Labour Board (CDLB) was constituted Under Section 5(A) of the Dock Workers (Regulation of Employment) Act, 1948 and is functioning as an Autonomous Body under Ministry of Shipping. The Board administers two Govt. of India Schemes for regulation of employment of dock workers engaged in Kolkata Dock System for handling of cargo on board the vessel. During 2014-15 (upto 31.12.2014), CDLB handled 3,49,694 TEUs of containers and 4,01,951 tons of break-bulk cargo. A total number of 15753 manshift employment was generated during the said period. The overall average rate of productivity was 649.64 tons (approx.) per hook per shift. There was neither any loss of mandays nor any report of accident of registered dock workers. At the end of the year 2014-15 (as on 31.12.2014) there are 82 registered workers, 77 office employees and 6007 pensioners. Summarised financial result of the Board for the year 2014-15 (upto 31.12.2014) shows an overall deficit of Rs. 32.75 crore (approx.) after taking provision for different arrears. Merger of CDLB with Kolkata Port Trust (KoPT) following the provisions of the Dock Workers (Regulation of Employment) (Inapplicability to Major Ports) Act, 1997 could not take place due to huge outstanding liability of CDLB. The proposal for financial assistance to counter the adverse effect of merger on KoPT including revised liabilities of CDLB, is being reassessed jointly by CDLB and KoPT.

### **SETHUSAMUDRAM CORPORATION LIMITED**

3.42 Sethusamudram Ship Channel Project, which is being implemented through the Special Purpose Vehicle namely, Sethusamudram Corporation Limited, envisages dredging of a ship

channel in the shallow portion of sea to connect the Gulf of Mannar and Bay of Bengal through Palk bay to enable the ships moving between East and West Coasts of India to have a continuous navigable sea route around the peninsula within India's territorial waters.

3.43 Dredging work of the Sethusamudram Ship Channel (SCL) was awarded to M/s Dredging Corporation of India, a Government of India enterprise on nomination basis. The project was inaugurated on 02.07.2005. Subsequently based on PILs filed in the Supreme Court, the dredging work in Adam's Bridge was stopped on 17.09.2007. At present the project work is kept in abeyance as the matter is sub-judice in the Supreme Court of India.

3.44 While hearing the case the Supreme Court of India suggested an alternate route for the Project avoiding Adam's Bridge. The suggested route was studied by an Expert Committee headed by Dr. R K Pachauri and the Committee has not recommended the suggested route citing environmental issues. SCL has now exploring the possibility of a new route through the existing Pamban Channel instead of earlier route. M/s RITES was entrusted to do the study and they had submitted their report. In the report, they have recommended that further detailed study needs to be done on Techno-Economic feasibility of the route through Pamban Channel and environmental impact in that area. The recommendation of M/s RITES is under examination.





## CHAPTER-IV

# SHIPPING



4.1 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 shipping tonnage, which was only 1.92 lakhs Gross Tonnage (GT) on the eve of Independence, now stands at 10.31 million GT with 1205 ships as on December 31, 2014. 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.

### PORT ENTRY RULES

4.2 In order to prevent wreckage of older foreign ships in Indian waters as well as to prevent oil/chemical spill incidents by vessels carrying bunker oil/oil as cargo HNS (Hazardous & Noxious Substances) cargo /gas tanker vessels, the Ministry of Shipping has notified the Merchant Shipping (Regulation of Entry of Ships into Ports, Anchorages and Offshore Facilities) Rules, 2012. The Rules provide as follows:

4.3 A vessel of three hundred tons gross or more other than Indian ship entering into or sailing out of ports, terminals, anchorages or seeking port facilities or Indian offshore facilities in Indian territorial water shall be required to be in possession of a valid insurance coverage.

4.4 If any vessel, which is (i) an oil product or chemical tanker more than twenty years old: or (ii) a general cargo ship or bulk carrier or offshore support vessel or passenger vessel or any other



type of cargo vessel more than twenty five years old; or (iii) a liquefied natural gas or liquefied petroleum gas tanker more than thirty years old, it will be required to be classed within a classification society which is a member of the International Association of Classification Societies or with a recognized organization duly authorized by Indian maritime administration.

## CARGO POLICY

4.5 Foreign ships can engage in coasting trade in India only after obtaining a licence from DG (Shipping) (Section 407 of Merchant Shipping Act). Grant of such licences are governed by guidelines (Cabotage Policy) as per which Indian Ships have the first right of refusal. The proposal for relaxation of Cabotage Policy for transshipment of EXIM containers to and from International Container Transshipment Terminal at Vallarpadam was approved by the Government subject to certain conditions and a review of this relaxation after a period of three years. The order to implement the relaxation of cabotage policy, as above, was issued to DG (S) on 21.09.2012.

## LEGISLATIVE MEASURES

### **AFS Convention provisions incorporated in Merchant Shipping Act, 1958:**

4.6 The Merchant Shipping (Amendment) Act 2014 to give effect to the Anti Fouling Systems (AFS) Convention 2001 of International Maritime Organization (IMO) was passed by both Houses of Parliament and the Act was published in the Gazette of India on 10th December 2014. This legislation incorporates the provision of AFS Convention in Indian domestic legislation i.e. Merchant Shipping Act 1958. The Convention aims to prohibit the use of harmful organ-tins in anti-fouling paints used on ships and establish a mechanism to prevent the future use of other

harmful substances in anti-fouling systems. The Convention recognizes the importance of protecting the marine environment and human health from adverse effects of anti-fouling systems.

### **Maritime Labour Convention provisions incorporated in Merchant Shipping Act, 1958:**

4.7 The Merchant Shipping (Second Amendment) Act 2014 to give effect to the Maritime Labour Convention (MLC) 2006 of International Labour Organization (ILO) was passed by both Houses of Parliament and the Act was published in the Gazette of India on 10th December 2014. This legislation incorporates the provisions of MLC 2006 in Indian domestic legislation viz the Merchant Shipping Act 1958. The convention seeks to provide for safe and secure workplace on a ship, fair terms of employment, decent working and living conditions on ship and rights to health protection, medical care and other social protection in line with the provisions of the International Labour Organization Maritime Labour Convention, 2006 (No. 186).

### **The Merchant Shipping (Management of Safe Operation of Ships) Rules 2014 was notified on 23rd May 2014. Powers to register fishing boats delegated to State/Union Territories.**

4.8 A notification was issued to delegate the powers to respective State Governments/Union Territories for registration, survey and certification of Indian fishing vessels on 20th August 2014.

4.9 In order to strengthen the maritime administrations of the States/Union Territories and also to render such services accessible, conveniently, at the local level to the Indian fishing community the powers of registration, survey & certification of Indian fishing boats,



irrespective of their size, length was delegated to the jurisdictional State/Union Territory Administrations.

4.10 Earlier, the ports or places of registry of Indian fishing boats and Registrars thereof had been notified, and Indian fishing boats below 20 meters in length were required to be registered by the officers of the State Governments or Union Territories while Indian fishing boats of above 20 meters in length were required to be registered, surveyed and certified by the jurisdictional Mercantile Marine Departments under the Directorate General of Shipping. In order to avoid such interface with multiple agencies & for an ease, this notification has been issued by which survey, certification & registration of Indian fishing boats irrespective of size stands decentralized and delegated to States Governments/Administration of Union Territories.

#### **VSAs exempted from Competition Act, 2002:**

4.11 Vessel Sharing Agreement (VSA) is an agreement between two or more carriers in which a number of container positions ("slots") equal in space are reserved on particular vessels for each of the participants. Chapter 2 of the competition Act 2002 has provisions on "Prohibition of Certain Agreements, Abuse of dominant Positions and Regulation of Combinations". VSAs and VDAs also come under the purview of these provisions. However, Section 54 of the Competition Act provides for powers to exempt by Central Government. On the request of M/o Shipping the M/o Corporate Affairs exempted VSAs from the purview of competition Act 2002 subject to Directorate General of Shipping monitoring these agreements for one year upto 11.12.2014. At the end of this period, a joint review was undertaken by the Directorate and Competition Commission of India and it was found that these agreements are not found to be restrictive or having an

appreciable adverse effect on competition, no complaints were received, freight rates were not discussed in VSA meetings, stakeholders had consensus on continuing the exemption, freight rates have decreased due to the exemption by 25% and capacity of shipping lines stand enhanced. Accordingly, M/o Shipping supported further extension and the Competition Commission has notified exemption to Vessel Sharing Agreements for a further period of one year.

#### **SHIP BREAKING**

4.12 The subject "Ship Breaking" was transferred from the Ministry of Steel to the Ministry of Shipping vide Cabinet Secretariat's Notification No. 1/21/9/2014-Cab dated 1.8.2014. Like many industries, the ship breaking industry has grown and expanded, in the past three to four decades, all over the world. The ship breaking industry supplies substantial quantity of re-rollable and scrap steel for the iron and steel industry. It increases the availability of semi-finished material, which otherwise would have to be produced by using the ore. Thus, it helps in conservation of natural resources.

4.13 Ship breaking, as a regular commercial activity, started in some of the industrially advanced countries like the UK, USA and Germany during the post World War II period. By 1960, the activity shifted from the industrialized countries to other areas in Europe and Far East. However, more than 90% of shipbreaking in the world during the last 10 years has taken place in India, Bangladesh, Pakistan and China. Private entrepreneurs handle the task of ship breaking in India. It is labour-intensive job and India having abundant human resource, finds it a cost efficient activity. Till the sixties, ship breaking in India was confined mainly to dismantling of small barges and coastal wrecks. This activity grew into a full-fledged industry by 1979.



## **LOCATION OF PRESENT SHIP BREAKING ACTIVITIES IN INDIA**

4.14 Alang and Sosia are two villages situated on the coast of the Arabian Sea in the district of Bhavanagar in Gujarat where 90% of the shipbreaking activity in the country is concentrated. Darukhana shipyard, under Mumbai Port Trust, also carry out ship breaking activities. Beaching method is the normal ship breaking practice in India.

## **CONTRIBUTION OF SHIP BREAKING**

4.15 Ship Breaking process is an industrial activity, which not only generates re-rollable steel but also helps create direct and indirect employment. Steel produced through the ship breaking route saves natural resources like iron ore, coal etc which are used for production of steel through integrated steel plants. Re-rollable scrap produced by ship breaking saves one process of melting and thereby results in substantial saving in electrical energy consumption.

## **MODERNISATION OF ALANG SOSIA SHIP BREAKING YARD**

4.16 DPR submitted by GMB for JICA loan is under consideration of DEA. Activities to cover upgradation of existing ship recycling yards are development and operation of hazardous material removal pre-treatment facility – dry dock facilities; development and operation of environmental facilities and labour welfare infrastructure. The tentative cost is about Rs.1104 crores and 85% of which is to be met through JICA loan and balance 15% is proposed to be shared between GOI and GMB.

## **RELOCATION OF THE DARUKHANA SHIP BREAKING YARD IN MUMBAI**

4.17 It is proposed to relocate the existing Darukhana Yard to some alternative location for which Maharashtra Maritime Board is locating some alternative sites after which DPR would be prepared and further steps would be taken in consultation with the stake holders.

## **INTER-MINISTERIAL SHIP BREAKING SCRAP COMMITTEE**

4.18 To consider various aspects of ship breaking and to administer Ferrous Scrap Development Fund, a 15 Member Committee has been constituted on 22nd July, 2014. The first meeting of the Committee has been held on 18th December, 2014 and the Committee has been reconstituted by co-opting two new members on 17th February, 2015.

## **NATIONAL SHIPPING BOARD:**

4.19 The National Shipping Board is a permanent Statutory Body established in 1959 under Section 4 of the Merchant Shipping Act, 1958 to advise the Government of India on matters related to Shipping including development thereof. In terms of the aforesaid provision, the Board is re-constituted after every two years.

4.20 The Board comprises 6 Members of Parliament (4 from Lok Sabha and 2 from Rajya Sabha), 5 representatives of Central Government, 3 representatives each of shipowners and seamen and 5 representatives of other interests including its Chairman.

4.21 As per Notification No. S.O.2063(E) dated 07.9.2012, tenure of NSB expired on 31st August 2014. Thereafter, the Board has been re-constituted vide Gazette Notification No. S.O.3093(E) dated 28.11.2014 for a period of Two year w.e.f. 01.12.2014 under the Chairmanship of Dr. Vishwapati Trivedi, IAS (Retd.).



## **DIRECTOR GENERAL OF SHIPPING, MUMBAI**

4.22 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 on 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 enjoys statutory recognition under section 7 of the Merchant Shipping Act, 1958.

4.23 The Director General of Shipping is assisted on the administrative side by Joint. Director General of Shipping, Deputy Directors General of Shipping (non-technical); on the technical side by the Nautical Adviser-cum-Additional Director General (Technical), Principal Officers-cum-Joint Director General (Technical); on the Engineering side by the Chief Surveyor-cum-Additional Director General (Technical); Principal Officers-cum-Joint Director General (Technical) and on the Naval Architecture side, by the Chief Ship Surveyor-cum-Joint Director General (Technical)/ Deputy Chief Ship Surveyors-cum-Senior Deputy Director General (Technical). 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.

4.24 The Nautical Adviser and Chief Surveyor are also Chief Examiners of Master/Mates and Engineers respectively.

4.25 Functions of offices under the administrative control of the Directorate General of Shipping:

## **MERCANTILE MARINE DEPTT., MUMBAI / KOLKATA / CHENNAI / KOCHI / KANDLA.**

4.26 The Mercantile Marine Departments (MMDs) were set up in 1929 with Headquarters at Mumbai, Kolkata and Chennai followed by Kochi and Kandla in 2005 to implement the Safety of Life At Sea (SOLAS) Convention and Load Line Conventions. These Departments were directly under the Ministry till the establishment of the Directorate General of Shipping at Mumbai in 1949. The main objectives 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.

4.27 The Principal Officers and the Surveyors-in-Charge have been notified to be the Registrar of Indian ships and fishing vessels under section 24 and 435 (e) of the Merchant Shipping Act, 1958 respectively. Under section 22 of the M.S. Act, every Indian vessel exceeding 15 tons net, going out to sea, is required to be registered under Part V of the Merchant Shipping Act, 1958.

4.28 In keeping pace with the stupendous growth of the industry the Maritime administration has initiated various user friendly regulatory measures for the all round development of the sector.



4.29 The additional responsibilities imposed from time to time in the form of new statutes like MMTG Act, Admiralty Act, RP&S Rules and so on and also various International Conventions, received adequate attention of the Directorate and MMDs. During the year, the surveys and inspections relating to safety of ships have been delegated to the IRS with selective supervisory role for the DGS on important surveys.

#### **PASSENGERS SHIP SURVEY**

4.30 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**

4.31 Under the requirements of SOLAS 74 Convention as amended, administration is responsible for conduct of CSSC Surveys of various types of Cargo Ships under construction and periodical and annual surveys thereafter. The task of surveys of Cargo Ships under construction/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.

#### **LOAD LINE SURVEYS**

4.32 All Sea going vessels are required to be assigned Load Line and therefore, Load Line Surveys are carried out as per Load Line Convention and M.S. (Load Line) Rules, 1979.

This function has been delegated to Classification Societies who are authorized to issue the Load Line Certificates.

#### **SAFETY EQUIPMENT SURVEYS**

4.33 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**

4.34 The Department is also responsible for survey and certification for Oil Pollution under the various Annexes of MARPOL 73/78 Convention. In this survey, inspection of pollution prevention equipment to protect and safeguard the marine environment is undertaken. This survey is also entrusted to the 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)**

4.35 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)**

4.36 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.

### **SURVEY OF FISHING AND SAILING VESSELS**

4.37 Annual Inspection and survey of Fishing vessels and Sailing vessels are also being undertaken by the Department and Certificate of Survey issued.

### **INDUSTRY SURVEY AND MISCELLANEOUS SURVEYS**

4.38 In addition to the above surveys, the Department is designated to carry out various industrial surveys pertaining mainly to propulsion / auxiliary machinery, ship's auxiliaries such as pumps, compressors, coolers, air bottles, lifeboat davit etc. engines, safety – fire fighting, navigational and radio equipment, deck flooring and insulating material etc.

### **PORT STATE CONTROL INSPECTION / FLAG STATE INSPECTION**

4.39 Under the International Conventions for Load Line, SOLAS, MARPOL 73/78, and STCW' 78, the Department has an international obligation for verifying compliance of various Conventions by ships visiting the ports within its territory.

### **PRELIMINARY INQUIRIES/FORMAL INVESTIGATIONS INTO SHIPPING CASUALTIES**

4.40 Under Part XII of the M.S. Act 1958, the Department is required to conduct Preliminary Inquiries and assist the Court in the conduct of

formal investigation into all the shipping casualties.

### **EXAMINATIONS**

4.41 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 31.12.2014, 2238 fresh Certificates of competency were issued & 39 revalidated in nautical disciplines and 2404 no. of candidates passed various grades of examination in engineering.

### **INSPECTION OF TRAINING INSTITUTES**

4.42 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.

### **SHIPPING OFFICES, MUMBAI / KOLKATA / CHENNAI**

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

1. To provide means for securing the presence on-board at proper times of the seamen who are so engaged.
2. To facilitate making of apprenticeship to the sea service.
3. 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.
4. To transmit the complaint of any dispute of a foreign seaman of a vessel, registered in a country other than India.



5. Issue of Continuous Discharge Certificate-cum-Seafarers Identity Document (CDC).
6. Enquiry into cause of death on board Indian ships collection of levy fees from the shipping companies in respect of seamen engaged and transfer of such amount to the Seamen's Welfare Fund Society (SWFS).

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

4.44 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 terms of the amended section 95 of the M.S. Act, 1958 the business of the Seamen Employment Offices include:-

1. Issuance of licence, regulating and controlling the recruitment and placement service providers.
2. 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.
3. Ensuring that adequate machinery and procedure exist for the investigation, if necessary, of complaints concerning the activities of recruitment and placement service providers.
4. Maintaining registers of seamen in respect of the categories of seamen.

#### **SEAMEN'S WELFARE OFFICE, CHENNAI**

4.45 This office undertakes the liaison work between the Indian seamen and the officials of the country they visit and render all assistance to the seamen in case of distress and also provides recreational facilities etc. to them.

#### **REGIONAL OFFICE (SAILS) MUMBAI/ JAMNAGAR/TUTICORIN**

4.46 The Regional Offices (Sails) at Mumbai, Jamnagar and Tuticorin assist the sailing vessel owners for standardization of trade by securing cargo and elimination of malpractices, registration of sailing vessels, issuance / renewal of identity cards and issues Tindal's permit to the Tindal of sailing vessels, repatriation of standard seamen due to sailing vessels casualties, etc.

#### **MARITIME TRAINING IN INDIA**

4.47 India has a long maritime tradition. She is the 20th largest maritime country in the world. The single largest contribution factor to this glorious tradition 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 emerging 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.

4.48 To meet the requirement of trained manpower in the merchant navy, the Directorate General of Shipping through various maritime training institutes both in public and private sector, imparts pre-sea and post sea training in engineering and nautical discipline.

