

CHAPTER IV: MINISTRY OF SHIPPING

Inland Waterways Authority of India

4.1 *Review of status of utilisation of infrastructure facilities*

The Inland Waterways Authority of India (IWAI) was formed in 1986 (October) under the IWAI Act, 1985 to regulate and develop the Inland Waterways in the country for shipping and navigation. Accordingly, IWAI undertakes development and maintenance of inland water transport infrastructure on National Waterways (NW) by utilising grants received from Ministry of Shipping.

After formation of IWAI, 'Ganga-Bhagirathi-Hooghly' river system from Allahabad to Haldia (1620 Km), stretch of Brahmaputra river from Dhubri to Sadiya (891 Km.) and Kollam-Kottapuram stretch of West Coast Canal along with Udyogmandal and Champakara Canals (total 205 Km.) were declared as NW-1, NW-2 and NW-3 in October 1986, September 1988 and February 1993, respectively. Subsequently, Kakinada-Puducherry stretch of canals along with Godavari and Krishna rivers, and East Coast Canal integrated with Brahmani River and Mahanadi Delta Rivers, were declared as NW-4 and NW-5 in November 2008; however, these NWs are in primary stage of development as no significant development has taken place.

Audit reviewed the status of utilization of infrastructure created in different National Waterways and the audit findings are given in succeeding paragraphs.

4.1.1 National Waterway-1

(a) *Under utilization of Infrastructure created at Gaighat Patna*

A Low Level Jetty was constructed (April 2007) at a cost of ₹ 30.29 crore at Gaighat Patna¹. Subsequently, considering the wide variation in water level during the flood season and the fact that cargo could not be handled from the existing Low Level Jetty, IWAI entrusted (July 2005) the work of construction of High Level Jetty to CPWD at a cost of ₹ 13.73 crore.

Audit observed that against the cargo movement projected in the DPR as 2.70 lakh MT per annum (by 2010-11) from Low Level Jetty, the actual cargo movement was only 0.06 lakh MT between April 2007 and January 2009. Though there was no substantial increase in cargo movement from Low Level Jetty, IWAI went ahead with the decision to construct the High Level Jetty. The work relating to construction of High Level Jetty was completed in August 2012 at a cost of ₹ 27.54 crore. Audit further observed that there was cargo movement of only 300 MT from the High Level Jetty in 2012-13 and

¹ An Audit observation on Low Level Jetty was included in previous Report (Para 8.4.1 of CAG's Report No. PA 09 of 2008).

thereafter no movement was noticed till 2014-15. Further, total cargo movement in last three years (2012-13 to 2014-15) from both the jetties together was only 0.03 lakh MT.

Management in its reply (February 2016) stated that the construction of permanent structures especially on the river bank is undertaken considering the hydrological data of 20 to 50 years. The data provided by the Central Water Commission revealed that when the water level rises up to 45 M, the Low Level Jetty would be utilized and when it rises above 45 M up to 50 M (submerging the Low Level Jetty), then High Level Jetty would be used. Thus high level jetty was constructed considering the Highest Flood Level as 50 m. It was also stated in the reply that the main stream of river Ganges has been shifted to other bank where jetties existed. Hence, due to non-availability of adequate water depth in front of jetties, appropriate cargo handling could not be done since few years. IWAI was in the process of taking suitable measures to keep the channel navigable round the year for optimal use of jetties.

Reply of the Management was not acceptable as even after construction of High Level Jetty, only 300 MT cargo was handled in the year 2012-13 and thereafter no cargo movement was there till March 2015. Further, IWAI was required to maintain the adequate water flow in the channel by river training, dredging etc. to keep it navigable round the year. Thus, infrastructure created at a cost of ₹ 57.83 crore remained significantly underutilised.

(b) Non optimal utilization of the GR Jetty II constructed at Kolkata due to consideration of unrealistic projections

IWAI decided to construct a permanent terminal with RCC Jetty at Garden Reach, Kolkata, in view of expected cargo increase as per DPR (2004) to make the NW-1 fully functional by 2009. The projected cargo movement as per DPR was 10.39 lakh MT in the year 2005-06 and 18.20 lakh MT in the year 2010-11, whereas the actual cargo movement was only 0.55 lakh MT and 1.26 lakh MT in the year 2005-06 and 2010-11. The work was awarded (March 2007) to CPWD at an amount of ₹ 23.14 crore with a completion period of 24 months. The work was finally completed in February 2014 at a cost of ₹ 36.59 crore. Audit observed that against the total cargo of 1.50 lakh MT handled from Kolkata Terminal during year 2014-15, the contribution of GR Jetty II was only 0.02 lakh MT.

