

ESTIMATES COMMITTEE
(1964-65)

SEVENTIETH REPORT

(THIRD LOK SABHA)

MINISTRY OF TRANSPORT

PARADEEP PORT



LOK SABHA SECRETARIAT
NEW DELHI

May, 1965 Vaisakha, 1887 (Saka)

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CORRIGENDA

to

Seventieth Report of the Estimates
Committee on the Ministry of Transport
- Paradeep Port

- Page 1, line 1, For 'Orssia' read 'Orissa'.
Page 1, line 9, For 'ialso' read 'also'.
Page 2, line 28, For 'Committees'
read 'Committee'.
Page 10, Para 11, line 2, For 'Rondel'
read 'Rendel'.
Page 11, Para 12, line 4, For 'para 11'
read 'para 13'.
Page 14, line 6, For 'and' read 'an'.
Page 14, line 20, For 'handling' read
'handing'.
Page 20, line 2, For '50-60' read '59-60'.
Page 20, line 20, For 'difficult'
read 'difficulty'.
Page 22, Para 20, line 13, For 'assistances'
read 'assistance'.
Page 23, line 1, For 'the' read 'they'.
Page 24, line 19 from below, For 'Consttition'
read 'Constitution'.
Page 25, Para 21, line 13, delete 'been'.
Page 26, Para 22, line 3 from below,
for 'firm' read 'firms'.
Page 37, line 28, For 'Central' read 'Control'.
Page 37, Para 31, line 4, For 'procedupres'
read 'procedures'.

(F.T.O.)

Page 47, S.No.2, line 2, For 'cores'
read 'crores'.

Page 51, S.No.9, line 6, For 'grade is
eliminated, a total of 22.60'
read 'is recoverable from the lump
ore zone'.

Page 51, S.No.9, line 20, For 'quantity'
read 'quality'

Page 52, line 6, For 'Scheduled'
read 'Schedule'

Page 53, ~~Against~~ line 15, Insert '13'
in column 1 and '23' in column 2.

Page 55, line 5, For 'Governments'
read 'Government'

Page 55, line 30, For 'details. The
Committee feel that the predica -
ties, 'infructuous expenditure; heavy
charges for transport of ore by road
etc.)'
read 'detailed scrutiny of the accounts
(assets, liabilities, infructuous
expenditure, heavy charges for trans-
port of ore by road etc.)'

Page 56, line 2, For 'accepted'
read 'accepted'

Page 56, line 22, For 'Central Board'
read 'Control Board'

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ESTIMATES COMMITTEE

(1964-65)

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* Elected w.e.f. 18th September, 1964, *vice* Shri Lalit Sen ceased to be a member of the Committee on his appointment as a Parliamentary Secretary.

INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Seventieth Report on the Ministry of Transport—Paradeep Port.

2. The Committee took evidence of the representatives of the Ministry of Transport on the 13th November, 1964. The Committee wish to express their thanks to the Secretary, Ministry of Transport and Secretary, Commerce (Ports) Department, Government of Orissa for placing before them the material and information they wanted in connection with the examination of the estimates.

3. The Report was considered and adopted by the Committee on the 30th April, 1965.

A statement showing the analysis of recommendations contained in the Report is also appended to the Report (Appendix VI).

ARUN CHANDRA GUHA,

Chairman,

Estimates Committee.

NEW DELHI—1,

May 8, 1965/Vaisakha 18, 1887 (Saka).

CHAPTER I

INTRODUCTORY

A. Introduction

The State of Orissa is situated between 17°-30' and 22°-23' north latitudes and between 81°-7' and 87°-29' east longitudes on the east coast of India. The State has a coast line of 270 miles in length. Principally an agricultural State, the main produce of Orissa is paddy which is grown in the delta and coastal regions. The total production of rice in the State during the year 1963-64 was 4,306 thousand metric tonnes. The State of Orissa is also very rich in mineral wealth. High grade iron deposits are found in the districts of Keonjhar, Sundergarh and Mayurbhanj. Iron ore is also available in the Tomka-Daitari area of Cuttack district. Other minerals which are found in Orissa include coal, manganese, chromite, lime-stone etc. One of the modern steel plants in the public sector is located at Rourkela. Among the major irrigation works in Orissa, is the Hirakud Dam Project which was taken up in 1948 for generation of electric power, storage of water for irrigation purposes and avoidance of floods by absorption and control at the reservoir.

B. Need for a Deep Sea Port at Paradeep

2. A brief history of Paradeep Port as given in the Fifty-First Report (First Lok Sabha) of the Estimates Committee (1956-57) is reproduced below:

“The Orissa Government have for the past few years been considering the possibility of constructing a new major port in their State. At their instance, during 1948-49, the Central Water and Power Commission carried out surveys at the mouth of the Dhamra River (the northern arm of the Mahanadi delta) for suitable site for a Port. Subsequent surveys at the middle (Mahanadi River) and southern arm (Devi River) indicated a better site at Paradeep at the mouth of the Mahanadi River.