4.49 There are 134 Training Institutes at present. The summary of the capacity of the various pre-sea training institutes is given as under **(Table No.4.1 & 4.2)**:



**Table No.: 4.1 - ANNUAL INTAKE OF PRE-SEA COURSES**  
**TOTAL NO. OF MARITIME TRAINING INSTITUTES : 134**  
**No. of Pre Sea Institutes : 82 • No. of Post Sea Institutes : 52**

| S. No. | Pre-sea Training                            | Number of training institutes | Total approved annual capacity |
|--------|---|-------------------------------|--------------------------------|
| 1      | Pre-sea training for Nautical discipline    | 39                            | 4568                           |
| 2      | Pre-sea training for Engineer discipline    | 40                            | 4400                           |
| 3      | Pre-sea training for polyvalent discipline  | 1                             | 31                             |
| 4      | Pre-sea training for GP Rating              | 36                            | 5184                           |
| 5      | Certification course in Maritime Catering   | 12                            | 1076                           |
| 6      | Orientation Course in Maritime Catering     | 7                             | 880                            |
| 7      | B.Sc. (Maritime Hospitality Studies)        | 2                             | 80                             |
| 8      | NCV (Deck)/(Engine)                         | 1                             | 80                             |
| 9      | Pre-Sea Training Electro Technical Officers | 8                             | 760                            |
|        | <b>Total</b>                                |                               | <b>17059</b>                   |

**Table No.: 4.2 - REGION WISE ANNUAL INTAKE OF PRE SEA COURSES**  
**TOTAL NO. OF MARITIME TRAINING INSTITUTES : 134**  
**No of Pre Sea Institutes : 82 • No of Post Sea Institutes : 52**

| REGION         | No of Pre sea Institutes | Name of the Course                              | Approved intake |
|----------------|--------------------------|---|-----------------|
| Eastern Region | 11                       | Pre Sea training for Nautical Discipline        | 310             |
|                |                          | Pre Sea training for Engineer Discipline        | 490             |
|                |                          | Pre sea training for GP Rating                  | 600             |
|                |                          | Certificate Course in Maritime Catering         | 160             |
|                |                          | Orientation course for Catering Personnel       | 80              |
|                |                          | Pre Sea training for Electro Technical Officers | 120             |
|                |                          | <b>TOTAL</b>                                    | <b>1760</b>     |
| Western Region | 26                       | Pre Sea training for Nautical Discipline        | 1922            |
|                |                          | Pre Sea training for Engineer Discipline        | 1440            |
|                |                          | Pre-sea training for Polyvalent discipline      | 31              |
|                |                          | Pre sea training for GP Rating                  | 1800            |
|                |                          | Certificate Course in Maritime Catering         | 756             |
|                |                          | Orientation Course for Maritime Catering        | 240             |
|                |                          | B.Sc. (Maritime Hospitality Studies)            | 40              |
|                |                          | NCV (Deck)                                      | 80              |
|                |                          | Pre-sea for Electro Technical Officers          | 280             |
|                |                          | <b>TOTAL</b>                                    | <b>6589</b>     |



| REGION            | No of Pre sea Institutes | Name of the Course                           | Approved intake |
|-------------------|--------------------------|--|-----------------|
| South West Region | 5                        | Pre Sea training for Nautical Discipline     | 160             |
|                   |                          | Pre Sea training for Engineer Discipline     | 450             |
|                   |                          | Pre sea training for GP Rating               | 140             |
|                   |                          | Certificate Course in Maritime Catering      | 80              |
|                   |                          | Orientation Course for Maritime Catering     | 80              |
|                   |                          | <b>TOTAL</b>                                 | <b>910</b>      |
| Southern Region   | 32                       | Pre Sea training for Nautical Discipline     | 1816            |
|                   |                          | Pre Sea training for Engineer Discipline     | 1960            |
|                   |                          | Pre sea training for GP Rating               | 2100            |
|                   |                          | Certificate Course in Maritime Catering      | 80              |
|                   |                          | Orientation Course in Maritime Catering      | 320             |
|                   |                          | B.Sc.(Maritime Hospitality Studies)          | 40              |
|                   |                          | Pre Sea Course for Electro Technical Officer | 360             |
|                   |                          | <b>TOTAL</b>                                 | <b>6676</b>     |
| Northern Region   | 8                        | Pre Sea training for Nautical Discipline     | 360             |
|                   |                          | Pre Sea training for Engineer Discipline     | 100             |
|                   |                          | Pre sea training for GP Rating               | 544             |
|                   |                          | Certificate Course in Maritime Catering      | 00              |
|                   |                          | Orientation Course in Maritime Catering      | 160             |
|                   |                          | <b>TOTAL</b>                                 | <b>1164</b>     |
| <b>TOTAL</b>      | <b>82</b>                | <b>GRAND TOTAL</b>                           | <b>17099</b>    |

**THE SUMMARY OF VARIOUS POST SEA COURSES IS GIVEN AS UNDER (Table No. 4.3):**

| Table No.: 4.3    |                   |
|-------------------|-------------------|
| REGION-WISE       | No. of Institutes |
| Eastern Region    | 06                |
| Western Region    | 31                |
| South West Region | 02                |
| Southern Region   | 06                |
| Northern Region   | 07                |
| <b>TOTAL</b>      | <b>52</b>         |

**WELFARE ORGANISATIONS**

**SEAMEN'S PROVIDENT FUND ORGANIZATION, MUMBAI**

4.50 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.

4.51 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**



4.52 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.

4.53 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 or Public Welfare, representative from Society interested in Seamen's Welfare.

#### **SEAFARERS' WELFARE FUND SOCIETY**

4.54 The SWF Society is set up as a Central Organisation 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.

4.55 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.

#### **MINOR PORT SURVEY ORGANISATION STRUCTURE AND FUNCTION**

4.56 Minor Ports Survey Organization (MPSO) is a subordinate office under the Ministry of Shipping, entrusted with the responsibilities of

carrying out Hydrographic surveys in minor/major ports and inland waters on agreed program. The Senior Hydrographic Surveyor is the Head of the Office with its Head Quarters at Navi Mumbai. The Director General of Shipping, Mumbai is its Head of the Department.

#### **PERFORMANCE**

4.57 The following Hydrographic survey works have been carried out by the organization up to 31.12.14.

1. MPSO supervising jointly with Kandla Port Trust surveyors the tripartite Hydrographic surveys conducted by Dredging contractors with their launch and equipments in Kandla Port Trust Channel, alongside berths and jetties on monthly basis.
2. MPSO supervised, witnessed and third party certification of survey related jobs conducted by dredging contractor with their launch and equipment in Ratnagiri Gas and Power Pvt. Ltd. LNG Terminal, Navigational area in Dabhol Port.
3. MPSO supervised the tripartite Pre and Post dredging survey of Maintenance dredging in New Mangalore Port Channel Zone I, II, III, IV Extension Zone I, Old Dock Arm alongside Berths and Lagoon area conducted by the dredging contractor.
4. MPSO supervised jointly with Mumbai Port Trust surveyors the tripartite interim and joint survey of Offshore Container Terminal conducted by dredging contractor with their launch and equipment. MPSO also conducted land survey for filling of the existing Princess and Victoria Docks by sand dredging and witnessing the Capital Dredging works for Second Chemical Berth of Pir Pau, Hay and Haji Bundar conducted by MbPT surveyors with their launch.
5. MPSO supervised jointly with Mumbai Port Trust surveyors the tripartite



Determination surveys of Maintenance dredging of Indira Dock Basin, Approach Channel, Turning Circle, Outside Berth Pocket of OCT Project conducted by dredging contractor with its launch and equipment in Mumbai Port.

6. MPISO is conducting Bill and Progressive survey at Chennai Port Channels and Basins for Navyuga Engineering Company Ltd.
7. MPISO is conducting Bathymetry survey for berth pockets by lead time sounding in connecting with Deepening and Widening of Mumbai Channel and Jawaharlal Nehru Harbour Channel for JNPT.
8. MPISO is conducting monthly progressive survey of ICTT Basin at Vallarapadam and Outer Channel, Ernakulam and Mattancherry Channel for Cochin Port Trust.

#### THE SHIPPING CORPORATION OF INDIA LIMITED

4.58 The Shipping Corporation of India Ltd. (SCI) was formed on October 02, 1961 by the amalgamation of Eastern Shipping Corporation Ltd. (ESC) and Western Shipping Corporation of India Ltd. (WSC). The status of the SCI has changed from Private Limited Company to Public Limited Company with effect from September 18, 1992. Sailing through for nearly five decades, the SCI has a significant presence on the global maritime map. At the end of year 2013-14, (i.e 31.03.2014) SCI's total fleet stood at 73 vessels of 5.85 million tonnes Deadweight (DWT). As on December 01, 2014, SCI owns a fleet of 69 vessels of 5.67 million tonnes DWT with a share of nearly 38% of the total Indian tonnage. The growth of SCI tonnage has been about 14% over the last 5 years. SCI continues to be the only Indian mainline carrier providing liner services from India to the major global destinations. SCI's owned fleet includes Bulk carriers, Crude oil tankers, Product tankers, and Container vessels, Passenger-cum-Cargo vessels, Phosphoric Acid / Chemical carriers, LPG / Ammonia carriers and

offshore Supply Vessels.

4.59 SCI had been continuously making profits till financial year 2010-11. However, due to continued depressed markets SCI has posted a net loss during 2011-12 and 2012-13. SCI's financial performance continued to be impacted by the low levels of freight rates during the year 2013-14 and SCI incurred a net loss of Rs. 274.66 crore in the financial year 2013-14 as compared to Rs.114.31 crores in 2012-13. Operationally, SCI improved its performance and the loss (before items relating to earlier years, exceptional items & tax) reduced from Rs. 430 crores in 2012-13 to Rs.168 crores in 2013-14.

#### FINANCIAL PERFORMANCE:

4.60 The following table shows the financial performance of SCI during last 3 years (Table No.: 4.4)

| TABLE NO.: 4.4 - FINANCIAL PERFORMANCE |         |         |         |
|--|---------|---------|---------|
| Financial Year                         | 2011-12 | 2012-13 | 2013-14 |
| Total Income (Rs. Crore)               | 4500.10 | 4496.00 | 4539.00 |
| Net profit (Rs. Crore)                 | -428.20 | -114.00 | -274.66 |
| Dividend (%)                           | Nil     | Nil     | Nil     |

4.61 SCI's performance based on audited results under the MOU system has been rated as "Very Good" for the year 2013-14. SCI has signed the MOU for the financial year 2015-16 as per the guidelines issued by the Department of Public Enterprise (DPE) incorporating challenging targets despite the slowing down of growth in global economy and trade and adverse market conditions.

#### CENTRAL INLAND WATER TRANSPORT CORPORATION LTD. (CIWTC), KOLKATA

4.62 Central Inland Water Transport Corporation Ltd. (CIWTC) was incorporated on



22nd February 1967. Later on by the Order of Calcutta High Court on 03.05.1967 CIWTC took over all the assets of the erstwhile River Steam Navigation Co. Ltd.

4.63 The Principal Activity of the Corporation is transportation of cargo by barges through Inland Waterways in the country and through the routes identified in the Protocol on Inland Water Transport between India and Bangladesh.

4.64 The Corporation is under the administrative control of the Ministry of Shipping, Government of India. Both the Registered Office and Corporate Office of CIWTC are located in Kolkata and various branches are at Guhawati, Karimganj, Badarpur, Dhubri, Patna etc. The corporation has 273 employees on its pay roll as on 1-1-2015.

4.65 The authorized share capital of the Corporation as on 1-1-2015 is Rs. 251.00 crore with a paid up capital of Rs. 130.48 crore being contributed as follows:-

- Govt. of India : Rs. 130.34 cr.
- Govt. of West Bengal : Rs. 5.72 lakh
- Govt. of Assam : Rs. 8.84 lakh

### **RECENT DEVELOPMENT**

4.66 The Government on 24.12.2014 has approved the proposal for providing improved Voluntary Retirement Scheme for employees of CIWTC and disinvestment of the company, thereafter. The improved VRS is under implementation and thereafter during 2015-16 the company would be disinvested.

### **INDIAN MARITIME UNIVERSITY**

4.67 Indian Maritime University(IMU) was set up on 14th November 2008 by subsuming seven

### **IMU Headquarters - New Buildings**



legacy institutions from four major port cities. The University now has six Campuses at major port cities of Chennai, Mumbai, Kolkata, Visakhapatnam, Cochin, and Kandla (Gujarat) and a centre at Karaikal. IMU has stepped into its 7th year with renewed energy. The University aims to achieve academic and research excellence in merchant navy, ship design, ship building and repair, supply chain management, and hydrography.

### **CAMPUSES**

4.68 The University was established initially with four Campuses namely, Chennai, Mumbai, Kolkata and Visakhapatnam. Cochin Campus was established in August 2009. The Kandla Port Campus, with infrastructural support from Kandla Port, started functioning with effect from academic year 2011-12 with one course named Diploma in Nautical Science leading to B.Sc (Nautical Science) Course. IMU Karaikal Centre was started in 2014.

4.69 In addition to the above Campuses, the Indian Maritime University offers Diploma in Nautical Science (DNS) Course at Dr. B.R. Ambedkar Government Polytechnic, Port Blair, Andaman and Nicobar Islands.



## ACADEMIC PROGRAMMES

4.70 All the Academic Programmes of the University are offered under its Five Schools namely, School of Nautical Studies, School of Marine Engineering and Technology, School of Naval Architecture and Ocean Engineering, School of Maritime Management and School of Maritime Law.

## FIRST CONVOCATION

4.71 IMU held its first convocation on 22nd February 2014. 1339 degrees were awarded which included UG and PG degrees and PG diplomas. 630 were from Mumbai campus, 173 from Kolkata, 68 from Vishakhapatnam, 229 from Chennai campus and 95 from Kochi campus. His Excellency The President of India "Shri Pranab Mukherjee" graced the occasion as Chief Guest and gave away the degrees

## ADMISSION

4.72 Admission to all the courses are based on performance of candidates in Common Entrance Test conducted by IMU and/or IITs. The total students on roll in various courses in IMU Campuses and affiliated institutions were 4165 (2013-14) and 4330 (2014-15) (**Table 4.5**). The University follows reservation policy prescribed by Government of India in respect of reserved categories.

4.73 The University also conducted Post-Sea courses and Management Development Programmes (MDP) in its various campuses. During 2013-2014, the total of modular courses and competency courses had total participant strength of 7619 and 1818 respectively. The same year 2013-14; 44 Management Development Programmes were conducted for over 500 participants belonging to various ports and non-

**Table No.: 4.5 - TOTAL STUDENTS ON ROLL**

| S. No. | Courses   | Financial Year 2013-14 | Financial Year 2014-15 |
|--------|---|------------------------|------------------------|
| 1      | Ph D  | 6                      | 6                      |
| 2      | MBA (Port & Shipping Management)                            | 72                     | 37                     |
| 3      | MBA (International Transportation and Logistics Management) | 81                     | 84                     |
| 4      | M. Tech (Naval Architecture & Ocean Engineering)            | 34                     | 21                     |
| 5      | M. Tech (Dredging & Harbor Engineering)                     | 10                     | 11                     |
| 6      | LLM (Maritime Law)  | 12                     | 5                      |
| 7      | B. Tech (Marine Engineering)                                | 1849                   | 2017                   |
| 8      | B. Tech (Naval Architecture & Ocean Engineering)            | 143                    | 137                    |
| 9      | B. Sc. (Ship Building and Repair)                           | 62                     | 107                    |
| 10     | B. Sc. (Nautical Science)                                   | 489                    | 596                    |
| 11     | B. Sc. (Maritime Science)                                   | 44                     | 49                     |
| 12     | PG Diploma in Marine Engineering                            | 45                     | 0                      |
| 13     | DNS leading to B. Sc. (Nautical Science)                    | 1318                   | 1260                   |
|        | <b>Total</b>  | <b>4165</b>            | <b>4330</b>            |



port organisations (**Table No. 4.6**).

| <b>Table No. 4.6 : The total number of students admitted to IMU during the last four years is as follows:</b> |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <b>Particulars</b>  | <b>2011-12</b> | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> |
| IMU Campuses  | 1328           | 734            | 962            | 686            |
| Affiliated Institutes   | 2395           | 1895           | 2303           | 1200           |
| <b>Total</b>  | <b>3723</b>    | <b>2629</b>    | <b>3265</b>    | <b>1886</b>    |

4.74 Over the years there is downward trend in admissions which is partly due to the prolonged recession in the Shipping industry.

### **ONLINE COMMON ENTRANCE TEST**

4.75 Admissions to about 3,200 seats in all the 6 UG and 5 PG programmes of the University are done through an all-India Common Entrance Test (CET) usually held in the month of June every year. This year, the CET was held in 35 cities across India.

### **ONLINE COUNSELLING**

4.76 IMU decided to switch over to Online Counselling from 2014 onwards so that the candidates need not come from all over India to Chennai physically for the Counselling.

### **RESEARCH PROJECTS AND CONSULTANCY**

4.77 The details of Research and Consultancy Projects which were undertaken during 2013-14 are as follows:

- Visakhapatnam Campus—15 Research Projects are currently in progress and six consultancy projects are underway
- Chennai Campus-Five Consultancy Projects are in progress.
- Kolkata Campus - Two consultancy projects are in progress

### **LIBRARY**

4.78 Each Campus has a well-equipped library, which caters to the needs of faculty members and students. A good collection of books and reputed journals are available in all Campuses. The Visakhapatnam Campus Library is fully digitized. Initiatives have been taken to digitize all the libraries. The Visakhapatnam Campus also has an exclusive collection of drawings pertaining to Ship Designing.

### **FINANCE**

4.79 At end of financial year 2013-14, IMU has been sanctioned an amount of Rs.224.28 crores to undertake development works for Headquarters at Chennai and other Campuses. Grant-in-Aid received till 31.3.2014 was Rs.256.45 crores. The total recurring expenditure of IMU was Rs.73.53crores and total revenue generated was Rs.78.38 crores during 2013-14.

### **SCHOLARSHIPS AND CONCESSIONS**

4.80 IMU and its six Campuses extend all the requisite support to its students for obtaining educational loans from nationalised banks. The girl students are given waiver of tuition fee to the tune of Rs.79,500/- for the DNS course and Rs. 82,000/- (per Annum) for the B.Tech., Course. Apart from this, scholarship from Ministry of



Social Justice and Empowerment, Government of India, and also the concerned State Government scholarships for SC/ST students are obtained through the University.

Shipping Companies, Liners, Logistics and service providers are the ones who recruit from IMU. Concrete efforts are being taken for improvement of placement records.

## PLACEMENTS

4.81 IMU is now in its sixth year and takes necessary steps for placement of students of all its Campuses. SMM could place 80% of its students in reputed companies. Reputed





## CHAPTER-V

## SHIPBUILDING AND SHIP REPAIR



## OPERATING ENVIRONMENT AND BUSINESS REVIEW

## SHIPBUILDING

5.1 Global recession in the shipbuilding industry has affected the financial position of a number of yards especially in the private sector. Due to market downturn post 2008, all shipyards other than the defence shipyards are facing challenging times with very few global shipbuilding orders coming in. The Indian shipbuilding industry has continued to concentrate on defence and offshore sector vessels. The fleet expansion plans of Indian Navy and the vessels for the Indian Coast Guard are the two prime segments which were targeted by the Indian shipyards. Lack of orders from the Indian commercial ship owners and the lack of government policy support adversely effected the Indian shipbuilding outlook.

## SHIPREPAIR

5.2 The Indian share in the global shiprepair market continued to be low. Indian ship owners continued to rely on overseas repair facilities owing to insufficient capacity and costlier repair jobs. The applicability of service tax on shiprepair carried out in Indian yards continued to impact the competitiveness of the Indian ship repair companies.

5.3 The nodal responsibility of for formulating policy measures for the promotion of Indian Shipbuilding and Ship-repair Industry vests with the Ministry of Shipping.

5.4 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) **Under Ministry of Shipping, Government of India**



- Cochin Shipyard Limited, Kochi
- Hooghly Dock and Port Engineers Limited, Kolkata

**(b) Under Ministry of Defence, Government of India**

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

**(c) Under the control of State Governments**

(i) Under Government of Gujarat

- Alwck Ashdown Co. Ltd.

(ii) Under Government of West Bengal

- Shalimar Works Limited, Kolkata.

5.5 Presently, the Ship Repair Units (SRU) registration is available to the following entities:

- Shipyard/Dry Dock which build/repair ships.
- Service stations which import spares for carrying out servicing and repairs of highly specialized electronic navigational and communication equipment.
- Specialized manufacture and servicing units linked to original equipment manufacturers (OEMs) located overseas.

5.6 At present there are 34 registered Ship repair units certified by DG (Shipping)

5.7 Vide Custom Notification dated November 3, 1982, certain concessions/ facilities were extended to the SRUs for the repair of ocean going vessels (both Indian and foreign). These included:

- Customs Authorities will provide bond facilities to the units wherever they are located.
- In addition to the present facility of import

of components, raw materials and consumables without import duty, import of capital goods required by the industry shall be exempt from import duty.

- Imports of capital goods, components, raw materials and consumer goods, as and when required, shall be permitted.
- The import of capital goods shall be allowed against free foreign exchange or bilateral credits in such a way that the cost of the unit is not unduly raised.
- Foreign collaboration or temporary assistance by foreign specialists will be permitted on merits of each case.
- Conditions for dilution of foreign equity in the case of units covered by Foreign Exchange Regulation Act (FERA) shall not be enforced for investment in Ship repair Industry. The Large Houses or the units covered by Monopolies and Restrictive Trade Practices Act. (MRTP) shall be permitted to borrow from financial institutions at normal debt/equity ratio for investment in this industry.
- The locally available components and raw materials by this industry shall be exempt from payment of Central Excise Duty.

5.7.1 Eventually, Customs Notification No. 21/ 2002-Customs dated March 1, 2002 superseded the earlier Customs duty exemption notifications with same exemption and conditions.

5.8 Ministry of Shipping prescribed a procedure in 1983 and then in 1990 for registration of SRUs handling ocean going vessels and non-ocean going vessels whereby such was vested with Director General of Shipping. This mandatory requirement of registration has been dispensed with by the Ministry recently.

5.9 Government has been implementing a



shipbuilding subsidy scheme for Central Public Sector Shipyards since 1971 with some gaps and modifications from time to time. The scheme was extended, for both export and domestic orders, to all the Indian Shipyards including private sector shipyards on October 25, 2002 and was valid till August 14, 2007. The broad features of the scheme were:

- a) 30% subsidy to be paid for all export orders irrespective of size and type, but limited to sea going merchant vessels of and over 80 meters in length for domestic orders.
- b) Prices to be determined by the global tender in case of domestic orders.
- c) In case of export orders obtained on price negotiation a "Price Reasonableness Certificate" to be issued by DG (Shipping) as basis for grant of subsidy.
- d) In case of Public Sector Shipyards, subsidy is payable on stage payments received by the shipyard while in case of Private Sector Shipyards, subsidy is payable after the delivery of the vessel.