Thus despite construction of GR Jetty-II at the cost of ₹ 36.59 crore, no increase in cargo movement materialised.

Management in its reply (February 2016) stated that without development of terminal with adequate cargo handling facility at all important locations along entire NW-1 and NW-2 and sufficient navigable depth, it was not possible to achieve cargo movement projected from G.R. Jetty-II by M/s RITES in their report submitted in 2004. IWAI has since been entrusted (October 2014) by the Ministry of Shipping, Government of India, with the 'Jal Marg Vikas Project', aided by World Bank, to explore the possibilities of full development of entire NW1.

Reply of the Management was not acceptable as the fact remains that due to delay in development of NW-1 and NW-2, the infrastructure facility of GR Jetty-II created at a cost of ₹ 36.59 crore remained under utilised.

4.1.2 National Waterway-2

(a) Underutilisation of Low and High Level Jetties at Pandu

The Authority decided (March 2002 and March 2006) to construct low and high level jetties at Pandu at an estimated cost of ₹ 47.70 crore (₹ 30 crore + ₹ 17.70 crore). Due to high water level during monsoon period the Low Level Jetty completed in December 2008 at a cost of ₹ 37.91 crore remained submerged for about six months in a year.

The Authority approved (March 2006) construction of High level Jetty at Pandu at an estimated cost of ₹ 17.70 crore on the basis of estimates submitted by CPWD with the stipulated completion period of 24 months. The cost increased to ₹ 24.58 crore (May 2007) and later to ₹ 33.42 crore (November 2008) and was finally completed at a cost of ₹ 43.85 crore in March 2014.

Audit observed that the cargo movement from both the jetties together during last six years (2009-10 to 2014-15) was only 314 MT which indicates that the infrastructure created at a cost of ₹ 81.76 crore remained substantially underutilized in the absence of cargo movement.

(b) Underutilisation of Broad Gauge (BG) Railway siding and alternate road at Pandu terminal

IWAI decided (March 2005) to construct a Broad Gauge link (BG link) between Pandu terminal and Guwahati Railway Station at a cost of ₹ 5.93 crore (March 2005) which was later on revised to ₹ 10.30 crore (February 2006). The work was to be executed by the Northeast Frontier (NF) Railway with scheduled completion by March 2008. The construction of the BG siding was completed in April 2012 at a cost of ₹ 12.59 crore. However, even after lapse of three years from completion, the BG siding could not be made functional (August 2015) due to certain operational constraints like non availability of required area to accommodate full rake of 42 BCN wagons at IWAI siding, shunting constraints etc. pointed out by Railways (March 2015).

After the decision to construct Railway siding in 2005, IWAI decided (November 2011) to construct an alternative two lane road to improve road connectivity to Pandu port, at an estimated cost of ₹ 12.32 crore. The alignment of the proposed road passes through railway land measuring around 6210 sqm. The Railway Authorities agreed to transfer the land of 6210 sqm. to IWAI on long term lease basis and accordingly lease charges amounting to ₹ 3.45 crore were deposited with NF Railways in June 2012 for a lease of 35 years. The work was entrusted to Public Works Department of Government of Assam (PWD Assam) in December 2011 at a cost of ₹ 11.43 crore and an amount of ₹ 6.11 crore was paid (August 2012). However, the related work could not commence due to non availability of encumbrance free land. The request of IWAI to offer alternate land was also declined by the Railways (2013) stating that the construction of road would be possible only on the already leased land. In October 2013, Authority decided to close the

work and reclaim the amount from PWD Assam and NF railways. The amount from NF Railways is yet to be recovered (March 2015).

The broad gauge railway siding has therefore not been operationalised and the construction of alternate road has not materialized. In the absence of these facilities, the infrastructure facilities provided at Pandu port could not be utilised. Consequently, the whole infrastructure created at a cost of ₹ 94.35 crore is largely lying unutilized.

