

डा. संजीव रंजन  
DR. SANJEEV RANJAN



सचिव  
SECRETARY  
भारत सरकार  
GOVERNMENT OF INDIA  
पत्तन, पोत परिवहन और  
जलमार्ग मंत्रालय  
MINISTRY OF PORTS,  
SHIPPING AND WATERWAYS  
March 19, 2021

DO No. CD-11053/06/2021-Coord.

Respected Sir,

I would like to apprise you of the important issues/developments in respect of the Ministry of Ports, Shipping and Waterways for the month of February, 2021.

### Maritime India Summit-2021

Maritime India Summit-2021 was inaugurated by Hon'ble Prime Minister through Video Conferencing on 2<sup>nd</sup> March, 2021. The Hon'ble Prime Minister besides releasing the "Maritime India Vision-2030", also launched the Mercantile Maritime Domain Awareness Centre (MM-DAC), which is an information system for enhancing maritime safety, search and rescue capabilities, security and maritime environment protection. During the Summit, Ministers from more than 8 Nations, 50 Global CEOs and 160 speakers which included 115 International Speakers from 24 nations, participated in the Summit.

### Ports

- (i) The Hon'ble Prime Minister dedicated the 8-laning of Korampallam Bridge and Rail over Bridge to the Nation and laid the foundation stone for 5 MW Ground-Based Solar Power Plant at VOC Port, Tuticorin, through video conferencing from Coimbatore.
- (ii) The total traffic handled at Jawaharlal Nehru Port during the month of February-2021 was 6.25 million tons as against 5.74 million tons in February-2020, which is 8.84% higher than the total traffic over the same month of last year. In terms of TEUs, JNPT handled 461,861 TEUs during the month of February-2021. The container traffic is increased by 10.88% over the same month of last year.
- (iii) JN Port handled 500 Rakes during February-2021 and the Rail-Coefficient in FY 2020-21 (Apr. to Feb.) is 20.15%. The overall rail handling performance improvement at JN Port can be attributed to the efficiency and co-ordination of all stakeholders such as all Container Train Operators (both CONCOR and Private CTO's), Railways and all Port Terminals.

**Major Port Authority (MPA) Bill**

(iv) — The MPA Bill was passed by the Rajya Sabha on 10.02.2021 with amendments and the legislation was finally passed by the Lok Sabha on 12.02.2021. After Presidential assent, it was notified in The Gazette of India Extraordinary Part II - Section 1 on 18.02.2021.

**Inland Water Transport**

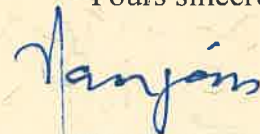
(i) — Hon'ble Prime Minister digitally launched Mahabahu Brahmaputra in Assam on 18.02.2021 and inaugurated the following initiatives of IWAI: -

- Flagging off of 4 Ro-Pax vessels to be operated by Govt. of Assam.
- MV JFR Jacob – for service between Guwahati and North Guwahati.
- MV Bob Khathing – for service between Dhubri and Hatsingimari.
- MV Rani Gaidinllu and MV Sachin Dev Burman – for service between Neamati and Kamalabari (Majuli).
- Laying of Foundation stone for construction of 4 tourist jetties at Jogighopa, Pandu, Biswanathghat and Neamati.
- Foundation Stone for construction of IWT terminal at Jogighopa.
- Dedication of IWAI digital portals Card and PANI to the Nation

(ii) 2 Ro-Ro Vessels M. V. Adi Shankara and M.V. C V Raman were dedicated to the nation by Hon'ble Prime Minister at Kochi on 14.02.2021.