5.9.1 This Ministry issued modified guidelines on March 25, 2009 which were further modified on September 29, 2009 for liquidation of committed liabilities in respect of shipbuilding contracts executed on or before August, 14th, 2007. Budgetary provision for liquidation of the committed liabilities was available only upto March 31, 2014.

5.10 A comprehensive policy for promotion of Indian Shipbuilding and Ship-repair industry as announced by Hon'ble Finance Minister in the Union Budget 2014-2015 is under finalisation in consultation with Ministries concerned.

## LNG SHIPBUILDING

5.11 It is for the first time that Indian shipyards

are entering into advanced and complex LNG shipbuilding technology. Indian Shipyards viz. Pipavav Defence and Offshore Engineering Company (PDOE), L&T Shipbuilding and Cochin Shipyard have been identified by GAIL for the indigenous construction of LNG Carriers for providing ships on charter.

## DREDGER BUILDING

5.12 Cochin Shipyard Ltd. had floated a Global Expression of Interest for collaboration on Trailing Suction Hopper Dredger and Cutter Suction dredger on December 8, 2014. M/s. IHC, Holland has been identified to collaborate with CSL for dredger building.

## COCHIN SHIPYARD LIMITED

5.13 Cochin Shipyard Ltd, Kochi in the State of Kerala was incorporated in the year 1972 and is the largest shipyard in the country. Cochin Shipyard can build ships upto 1,10,000 DWT and repair ships upto 1,25,000 DWT. The yard has built varied types of ships including tankers, bulk carriers, port crafts, offshore vessels, tugs and passenger vessels.

5.14 The yard's shipbuilding order position as on December 31, 2014 is 13 ships with a total contract price of Rs. 3738.00 crores consisting of 11 Fast Patrol Vessel for Indian Coast Guard, a Buoy Tender vessel for the Director General of Lighthouses and Lightships and the Indigenous Aircraft Carrier for the Indian Navy.

5.15 The indigenous Aircraft Carrier was launched on 12th August 2013. The indigenous Aircraft Carrier (P-71) designed by the Indian Navy (Directorate General of Naval Design) and built by Cochin Shipyard is one of the most prestigious warship project of the Ministry of



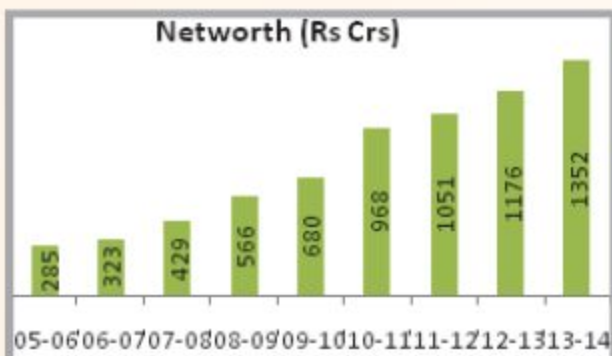
Defence and is unprecedented in terms of size and complexity compared to any indigenous warship project till date. With this project, India becomes the fourth nation to join the select club of 40,000 Tonnes aircraft carrier designers and builders.

5.16 The major outfitting of work of the ship is scheduled for completion by 2016, after which basin trials and extensive sea trials of the ship will be progressed prior to delivery.

### FINANCIAL PERFORMANCE

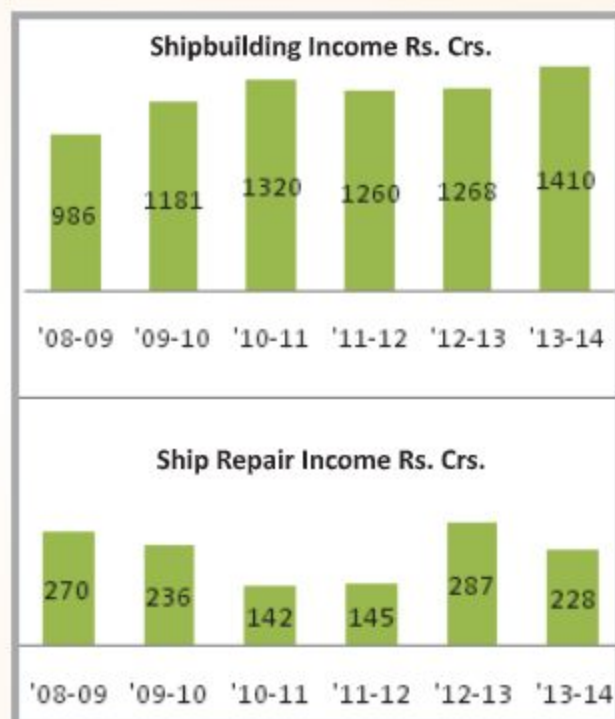
5.17 The Performance of Cochin Shipyard Limited continued to be good during the year 2013-14 and the half year ended 2014-15

5.18 The turnover for the year 2013-14 was Rs. 1637.00 crores as compared to Rs. 1554.16 crores in the year 2012-13. The net profit for the year 2013-14 was Rs. 194.00 crores as compared to Rs. 185.00 crores for the previous year. The turnover for the half year (2014-15) upto 30th Sep 2014 was Rs. 857.42 crores as against Rs. 869.82 crores achieved during the half year ended September 30, 2013. Similarly, the net profit for the half year ended September 30, 2014 was Rs. 123.08 crores as against Rs. 125.98 crores of previous half year ended on September 30, 2013. This performance is creditable considering the continuing recessionary conditions in the shipping and shipbuilding sectors.



### OPERATIONAL HIGHLIGHTS

5.19 In the year 2013-14, CSL continued to maintain its performance levels of previous year and launched six Fast Patrol Vessels and delivered five Fast Patrol Vessels to the Indian Coast Guard. The company also delivered two Platform Supply Vessels to Norwegian owners. In the year 2014-15, (upto December 31, 2014) the yard has delivered five ships viz four Fast Patrol vessels for the Indian Coast Guard and one Platform Supply Vessel for an international owner.



### FACILITY UPGRADE AND CAPITAL EXPENDITURE

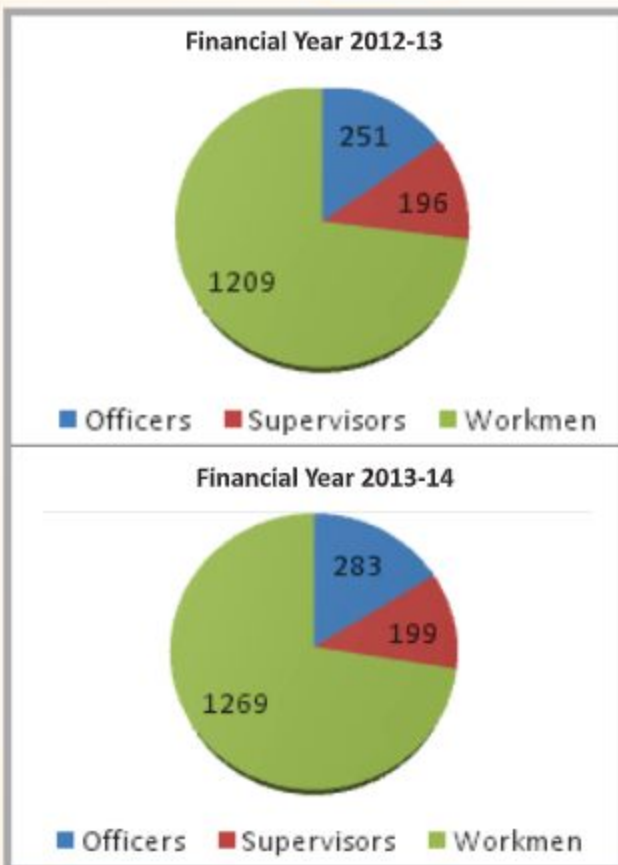
5.20 The total capital expenditure incurred in 2013-14 amounted to Rs.44.26 crores. An amount of Rs.31.07 crores has been incurred for Renewals & Replacements and Modernization & Expansion, Rs.1.92 crores for infrastructure facilities for the Indigenous Aircraft Carrier, Rs.9.41 crores in connection with the setting up of International Ship repair facility at Cochin Port Trust premises and Rs.1.22 crores for Research & Development projects.



## HUMAN RESOURCE

5.21 The manpower strength of the Company as on March 31, 2013 and March 31, 2014 is as follows (Table No. : 5.1 ).

| TABLE NO. 5.1 : NUMBER OF EMPLOYEES |             |             |
|-------------------------------------|-------------|-------------|
| Category                            | 2013-14     | 2012-13     |
| Officers                            | 283         | 251         |
| Supervisors                         | 199         | 196         |
| Workmen                             | 1269        | 1209        |
| <b>Total</b>                        | <b>1751</b> | <b>1656</b> |



## RESEARCH AND DEVELOPMENT INITIATIVES

5.22 The various Research and Development activities undertaken by the yard in year 2013-14 include:

- Development of mechanized elbow cutter

for cutting non standard elbows. This has reduced pipe fit up cycle time and thereby increased the productivity of pipe shop.

- Submerged Arc Weld (SAW) procedure has been developed for low thickness steel plates. This has improved the weld quality and productivity and reduced the fatigue of the welders. This procedure was implemented in the shop floor and used extensively for welding of panels of the Fast Patrol Vessels being built in the yard for Indian Coast Guard.
- Training and qualifying the welders for mechanized pulsed welding machine for aluminium panels. This has drastically reduced cycle time of fabrication of blocks with bare minimum weld restart. This has helped in productivity improvement in the construction of Fast Patrol Vessels being built in the yard for Indian Coast Guard.
- Self shielded welding process has been developed and this has shown good results in the test bed and is advantageous to weld in areas where shielding gas is not available.
- Circular welding work station has been developed with Submerged Arc Welding (SAW). This has helped to cater to the requirement of circular weld joints in ships and this has resulted in reducing the weld time of circular joints by about 40% compared to the conventional semi automatic MIG/MAG process used hitherto.

## EXPANSION PLANS

5.23 In keeping with its growth strategy shipyard is setting up International Ship Repair Facility (ISRF) on 42 acres of land of Cochin Port Trust.



The phase I of the project has been largely completed with the existing facilities being fully utilized. The work on the phase II is proceeding satisfactorily with the appointment of the Project Management Consultants. Towards part funding of this project, the Company has raised Rs.123 crores by issue of tax free bonds through private placement.

5.24 To keep up the momentum of growth of the Company, the yard has identified the need for a larger dry dock capable of docking Jack Up Rigs (JURs), semi submersibles and accommodating ships of 200,000 tonnes DWT.

5.25 The Company intends to raise capital to meet its expansion plans through a judicious mix of debt and equity options.

#### **HOOGHLY DOCK & PORT ENGINEERS LIMITED, KOLKATA**

5.26 Hooghly Dock & Port Engineers 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".

5.27 The Government of India took it over so as to utilize the available infrastructure and increase the capacity for shipbuilding in national interest. The nationalized Company had remained with the Ministry of Industry till 27.07.1986 and was thereafter transferred to erstwhile Ministry of Surface Transport (now Ministry of Shipping).

#### **CAPITAL STRUCTURE :**

5.28 The authorized Share Capital of the Company is Rs.30.00 Crores and paid up capital is Rs.28.61 Crores as on 31.10.2013.

#### **MAJOR FACILITIES & ASSETS :**

5.29 The major facilities available with the Hooghly Dock & Port Engineers Ltd. Are as under **(Table No. 5.2):-**

| <b>TABLE NO. 5.2 : MAJOR FACILITIES AND ASSETS</b> |   |   |
|--|---|---|
| <b>Facilities &amp; Assets</b>                     | <b>Details</b>  | <b>Area</b>                             |
| Land   | Freehold land at Salkia & Nazirgunge  | 10.67 acres & 16.67 acres respectively. |
|  | Lease hold land at Salkia & Nazirgunge  | 0.17 and 3.11 acres respectively.       |
| Dry Dock   | 1 no. at Salkia   | 94x13.4x8.6m Max. – 1000 DWT            |
| Building Beth / shipping                           | 2 nos. at Salkia  | 85x29m & 70x22m Max. – 2500 DWT         |
|  | 2 nos. at Nazirgunge  | 90x30m & 90x30m Max. – 2500 DWT         |
| Floating Jetty                                     | 1 no. at Nazirgunge   | 36 m length                             |
| Various Types of Cranes                            | 9 nos. at Salkia & 13 nos. at Nazirgunge  |   |
| Various types of Machines                          | 35 machines at Salkia comprising of boring, cutting, drilling, lathes, power saw, grinder, planning, shipping & welding machines. |   |



## FINANCIAL POSITION

5.30 During the year, the Company is anticipated to record Net Profit before Tax for Rs.5792.46 lacs (Net Loss for Rs.929.35 lacs till 31.10.2014) mainly due to probable receipt of fund from Govt. of India under the head Grant-in-Aid for payment of Income Tax liability of Rs. 9282.10 lacs relating to the Financial Year 2013-14.

## NET WORTH

5.31 The Net Worth of the Company has totally been eroded. The Net Worth as on 31.03.2011 was Rs. (-) 628.88 crores. However, as a consequential effect of the waiver of Govt. Loan and Accumulated Interest thereof to the tune of Rs.631.21 crore by GOI followed by receipt of fund from GOI under the head Grant-in-Aid for payment of Income Tax liability relating to the Financial Year 2011-12 and 2013-14, the balance of negative Net Worth as on 31.03.2015 is anticipated to be reduced to Rs.119.19 crore as compared to Rs.138.19 crore as on 31.03.2014.

## MAN POWER POSITION

5.32 At the beginning of the period, the total strength was 378 comprising of 37 Officers, 70 Supervisors and Staff and 271 Workmen and Sub-Staff. As on 31.10.2014, the total strength of employees was 348 comprising of 35 Officers, 66 Supervisors and staff and 247 Workers and Sub-Staff.

## STATUS OF REHABILITATION-CUM-RECONSTRUCTURING OF HDPEL

5.33 The Rehabilitation-cum-Restructuring of HDPEL was approved by Government on 13.10.2011. The approval includes the proposition for formation of a Joint Venture with a Private Sector Player through open bidding process, waiver of Govt. Loan and Interest, infusion of fund for Rs. 21.00 Crore for VRS of employees, continuation of Non-plan support for payment of salary & wages and statutory dues of employees till formation of JV etc.

5.34 As regards formation of a Joint Venture of HDPEL with a Private Sector Player through open bidding, an EOI was published and about 3 bidders had shown interest in JV with HDPEL. After assessing the proper valuation of the assets of HDPEL, the draft RFP/RFQ is prepared and awaiting legal vetting and the final publication.

5.35 In the meantime an exercise by IL&FS (the consultant) shows that SPV process will not generate adequate revenue for meeting salary requirement of present manpower. Therefore, the RFP/RFQ process may be given to substantially reduce the manpower.

5.36 A proposal for providing improved Voluntary Retirement Scheme (VRS) for the employees of Hooghly Dock & Port Engineers Ltd. and restructuring of the company through Joint Venture (JV) under consideration of the Government.





## CHAPTER-VI

**DIRECTORATE GENERAL OF LIGHTHOUSES & LIGHTSHIPS****ROLE OF THE DIRECTORATE GENERAL OF LIGHTHOUSES AND LIGHTSHIPS (DGLL)**

6.1 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.

**ORGANIZATION AND MANAGEMENT**

6.2 The Director General of Lighthouses & Lightships advises the Government of India in the matters relating to Lighthouses and Marine Aids to Navigation. He is assisted by five Dy. Director Generals.

6.3 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. Regional Lighthouse Directorate is headed by a Director who reports on the technical matters to the Deputy Director General and who in turn 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.

**ORGANIZATION**

6.4 For the purpose of effective superintendence of Lighthouses and other aids to marine navigation, the Indian coast is divided



into eight regional Directorates known as Lighthouse Districts with their headquarters at Gandhidham, Jamnagar, Mumbai, Cochin, Chennai, Visakhapatnam, Kolkata and Port Blair.

**DEVELOPMENT PLANS - National Maritime Development Programme (NMDP)**

6.5 The Directorate is implementing seven schemes at a total cost of Rs. 500 crore, as part of the NMDP Programme of the Ministry of Shipping.

**MARITIME AGENDA**

6.6 DGLL has projected schemes under Maritime Agenda (Vision 2020) of Rs.1594 crores to deliver reliable, accurate, efficient State of the Art mix of aids to Marine Navigation Service, for the mariners plying in the Coastal and Exclusive Economic Zone (EEZ) Waters.

**12<sup>th</sup> FIVE YEAR PLAN**

6.7 The 12<sup>th</sup> Plan outlay (2012-17) of the Directorate is Rs 515 crore consisting of 22 spill over and 26 new projects.

**ANNUAL PLAN 2014-2015**

6.8 An outlay of Rs. 120.00 crore is approved during the current financial year 2014-15. Important schemes under implementation are (Table No. 6.1):



**TABLE NO. 6.1 : SCHEMES UNDER THE IMPLEMENTATION**

| Sl. No. | Name of the Schemes  | Status  |
|---------|--|---|
| 1.      | Replacement of M.V. Pradip Light House Tender Vessel   | Likely to be delivered by March, 2015   |
| 2.      | Establishment of National Navtex Network   | Likely to be completed by March, 2015   |
| 3.      | Pilot Project of AIS (P) Transponders for Small Fishing Vessels  | Project has completed and final report has been submitted to the Govt.  |
| 4.      | Establishment of Office Building at Vishakhapatnam   | Work in progress  |
| 5.      | Remote control & Automation of Lighthouses in Cochin, Chennai, Kolkata & Vishakhapatnam Lighthouse Districts | Works completed.  |
| 6.      | Establishment of new Lighthouses at Rava Port, Maipura, Markanam, Achara, Redi Port and Vembar               | Works at Rava Port, Maipura, Markanam and Achara completed and the works at other sites are in progress.  |
| 7.      | Promotion of Tourism at Lighthouses  | Works for Establishment of Technical Museum at Chennai and Heritage and Maritime Museum at Mahabalipuram and Improvement of infrastructure facilities at Kanhoji Angre Island Lighthouse completed. |
| 8.      | Establishment of National AIS Network in Andaman & Nicobar and Lakshadweep groups of Islands                 | Work completed in Dec. 2014   |

### INFRASTRUCTURE AIDS TO NAVIGATION

6.9 There were 17 lighthouses at the time of Independence. As on date, the number of lighthouses and other Aids to Navigation are as shown below (**Table No. 6.2**):

| TABLE NO. 6.2 : AID TO NAVIGATION |  |                                       |
|-----------------------------------|--|---------------------------------------|
| Sl.No.                            | Aid to Navigation  | Nos.                                  |
| 1.                                | Lighthouses  | 189                                   |
| 2.                                | Lightship  | 01                                    |
| 3.                                | DGPS Stations  | 23                                    |
| 4.                                | Racons   | 64                                    |
| 5.                                | Deep Sea Lighted Buoys   | 21                                    |
| 6.                                | Wreck Marking Buoys  | 05                                    |
| 7.                                | National Automatic Identification System (AIS) Network                                       | 87<br>(Physical Shore Stations (PSS)) |
| 8.                                | Vessel Traffic Service - Gulf of Kachchh (9 Radar +4 AIS Base Stations & 2 Direction finder) | 01                                    |

6.10 For proper maintenance of Lighthouses in the islands and floating Aids to Navigation, 3 Lighthouse Tender Vessels are also in the inventory of DGLL. These are also used to monitor performance of AToNs established by the DGLL.

### LIGHTHOUSES



6.11 A Lighthouse is a structure on land, close to



the shore line or in the water. The Lighthouse tower structure service as a day mark with its colour scheme, and a powerful light with a specific character for identification by mariners during the night.

6.12 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.

6.13 The Directorate has embarked into a policy of utilization of solar and wind energy so that consumption of diesel are almost negligence. In this process, about 25 KW solar energy is being generated to power 63 lighted beacons and 13 island lighthouses. The Directorate has established 5 KW solar- wind hybrid energy at False Point. The solarisation work at Bhadreswar, Vanku & Harudi VTS repeater stations has completed. The Directorate is also in process of tapping the Green Energy & establishing grid connected solar plants at the stations where the land is available. DEEP Bhawan Noida has also been solarized with 20KW solar power plant.

### LIGHTSHIP

6.14 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.



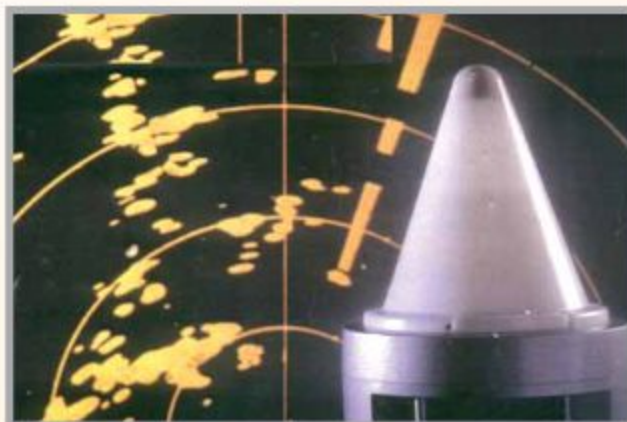
### DIFFERENTIAL GLOBAL POSITIONING SYSTEM

6.15 It is a Satellite based system, where errors in Global Positioning System (GPS) are accurately calculated at a fixed surveyed point and then corrections transmitted by MF Beacon (283.5 to 325 KHz Marine band). In the coverage area, which is generally 100 - 150 NM, the position can be fixed by mariners to an accuracy of better than 5 meter. It is a state-of-the-art Aid for the modern day Navigation.