Management in its reply (February 2016) stated that the issue of non-operationalization of Broad Gauge Railway Siding is being pursued with Railways. As regards construction of alternate approach road, the IWAI has closed the road project. Management has further stated that one approach road to Pandu Port already existed.

Reply of the Management was not acceptable as the fact remains that the issues of providing rail / road connectivity to Pandu Terminal have not been resolved due to which available infrastructure could not be properly utilized. Further, the existing approach road was narrow and inadequate to cater to the traffic of heavy vehicles.

4.1.3 National Waterway-3

Underutilisation of infrastructure created at NW-3

West Coast Canal from Kollam to Kottapuram (168 km) along with Champakara (14 km) and Udyogmandal Canals (23 Km) in Kerala, was declared (February 1993) by Government of India as National Waterway-3. Ministry of Surface Transport, Government of India, approved (December 1997) widening of the West Coast Canal through capital dredging and land acquisition at an estimated cost of ₹ 26 crore. The first phase of capital dredging work commenced in 1998 on four¹ stretches between Kollam and Kochi. Ministry of Surface Transport also approved (July 1999) construction of 11 terminals in NW-3 at a cost of ₹ 14.84 crore.

Capital dredging taken up in the first phase was completed in two² stretches by October 2015, whereas in the Kayamkulam-Edapallikotta-Kollam stretches, the work was still incomplete (November 2015). Capital dredging work taken up (February 2002), in second phase, in Kottapuram-Kochi stretch was completed in May 2012. The work of construction of 11 terminals entrusted to Central Public Works Department in October 2001, was scheduled to be completed by 31 March, 2003. Out of total 11 terminals, construction of 8 terminals³ was completed between March 2004 and February 2015 at a cost of ₹ 21.46 crore whereas 9th terminal at Alappuzha, on which an amount of ₹ 7.71 crore has been incurred till March 2015, was under construction. As decided by IWAI in February 2007, construction of the remaining two terminals viz. CSEZ (Kakkanad) and Chavara was deferred till utilisation of the terminals already constructed.

¹ (i) Kochi-Allappuzha, (ii) Allappuzha-Kayamkulam, (iii) Kayamkulam-Edapallikotta (iv) Edapallikotta-Kollam

² Kochi-Allappuzha (in 2000), Alappuzha-Kayamkulam (in October 2015)

³ (i) Kottapuram, (ii) Aluva, (iii) Maradu, (iv) Thanneermukkom, (v) Vaikkom, (vi) Thrikunapuzha, (vii) Kayamkulam (viii) Kollam.

Audit observed that, despite incurring an expenditure of ₹ 73.97 crore (till November 2015) on capital dredging, against the revised sanctioned cost of completion (January 2009) of ₹ 89.74 crore¹, six² terminals remained un-utilized and remaining two viz. Aluva and Maradu, were substantially under-utilized. Thus, even after lapse of 23 years of its declaration as National Waterway, the NW-3 could not become fully navigable.

The management replied (February 2016) that the capital dredging work in different stretches in NW-3 was interrupted due to non-availability of dumping grounds for disposal of dredged material and other local issues which were beyond the control of IWAI/ contractors. The increase in the cost was due to increase in scope of work in the capital dredging. With regard to construction of terminals, Management stated that to provide the requisite infrastructure along with fairway navigable channel, parallel action was initiated for construction of terminals. Management further stated that the intended use of NW-3 will be achieved slowly.

The fact remains that despite incurring an expenditure of ₹ 95.43 crore (₹ 73.97 crore on capital dredging, till November 2015 and ₹ 21.46 crore on construction of terminals, till March 2015), the NW-3 could not become fully navigable even after lapse of 23 years of its declaration as National Waterway.

Thus infrastructure created at National Waterways 1, 2 and 3 at a cost of ₹ 284.20 crore remained underutilised.

The matter was reported to the Ministry (February 2016); their reply was awaited (March 2016).

¹ *Original estimated cost sanctioned in 1997 was ₹26 crore*

² *(i) Kottapuram, (ii) Vaikom,(iii) Thanneermukkom, (iv) Thrikunapuzha, (v) Kayamkulam (vi) Kollam.*