Warm Regards

Yours sincerely,



(Sanjeev Ranjan)

**Shri Rajiv Gauba**  
Cabinet Secretary,  
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**AREAS IDENTIFIED BY PMO FOR GREATER THRUST AND SHARPER  
FOCUS**

<b>Sl. No.</b>	<b>Area of work</b>	<b>Outcome</b>	<b>Present status</b>
1.	Sagarmala Project-modernization of Ports, development of port linkages & Port led development: fishing community & sea-weed cultivation.	Comprehensive port led development and establishment of new modern ports.	<p>Ministry of Ports, Shipping &amp; Waterways has conveyed the in-principle approval of Competent Authority for sanctioning of Rs. 37 .47 crore and financial assistance of 50% of the project cost/tendered cost whichever is less to ALHW for the project of 'Construction of Sea port terminal at Saheed Dweep (Neil Island) in Andaman and Nicobar Islands'.</p> <p>Ministry of Ports, Shipping &amp; Waterways has conveyed the in-principle approval of Competent Authority to NTCPCW for proposal of preparation of DPR for floating jetties at 50 identified locations/sites at a total cost of Rs.2.36 crore (i.e DPRs at an average cost of Rs.4.72 lakhs)</p> <p>Ministry of Shipping has sanctioned financial assistance of Rs.5.76 crore for implementation of the project "construction of 12m wide concrete road connecting berth 5, 6, 7, 8 &amp; 9 to new entry/exit road" and released Rs 2.88 Crore to Mormugao Port Trust towards 1st installment for the project.</p> <p align="right"><b>(Action in progress)</b></p>
2.	Jal Marg Vikas, a project on river Ganga, to be developed between Allahabad & Haldia.	Promotion of Inland Water Transportation on Ganga.	<p>The Implementation of the Jal Marg Vikas Project (JMVP) on National Waterway-1 (River Ganga) from Haldia to Varanasi has been approved by the CCEA at its meeting held on 3.1.2018.</p> <p align="right"><b>(Action completed)</b></p>
3.	Encouraging Ship breaking at Alang-Gujarat.	Modernize existing shipbreaking facility to make it environmentally	<p>Gujarat Maritime Board (GMB) has finalized a project, in consultation with JICA, for modernization of Alang Soshiya ship recycling yards at a cost of USD 111 million. The proposed sharing pattern is as follows: Total cost: USD 111Million</p>

		friendly and provide welfare facility for workers employed.	<p>Loan from JICA: USD 76 Million Taxes and Admn cost: USD 25 Million</p> <p>Balance to be shared between GMB and M/o Shipping: USD 10 Million</p> <p>Record of Discussion has been signed on 07.08.2017 by JICA, GMB and M/o Shipping and loan agreement has been signed on 15th September, 2017.</p> <p style="text-align: right;"><b>(Action completed)</b></p>
4.	Comprehensive policy for Ship building and shipping services to be developed.	Promoting a competitive shipbuilding industry in India.	<p>Policies of Shipbuilding Financial Assistance Policy, revision of domestic eligibility criteria for shipbuilding and ship repair works floated by government department or agencies and grant of Infrastructure Status to standalone shipyards have been announced to give support and encouragement to the ship building industry.</p> <p style="text-align: right;"><b>(Action completed)</b></p>
5.	Simplification of process & system improvement for Coastal cargo.	Promoting coastal shipping.	<p>As per discussion in PMO on July 25, 2014 and September 4, 2014, with respect to identifying alternative measures to relaxation of cabotage policy, Department of Revenue has, through Gazette Notification dated November 11, 2014 and subsequently through modified Notification dated January 7, 2015, exempted Customs and Central Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of EXIM and empty containers between two ports in India. However, the said exemption has not helped Indian flag vessels as envisaged due to the lower number of EXIM containers, Indian flag companies operating on the coast are compelled to carry a mix of indigenous coastal cargo and EXIM transshipment containers in order to make their operations commercially viable, which have excluded them from the benefit of duty exemption on bunkering fuel. Since then this Ministry had been asking Department of Revenue that requisite exemption should be made available if these ships are carrying mixed cargo and empties also. Deptt. of</p>

