

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS
RAJYA SABHA
UNSTARRED QUESTION NO-1106
ANSWERED ON 07/12/ 2021

SHIPPING PROJECTS IN THE COUNTRY

1106 . SHRI K.R.N. RAJESHKUMAR:

Will the MINISTER OF PORTS, SHIPPING AND WATERWAYS be pleased to state:

- (a) the details of ongoing shipping development projects in the country, State/ UT-wise;
- (b) whether a large number of ongoing shipping projects with private participation have missed their deadline for completion in the country and if so, the details thereof, along with the reasons therefor, project-wise;
- (c) whether Government proposes to review such projects;
- (d) if so, the details thereof along with the time by which the process of such review is likely to be completed; and
- (e) the steps taken/being taken by Government for strengthening the shipping sector and make it internationally competitive?

ANSWER

MINISTER OF PORTS, SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

- (a) Following are the ongoing shipping development projects in the country:

(i) New 310 M Dry-dock Project at Kochi, Kerala

Cochin Shipyard Limited (CSL) is constructing New Dry Dock at an estimated cost of Rs.1799 crores. This dry-dock is conceived with a length of 310 M and will be a stepped dock with a width of 75 M at the wider part and 60 M at the narrower part. It will have a depth of 13 M and a draught of 9.5 M. In terms of the size of the dock and strength of the dock floor, this will be one of the largest dry docks in India. The new dry-dock when commissioned, will help CSL to have a more diversified product profile. This, dual

purpose dry dock is planned essentially to tap the market potential of repairs/ construction of specialized and technologically advanced large vessels such as LNG vessels, Jack Up Rigs, Drill Ships, large dredgers, second Indigenous Aircraft carrier and repair of offshore platforms and larger vessels. The new dry dock can comfortably handle Aircraft Carriers of 70,000 T docking displacement and Tankers and Merchant vessels of 55,000 T docking displacement. The dock floor is designed to take a loading of 600T/m. The design caters for sufficient safety margins as per international codes. The new dock is expected to be commissioned by July 2023.

(ii) International Ship Repair Facility (ISRF) at Kochi, Kerala

Cochin Shipyard Limited had taken over on 30 years lease the existing ship repair facility of Cochin Port Trust (CoPT) located at Willingdon Island, Kochi and is in the process of developing it into a state-of-the-art International Ship Repair Facility (ISRF) by installing ship lift, & transfer system, 6 dry berths & associated facilities at an estimated cost of RS.970 crores. The ISRF will modernize, expand and substantially augment the existing ship repair capacity of CSL. The ISRF includes 6000T shiplift for ships upto 130 x 25 m with six work stations & allied facilities, and total outfitting berth of 1500 meters approx. The facility is expected to be commissioned by January 2023.

(iii) Hooghly Cochin Shipyard Limited (HCSL), Kolkata, West Bengal

Aimed at supporting Inland water vessel construction in line with the Government of India's vision of developing the country's National Waterways, Hooghly Cochin Shipyard Limited (HCSL) was initially set up at Kolkata as a joint venture (JV) between CSL and Hooghly Dock & Port Engineers Limited (HDPEL) and pursuant to the Union Cabinet approval, HCSL has become a wholly owned subsidiary of CSL with effect from November 01, 2019. HCSL targets to develop various types of vessels like Ro-Ro Vessels, River-Sea Cargo Vessels for bulk, liquids, containers, Passenger Vessels, other watercrafts for the inland waterways. The total investment for this project is Rs.168 crores. The facility is currently ready for operations.

(iv) Tebma Shipyards Limited (TSL), Malpe, Karnataka

As part of CSL's long term strategy, viz., CRUISE 2030, CSL aspires to achieve 6x-8x growth by 2030 and towards this the Company identified deep sea fishing vessel construction as one of the potential opportunities. Since fishing vessel segment calls for a dedicated facility so as to cater to the large volume of business which is different from the conventional shipbuilding process, CSL was in search of a suitable facility to enter into this segment. CSL found an opportunity in TSL, Malpe which was under the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) and bidding for TSL through IBC was considered appropriate. Accordingly CSL submitted its Resolution Plan which was approved by the National Company Law

Tribunal (NCLT), Chennai on March 04, 2020. The facility is a 100% wholly owned subsidiary company of CSL. An amount of Rs.70 crores have been invested and the facility is currently operational.

(v) CSL-Mumbai Ship Repair Unit (CMSRU), Mumbai, Maharashtra

CSL commenced operations of its Mumbai Ship Repair Unit in October 2018 through an agreement with the Mumbai Port Trust to upgrade, operate and manage Ship Repair Facility at Hughes dry-dock and berth nos. 5, 6, 7 and 8 of Indira Dock of Mumbai Port. Subsequent to the execution of the agreement, CSL has commenced the ship repair operations in Mumbai. The facility undertakes repairs of both Defence and Commercial Ships.