In 1950, the Central Water and Power Commission requested a group of French Consulting Engineers to send a Mission to India to advise *inter alia* on the choice of the most suitable site for a deep sea Port at the mouth of the Mahanadi. This Mission, after necessary investigation, agreed with the Central Water and Power Commission that the Mahanadi mouth was the only suitable site on the East Coast of India for the development of a new major port. This Mission estimated the cost of a Port there at Rs. 7.35 crores, inclusive of the cost of 2,000 tons dredger, construction of breakwaters,

two berths and two sheds, dredging of channels through the bar and between breakwater rectification of padding of the river, but exclusive of the cost of construction of a railway line between Cuttack and Paradeep and deepening of existing navigation canals. The annual maintenance cost was estimated at Rs. 10 lakhs for dredging, maintenance of breakwaters and port working expenses. The Mission considered it essential, before the construction of the port was taken in hand, to construct models for deciding on the best alignment of breakwaters, location of Port, prevention of wave action in the Harbour and prevention of accumulation of sand by littoral drift at the entrance of the harbour. They estimated the cost of these model tests at Rs. 10 lakhs and time these tests would take, at about two years."

A Japanese mission also made a study of the port site and carried out model experiments at Tokyo University. The Japanese recommended the location of the harbour just south of Mahanadi estuary connected with the Mahanadi by a lock.

Paradeep was declared a minor port under the Indian Ports Act in January, 1958, and loading of ore was started on a very small scale with temporary facilities. The Port is seasonal and loading has to be done from barges.

The Intermediate Ports Development Committee in their Report (1960) made the following recommendation regarding the development of Paradeep Port:

"The Committees after examining the various proposals for a deep sea harbour at Paradip is of the opinion that the proposal to construct a deep-sea port in Atharbanki Creek is the most satisfactory proposal from all aspects For handling a traffic of 2.5 lakh tons, the Committee recommends in the first instance development works costing Rs. 99 lakhs to be given first priority. . . . As the traffic increases up to 2.5 lakh tons and there is indication that the anticipated traffic of 5.5 lakh tons per annum is likely to be achieved it will be necessary to acquire additional tugs, lighters and mobile cranes, etc. These works which may be given a second priority are estimated to cost Rs. 55.3 lakhs. Any further increase in cargo at Paradip will necessitate the development of Paradip into an all-weather port. The cost of such a scheme with one mechanical ore loading berth and four all-weather moorings is estimated to cost roughly Rs. 9.5 crores."

On the basis of the Report of the Intermediate Ports Development Committee, schemes costing Rs. 1.50 crores were included in the Central Third Five Year Plan for developing the contemplated facilities at Paradeep, to enable it to handle about ½ lakh tonnes of iron ore traffic by the end of the Third Plan.

C. Integrated Scheme for Paradeep Port

3. In August 1961, the State Government of Orissa submitted to the Planning Commission a new integrated scheme for the development of Paradeep into an all-weather deep-draft port forthwith, the construction of an expressway connecting the Daitari ore deposits with Paradeep, extraction of 2 million tonnes per annum of iron ore from mines at Daitari and Tomka and the transport of this entire quantity by road from mine to the port. The Project Report of the new harbour was prepared by the Consultants firm, Messrs. Rendel, Palmer and Tritton. This was submitted in June, 1962. In 1962, the overall total cost of the integrated project was estimated at Rs. 38·31 crores, with foreign exchange content of Rs. 9·01 crores. The break-up of this amount is given below:

(Rupees in crores)		
	Total cost	Foreign Exchange
Mining of Iron Ore	4·90	1·38
Express Highway	14·20	1·00
Development of all-weather port	16·76	5·13
Road Transport Organisation	2·45	1·50
	38·31	9·01

The State Government's proposals were the subject of several examinations, reviews, discussions at various levels by individual Ministries concerned and by the Central Cabinet and eventually the State Government's overall programme was accepted by the Planning Commission for inclusion in the Third Five Year Plan in October, 1962.

The Scheme envisaged the development of an all-weather port at Paradeep with mechanised facilities for handling iron ore. The Committee understand that at the time (October, 1962) the proposals of Orissa Government were under consideration of the Planning Commission and the Government of India, a specific proposal was made on behalf of the State Government for "Paradeep Port being taken over by the Central Government as a major port at a later stage".

The Secretary, Ministry of Transport, in his evidence before the Committee has stated that "It is a project involving major financial implications, but the decision of the Government was not to treat it as a major port project. . . . It is the decision of the Cabinet that it shall not be treated as a major port project."