### RACON (RADAR BEACON)

6.16 Racon operates on Microwave frequency. It responds to a Radar pulse by sending a characteristic pulse thereby indicating range, bearing and identification information on Radar of the vessel. Its signal can be received in all weather conditions. It does not need any additional equipment on board and is a versatile aid during Coastal Phase of Navigation.





## DEEP SEA LIGHTED BUOYS

6.17 Buoys are floating aids used for marking of channel in the deep sea with a character of light. Colour scheme of the buoy serves as a day mark to the mariners. Buoys are used to indicate dangerous shoals, sand bank, submerged rock etc to obtain a line of position, to indicate Landfalls, Headlands, entrance to estuaries/ ports etc.



## NATIONAL AIS NETWORK

6.18 Automatic Identification System (AIS) is a

ship to ship and ship to shore based data broadcast system for maritime safety and collision avoidance.

6.19 DGLL has established National AIS Network with 87 Physical Shore Stations (PSS) seamlessly provides radio coverage up to a minimum distance of 25 Nautical Miles from the coast thus all SOLAS and other vessels equipped with AIS Transponders are tracked. Two Coastal Control Centers at Mumbai and Vishakhapatnam have been established in addition to a National Data Centre at Mumbai. For coastal safety and security, terminals are also provided at Directorate General of Shipping, Joint Operation Centre (JOC) Mumbai, Joint Operation Centre (JOC) Vishakhapatnam, Indian Navy Delhi and Indian Coast Guard Delhi.

6.20 The work was taken up in two phases. The phase-I covering mainland coastline was completed on 15th May, 2012 and the phase-II covering Andaman & Nicobar and Lakshadweep group of islands completed in December, 2014.





## NATIONAL NAVTEX NETWORK

6.21 The Directorate General of Lighthouses & Lightships is establishing a National NAVTEX Network across the country 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 administrative approval of the scheme at an

estimated cost of Rs. 20.25 crore has been concurred by the Govt.

6.22 The NAVTEX Network envisages broadcast of Maritime Safety Information, Weather Forecast Processed by Indian Meteorological Department, National Hydrographic Office and Directorate General of Shipping. The data will be provided to NAVTEX Centre being established at Mumbai from where it will be relayed to various transmitting stations.





## VESSEL TRAFFIC SERVICE - GULF OF KACHCHH

6.23 A VTS is a service implemented by a Competent Authority, designed to improve safety and efficiency of vessel traffic and to protect the environment. The service should have the capability to interact with the traffic and to respond to traffic situations developing in the VTS area.

6.24 VTS-Gulf of Kachchh has been established in February, 2013. In terms area of coverage, VTS-GoK is one of the largest VTS systems of the world with a set up of 9 Radars, 4 AIS Base stations, 2 Direction Finders in addition to Hydro and Meteorological Sensors at suitable locations with Master Control Station at Kandla. It is catering to requirement of 6 Ports with capability of extension to 10 Ports. VTS Monitoring System have also been provided to the Indian Navy at Okha and Indian Coast Guard at Okha & Jakhau for monitoring the movements of vessels plying in GoK waters.

6.25 Apart from facilitating marine navigation,

in the Gulf of Kachchh northern portion of this system namely Chachhi, Jakahu and Koteshwar Radars are able to monitor movement of vessels near International Maritime Boundary Line. The system enhances maritime security in the Gulf of Kachchh and Indian waters near Pakistan Border.

## LIGHTHOUSE TENDER VESSELS

6.26 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. Pradeep & M.V. Deepstambh-II.





## REPLACEMENT OF MV PRADIP

6.27 The agreement for construction & building of new vessel was awarded to M/s Cochin Shipyard Ltd., Kochi on nomination basis on 10th August 2012

6.28 The Launching Ceremony of the vessel was completed on 15th November 2014. The commissioning of the equipments and final stages of work is progressing as per schedule. The "Sea Trials" of the vessel is planned to be carried out in 2nd week of March 2015.



## REVENUE GENERATION AND EXPENDITURE

6.29 The funding pattern of the Directorate is based on cost recovery system and it does not burden the taxpayers. All expenditure on management and development (plan and non-plan) is met out of the revenue collected by levy of light dues and thus the Directorate is a self-sustaining organization. The Central

Government, as per the provisions of the Lighthouse Act, levies light dues on all the foreign going ships arriving at or departing from any port in India. The light dues are charged at the rate of Rs. 92/- per TEU for container vessels and @ of Rs 8/- per ton on NT basis once in 30 days for other Foreign Going Vessels. In order to encourage coastal shipping, coastal ships have been exempted from the purview of light dues since October, 2000.

## DEVELOPMENT OF TOURISM

6.30 Lighthouses, due to their 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, DGLL has initiated process to hire services of a Project Development Consultant. The works of promoting tourism at lighthouses Chennai and Mahabalipuram Lighthouses has been completed.





## CHAPTER-VII

## INLAND WATER TRANSPORT



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. Navigable inland waterways comprising of rivers, lakes, canals, creeks, backwaters etc. extend to about 14,500 km including about 5600 km for navigation by mechanized vessels. However, potential of this important mode of transport has not been fully exploited so far. 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 achieving optimum utilization of National Waterways in terms of cargo movement and hassle free round the year navigation.

#### INLAND WATERWAYS AUTHORITY OF INDIA (IWAI)

7.2. The IWAI was set up on 27th October 1986 vide Inland Waterways Authority of India Act, 1985, for regulation and development of inland waterways for the purposes of shipping and navigation, and is inter alia responsible for development, maintenance and regulation of National Waterways (Nws). The development and regulation of waterways which are not declared as NWs remain under the domain of the respective State Governments. To develop any waterway as NW, it is required to be declared as a National Waterway by an Act of Parliament.

#### NATIONAL WATERWAYS (NWS)

7.3 As of now, there are five NWs namely:-



TABLE NO. 7.1 : NATIONAL WATERWAYS (NWs)

| NW   | Waterway Stretch   | Length (km) | Year of declaration |
|------|--|-------------|---------------------|
| NW-1 | The Ganga-Bhagirathi-Hooghly river system from Haldia to Allahabad   | 1620        | 1986                |
| NW-2 | The Brahmaputra river from Dhubri to Sadiya  | 891         | 1988                |
| NW-3 | The West Coast Canal from Kottapuram to Kollam alongwith Udyogmandal and Champakara canals   | 205         | 1993                |
| NW-4 | The Kakinda-Puducherry stretch of Canals and the Kaluvelly Tank, Bhadrachalam-Rajahmundry stretch of River Godavari and Wazirabad-Vijayawada stretch of River Krishna.   | 1078        | 2008                |
| NW-5 | The Talcher-Dhamra stretch of river Brahmani-Kharsua-Dhamra river system, Geonkhali-Charbatia stretch of East Cost Canal, Charbatia-Dhamra stretch of Matai river and Mangalgadi-Paradip stretch of Mahanadi delta rivers. | 588         | 2008                |

### NATIONAL WATERWAYS 1, 2 & 3

7.4 IWAI has undertaken development and maintenance of IWT related infrastructure facilities (fairway, terminals and navigation aids) on first three NWs. Various projects for developing and maintaining following infrastructure on these NWs have been completed/are in progress.

- Fairway with 3 m/2.5m/2 m/1.5 m depth in NW-1, 2.5m/2m/1.5 m depth in NW-2 and 2 m depth in NW-3, including Vessels (dredgers, survey launches, tugs etc.) for developmental works
- A combination of fixed and floating terminals at strategic locations with mechanical handling facilities and access and egress by road/rail.
- Facilities for day and night navigation with DGPS connectivity and River Information Service (RIS) on NW-1, 2 and 3

### FAIRWAY DEVELOPMENT

7.5 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). On the other hand, in 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. 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 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 Varanasi 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 by June 2015. In NW-3, out of 205 km of total length, capital dredging remains to be done in only about 6.0 km and it is in progress. With these assured depths, IWT on NW-1, 2 and 3 is expected to increase substantially.

### TERMINALS

7.6 IWAI has constructed low and high level jetties of permanent river terminal at Patna NW-1. One more permanent terminal at GR jetty 2



area of Kolkata has been completed by IWAI. Fixed terminals also exist at Pakur, Farakka on NW-1. In 2014-15 dispute of land for terminal at Varanasi has been sorted out and substantial steps to restart the construction of a fixed terminal at Varanasi have been taken. 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. With these facilities, Pandu terminal is being developed as a multimodal transport hub for North-Eastern sector. A MoU has been signed with Central Railsides Ware House Company Ltd. for utilization of ware house and Railway connectivity at this terminal. Jogighopa is also planned to be developed as a coal handling terminal. At Dhubri, construction of a fixed Ro-Ro terminal has started in 2014-15. On NW-3, permanent terminals have been constructed at Kottapuram, Aluva, Maradu, Cherthala, Kayamkulam, Vaikom, Trikkunnappuzha and Kollam while construction of terminal at Alappuzha is in advanced stage. Two Ro-Ro jetties, constructed at Bolghatty and Willington Islands, have facilitated seamless connectivity of NW-3 with Vallarpadam Container Transshipment Terminal for container transportation.

7.7 Floating pontoon jetties are also available at various places on NW-1 [Haldia, Kolkata (BISN, Botanical garden), Shantipur, Swaroopjanj, Hazardwari, Katwa, downstream Farakka, upstream Farakka, Rajmahal, Sahibganj, Bateshwarsthen, Bhagalpur, Munger, Semaria, Buxar, Ghazipur, Varanasi (Rajghat) and Allahabad] and on NW-2 [Dhubri, Jogighopa, Tejpur, Silghat, Vishwanathghat, Neamati, Bogibil, Panbari, Dibrugarh and Oriumghat]. These floating pontoons can be shifted to/placed at any other location depending on demand.

## **NAVIGATION AIDS**

7.8 IWAI has provided 24 hrs navigation aids

from Haldia to Varanasi (1383 km) on NW-1, from Dhubri to Silghat (442km) on NW-2 and entire 205 km in NW-3. Besides, day navigation marks are maintained in entire balance length of NW-1 and NW-2. In addition, for providing state-of-the-art computer based navigation aids, IWAI has constructed and commissioned three Differential Global Positioning System (DGPS) stations at Swaroopganj, Bhagalpur and Patna on NW-1 and fourth station at Varanasi is to be taken up. As regards NW-2, DGPS stations at Dhubri, Jogighopa, Silghat and Dibrugarh are commissioned. A project for providing hardware and software for state of art world class River Information System in Sagar- Farakka stretch of NW-1 is also under implementation. To ensure safe navigation, IWAI has published navigational charts, navigational atlas and developed a real time navigation software which can be used on NW-1, 2, 3 and Sunderbans waterways. In addition, IWAI provides river pilots on NW-1 and NW-2 on need basis.

## **NATIONAL WATERWAYS 4 AND 5**

7.9 Preparation of Detailed Project Reports (DPR) for the NW-4 & 5 were completed in 2010. As advised by the Planning Commission, the possibility of developing commercially viable stretches under PPP mode was explored. However, this was not found feasible. Hence, efforts are being made to develop these waterways in a phased manner with budgetary support.

7.10 To start the developmental works in NW-4 detailed hydrographic survey for assessing hydro-morphological conditions of the waterway has been completed for selected stretches. A project for development of Sholingannallur-Kallapakkam stretch of South Buckingham Canal of this national waterway has also been sanctioned at an estimated cost of Rs. 123.40 crore and action being taken to implement it.



IWAI has opened an office at Chennai to take up the developmental works and has sought assistance of State Government of Tamil Nadu for identification and demarcation of land for widening narrow stretches of the canal, setting up of terminals, construction of navigational locks and land for dumping dredged materials, which is under process by them.

7.11 To start the developmental works in NW-5, a MoU (Memorandum of Understanding) with Government of Odisha, Paradip Port and Dhamra Port Company Ltd. was signed by IWAI on 30th June, 2014 for developing the commercially viable stretch of 332 km in two phases. During Phase-1, it is proposed to take up the development of 201 km stretches of Pankopal/Jakodia to Paradip and Dhamra. The 131 km. stretch between Talcher and Pankopal/Jakodia will be taken up in the 2nd Phase. M/s WAPCOS Ltd. has been engaged to revise the DPR for these stretches.

### **JAL MARG VIKAS PROJECT**

7.12 Due to non-availability of adequate depth in the upper reaches of NW-1, i.e. in Buxar-Ghazipur-Varanasi-Mirzapur-Allahabad stretch, regular round the year commercial navigation for bulk goods up to Varanasi and Allahabad is not becoming possible.

7.13 In order to ensure 3 m LAD in this stretch, a technical feasibility study was conducted through M/s DHI (India) Water & Environment Pvt. Ltd. which recommended construction of four low height barrages at strategic places, namely at Rampurghat, Chunar, Ghazipur and at Buxar.

7.14 After some preliminary discussions with World Bank, a team of World Bank consultants had visited National Waterway and gave a report on the feasibility study report of DHI. Based on

these inputs, Ministry of Shipping has posed a project for development of National Waterway-1 through World Bank Assistance. The project envisages a total investment of US \$ 700 million (Rs. 4200 Cr.) in three stages. Out of this, 50% (i.e. US\$ 350 million) would be the World Bank loan and balance 50 % i.e. US\$ 350 million will be counterpart funding from GBS of Government of India.

7.15 Department of Economic affairs has recommended the project to the World Bank for sanction of loan of US \$ 50 million under stage-1 at the first instance. IWAI and World Bank have started taking initial steps for implementation of the project.

7.16 The Project Monitoring Unit (PMU) has been established in IWAI. Project Oversight Committee (POC) has been constituted and nominations of representatives from the state Govt. is awaited.

7.17 Process initiated for engagement of consultant for preparation of detailed project reports for the works associated with the above project.

### **INTEGRATED NATIONAL TRANSPORTATION WATERWAY GRID STUDY**

7.18 An Integrated National Waterways Transportation Grid (INTG) Study was undertaken by IWAI through RITES with an aim to link the National Waterways [viz. River Ganga from Haldia to Allahabad (NW- 1: 1620 km), River Brahmaputra from Dhubri to Sadiya (NW- 2: 891 km), West Coast Canal from Kottapuram to Kollam with Udyogmandal and Champakara Canals (NW- 3: 205 km), Kakinada- Puducherry stretch of canals with River Godavari and River Krishna (NW- 4: 1078 km), East Coast Canal with River Brahmani and River Mahanadi's delta (NW- 5: 588 km), River Barak between Lakhimpur-



Bhanga (proposed NW- 6: 121 km)] to National/ State Highways, Railways (wherever feasible) and Sea Ports (wherever feasible) so that all these waterways become an integral part of the total transportation grid.

7.19 As per outcome of this study an indicative investment of Rs. 22763 crore is required to develop infrastructure such as fairway, terminals, ports, road and rail connectivity. This public investment is expected to attract private investment of about Rs. 65600 crore on inland ship building ship repair and cargo movement in the IWT Sector by the end of the 13th Plan i.e. 2022.

7.20 Based on the outcome of the study a draft Cabinet Note to undertake and implement the project for setting up of Integrated National Waterways Transportation Grid at an estimated cost of Rs. 2631 cr. for phase- I (2014- 17) and Rs.20132 cr. for phase- II (2017- 22) totaling to Rs. 22763 cr. has been prepared.

7.21 Further, to know the pulse of the market for private participation in construction and O & M of terminal on the National Waterways, an Expression of Interest (Eoi) was invited from private parties on 18.10.14. Based on the response to this Eoi, further action would be taken.

### **KALADAN MULTIMODAL TRANSPORT PROJECT**

7.22 This project was conceptualized by the Ministry of External Affairs 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 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. Based on IWAI's recommendation, MEA had awarded the work to the successful bidder [M/s ESSAR projects (I) Pvt. Ltd] for construction of port and IWT components at a cost Rs 342 cr. The construction work at Sittwe and Paletwa was started in December, 2010 and is in progress. Physical and Financial progress up to mid October 2014 is 81% and 73% respectively. The entire work is targeted to be completed by April, 2015.

### **NATIONAL INLAND NAVIGATION INSTITUTE (NINI)**

7.23 NINI was constructed by IWAI at Patna and has been functional from February, 2004. Induction course for deck and engine ratings, preparatory courses for serang and engine drivers, basic and advanced dredging courses, refresher courses for hydrographic surveyors, courses for dredging, repair and maintenance of vessels, etc. are conducted in NINI regularly. The administration and management of the Institute is done by M/s ARI, New Delhi. NINI has got ISO 9001:2008 certification during February, 2010 and the same is being renewed annually. A scheme for placement of NINI trained candidates on board IWAI vessels under Apprentice Act has also been implemented. An "Inland Vessel Manoeuvring Simulator" has been setup and commissioned in March, 2010. Under an MoU signed between IWAI and M/s ARI a Marine Simulator Centre (MSC) has been set up at NINI on 50:50 revenue sharing basis.

Central Sector Scheme for IWT Sector for North Eastern States

7.24 During 10th Plan, there was a Centrally Sponsored Scheme (CSS) for IWT development by the States but it was discontinued from 1-04-2007 and a new Central Sector Scheme for NER



was operationalized in the 11th Plan. Two projects (one each of Tripura and Assam) are in progress under this scheme. Two projects, one project in Mizoram and one in Assam have been completed.

### **RIVER CRUISE/ TOURISM**

7.25 River cruise/ tourism has been a regular feature on National Waterways 1 & 2 since last 3-4 years. Various companies namely M/s. Heritage River Cruises Pvt. Ltd (formerly known as Pandaw Cruises India Pvt. Ltd), M/s. Vivada Inland Waterways, M/s. Assam Bengal Navigation Co. Brahmaputra Cruises, operate their cruise vessels on NW-1 and Sunderbans 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. In short, it can be said that river cruise on NW-1, 2 and 3 has started and is likely to flourish in future.

### **OTHER POTENTIAL PROJECTS**

7.26 Some other cargo oriented potential feasible projects with private sector investment have been identified. These projects include movement of 0.5 MMTPA imported coal for NTPC's power plant at Bongaigaon, Assam;

Transportation of food grains by FCI and other cargoes like bitumen to Tripura by IWT mode through Indo-Bangladesh protocol route; Transportation of urea from Fatuwah to Kolkata and reverse movement of same quantity of complex fertilizers from TCC Haldia to Farakka; and Operation & Maintenance of IWAI's terminals on NW-3.

### **INDO-BANGLADESH PROTOCOL ON INLAND WATER TRANSIT AND TRADE**

7.27 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, five ports of call have been designated in each country. These are; Haldia, Kolkata, Pandu, Karimganj and Silghat in India and Narayanganj, Khulna, Mongla, Sirajganj and Ashuganj in Bangladesh. This protocol is presently valid upto 31.03.2015. More than 16 lakh tonnes cargo (fly ash and etc.) is transported between Kolkata/ Haldia and Bangladesh every year under this protocol.





## CHAPTER-VIII

## CHARTERING WING

8.1 Chartering Wing (Transchart) in the Ministry of Shipping in accordance with the Government policy/procedure is responsible for making shipping arrangements for transportation of Government owned/controlled cargoes against FOB/FAS imports of Government. The shipping arrangements are centralized with the Chartering Wing. The services of the wing are also open to private sector.

8.2 The Chartering Wing makes shipping arrangements at Internationally competitive freight rates with the consent and prior approvals of the concerned Govt. department/PSUs and in the process gives cargo preference/support to Indian Vessels without giving any price preference. This Wing also advises the concerned Indenting Government Departments/ PSUs/ Projects on various aspects of shipping and post shipping matters.

**HIGHLIGHTS OF 2014-2015**

8.3 During the period under report from 1st January, 2014 to 31st December, 2014, a total number of 300 vessels were chartered by the Chartering Wing for shipment of total quantity of approx. 230.49 lakh Mts. of cargo on Government's account. Out of 300 ships chartered, 101 ships were Indian ships which carried approx. 78.61 lakh tonnes i.e. approx. 34.11% of the total quantity. The main reason for lower percentage of cargo carried by Indian vessels was due to inadequate availability of required type of vessels in Indian fleet and also low participation by Indian ships in carriage of government cargo like Coking Coal, Fertilizers etc. Apart from that Indian ship-owners are preferring better alternate opportunities available outside thereby reducing the percentage in participation of total carriage of

government cargo. The main cargoes for which shipping arrangements were made during the year included Crude Oil, Coking Coal, Fertilizer, Fertilizer Raw Material, Lime Stone and Iron Ore, etc. besides Project/Container/Break Bulk cargoes.

8.4 During the year Steel Authority of India Ltd., who were allowed to make their own shipping arrangements, have started making their own shipping arrangements from October, 2014, however, Rashtriya Ispat Nigam Ltd. (RINL) who were also allowed to make shipping arrangements by themselves is continuing placing their indent for making shipping arrangements through Chartering Wing.

