

SAGARMALA FINANCE CORPORATION LIMITED

(Formerly SAGARMALA DEVELOPMENT COMPANY LIMITED)

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

COMMITTEE ON PUBLIC UNDERTAKINGS

(2025-26)

EIGHTEENTH REPORT

(EIGHTEENTH LOK SABHA)



**LOK SABHA SECRETARIAT
NEW DELHI**

**EIGHTEENTH REPORT
COMMITTEE ON PUBLIC UNDERTAKINGS
(2025-26)**

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(Formerly SAGARMALA DEVELOPMENT COMPANY LIMITED)

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

Presented to Lok Sabha on 11 December, 2025

Laid in Rajya Sabha on 11 December, 2025



**LOK SABHA SECRETARIAT
NEW DELHI
*December, 2025/Agrahayana, 1947(Saka)***

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CONTENTS

	PAGE
(i) COMPOSITION OF THE COMMITTEE (2025-26)	v
(ii) COMPOSITION OF THE COMMITTEE (2024-25)	vi
(iii) INTRODUCTION	vii
(iv) ACRONYMS	viii

PART I

Chapter-1	INTRODUCTION	
	A. BACKGROUND	1
	B. CURRENT STATUS	2
Chapter-2	ORGANIZATIONAL STRUCTURE	
	A. BOARD OF DIRECTORS	3
	B. HUMAN RESOURCES	4
Chapter-3	PHYSICAL PERFORMANCE	
	A. OVERVIEW OF THE BUSINESS	6
	B. STRATEGIC PIPELINE PROJECT AND TOURISM	9
Chapter-4	FINANCIAL PERFORMANCE	
	A. OVERVIEW	14
	B. TRANSFORMATION INTO A SECTORAL NBFC	14
Chapter-5	MISCELLANEOUS ISSUE	
	A. PORT MODERNIZATION	21
	B. SHIPBUILDING	37
	C. INLAND WATERWAYS	46

PART II

	Observations and Recommendations of the Committee	53
	ANNEXURES	
I	Order of Ministry of Ports, Shipping and Waterways, dated 09 June, 2025	63
	APPENDICES	
I.	Minutes of the Sitting of the Committee on Public Undertakings held on 25.11.2024	65
II.	Minutes of the Sitting of the Committee on Public Undertakings held on 06.02.2025	68
III.	Minutes of the Sitting of the Committee on Public Undertakings held on 10.02.2025	71
IV.	Minutes of the Sitting of the Committee on Public Undertakings held on 05.12.2025	73

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2025-26)

Shri Baijayant Panda - Chairperson

Members

LOK SABHA

2. Shri Tariq Anwar
3. Shri Sudip Bandyopadhyay
4. Shri Chandra Prakash Joshi
5. Smt. Kanimozhi Karunanidhi
6. Shri Kaushalendra Kumar
7. Shri Shankar Lalwani
8. Smt. Poonamben Hematbhai Maadam
9. Shri B.Y. Raghavendra
10. Shri Mukesh Rajput
11. Shri Sukhjinder Singh Randhawa
12. Shri Pratap Chandra Sarangi
13. Shri Kodikunnil Suresh
14. Shri Prabhakar Reddy Vemireddy
15. Shri Lalji Verma

RAJYA SABHA

16. Dr. John Brittas
17. Shri Neeraj Dangi
18. Shri Milind Murli Deora
19. Dr. Bhagwat Karad
20. Shri Surendra Singh Nagar
21. Shri Debashish Samantaray
22. Shri Arun Singh

SECRETARIAT

1. Shri Anjani Kumar - Joint Secretary
2. Shri Kulmohan Singh Arora - Director
3. Shri Dhruv - Under Secretary
4. Shri Chandan Kumar - Assistant Executive Officer

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15. Shri Prabhakar Reddy Vemireddy

RAJYA SABHA

16. Shri Neeraj Dangi
17. Shri Milind Murli Deora
18. Shri Narain Dass Gupta
19. Dr. Bhagwat Karad
20. Shri Surendra Singh Nagar
21. Shri Debashish Samantaray
22. Shri Arun Singh

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2025-26) having been authorized by the Committee to submit the Report on their behalf, present this Eighteenth Report on 'Sagarmala Finance Corporation Limited.'

2. The Committee on Public Undertakings (2024-25) had selected the said subject for detailed examination and report. The subject was carried forward by the Committee on Public Undertakings (2025-26) to complete the unfinished task.

3. The Committee on Public Undertakings (2024-25) was initially briefed about the subject by the representatives of the Sagarmala Finance Corporation Limited on 25 November, 2024 and thereafter took their evidence on 06 February, 2025. The Committee also took the oral evidence of the representatives of Ministry of Ports, Shipping and Waterways on 10 February, 2025.

4. The Committee (2025-26) considered and adopted the draft Report at their sitting held on 05 December, 2025.

5. The Committee wish to express their thanks to the representatives of Sagarmala Finance Corporation Limited and Ministry of Ports, Shipping and Waterways for tendering evidence before the Committee and furnishing the requisite information to them in connection with examination of the subject.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

New Delhi;
08 December, 2025
17 Agrahayana, 1947(S)

Baijayant Panda
Chairperson
Committee on Public Undertakings

ACRONYMS

ALM	Asset Liability Mismatch
ATDC	Apparel Training & Design Centre
BCD	Basic Customs Duty
BSMD	Brahmaputra Sagarmala Mandir Darshanam SPV Pvt Ltd.
CAGR	Compound Annual Growth Rate
CCO	Chief Communications Officer, , and
CEZ	Coastal Economic Zone
CHPRCL	<i>Calcutta-Haldia Port Road Company Ltd.</i>
CIO	Chief Information Office
CNA	Central Nodal Agency
CPCP	Comprehensive Port Connectivity Plan
CRO	Chief Revenue Officer
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
DSFV	Deep Sea Fishing Vessels
GBS	Gross Budgetary Support
GST	Goods and Services Tax
GT	Gross Tonnage
GTTP	Green Tug Transition Programme
HAZMAT	Hazardous Materials
HML	Harmonized Master List of Infrastructure
HPRCL	Haridaspur-Paradip Railway Company Limited
HUDCO	Housing and Urban Development Corporation Limite
ICTP	International Container Transshipment Port
IEBR	Extra Budgetary Resources
IMT	Inter-Modal Terminal
IPGL	India Port Global Limited
IRFC	Indian Railway Finance Corporation
IWAI	Inland Waterway Authority of India
IWT	Inland Water Transport
KRCL	Krishnapatnam Railway Company Limited
LAD	Least Available Depth
MAKV 2047	Maritime Amrit Kaal Vision 2047
MIV 2030	Maritime India Vision 2030
MMC	Multi-Modal Committees
MMT	Multi-Modal Terminals
PNG	Petroleum and Natural Gas
MoPSW	Ministry of Ports, Shipping and Waterways
MSDC	Maritime States Development Council
MTPA	Million Tonnes Per Annum
NBFC	Non-Banking Financial Company
NHAI	National Highways Authority of India
NHLML	National Highways Logistics Management Limited
NICDC	National Industrial Corridor Development Corporation
NICDIT	National Industrial Corridor Development and Implementation Trust
NIRF	National Institutional Ranking Framework
NPA	Non-Performing Assets
NTCPWC	National Technology Centre for Ports, Waterways and Coast
NW	National Waterways
PANI	Portal for Asset & Navigation Information
PCS	Port Community System

PCS	Port Community System PCS
PESB	Public Enterprise Selection Board
PFC	Power Finance Corporation
PMU	Project Management Unit
PPP	Public-Private Partnership
RoFR	Right of First Refusal
SBFAP	Shipbuilding Financial Assistance Policy
SMB	State Maritime Board
SPV	Special Purpose Vehicles
TMMTDS	Tidal and Meteorological Monitoring, Telemetry and Display System
VPRCL	Visakhapatnam Port Road Company Limited

REPORT

PART I

CHAPTER 1

INTRODUCTION

A. BACKGROUND

1.1

a Development Company Limited was incorporated on 31st August 2016 as a public sector enterprise under the Ministry of Ports, Shipping and Waterways (MoPSW). As per website SDCL has been granted Mini Ratna Category-1, CPSE status. It is a part of the Sagarmala Programme, a flagship initiative launched by the Government of India. The Company is formed to promote port-led development through the Sagarmala initiative, which aims to reduce logistics costs, increase port capacity, improve efficiency in cargo handling, and foster port-linked industrialization. Its primary role is to fund and implement projects related to port modernization, port connectivity (Road and Rail), port led industrialization and coastal community development. It also plays a role in inland waterway development and enhancing connectivity between ports and the hinterland. SDCL has aligned itself with national maritime policies and international benchmarks to promote growth in the maritime sector. The company has been instrumental in executing projects which enhances the capacity of the ports and related business.

1.2 *Sagarmala Development Company has two roles. One is releasing funds of the Sagarmala project and those are funds which are received from the Government of India funds. They are routed through Sagarmala Corporation and they are given to various states for different projects. So that is a different vertical. The second thing is monitoring those projects on behalf of the Ministry. that also is done by the Sagarmala Corporation. The third vertical is they participate in equity projects.*

In alignment with its objectives, SDCL has significantly contributed to the Sagarmala Programme by providing equity investments in projects. SDCL has been nominated as Central Nodal Agency (CNA) by the Ministry of Ports, Shipping and

Waterways and it has been actively involved in the execution of the projects through fund disbursement and progress-monitoring of projects.

6 SPVs (including one wholly owned subsidiary) have been created. 5 SPVs are profit generating SPVs and one SPV is in the initial stage of operation only.

B. CURRENT STATUS

1.3 SDCL has strategic plans to register itself as a Non-Banking Financial Company (NBFC) to provide legally permissible financial windows to eligible maritime projects. This initiative will position SDCL as the sole sectoral financial institution in the country dedicated exclusively to supporting the growth and development of the maritime sector, enhancing its ability to address financing gaps and drive sectoral advancements effectively.

1.4 The Ministry of Ports, Shipping and Waterways has granted approval to Sagarmala Development Company Limited to get registered itself as Non-Banking Financial Company (NBFC) on 10th September, 2024 to expand its operations and provide funding window to maritime sector in the country.

After getting the approval from the Ministry, SDCL has filed application with RBI on 20 December, 2024 for NBFC registration and it is expected that the same shall be received during Financial Year 2025-26. **Presently, the name of Sagarmala Development Company Limited has been changed to Sagarmala Finance Corporation Limited w.e.f. 05 June, 2025 [Order No. S1-25021/122/2023-SM of Ministry of Ports, Shipping and Waterways, dated 09 June, 2025 (Annexure I)].**

CHAPTER 2

ORGANISATIONAL STRUCTURE

A. BOARD OF DIRECTORS

2.1 The composition of the Board of Directors of SDCL is as follows

Positions	Sanctioned strength (Nos.)	Actual strength as on 13.11.2024 (Nos.)
Non-executive Chairman	1	1
Managing Director	1	1
Director (Finance & Admin)	1	1
Director (Project)	1	0@
Independent Directors	2	2
Government Nominee Director	1	1
Total	7	6

@ The post of Director (projects) fell vacant in May'2023 as the incumbent was elevated as managing Director. Thereafter the Additional Charge of Director (Projects) was given to Director (Finance) w.e.f. 09th Nov 2023 till 8th November'24 and the post fell vacant again on 9th Nov '24. The case has been put up to MoPSW for necessary action. However, the post has been advertised by Public Enterprise Selection Board (PESB) and is likely to be filled very soon. The Project wing is being headed by E-8 level officer (General Manager) for discharging the affairs of Project side.

2.2 During the evidence, the representative of SDCL have submitted as following regarding the impact of vacant position on the performance of the Company:

“...अभी ज्यादा काम आया नहीं है कि ज्यादा फर्क पड़े। अगर नहीं हो पाता है, तो हम भी काम देखते हैं, ये भी देखते हैं। अभी तक इनके पास एडिशनल चार्ज था। संयोगवश, अभी फिर से चार्ज का अप्रूवल आया नहीं है। जैसे ही यह आ जाएगा, तो फिर से इनको चार्ज दे दिया जाएगा। अभी फिलहाल जीएम, प्रोजेक्ट इस तरह के कार्य देख रहे हैं।”

B. HUMAN RESOURCES

2.3 SDCL has sanctioned strength of 13 below board level employees. Out of which 6 executives are in place and 07 positions are backlog. Details are as under: -

Table A-Details of 6 employees in position

Sr. No.	Post Name	No. of employee	Category
1	General Manager (Operations & Projects)/E-8	1	General
2	Senior Manager (Projects)/E-5	1	ST (on merit)
3	Assistant Manager (Projects)/E-2	1	OBC (on merit)
4	Senior Manager (Finance)/E-5	1	General
5	Company Secretary/E-5	1	General
6	Assistant Manager (HR)/E-2	1	General

Table B-details of 07 backlog posts: -

Sl. No.	Grade	No. of vacancies to be filled	Reserved for SC/ST/OBC/UR
1	E-8	1	UR
2	E-4	1	OBC
3	E-2	3	OBC-01, UR-02
4	E-1	2	SC-01, UR-01

2.4 During the evidence, the representative of SDCL have submitted as following regarding the vacant post and reservation policy:

“The recruitment is already under process. एडवर्टाइजमेंट निकल चुकी है। They are going to call for interview in the next one or two months. Thereafter, this post will be filled up. As of now, we are getting a little bit of work in terms of proposals. So, my GM (Project) is looking after all those projects. रिजर्वेशन के रूल्स फालो कर रहे हैं। रोस्टर के हिसाब से सारी पोस्ट्स को भरते हैं। रोस्टर के हिसाब से एससी, एसटी और ओबीसी की भर्ती की जाती है।”

2.5 When asked by the Committee about the possession of required expertise to match its future business plan, SDCL submitted the following written reply to the Committee:

“In order to strengthen its expertise in the finance area in view of SDCL becoming NBFC, two number of Advisors to MD are being inducted (Director/Finance) from various NBFCs. One of them has already joined and the process of selection of the other is going on. These Two posts are on contract basis.

In addition to above, the post of CCO, CRO, CIO and other financial experts are being finalized and all the required manpower for smooth functioning of NBFC will be in place as per the timelines of RBI.

...There are all the guidelines of RBI with respect to CRO, CCO, CIO and other personnels required for all these things. We are going to hire the retired personnels from NBFC on contract basis so that we should get a readymade people available in the country for us. And under them, we are going to hire our regular staff so that for the capacity building, we will get two years of time. For switching over, they will be getting trained within the next two years' time under the capable guidance of the people who have already retired from the NBFCs like PFC, REC, HUDCO, banks, etc. We will get them trained in the next two years of time so that we can build our own staff to handle the situation. After two years of time, our regular staff will be working in full swing. We will be retiring all those contractual staff in the next two to three years of time. That is the plan as of now.

At the level of CCO, we cannot get it from the market right now. But we are only looking forward to the retired CCO from all the NBFCs. We are going to interview them most probably in the month of April. In the month of June, when we will get the license, we should be able to start the operations with the help of all those people.”

CHAPTER 3

PHYSICAL PERFORMANCE

A. OVERVIEW OF THE BUSINESS

3.1 SDCL has significantly contributed to the Sagarmala Programme by providing equity investments in projects. These are:

Projects with Completed Status	Equity Stake (%)	Total Investment (Rs. in core)
Haridaspur-Paradip Railway Company Limited (HPRCL) - <i>Completed</i>	25.91	336.8
Krishnapatnam Railway Company Limited (KRCL) - <i>Completed</i>	20	125
Calcutta Haldia Port Road Company Limited (CHPRCL) - <i>Completed</i>	3.28	50
Visakhapatnam Port Road Company Limited (VPRCL) - <i>Completed</i>	25.87	20
India Port Global Limited (IPGL) - <i>Completed</i>	100	10
Brahmaputra Sagarmala Mandir Darshanam SPV Pvt Ltd Phase 1 – <i>Completed</i>	49	0.049

3.2 During the evidence from the representative of SDCL brief its projects details as under:

“...We are having four active SPVs and one SPV is in the progress right now. The first one is the Haridaspur-Paradeep Rail Company Limited. This is connecting Paradeep Port to the Haridaspur Railway Junction. So, the purpose of providing this railway connectivity is that wherever the Indian Railway congestion network is there, we provide a straight freight corridor for a smooth evacuation of the port cargoes.