The Committee are unable to reconcile the two statements viz., of the State Government's proposal to hand it over to the Centre at a later stage as a major port and that of Cabinet decision, not to treat it as a major port. They are also unable to appreciate how a decision was taken to allow the State Government to undertake an integrated project of the dimensions of Rs. 38·31 crores, out of which Rs. 11·66 crores were for the development of the main port, without clearly taking a decision about treating Paradeep as a major port. The

Committee have commented in detail in this aspect in para 30 of the Report.*

4. The Government of India were assured by the Government of Orissa that two to three million tons of ore with an average of 62 per cent iron content would be definitely available and that it would earn a price exceeding Rs. 40 per ton.

The Committee feel that before accepting this proposal of Rs. 38·31 crores to be put in the Third Plan, the Planning Commission/Government should have made a proper assessment of the proposal made by the Government of Orissa with the quantity and quality of ore likely to be available for export, and also whether in view of the Cabinet decision of not treating it as a major port, Rs. 38·31 crores was worth spending on the project.

5. The Government of Orissa re-engaged the consultants firm of Messrs. Rendel, Palmer and Tritton to prepare the detailed designs and estimates for the harbour project. The Ministry of Transport communicated the sanction of the Government of India to the release of foreign exchange for the purpose.

Having secured the approval of the Planning Commission to the inclusion of the works, the layout and designs of the port were finalised by the Government of Orissa on their own and they even departed from the designs recommended by the consulting firm in some material respects.

Under the Constitution, Ports other than those declared by or under law made by Parliament or existing law to be major ports, are included in the Concurrent List (Entry No. 31). The State Governments can undertake the development of such ports but, generally, they look to the Government of India for financial assistance, for releases of foreign exchange and for technical help and advice. The Orissa Government hoped however to find the financial resources for the Paradeep Port project without Central assistance, partly by adjustments within the State Plan and partly by floating loans in the market. They expected that it would facilitate the floating of loans if a Port Trust was constituted for Paradeep and enacted the necessary enabling legislation for the purpose. Actually the Port Trust was never set up. The foreign exchange releases have been made by the Government of India on an *ad hoc* basis for the Paradeep Port project as and when proposals were received from the State Government. So far as designs were concerned, the foreign consultants already mentioned, provided the necessary assistance. The execution of the Project was looked after by a Chief Engineer and Administrator specially appointed by the Orissa Government for the project.

*At the time of factual verification the Ministry of Transport stated as follows:

"The State Government's stand was that a port which had no railway connection could hardly be deemed to be a major port and that the provision of the railway connection might take a period of five or six years within which time the State Government could build the first Stage of the Port. The State Government proposed that till the railway was built they should continue to be in charge of the operation also. The Government of India decided that the Paradeep Port Project should be executed by the State Government. In other words, it was not being treated as a major port project."

The State Government had fixed 1st October, 1965 as the deadline date for opening the new Port to traffic and to berth the first ore-carrier. Speed of execution was thus the sole objective of the State Government. In the process, the State Government took all the decisions on the technical aspects.

On the 10th June, 1964, the Government of Orissa requested the Central Government to take over the financial and administrative responsibility for the port project. A copy of Government of Orissa's letter dated the 10th June, 1964 to the Government of India is reproduced in Appendix I.

A sum of Rs. 5 crores has been provided in the Budget for 1965-66 for Ministry of Transport (Main Head F. Capital Outlay on Paradeep Port) for the taking over of Paradeep Port for direct administration by Central Government. During the course of discussion on Demands for Grants relating to the Ministry of Transport on the 19th April, 1965, the Minister of Transport referred to Paradeep Port Project as under:—

“We are really intending to take over the entire Paradeep Project for execution.... So far as accounts are concerned we will be responsible from the date when we take over. To make enquiries into the previous accounts will be a function which does not belong to me. It will be done by the Auditor-General and other agencies concerned. Whatever facilities we can give them for such an investigation, we will give them.”

D. Management

6. The Port Organisation is headed by the Chief Engineer-cum-Administrator, Paradeep Port and the other necessary technical, administrative, accounts staff has been created under the Commerce (Ports) Department of the Orissa Government. The Chief Engineer-cum-Administrator enjoys all the powers enjoyed by the Chief Engineer of the State Government under the Orissa Public Works Department Code and functions as a Head of the Department. He is fully responsible for the technical aspect of the execution of the Project and administratively functions under the control of the Commerce (Ports) Department. The State Government have, as already mentioned, engaged the services of a firm of Consulting Engineers, viz., M/s Rendel, Palmer and Tritton for preparing the detailed designs of the harbour works and structures of the Port. A chart showing the organisational set-up of the Port is given in Appendix II.

E. Supervisory Committee

7. There is a Supervisory Committee for looking to the efficient, economic and quick execution of the Paradeep Project. The Committee was set up by the Orissa Government on the 19th June, 1963 and ordinarily it has to meet once in three months.