8.5 Chartering wing has been successfully chartering vessels for the shipment of Urea from the port of Sur (Oman) to India from M/s. OMIFCO on account of Department of Fertilizers fully meeting their requirement and finalized Contract of Affreightment (COA) from last six years (year to year) which has resulted in saving on account of freight outgo. Chartering Wing also finalized COAs for Limestone a/c SAIL/VSP.

8.6 Chartering Wing arranged charter of specialized vessel for Indian Antarctica Research Expedition as per the requirement of the National Centre for Antarctic & Ocean Research (NCAOR), Ministry of Earth Sciences.

8.7 The statement indicating the quantities of Government owned/controlled cargoes for which the shipping arrangements were made by this Wing during the year 2013 and 2014 is placed at **Annexure-III**.

**CHARTERING SERVICE CHARGES**

8.8 Levying of 1% chartering services charges



on freight / dead freight/demurrage / charter hire earned by Indian companies on vessel fixed through Chartering Wing (Transchart) for carriage of import / export cargoes was made applicable from Feb, 1993. Since then the amount collected/received on this account have already totaled up to Rs.1,56,61,92,011.53 (up to 31.12.2014) which has been deposited in the consolidated fund of India.

## FREIGHT MARKET

8.9 The Baltic Dry Index (BDI) measures the average cost of transporting by ocean raw materials like iron ore, coal, grain, fertilizers etc., unlike some other economic indicators, it provides real time picture of raw materials and infrastructure demand. It is one of the leading economic indicators.

8.10 The (BDI) opened the year 2014 at 2113 on 2nd January, 2014 and Dry market gradually started declining thereafter and BDI reached at its lowest level 724 on 21st July, 2014 during the year mainly due to lower import of Coal and Iron Ore by Chinese, and weaker world economy. However, Baltic Dry Index recovered dramatically to the level of 1484 on 4th November, 2014. This improvement, however short-lived and BDI started its down-trend journey to the level of 782 at the end of calendar year i.e. on 24th December, 2014. This is more or less at the same level of its lowest which 724 was during the year i.e on 21.7.2014 Thus, it may be concluded that during the entire year BDI remained weak with sudden up-move for some days during the entire

year. The second half of the year has witnessed significant rate decline in Capesize market which is the prime factor for market to come down to this level. Likewise the Panamax and Handysize also witnessed continuous weakness during the second half of the year.

8.11 The Baltic Dirty Tanker Index BDTI which track freight rates for dirty liquid cargo opened the year at 1021 on 2nd January, 2014. Crude Tanker Segment reflected weak sentiments with wayward fluctuations throughout the year and touched lowest level of 605 on 24th September before recovering 884 on 24th December, 2014, still below at the opening level of the year i.e. 1021 in January, 2014.

8.12 The winter months which invariably seen more liquid cargo movements have given some relief to owners. Due to continuously decline international crude oil prices and slight improvement in demand, it is likely that Tanker market may show some further improvement in coming quarters.

8.13 Due to weaker economic activities and falling prices of all major commodities and crude, Analysts feel that market is likely to see an improved balance between demand and supply of tonnage. Due to various factors affecting world economy particularly China, a strong Shipping market particularly for dry cargo is still away and are likely to be at same level with slight/seasonal fluctuations. As against this, crude tanker market have started showing improvement.





## CHAPTER-IX

**TRANSPORT RESEARCH**

9.1 The Transport Research Wing (TRW) renders 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.

9.2 Transport Research Wing coordinates with various other organizations like Ministry of Finance, Ministry of Commerce, Niti Aayog, Ministry of Statistics & Programme Implementation, Central Statistical Organization,

National Sample Survey Organization and State Governments etc.

9.3 The following publications have been released upto February, 2015 during the year 2014-15:-

1. Basic port Statistics of India - 2012-13
2. Indian Shipping Statistics- 2013
3. Half-Yearly update on Indian Port Sector for period ending 31st March, 2014 and 30th September 2014
4. Statistics of Inland Water Transport - 2013-14
5. Statistics of India's Ship-building and Ship-repair Statistics 2013-14

9.4 The work relating to the preparation of publications Basic Port Statistics 2013-14 and Indian Shipping Statistics 2014 is under progress.





## CHAPTER-X

## INTERNATIONAL COOPERATION

## MULTILATERAL ORGANIZATIONS/AGREEMENTS

10.1 India has been an active participant at the International Maritime Organization (IMO) and is a Member of its Council. Out of 55 Conventions/Protocols of International Maritime Organization (IMO), India has already ratified/acceded/signed 33 Conventions/Protocols. Out of the remaining 22 Protocols/Conventions, India has identified 6 for ratification/accession, including Maritime Labour Convention 2006; Bunker Convention 2001; Protocol on preparedness Response and Cooperation to Pollution incidents by Hazardous and Noxious Substances 2000; Convention for the Control and Management of Ships Ballast Water and Sediments 2011; Convention for Control of Harmful Anti-Fouling System (AFS) on Ships 2001; The Hong Kong Convention for Safe and Environmentally Sound Recycling of Ships 2009, Necessary action for accession/ratification

of the above mentioned Conventions is under difference stages of the approval process in the Ministry.

10.2 India has been contributing significantly to other multilateral organizations/ agreements like Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTIC); India, Brazil and South Africa (IBSA); Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC); International North South Transport Corridor (INSTC), etc.

## BILATERAL OR MULTILATERAL MERCHANT/MARITIME SHIPPING AGREEMENTS

10.3 India has entered into Bilateral or Multilateral Merchant/Maritime Shipping Agreements with the following countries:-

TABLE NO.10.1 : BILATERAL OR MULTILATERAL MERCHANT/MARITIME SHIPPING AGREEMENTS

| Sr. No. | Name of the Country. | Year in which signed                          | Broad objectives   | Present status of the implementation |
|---------|----------------------|---|--|--------------------------------------|
| 1.      | Vietnam              | 24 May, 2013                                  | Strengthening and development of relations in merchant shipping and other maritime transport matters will contribute to the growth of bilateral economic and commercial relations between the two countries.   | Still in force                       |
| 2.      | Austria              | 03 October, 2012                              | Memorandum of Understanding on Technology Cooperation in the Shipping and Ports Infrastructure sectors, particularly in the areas of promotion of safe, efficient and cost effective shipping, ports infrastructure development, operation and maintenance and Maritime Communication Solutions which may constitute pilot and reference projects for cooperation between the two countries. | Still in force                       |
| 3.      | Sri Lanka            | 07 January, 2011                              | Memorandum of Understanding between the two countries for passenger transportation by sea between the two countries and matters related thereto.   | Still in force                       |
| 4.      | The Netherlands      | 12 February, 2008/<br>Renewed on 10 May, 2011 | Memorandum of Understanding to expand and deepen the existing cooperation between the two countries in the fields of ports and maritime transport and logistics on the basis of equality and mutual benefit.   | Still in force                       |



**TABLE NO. 10.1 : (Continued)**

| Sr. No. | Name of the Country.  | Year in which signed | Broad objectives   | Present status of the implementation |
|---------|---|----------------------|--|--------------------------------------|
| 5.      | South Africa  | 23 March, 2006       | Agreement of cooperation with each other to develop a mutually beneficial relationship in the field of Merchant Shipping and related maritime transport matters on the basis of sovereign equality and reciprocity.      | Still in force                       |
| 6.      | United States of America  | 14 April, 2005       | Memorandum of Understanding for cooperation and collaboration in Maritime transportation science and technology on the basis of equality, reciprocity and mutual benefit.  | Still in force                       |
| 7.      | Morocco   | 22 February, 2000    | Agreement for rendering sustained mutual assistance and advice on merchant shipping and other related matters.   | Still in force                       |
| 8.      | China   | 29 November, 1996    | Agreement on Maritime Transport proceeding from the common aspiration for all possible expansion and deepening of economic and maritime cooperation between the two countries.   | Still in force                       |
| 9.      | Iran  | 03 January, 1995     | Memorandum of Understanding for expansion of cooperation in Maritime Transport and Port affairs for the purpose of organizing and expanding the relations between the two countries.                                     | Still in force                       |
| 10.     | Singapore   | 24 January, 1994     | Agreement on Maritime Transport for promoting cooperation and improving efficiency of Maritime Transport in accordance with the principles of equity and mutual benefit.   | Still in force                       |
| 11.     | Russian Federation  | 23 December, 1994    | Agreement on Merchant Shipping for all possible expansion and deepening of mutually beneficial economic and trade cooperation between the two countries.   | Still in force                       |
| 12.     | Federal Republic of Germany   | 15 June, 1966        | Agreement concerning Maritime Transport Relations  | Still in force                       |
| 13.     | Denmark   | 06 February, 1965    | Agreement on recognition of tonnage certificates of merchant ships   | Still in force                       |
| 14.     | Finland   | 20 February, 1963    | Agreement for mutual recognition of certificates of registry or other national documents denoting tonnage of merchant ships.   | Still in force                       |
| 15.     | Poland  | 27 June, 1960        | Agreement on Shipping Cooperation to strengthen and develop friendly cooperation in Maritime Transport.  | Still in force                       |
| 16.     | Pakistan  | 14 December, 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.     | Still in force                       |
| 17.     | IBSA<br>(Trilateral agreement between India, Brazil & South Africa) | 13 September, 2006   | Establishing effective co-operation among the three countries on the basis of their well known interest for their national sovereignty and respect for principles of International law and sovereign equality of States. |                                      |



10.4 Bilateral and Multilateral Maritime agreements with other countries would be improved upon for safeguarding and promoting Indian Maritime Interests. The Indian Shipyards will be encouraged to import collaboration.

10.5 With some countries like Iran, Greece, Mauritius, Norway and Japan, Joint Working Group/Shipping Forum have been formed. India plans to use these agreements/working groups/shipping forum to strengthen Indian Shipping/Ship building industry and take forward cooperation with various countries in the maritime sector.

#### **UNILATERAL AGREEMENTS FOR RECOGNITION OF TRAINING AND CERTIFICATES OF INDIAN SEAFARERS**

10.6 India has unilateral agreements with St. Vincent and the Grenadines, Dominica, Georgia, Vanuatu, Liberia, Marshal Islands, Bahamas, Qatar, Barbados, Netherlands, Maldives, Isle of Man, Malta, Norway, Denmark, Ireland, Ghana, Latvia, Antigua and Barbuda, Vietnam and Belgium for recognition of training and certificates of India Seafarers.

10.7 India is a member of IMO and 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. IMO is a regulatory framework for the Shipping industry, that is fair and effective universally adopted and implemented. Accordingly, participation of Indian delegation in the deliberations of IMO meetings help India to follow the IMO standards in International Shipping.

#### **MEMORANDUM OF UNDERSTANDING (MOU) WITH GOVT. OF INDIA & APEC-ANTWERP / FLANDERS PORT TRAINING CENTRE, BELGIUM.**

10.8 A Memorandum of Understanding (MOU) was signed on September 24, 1997 between Ministry of Shipping, Government of India and the Ministry of Public Works, Government of Flanders, Belgium to cooperate in various fields relating to maritime transportation and Port development etc. In order to implement the MoU, a Letter of Intent (LOI) was signed on October 25, 2002 subsequently on October 5, 2005 and 6th October, 2009. The last Letter of Intent has been renewed on 14th September, 2012 for the period 2013-15 between Ministry of Shipping, Government of India and Ministry of Mobility and Public Works, Government of Flanders, Belgium.

10.9 As per the renewed LOI for 2013-15, both the Governments agreed mutually to promote each other's ports through inclusion of promotion material in port exhibitions and by continuous exchange of information/ documents to Indian and Flemish ports. Both parties agreed on various programmes viz promotion, Private Sector Cooperation, Seminars, Information Exchange, Tailor-made Training etc. Flanders in cooperation with the APEC (Antwerp/Flanders Port Training Centre) will organize tailor made short training courses for Indian officers on the subjects viz Port Planning and Management, Inland Waterways Transport and Dredging and survey technology for 15 Indian officers in each year. In addition to tailor-made course, short training courses will also be organized by APEC on port related issues. Flanders will provide a maximum of 15 scholarships for tailor made course and also 15 scholarships for short training course for Indian officers in APEC. Flanders will also provide advice on the port projects of all Major Ports of India and other organizations under the administrative control of the Ministry of Shipping, Government of India. During 2014, 15 officers were nominated to tailor-made course on "Dredging & Survey Technologies" and 14 officers for various short training courses.



## **MARITIME COOPERATION WITH SAARC NATIONS:**

### **SRI LANKA:**

10.10 Ferry Service between Tuticorin and Colombo:-

The service was discontinued due to some technical reasons. Efforts are being made to revive and bring the service back in operation.

10.11 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.

### **BANGLADESH:**

10.12 India-Bangladesh Shipping Service:

There is a bilateral agreement on Inland Water Transport movement between India and

Bangladesh under which inland vessels of one country navigate through the designated waterways of the other for trade, transit and commerce.

## **TRILATERAL COOPERATION BETWEEN INDIA, SRI LANKA AND THE MALDIVES ON MARITIME SECURITY:**

10.13 Under this framework, dialogues are on to finalise 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. DG (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).





## CHAPTER-XI

## ADMINISTRATION AND FINANCE

## ADMINISTRATION

11.1 Administration Wing of the Ministry of Shipping is headed by a Joint Secretary (Administration) who is assisted by a Director (Administration), Under Secretary (Administration) supervising the work of Establishment Sections, General Administration Section and Cash Section. The Establishment-1 Section is entrusted with the service and administrative matter of 301 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.

11.2 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 to fill up vacant posts in Chartering Wing and 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 in **Annexure-V**.

11.3 In the Ministry of Shipping various welfare measures in respect of welfare of women employees of the Ministry were undertaken. A Complaint Committee on Sexual Harassment has been set up to look after the grievances of women employees relating to sexual/gender based harassment. 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 Ministry. The Ministry of Shipping is one of the few Ministries who has successfully completed online APARs of IAS officers through SPARROW. The Biometric Attendance System has also been implemented in this Ministry.

11.4 Important Days of national Importance viz. Anti – Terrorism Day, Communal Harmony Day, Sadbhavana Diwas, 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 essays competitions both in Hindi and English were conducted during Harmony Communal Week / Vigilance Awareness Week. The Participants are rewarded for participating in these events.

## GRIEVANCE REDRESSAL SET-UP

11.5 In the Ministry, the set-up is headed by a Joint Secretary as 'Director of Public Grievances'. Periodical review is carried out by the Director of Grievances for early redressal of the pending grievances.

## CPGRAMS

11.6 In consonance with the thrust on transparency in the functioning of the government, a cost effective monitoring software, namely Centralized Public Grievances Redressal and Monitoring System (CPGRAMS), for monitoring and disposal of Public Grievances cases has been functioning in this Ministry. It has been implemented in almost all the Attached/ Subordinate offices of this Ministry to closely



monitor and evaluate the quality of disposal of Public Grievances regularly and minimize the delays in decision making.

### **WELFARE**

11.7 A cricket tournament involving teams from the Ministry of Shipping, Mumbai Port Trust, Chennai Port Trust and Kandla Port Trust was also organized during the month of November-December 2014. Further, as part of the welfare measure for employees into the Ministry, a new initiative has been started to greet the employees on their birthday by giving a card, flower and a token gift so as to keep their morale and motivations high.



### **E-OFFICE**

11.8 E-Office software is developed by NIC and was installed in place of DMIS for use of all the officers and their supporting staff and Officials in the Ministry were trained with the help of NICSI to operate the system.

### **WEBSITE**

11.9 Website (<http://shipmin.nic.in>) of the Ministry is operational. The website has been updated and redesigned from time to time. The e-book of the Ministry of Shipping released on the occasion of good governance day on 25.12.2014 containing achievements, activities carried out and way forward is also available on the aforesaid website.





## DEPARTMENTAL ACCOUNTING ORGANIZATION

11.10 The Accounts and Budget Wings of the Ministry of Shipping are functioning under the Principal Chief Controller of Accounts. The office of the Principal 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.

11.11 The Principal Chief Controller of Accounts (Pr.CCA) organization comprises of Principal Chief Controller of Accounts, one Controller of Accounts, one Deputy Controller of Accounts, Six Pay & Accounts Officers of whom 3 are located in Delhi, 1 in Kolkata, 1 in Mumbai and 1 in Noida. The Budget Section consists of one Under Secretary (Budget).

11.12 The Principal 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 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 been established as an effective tool for identifying the systemic errors/lapses in the functioning of various departments in the Ministry and advising the management for necessary action/ rectification. This has proved to be an immense management tool to bring about objectivity and financial propriety in day to day functioning and greater sensitivity for financial prudence.
- The Officers of the Internal Audit Wing as well as officers posted in other sections have been imparted various trainings related to Internal Audit in the past.
- 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 pursued for settlement of paras and review meetings are also arranged by Pr. CCA's office to take stock of the outstanding paras.

## IMPORTANT AUDIT OBSERVATION

11.14 The summary of important audit observations, appearing in the following most recent Audit reports of the year ended March, 2012 is at **Annexure-VI**

## COMPUTERISATION OF ACCOUNTS

11.13 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, CONTACT, CPFM, E-Lekha etc, described below:

### COMPACT

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

### CPFM

Is a Contributory Pension Fund Management System for capturing the pension contribution of Employees who joined Govt. Service on or after 01st January 2004.

### E-LEKHA

Is a web based application for generating daily/ monthly reports 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.

### E-REVISION OF PENSION

O/o Controller General of Accounts assigned the work of e-revision of pension to all PAOs to implement the VI Pay Commission Report. In Ministry of Shipping there were 2088 pension cases which have to be revised. Out of these 1685 have been revised so far.

### E-PAYMENT

A new Pilot Project of payment in Government Departments through electronic media has been initiated by office of the CGA to bring out higher



operational efficiencies, faster realization of funds and prompt reconciliation of payment and receipts. The E-payment system has now been implemented in all PAOs of Ministry of Shipping from April 2013 and volume of e-payment has been on the increase day by day.

#### GRANT NO. 89 – MINISTRY OF SHIPPING

11.14 The position of savings/excess in respect of above mentioned Grant No. 89 for the year 2014-15 and actual expenditure for the year 2014-15 (upto 31st March, 2014) has been reflected in **Annexure-VII**. The Head-wise Details of Receipts as per the Statement of Central Transaction (SCT) for the last three years have been reflected in **Annexure-VIII**. Head wise details of expenditure for 2012-13 to 2014-15 (upto 31st December, 2014) **Annexure-IX**. Profile of actual Expenditure for 2014-15 (upto 31st December, 2014) at **Annexure-X**.

11.15 The Ministry of Shipping is maintaining two funds viz. Depreciation Reserve Fund and General Reserve Fund for providing certain services required to develop transportation facilities in the country. Details are at **Annexure-XI**.

#### VIGILANCE

11.16 The Vigilance Wing of the Ministry coordinates and supervises the vigilance activities within the Ministry as well as in respect of 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. He is appointed with the approval of the Central Vigilance Commission.

11.17 There are 33 attached/subordinate/PSU/autonomous bodies under the Ministry and each organization has either 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 from officers of organized services through DOP&T.

11.18 Special emphasis has been laid on the role of preventive vigilance 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.

11.19 As a result of active monitoring and follow-up, a large number of cases were finalized during the year.

11.20 During the Vigilance Awareness Week a pledge to eradicate corruption in all spheres of life was administered to the staff and officers of the Ministry. An essay competition was also organized.

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

#### 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 public who come personally.



- In the Ministry of Shipping (Main Sectt.), we have appointed/designated 23 CPIOs and 14 Appellate Authorities based on the Divisions, who are in the rank of US, Deputy Secretary and Director and equivalent respectively. A Transparency Officer of MOS has also been appointed.
- 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 after the application is registered after ensuring that fee has been deposited, thereafter the request is sent to the concerned CPIOs/Appellate Authorities to provide online information to the public as well as disposal of First Appeal and the monthly statement is sent to DoP&T.
- Copies of the RTI Act and circulars received from DOPT on RTI are being circulated promptly to all the organizations for compliance.
- Useful guidance material/guidelines are also being supplied to 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.
- Registers in the format (F) are being maintained by all Sections.

- Training on RTI Act has been/is being given to CPIOs of all the organizations through IIPM, Calcutta, NIPM, Chennai and YASHDA, Pune and to some through ISTM, Delhi.
- During the above period a total of 339 applications and 57 appeals were received either directly or by transfer and handled satisfactorily.

11.22 The details of persons with Disabilities in service is as follows:-

| Group        | Number of Employees |                     |          |          |          |
|--------------|---------------------|---------------------|----------|----------|----------|
|              | Total               | In Identified Posts | VT       | HH       | OH       |
| 1            | 2                   | 3                   | 4        | 5        | 6        |
| Group A      | 1                   | -                   | -        | -        | 1        |
| Group B      | 2                   | -                   | -        | 1        | 1        |
| Group C      | 1                   | -                   | -        | -        | 1        |
| Group D      | -                   | -                   | -        | -        | -        |
| <b>Total</b> | <b>4</b>            | <b>-</b>            | <b>-</b> | <b>1</b> | <b>3</b> |

**Note:**

- (i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)
- (ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)
- (iii) OH stands for Orthopedically Handicapped (persons suffering from loco motor disability or cerebral palsy)

All welfare measures are taken in this Ministry as per decision/guidelines of DoP&T since the overall cadre of Main Sectt. is being handled by the DoP&T.