It is a direct line which is bypassing the Cuttack line. Perhaps, because of this reason, now we are able to pass this whole 72 kilometres in almost two and a half hours which earlier used to take a lot of time. The

direct advantage of this rail connectivity is that earlier the turnaround time of the railway wagons was quite high which is now reduced to almost three hours in that scenario.

If we talk about the project under Krishnapatnam Railway Company Ltd., this connects to Krishnapatnam Port to Obulavaripalli and we have divided this project into two phases. I am very happy to announce that this complete project is operational now and this is almost 121-kilometre long project. Earlier, it used to be around 193-kilometre-long railway line through the Indian Railway network and the goods train used to take almost 24 to 36 hours because they didn't get priority over the passenger trains. Now this being the exclusive freight corridor, we complete this whole journey in three and a half hours. So, we are not only saving huge time in terms of manpower resources but also the turnaround time of the railway wagons has reduced. The turnaround time has been reduced quite a lot.

*Similarly, we have two SPVs for the road with the NHAI. Now this has been converted to the NHLML where we have one road project which we call the Calcutta-Haldia Port Road Company Ltd. This is the only company where we are not able to make profits **(SDCL has not able to generate dividend from CHPRCL)***. The project has started only two-three years back. During the COVID-19 period, the traffic did not pick up a lot. There were a lot of arbitration cases with the NHAI. We have paid a lot of money and we are not able to recover financial gains out of it right now. But this is providing a good connectivity to Haldia Port. It is almost a 40-kilometre road project. Now it is a four-lane highway.*

Similarly, we have one port connectivity under Visakhapatnam Port Road Company Limited. It is only 10-kilometre long but it is helping evacuate the Vizag Port. The cost is not much but it is giving a lot of benefit

**Clarification received on the Committee Secretariat e-mail on 30.05.2025.*

to Vizag Port. Now there is no choking at the Vizag Port and there is smooth evacuation. It is giving good return to the company.

There is one of our SDCL subsidiary. This is Chabahar Port in Iran. Everybody must have heard about it as it remains in news. Hon. Prime Minister has signed an agreement with Iran under which the Port has been provided by Iran and all the equipment is to be funded by the Ministry of External Affairs for which we have got Rs.700 crore grant. We are not able to provide the full equipment as of now because of sanctions by the US, but things are progressing. Now we have authorized Iran to procure the equipment and the Government of India will make the payment as per terms and conditions. They are procuring. However, the project is under operation; we are receiving goods from all over the country. We have a very good receipt at container side, not on the bulk side, but the material going to Afghanistan and Iran is taking place through this Port now. We are hoping that our cranes and other things will be procured in next six to eight months' time. I am not very sure whether Iran will be able to do so, but they have promised like this. Most probably, they will be procuring all this. As this is an international matter, I should not comment, but as per the promise, we are looking forward to the matter being completed in the next six to eight months of time. This project will be operational in full capacity.

You see the projects in pipeline out of which the first one is under Brahmaputra Sagarmala Mandir Darshanam SPV Private Ltd. This project is ready. We are waiting for the inauguration time. As soon as this is inaugurated, we will take it to the first list. This project has two phases. The second phase is the connectivity of the Kamakhya Devi Temple. Once the phase one has started, we will operate the phase two. We will most probably be covering it in 18 months' time and completing the phase one and two both.

The next project is a very ambitious one called Sagarmala that is, the financing of deep-sea fishing vessels. We are working on it. As per the

decision of the Ministry, we are getting a DPR prepared with the consultants that is underway. Most probably, by the end of March, that thing will be ready. Hon. Minister has given directions to prove the concept of it. We are already in touch with Norway to bring one or two vessels to prove the concept which we are bringing in the country for deep sea fishing.”

3.3 SDCL has implemented Two Freight Corridors and Two road connectivity to the Ports i.e. KRCL, HPRCL, CHPRCL and VPRCL.

Project Name	Earlier Route Length & Time of Travel	New Route Length & Time of Travel	Remarks
KRCL	193KM & 24 Hours	121 KM & 3-4 Hours	Faster Turn-around.
HPRCL	-	72KM & 1.5-2 Hours	Faster evacuation
CHPRCL	-	43KM & 1 Hours	Faster evacuation from Haldia Port
VPRCL	-	10KM & 15min	Faster evacuation from Visakhapatnam Port

B. STRATEGIC PIPELINE PROJECT AND TOURISM

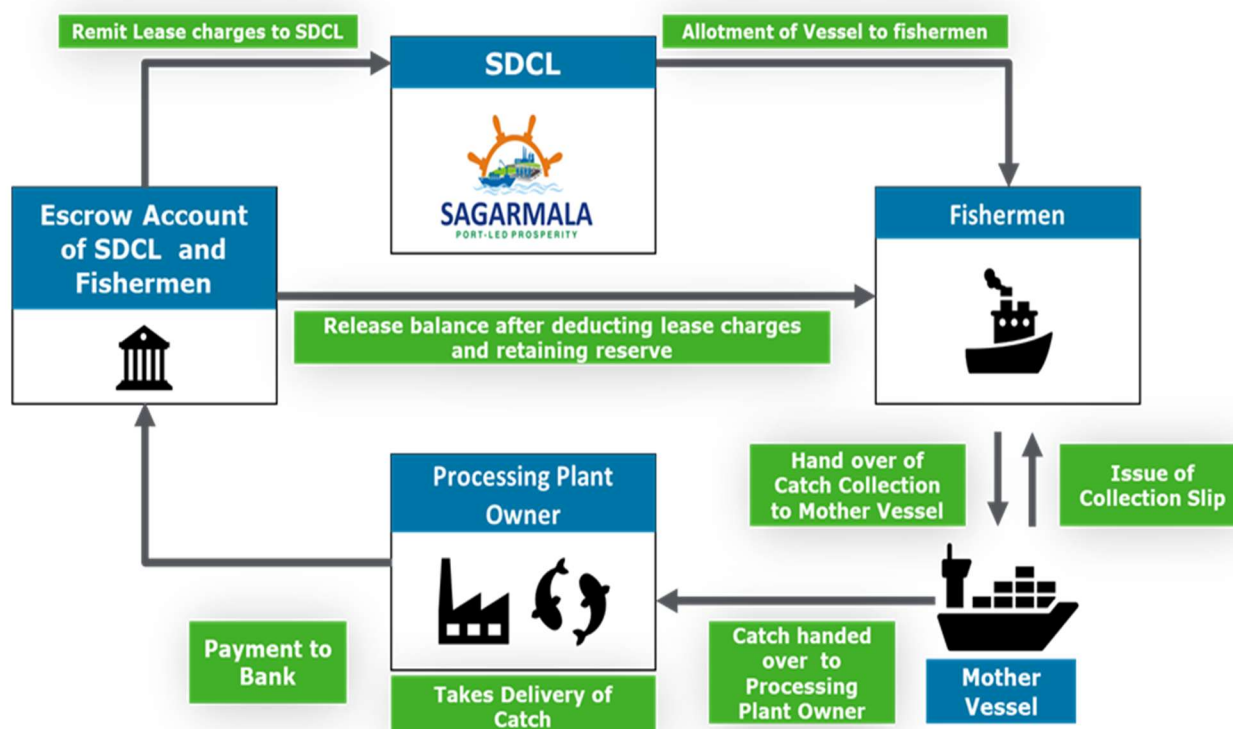
SDCL has informed that some of its projects are in pipeline and at various stages of development. The Company has provided the details of these projects along with their current status, as under:

(i) Financing of Deep Sea Fishing Vessels

3.4 SDCL in collaboration with the Department of Fisheries has envisages a Scheme for financing of Deep Sea Fishing Vessels (DSFV). Presently the Central Grant of 40% is available for the Fisherman's for procurement of DSFV, however with an upper limit. Also, the retail loan is not available presently in organised sector and this has created a hurdle in modernisation of Deep Sea Fishing. To address the issue of financing, SDCL shall provide loan of the balance 60% or the cost beyond the upper limit. The central idea is to provide the DSFVs free of cost to the eligible fishermen. The SDCL shall collaborate with domestic shipbuilders and provide them avenues for the adoption of modern international technology for designing of multi-gear Vessels. Also, the Fish Processing plant owner shall be encouraged to deploy the mother Vessel to collect the catches from the fisherman

in Export grade condition. To implement the Project, the preparation of DPR is under process and the Pilot shall be implemented in FY 2025-26 with cluster of 25 Vessels at two locations. Thereafter, based on the learning, the Full scheme shall be roll-out in collaboration with the Department of Fisheries.

The Scheme Flow-chart is presented hereunder:



3.5 During the evidence from the representative of the SDCL regarding exploration of deep sea, submitted to the Committee as under:

“...We are thinking about beyond 40 nautical miles. 40 नॉटिकल माइल्स के बियॉण्ड की बात है, इसमें सरकार से भी कुछ करवाना बाकी है। इसमें कई सारे रूल्स-रेगुलेशंस बनेंगे, because there are huge conflicts. छोटे मछुआरे हैं। डीप शी में जाने वाले वेसेल्स 12 नॉटिकल माइल्स के अन्दर आपस में ही लड़ते हैं। ट्रॉलिंग, लौंग

लाइनिंग, हुकिंग, परसीइंग, हर का अपना अलग-अलग इश्यू है। We have to sort it out with the Government.”

(ii) Development of Green Hydrogen Plant at Varanasi

3.6 Inland Waterway Authority of India (IWAI) has planned for the deployment of Green Hydrogen Vessels at Varanasi and as SDCL has been on boarded for the development of Green Hydrogen plant of about 1.6 MW capacity for these Vessels. The preliminary assessment has been done and the Funding avenues are being explored with the Ministry of Ports, Shipping and Waterways and the bidding shall be initiated once the Funding is tied up.

(iii) Brahmaputra Sagarmala Mandir Darshanam SPV Pvt Ltd. (BSMD SPV Pvt Ltd.)

3.7 The Project of riverine based religious tourism circuit at Guwahati shall connect the seven temples through waterways by deploying appropriate capacity of vessels on Hop on Hop off basis. The project cost estimated around Rs.40 Cr till phase II which includes Funicular Railway Trolley System of around Rs 25 Cr. Equity contribution of IWAI, SDCL & ATDC. IWAI and SDCL together have 55% equity and ATDC has 45% equity in the SPV.

“...This project is ready. We are waiting for the inauguration time. As soon as this is inaugurated, we will take it to the first list. This project has two phases. The second phase is the connectivity of the Kamakhya Devi Temple. Once the phase one has started, we will operate the phase two. We will most probably be covering it in 18 months’ time and completing the phase one and two both.”

(iv) Development of Beaches in State of Karnataka

3.8 SDCL with Karnataka Maritime Board has planned for the development of the Beaches in state of Karnataka by constituting a SPV. For Pilot the Tagore beach has been elected and the DPR preparation has been initiated.

(v) Development of Tourism Facilities in State of Chhattisgarh

3.9 SDCL with Chhattisgarh Tourism Board is exploring for the joint development of the Tourism Facilities in Chhattisgarh. For this purpose, a preliminary assessment has been done for the Chitrakote & Tirathgarh Fall, in Bastar District. The modalities are being discussed for possible tie-up for the river marina and glass bridge etc.

3.10 Projects proposals are under discussion with Ministry of Tourism for Mizoram, Andaman & Nicobar and Tehri Lake, Uttarakhand.

(vi) Maritime and Riverine Tourism

3.11 During the evidence from the representative of the SDCL regarding river tourism, submitted to the Committee as under:

“In tourism sector, we just started this. Now cruise tourism, ocean tourism, domestic, coastal tourism, as well as river cruise tourism are three pillars of the cruise tourism industry. We are finding that they have huge potential for employment. Therefore, we feel that these should be given a fillip. Therefore, now Sagarmala Development Company is also getting into it. We hope that as time goes, they will be able to participate in many more such ventures.

On sea cruise, there are three things. One is the ocean cruise, then the coastal cruise, and the third one is the sea cruise. I am happy to tell you that over the last three-four years of running, you have virtually gone back to what was the position earlier in terms of number of vessels. There are several Indian vessels, foreign vessels as well as domestic crews. We have called many foreign companies also that show interest because some of them started domestic cruises in India in Mumbai, Goa, Mangalore, Cochin, Chennai, Vizag, Lakshadweep and Andaman. Most of the cruise have Indian tourists. They are very much liking it.

Similarly, we have a river cruise which goes up to the Brahmaputra from Varanasi to Dibrugarh. This is one of the longest cruises in the world -

3,500 kilometres. It was very successful. It has been booked till 2028 and all are foreign tourists. So, many such programmes have begun. Cruise is one thing in which we are taking a lot of interest. Then, Chennai to Puducherry sector is also being looked at.

...आपने रिवर टूरिज्म के स्कोप के बारे में कहा था। इसमें काफी स्कोप है। अभी मैं आपको बताना चाहूंगा कि मिजोरम से हमारे पास फोन आया था। *The hon. Chief Minister's office had called us* कि उनके यहां टूट रिवर हैं। इसमें क्लीन वाटर है। *They wanted to develop some tourism.* ...रिवर टूरिज्म के मामले में अपने देश में काफी स्कोप हैं। मेरे ख्याल से शायद यह मैच्योर नहीं हुआ है।

रिवर टूरिज्म में वेसल्स खरीदने की जो प्रोविजन है, उसके लिए हमने व्यवस्था रखी हुई है। ...उसके लिए हमने रो-रो रूपेक्स वेसल्स और क्रूज वेसल्स के लिए अलग से कुछ करोड़ रुपये का प्रावधान रखा है। अगर रिवर क्रूज में आवश्यकता पड़ेगी तो हम उन लोगों को फंड मुहैया कराएंगे। यह चीपर लोन्स के माध्यम से होगा।”

CHAPTER 4

FINANCIAL PERFORMANCE

A. OVERVIEW

4.1 The Committee have been informed that the total authorized capital of the Company is Rs.1,000 crore and its paid-up share capital is Rs.1,000 crore. The total income of the Company is growing. It is Rs.40.57 crore in the financial year, 2023-24. Both PAT and PBT are increasing with the time. The total equity investment as on 31st March, 2024 is Rs.541.79 crore.

4.2 SDCL has provided the details of the financial performance of the Company during the period from 2018-19 to 2023-24

Particulars	2018-19 (Amt. in lakhs)	2019-20 (Amt. in lakhs)	2020-21 (Amt. in lakhs)	2021-22 (Amt. in lakhs)	2022-23 (Amt. in lakhs)	2023-24 (Amt. in lakhs)
AUTHORISED CAPITAL	100000.00	100000.00	100000.00	100000.00	100000.00	100000.00
PAID UP CAPITAL	34000.00	54000.00	61000.00	81000.00	85657.00	100000.00
TOTAL TURNOVER	1544.10	1389.59	593.72	1,387.17	2,403.01	4,056.85
PROFIT BEFORE TAX	955.30	894.68	122.01	938.48	1,896.93	3,245.25
NET PROFIT	678.12	667.00	88.17	698.03	1407.97	2350.96

B. TRANSFORMATION INTO A SECTORAL NBFC

4.3 The Committee have been informed that the Ministry of Ports, Shipping and Waterways has granted approval to Sagarmala Development Company Limited to get registered itself as Non-Banking Financial Company (NBFC) on 10th September, 2024 to expand its operations and provide funding window to maritime sector in the country.

After getting the approval from the Ministry, SDCL has filed application with RBI on 20 December, 2024 for NBFC registration and it is expected that the same shall be received during Financial Year 2025-26.

4.4 During the evidence from the representatives of the SDCL regarding the reasons behind the transformation as NBFC, submitted to the Committee as under:

“...We all know that shipping sector is a sector where the finance is not being provided by the banks or other financial institutions because of the fact that most of the part in the shipping side is not covered under the Harmonised List of Infrastructure. In this Budget only, the big size vessels have been included as an infrastructure into the harmonised list. We are hoping that the banks will start financing. But SDCL is going to focus on all the sectors of maritime. But the primary focus is the financing of the vessels for which we are not getting the sufficient support of the banks.