The Committee was first reconstituted on 17th December, 1963 when Chairman, Planning Board, Orissa Government was made the Chairman of the Supervisory Committee in place of the Chief Minister. As to the reasons for the reconstitution of the Supervisory Committee, the Estimates Committee have been informed during evidence that after the change of Chief Ministership in the State, there was a general Government order that the committees of which the Chief Minister was the Chairman should be examined to see whether any change in composition was necessary. It has been stated that a separate office of the Chairman, Planning Board was constituted in the State from October, 1963 and in pursuance of the general policy decision of the Government, the Chairman, Planning Board was made the Chairman of the Supervisory Committee.

The Committee was reconstituted again on 15th April, 1964 when the Chief Minister and Dr. M. G. Hiranandani, Technical Consultant to Orissa Government were appointed as Deputy Chairman and Member of the Committee respectively. The reasons for this reconstitution are stated to be as under:—

- (i) It was found necessary that the then Committee should have the benefit of association of the Chief Minister who was the Minister-in-Charge of Port in its deliberations.
- (ii) The Committee as constituted so far had no technical expert except the Chief Engineer-cum-Administrator, Paradeep Port Project on it. It was felt that it will help the deliberations of the Supervisory Committee on technical matters if the officer, who had been separately appointed by the State Government as a Technical Consultant for various Projects including Paradeep Port Project, was made a Member of the Committee.

The Committee has been reconstituted again (for the third time) recently with a view to substitute Additional Secretary, Commerce by Secretary Commerce as Member-Secretary of the Committee. The composition of the reconstituted Committee is given below:—

(1) Chairman Planning Board	Chairman
(2) Chief Minister, Orissa	Deputy Chairman
(3) Chief Secretary to Government ..	Member
(4) Secretary, Finance Department ..	Member
(5) Chief Engineer-cum-Administrator, Paradeep Port Project ..	Member
(6) Technical Consultant to the Government of Orissa	Member
(7) Secretary Commerce Department	Member Secretary.

The Committee note that till April, 1964 the Supervisory Committee did not include any technical expert other than the Chief Engineer-cum-Administrator of the Project. The Committee feel that having regard to the size of the project and the complex nature of problems thrown up during the course of construction necessitating repeated modifications of design, it would have been a distinct help to the Supervisory Committee to have a high ranking technical adviser to assist them in their deliberations right from the beginning.

CHAPTER II

SALIENT FEATURES OF THE PARADEEP PORT PROJECT AS INCLUDED IN MASTER PLAN

A. Lagoon Type Harbour

8. According to the Master Plan prepared by the Consulting Engineers, a lagoon type of harbour is to be constructed at Paradeep. It is stated that this type of harbour has an advantage that construction of berths, quays, etc. is relatively cheaper because this can be done in the dry before the entrance channel is opened up. Further advantages of the lagoon type harbour over coastal type harbour are that better protection against cyclones is afforded and phased development is possible. The harbour is to be located inland of the present shore line and is to be connected to the sea by a channel cut more or less at right angles to the coast. The entry to the channel from the sea is to be protected by breakwaters and the littoral drift is to be catered for by suitable sand trap and dredging.

The scheme has been divided broadly into two parts: Stage I covering partial development and Stage II covering full development.

B. Stage I Development

9. During Stage I development two breakwaters will be constructed to their ultimate size and one Ore Berth for vessels up to 60,000 D.W.T. and one Cargo Berth 185 metres (607 ft.) long for vessels up to 14,000 G.R.T. would be constructed; in addition to this one Buoy Berth will be provided. The Ore Berth will be provided with handling equipment for an annual throughput of 2 million tons of iron ore.

The Cargo Berth will be equipped with one transit shed. The design of the berth will be such as to allow for the ultimate installation of dock side cranes but initially the cargo will be loaded or unloaded by ships gear and handled on the quay by fork lift trucks. The facilities provided under this stage should be sufficient to enable up to 2,00,000 tons of general cargo and small parcels of bulk cargo including 50,000 tons of coal to be handled per year.

A 300-ton slipway for slipping coastal and harbour craft has been included in the layout as well as limited workshop facilities.

C. Full Stage Development

10. The Full Development allows for 3 ore berths, to accommodate one 60,000 D.W.T. and two 30,000 D.W.T. ore carriers, 19 Cargo Berths each 185 metres (607 ft.) long to receive vessels upto 18,000

G.R.T. and an Oil Dock equipped with 2 berths for 1,00,000 D.W.T. Oil Tankers.

The initial development of the Port will be so arranged that the Approach and Entrance Channels can later be dredged to allow 1,00,000 D.W.T. Oil Tankers to have access to the port.

The smaller dry dock would be for coastal craft and will be approximately 105 metres (305 ft.) long x 18 metres (60 ft.) wide and the larger dry dock approximately 230 metres (750 ft.) long x 35 metres (115 ft.) wide.