## CHAPTER-XII

## USE OF OFFICIAL LANGUAGE HINDI

12.1 Ministry of Shipping continued its efforts towards greater use of Hindi in official work during 2014-2015 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 Union. The work pertaining to the progressive use of Hindi in the Ministry is under the administrative control of Joint Secretary (OL), 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.

12.2 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'. All the 266 Computers (PCs) are equipped with bilingual facility.

#### OFFICIAL LANGUAGE IMPLEMENTATION COMMITTEE (OLIC)

12.3 There is an Official Language Implementation Committee (OLIC) under the Chairmanship of Joint Secretary (OL) in the Ministry. This Committee regularly reviews the progress made in the use of Hindi in the Ministry, its Subordinate and Attached Offices. It gives appropriate suggestions and recommends measures to be taken for the effective

implementation of the Official Language Policy. As per the orders of Department of Official Language, a meeting of O.L.I.C was held on 7.10.2014 under the Chairmanship of Secretary (Shipping).

Apart from implementing the Official Language Policy and Programme of the Govt., Hindi Section arranges training of the staff in the use of Hindi, Hindi Typing and Hindi Stenography, preparation of bilingual documents and translation from English to Hindi and vice-versa.

#### INSPECTIONS TO PROMOTE USE OF HINDI

12.4 In pursuance of Official Language Policy in the Ministries/Departments and their Attached/Subordinate Offices etc. of Central Government Mumbai Port Trust, D.G.L.L. Mumbai, Jamnagar and Gandhi Dham, Kandla Port Trust and Mormugao Port Trust were inspected. Twelve Sections/Divisions of the Ministry have been also inspected.

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

12.5 In order to encourage the use of Hindi in official work 'Hindi Pakhwara' was organised in the Ministry from 01-09-2014 to 15-09-2014. During the Pakhwara various competitions were held. A workshop was also conducted during this period. Prize distribution function was organised on 07.10.2014 and prizes were awarded by the Secretary to the winners of competitions held during Hindi Pakhwada.

#### INCENTIVE SCHEMES

12.6 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. In this Scheme, First, Second and Third prizes are given. In the Ministry one First and two Second prizes are awarded.

#### **IN HOUSE MAGAZINE "NAUTARNI"**

12.7 A book named "Hong Kong Samjhouta, 2009 Pot Parichakran Nidhi, Ek Protsahen Yojana" won a prize under the original book writing scheme of the Ministry is under the process of being published as a special edition of the Ministry's in house magazine "Nautarni". Articles received for the next edition of Nautarni are being reviewed.

#### **BOOK WRITING AWARD SCHEME**

12.8 "Award Scheme for the books written on the subjects relating to Indian Ports and Shipping originally in Hindi" and "Award Scheme for book translated from other languages in Hindi on the subject relating to Indian Ports and Shipping" have been instituted. The advertisement of the same has been uploaded on the website of the Ministry and published in the newspapers.

#### **HINDI SALAHAKAR SAMITI**

12.9 With a view to render advice for effective implementation of the Official Language Policy of the Government, the Hindi Salahkar Samiti (Advisory Committee) of the Ministry of Shipping has been under the process of reconstitution after the constitution of 16th Lok Sabha.

#### **PRATI DIN EK SHABD**

12.10 The scheme named 'Prati Din Ek Shabd' is being run in the Ministry. Under this scheme, one word/phrase in Hindi and its English equivalent is being displayed on the board installed near reception floor of the Transport Bhawan. These words/phrases are generally of administrative and technical in nature which are used in day-to-day official work.

A list of words used in Government work has been prepared which has been circulated among all the officers and sections of the Ministry. This list is also uploaded on the website of the Ministry.





## CHAPTER-XIII

## Extracts from Results Framework Document (RFD) for Ministry of Shipping (2013-14)

(Section-1 : Vision, Mission, Objectives and Functions; Performance Evaluation Report containing corresponding achievements and composite score and Section – 6 outcome/ impact of Department/Ministry)

### Section 1 : Vision, Mission, Objectives and Functions

#### Vision

Ports that provide world class maritime services and promotion of rapid growth of shipping and shipbuilding industry as well as inland waterways transportation in the country.

#### Mission

Enhancing capacity and efficiency of major ports; increase India's share in global shipping; promoting and strengthening the Indian shipping and shipbuilding industry; ensure safety and environmental sustainability of maritime shipping and national waterways; achieve optimum utilization of inland waterways and coastal shipping potential in the country.

#### Objectives

- 1 Capacity Augmentation of Major Ports
- 2 Improve Efficiency of Ports
- 3 Improve implementation of Port Projects.
- 4 Maintain/ improve draught of channels for berthing of ships
- 5 Increase tonnage under Indian flag
- 6 Formulation of Policies in Maritime Sector.
- 7 Updating regulatory framework

- 8 Promotion of Inland Waterways Transportation.
- 9 Improve performance of PSUs/ Autonomous Organizations
- 10 Promotion of Shipbuilding Industry
- 11 Improvement of navigational aids
- 12 Improving safety of maritime shipping
- 13 Mitigating pollution levels in line with International standards.
- 14 Increase in skilled manpower in Maritime Sector.
- 15 Promotion of Coastal Shipping

#### Functions

1. Maritime shipping and navigation; provision of education and training for the mercantile marine.
2. Lighthouses and Lightships.
3. Administration of the Indian Ports Act, 1908, (15 of 1908) and the Major Port Trusts Act, 1963 (38 of 1963) and ports declared as major ports.
4. Inland waterways and traffic thereon.
5. Organization and maintenance of mainland islands and inter-island shipping services.



6. Legislation relating to shipping and navigation on inland waterways as regards mechanically propelled vessels and the carriage of passengers and goods on inland waterways.
7. Formulation of the privatization policy in the infrastructure areas of ports, shipping and inland waterways.
8. Legislation relating to and coordination of the development of minor and major ports.
9. The Development of township of Gandhidham.
10. Prevention and control of pollution arising from ships, shipwrecks and abandoned ships in the sea, including the port areas;
11. 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.
12. Enactment and administration of legislation related to prevention, control and combating of pollution arising from ships; and
13. Ship-building and ship-repair industry.
14. Floating craft industry.
15. Monitoring and combating of oil pollution in the port areas.
16. Shipping and navigation including carriage of passengers and goods on inland waterways declared by Parliament by law to be national waterways as regards mechanically propelled vessels, the rule of the road on such waterways.
17. Planning of Inland Water Transport.
18. 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 Side and export on Cost and Freight/Cost Insurance and Freight basis.





## Performance Evaluation Report

(inclusive of contents of Section:2 Inter-se Priority among Key Objectives, Success indicators and Targets and corresponding achievements and composite score in Ministry of Shipping RFD-2013-14)

| Objective                                       | Weight | Action  | Success Indicator                | Unit           | Weight | Target / Criteria Value |            |            |            |            | Achievement | Performance |                |
|---|--------|---|----------------------------------|----------------|--------|-------------------------|------------|------------|------------|------------|-------------|-------------|----------------|
|   |        |   |                                  |                |        | Excellent               | Very Good  | Good       | Fair       | Poor       |             | Raw Score   | Weighted Score |
|   |        |   |                                  |                |        | 100%                    | 90%        | 80%        | 70%        | 60%        |             |             |                |
| 1 Promotion of Inland Waterways Transportation. | 10.00  | Construction of IWT Terminal at GR Jetty - 2 Kolkata  | Percentage of work Completed     | %              | 1.00   | 100                     | 95         | 90         | 85         | 80         | 100         | 100.0       | 1.0            |
|   |        | setting up of River Information Services (RIS) system in Sagar-Farakka Stretch of NW-1.   | Percentage of work Completed     | %              | 1.00   | 30                      | 25         | 20         | 15         | 10         | 25          | 90.0        | 0.9            |
|   |        | Construction of IWT terminal at Allapuzha on NW-3   | Percentage of work Completed     | %              | 1.00   | 70                      | 65         | 60         | 55         | 50         | 79          | 100.0       | 1.0            |
|   |        | Construction of RO-RO jetty at Dhubri on NW-2.  | Percentage of work Completed     | %              | 1.00   | 10                      | 8          | 6          | 4          | 2          | 8           | 90.0        | 0.9            |
|   |        | NTPC Coal movement between Bay of Bengal and Barh by IWT.   | Signing of tripartite agreement  | Date           | 1.00   | 15/02/2014              | 01/03/2014 | 10/03/2014 | 20/03/2014 | 31/03/2014 |             | N/A         | N/A            |
|   |        | Maintenance of 2.5 m Least Available Depth (LAD) in Hadlia-Farakka stretch of National Waterways-1                                  | Maintenance of LAD               | Days           | 1.00   | 330                     | 315        | 300        | 285        | 270        | 365         | 100.0       | 1.0            |
|   |        | Maintenance of 2.5 m Least Available Depth (LAD) in Dubri-Pandu stretch of National Waterways-2                                     | Maintenance of LAD               | Days           | 0.80   | 330                     | 315        | 300        | 285        | 270        | 365         | 100.0       | 0.8            |
|   |        | Maintenance of 2 m Least Available Depth (LAD) in Champakara & Udyogmandal canals, Cherai-Alappuzha stretch of National Waterways-3 | Maintenance of LAD               | Days           | 0.70   | 330                     | 315        | 300        | 285        | 270        | 334         | 100.0       | 0.7            |
|   |        | Cargo transportation on National Waterways over 2012-13.  | Increase in cargo transportation | Billion Ton-km | 1.00   | 1.50                    | 1.37       | 1.28       | 1.22       | 1.15       | 14.42       | 100.0       | 1.0            |
|   |        | Transportation of foodgrains to Tripura through Indo- Bangladesh protocol route via Ashuganj.                                       | Commencement of transportation.  | Date           | 0.50   | 15/02/2014              | 01/03/2014 | 10/03/2014 | 20/03/2014 | 31/03/2014 |             | N/A         | N/A            |



| Objective   | Weight | Action  | Success Indicator  | Unit   | Weight | Target / Criteria Value |                  |             |             |             |              | Achiev-<br>ement | Performance            |     |
|---|--------|---|--|--------|--------|-------------------------|------------------|-------------|-------------|-------------|--------------|------------------|------------------------|-----|
|   |        |   |  |        |        | Excellent<br>100%       | Very Good<br>90% | Good<br>80% | Fair<br>70% | Poor<br>60% | Raw<br>Score |                  | Weigh-<br>ted<br>Score |     |
|   |        |   |  |        |        |                         |                  |             |             |             |              |                  |                        |     |
| 2 Capacity Augmentation of Major Ports                        | 13.00  | Integrated National Waterways Grid Connectivity.                          | Finalisation of master plan.                                   | Date   | 1.00   | 31/12/2013              | 31/01/2014       | 28/02/2014  | 15/03/2014  | 31/03/2014  |              |                  | N/A                    | N/A |
|   |        | Capacity Augmentation through PPP Projects.                               | Final approval for PPP projects.                               | Nos    | 3.00   | 8                       | 7                | 6           | 5           | 4           | 13           | 100.0            | 3.0                    |     |
|   |        | Capacity Augmentation through Non-PPP projects.                           | Final approval for Non-PPP projects of ports.                  | Nos    | 2.00   | 06                      | 05               | 04          | 03          | 02          | 14           | 100.0            | 2.0                    |     |
|   |        | Setting up of two new major Ports.  | In-principle approval.   | Date   | 5.00   | 31/10/2013              | 15/11/2013       | 30/11/2013  | 15/12/2013  | 31/12/2013  | 09/05/2013   | 100.0            | 5.0                    |     |
|   |        | Construction of outer harbour at VOC Port, Tuticorn.                      | Completion of Feasibility Report                               | Date   | 3.00   | 31/12/2013              | 31/01/2014       | 28/02/2014  | 15/03/2014  | 31/03/2014  | 07/12/2013   | 100.0            | 3.0                    |     |
| 3 Improve Efficiency of Ports                                 | 8.00   | Reduced average turnaround time attributable to Port account              | No. of days  | Days   | 2.00   | 2.48                    | 2.51             | 2.57        | 2.59        | 2.61        | 2.25         | 100.0            | 2.0                    |     |
|   |        | Reduced average pre-berthing detention time attributable to Port account. | No. of hours   | Hours  | 2.00   | 9.50                    | 9.55             | 11.63       | 11.66       | 11.70       | 6.94         | 100.0            | 2.0                    |     |
|   |        | Increase in Average Output per berth per day                              | Achievement by end of financial year                           | Tonnes | 2.00   | 11700                   | 11600            | 11400       | 11200       | 11000       | 12509        | 100.0            | 2.0                    |     |
|   |        | Average no. of moves per crane hour for container handling                | Achievement by end of financial year                           | Nos    | 2.00   | 24.00                   | 23.90            | 23.50       | 23.20       | 23.00       | 24.20        | 100.0            | 2.0                    |     |
| 4 Maintain/ improve draught of channels for berthing of ships | 3.00   | Dredging of Channels of Major Ports by Dredging Corporation of India      | Quantity/ volume of dredging material by end of financial year | MCM    | 2.00   | 50                      | 48               | 45          | 42          | 40          | 62.35        | 100.0            | 2.0                    |     |
|   |        | Deepening of channels upto 14 meters                                      | No. of ports coming upto 14 meters draft                       | Nos.   | 1.00   | 4                       | 3                | 2           | 1           | 0           | 8            | 100.0            | 1.0                    |     |
| 5 Improve performance of PSUs/Autonomous                      | 2.00   | Disinvestment of Cochin Shipyard Limited                                  | Submission of Cabinet Note                                     | Date   | 1.00   | 15/02/2014              | 28/02/2014       | 10/03/2014  | 20/03/2014  | 31/03/2014  |              | N/A              | N/A                    |     |



| Objective     | Weight                                   | Action  | Success Indicator                                      | Unit       | Weight | Target / Criteria Value |            |            |            |              | Achiev-<br>ement | Performance            |      |
|---------------|--|---|--|------------|--------|-------------------------|------------|------------|------------|--------------|------------------|------------------------|------|
|               |  |   |  |            |        | Excellent               | Good       | Fair       | Poor       | Raw<br>Score |                  | Weigh-<br>ted<br>Score |      |
|               |  |   |  |            |        | 100%                    | 80%        | 70%        | 60%        |              |                  |                        |      |
| Organizations |  |   |  |            |        |                         |            |            |            |              |                  |                        |      |
|               |  | Delegation of enhanced financial powers to Ports  | Approval by competent authority                        | Date       | 1.00   | 31/01/2014              | 15/02/2014 | 28/02/2014 | 15/03/2014 | 31/03/2014   |                  | N/A                    | N/A  |
|               | 6  | Increase tonnage under Indian flag  | Increase in share of Indian ships to overall trade     | %          | 2.00   | 1.05                    | 1.03       | 1.02       | 1.01       | 1.00         | 1.04             | 95.0                   | 1.9  |
|               |  | Increase in tonnage under Indian ships.   | Achievement of Indian tonnage by end of financial year | Million GT | 2.00   | 11.00                   | 10.80      | 10.70      | 10.60      | 10.50        | 10.50            | 60.0                   | 1.2  |
| 7             | Promotion of Shipbuilding Industry       | Release of subsidy to complete cases received upto December,2013  | Expenditure w.r.t. RE.                                 | %          | 3.00   | 85                      | 80         | 70         | 65         | 60           | 63.57            | 67.14                  | 2.01 |
| 8             | Improvement of navigational aids         | Establishment of National AIS Network Phase-I.  | Installation   | Date       | 2.25   | 28/02/2014              | 05/03/2014 | 10/03/2014 | 20/03/2014 | 31/03/2014   | 28/02/2014       | 100.0                  | 2.25 |
|               |  | Automation of Chennai, Kochi, Vishakhapatnam & Kolkata LH Districts.  | Installation   | Date       | 2.25   | 30/09/2013              | 31/10/2013 | 30/11/2013 | 31/12/2013 | 31/01/2014   | 30/09/2013       | 100.0                  | 2.25 |
|               |  | Establishment of Navtex Chain.  | Supply of equipment.                                   | Date       | 1.50   | 28/02/2014              | 05/03/2014 | 10/03/2014 | 20/03/2014 | 31/03/2014   | 28/02/2014       | 100.0                  | 1.5  |
| 9             | Updating regulatory framework            | Ratification of International conventions on Maritime Labour Convention and Hazardous & Noxious Substances. | Submission of Note for Cabinet.                        | Nos.       | 3.00   | 02                      | 01         | 0          | 0          | 0            | 1                | 90.0                   | 2.7  |
|               |  | Review of TAMP guidelines.  | Finalisation of new guidelines.                        | Date       | 3.00   | 31/01/2014              | 15/02/2014 | 28/02/2014 | 15/03/2014 | 31/03/2014   | 30/09/2013       | 100.0                  | 3.0  |
| 10            | Improve implementation of Port Projects. | Dredging of channels  | Projects completed during the fin. Year                | Nos        | 2.00   | 03                      | 02         | 01         | 0          | 0            | 3                | 100.0                  | 2.0  |
|               |  | Independent port user satisfaction survey.  | Completion of survey.                                  | Date       | 2.00   | 01/02/2014              | 15/02/2014 | 28/02/2014 | 15/03/2014 | 31/03/2014   |                  | N/A                    | N/A  |
|               |  | Increase in total capacity in Major Ports including   | Total capacity achieved by the end of financial        | MMT        | 4.00   | 800                     | 790        | 770        | 760        | 750          | 800.52           | 100.0                  | 4.0  |



| Objective  | Weight | Action  | Success Indicator  | Unit | Weight | Target / Criteria Value |                  |             |             |             | Achievement | Performance  |                   |
|--|--------|---|--|------|--------|-------------------------|------------------|-------------|-------------|-------------|-------------|--------------|-------------------|
|  |        |   |  |      |        | Excellent<br>100%       | Very Good<br>90% | Good<br>80% | Fair<br>70% | Poor<br>60% |             | Raw<br>Score | Weighted<br>Score |
|  |        | capacity addition during the year   | year   |      |        |                         |                  |             |             |             |             |              |                   |
|  |        | To expedite existing port connectivity projects.  | Medium term action plan (5 years)  | Date | 2.00   | 31/12/2013              | 31/01/2014       | 28/02/2014  | 15/03/2014  | 31/03/2014  | 30/12/2013  | 100.0        | 2.0               |
| 11 Mitigating pollution levels in line with International standards. | 2.00   | Ratification of International Convention for control and management of ships - Ballast Water and Sediments. | Submission of Note for Cabinet.  | Date | 1.00   | 31/01/2014              | 15/02/2014       | 28/02/2014  | 15/03/2014  | 31/03/2014  |             | N/A          | N/A               |
|  |        | Accession to International Convention on Civil Liability for Bunker Oil Pollution Damage 2001               | Submission of Note for Cabinet.  | Date | 1.00   | 31/01/2014              | 15/02/2014       | 28/02/2014  | 15/03/2014  | 31/03/2014  |             | N/A          | N/A               |
| 12 Improving safety of maritime shipping                             | 4.00   | Safety Of Life At Sea (SOLAS).  | Installation of Vessel Traffic System in major Ports                       | Nos. | 2.00   | 3                       | 2                | 1           | 0           | 0           | 3           | 100.0        | 2.0               |
|  |        | Safety audits to be carried out by ports for handling of hazardous/ noxious cargoes.                        |  | Nos. | 2.00   | 4                       | 3                | 2           | 1           | 0           | 4           | 100.0        | 2.0               |
| 13 Formulation of Policies in Maritime Sector.                       | 8.00   | Land Policy   | Submission of Note for Cabinet.  | Date | 3.00   | 31/08/2013              | 30/09/2013       | 31/10/2013  | 30/11/2013  | 31/12/2013  | 20/05/2013  | 100.0        | 3.0               |
|  |        | Captive Policy.   | Submission of Note for Cabinet.  | Date | 2.00   | 31/12/2013              | 31/01/2014       | 28/02/2014  | 15/03/2014  | 31/03/2014  | 31/12/2013  | 100.0        | 2.0               |
|  |        | Amendments to MCA.  | Submission of Note for Cabinet.  | Date | 3.00   | 30/11/2013              | 31/12/2013       | 31/01/2014  | 28/02/2014  | 31/03/2014  |             | N/A          | N/A               |
| 14 Increase in skilled manpower in Maritime Sector.                  | 4.00   | Strengthening of Indian Maritime University   | Utilisation of Plan expenditure  | %    | 1.00   | 100                     | 90               | 80          | 75          | 70          | 80          | 80.0         | 0.8               |
|  |        | Increase in training berths in ships to facilitate Certificate of Competency (COC) for more officers.       | Issue of COC to entry level Engineers/Nautical officers after sea training | Nos. | 1.00   | 6600                    | 6500             | 6000        | 5700        | 5500        | 6295        | 85.9         | 0.86              |