		<p>Revenue vide Notification No. 46/2015 dated September 17, 2015 acceded to the request of this Ministry.</p> <p>This has resulted in the Indian container fleet increasing with 11 new container ships out of which 5 ships were flagged by four foreign companies. Remaining 6 vessels were added by Indian companies. It was for the first time that foreign companies had registered ships in India. However, post GST, Indian container vessels have to pay IGST/GST @ 18% on imported/domestic bunker fuel. This has resulted in reversal of benefit granted to Indian flag container vessels. Secretary (S) has written a letter to Revenue Secretary on 26.07.2017 and 08.09.2017 for restoration of pre-GST benefits. This Ministry has also approached CoS for the following:</p> <p>(a) To restore Customs and Central Excise duty exemption on bunker fuel used by Indian flag container vessels carrying a mix of EXIM, empty and domestic containers between two ports in India by way of withdrawal of GST/IGST @18% levied w.e.f. 01.07.2017.</p> <p>(b) On the footing of (a) above, other Indian flag vessels carrying coastal cargo may also be granted duty exemption on bunker fuel.</p> <p>The above proposal of this Ministry was considered by Committee of Secretaries (CoS) in its meeting held on August 18, 2017 and recommended that:</p> <p>To the extent that the Ministry of Shipping would like to provide financial incentives to the industry, the route of providing budgetary support from its resources may be examined as against proposals for providing direct and indirect tax exemptions.</p> <p>Subsequently, in the 22<sup>nd</sup> GST Council meeting on 6<sup>th</sup> October 2017, the bunker fuel charges were reduced to 5%.</p>
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6.	Corporatization of Ports in public sector.	Modernizing decision making structure in Major Ports.	The Major Port Authority Bill, 2020 was introduced in the Lok Sabha on 12.03.2020 and it was passed on 23.09.2020. The Bill was passed by the Rajya Sabha with amendments on 10.02.2021 and the same was again passed by the Lok Sabha on 12.02.2021. Notification in this regard issued on 18.02.2021.  <i>[Action completed]</i>
7.	Enhancing handling efficiency at all major ports & reducing detention time.	Improving efficiency of Major Ports to match international standards.	Out of the 116 initiatives suggested in the Benchmarking Study for Major Ports, 98 have already been completed. 15 initiatives have been dropped because of the changed dynamics in the cargo handling and for other reasons. The remaining 3 are under progress. Based on the action plans for reducing Turn Round Time, prepared by Major Ports, the turnaround time has come down from 82.28 hours during 2016-17 to 64.43hours in 2017-18 and 59.51 Hours in 2018-19. However, during 2019-20, it has slightly increased to 61.51 Hours as per the provisional data received from the ports.  <i>[Action in progress]</i>
8.	Increasing capacity at congested Ports.	Enhancing cargo handling capacity at Major Ports.	A total of 34 port projects awarded during 2014-15 have been completed in the Financial Year 2015-16 which includes an investment of Rs. 4421.77 crore and capacity addition of 93.84 MMTPA.  <b>(Action completed)</b>
9.	Review of Cabotage Policy.	Reducing logistic coast for coastal shipping.	A meeting to review the Cabotage policy was held under the Chairmanship of Principal Secretary to Prime Minister on 7.8.2015. In the meeting it was agreed that:-  i. Level playing field for Indian Container Lines should be ensured. ii. Department of Revenue may expeditiously examine and process exemption of duties on bunker fuel for all container cargo. iii. Department of Revenue may expeditiously implement reforms for Customs processing for clearances of cargo (export, import and transshipment)

of cargo).

Accordingly, the Department of Revenue vide Notification dated 17<sup>th</sup> September, 2015 exempted Customs Excise Duty leviable on bunker fuel to Indian Flag vessels carrying a mix of indigenous coastal EXIM and empty container. However, post GST, Indian container vessels have to pay IGST/GST @ 18% on imported/domestic bunker fuel. This resulted in reversal of benefit granted to Indian flag container vessels. Secretary (S) had written a letter to Revenue Secretary on 26.07.2017 and 08.09.2017 for restoration of pre-GST benefits. In the 22<sup>nd</sup> GST Council meeting on 6<sup>th</sup> October 2017, the bunker fuel charges were reduced to 5%.