A fitting out berth would be provided along the southern perimetre of the Turning Circle and the workshop facilities considerably extended.

CHAPTER III

PROJECT ESTIMATES

A. Project as recommended by Consulting Engineers

11. The total expenditure on Stage I of the Project was shown in the report of the Consulting Engineers, Messrs. Rondel, Palmer and Tritton (RPT) as Rs. 16.2 crores—Rs. 11.7 crores for the main port construction and Rs. 4.5 crores for so-called ancillary works including ore-handling plant, dredger, harbour-craft and port services and buildings.

The Consulting Engineers had advised that the expenditure of Rs. 11.7 crores on main port construction could be divided into two phases, the first phase of Rs. 6.5 crores to be completed by October, 1965 and the second phase of Rs. 5.08 crores to be taken up after October, 1965.

The details of the cost of the Project as assessed by the firm of Consulting Engineers are set out below:

(i) Estimates of cost for Stage I of the Main Part Construction

	(Rs. in lakhs)		
	First Phase (To Oct. 1965)	Second Phase (After Oct. 1965)	Total
Earthworks and dredging	257	111	368
Pitching to submerged Stopes	42	37	79
Breakwaters	140	135	275
Ore berth	72	..	72
Cargo berth and transit shed . . . . .	..	160	160
Slipway and Workshops . . . . .	..	19	19
Sand pump and gantry	82	..	82
Miscellaneous including navigation equipment and buoys	5	..	5
	598	462	1060
Contingencies 10 %	60	46	106
TOTAL	658	508	1166
		Say 11.7	crores

(ii) *Estimate of cost for Stage I Development—Ancillary Works
(Not included in the Main Port Construction).*

	(Rs. in lakhs)
Ore handling Plant	61
Ore Stock Area	11
Dredger and pipeline	85
Harbour craft	75
Internal Roads	66
Services	62
Port Buildings	14
Canal Extension	39
	<hr/> 413
Contingencies 10 %	41
	<hr/> 454
Say	4.5 crores
Grand Total	<hr/> 16.2 crores <hr/>

A summary of conclusions as contained in the Report of M/s. Rendel, Palmer and Tritton on the development of a deep water port at Paradeep is given in Appendix III.

B. Project as sanctioned by State Government

12. The project as sanctioned by the State Government was intended to complete Phase I of Stage I of the Port by October, 1965 at an estimated cost of Rs. 12.38 crores. The details of the estimates prepared by the State Government are given in the table in para 11.

During the discussions held with the Planning Commission in December, 1963 on the Annual Plan of Orissa for 1964-65, the revised estimate for the First Phase of Stage I of the Port was indicated at Rs. 20.22 crores.

During discussions held by the Orissa State Government with Planning Commission in June, 1964, the State Government indicated that the revised estimate for completion of all works included in the first Phase of Stage I was Rs. 26.45 crores. In this connection an extract from the discussions held with the Planning Commission in June, 1964 is reproduced below:

*“Revised estimate of cost of the Port.—*The project for the construction of the port as sanctioned by the Orissa Government was intended to complete Phase I of the Stage I of the Port as envisaged in the report of the Consulting Engineers, Messrs Rendel, Palmer and Tritton. The programme under Phase I provides for (1) dredging of the channel and turning basin including purchase of dredgers, (2) construction of breakwaters (on the western side only) and (3) development of one berth for export of iron ore including installation of the iron ore plant. The scheme as sanctioned by the Orissa Government was estimated to cost Rs. 12.38 crores. During the discussions on the Annual Plan of Orissa for 1964-65 held in December, 1963, the revised estimate for the first phase of the first stage of the port was indicated at Rs. 20.22 crores. The main reasons for the upward revision of the estimate as indicated at that time were the following:

- (a) Whereas the Consulting Engineers had envisaged Phase I of Stage I of the Port providing a draft to handle iron ore carriers upto 30,000 DWT, the decision had now been taken to provide for further deepening of the port with a view to enabling it to receive carriers upto 60,000 DWT. This involved additional dredging. The cost of the dredging had also been revised upwards on the basis of the quotations actually received.
- (b) Changes had been made in the design of the iron ore handling plant with a view to provide capacity of 2500 tonnes per hour. The earlier estimate had contained only a token provision of Rs. 12 lakhs for the iron ore berth, while the estimate of expenditure on the berth was Rs. 90 lakhs.
- (c) Certain new items had been added to the project such as (i) township—Rs. 2 crores, (ii) road from Cuttack to Paradeep—Rs. 1 crore, (iii) purchase of sandpumps—Rs. 84 lakhs, etc.

The revised cost of the Phase I of Stage I of the port as now anticipated by the Orissa Government is Rs. 26.45 crores.”