As on today, the condition is that if we consider the loans of all the banks and financial institutions, out of the total loan given to the country in all the sectors, only 0.26 per cent loan was given to the shipping side. And if we consider the logistic sector, only 0.89 per cent of that is coming to the shipping side. So, there was a need of sectoral financial institutions, and for that reason only, we have applied for NBFC in the month of December. And now the applications are under process. All the queries to the RBI have already been replied with. We are in the process of getting further queries perhaps. If there is any lacuna, they will write to us. We will be responding to it. We are hoping that we may get the RC by the end of June, 2025. That is what our hope is. Once we get the registration, we will start focussing on short-term and long-term financial needs.

अभी जो लोन की सिचुएशन है, दुर्भाग्य से शिपिंग अभी तक यह हमारी हारमोनाइज्ड लिस्ट ऑफ इंफ्रास्ट्रक्चर में शामिल नहीं था। अभी कुछ लिमिटेड स्कोप के लिए बजट में इंकलूड हुआ है। इस सेक्टर में लांग टर्म फाइनेंस की आवश्यकता है,

10 साल-12 साल, नहीं तो ऐसेट लाइबिलिटी मिसमैच की प्रॉब्लम्स बैंकों के पास होती हैं। अगर उनको इंफ्रास्ट्रक्चर स्टेट्स दे दिया जाता है तब तो वे एएलएम की प्रॉब्लम को सॉल्व करती हैं, अदरवाइज वे नहीं कर सकती हैं। बैंकों की प्रॉब्लम यह थी। फिर इस सेक्टर में उनकी जो नॉलेज हैं, वह बहुत ज्यादा नहीं है। तीसरी बात, उनको डर यह लगता है कि अगर बड़े जहाजों को हमने फाइनेंस किया और वे विदेश चले गए, वे वहाँ जाकर फंस गए तो हम कैसे उन्हें खींचकर लाएंगे। इस तरह की छोटी-मोटी समस्याएं थीं, बैंक में जो प्राइवेट सेक्टर हैं, वे डरते हैं और सरकारी भी बहुत कम लोन देते हैं। वे देते भी हैं तो इंटरेस्ट रेट बहुत हाई है। इसलिए हमारे देश में इसका बढ़ावा नहीं हो पा रहा है। शायद यह एक रीजन था, जिसके कारण अभी शिपिंग सेक्टर बहुत ज्यादा तरक्की नहीं कर पा रहा है। अब हम लोग उम्मीद कर रहे हैं, इस उम्मीद के साथ हम लोग आ रहे हैं कि ऑफ्टर बिकमिंग एनबीएफसी, हमारे देश के जितने भी ऐसे लोग हैं, हम उनकी मदद कर पाएंगे। एक सस्ती दर पर हम उन्हें लोन मुहैया करा पाएंगे। शायद हम लोगों के सहयोग से यह इंडस्ट्री आगे बढ़े। हम लोग इसी उम्मीद के साथ आ रहे हैं। उम्मीद पर दुनिया कायम है, हम इसी के साथ चल रहे हैं कि इसमें कुछ अच्छा होगा।”

4.5 During the evidence from the representative of the SDCL regarding the business plan as an NBFC, submitted to the Committee as under:

“...NBFC business plan which we have submitted to the RBI. We have an authorised capital of Rs. 1000 crore but we have already made the equity investment of Rs.543 crore. So, we will be almost limiting ourselves around 600 which we can leverage. So, if we leverage keeping our Cash Reserve Ratio up to 20 per cent, we will be leveraging it around five times. So, we will have a kitty of Rs.3600 crore for which we have made a plan. What are the customers’ segments and what are the things we are looking forward? Like in Ports Authority, we are looking for port modernisation and capacity augmentation like brownfield project or greenfield project. If there is a big ticket size, we are looking forward for a joint lending with PFC and REC or with other likeminded banks. We are looking forward for forming consortium for a big ticket size. And for smaller ones, that is, less than Rs.50

crore, we will be going alone. But for the big ticket size, we are looking forward for consortium with the PFC, REC or other likeminded banks.

Now, I come to tug purchase. We are looking for tug purchase, green port initiatives, port connectivity etc. For ship purchase, we have provided Rs.1200 crore. For ship operations, we have given Rs.126 crore as a working capital loan. For the purchase of modernised fishing vessels, we have kept almost Rs.1300 crore. Working capital is Rs.10 crore. RoRo and RoPax vessels are taking place in the country. We are looking forward to spend Rs.743 crore. So, we have covered almost all the segments which is possible in the maritime sector. We have kept a provision. In the Cabinet note, there is a provision that if our authorised capital is utilised fully, then, for the next lot of the capital, we can go to the Cabinet for approval through our Ministry to the Department of Expenditure, and we may get an enhanced authorised capital in that case.

No limit has been fixed in the Cabinet note. For any extra authorized capital, you have to come to the Cabinet for approval. Once we utilize this thousand crore, we may make the case to be presented to the Ministry of Finance for giving us the more capital because we can leverage it 5-6 times more.”

4.6 During the evidence from the representative of the SDCL regarding classified sectors to funding/financing, submitted to the Committee as under:

“We are only giving debt financing, lease financing, and whatever funding window is legally permissible as per law, we will be providing it to only maritime sector. No matter, it is infrastructure or non-infrastructure classified, we are going to give loan to all the sectors.

We are looking forward to long-term financing from nine to ten years. The whole purpose of giving the loan to shipping sector is to provide the global competitiveness.

...पोर्ट सेक्टर के एन्हांसिंग कैपेसिटी, ऑग्युमेंटेशन एंड एफिसिएन्सी बढ़ाने के लिए, नए एक्विपमेंट परचेज करने के लिए, किसी एक्विपमेंट में मॉडर्नाइजेशन करने के लिए, फाइव-जी इम्प्लीमेंटेशन करने के लिए, इन सब चीजों के लिए हम उनको चीपर लोन देने के लिए तैयार हैं।

हमारे जितने भी पीएसयूज हैं, हमारे जितने डेजिग्नेटेड कॉरपोरेशन हैं, सीएसएल है और हमारे प्राइवेट शिपयार्ड्स भी हैं। उनको भी हम वर्किंग कैपिटल देना चाहते हैं। *They are very much in distress as of now. They do not have orders. We are promoting orders.* जो शिप बनवाना चाहता है, उसको फंडिंग दूं, जो शिपयार्ड्स हैं, उनको भी हेल्प करूं। जब हम उनको पैसा दें तो वह रोटेट होकर मेरे पास आ जाए। *We want to help the whole ecosystem* जिससे हमारे देश में शिपिंग इंडस्ट्रीज में चीजों को बढ़ावा मिले। इसमें धीरे-धीरे ग्रोथ आए। यह धीरे-धीरे ही होगा। यह अचानक नहीं होगा। *We do understand* कि हमें सबकी मदद करनी पड़ेगी। इसलिए, हमने सबका प्रोविजन रखा था। शिपयार्ड को भी वर्किंग कैपिटल का प्रोविजन रखा था। शिपिंग में हमने 1000 करोड़ रुपये से ज्यादा का प्रोविजन रखा था। अगर हमें कहीं और से इक्विटी मिलती है तो *we will increase it 4-5 times more than that.*

...If the requirement changes, the board can change the composition of this debt financing, and we can give it to the sector as per the requirement. We can change the internal things."

4.7 During the evidence from the representative of the Ministry of Ports, Shipping and Waterways also submitted regarding, classified sectors to funding/financing to the Committee as under:

“... एसडीसीएल एज एनबीएफसी मेरिटाइम के सारे प्रॉडक्ट्स ऑफर कर रहा है, चाहे सोलर पावर हो, विंड पावर हो, ग्रीन फील्ड पोर्ट डेवलपमेंट हो, या चाहे ब्राउन फील्ड पोर्ट डेवलपमेंट हो। छोटी से छोटी कोई संस्था अगर इस क्षेत्र में विकास का कार्य करना चाहती हो, तो उसके लिए भी फंड की व्यवस्था रखी गई है। हमने ऑपरेटिंग कैपिटल्स की भी इसमें व्यवस्था की है। फिशिंग सेक्टर के लिए स्पेशल प्रोविजन रखा

गया है। हमने पिछली बार भी बताया था कि हम एक प्रोजेक्ट ला रहे हैं, उसके सभी व्यूज की विवेचना जारी है।

इसके अलावा अभी देश में रो-रो पैक्स वेसल पर नया कार्य शुरू हुआ है। उसमें भी हम वेसल्स की फाइनेंसिंग की व्यवस्था कर रहे हैं। हम क्रूज वेसल्स के लिए भी व्यवस्था कर रहे हैं। इस तरह से कोस्टल टूरिज्म की व्यवस्था की गई है। एसडीसीएल की मंशा इतनी ही है कि कैसे उचित दर पर लॉन्ग टर्म फाइनेंस हम प्रोवाइड कर सके। इसके मद्देनजर जितने भी पोर्टफोलियो, जितने भी प्रॉडक्ट्स पॉसिबल हैं, उनको हम बोर्ड से अप्रूवल लेकर देने का कार्य करेंगे।”

4.8 During the evidence of the SDCL regarding assessment of proposal and margin, the representatives submitted to the Committee as under:

“इस मॉडल के लिए हमने अपने यहां दो तरीके से काम करना शुरू किया है कि अगर हमारा कोई भी प्रोजेक्ट प्रपोजल फाइनेंसिंग के लिए आएगा तो हमारी जो प्रोजेक्ट टीम है, वह भी इसको स्टडी करेगी। इनिशियल दो से तीन सालों के लिए हम थर्ड पार्टी, जैसे एसबीआई कैपिटल या अन्य जो बाहर के ऑर्गनाइजेशंस हैं, उनको भी लिस्ट कर रहे हैं। हम उनसे भी उनकी फाइनेंशियल एप्रेजल करवाएंगे। फिर दोनों को साथ बिठा कर कमिटी के अंडर में इकट्ठा इवेल्युएशन कराएंगे। अगर वह वहां से पास थ्रू होगा, तभी हम उसको लोन प्रोवाइड करेंगे।

As far as funding is concerned, we are keeping a very minimum margin for the company. Our aim is to earn a little bit but not too much because the aim is to help the country and the people related to the maritime sector. So, we have not yet decided in the Board what is the percentage we are going to keep. The Government of India may think of only 50 basis points over and above our cost of funding; for PSUs or State Governments, we may think of 75 basis points; and for private persons, we look for 150 basis points above the cost of funding. That is what the model could be. I do not know what call the Ministry and the Board will take on this.”

4.9 During the evidence from the representative of the SDCL regarding the study of other NBFC such as PFC, REC, IRFC, submitted to the Committee as under:

“I am very happy to tell you we started examining those organisations only because those are the organisations जहां पर एनपीए बहुत ही मिनिमल है। हार्डली कहीं 0.2 पर्सेंट कहीं 0.3 है। हम लोगों ने सारा मॉडल करीब-करीब उन्हीं का लिया है। एमडी के एडवाइजर के तौर पर, जितने डायरेक्टर फाइनेंस थे, पीएफसी और आरईसी में दो लोगों को वहीं से अपने पास अपॉइंट किया है, जिससे वे हमें अच्छे से गाइड कर सके हैं क्योंकि उनको वहां का मॉडल पूरा पता है।”

CHAPTER 5

MISCELLANEOUS ISSUE

A. PORT MODERNIZATION

5.1 In a written note, the Committee have been informed that Maritime Transport is a critical infrastructure for the social and economic development of a country. It influences the pace, structure, and pattern of development. India comprises a significant size maritime sector with 12 Major and more than 200 Non-Major Ports situated along its 11,098 km long coastline, 14,500 km potentially navigable waterways and strategic location on key international maritime trade routes. The country's maritime sector plays a crucial role in its overall trade and growth. 96% of India's annual EXIM trade is done through foreign ships. India pays approximately USD 100 billion, or approximately 8 lakh crore rupees, every year as freight expenses.

When asked by the Committee about steps has been taken up for port Modernization, large cargo handling and Port-Led industrialization to streamline operations, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“The Sagarmala programme is the flagship programme of the Ministry of Ports, Shipping and Waterways to promote port-led development in the country through harnessing India's 11,098 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. The projects under Sagarmala Programme are categorized into five pillars – port modernization, port connectivity, port-led industrialization, coastal community development and coastal shipping & inland water transport. These projects are implemented by Central Ministries, IWAI, Indian Railways, State Government and Major Ports etc. As a part of Sagarmala Programme, 248 Projects worth more than Rs 3.47 Lakh Cr. have been identified under Sagarmala Programme for enhancing the infrastructure related to port modernization and port-led industrialization. Out of which 112 projects worth Rs. 78,500 Cr. have been completed and 77 projects worth Rs. 1.85 Lakh cr are under Development.

Major Ports in India are actively modernizing through capacity expansion, mechanization, digitalization to streamline operations and enhance cargo handling. Major Ports are developing deep-draft berths and terminals, along with improving storage and evacuation systems. Furthermore, port-led industrialization is being fostered through the development of Coastal Economic Zones, Smart Industrial Port Cities, port-linked industrial clusters, Central Parking Plaza and Multi-Modal Logistics Parks to drive economic growth in the regions surrounding the ports.”

5.2 When the Committee asked about the increased capacity, upgradation and development of ports, the Ministry submitted the following written reply to the Committee:

“The details of port-wise increase of capacity in the last 10 years is as under:

(In Million Tonnes)

Capacity in MTPA			
S. No.	Port	2015-16	2024-25
1.	Deendayal Port Authority (DPA)	131.06	295.77
2.	Mumbai Port Authority (MbPA)	49.33	86.50
3.	Jawaharlal Nehru Port Authority (JNPA)	89.37	145.87
4.	Mormugao Port Authority (MgPA)	48.79	63.40
5.	New Mangalore Port Authority (NMPA)	77.77	114.96
6.	Cochin Port Authority (CoPA)	49.66	80.50
7.	V.O. Chidambaranar Port Authority (VOCPA)	59.26	123.46
8.	Chennai Port Authority (ChPA)	93.44	136.00
9.	Kamarajar Port Limited (KPL)	45.00	97.00
10.	Visakhapatnam Port Authority (VPA)	107.75	154.71
11.	Paradip Port Authority (PPA)	126.94	289.55
12.	Syama Prasad Mookerjee Port Authority (SMPA) (Combined)	86.99	93.02
Total		965.36	1680.74

Capacity of (Non-Major Ports) Maritime Boards/States from 2014-15 to 2023-24

S.No.	States	(in Million Tonnes)									
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1	Gujarat	422.00	466.00	501.00	523.00	542.00	542.81	544.62	552.00	593.00	598.01
2	Maharashtra	68.60	69.80	85.80	100.90	102.40	125.00	125.00	125.00	117.55	137.77
3	Goa	0.60	0.43	0.12	0.07	0.02	9.00	9.00	9.00	9.00	9.00
4	Tamil Nadu	0.83	0.86	1.17	1.10	2.15	26.15	25.05	25.05	25.05	25.05
5	Kerala	0.02	0.02	0.01	0.01	0.55	0.55	1.07	1.07	1.07	1.07
6	Karnataka	0.66	0.84	0.71	0.68	17.80	5.00	5.00	5.00	5.00	5.00
7	Andhra Pradesh	154.40	154.40	154.40	178.00	178.00	193.40	193.40	193.40	207.00	207.00
8	Odisha	27.50	27.50	27.50	34.50	47.50	65.00	70.00	70.00	65.00	70.00
9	Puducherry	11.40	14.90	14.90	14.90	16.90	16.96	16.96	16.96	17.95	17.95
10	Andaman & Nicobar Islands	3.00	3.00	3.00	3.00	3.00	4.11	4.11	4.11	4.11	4.11
11	Lakshadweep	-	-	-	-	-	-	-	5.82	5.82	5.82
Total		689.01	737.75	788.61	856.16	910.32	987.98	994.21	1007.41	1050.55	1080.78

Source: • Non-Major Ports State Maritime Board

“The Ministry of Ports, Shipping and Waterways in India is not only focused on upgrading and developing existing ports but also emphasizes the development of new ports. While the ministry has identified a list of 12 major ports for modernization and upgradation, as well as around 200 non-major ports for development across the country, it also has plans for the construction of new ports to meet the increasing demand for port infrastructure.