As regards cabotage relaxation for special vessels, the same has been relaxed for 5 years for Roll-on Roll-off (RO-RO), Hybri RO-RO, RO-RO cum passenger, pure car carriers, pure car and truck carriers, LNG vessels and over dimensional cargo or project cargo carriers. The order for cabotage relaxation was issued on 2<sup>nd</sup> September, 2015.

In 2018, following detailed consultations with industry stakeholders, and to arrest the trend of increasing transshipment of Indian cargo at foreign ports, the Ministry of Shipping decided to relax the requirements envisaged u/s 406 and 407 of the Merchant Shipping Act 1958. It was estimated that the loss to the Indian shipping sector as a result of transshipment from foreign ports was to the extent of Rs 2,000 crores annually. In this regard, a Gazette notification for relaxation of requirement u/s 406 and General Order No. 01 of 2018 u/s 407 for the coastal movement of (a) EXIM transshipment containers and (b) Empty containers on 21<sup>st</sup> May 2018

Similarly, in support of the stated objectives of the government to double farmers' income

		<p>and to ensure economical, wider access to market for marginalized farmers, it was recommended that foreign liners transporting goods from one port of India to another port of India can offer redundant capacity at discounted rates to Indian shippers. In this regard, a Gazette notification for relaxation of requirement u/s 406 and General Order No. 02 of 2018 u/s 407 for the coastal movement of agriculture, horticulture, fisheries and animal husbandry products on 22<sup>nd</sup> May 2018. Further, to improve availability of coastal shipping fleet for the coastal fertilizer plants and to ensure access to high-quality, economical fertilizer in alignment with the soil health of the land, a Gazette notification for relaxation of requirement u/s 406 and General Order No. 03 of 2018 u/s 407 for the coastal movement of fertilizers on 22<sup>nd</sup> June 2018.</p> <p>By improving on the ease of doing business in India, the relaxation shall enable foreign liners to offer their redundant capacity on Indian routes and induce foreign liners to consider Indian hubs on their entire global circuit. The additional cargo movement, as a result, shall also provide employment to a large workforce for providing technical manpower for maintenance to ships, for cargo handling operations and logistics services at the ports.</p> <p style="text-align: right;"><b>(Action completed.)</b></p>
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**MATTER FOR ELECTRONIC MAIL**

**1. Important policy decisions taken and major achievements during the month**

-Incorporated in monthly DO letter-

**2. Important Policy matters held up on account of prolonged inter-ministerial consultations**

--NIL--

**3. Compliance of Cabinet/ Cabinet Committee**

The decisions taken by the Cabinet/Cabinet Committee are regularly being updated on e-Samiksha Portal of Cabinet Secretariat.

**4. Compliance of CoS decisions**

The decisions taken in the meeting of Committee of Secretaries are regularly being updated on e-Samiksha Portal of Cabinet Secretariat.

**5. No. of cases of 'sanction of prosecution' pending for more than three months**

There is no case of prosecution sanction pending in this Ministry

**6. Particulars of cases in which there has been a departure from the Transaction of Business Rules or established policy of the Government**

--Nil--

**7. Status of implementation of e-Governance**

To ensure paperless working, Ministry of Shipping has switched over to e-file mode w.e.f. 1st January, 2017. All the new files/papers (except the Parliament related work) are being processed through electronic mode after procuring the required equipment and providing adequate training to the staff. The old physical files have been scanned and converted into electronic files.

**8. Status of Public Grievances**

<b>No. of Public Grievances redressed during the month</b>	<b>No. of Public Grievances pending at the end of the month</b>
136	234