13. The table below gives a break-up of the cost of various components of the Project as originally estimated and as revised in December, 1963 and as anticipated in June, 1964:

	(Rs. in lakhs)		
	Original cost	As revised in December 1963	As anticipated in June, 1964
Western Breakwater	382	382	381.91
Eastern Breakwater . . . . .	..	..	150.00
Dredging and earth work	99	239	230.00
Ore Berth	12	90	90.00
Ore Handling Plant	180	180	180.00
Dredger	85	125	134.00
Sand Pump and Gantry . . . . .	..	84	82.00
Cargo Berth	4	12	220.00
Harbour Craft . . . . .	..	..	100.00
Township . . . . .	..	200	200.00
Cuttack Kujang Road . . . . .	..	130	200.00
Extension of Taldanda Canal	40	68	44.75
Other Civil work such as access roads, clearing of terrain etc.	215	215	237.90
Other Plant and Machinery . . . . .	..	76	113.13
Miscellaneous	61	61	151.02
Establishment	160	160	130.00
TOTAL	1238	2022	2644.71

It will be seen from the above table that the following items of work were not included initially in the original estimates sanctioned by the State Government for construction of an all-weather Port at an estimated cost of Rs. 12.38 crores.

1. Eastern Breakwater Rs. 150 lakhs.
2. Sand Pump and Gantry Rs. 82 lakhs
3. Cargo Berth Rs. 220 lakhs
(original provision was only for Rs. 4 lakhs)
4. Cuttack-Kujang Road Rs. 200 lakhs
5. Township Rs. 200 lakhs
6. Harbour Craft Rs. 100 lakhs
7. Ore Berth Rs. 90 lakhs
(An *ad hoc* amount of Rs. 12 lakhs was only provided in original estimate).
8. Other Plant and Machinery Rs. 113 lakhs.

The Committee are unhappy to note that the programme of construction as originally outlined by the Orissa Government in the later half of 1962 on the basis of which the decision was taken by the Government of India to concur in the State Government's proposal to take up the project within the Third Plan had undergone a radical revision necessitating an increase in outlay from Rs. 12 to Rs. 20 crores and then to Rs. 26 crores to be spent by October, 1965. The Committee are constrained to observe that the original estimate prepared by the Orissa Government for completion of Phase I of Stage—1 of Port development was unrealistically framed and the overall estimate turned out to be low as certain essential components like Sand Pump and Gantry and Eastern Breakwater were left out from the original Project estimate. The unrealistic nature of the estimate is apparent from the fact that the State Government had to revise their estimates at different stages.

The Committee regret that the Central Government and the Planning Commission did not in the initial stages scrutinise these details and the financial resources position of the Orissa Government when it embarked on an ambitious scheme and also when it declared its intention of handing over the project to the Government of India for being developed as a major port. The Committee consider that the outlays on port construction with the proposed outlays on complementary works like the development of mine, construction of the Express Highway and the setting up of a Transport Organisation Division were apt to stretch the resources of the State to the utmost and necessitate either a curtailment of outlays on other sectors of the State Plan or raising of additional resources by way of increased taxes both of which should have been the subject matter of some scrutiny by the Central Government. In any case the Committee feel that the situation has posed a problem of immense magnitude for the Government of India who now intend to take over the assets and liabilities attached to the Paradeep Port from the Government of Orissa.

CHAPTER IV

DEVIATIONS FROM THE PROJECT REPORT

A. Main Deviations

14. The Committee have been informed that in general the Project Report and Master Plan prepared by the Consulting Engineers, M/s Rendel, Palmer and Tritton have been followed in the execution of the project. However, there are two main deviations which have been made viz.—

- (i) Construction of continuous breakwater instead of an island breakwater on the western side of the Approach Channel.
- (ii) Acquisition of an Iron Ore Handling Plant of bigger capacity than recommended by the Consulting Engineers in their report.

The Committee are given to understand that the State Government had informed the technical officers of the Government of India only subsequently about these changes and that too only when the question was raised at one of the inter-Ministerial meetings with their representatives.

The Committee understand that State Government had invited a team of Japanese specialists to make an appraisal of the technical and economic features of the entire complex of schemes, i.e. the mining project, express highway, transport organisation and port development. In their Report submitted to the State Government in March, 1963, the Japanese Survey Mission made some observations on the construction programme for Paradeep port. Among the criticisms made by them are:

- (a) The littoral drift appeared to have been underestimated by M/s Rendel, Palmer and Tritton and, hence, the arrangements proposed for maintenance dredging would be inadequate. The decision already taken to build a continuous breakwater on the western side instead of an island breakwater, was also questioned.
- (b) It was recommended that the capital dredging of the port should be phased out, since there were no 60,000 tonne ore carriers currently in commission; at the most a draft sufficient to accommodate 50,000 tonne carriers would be sufficient in the first stage of the port. In the initial stage advantage should be taken also of operation during high tide, thus reducing the depth further.