The focus on new ports and enhancing the capacity of existing ports is part of the larger vision to improve India's maritime trade and logistics capacity. By developing new ports, the government aims to reduce

dependency on a few existing ports and ensure better coverage along the extensive Indian coastline. Address congestion issues at major ports and improve trade efficiency. New ports can spur economic activity in underdeveloped coastal regions and create new hubs for industrial growth. New ports help in enhancing international connectivity and trade routes.

In this endeavor, Sagamala is flagship programme of the Ministry of Ports, Shipping and Waterways to promote port-led development in the country through harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. Ministry has formulated a comprehensive roadmap-Maritime Amrit Kaal Vision 2047 which encapsulates various initiatives across strategic themes aimed at driving growth. This includes establishing a safe, sustainable, and green maritime sector by developing next generation ports, shipbuilding, ship repair & recycling facilities, maritime education, research and training facilities.

Apart from developing major and non-major ports in the country, MoPSW is also focusing on the development of new ports. The Ministry has initiated significant projects to expand India's port infrastructure and enhance its maritime capabilities. One such project is the Vadhvan Port in Palghar District, Maharashtra, for which the foundation stone was laid in August 2024. This INR 76,000 crore investment aims to create India's largest deep-draft container port, capable of handling over 23 million TEUs annually and accommodating vessels designed for 24,000 TEUs. The Vadhvan Port project, developed under a Public-Private Partnership model, is expected to double India's container handling capacity.

Additionally, MoPSW is developing a transshipment hub in Galathea Bay, Andaman, strategically located on the international shipping route. This International Container Transshipment Port (ICTP) aims to reduce dependency on foreign ports and minimize forex losses. Furthermore, the

Ministry has commissioned the new Tuticorin International Container Terminal with an investment of over INR 430 crores. These developments demonstrate the Ministry's commitment to expanding and modernizing India's port infrastructure beyond the existing major and non-major ports, positioning the country as a leading player in international maritime commerce."

5.3 Further, the Committee asked about the outcome of Sagarmala Project regarding port connectivity and promoting port-led industrialization to streamline operation, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

"Connectivity to the ports is mainly based on road and rail networks. Better port connectivity facilitates efficient cargo movement between ports and their respective hinterland minimizing overall logistics cost of the country. Timely implementation of port connectivity projects is required for enhancing overall freight efficiency. There are 78 cargo handling ports along the Indian coastline, out of which 12 are major ports and 66 are non-major ports. Another 9 ports are under implementation (1 Major and 8 non-major). All major ports (except the upcoming port at Vadhavan, Maharashtra) are connected by rail and by 4 Lane Road or National Highway. Of the 66 non-major ports handling cargo, 13 are connected by rail while 24 are connected by 4 Lane Road / National Highway.

The Ministry, under the Sagarmala Programme has focused on the connectivity between ports and domestic production and consumption centers under the dedicated pillar of port connectivity. The Ministry of Ports, Shipping and Waterways has identified 266 Road and Rail connectivity projects which are been implemented by various agencies.

Under PM Gati Shakti, DPIIT prepared a Comprehensive Port Connectivity Plan (CPCP) in consultation with MoPSW, MoR, MoRTH, and State Maritime Boards in September 2022. CPCP incorporates 298 connectivity projects, of which 191 projects (101 road and 90 rail) are under

the Sagarmala Programme, and 107 new connectivity infrastructure gaps (60 road and 47 rail).

Under Sagarmala, new rail connectivity is planned to be provided for 24 additional ports handling cargo, and to be augmented for the 25 ports already connected. For the remaining 31 ports, currently there are no requirements/proposals of rail connectivity infrastructure and will be taken up commensurate with port development plan as and when such request is received from respective State Governments.

Similarly, under Sagarmala, 4 lane / NH road connectivity is planned to be provided to 20 additional ports handling cargo, and to be augmented for the 36 ports already connected by NH or 4 lane road. For the remaining 24 ports, the existing road connectivity is sufficient and currently there are no requirements / proposals of augmentation of road connectivity infrastructure and will be taken up commensurate with port development plan as and when such request is received from respective State Governments.

MoPSW has taken a proactive approach towards identifying areas of improvement in port connectivity. MoPSW has prepared a 'Report on Connectivity of Ports to Industrial Nodes', wherein a thorough assessment and gap analysis of connectivity of ports in relation to all the existing and upcoming nodes under various industrial corridors under NICDIT has been done. The report has identified 62 new road and rail infrastructure gaps. This strategic analysis will pave the way for targeted initiatives to address these gaps, fostering enhanced connectivity and efficiency."

5.4 When asked by the Committee about the steps have been taken to identifying future industrial capacities near the coasts to reduce the logistic costs for bulk commodities and enhance export competitiveness, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“National Industrial Corridor Development Programme is an ambitious infrastructure programme under DPIIT aimed at development of futuristic industrial cities which can compete with the best manufacturing and investment destinations in the world. In this direction, 11 Industrial Corridors have been identified and 32 Industrial Nodes are planned to come up alongside these Industrial Corridors.

MoPSW has taken a proactive approach towards identifying areas of improvement in port connectivity. MoPSW has prepared a ‘Report on Connectivity of Ports to Industrial Nodes’, wherein a thorough assessment and gap analysis of connectivity of ports in relation to all the existing and upcoming nodes under various industrial corridors under NICDIT has been done. The report has identified 62 new road and rail infrastructure gaps. This strategic analysis will pave the way for targeted initiatives to address these gaps, fostering enhanced connectivity and efficiency.

The Apex Monitoring Committee for NICDIT gave mandate to MoPSW to map connectivity of ports to these industrial nodes. The State Multi-Modal Committees (MMC) headed by Chairman of the respective Major Port having representatives of Ministry of Railways, Ministry of Road Transport & Highways, State Maritime Board and the Industries Department of the concerned State were entrusted with the task of identifying infrastructure gaps and need for augmentation for providing seamless connectivity of Ports to Industrial Nodes. The report prepared incorporates suggestions made by the MMCs and inputs received from NICDC to arrive at a comprehensive analysis of adequacy of rail and road connectivity from each industrial node to the nearest Major/Non-Major Ports.”

5.5 The Committee asked about the status of the Coastal Economic Zones (CEZs) identified under “Sagarmala” Programme, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“Port-led industrialization focuses on reducing logistics costs by locating industries at the ports. The Coastal Economic Zone (CEZ) had been envisaged to facilitate port led industrialization and / or Export Import (EXIM) / coastal trade of goods & commodities. Under the National Perspective Plan of the Sagarmala Programme, fourteen CEZs were envisaged. Subsequently, it was proposed to create an institutional framework and develop one CEZ project on a pilot basis for enabling Port Led Industrialization and incentivize employment generation. The proposal was taken up with the Department of Expenditure (EFC held in July 2019) which recommended that MoPSW should explore possibility of development of a CEZ with land available with the Major Ports duly taking into consideration other initiatives of Government of India.

More than 8000 Acres of land have been used for industrialization by Major Ports. The details are under:

S. No.	Port Name		Total land available within the port for industrialization (In Acres)	Industrialization done by ports till date (in Acres)
1	Vishakhapatnam Port Authority		3,359 Acres	3,256 Acres
2	Paradip Port Authority		769 Acres	769 Acres
3	New Mangalore Port Authority		56 Acres	43.24 Acres
4	Cochin Port Authority		786 Acres	632 Acres
5	V.O. Chidambaranar Port Authority		965 Acres	60 Acres
6	Syama Prasad Mookerjee Port Trust (SMP K)	Kolkata Port (KoPT)	1371 Acres	1236 Acres
7		Haldia Dock Complex (HDC)	2434 Acres	1774 Acres
8	Jawaharlal Nehru Port Authority		1210 Acres	291 Acres
9	Chennai Port Authority		Nil	~~~
10	Deendayal Port Authority		5572 Acres	~~~
11	Mumbai Port Authority		Nil	~~~
12	Mormugao Port Authority		Nil	~~
13	Kamarajar Port Limited (KPL)		NIL	~~

5.6 When the Committee asked about the Budget allocation and its expenditure on Port Modernization, large cargo handling and Port-led industrialization, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“The funds provided by the Ministry of Finance are untied funds and not Pillar Wise. Ministry provide financial assistance to the projects of State Government / UTs/ Major Ports in terms of guidelines stipulated under Sagarmala Funding Guidelines. The budget allocation for the last 5 years under Sagamala is as under:

(Rs. In Cr.)

Year 2020-21	Year 2021-22	Year 2022-23	Year 2023-24	Your 2024-25
BE- 297	BE- 301	BE- 413	BE- 360	BE- 700
RE- 147	RE- 327	RE- 412	RE- 434	RE- 709

Over the past five years, Major Ports in India have made expenditure amounting to ₹14,080 crore through Internal and Extra Budgetary Resources (IEBR) and Gross Budgetary Support (GBS). This significant expenditure has been directed towards comprehensive port modernization, enhancement of large cargo handling capacities, and the development of port-led industrialization initiatives aimed at streamlining operations and boosting overall efficiency.”

5.7 When the Committee asked about policy measures taken to fast track clearances, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“For timely execution of projects, Ministry on regular intervals interacts with State Maritime Boards (SMBs)/State Govts/UTs' Administration/ Central Line Ministries by organizing project based and State level meetings to understand their concerns and aiding to resolve the issues concerning Government of India in timely manner. Ministry from time to time holds Maritime States Development Council (MSDC) meetings and also

encourage coastal States/UTs to hold State Sagarmala Committee meetings for creating synergy among various stakeholders for expeditious implementation of Sagarmala projects. To date, twenty meetings of MSDC have been held with State Governments and other stakeholders. Further, at the top of the Sagarmala framework, a National Sagarmala Apex Committee has been constituted for overall policy guidance and high level coordination, and to review aspect of planning and implementation of the plan and projects.

As a step towards improving the efficiency and effectiveness of various activities and to ensure Ease-of-Doing-Business, following digital solutions have been developed by IWAI to enable stakeholders to have fast track clearances: -

Portal for giving NOC for construction of Structures across National Waterways (NWs)- To obtain clearance before construction of any structure across NWs, portal has been established on IWAI website- iwai.nic.in to speed up the process of issuing NOC and ensure transparency with a facility to submit online application and fees.

Portal for giving permission to vessels for plying on Indo-Bangladesh Protocol Route- iwaiportal.nic.in has been established for this purpose which provides facility for online application and issuance of permission for ease of doing business by the cargo/vessel operators.

CAR-D Portal: CAR-D (Cargo Data Portal) is a web-based portal for collection & compilation, analysis and dissemination of all cargo and cruise movement data of National Waterways. It captures the traffic data in a near real time mode for cargo and cruise from different terminals, operators, Maritime Boards, etc. It is accessible to all the stakeholders and helps in understanding the traffic flow pattern, key commodities and potential key

logistic players in the sector and can facilitate cargo consolidation and promotion of National Waterways transportation.

PANI Portal (Portal for Asset & Navigation Information): IWAI has developed the IWAI Vessel Tracker Application as an e-Navigation solution. It is an integrated solution bringing river navigation and infrastructure information on a single platform. It provides detailed information of various features of National Waterways and the assets such as fairway, infrastructure facilities, cross-river structures, connectivity at jetties, emergency services for facilitating transportation of cargo. The GIS-based Bharat Map portal also helps external stakeholders in voyage planning, leading to ease of business.

Jalyan& Navik - (Central database for vessel and crew registration) on similar lines to Vahan & Sarathi is an application for inland vessels launched during IWDC meeting on 10.01.2025.

Portal for giving online NOC for Jetty / Terminals- A dedicated digital portal has been developed by the Inland Waterways Authority of India (IWAI) to invite private investment in infrastructure development on National Waterways. This is aimed at facilitating ease of doing business (EODB) and encouraging private investment in inland water transport (IWT) in the country. The launch follows the introduction of the National Waterways (Construction of Jetties/Terminals) Regulations, 2025, which lays out a framework for private players to invest in the construction and operation of jetties and terminals across India's national waterways network.

The Ministry has implemented the Major Port Authorities Act, 2021, decentralizing decision-making and enabling ports to operate with greater autonomy. This reform is expected to enhance operational efficiency and minimize bureaucratic delays. Additionally, the Ministry is actively

streamlining processes, improving inter-agency coordination, and leveraging digital platforms to strengthen efficiency and transparency. Further, to ensure the smooth progress of projects, the Ministry monitors them through the Sagarmanthan portal, a digital tracking tool, along with weekly comprehensive reviews of major ports chaired by the Secretary (PSW).

5.8 When asked by the Committee asked about timeline/deadline to meet turnaround at global average, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“MoPSW has established the following targets for vessel turnaround times at Indian ports, as specified in the Maritime India Vision 2030 (MIV 2030) and Maritime Amrit Kaal Vision 2047 (MAKV 2047):

- **For bulk cargo vessels:**

- By 2030: Median turnaround time to be less than 2 days
- By 2047: Median turnaround time to be less than 1 day

- **For container cargo vessels:**

- By 2030: Median turnaround time to be less than 2 days
- By 2047: Median turnaround time to be less than 1 day

These targets apply to the average vessel turnaround time, measured in hours, at Indian ports for both bulk and container cargo operations. The Ministry aims to achieve these timelines to align with global average turnaround times and enhance port efficiency.”

5.9 When the Committee asked regarding the project monitoring system/mechanism to monitor the ongoing projects development, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“Project Management Units (PMUs): Dedicated units to track progress, address challenges, and ensure timely completion of projects.

Digital Platform: Ministry has developed Sagarmala MIS portal for real-time monitoring and reporting of project milestones and performance metrics.

Regular Reviews: Conducting periodic review meetings with stakeholders to assess project status and resolve any issues.

Coordination with State Governments: Collaborating with state authorities to facilitate smooth execution and address local challenges.

Ministry interacts with State Maritime Boards (SMBs)/State Govt.s/UTs' Administration on regular intervals by organizing project based and State level meetings to understand their concerns and aiding to resolve the issues concerning Government of India in timely manner. Ministry from time to time holds Maritime States Development Council (MSDC) meetings and also encourage coastal States/UTs to hold State Sagarmala Committee meetings for creating synergy among various stakeholders for expeditious implementation of Sagarmala projects. To date, 20 meetings of MSDC have been held with State Governments. Last meeting of MSDC was held in the months of November, 2024 in Goa.

Institutional framework for Sagarmala Project has been approved by the Cabinet. At the top of the framework, A National Sagarmala Apex Committee has been envisaged for overall policy guidance and high

level coordination, and to review aspect of planning and implementation of the plan and projects. The committee has been empowered to provide policy direction, guidance for the initiative implantation and review the progress of implementation of maritime plan.”

5.10 When the Committee asked regarding the implementation of Port Community System, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“The Port Community System (PCS) has become an integral part of the National Logistics Portal - Marine platform (SAGAR SETU) since December 2022 and has been successfully implemented across all 12 Major Ports of India.