| Objective   | Weight | Action  | Success Indicator                                  | Unit | Weight | Target / Criteria Value |            |            |            |              | Achiev-<br>ement | Performance           |     |
|---|--------|---|--|------|--------|-------------------------|------------|------------|------------|--------------|------------------|-----------------------|-----|
|   |        |   |  |      |        | Excellent               | Good       | Fair       | Poor       | Raw<br>Score |                  | Weigh-<br>ed<br>Score |     |
|   |        |   |  |      |        | 100%                    | 80%        | 70%        | 60%        |              |                  |                       |     |
| 15Promotion of Coastal Shipping                     | 2.00   | Study to assess future skilled manpower requirements in the ports, shipping and inland waterways sector as well as shipbuilding, dredging and coastal shipping. | Submission of study report                         | Date | 1.00   | 31/01/2014              | 15/02/2014 | 28/02/2014 | 15/03/2014 | 31/03/2014   | 31/01/2014       | 100.0                 | 1.0 |
|   |        | Research support group to monitor, support and coordinate the activities of Maritime Training Institute.  | Formation of group.                                | Date | 1.00   | 31/08/2013              | 30/09/2013 | 31/10/2013 | 30/11/2013 | 31/12/2013   | 17/07/2013       | 100.0                 | 1.0 |
|   |        | Formulation of Incentive scheme for promotion of coastal shipping.  | Finalisation of EFC Memo.                          | Date | 1.00   | 31/01/2014              | 15/02/2014 | 28/02/2014 | 15/03/2014 | 31/03/2014   |                  | N/A                   | N/A |
|   |        | Development of berths/jetties for coastal shipping  | Finalisation of EFC Memo for scheme of assistance. | Date | 1.00   | 31/01/2014              | 15/02/2014 | 28/02/2014 | 15/03/2014 | 31/03/2014   | 31/01/2014       | 100.0                 | 1.0 |
| * Efficient Functioning of the RFD System           | 3.00   | Timely submission of Draft RFD 2014-15 for Approval   | On-time submission                                 | Date | 2.0    | 05/03/2014              | 06/03/2014 | 07/03/2014 | 08/03/2014 | 11/03/2014   | 05/03/2014       | 100.0                 | 2.0 |
| * Transparency/Service delivery Ministry/Department | 3.00   | Timely submission of Results for 2012-13  | On-time submission                                 | Date | 1.0    | 01/05/2013              | 02/05/2013 | 03/05/2013 | 06/05/2013 | 07/05/2013   | 01/05/2013       | 100.0                 | 1.0 |
|   |        | Independent Audit of implementation of Citizens/Clients Charter (CCC)   | % of implementation                                | %    | 2.0    | 100                     | 90         | 80         | 70         | 60           | 31               | 0.0                   | 0.0 |
|   |        | Independent Audit of implementation of Public Grievance Redressal System  | % of implementation                                | %    | 1.0    | 100                     | 90         | 80         | 70         | 60           |                  | N/A                   | N/A |
| * Administrative Reforms                            | 6.00   | Implement mitigating strategies for reducing potential risk of  | % of implementation                                | %    | 1.0    | 100                     | 95         | 90         | 85         | 80           | 100              | 100.0                 | 1.0 |



| Objective   | Weight | Action   | Success Indicator  | Unit | Weight | Target / Criteria Value |            |            |            |            | Achiev-<br>ement | Performance  |                        |
|---|--------|--|--|------|--------|-------------------------|------------|------------|------------|------------|------------------|--------------|------------------------|
|   |        |  |  |      |        | Excellent               | Very Good  | Good       | Fair       | Poor       |                  | Raw<br>Score | Weigh-<br>ted<br>Score |
|   |        |  |  |      |        | 100%                    | 90%        | 80%        | 70%        | 60%        |                  |              |                        |
| * Improving Internal Efficiency/Responsiveness.                 | 2.00   | corruption   |  |      |        |                         |            |            |            |            |                  |              |                        |
|   |        | Implement ISO 9001 as per the approved action plan   | % of implementation  | %    | 2.0    | 100                     | 95         | 90         | 85         | 80         | 100              | 100.0        | 2.0                    |
|   |        | Identify, design and Implement major innovations.  | Timely submission of Action Plan for enabling innovation   | Date | 2.0    | 15/05/2014              | 16/05/2014 | 19/05/2014 | 20/05/2014 | 21/05/2014 | 15/05/2014       | 100.0        | 2.0                    |
|   |        | Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations | Timely submission  | Date | 1.0    | 24/03/2014              | 25/03/2014 | 26/03/2014 | 27/03/2014 | 28/03/2014 | 24/03/2014       | 100.0        | 1.0                    |
| * Ensuring compliance to the Financial Accountability Framework | 1.00   | Update departmental strategy to align with 12th Plan priorities  | Timely updation of the strategy  | Date | 2.0    | 10/09/2013              | 17/09/2013 | 24/09/2013 | 01/10/2013 | 08/10/2013 |                  | N/A          | N/A                    |
|   |        | Timely submission of ATNs on Audit paras of C&AG   | Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.  | %    | 0.25   | 100                     | 90         | 80         | 70         | 60         |                  | N/A          | N/A                    |
|   |        | Timely submission of ATRs to the PAC Sectt. on PAC Reports.  | Percentage of ATRs submitted within due date ( 6 months) from date of presentation of Report to Parliament by PAC during the year. | %    | 0.25   | 100                     | 90         | 80         | 70         | 60         |                  | N/A          | N/A                    |
|   |        | Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2013.  | Percentage of outstanding ATNs disposed off during the year.   | %    | 0.25   | 100                     | 90         | 80         | 70         | 60         |                  | N/A          | N/A                    |
|   |        | Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2013.                  | Percentage of outstanding ATRs disposed off during the year.   | %    | 0.25   | 100                     | 90         | 80         | 70         | 60         |                  | N/A          | N/A                    |

\* Mandatory Objective(s)

Total Composite Score : 78.77



## Section 6: Outcome/Impact of Department/Ministry

| Outcome/Impact of Department/Ministry                            | Jointly responsible for influencing this outcome/impact with the following department (S)/ Ministry (ies)                       | Success Indicator   | Unit           | FY 11/12 | FY 12/13 | FY 13/14 | FY 14/15 | FY 15/16 |
|--|---|---|----------------|----------|----------|----------|----------|----------|
| 1 Capacity augmentation of major ports                           | All Major Ports, Ministry of Shipping, Ministry of Finance, Planning Commission, Ministry of Environment and Forest.            | Total capacity achieved by end of the financial year (in MMT)     | MMT            | 695      | 745      | 790      | 840      | 890      |
| 2 Improved Efficiency of Ports                                   | All Major Ports, PPP / BOT operators, M/o. Railways, M/o. Roads Transport & Highways, NHAI, DCI, Indian Ports Association (IPA) | Increased handling of goods in major Ports                        | MT             |          | 450      | 500      | 550      | 600      |
|  |   | Average Turnaround time attributable to Port account              | Days           | 2.61     | 2.59     | 2.51     | 2.48     | 2.45     |
|  |   | Average Pre-berthing detention time attributable to Port account. | Hours          | 11.13    | 12.86    | 9.55     | 9.50     | 9.45     |
|  |   | Increase in Average Output per berth per day                      | Tonnes         | 11112    | 11700    | 11600    | 11700    | 11800    |
|  |   | Average no. of moves per crane hour for container handling        | Nos.           | 23       | 23       | 23.90    | 24       | 24.5     |
| 3 Increase in Indian tonnage                                     | DG Shipping, M/o Finance  | Indian tonnage in million GT at end of Financial Year.            | MGT            | 9.8      | 10.45    | 10.80    | 11.30    | 11.50    |
| 4 Enhancing competitiveness of the Indian Shipbuilding industry. | M/o Finance and DG(S)   | Release of subsidy to shipyards                                   | %              | 75       | 80       | 80       | 85       | 85       |
| 5 Promotion of IWT sector  | Inland Waterways Authority of India   | Increase in cargo transport.                                      | Billion Ton-KM | 1.13     | 1.24     | 1.37     | 1.50     | 1.65     |
| 6 Increase in availability of skilled manpower                   | DG Shipping and Indian Maritime University  | Issue of CoCs to entry level Engineers/Nautical Officers          | Nos.           | 6591     | 6500     | 6500     | 7000     | 7500     |
| 7 Coastal Shipping   | DG(Shipping) and Major Ports.   | Increased cargo moved under coastal shipping                      | MT             |          |          | 10       | 15       | 20       |

SCHEDULE

MINISTRY OF SHIPPING

Annexure-I (Para -1.5)

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

1. Maritime shipping and navigation; provision of education and training for the mercantile marine.
2. Lighthouses and lightships.
3. 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.
4. 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.
5. Ship-building and ship-repair industry
- 5(A) Shipbreaking
6. Fishing Vessels Industry
7. Floating Craft Industry

**II IN RESPECT OF THE UNION TERRITORIES**

8. Inland Waterways and traffic thereon.

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

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

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

10. Legislation relating to shipping and navigation on inland waterways as regards mechanically propelled vessels and the carriage of passengers and goods on inland waterways.
11. Legislation relating to and coordination of

the Development of Minor and Major Ports.

12. 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.
13. 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 side and export on cost and freight/cost insurance and freight basis.
14. Planning of Inland Water Transport.
15. Formulation of the Privatisation Policy in the Infrastructure Areas of ports, shipping and inland waterways.
16. The development of township of Gandhidham.
17. Prevention and control of Pollution:
  - (a) Prevention and control of pollution arising from ships, shipwrecks and abandoned ships in the sea, including the port area;
  - (b) Enactment and administration of legislation relating to prevention, control and combating of pollution arising from ships; and
  - (c) Monitoring and combating of oil pollution in the port areas.
- V. SUBORDINATE AND ATTACHED OFFICES**
18. Director General of Shipping
19. Andaman, Lakshadweep Harbour Works
20. Directorate General of Lighthouses and Lightships
21. Minor Ports Survey Organisation



**VI AUTONOMOUS BODIES**

22. Tariff Authority of Major Ports (TAMP)
23. Port Trusts at Mumbai, Kolkata, Kochi, Kandla, Chennai, Mormugao, Jawaharlal Nehru (Nhava Sheva), Paradip, Tuticorin, Visakhapatnam and New Mangalore
24. Dock Labour Board at Kolkata
25. Inland Waterways Authority of India
26. Seamen's Provident Fund Organisation
27. Indian Maritime University

**VII SOCIETIES/ASSOCIATIONS**

28. Seafarer's Welfare Fund Society
29. Indian Port Association.

**VIII PUBLIC SECTOR UNDERTAKINGS**

30. Shipping Corporation of India
31. Cochin Shipyard Limited
32. Central Inland Water Transport Corporation Limited
33. Dredging Corporation of India
34. Hooghly Dock and Ports Engineers Limited
35. Kamarajar Port Limited
36. Sethusamudram Corporation Limited.

**IX INTERNATIONAL ASPECTS**

37. International Maritime Organisation

**X ACTS AND RULES**

38. Indian Ports Act 1908 (15 of 1908)
39. The Inland Vessels Act, 1917 (1 of 1917).
40. Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948)

41. The Merchant Shipping Act, 1958 (44 of 1958).
42. The Major Port Trusts Act, 1963 (38 of 1963)
43. The Seamen's Provident Fund Act, 1966 (4 of 1966).
44. The Inland Waterways Authority of India Act, 1985 (82 of 1985).
45. The Multimodal Transportation of Goods Act, 1993 (28 of 1993).
46. Indian Maritime University, Act, 2008
47. The Coasting Vessels Act, 1838
48. The National Waterways, Allahabad to Haldia stretch of Ganga-Bhagirathi-Hooghly river Act 1982.
49. The National Waterways, Sadiya Dhubri stretch of River Brahmaputra Act 1988
50. The National Waterways, Kakinada-Puducherry stretch of Canal and Kaluvelly tank, Bhadrachalam-Rajahmundry stretch of river Godavari and Wazirabad-Vijaywada stretch of river Krishna Act 2008.
51. The National Waterways, Talcher-Dhamra stretch of rivers, Geonkhali-Charbatia stretch of East Coast canal, Charbatia-Dhamra stretch of Matai river and Mahanadi delta river Act 2008.
52. The National Waterways, Kollam-Kottapuram stretch of west coast canal and Champakara and Udyogmandal canals Act 1992 (No. 25 of 1992).
53. The Suppression of Unlawful Acts against Safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, 2002.





## Annexure-III

**STATEMENT SHOWING THE QUANTITIES OF CARGOES FOR WHICH SHIPPING ARRANGEMENTS  
WERE MADE BY CHARTERING WING, MINISTRY OF SHIPPING FOR THE YEAR 2013 & 2014.**

| PARTICULARS                | FOR THE 2013 (01.01.2013 TO 31.12.2013) |            |            |                |               |               | FOR THE 2014 (01.01.2014 TO 31.12.2014) |            |            |                |               |               |
|----------------------------|---|------------|------------|----------------|---------------|---------------|---|------------|------------|----------------|---------------|---------------|
|                            | NOS OF VSLs                             |            |            | QTY IN LAKH MT |               |               | NOS OF VSLs                             |            |            | QTY IN LAKH MT |               |               |
|                            | IND                                     | FGN        | TOTAL      | IND            | FGN           | TOTAL         | IND                                     | FGN        | TOTAL      | IND            | FGN           | TOTAL         |
| <b>A- IMPORTS</b>          |   |            |            |                |               |               |   |            |            |                |               |               |
| <b>a) DRY CARGO</b>        |   |            |            |                |               |               |   |            |            |                |               |               |
| FERTILIZER                 | 41                                      | 10         | 51         | 15.58          | 3.60          | 19.18         | 29                                      | 5          | 34         | 10.64          | 1.8           | 12.44         |
| ROCKPHOS                   | 0                                       | 2          | 2          | 0.00           | 0.58          | 0.58          | 1                                       | 3          | 4          | 0.33           | 1.03          | 1.36          |
| C.COAL/M.COAL              | 20                                      | 185        | 205        | 14.50          | 137.98        | 152.48        | 15                                      | 153        | 168        | 11.25          | 129.15        | 140.40        |
| LIMESTONE                  | 2                                       | 25         | 27         | 1.00           | 12.50         | 13.5          | 1                                       | 15         | 16         | 0.45           | 7.5           | 7.95          |
| MISC(LINER)                | 0                                       | 10         | 10         | —              | 0.1           | 50.15         | —                                       | —          | —          | —              | —             | —             |
| MOP                        | 0                                       | 3          | 3          | 0.00           | 1.02          | 1.02          | 0                                       | 4          | 4          | 0              | 1.32          | 1.32          |
| <b>TOTAL (a)</b>           | <b>63</b>                               | <b>235</b> | <b>298</b> | <b>31.08</b>   | <b>155.83</b> | <b>186.91</b> | <b>46</b>                               | <b>180</b> | <b>226</b> | <b>22.67</b>   | <b>140.80</b> | <b>163.47</b> |
| <b>PERCENTAGE</b>          | —                                       | —          | —          | <b>16.63</b>   | <b>83.37</b>  | —             | —                                       | —          | —          | —              | <b>13.87</b>  | <b>86.13</b>  |
| <b>b) LIQUID CARGOES</b>   |   |            |            |                |               |               |   |            |            |                |               |               |
| CRUDE OIL                  | 75                                      | 20         | 95         | 65.00          | 18.42         | 83.42         | 52                                      | 3          | 55         | 53.22          | 3.48          | 56.70         |
| <b>TOTAL (b)</b>           | <b>75</b>                               | <b>20</b>  | <b>95</b>  | <b>65.00</b>   | <b>18.42</b>  | <b>83.42</b>  | <b>52</b>                               | <b>3</b>   | <b>55</b>  | <b>53.22</b>   | <b>3.48</b>   | <b>56.70</b>  |
| <b>PERCENTAGE</b>          | —                                       | —          | —          | <b>77.92</b>   | <b>22.08</b>  | —             | —                                       | —          | —          | <b>93.86</b>   | <b>6.14</b>   | —             |
| <b>TOTAL IMP (a+b)=(A)</b> | <b>138</b>                              | <b>255</b> | <b>393</b> | <b>96.08</b>   | <b>174.25</b> | <b>270.33</b> | <b>98</b>                               | <b>183</b> | <b>281</b> | <b>75.89</b>   | <b>144.28</b> | <b>220.17</b> |
| <b>PERCENTAGE</b>          | —                                       | —          | —          | <b>35.54</b>   | <b>64.46</b>  | —             | —                                       | —          | —          | <b>34.47</b>   | <b>65.53</b>  | —             |
| <b>B) LINER CARGOES</b>    | —                                       | —          | —          | 3.06           | 0.65          | 3.71          | 0                                       | 0          | 0          | 1.35           | 0.15          | 1.50          |
| <b>TOTAL</b>               | —                                       | —          | —          | <b>3.06</b>    | <b>0.65</b>   | <b>3.71</b>   | <b>0</b>                                | <b>0</b>   | <b>0</b>   | <b>1.35</b>    | <b>0.15</b>   | <b>1.50</b>   |
| <b>PERCENTAGE</b>          | —                                       | —          | —          | <b>82.48</b>   | <b>17.52</b>  | —             | —                                       | —          | —          | <b>90.00</b>   | <b>10.00</b>  | —             |
| <b>C) COASTAL MOVEMENT</b> |   |            |            |                |               |               |   |            |            |                |               |               |
| IRON ORE                   | 6                                       | 20         | 26         | 2.85           | 9.36          | 12.21         | 3                                       | 16         | 19         | 1.37           | 7.45          | 8.82          |
| <b>TOTAL</b>               | <b>6</b>                                | <b>20</b>  | <b>26</b>  | <b>2.85</b>    | <b>9.36</b>   | <b>12.21</b>  | <b>3</b>                                | <b>16</b>  | <b>19</b>  | <b>1.37</b>    | <b>7.45</b>   | <b>8.82</b>   |
| <b>PERCENTAGE</b>          | —                                       | —          | —          | <b>23.34</b>   | <b>76.66</b>  | —             | —                                       | —          | —          | <b>15.53</b>   | <b>84.47</b>  | —             |
| <b>TOTAL (A+B+C)</b>       | <b>144</b>                              | <b>275</b> | <b>419</b> | <b>101.99</b>  | <b>184.26</b> | <b>286.25</b> | <b>101</b>                              | <b>199</b> | <b>300</b> | <b>78.61</b>   | <b>151.88</b> | <b>230.49</b> |
| <b>PERCENTAGE</b>          | —                                       | —          | —          | <b>35.63</b>   | <b>64.37</b>  | —             | —                                       | —          | —          | <b>34.11</b>   | <b>65.89</b>  | —             |

## OVERSEAS CARGO HANDLED DURING 2013-14 BY PORTS

| Cargo handled                                 |                           |         |                           |         | (In '000 Tonnes)          |
|---|---------------------------|---------|---------------------------|---------|---------------------------|
| Type of Cargo                                 | Indian Lines              |         | Foreign Lines             |         | Total                     |
|   | Quantity<br>(1000 tonnes) | % Share | Quantity<br>(1000 tonnes) | % Share | Quantity<br>(1000 tonnes) |
| <b>General Cargo</b>                          |                           |         |                           |         |                           |
| Loaded  | 1018                      | 3.78    | 25899                     | 96.22   | 26917                     |
| Unloaded                                      | 3104                      | 8.79    | 32215                     | 91.21   | 35319                     |
| Total   | 4122                      | 6.62    | 58114                     | 93.38   | 62236                     |
| <b>Container</b>                              |                           |         |                           |         |                           |
| Loaded  | 1322                      | 1.75    | 74289                     | 98.25   | 75611                     |
| Unloaded                                      | 1358                      | 1.89    | 70352                     | 98.11   | 71710                     |
| Total   | 2680                      | 1.82    | 144641                    | 98.18   | 147321                    |
| <b>Dry Bulk</b>                               |                           |         |                           |         |                           |
| Loaded  | 2264                      | 5.45    | 39249                     | 94.55   | 41513                     |
| Unloaded                                      | 21060                     | 8.63    | 223010                    | 91.37   | 244070                    |
| Total   | 23324                     | 8.17    | 262259                    | 91.83   | 285583                    |
| <b>POL/Product &amp; Other Liquids</b>        |                           |         |                           |         |                           |
| Loaded  | 3339                      | 4.88    | 65069                     | 95.12   | 68408                     |
| Unloaded                                      | 35475                     | 14.33   | 212082                    | 85.67   | 247557                    |
| Total   | 38814                     | 12.28   | 277151                    | 87.72   | 315965                    |
| <b>Grand Total</b>                            |                           |         |                           |         |                           |
| Loaded  | 7943                      | 3.74    | 204506                    | 96.26   | 212449                    |
| Unloaded                                      | 60997                     | 10.19   | 537659                    | 89.81   | 598656                    |
| Total   | 68940                     | 8.50    | 742165                    | 91.50   | 811105                    |
| Source: Major Ports and State Maritime Boards |                           |         |                           |         |                           |