(vi) CSL-Kolkata Ship Repair Unit (CKSRU), Kolkata, West Bengal

CSL commenced operations of its Kolkata Ship Repair Unit in March 2019 through an agreement with Kolkata Port Trust for operations and management of ship repair facility at Netaji Subhas Dock (NSD) for a period of 30 years. The new venture is being managed by separate unit of CSL known as CSL-Kolkata Ship Repair Unit (CKSRU). The Honourable Prime Minister of India, Shri Narendra Modi formally inaugurated the CKSRU facility on January 12, 2020. The facility undertakes repair to both Defence and commercial ships.

(vii) CSL-Andaman & Nicobar Ship Repair Unit (CANSRU), Port Blair, Andaman & Nicobar Islands

CSL commenced operations of its Andaman Unit at Port Blair through an agreement with the Andaman & Nicobar (A&N) Administration for ship repair at the Marine Dockyard, a facility that is currently being operated directly by the A&N Administration. Under the ambit of this agreement, CANSRU shall assist the Administration in developing an overall ship repair ecosystem at Andaman & Nicobar Islands. CANSRU shall also assist & associate in augmentation and modernization of existing facilities. Focus on skill development in consultation with the Administration and technical institutions located in the Islands, is also part of the mandate of the agreement. The agreement is for a period of 30 years, during which CSL is expected to spruce up the operational efficiency of the dockyard as well as improve the overall ship repair ecosystem in the island to ensure faster turnaround and minimize downtime of the vessels, which are the lifeline for the Islands.

(b) No Sir. None of these projects involve private participation.

(c) and (d) Question does not arise.

(e) Following measures have been taken by the Government for strengthening the shipping sector and make it internationally competitive:

i. **Revision of the criteria for Right of First refusal(ROFR):**

The criteria for granting the Right of First Refusal in chartering of vessels through tender process has been revised, for promoting tonnage under Indian flag and ship-building in India, so as to make India a Atma-nirbhar/self-reliant Bharat, in terms of tonnage and ship-building in India. The following is the revised hierarchy of RoFR;

- (1) Indian built, Indian flagged (Indian owned);
- (2) Foreign built, Indian flagged (Indian owned);
- (3) Indian built, foreign flagged (foreign owned).

This will promote demand of Indian built vessels as the Indian built vessels will have the priority in chartering and will also provide additional market access and business support to ships built in India. Further, the Shipbuilding Financial Assistance is provided to Indian Shipyards in order to promote the Indian Shipbuilding Industry and to enable them to acquire global Shipbuilding Contracts while competing in International Markets.,

- ii. The revised Make in India order issued by the DPIIT in September, 2020 stipulates that for public procurement of all goods and services with estimated value of purchases less than Rs 200 crores, Global tender enquiries shall not be issued and this can increase the demand for the complete ecosystem.
- iii. For acquisition of any type of vessel/ repair of vessel by Government Department/ Agencies including Public Sector Undertakings (PSUs) through global tendering process, Ministry of Ports, Shipping and Waterways existing policy of RoFR would continue to be implemented. This again is a major policy to create demand.
- iv. Similarly, the Ministry has recently promulgated a SoP for procurement/charter of Tugs in Major Ports in India as per which Tugs required for services of all Major Ports shall be built in Indian Shipyards as per standardised designs to be published by the IPA.
- v. **Support for development of ancillary industry:** The Ministry of Ports, Shipping and Waterways is trying to channelize domestic demand towards Indian Shipyards by support for development of ancillary industries, measures for GST rationalisation for ship repair, supporting Indian ship design firms and ancillary/maritime clusters. The first maritime cluster called as Konkan Maritime Cluster has been launched recently.

- vi. **New scheme for promotion of flagging of merchants ships in India:** This Ministry has implemented a new scheme for promotion of flagging of merchant ships in India by providing subsidy support to Indian Shipping companies in global tenders floated by Ministries/Department/CPSEs in order to promote the objective of Atamanirbhar Bharat. The Government has approved a Scheme on 14th July, 2021 to provide Rs. 1624 crore over five years as subsidy support. As an outcome of the scheme, Indian Shipping companies will become Internationally competitive while importing government cargo.
- vii. **Integration of Inland and coastal shipping:**
- Inland Vessels have been allowed to operate within in five (05) nautical miles of the base line (inshore traffic corridor) in fair season and fair weather conditions.
- viii. **Cabotage relaxation for Foreign fag passenger (cruise) vessels:**
- The foreign flag passenger (cruise) vessels have been allowed to visit more than one Indian ports up-to 2029 without license from DG Shipping, GoI.
- ix. **Notification on Construction, Survey, Certification and Operation of Indian River Sea Passenger Vessels:**
- By DGS order 05 of 2017 issued on 28.07.2017, the scope of River Sea Passenger vessels have been expanded by covering more vessels in order to address varying needs of transportation of passengers & tourism in Indian coast.