(2) More than 50 non-major Ports, under the control of Maritime Boards of respective State Government, are on boarded on NLP-Marine (Sagar Setu). The list of Non-Major Ports is as below:

S.No.	Port Name	State
1	AMNS (Arcelor Mittal and Nippon Steel), Hazira	Gujarat
2	Adani Dahanu Terminal Power Station	Maharashtra
3	Adani Gangavaram Port	Andhra Pradesh
4	Adani Petronet (Dahej) Port Pvt. Ltd.,	Gujarat
5	Adani Ports and Special Economic Zone Limited, Mundra	Gujarat
6	Azhikkal Port	Kerela
7	Bedi Port	Gujarat
8	Bey pore Port	Kerela
9	Bhavnagar Port	Gujarat
10	ChemplastCuddaloreVinylsTerminal,Tamil Nadu	Tamil Nadu
11	DahejHarbour& Infrastructure Ltd., Dahej	Gujarat
12	Dhamra Port	Odisha
13	Dighi Port	Maharashtra
14	Dharamtar Port PNP	Maharashtra
15	Essar Bulk terminal ltd., Salaya	Gujarat
16	Gopalpur Port	Odisha

17	Gujarat Pipavav Port Ltd	Gujarat
18	Gujarat State Fertilizers & Chemicals Limited, Sikka	Gujarat
19	Hazira Port Private Limited Hazira Surat	Gujarat
20	Jakhau Port	Gujarat
21	Jsw Jaigarh Port Ltd., Ratnagiri	Maharashtra
22	Jsw Steel Ltd. Salav Works, Shipping Port, Revdanda	Maharashtra
23	Karaikal Port	Puducherry
24	Kollam port	Kerela
25	Bhogat Port Facility, Vedanta Limited, Bhogat	Gujarat
26	Kakinada Deepwater Port	Andhra Pradesh
27	Finolex Terminal, Ratnagiri Port, Ratnagiri,	Maharashtra
28	JswDharamtar Port Pvt. Ltd., Raigad.	Maharashtra
29	ChemplastSanmar Karikal	Puducherry
30	Konkan Lng Limited. Dabhol (Konkan LNG Private)	Maharashtra
31	Krishapatnam Port	Andhra Pradesh
32	Magdalla Port, GMB, Magdalla	Gujarat
33	MIDPL Katuppalli Port Facility	Tamil Nadu
34	Navlakhi Port	Gujarat
35	Okha Port	Gujarat
36	Panji Port, Government of Goa	Goa
37	PMB, Port Blair	Andaman & Nicobar
38	Porbandar GMB Port	Gujarat
39	Sikka Port Terminal Ltd.	Gujarat
40	Vizhinjam International port	Kerela
41	BANKOT	Maharashtra
42	REDI PORT LTD	Maharashtra
43	RANPAR	Maharashtra
44	Indo Eng Pvt Ltd	Maharashtra
45	Karanja Terminal & Logistics Pvt. Ltd	Maharashtra
46	Ravva Port (Terminal)	Andhra Pradesh
47	Kakinada Anchorage Port	Andhra Pradesh
48	Vizhinjam port	Kerela
49	Karwar Port	Karnataka
50	Alang Ship Recycling Yard	Gujarat
51	Old Mundra Port	Gujarat

(3) DG Shipping is taking necessary steps with State Maritime Boards for the onboarding of remaining Non-Major Ports on NLP-Marine.”

5.11 When the Committee asked regarding the training of staff to improve operational efficiency and reducing delays, the Ministry of Ports, Shipping and Waterways submitted the following written reply to the Committee:

“Details of no. of people/staff who have been trained in the last five years for improving operational efficiency and reducing delays in various port operations:

Year	2020-2021				2021-2022				2022-2023				2023-2024				2024-2025			
Name of Major Port Authorities and Class	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Chennai Port Authority	12				16				16		78		20	16	147		101	174	376	
Cochin Port Authority	3	8	26		19	20	41	7	6	18	49	17	8	4	55	13	20	14	19	
Deendayal Port Authority	4				22	35	22		46	21	30		31	26	39	1	67	24	33	
Jawaharlal Nehru Port Authority	22	03	00	00	33	05	105	00	63	09	319	00	72	12	373	00	84	14	423	00
Mormugao Port Authority					31	19	19	3	46	39	229	15	38	30	244	55	43	36	353	86
Mumbai Port Authority	02				01		14		03				02		51		02		50	
New Mangalore Port Authority		02			48	21			16	13			40	12			29	10		
Paradip Port Authority	6	12	9	1	34	11	29	0	31	16	67	7	169	45	68	0	17	7	55	0
Syama Prasad Mookerjee Port, Kolkata			86	37	31	3	257	82	244	34	200	42	56	10	171	22	105	21	259	25
V.O.Chidambaranar Port Authority					44	16	5		7	2			30	19	4		38	60	71	
Visakhapatnam Port Authority	32	44	309	143	30	42	487	71	30	46	471	148	33	140	570	17	112	147	822	162
Kamarajar Port Limited	02	01			42		11		15	02	07		27	06	04		35	05	29	

B. SHIPBUILDING

5.12 Indian Shipping Industry has over the years played a crucial role in the transport sector of India's economy, providing an essential means of transport for crude oil, petroleum products, and other Cargo. Approximately 95% of the country's trade by volume and 68% by value is moved through Maritime Transport. Shipbuilding is technology driven, skill and material intensive assembly operation. It has the same impact as infrastructure sectors due to higher multiplier effects of investment and turnover and high employment potential. Currently India owns only 1 percent of world's ship and builds less than 1 percent. As on today, the condition is that if we consider the loans of all the banks and financial institutions, out of the total loan given to the country in all the sectors, only 0.26 per cent loan was given to the shipping side. And if we consider the logistic sector, only 0.89 per cent of that is coming to the shipping side.

5.13 The Committee observed that in the reply of the question asked in Rajya Sabha on 11 February, 2025, about the infrastructure status to shipbuilding industry Ministry of Ports, Shipping and Waterways submitted as under:

Government of India vide Gazette Notification No. 112 dated April 13, 2016 has provided infrastructure status to Shipyards. The "Shipyards" have been defined therein as a floating or land-based facility having requisite facilities for carrying on shipbuilding/repair/breaking activities. Infrastructure status would enable Indian shipyards to avail cheaper long-term source of capital and would enable the shipyards to reduce their cost disadvantage and invest in capacity expansion thereby giving a boost to the Indian shipbuilding industry. The provision to include large ships above a specified size in the infrastructure harmonized master list (HML) has been announced in the Budget announcement (2025-26).

5.14 When asked by the Committee about steps being taken to enhance productivity and capacity to meet global standard, the Ministry of Ports, Shipping and Waterways, submitted in written reply as under:

“The Government of India has recognized the importance of expanding and modernizing its maritime infrastructure, and there are ongoing efforts to enhance the country's position in global shipping. While India currently owns only about 1% of the world's fleet and builds a similarly small percentage of ships, several strategic initiatives are in place to improve this situation and drive economic growth through port and maritime sector development. The government plans to increase the number of operational ports and upgrade facilities at key ones to accommodate larger vessels and handle more cargo. Under the "Make in India" initiative, the government has focused on creating an ecosystem for shipbuilding and maritime equipment manufacturing in India, which can help in increasing domestic production and reduce reliance on foreign manufacturers. Additionally, investments in shipbuilding and maritime skill development are being encouraged to expand the country's presence in the global shipping industry.

5.15 Further, the Ministry of Ports, Shipping and Waterways has also submitted in its written reply as under:

(i). Ministry is implementing Shipbuilding Financial Assistance Policy (SBFAP) to offset the cost disadvantage of Indian shipyards vis-a-vis global shipyards and it include (a) Wind farm installation vessels and construction of sophisticated dredgers as specialized vessels which are eligible to get higher financial assistance, over and above ₹40 Crores which is upper limit for non-specialized vessels. (b) Financial assistance of 30% for vessels where main propulsion is achieved by means of green fuels such as Methanol/ Ammonia / Hydrogen fuel cells, (c) Financial assistance of 20%

for vessels with electric means of propulsion or vessels fitted with hybrid propulsion system.

(ii). The Government, in November 2021, has released Standard Tug Designs of five variants for use by Major Ports for procurement of tugs to be built in Indian Shipyards.

(iii). To promote indigenous shipbuilding, the Ministry of Ports, Shipping and Waterways on 20.09.2023 has revised the hierarchy of Right of First Refusal (RoFR) to be followed in any kind of charter of a vessel which is undertaken through a tender process. The revised hierarchy of RoFR is:

- (1) Indian built, Indian flagged and Indian owned
- (2) Indian built, Indian flagged and Indian IFSCA owned
- (3) Foreign built, Indian flagged and Indian owned
- (4) Foreign built, Indian flagged and Indian IFSCA owned
- (5) Indian built, foreign flagged and foreign owned

(iv) Ministry of Ports, Shipping & Waterways has launched the Green Tug Transition Programme (GTTP) which aims to reduce carbon emissions and minimize environmental impact by encouraging adoption of environmentally sustainable tugboat operations.

(v) Government has launched the Harit Nauka guidelines for inland vessels which aim to promote the adoption of greener technologies in inland waterway vessels.

(vi). Government of India vide Gazette Notification No. 112 dated April 13, 2016 has included 'Shipyards' in the updated Harmonized Master List of Infrastructure Sub-sectors. Infrastructure status would enable Indian shipyards to avail cheaper long-term source of capital and would enable the shipyards to reduce their cost disadvantage and invest in capacity expansion thereby giving a boost to the Indian shipbuilding industry.

(vii). In order to promote indigenous shipbuilding, Government has issued guidelines on 19.05.2016 for evaluating and awarding tenders for new shipbuilding orders floated by government departments or agencies including public sector undertakings for acquisition of any type of vessel(s) used by them for Governmental purposes or for their own use. Whenever acquisition of a vessel(s) is undertaken through tendering route, the qualified Indian Shipyards will have a “Right of First Refusal” to enable them to match the evaluated lowest price offered by the foreign shipyard which is aimed at increasing ship building activities in Indian shipyards. Further, the Government entities dealing with ship building and ship-owning are advised to ensure local content as per the Government of India Public Procurement (Preference to Make in India) Order, 2017. As per this Order, procurement of ships of less than ₹200 crores is required to be from Indian shipyards.

(viii) Government of India, in the budget speech, 2025, has made following announcements:

- The Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages. This will also include Credit Notes for shipbreaking in Indian yards to promote the circular economy.
- Large ships above a specified size will be included in the infrastructure harmonized master list (HML).
- Shipbuilding Clusters will be facilitated to increase the range, categories and capacity of ships. This will include additional infrastructure facilities, skilling and technology to develop the entire ecosystem.
- For long-term financing for the maritime industry, a Maritime Development Fund with a corpus of Rs.25,000 crore will be set up. This will be for distributed support and promoting competition. This will have up to 49 per cent contribution by the Government, and the balance will be mobilized from ports and private sector.

- To continue the exemption of Basic Customs Duty (BCD) on raw materials, components, consumables or parts for the manufacture of ships for another ten years

Further, In MIV 2030 report, vision of taking India into Global Maritime Leadership has been manifested. Chapter 5 talks about Shipbuilding aspect. For Shipbuilding, MoPSW has adopted four-pillar approach. While the four pillars together are crucial and necessary to bolster and sustain end-to-end growth of India's maritime sector, each offers tailored solutions which address unique challenges of the sector:

Pillar 1. SBFAP 2.0 is a continuation of the SBFAP (expiring in 2026) that focuses on providing direct financial subsidies to enable Indian shipyards to secure orders by overcoming the operational cost disadvantages. faced by the Indian shipbuilders vis-à-vis foreign yards that enjoy govt. support (historical or continued) and therefore, ensure complete utilization of existing capacity of close to 400,000 to 500,000 GT while also helping Indian buyers procure from Indian yards. The Draft Cabinet Note is submitted to M/o Finance for approval.

Pillar 2. MDF is designed to provide competitive and long-term financing support through equity and debt to various areas of the broader maritime industry including shipping, port-led industrialization, maritime clusters, inland water transport, and green transition. The Draft Cabinet Note is being prepared.

Pillar 3. Capacity and capability build up is targeted specifically towards increasing the range and categories of ships that India can construct and the total tonnage in GT that can be manufactured per annum being increased to ~ 4.5 million GT. The scheme takes into account the additional facilities, manpower, skills and technology needed to achieve this increase. This is critical considering the growing demand for ships for Indian sea

borne cargo and the proportion of that being carried on Indian ships. The EFC proposal is being finalised.

Pillar 4. Policy reforms are aimed to resolve other critical challenges around flagging and taxation, among others. This is pursued separately through bilateral discussions with relevant government agencies.”

5.16 During the evidence from the representative of the Ministry of Ports, Shipping and Waterways regarding the Shipbuilding Financial Assistance Policy, submitted as under:

“... जैसा कि माननीय वित्त मंत्री जी ने बजट में एनाउंस किया, उसमें हमारा पहला पिलर *Shipbuilding Financial Assistance Policy* है। *It is run through a scheme.* इसमें शिप बिल्डिंग की जो भी कॉस्ट आती है, उस कॉस्ट का 20 परसेंट उस शिपयार्ड को फाइनेंशियल असिस्टेंस के रूप में हम दिया करते थे। यह 20 परसेंट कैसे आया, इसके बारे में बताना चाहूंगा कि अगर वही शिप इंडिया में बनती है और फॉरेन में बनती है, तो उस शिप की इंडिया में बनाने का कॉस्ट लगभग 18 से 20 प्रतिशत ज्यादा आता है। उसके रीजन्स हैं। पहला है- मैटेरियल कॉस्ट। उसमें जो स्टील लगता है, उस स्टील की कॉस्ट इंडिया में ज्यादा है। दूसरा है- लेबर कॉस्ट। हालांकि हमारे यहाँ लेबर ज्यादा है, लेकिन प्रोडक्टिविटी इश्यू की वजह से शिप के बनाने में लेबर की इनपुट कम है।

मैं प्रोडक्टिविटी की बात कर रहा हूँ बाहर में ज्यादा मैकेनाइज्ड है। इसलिए उनकी प्रोडक्टिविटी लेवल हाई है। यह स्टडी की रिपोर्ट है।

तीसरा है- फाइनेंशियल कॉस्ट। जैसा कि अभी कहा गया कि अभी तक शिपिंग अपने आप में कोई इंफ्रास्ट्रक्चर नहीं था। इसलिए बैंक से जो फाइनेंस मिलता था, वह हायर रेट पर मिलता था और वह कम डुरेशन के लिए मिलता था। ये तीन-चार फैक्टर्स की वजह से इंडिया में शिप बिल्डिंग की कॉस्ट बाहर की तुलना में 18 परसेंट ज्यादा मानी जाती है। यह स्टडी कहती है।

इसलिए अट्रैक्ट करने के लिए यह स्कीम शुरू हुई थी कि शिप बिल्डिंग इंडिया में हो, बाहर न हो, इसलिए जो भी डिफरेंशियल हैं, हम उस शिपयार्ड को दें, जिससे वह उसी कॉस्ट पर बना पाए, जिस पर बाहर बनता है। इसका एक फीचर यह है।

दूसरी बात यह है कि इस स्कीम में एक महत्वपूर्ण फीचर हमने डाला है, उसे 'क्रेडिट नोट स्कीम' कहते हैं। अगर कोई शिप ओन करता है और इंडिया में शिप को ब्रेक करवाता है, भावनगर, गुजरात में अलांग है, जहाँ वर्ल्ड का एक बड़ा शिप ब्रेकिंग यार्ड है। वहाँ पर लगभग एक सौ या सवा सौ शिप ब्रेकिंग यार्ड्स हैं। अगर कोई शिप को इंडिया में लाकर उसे ब्रेक करे, तो उसको ब्रेकिंग कॉस्ट का 40 परसेंट एक क्रेडिट नोट फॉर्म में दिया जाएगा। उसकी वैल्यू नहीं मिलेगी, वह 40 परसेंट क्रेडिट नोट फॉर्म में होगा। वह क्रेडिट नोट यूज होगा, यदि वही शिप ऑनर इंडिया में ही किसी शिपयार्ड में जाकर अपनी नयी शिप बनवाए, तो जो उसे 40 परसेंट क्रेडिट नोट मिलेगा, उसे वह वहाँ पर दे सकता है।

इस तरह का एक इको-सिस्टम डेवलप करेंगे, जिससे शिप ब्रेकिंग भी इम्प्रूव हो जाएगी और इंडिया में शिप बिल्डिंग भी अट्रैक्टिव हो जाएगी। चाइना में या कोरिया में बहुत पहले ऐसी स्कीम चलती थी, उसे हमने थोड़ा मॉडिफाई करके यहाँ पर एडॉप्ट करने की कोशिश की है।

...हमारा नेक्स्ट पिलर है- मेरीटाइम डेवलपमेंट फंड। यह इस सेक्टर के स्टैकहोल्डर्स की बहुत पहले से डिमांड रही है। हमारी मिनिस्ट्री का जो विज़न डॉक्युमेंट है, वर्ष 2030 का और 2047 का, उसमें भी इस फंड को सेट-अप करने की डिमांड है। उसी के बेसिस पर अभी एनाउंसमेंट हुआ है। हमने उसका एक प्रपोजल भी सब्मिट किया है। यह जैसे ही अप्रूव होगा या फंड सेट-अप होगा, हमने इसका टोटल कॉर्पस फंड 25 हजार करोड़ रुपये प्रपोज किया है। उसका लगभग 49 परसेंट गवर्नमेंट के द्वारा होगा और शेष 51 परसेंट मेजर पोर्ट्स और प्राइवेट सेक्टर्स से इन्वेस्टमेंट के रूप में आएगा। इससे कॉर्पस फंड स्टार्ट किया जाएगा। वह शिप बिल्डिंग में भी काम आएगा और शिप ओनिंग में भी काम आएगा। हमने पूरे सेक्टर के लिए यह प्रपोजल दिया है। हालांकि 25