- (c) Some changes were suggested in the design of the ore loading plant, to facilitate the building up of its capacity from 2 million tonnes to 5 million tonnes per annum at a later stage.

The Committee are informed that the State authorities rejected all suggestions which might reduce the capital cost of the project in the first stage, and decided to undertake the dredging upto the full depth immediately and also to order an ore loading plant with a capacity of about 4½ million tonnes.

B. Western Breakwater

15. The Committee are informed that after the Consulting Engineers' Report was received, the Poona Research Station were requested to carry out model tests on the type of alignment of breakwaters suggested by the Consulting Engineers. After conducting a series of model tests, the Poona Research Station advised that instead of an island breakwater a continuous breakwater should be built. Besides this conclusion of the Poona Research Station it was also found that the construction of continuous breakwater would be easier to start and it would be economical to build so far as capital outlay was concerned and technically it would not, in any way, be inferior to the island breakwater. Accordingly, a decision was taken in consultation with the Consulting Engineers that, instead of an island breakwater, a continuous breakwater should be built.

In this connection, the Committee would like to draw attention to the following extract from the proceedings of the first meeting of the Paradeep Supervisory Committee held on 24th July, 1963:

“Chief Secretary raised the point that before any decision on construction schedule can be taken, there should be a clear cut decision of Government in regard to the matter whether the lay-out of the Western Breakwater will be continuous or there will be a shore and Island Breakwater. He pointed out that Transport Ministry, Government of India who have been repeatedly addressed in the matter have not approved the lay-out for the Continuous Breakwater and as such, it may now be finally decided whether we have to wait for their approval or go ahead as per our decision to have the Continuous Breakwater... Chief Minister pointed out that in the circumstances, we need not wait for the approval of the Transport Ministry, but only keep them informed.”

The Committee understand that the former Port Development Adviser, Government of India, had given the opinion that the Western Breakwater should be of the island type as suggested by the Intermediate Port Development Committee, and as also proposed by M/s Rendel, Palmer and Tritton in their Project Report.

Now that the State Government have already completed 3300 ft. out of the projected length of 3900 ft. of the Western Breakwater by the 31st December, 1964 there is little point in discussing the merits of the continuous breakwater vis-a-vis the island breakwater. The Committee cannot however, feel happy that the Central Government should have allowed the State Government to change the design of the western breakwater from Island breakwater, as originally suggested by the Consulting Engineers, into continuous breakwater despite the fact that the Intermediate Ports Development Committee, the Japanese Survey Mission and the former Port Development Adviser, Government of India, had expressed themselves in favour of Island breakwater.

C. Damage to Western Breakwater

16. It has been stated in the progress Report of the Paradeep Project for January-March, 1964 submitted to the Central Government that "till the cranes are received the work done so far on the western breakwater runs the risk of being washed away, should unfortunately any storm break out in the meantime." The Committee are informed that during a storm which visited Paradeep Port from 6th to 12th August, 1964 the Western Breakwater was flattened and turned for a distance of 23 metres. The Committee understand that this portion of the breakwater has since been reformed and the stones which were flattened and turned are being reclaimed and used in the construction of breakwater. Asked about the loss suffered in financial terms, the Committee have been informed that "the exact loss in financial terms has not been calculated but it is expected to be not very much."

The Committee are distressed to know that the Port authorities knowing fully that there was danger to the breakwater due to storms did not take adequate timely precautions to protect the breakwater. They feel that there is an urgent need for making available in time all ancillary equipment required for execution of the various components of the Project so that the breakwater may be protected against ravages by storms and sea during stages of construction. The Committee are also unhappy that the financial loss suffered due to damage sustained by the breakwater has not yet been determined.

D. Iron Ore Handling Plant

17. The Consulting Engineers had recommended a smaller ore handling plant with a capacity of about 1600 tonnes per hour in Stage I of the Project. The Plant was to be developed into a bigger plant in the Full Development Stage. The Government of Orissa have decided to instal a bigger plant in the Stage I itself with a capacity of 2500 tonnes per hour. The Committee have been informed that this has been done in order to provide the most modern facilities at Paradeep so that it can compete with world market in export of iron ore by ensuring quick turn-round of ships by fast loading. This change has meant an extra expenditure of the order of Rs. 119 lakhs as against Rs. 61 lakhs envisaged originally by the Consulting Engineers. A provision has since been made for Rs. 180 lakhs for the installation of the plant during Stage I.

The contract for the ore loading plant has been awarded by negotiation to an American firm M/s. Hewitt. Robbins Ltd., who are collaborating with M/s. Tatas.

In the Progress Report of the quarter ending December, 1964, it has been stated that "Three shipments of the equipment have been received and transported to site. A number of ships conveying parts of this equipment are on the high seas and are expected to be received in the course of next month. Messrs. Hewitt Robbins are arranging to commence erection in January, 1965. Messrs. Duneop Rubber & Tyre Co. have commenced the manufacture of Belting for the ore-handling plant. They expect to supply the belting in June, 1965."