## Annexure-V

**TOTAL NO. OF EMPLOYEES IN THE MINISTRY OF SHIPPING (MAIN SECTT) AND NUMBER OF SCHEDULED CASTES,  
SCHEDULED TRIBES AND O.B.C. (SECRETARIAT SIDE).**

| S. No. | Class   | Sanctioned strength | Total No. of employees in position | No. of SC employees | % to total employees | No. of ST employees | % to total employees | No. of OBC employees | % to total employees |
|--------|---|---------------------|------------------------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| 1      | 2   | 3                   | 4                                  | 5                   | 6                    | 7                   | 8                    | 9                    | 10                   |
| 1.     | Group 'A'   | 37                  | 34                                 | 02                  | 5.71                 | 01                  | 2.85                 | 02                   | 5.71                 |
| 2.     | Group 'B' (Gaz)                                       | 48                  | 36                                 | 04                  | 11.11                | 05                  | 13.88                | 08                   | 22.22                |
| 3.     | Group 'B' (Non-Gaz)                                   | 76                  | 36                                 | 09                  | 25.00                | 03                  | 8.33                 | 03                   | 8.33                 |
| 4.     | Group 'C' (including Peon, Daftary, Safaiwala/ Frash) | 113                 | 81                                 | 15                  | 18.51                | 03                  | 3.70                 | 07                   | 8.64                 |

**TOTAL NO. OF EMPLOYEES IN THE MINISTRY OF SHIPPING AND NUMBER OF SCHEDULED CASTES,  
SCHEDULED TRIBES AND O.B.C. (NON - SECRETARIAT SIDE).**

| S. No. | Class                                  | Sanctioned strength | Total No. of employees in position | No. of SC employees | % to total employees | No. of ST employees | % to total employees | No. of OBC employees | % to total employees |
|--------|--|---------------------|------------------------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| 1      | 2                                      | 3                   | 4                                  | 5                   | 6                    | 7                   | 8                    | 9                    | 10                   |
| 1.     | Group 'A'                              | 21                  | 11                                 | 01                  | 8.33                 | —                   | —                    | —                    | —                    |
| 2.     | Group 'B' (Gaz)                        | 06                  | 04                                 | —                   | —                    | —                   | —                    | 1                    | 33.0                 |
| 3.     | Group 'B' (Non-Gaz)                    | 03                  | 03                                 | —                   | —                    | 01                  | 33.0                 | 01                   | 33.0                 |
| 4.     | Group 'C'                              | —                   | —                                  | —                   | —                    | —                   | —                    | —                    | —                    |
| 5.     | Group 'D' (including Safaiwala/ Frash) | —                   | —                                  | —                   | —                    | —                   | —                    | —                    | —                    |

## IMPORTANT AUDIT OBSERVATIONS

The summary of important audit observations, appearing in the following most recent Audit reports of the year ended March, 2013 are given below:

### 1. 25 of 2014 Union Government (Civil), Compliance Audit Observations

#### 16.1 of Report No. 25 of 2014 Union Government (Civil) Compliance Audit Observation

##### Ministry of Shipping Tariff Authority of Major Ports (TAMP)

- Loss of revenue due to incorrect application of rates for pilotage charges fixed by TAMP.
- Incorrect application of Tariff Authority of Major Ports approved Tariff rate for pilotage charges resulted in revenue loss of Rs. 22.77 crore to Jawaharlal Nehru Port Trust and Rs. 9.31 crore to Mormugao Port Trust .

#### 16.2 of Report No. 25 of 2014 Ministry of Shipping Kolkata Port Trust (KoPT)

- Loss of Rs. 7.58 crore due to under recovery of lease rent.
- Kolkata Port Trust had to bear a loss of Rs. 7.58 crore towards non-recovery of lease rent and premium due to non-compliance of the provision of the schedule of rate towards fixation of lease rent applicable at the time of allotment of land and non-claiming of enhanced rent from the date of allotment.

#### 16.3 of Report No. 25 of 2014 Ministry of Shipping Mumbai Port Trust (MPT)

- Infructuous expenditure on idle dredger
- Failure to dispose of the dredger which remained idle for more than five years resulted in infructuous expenditure of Rs. 4.39 crore.



**GRANT OF THE MINISTRY OF SHIPPING  
FOR THE FINANCIAL YEAR 2014-2015 (upto 31.12.2014)**

(Rs in crores)

| Grant No. & Name | Original        | Supplementary | Total Budget | Actual Expenditure | Saving     |           |
|------------------|-----------------|---------------|--------------|--------------------|------------|-----------|
|                  |                 |               |              |                    | Unutilized | Surrender |
| Grant No. 89     | Revenue Account | 0.00          | 1258.66      | 809.15             | NA         | NA        |
|                  | Capital Account | 0.00          | 516.08       | 294.33             | NA         | NA        |
|                  | Total           | 0.00          | 1774.74      | 1103.48            | NA         | NA        |

Source: Appropriation Accounts 2014-15.

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

| REVENUE RECEIPTS |   |               |               | (Rs IN CRORES)               |
|------------------|---|---------------|---------------|------------------------------|
| S.No.            | MAJOR HEAD  | 2012-13       | 2013-14       | 2014-15<br>(upto 31.12.2014) |
| 1.               | 0021-Taxes on Income other than Corporation Tax                             | 8.69          | 9.13          | 5.98                         |
| 2.               | 0045-Other Taxes & Duties on Commodities & Services                         | 4.07          | 4.25          | 4.26                         |
| 3.               | 0049- Interest Receipts   | 10.97         | 22.55         | 20.57                        |
| 4.               | 0050-Dividends & Profits  | 32.66         | 61.42         | 87.59                        |
| 5.               | 0070-Other Administrative Services  | 0.00          | 0.00          | 0.00                         |
| 6.               | 0071-Contribution & Recoveries towards Pension & Other Retirements Benefits | 5.03          | 6.05          | 8.15                         |
| 7.               | 0075-Miscellaneous General Services   | 0.01          | 0.00          | 0.00                         |
| 8.               | 0210-Medical & Public Health  | 0.19          | 0.18          | 0.16                         |
| 9.               | 0216-Housing  | 0.23          | 0.23          | 0.21                         |
| 10.              | 1051-Ports and Light Houses   | 207.68        | 225.03        | 147.42                       |
| 11.              | 1052-Shipping   | 68.61         | 71.78         | 61.13                        |
| 12.              | 1056-Inland Water Transport   | 0.00          | 0.00          | 8.02                         |
| 13.              | 1475 - Other General Economic Services                                      | 0.04          | 0.00          | 0.02                         |
| <b>A</b>         | <b>REVENUE RECEIPTS *</b>   | <b>338.18</b> | <b>400.62</b> | <b>343.51</b>                |

| CAPITAL RECEIPTS |                                       |              |              | (Rs IN CRORES)               |
|------------------|---------------------------------------|--------------|--------------|------------------------------|
| S.No.            | MAJOR HEAD                            | 2012-13      | 2013-14      | 2014-15<br>(upto 31.12.2014) |
| 1.               | 4000- Miscellaneous Capital Receipts  | 59.14        | 0.00         | 0.00                         |
| 2.               | 6858- Loans for Engineering Indst.    | 0.00         | 0.00         | 0.00                         |
| 3.               | 7051- Loans for Port & Light Houses   | 2.21         | 45.73        | 11.82                        |
| 4.               | 7056-Loans for Inland Water Transport | 0.00         | 0.00         | 0.00                         |
| 5.               | 7601-Loans & Advances to State Govt.  | 0.01         | 0.00         | 0.00                         |
| 6.               | 7610- Loans to Govt. Servants         | 0.44         | 0.41         | 0.40                         |
|                  | <b>CAPITAL RECEIPTS **</b>            | <b>61.80</b> | <b>46.14</b> | <b>12.22</b>                 |



## Annexure-IX

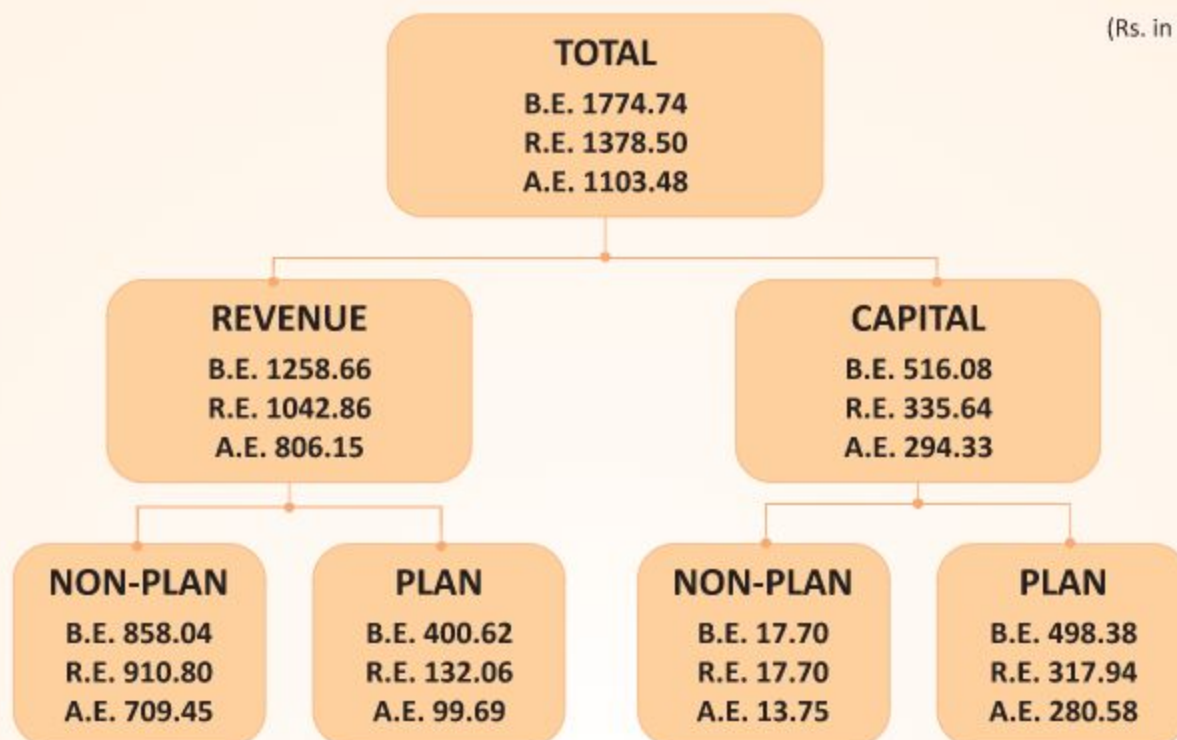
**MINISTRY OF SHIPPING**  
**HEADWISE DETAILS OF EXPENDITURE FOR THE LAST THREE YEARS**  
**i.e. FROM 2012-13 TO 2014-15 (upto 31.12.2014)**

(Rs. in crore)

| PARTICULARS  | 2012-13       |                 |                | 2013-14       |                 |                | 2014-15 (Upto 31.12.2014) |               |                |
|--|---------------|-----------------|----------------|---------------|-----------------|----------------|---------------------------|---------------|----------------|
|  | Plan          | N.PLAN          | Total          | Plan          | N.PLAN          | Total          | Plan                      | N.PLAN        | Total          |
| <b>REVENUE EXPENDITURE</b>                                 |               |                 |                |               |                 |                |                           |               |                |
| 2049-Interest Payment                                      | —             | 14.68           | 14.68          | —             | 15.52           | 15.52          | 0.00                      | 0.12          | 0.12           |
| 2071-Pension Payment                                       | —             | 16.14           | 16.14          | —             | 15.70           | 15.70          | 0.00                      | 12.93         | 12.93          |
| 2075-Mislaneous General services                           | —             | 0.00            | 0.00           | —             | —               | —              | 0.00                      | 0.00          | 0.00           |
| 2235-Social, Security & Welfare                            | —             | 0.02            | 0.02           | —             | 0.03            | 0.03           | 0.00                      | 0.06          | 0.06           |
| 2245-Relief on account of natural calamities               | —             | —               | —              | —             | —               | —              | 0.00                      | 0.00          | 0.00           |
| 2852-Industries  | 5.78          | 221.69          | 227.47         | 1.27          | 434.85          | 436.12         | 0.35                      | 5.33          | 5.68           |
| 3051-Ports & Lighthouses (Gr.No.88)                        | 3.98          | 363.47          | 367.45         | 3.92          | 639.17          | 643.09         | 9.27                      | 583.76        | 593.03         |
| 3051-Ports & Lighthouses (Gr.No.98)                        | —             | —               | —              | 0.00          | 13.15           | 13.15          | 0.00                      | 11.04         | 11.04          |
| 3051-Port & Lighthouses (Gr.No.102)                        | —             | —               | —              | 0.00          | 2.50            | 2.50           | 0.00                      | 1.63          | 1.63           |
| 3052-Shipping  | 2.00          | 48.79           | 50.79          | 1.48          | 68.55           | 70.03          | 0.00                      | 70.94         | 70.94          |
| 3056-Inland Water Transport                                | 144.12        | 27.99           | 172.11         | 128.86        | 185.32          | 314.18         | 89.00                     | 28.50         | 117.50         |
| 3451-Economic Services                                     | —             | 23.96           | 23.96          | —             | 25.86           | 25.86          | 0.00                      | 20.93         | 20.93          |
| 3601-Grant-in-aid to State Government                      | 1.86          | —               | 1.86           | 1.22          | —               | 1.22           | 1.07                      | 0.00          | 1.07           |
| 3605-Technical & Economic Cooperation with other Countries | —             | 6.89            | 6.89           | —             | —               | —              | 0.00                      | 0.00          | 0.00           |
| <b>TOTAL (Revenue Exp.)</b>                                | <b>157.74</b> | <b>723.63</b>   | <b>881.37</b>  | <b>136.75</b> | <b>1400.65</b>  | <b>1537.40</b> | <b>99.69</b>              | <b>735.24</b> | <b>834.93</b>  |
| <b>CAPITAL EXPENDITURE</b>                                 |               |                 |                |               |                 |                |                           |               |                |
| 4405-Capital outlay on fisheries                           | 0.50          | —               | 0.50           | 5.80          | —               | 5.80           | 3.88                      | 0.00          | 3.88           |
| 4406-Capital outlay on forestry & wildlife                 | —             | —               | —              | 0.44          | —               | 0.44           | 0.00                      | 0.00          | 0.00           |
| 5051- Capital outlay on Ports & Lighthouses (Gr.No.89)     | 303.52        | (-)92.63        | 210.89         | 246.84        | (-)99.13        | 147.71         | 227.55                    | (-)4.82       | 222.73         |
| 5051- Capital outlay on Ports & Lighthouses (Gr.No.98)     | —             | —               | —              | 29.52         | 0.00            | 29.5           | 225.10                    | 0.00          | 25.10          |
| 5052-Capital outlay on Shipping (Gr.No.88)                 | 63.28         | —               | 63.28          | 56.40         | 0.00            | 56.40          | 0.00                      | 0.00          | 0.00           |
| 5052-Capital outlay on Shipping (Gr.No.98)                 | —             | —               | —              | 2.59          | 0.00            | 2.59           | 1.71                      | 0.00          | 1.71           |
| 5053-Capital Outlay on Civil Aviation                      | 0.45          | —               | 0.45           | 0.30          | —               | 0.30           | 0.00                      | 0.00          | 0.00           |
| 5075-Other Transport Services                              | 2.00          | —               | 2.00           | 1.00          | —               | 1.00           | 3.02                      | 0.00          | 3.02           |
| 5452-Capital outlay on tourism (Gr.No.98)                  | —             | —               | —              | —             | —               | —              | 0.03                      | 0.00          | 0.03           |
| 6858-Loans for Engineering Industries                      | —             | 11.13           | 11.13          | —             | 11.87           | 11.87          | 0.00                      | 8.78          | 8.78           |
| 7051-Loans for Ports & Light Houses                        | —             | —               | 0.00           | 50.00         | —               | 50.00          | 50.00                     | 0.00          | 50.00          |
| 7610-Loans to Govt. servants                               | —             | 0.55            | 0.55           | —             | 0.27            | 0.27           | 0.00                      | 0.22          | 0.22           |
| <b>TOTAL (Capital Exp.)</b>                                | <b>369.75</b> | <b>(-)80.95</b> | <b>288.35</b>  | <b>392.89</b> | <b>(-)86.99</b> | <b>305.90</b>  | <b>311.29</b>             | <b>4.18</b>   | <b>315.47</b>  |
| <b>GRAND TOTAL</b>   | <b>527.49</b> | <b>642.68</b>   | <b>1170.17</b> | <b>529.64</b> | <b>1313.66</b>  | <b>1843.30</b> | <b>410.98</b>             | <b>739.42</b> | <b>1150.40</b> |

## PROFILE OF ACTUAL EXPENDITURE IN 2014-15 (upto 31/12/2014)

(Rs. in crore)



B.E. – Budget Estimate  
R.E. - Revised Estimate  
A.E. – Actual Expenditure

Source:- Appropriation Accounts

## MINISTRY OF SHIPPING

## Annexure-XI

|   | Rs in crores |
|---|--------------|
| <b>Depreciation Reserve Fund (8115)</b> |              |
| Opening Balance as on 01.04.2014        | 117.05       |
| Receipt during Apr-December 2014        | 18.00        |
| Payment during Apr-December 2014        | 18.00        |
| Closing Balance as on 31.12.2014        | 117.05       |
| <b>GENERAL RESERVE FUND (8121)</b>      |              |
| Opening Balance as on 01.04.2014        | 613.91       |
| Receipt during Apr-December 2014        | 79.30        |
| Payment during Apr-December 2014        | 79.30        |
| Closing Balance as on 31.12.2014        | 613.91       |

Source : Finance A/c 2014-15



## Annexure-XII (Para 3.31)

| (I) AVERAGE PRE-BERTHING DETENTION AND AVERAGE TURN ROUND TIME: |                    |  |                                    |                                |                                    |
|---|--------------------|--|------------------------------------|--------------------------------|------------------------------------|
| S. No.  | Port               | Average Pre-Berthing Detention-on Port/Account (Hours) |                                    | Average Turn round Time/(Days) |                                    |
|   |                    | 2013-14  | 2014-15 (upto Dec.,14) Provisional | 2013-14                        | 2014-15 (upto Dec.,14) Provisional |
| 1   | Kolkata            | 0.00   | 0.00                               | 2.58                           | 2.64                               |
| 2   | Haldia             | 18.81  | 15.37                              | 2.94                           | 2.81                               |
| 3   | Paradip            | 1.09   | 0.89                               | 2.19                           | 2.29                               |
| 4   | Visakhapatnam      | 1.45   | 2.14                               | 2.38                           | 2.58                               |
| 5   | Chennai            | 0.90   | 0.81                               | 1.66                           | 1.77                               |
| 6   | V.O.Chidambaranar  | 5.04   | 3.84                               | 2.93                           | 2.63                               |
| 7   | Cochin             | 0.98   | 1.82                               | 1.14                           | 1.26                               |
| 8   | New Mangalore      | 0.01   | 0.00                               | 1.95                           | 1.66                               |
| 9   | Mormugao           | 8.51   | 7.06                               | 2.76                           | 2.41                               |
| 10  | Jawaharlal Nehru   | 11.17  | 10.56                              | 1.74                           | 1.72                               |
| 11  | Mumbai             | 12.26  | 7.77                               | 3.89                           | 3.12                               |
| 12  | Kandla             | 14.16  | 10.08                              | 2.90                           | 2.72                               |
| 13  | Kamarajar (Ennore) | 0.02   | 0.03                               | 0.09                           | 0.09                               |

| (II) AVERAGE OUTPUT PER SHIP BERTH DAY: (IN MILLION TONNES) |                    |                                   |                                    |
|---|--------------------|-----------------------------------|------------------------------------|
| S. No.  | Port               | Average Output Per Ship Berth Day |                                    |
|   |                    | 2013-14                           | 2014-15 (upto Dec.,14) Provisional |
| 1   | Kolkata            | 3308                              | 3812                               |
| 2   | Haldia             | 6130                              | 6768                               |
| 3   | Paradip            | 18179                             | 17289                              |
| 4   | Visakhapatnam      | 10928                             | 10337                              |
| 5   | Chennai            | 15001                             | 15175                              |
| 6   | V.O.Chidambaranar  | 9633                              | 9828                               |
| 7   | Cochin             | 15881                             | 16144                              |
| 8   | New Mangalore      | 16304                             | 18906                              |
| 9   | Mormugao           | 10525                             | 10750                              |
| 10  | Jawaharlal Nehru   | 25522                             | 24590                              |
| 11  | Mumbai             | 9415                              | 7323                               |
| 12  | Kandla             | 15131                             | 16100                              |
| 13  | Kamarajar (Ennore) | 22336                             | 29582                              |
|   | <b>Average</b>     | <b>12468</b>                      | <b>12342</b>                       |







All Major Ports to  
prepare Environment  
Management Plan and  
endeavour to become  
Green Ports.



Solar Energy & Wind  
Energy to power  
Lighthouses.



Sagar Blue  
Revolution - Sagar  
Mala Port led  
development



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