हजार करोड़ रुपए एक छोटा एमाउंट है। इस सेक्टर की जो रिक्वायरमेंट है, वह बहुत हाई है।

मैं एक छोटा-सा उदाहरण देता हूँ जैसा कि आपने कहा कि इंडिया का जो एनुअल एक्विजिशन होता है, उसका 96 परसेंट हम फॉरेन शिप्स से अपने सामान लाते और ले जाते हैं। लगभग 100 बिलियन डॉलर यानी लगभग 8 लाख करोड़ रुपए प्रति वर्ष, हम फ्रेट एक्सपेंस के रूप में देते हैं।

इस तरह से, हम छोटे से परसेंटेज के रूप में भी इंडिया में शिप बिल्डिंग कर पाएं और अगर उस पर शिप ओनिंग इंडियन फ्लैग हो जाए, तो इस परसेंटेज पर थोड़ा लगाम लगेगा। नहीं तो अगर यह नैचुरल कोर्स में चलता रहा, तो हम जो 4 परसेंट अपने फ्लैग पर ट्रांसपोर्ट करते हैं, वह गिरकर 1 परसेंट पर आ जाएगा। इसलिए यह बहुत ही उपयुक्त समय है कि हम उसमें पॉजिटिव इंटरवेंशन करें और जो परसेंटेज धीरे-धीरे गिर रहा है, वह फिर से एक रिस्पेक्टेबल लेवल तक आ जाए।

...शिप बिल्डिंग कपैसिटी को इम्प्रूव करना। वर्तमान में, हमारे शिपयार्ड्स की कपैसिटी 1 मिलियन जीटी की है। अगर सारे शिपयार्ड्स अपनी पूरी कपैसिटी को यूज करें, तो हर साल एक मिलियन ग्राँस टनेज के शिप्स बना सकते हैं। लेकिन जो एक्चुअल प्रोडक्शन होता है, वह करीब 50 हजार जीटी का होता है, जो कि पांच परसेंट से कम है, उसका टोटल प्रोडक्शन होता है।

हालांकि, सब यार्ड्स बिजी हैं, ऑक्युपाइड हैं, इसका स्मॉल आउटपुट है। इसकी वजह यह है कि कपैसिटी की बहुत कमी है। स्पेस भी कम है और कपैसिटी भी कम है कि वे हाई-टनेज के शिप्स बना पाएं। दूसरा कारण यह है कि डिमांड भी नहीं है। यह साइकिल है कि क्या पहले आया? या तो कपैसिटी नहीं है, इसलिए ऑर्डर नहीं है, या फिर ऑर्डर नहीं है, इसलिए कपैसिटी नहीं डेवलप हो रही है। इस तरीके की यहां पर एक विशियस साइकिल सी बनी हुई है। उसको ब्रेक करके वर्चुअस साइकिल में कनवर्ट करें, इसलिए उस शिपयार्ड की कपैसिटी को डेवलप करना, यार्ड्स का ब्राउनफील्ड एक्सपैन्शन करना और नए ग्रीन फील्ड्स यार्ड्स को क्लस्टर फार्मेशन में सेटअप करना हमारा तीसरा पिलर है।“

5.17 When asked by the Committee about the financial and investment solutions provided to shipbuilding and maritime sector by the Company as an NBFC, SDCL, submitted in written reply as under:

Being the sectoral financial institution, SDCL will provide all sorts of legally permissible funding window to the maritime sector which will include the financing of floating assets. All the NBFC including Govt. and private banks are having limited exposure to maritime sector which is evident from the fact that out of the total loans around 0.26% is being given to maritime sector. SDCL, being sectoral expert of maritime sector, would be contributing positively to the growth of the sector which includes the realization of Amrit Kaal vision 2047. In case of long term finance is required by Maritime Sector, SDCL will raise the funds through long term/medium term/short term after considering the Asset Liability Mismatch (ALM)

C. INLAND WATERWAYS

5.18 India has various Inland Water Transport options that comprise rivers, canals, backwaters, creeks and tidal inlets. These not only form a competitive alternative mode of transportation with lower operating cost but also an environmentally friendly and sustainable mode in freight logistics and passenger transport. Inland waterways transport has witnessed a steady increase.

5.19 When asked by the Committee regarding the progress and steps being taken for development of inland waterways, the Ministry of Ports, Shipping and Waterways, submitted in written reply as under:

“Significant progress has been made in freight transportation through inland waterways during the last ten years. Cargo movement on National Waterways has increased from 18.10 million ton in 2013-14 to 133.03 million ton in 2023-24, at a compound annual growth rate (CAGR) of 22.1%. The number of operational National Waterways has increased from five (5) in 2014 to twenty-six (26) in 2024. The steps taken to enhance inland waterway connectivity in the country for facilitating faster movement of goods are

(a) Infrastructure Development:

(i) On NW-1 (River Ganga): 49 community jetties, 20 floating terminals, 3 Multi-Modal Terminals (MMTs) and 1 Inter-Modal Terminal (IMT) have been constructed. (ii) On NW-2 (River Brahmaputra): 12 floating terminals, 2 MMTs at Pandu, Jogighopa and 2 terminals at Bogibeel and Dhubri. 4 dedicated Jetties at Jogighopa, Pandu, Biswanath Ghat and Neamati. In addition to this, Jetties for cruise and passengers have been constructed at Sadiya, Lyka and Orium Ghat in Assam. (iii) On NW-3 (West Coast Canal in Kerala): 9 Permanent Inland Water Transport (IWT) terminals with godowns and 2 Ro-Ro/Ro-Pax terminals have been constructed. (iv) 3 floating

concrete jetties were provided to Government of Goa in 2020 and 01 in 2022 and installed in Mandovi River (NW-68). (v) 4 Tourist Jetties on part of NW-4 (River Krishna) in Andhra Pradesh have been commissioned and construction work initiated for 12 floating jetties on NW-110 (River Yamuna) in Mathura-Vrindavan stretch in Uttar Pradesh, 2 Jetties on NW-73 (River Narmada) and 2 Jetties on NW-37 (River Gandak) in Bihar. (vi) Fairway maintenance works (river training, maintenance dredging, channel marking and regular hydrographic surveys) are taken up in various National Waterways (NWs) for providing a navigation channel of 35/45 m width and 2.0 / 2.2 / 2.5 / 3.0 m least available depth (LAD) for operation of vessels

(b) Policy Measures:

- Cargo Promotion Scheme: A scheme for providing 35% incentive to promote the utilization of inland waterways transport sector by cargo owners and for establishing scheduled service for cargo movement on NW-1 and NW-2 and NW-16 via Indo Bangladesh Protocol has been approved by the Government. This scheme aims to divert 800 million tonne Km cargo on IWT mode, which is nearly 17% of the current cargo of 4700 million tonne Km on NWs. The scheme also aims to start a scheduled waterway cargo service between Kolkata and Varanasi/Pandu using IWA vessels through Shipping Corporation of India for demonstration effect and to increase trust of cargo movers/owners in the waterway movement.
- Shift of cargo by PSUs: For modal shift of cargo to waterways, more than PSUs have been approached with the respect to move their cargo using IWT mode. The Ministry of PNG, Cooperation/ Fertiliser, Food and Public Distribution, Heavy Industries, Steel and Coal have been requested to advise the PSUs under their jurisdiction to utilise IWT mode as far as possible and earmark certain percentage of their cargo for IWT mode keeping in line the MIV targets.

- **Integration with Ports:** World over, waterways are most optimally utilised if they are linked to ports. Kolkata port offers an opportunity of seamless integration with NW1 and can also help in resolving the problem of multimodality. Therefore, Syama Prasad Mookherjee Port, Kolkata has been requested for operation and management of Multi Modal Terminals at Varanasi, Sahibganj, Haldia and Intermodal terminal at Kalughat along with other terminals on NW-1.

- **River Cruise Tourism:** To promote river cruise tourism, number of meetings with cruise operators have been organised. Based on their feedback, steps like provision of shore power at IWAI terminals, extra berthing arrangements, etc. have been made. New cruise circuits have been identified and are being operationalised. A total of 34 Waterways have been identified for cruise movement and 10 have already been operationalised.

...We have already identified that about 26 National Waterways are operational across the country. Earlier, only four or five were operational. About 111 have been declared as National Waterways but I am talking about the operationalisation. Operationalisation means, whether we have the necessary facilities, infrastructure, depth, etc. So, we will assess that."

5.20 When the Committee asked regarding the traffic data of National Waterways, the Ministry of Ports, Shipping and Waterways, submitted in written reply as under:

"Requisite cargo data of each National Waterway since 2013-14 to 2024-25 is given below: -

National Waterways Cargo Data 2013-14 to 2024-25 (in Million Tons)												
National Waterways (NW)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
NW-1 (Ganga-Bhagirathi-Hooghly River System (Haldia-Allahabad))	3.35	5.05	6.48	4.89	5.48	6.79	9.11	9.21	10.93	13.17	12.82	16.38
NW-2 (Brahmaputra River (Dhubri-Sadiya))	2.48	0.51	0.60	0.61	0.56	0.49	0.39	0.31	0.43	0.63	0.59	0.90

NW-3 (WestCoast Canal)	1.07	0.96	1.06	1.03	0.42	0.42	0.55	0.73	1.70	3.23	3.29	3.49
NW-4 (Krishna Godavari River Systems)						0.45	0.08	6.83	11.23	8.42	4.30	10.40
NW-5 (East Coast Canal And Matai River/Brahmani-Kharsua-Dhamra Rivers/Mahanadi Delta Rivers)							-		0.02	0.40	0.64	0.38
NW-8 (Alappuzha-Changanssery Canal)										0.03	0.04	0.04
NW-9 (Alappuzha-Kottayam Athirampuzha Canal)										0.02	0.02	0.03
NW-14 (Baitarni River)										-	0.001	-
NW-16 (Barak River)							0.00	0.00	0.01	0.01	0.003	0.18
NW-23 (BudhaBalanga)										0.03	0.02	0.02
NW-31 (Dhansiri/Chathe)											0.01	0.00
NW-44 (Ichamati River)							0.90	0.28	0.82	0.46	0.48	0.49
NW-48 (Jawai-Luni-Rann of Kutch River)												2.40
NW-53 (Kalyan-Thane-Mumbai Waterway, Vasai Creek And Ulhas River)												2.70
NW-64 (Mahanadi River)							-	-	0.02	0.45	0.67	0.40
NW-86 (Rupnarayan River)							-	0.00	0.00	0.09	0.10	0.14
NW-94 (Sone River)							0.80	-	-	-	1.16	0.94
NW-97 (Sunderbans Waterway)						3.22	3.46	3.86	6.10	5.47	5.19	5.98
Sub Total (National Waterways 1,2,3,4,5,8,9,14,16,23,31,44,48,53,64,86,94,&97)	6.89	6.52	8.14	6.53	6.46	11.38	15.30	21.22	31.24	32.41	29.34	44.91
Maharashtra Waterways		-										
NW-10 (Amba River)		-				22.24	22.01	17.69	20.23	28.54	30.17	29.69
NW-83 (Rajpuri Creek)		-				0.85	0.67	0.21	0.23	0.24	0.45	0.27
NW-85 (Revadanda Creek-Kundalika River System)		-				1.72	1.59	1.08	0.70	0.50	0.99	0.82
NW-91 (Shastri River - Jaigad Creek System)		-				3.53	0.12	9.24	22.45	33.87	37.05	32.64
TOTAL Maharashtra Waterways	10.18	22.54	28.85	33.29	25.96	28.34	24.39	28.21	43.61	63.15	68.66	63.41
Goa Waterways												
NW-68 (Mandovi River)						1.65	1.58	4.00	2.62	2.54	2.42	2.84
NW-111 (Zuari River)						2.10	1.36	4.47	1.96	0.39	1.10	1.32
TOTAL Goa Waterways	1.00	0.10	4.54	15.65	11.09	3.76	2.93	8.46	4.58	2.93	3.52	4.16
Gujarat Waterways												
NW-73 (Narmada River)		-				0.04	0.10	0.08	0.05	0.04	0.06	0.06
NW-100 (Tapi River)		-				28.78	30.92	25.63	29.32	27.62	31.46	33.31
TOTAL Gujarat Waterways		-			11.52	28.82	31.02	25.71	29.37	27.66	31.51	33.36
Grand Total Million Tonnes	18.07	29.16	41.53	55.47	55.03	72.30	73.64	83.61	108.79	126.15	133.03	145.84

5.21 Further, the Committee asked about the findings of the National Technology Centre for Ports, Waterways and Coast (NTCPWC) regarding engineering issues related to ports, waterways and coasts in the country, the Ministry of Ports, Shipping and Waterways, submitted outcomes and findings as under:

“A. Port Annual Recurring in Maintenance dredging

(i) Shyama Prasad Mukherjee Port gained additional depth of ~1m as a result of continuous monitoring by NTCPWC that provide savings of INR 250 Cr. / Yr. to Port.

(ii) Automatic Tide Gauge solution was implemented in SMPA at a cost of about INR 10.3 Cr. including 5 years' annual maintenance cost, which would have costed about INR 30 Cr., if done commercially. NTCPWC has developed the solution inhouse, including software, hardware, telemetry and integration. The benefits of this economical solution could be utilized by all ports.

(iii) Deendayal Port gained additional depth of ~1m as a result of continuous monitoring by NTCPWC that provide savings of 50 Cr. / Yr. to Port.

(iv) IWAI informed in their last Dredging Management Plan Meeting about INR 700 Cr. saving over 5 years as per recommendations of NTCPWC, IIT Roorkee and World bank.

(v) Online dredging monitoring system implemented in all Major Ports and work in progress with IWAI.

B. Development of Indigenous Vessel Traffic Software System is an initiative under the self-realization for building a ‘Digital India’ and using Digital Technologies for building ‘Aatma Nirbhar Bharat’

(i) Annual Cost savings of approx. INR 1.2 Crores for Ports

(ii) Creating a pool of competent manpower equipped with state-of-the-art theoretical and practical know-how.

(iii) Low cost maintenance and flexibility to integrate with other Port & Terminal operating systems.

C. Providing learning opportunities to improve technical expertise of MoPSW institutions and personnel

(i) Entry Level and Advanced Navigational training programs for pilots in NTCPWC 360 Degree full bridge mission simulator.

(ii) Training and skill development programs being conducted for hazardous materials (HAZMAT), Bridge/Engine Resource Training Programs and navigational studies.

(iii) Nurturing Aspirations Maritime Startup Engagement Program (USHUS – CSL): Incubation support for startup funding and to conduct regular start-up clinics and to provide mentorship and technical advices to start-ups on case to case basis. Three start-ups have been identified and funded for seed and prototype grants under USHUS-CSL program.

D. Indigenous effective software and technology and patents

(i) Vessel Traffic System development

(ii) Autonomous Surface Vessel

(iii) Vessel tracker application

(iv) Online Dredging Monitoring

(v) Land Management Information System

(vi) OCIRC - Numerical modelling tool for coastal hydrodynamics

(vii) Tidal and Meteorological Monitoring, Telemetry and Display System (TMMTDS)

(viii) Fresh Water Maker – Compact Unit Desalination for small vessels and crafts.

E. Technical guidelines and standards issued and being used by MoPSW institutions

- (i) Guidelines on Geo-Synthetics for Coastal Protection and Port Works.
- (ii) Dredging Guidelines
- (iii) Floating jetty guidelines
- (iv) Exemption from Environmental Clearance for Floating jetties.

F. Improvement in the global ranking of IIT Madras

- (i) National Institutional Ranking Framework (NIRF) ranking retained
- (ii) Shanghai ranking improved from 30 to 28.”

PART II

OBSERVATIONS/RECOMMENDATIONS

OVERVIEW

Sagarmala Development Company Limited (SDCL), incorporated on 31st August 2016 under the Ministry of Ports, Shipping and Waterways (MoPSW), has been renamed Sagarmala Finance Corporation Limited (SFCL) w.e.f. 05 June, 2025. The Committee in their recommendations will use the updated nomenclature for reference to the Company. The Committee note that SFCL, a Mini Ratna Category-I CPSE, is undergoing transformation to register as a Non-Banking Financial Company (NBFC) to exclusively provide a funding window to the maritime sector. Originally established to implement the flagship Sagarmala Programme, SFCL acts as the Central Nodal Agency (CNA) for the Ministry, executing projects through equity investments and progress monitoring. The Company manages six Special Purpose Vehicles (SPVs), five of which are profit-generating, and is developing new schemes to finance Deep Sea Fishing Vessels, a Green Hydrogen plant at Varanasi, and several tourism projects, including riverine circuits and cruises. With an authorized and paid-up capital of ₹1,000 crore each, the company recorded a total income of ₹40.57 crore and a Profit After Tax of ₹23.51 crore in the financial year 2023-24.

The Committee, after a comprehensive examination of SFCL's physical and financial performance, its transformation towards an NBFC, and its role in port modernization and shipbuilding, have made observations and recommendations in the succeeding paragraphs and are hopeful that these will be implemented by SFCL and the Government in the right perspective to bring about needed improvement in the functioning and growth of the Company

ORGANISATIONAL STRUCTURE

2. The Committee note that key positions in Sagarmala Finance Corporation Limited (SFCL), including the post of Director (Project) which has been vacant since May 2023, and 7 out of 13 sanctioned below-board level executive posts, remain unfilled. The Committee are aware that while the impact of these vacancies

may have been minimal due to the Company's limited scope of work so far, they will adversely affect functioning once SFCL begins full-fledged NBFC operations. The Committee also find that SFCL is effectively addressing its current lack of NBFC-specific expertise by appointing experienced, retired professionals from other financial institutions such as PFC, REC, HUDCO etc. on a contractual basis to guide the Company and train its regular staff. The Committee, therefore, recommend that the administrative Ministry and DPE must anticipate future vacancies on the Board and complete the appointment process in a timely manner and prevent such delays. The Committee further recommend that the Company must expedite the recruitment for its backlog executive positions. While the Committee are satisfied with the steps taken to bring in expertise, they recommend that SFCL must implement structured training and mentorship programmes and develop a clear, time-bound roadmap for the systematic transfer of responsibilities from contractual experts to the regular staff, thereby building sustainable, in-house capacity.

PHYSICAL PERFORMANCE

3. The Committee have been apprised that Sagarmala Finance Corporation Limited (SFCL) has six Special Purpose Vehicles (SPVs), including one wholly-owned subsidiary. Four of these SPVs—Haridaspur-Paradip Railway Company Limited (HPRCL), Krishnapatnam Railway Company Limited (KRCL), Calcutta Haldia Port Road Company Limited (CHPRCL), and Visakhapatnam Port Road Company Limited (VPRCL)—are active and completed. SFCL has made equity investments of 25.91% in HPRCL, 20% in KRCL, 3.28% in CHPRCL, 25.87% in VPRCL, and 49% in the Brahmaputra Sagarmala Mandir Darshanam SPV, whose first phase is complete. The sixth entity, India Port Global Limited (IPGL), is a wholly-owned subsidiary of SFCL. The Committee are satisfied to note that five of the SPVs are profit-generating and are contributing to faster turnaround times and more efficient cargo evacuation at the ports. However, the Committee observe that CHPRCL is yet to generate profit, partly due to pending arbitration cases, and the full operationalisation of the strategic IPGL project is contingent on procurement

of equipment. The Committee, therefore, recommend that SFCL, in coordination with NHAI, devise a clear strategy to improve the financial viability of CHPRCL and expedite the resolution of its arbitration cases. The Committee also urge the Ministry to intensify its efforts to ensure that the necessary equipment for the IPGL project is procured within stipulated time, enabling it to operate at full capacity. The progress on these two SPVs should be monitored closely and apprised to the Committee.

STRATEGIC PIPELINE PROJECTS

4. The Committee observe that Sagarmala Finance Corporation Limited (SFCL) has two major strategic projects in its pipeline. The first is a scheme, in collaboration with the Department of Fisheries, to finance Deep Sea Fishing Vessels (DSFV). The Committee note that the scheme aims to address the lack of organised retail loans by providing 60% of the vessel cost, supplementing the government's 40% grant, thereby providing vessels free of cost to eligible fishermen. A Detailed Project Report (DPR) for this is under preparation, with a pilot project of 25 vessels planned for FY 2025-26. Secondly, the Committee note that the Inland Waterways Authority of India (IWAI) has engaged SFCL for the development of a 1.6 MW Green Hydrogen plant at Varanasi for Green Hydrogen Vessels, with the bidding process contingent on securing funding. The Committee, therefore, recommend that SFCL and the Department of Fisheries expedite the finalisation of the DSFV scheme's DPR and proactively create a framework to resolve operational conflicts among fishermen to ensure the smooth rollout of the pilot project as scheduled in FY 2025-26. Regarding the Green Hydrogen project, the Committee recommend that the Ministry and SFCL should proactively explore and finalise funding tie-ups to initiate the bidding process at the earliest. The Ministry should also establish a mechanism to monitor developments in green hydrogen technology to ensure the project remains viable and state-of-the-art.

MARITIME AND RIVERINE TOURISM

5. The Committee find that SFCL is actively developing several tourism projects. These include the riverine-based religious tourism circuit in Guwahati, where Phase 1 is complete and ready for inauguration, with Phase 2 planned to connect the Kamakhya Devi Temple. Other projects being explored include developing Tagore Beach in Karnataka as a pilot, tourism facilities at Chitrakote & Tirathgarh Falls in Chhattisgarh, and projects in Mizoram, Andaman & Nicobar, and Uttarakhand. The Committee also note the immense potential of cruise tourism, which is one of the three pillars of the industry and has high potential for employment generation. The success of the 3,500 km Varanasi to Dibrugarh River cruise, which is fully booked until 2028, underscores this potential. The Committee are pleased that SFCL has made financial provisions for Ro-Ro, Ro-Pax, and cruise vessels. Given these developments, the Committee recommend that the inauguration of the completed first phase of the Brahmaputra Mandir Darshanam project be expedited so as to build momentum for the timely completion of the second phase. For new projects, SFCL should focus on creating commercially viable and sustainable models before committing significant funds. To capitalize on the proven success of river cruises, the Committee recommend that the Ministry and SFCL formulate a strategic master plan to identify and develop at least three new long-distance cruise circuits across the country over the next five years.

FINANCIAL PERFORMANCE

6. The Committee observe that Sagarmala Finance Corporation Limited (SFCL) has a strong financial foundation with an authorized and paid-up capital of ₹1,000 crore each. While the Company's total income has grown consistently to ₹40.57 crore with a Profit After Tax of ₹23.51 crore in FY 2023-24, the Committee note that as of 31st March, 2024, only ₹541.79 crore of its capital has been deployed as equity investment. This indicates that a significant portion of its capital remains to be leveraged for its upcoming role as a Non-Banking Financial Company (NBFC). The Committee, while satisfied with the overall financial performance, are of the view that SFCL must now pivot towards deploying its capital judiciously to address the

funding gap in the maritime sector, which currently receives less than 0.3% of total loans from financial institutions. The Committee, therefore, recommend that SFCL should actively pursue its business plan to leverage its available capital to create a substantial lending portfolio of approximately ₹3,600 crore. This will enable the Company to fulfil its mandate of providing long-term finance and boosting growth in these critical sectors. Furthermore, the Committee recommend that once the current capital base is effectively utilized, the Ministry should support SFCL in approaching the Cabinet for an enhancement of its authorized capital, ensuring its continued ability to scale operations in line with the sector's needs

TRANSFORMATION INTO A SECTORAL NBFC

7. The Committee have been apprised of the critical and long-standing need for a dedicated financial institution for the maritime sector, which, despite its strategic importance, receives a mere 0.26% of total loans from all banks and financial institutions and only 0.89% of financing within the broader logistics sector. The Committee note that this significant financing gap stems from gaps, including the historical exclusion of most shipping activities from the Harmonized Master List of Infrastructure (HML), limited sectoral knowledge within commercial banks, and their legitimate apprehension regarding long-term asset-liability mismatches and the complexities of retrieving overseas assets. The Committee, therefore, strongly endorse the transformation of Sagarmala Finance Corporation Limited (SFCL) into a Non-Banking Financial Company (NBFC) as a timely and essential intervention. The Committee note that the Ministry of Ports, Shipping and Waterways granted its approval for this on 10th September, 2024, and a formal application was subsequently filed with the Reserve Bank of India on 20th December, 2024. The Committee find SFCL's proposed business plan to be comprehensive and well-structured, aiming to leverage its ₹1,000 crore capital base into a substantial lending portfolio of approximately ₹3,600 crore. This includes strategic allocations of ₹1,200 crore for ship purchases, ₹1,300 crore for modernized fishing vessels, and ₹743 crore for RoRo and RoPax vessels, demonstrating a clear focus on the sector's most pressing needs. Furthermore, the Committee are encouraged by the

prudent risk mitigation strategies SFCL intends to adopt, such as emulating the successful, low-NPA business models of public financial institutions like PFC and REC, appointing their retired experts as advisors, and instituting a mandatory dual-appraisal mechanism (involving both internal teams and third-party experts) for all loan proposals in its initial years of operation.

In light of this crucial transformation, the Committee recommend that the Ministry of Ports, Shipping and Waterways must proactively engage with the Reserve Bank of India to ensure the timely issuance of the NBFC registration to SFCL, preferably within the current financial year 2025-26, to address the sector's funding needs without further delay. The Committee also recommend that the SFCL Board must finalize its detailed lending and margin policies—outlining specific interest rate structures for government, public, and private sector entities—before the commencement of operations to ensure absolute transparency and consistency. While the Committee encourage the proactive deployment of funds, it is imperative that SFCL strikes a judicious balance between stimulating growth and maintaining stringent risk controls to prevent the creation of Non-Performing Assets (NPAs). Finally, to ensure long-term institutional strength, the Committee recommend that a comprehensive, Board-approved risk management framework be put in place from day one, alongside a clear, time-bound roadmap for the systematic transfer of skills and responsibilities from the contractual experts to the permanent staff, thereby building a resilient and self-sufficient and sustainable organization for the future

PORT MODERNIZATION

8. The Committee find that India's maritime sector, with its 12 Major and over 200 Non-Major Ports along an 11,098 km coastline, is a critical pillar of national development. However, the Committee note that 96% of India's EXIM trade is currently carried by foreign vessels, leading to an annual freight outflow of approximately USD 100 billion (₹8 lakh crore). The Committee acknowledge the commendable and multi-pronged efforts undertaken by the Ministry under the Sagarmala Programme to address this by focusing on port modernization,

connectivity, and port-led industrialization. The Committee note the significant progress made, including the identification of 248 projects worth ₹3.47 lakh crore, of which 112 are complete and 77 are under development; the substantial increase in cargo handling capacity at Major Ports from 965.36 MTPA to 1680.74 MTPA and at Non-Major Ports from 689.01 MTPA to 1080.78 MTPA over the last decade; and the implementation of various digital platforms like SAGAR-SETU, which has onboarded all 12 Major Ports and over 50 Non-Major Ports. While these initiatives are laudable, the Committee believe that a more targeted and accelerated approach is required. To this end, the Committee recommend that the Ministry establish a dedicated high-level task force to monitor the 77 ongoing Sagarmala projects and the 107 new connectivity projects under the PM Gati Shakti Plan, empowering it to resolve inter-agency bottlenecks and ensure timely completion. Furthermore, to enhance last-mile connectivity, the Committee recommend that the Ministry, in coordination with relevant ministries, prepare a time-bound action plan with clear financial outlays to bridge the 62 specific road and rail infrastructure gaps that have been identified. To accelerate port-led industrialization and build upon the 8,000+ acres already utilized by Major Ports, the Ministry should create a standardized framework to attract private investment into the planned Coastal Economic Zones (CEZs) and industrial nodes, leveraging existing digital portals to offer a genuine single-window clearance mechanism. Finally, to enhance overall efficiency, the Committee endorse the Ministry's ambitious targets to reduce vessel turnaround time to less than two days by 2030 and less than one day by 2047, and recommend that a comprehensive, pan-India skill-gap analysis be conducted. Based on these findings, the Ministry should collaborate with the Ministry of Skill Development and Entrepreneurship to launch dedicated courses and set up Centers of Excellence for maritime trades, ensuring the availability of a highly skilled workforce to operate India's modernizing ports.

SHIPBUILDING

9. The Committee note that while India has a shipyard capacity of about one million Gross Tonnage (GT), the current production remains modest at less than 1% of the global output around 50,000 GT annually, which is about 5% of the available capacity. This gap is influenced by factors such as higher material costs, lower labour productivity, and financing terms that are less competitive compared to global standards. Consequently, a significant share of India's EXIM trade around 96% is carried on foreign vessels, leading to an estimated annual freight outflow of approximately USD 100 billion (₹8 lakh crore). Recognising the potential to strengthen domestic shipbuilding, the Committee recommend that the Ministry of Ports, Shipping and Waterways, in close coordination with the Ministry of Steel, should work towards creating an enabling framework of incentives to promote the domestic production of shipbuilding-grade steel at globally competitive prices, thereby reducing dependence on imports and strengthening the indigenous shipbuilding ecosystem. The Committee also suggest that the Ministry should priorities the implementation of the revamped Shipbuilding Financial Assistance Policy (SBFAP 2.0), including the proposed "Credit Note Scheme", and advance the effective operationalization of the ₹25,000 crore Maritime Development Fund (MDF) to provide long-term, competitive financing for the sector's growth. The committee also urge SFCL to unlock the full measure of the comprehensive package to revitalize India's shipbuilding and maritime ecosystem.

10. To translate financial support into on-the-ground production, the Committee recommend that the Ministry finalize the EFC proposal for the "Capacity and Capability Build Up" scheme, with a clear roadmap to increase the national shipbuilding capacity towards the envisioned 4.5 million GT. A critical component of this must be the development of shipbuilding clusters and the promotion of indigenous R&D in modern ship design. To create a virtuous cycle of demand and supply, the Committee recommend the implementation of the government's Right of First Refusal (RoFR) and Public Procurement (Preference to Make in India) policies to provide assured business for Indian shipyards. To address the issue of

low labour productivity, the Ministry should develop dedicated training and certification programs in collaboration with industry partners to upskill the workforce and align their productivity with global benchmarks. Finally, the Ministry should take steps to create a common digital platform featuring a database of standardized vessels, designs, and materials to foster a unique and efficient Indian shipbuilding identity.

INLAND WATERWAYS

11. The Committee find that Inland Water Transport (IWT) in the country has witnessed commendable growth, with cargo movement on National Waterways (NWs) surging over sevenfold from 18.10 million tonnes in 2013-14 to 145.84 million tonnes in 2024-25, and the number of operational NWs increasing from 5 to 26 in the last decade. The Committee acknowledge the various infrastructure and policy measures, such as the Cargo Promotion Scheme and the development of multi-modal terminals, that have driven this growth. However, the Committee have observed that while waterways such as Maharashtra cluster have seen massive growth, while key routes in the East and Northeast, particularly NW-2 (Brahmaputra), NW-3 (West Coast Canal), and NW-16 (Barak River), are yet to realize their full potential, with cargo movement remaining limited. To unlock the full potential of India's waterway network, the Committee recommend that the Ministry create dedicated, time-bound revival plans for each underperforming National Waterway. These plans must focus on developing specific cargo clusters and tourism circuits tailored to the region's economic strengths to generate sustained demand. A critical component of these plans must be the provision of concrete last-mile road and rail connectivity to terminals to enable seamless modal transfers. The Committee also recommend the nationwide integration and mandatory adoption of the existing digital platforms like the CAR-D and PANI portals by all operators on all 26 operational NWs to create a unified logistics data infrastructure. Finally, the Ministry must leverage the expertise of the National Technology Centre for Ports, Waterways and Coast (NTCPWC) to apply its proven,

cost-saving solutions in areas like maintenance dredging to enhance the viability of these waterways.

CONCLUSION

12. The Committee feel that India's maritime sector is at a pivotal juncture, navigating through challenges of dependency, infrastructure gaps, and financial constraints, yet poised for transformative growth. The Committee acknowledge that the Government has taken several path-breaking steps to uplift the sector, particularly through the Sagarmala Programme and the strategic decision to establish a dedicated sectoral NBFC, the Sagarmala Finance Corporation Limited. However, the Committee are of the view that to achieve global standards and true self-reliance, the sector requires a comprehensive, end-to-end ecosystem approach. Considering the immense scope for development, the Committee strongly recommend that the Ministry champion a policy of deeper collaboration amongst central ministries, state governments, and private industry. The Ministry should more explore and utilize Public-Private Partnership (PPP) models for port development, terminal operations, and hinterland connectivity. Furthermore, a renewed and sustained focus on indigenous Research & Development and innovation is essential to build world-class capability in shipbuilding, green maritime solutions, and digital port operations, thereby ensuring the long-term, sustainable growth of India's maritime power.

New Delhi;
08 December, 2025
17 Agrahayana, 1947(S)

Baijayant Panda
Chairperson
Committee on Public Undertakings

S1-25021/12/2023-SM (e363934)
Government of India
Ministry of Ports, Shipping and Waterways
(Sagarmala-I)

3rd Floor, PTI Building,
Parliament Street, New Delhi,
Dated the June 9th, 2025

Order

Consequent upon approval of the Competent Authority and pursuant to the approval granted by the Registrar of Companies, Ministry of Corporate Affairs through their certificate of Incorporation dated 05.06.2025, the name of the following Central Public Sector Enterprise under the Ministry of Ports, Shipping and Waterways has been changed from:

SAGARMALA DEVELOPMENT COMPANY LIMITED

To

SAGARMALA FINANCE CORPORATION LIMITED

2. All future communications and transactions with SAGARMALA DEVELOPMENT COMPANY LIMITED shall be undertaken in the name of **SAGARMALA FINANCE CORPORATION LIMITED** from the effective date.

3. The change shall come into effect from 05.06.2025.


(Sanjay Kumar)

Under Secretary to the Govt. of India

Tele: 011-23714715

e-mail: ussm1-psw@gov.in

To:

1. Chairman, Sagarmala Finance Corporation Ltd., New Delhi
2. Managing Director, Sagarmala Finance Corporation Ltd., New Delhi
3. All Board Members of Sagarmala Finance Corporation Ltd.

Copy to:

1. PS to Hon'ble Minister for Ports, Shipping and Waterways
2. PS to Hon'ble Minister of State for Ports, Shipping and Waterways
3. PPS to Secretary (PSW), New Delhi
4. Secretary, Department of Public Enterprises, New Delhi

5. PPS to Special Secretary, MoPSW
6. PPS to Additional Secretary & Financial Adviser, MoPSW
7. PPS to Sr. Economic Adviser, MoPSW
8. Joint Secretary (Policy Division), Department of Public Enterprise, New Delhi
9. All Joint Secretary / Director / Deputy Secretary Level Officers in the Ministry

APPENDIX-I
COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)
MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 25th November, 2024 from 1530 hrs. to 1650 hrs.
in Committee Room No. 1, Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda

-

Chairperson

MEMBERS

LOK SABHA

2. Shri Tariq Anwar
3. Shri R.K. Chaudhary
4. Smt. Kanimozhi Karunanidhi
5. Shri Kaushalendra Kumar
6. Shri Shankar Lalwani
7. Shri B.Y. Raghavendra
8. Shri Mukesh Rajput
9. Shri Sukhjinder Singh Randhawa
10. Shri Pratap Chandra Sarangi
11. Shri Kodikunnil Suresh

RAJYA SABHA

12. Shri Neeraj Dangi
13. Shri Milind Murli Deora
14. Shri Narain Dass Gupta
15. Dr. Bhagwat Karad
16. Shri Arun Singh

SECRETARIAT

- | | | |
|---------------------------|---|------------------|
| 1. Shri Neeraj Semwal | - | Joint Secretary |
| 2. Smt. Jyochnamayi Sinha | - | Director |
| 3. Smt. Mriganka Achal | - | Deputy Secretary |

REPRESENTATIVES OF THE SAGARMALA DEVELOPMENT COMPANY LIMITED (SDCL)

- | | | | |
|----|----------------------------|---|----------------------|
| 1. | Shri T.K. Ramachandran | - | Chairman (SDCL) |
| 2. | Shri Vinay Kumar Prajapati | - | Director (Sagarmala) |
| 3. | Shri Ananga Charan | - | Director (Finance) |

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have a briefing by the representatives of Sagarmala Development Company Limited (SDCL) in connection with its Comprehensive examination. The Committee Secretariat, then, made a Power Point Presentation explaining major issues relating to the subject.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of Sagarmala Development Company Limited (SDCL) to the sitting of the Committee and also drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee. The Chairperson, then, emphasized on important aspects related to the functioning and performance of SDCL, viz.(i) status of ongoing projects and challenges faced in the implementation of projects (ii) achievements of the Sagarmala projects (iii) reasons for which revenue from other sources is higher than the operational income of the Company (iv) reasons for, and progress towards, transformation into a Non-Banking Financial Company.

4. Thereafter, the representatives of Sagarmala Development Company Limited (SDCL) made a Power Point Presentation and briefed the Committee regarding composition of the Board of the Company, Company's financial status, status of completed and ongoing projects, major investment and achievements of the Company, future vision of SDCL, etc.

5. The Members, then, sought clarifications from the representatives of SDCL on various issues related to the subject viz., step taken to gain international recognition for SDCL's completed projects, role of the Company in construction of Dry Ports, the infrastructure development from PM Gati Shakti, role of SDCL in India Middle East and Europe corridor, how the Company provides subsidies to its subsidiary units, the authorized capital of the Company and domestic performance of the Company, the multilateral agreements in SPCL and expected benefits from collaboration, steps taken to reduce port logistics costs and improve efficiency, the

deep sea fishing, its benefits to fisherman and related projects, about STCR funding, the Chabahar port in Iran, the development of lighthouse as tourist destinations, about the green port initiatives, the fake recruitment advertisement related to SDCL, the expansion of Inland waterways, reason for low EPS and the dredging of Ganga river etc.

6. Thereafter, the representatives of SDCL, responded on some of the issues raised by the Members. In the end, the Chairperson thanked the representatives of SDCL and directed that in respect of points for which information was not readily available or if more information were required to be furnished, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.

A copy of verbatim proceedings of the sitting has been kept on record.

APPENDIX-II
COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)
MINUTES OF THE TWENTY-SECOND SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 6th February, 2025 from 1600 hrs. to 1705 hrs. in Committee Room No. 1, Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda

- **Chairperson**

MEMBERS

LOK SABHA

2. Shri Tariq Anwar
3. Shri R.K. Chaudhary
4. Smt. Kanimozhi Karunanidhi
5. Shri Kaushalendra Kumar
6. Shri Shankar Lalwani
7. Shri B.Y. Raghavendra
8. Shri Mukesh Rajput
9. Shri Sukhjinder Singh Randhawa
10. Shri Pratap Chandra Sarangi
11. Shri Kodikunnil Suresh
12. Shri Prabhakar Reddy Vemireddy

RAJYA SABHA

13. Dr. Bhagwat Karad

SECRETARIAT

- | | | |
|---------------------------|---|------------------|
| 1. Shri Neeraj Semwal | - | Joint Secretary |
| 2. Smt. Jyochnamayi Sinha | - | Director |
| 3. Smt. Mriganka Achal | - | Deputy Secretary |

REPRESENTATIVES OF THE SAGARMALA DEVELOPMENT COMPANY LIMITED (SDCL)

- | | | |
|---------------------------|---|--------------------|
| 1. Shri Dilip Kumar Gupta | - | Managing Director |
| 2. Shri A.C. Naya | - | Director (Finance) |

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have an evidence by the representatives of Sagarmala Development Company Limited (SDCL) in connection with its Comprehensive examination. The Committee Secretariat, then, made a Power Point Presentation explaining major issues relating to the subject.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of Sagarmala Development Company Limited (SDCL) to the sitting of the Committee and also drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee. The Chairperson, then, put for the major points the Committee desired to discuss relating to the subject.

4. Thereafter, the representatives of Sagarmala Development Company Limited (SDCL) made a Power Point Presentation and briefed the Committee regarding history, objectives, role and composition of the Board of the Company, Company's financial status, status of completed and ongoing projects, major investment and achievements of the Company, future vision of the Company, progress report of transformation of the Company into an NBFC, etc.

5. The Members, then, sought clarifications from the representatives of SDCL on various issues relating to the subject viz. benefits from Krishnapatnam Port, about the ship service between Banaras and Prayagraj, types of support required from Government after becoming NBFC, about the impact of vacant posts in the functioning of the Company, about the category-wise break-up of SC, ST, OBC and current status of reservation in the Company, challenges being faced by SDCL in raising awareness and increasing investment in maritime sector, what long-term benefits could the maritime sector expect from SDCL in terms of innovation, sustainability, and market expansion, what were the unique expertise of the Company in maritime sector that will give advantage as an NBFC. Other issues that were discussed included contribution of deep sea fishing in growth of Blue economy of the Country, how adoption of modern technology and vessel development contributed in growth of fishing, number of deep-sea vessels financed by SDCL, about the requirement of study of functioning and provisions of other sector- specific NBFC and their disbursement of loans to ensure alignment with market demand and financial viability, availability of loan facility to PSUs and Non-PSUs and the limit of loan distribution, the long term prospect of river cruise tourism and its impact on local economy, the details of orders received for construction of new ships, and the challenges being faced in land acquisition, etc.

7. Thereafter, the representatives of SDCL responded on majority of the issues raised by the Members. In the end, the Chairperson thanked the representatives of SDCL and directed that in respect of points for which information was not readily available or if more information were required to be furnished, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.

A copy of verbatim proceedings of the sitting has been kept on record.

APPENDIX-III
COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)
MINUTES OF THE TWENTY-THIRD SITTING OF THE COMMITTEE

The Committee sat on Monday, the 10th February, 2025 from 1500 hrs. to 1605 hrs. in Committee Room No. 1, Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda - **Chairperson**

MEMBERS

LOK SABHA

2. Shri R.K. Chaudhary
3. Shri Shankar Lalwani
4. Shri B.Y. Raghavendra
5. Shri Sukhjinder Singh Randhawa
6. Shri Pratap Chandra Sarangi
7. Shri Prabhakar Reddy Vemireddy

RAJYA SABHA

8. Shri Narain Dass Gupta

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF PORTS, SHIPPING AND WATEWWAYS

1. Shri T.K. Ramachandran - Secretary
2. Shri Rajesh Kumar Sinha - Additional Secretary
3. Shri Dilip Kumar Gupta - Managing Director (SDCL)

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have an evidence by the representatives of Ministry of Ports, Shipping and Waterways (MoPSW) in connection with Comprehensive examination of Sagarmala Development Company Limited (SDCL).

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of MoPSW to the sitting of the Committee and also drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee. The Chairperson, then, put for the major points the Committee desired to discuss relating to the subject.

4. Before starting the presentation, Secretary, MoPSW requested the Hon'ble Chairperson to allow Managing Director, SDCL to be present in the discussion as the concerned Joint Secretary, MoPSW was not available and the request was acceded to by the Hon'ble Chairperson. Thereafter, the representatives of MoPSW made a Power Point Presentation and briefed the Committee regarding current status of Company, status of completed and ongoing projects, major investment and achievements of the Company, current progress of transformation of the Company into an NBFC, etc.

5. The Members, then, sought clarifications from the representatives of Ministry on various issues relating to the subject viz. about the tailored financial products and flexible repayment options of SDCL, deadline to start deep-sea vehicle, about the rights to grant loan to non-government entities and its limit, ability to meet the financial requirement of maritime sector and steps to be taken, about cruise tourism and deep sea fishing, details of ports being run by the Government and private agencies, reason behind low fleet and lesser percentage of ship building, plan to improve ship building, issues related to land acquisition and rehabilitation, exact timeline for reducing the turnaround time to meet global average, difference between SDCL (as an NBFC) and other sector specific NBFCs, about the roadmap and vision of the Ministry for SDCL, etc.

6. Thereafter, the representatives of the Ministry of Ports, Shipping and Waterways, responded on majority of the issues raised by the Members. In the end, the Chairperson thanked the representatives of SDCL and directed that in respect of points for which information was not readily available or if more information were required to be furnished, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.

A copy of verbatim proceedings of the sitting has been kept on record.

APPENDIX-IV
COMMITTEE ON PUBLIC UNDERTAKINGS
(2025-26)

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 5th December, 2025 from 1000 hrs. to 1045 hrs. in Committee Room No. '2', Ground Floor, Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda - **Chairperson**

MEMBERS

LOK SABHA

2. Shri Tariq Anwar
3. Shri Chandra Prakash Joshi
4. Shri Kaushalendra Kumar
5. Shri Shankar Lalwani
6. Shri B.Y. Raghavendra
7. Shri Mukesh Rajput
8. Shri Sukhjinder Singh Randhawa
9. Shri Prabhakar Reddy Vemireddy
10. Shri Lalji Verma

RAJYA SABHA

11. Dr. John Brittas
12. Shri Neeraj Dangi
13. Shri Milind Murli Deora
14. Dr. Bhagwat Karad
15. Shri Surendra Singh Nagar
16. Shri Debashish Samantaray
17. Shri Arun Singh

SECRETARIAT

- | | |
|-------------------------|--------------------|
| 1. Shri Anjani Kumar | - Joint Secretary |
| 2. Smt. Mriganka Achal | - Director |
| 3. Shri Tenzin Gyaltsen | - Deputy Secretary |

2. The Hon'ble Chairperson briefly apprised the Members on the Eleven draft Reports. The Committee then considered and adopted the following draft reports, without any changes/modifications: -

- i. Sagarmala Finance Corporation Limited (SFCL) (Comprehensive Examination);

- ii. Rural Electrification Corporation Limited (REC Limited) (Comprehensive Examination);
- iii. Nuclear Power Corporation of India Limited (NPCIL) (Comprehensive Examination);
- iv. Review of Performance of Petroleum & Natural Gas Sector CPSUs (Horizontal Examination);
- v. "Para No. 2.4 of C&AG Report No. 14 of 2021 regarding 'Loss due to flaring of High-pressure gas' relating to Oil & Natural Gas Corporation (ONGC) Limited. (Audit Based Examination);
- vi. Action Taken by the Government on the Observations/ Recommendations contained in the First Report (18th Lok Sabha) on "Procurement of hardware/software item to the tune of Rs. 890.34 Crores through strategic alliance" relating to National Informatics Centre Services Inc. (NICS) [Based on Audit Para No. 6.1 of C&AG Report No. 03 of 2021];
- vii. Action Taken by the Government on the Observations/ Recommendations contained in the Third Report (18th Lok Sabha) on "Undue enrichment through recovery of turnover tax from consumer" relating to Indian Oil Corporation Limited (IOCL) [Based on Audit Para No. 2.1 of C&AG Report No. 14 of 2021];
- viii. Action Taken by the Government on the Observations/ Recommendations contained in the Ninth Report (18th Lok Sabha) on "Industrial Finance Corporation of India Limited (IFCI Ltd)";
- ix. Action Taken by the Government on the Observations/ Recommendations contained in the Tenth Report (18th Lok Sabha) on "Design and Development (D&D) in Hindustan Aeronautics Limited (HAL)" [Based on Chapter-II of C&AG Report No. 18 of 2023];
- x. Action Taken by the Government on the Observations/ Recommendations contained in the Eleventh Report (18th Lok Sabha) on "Reviewing timely submission of Action Taken Notes (ATNs) on C&AG Paras/Reports (Commercial) by the Ministries/Departments"; and
- xi. Action Taken by the Government on the Observations/ Recommendations contained in the twelfth Report (18th Lok Sabha) on "IREL (India) Limited".

3. The Committee authorized the Chairperson to finalize the draft Reports on the basis of factual verification as suggested by the concerned CPSUs/Ministry/Department/C&AG and presentation of the same during the current session of Parliament.

The Committee, then, adjourned.

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