The Committee understand that "as global tenders were not possible", the contract for the ore handling plant had to be negotiated with suppliers in a selected country. The Committee would like the Government to satisfy themselves as to why global tenders for the plant were not possible.

The Committee would also like the Government to investigate whether a proper assessment was made of the iron ore resources available in the hinterland of Paradeep which would enable it to sustain export of 2 million tonnes of ore from Paradeep and would have justified a plant with the handling capacity of 2,500 tonnes per hour, being installed in Stage I of the development of the port.

CHAPTER V

EXPORT OF IRON ORE

A. Prospects of Export of Iron Ore

18. The integrated development scheme drawn up by the Orissa Government had four main components—mining of iron ore by the Orissa Mining Corporation, development of express highway from Tomka-Daitari to Paradeep, development of an all-weather port at Paradeep and the setting up of a road transport organisation for carrying iron ore to Paradeep. The first phase of the project envisaged export of iron ore from the Tomka-Daitari mines of the order of two million tons per year. In the second phase it was proposed to obtain additional supplies of iron ore from the mines in Nayagarh area which is stated to have much larger deposits.

The mining project is to be undertaken by the Orissa Mining Corporation Ltd., a State Government Undertaking. The entire finance for this will be provided by the Orissa Government. The cost of developing the deposits in the Tomka-Daitari area is estimated by the Orissa Government at about Rs. 4 crores.

As already mentioned in para 3, the cost of the express highway from the mining area to Paradeep is estimated to be Rs. 14.20 crores while the cost of the road transport organisation is estimated at Rs. 2.45 crores. The Committee note that the integrated scheme for the development of the project envisaged that money for the express highway, road transport organisation, mining of iron ore etc. would be found from the State resources. As it is of the utmost importance that the handling charges for an exporting port are kept at a competitive and economic level, so as not to burden the exports, the Committee would like every care to be taken to see that the Port project is not saddled with the cost of any development which does not strictly pertain to the port.

19. The Indian Bureau of Mines conducted a detailed exploration of the extent of iron ore deposits in the Daitari region of Orissa and submitted a report in August, 1963. Extracts from the Report are given below:

“Location: The Daitari iron-ore deposits; which is a part of the well known Singhbhum-Keonjhar-Bonai iron ore belt, is situated partly in Keonjhar district and partly in Cuttack district of Orissa State. The nearest railway station is Jajpur-Keonjhar Road on the Howrah-Madras trunk line of South Eastern Railway.

Previous work: The Daitari deposits as a potential source of minerable iron-ore in south Orissa has received attention since 1956 when the first survey carried out by Shri

Bhargava of M. S. Serajuddin & Company indicated an in situ reserve of 45 million tons of 50-60 per cent Fe grade ore and a float ore reserves of about 30 million tons of average grade of 58 per cent Fe. Subsequently, reconnaissance survey of the deposit was undertaken by teams of geologists from Japan and Directorate of Mines of Government of Orissa to assess its potentiality as a prospect. The findings of some of these teams are available in the form of unpublished reports and they indicate a substantial discrepancy both as to the reserve and the average grade of the deposit.

A team of geologists from Kinoshita and Co., Ltd., Japan in their report in 1956 estimated a total reserve of 30.4 million tons of ore for this deposit. The Japanese Mining Team No. 1 who visited the deposit in 1958 estimated a total reserve of 40 million tons of ore on the basis of 60 per cent iron and a workable reserve of 30 million tons of the same grade on the basis of 75 per cent workable quantity out of the total reserves. According to them, "there will be no difficult in producing ore of an average grade of 60 per cent Fe if severe washing and sizing are employed" implying thereby that the grade of the R.O.M. ore is expected to be less than 60 per cent Fe.

Previous estimates were largely at variance with each other. This was mainly due to the fact that they were the estimates based mainly on surface examinations supplemented by a few shallow pits. The data then available were extremely insufficient for making any firm estimates. This necessitated the detailed proving by the Indian Bureau of Mines.

The Daitari iron ore body has been proved to contain a total of 49.99 million tonnes of iron ore including fines and blue dust, with an average grade of 61.5 per cent Fe. With an average percentage recovery of 52 per cent a total of 62.4 per cent Fe grade and 23.84 per cent million tonnes of fines (—12 mm ore) of 60.9 per cent Fe grade are available.

If the top-most zone of overburden is eliminated the lump ore zone is estimated to yield 23.86 million tonnes of lump ore with an average grade of 63.3 per cent Fe. The blue dust zone is not expected to yield economic proportion of lump ore.

If the 2.30 million tonnes of lump ore of 55.1 per cent grade recoverable from the over-burden can be properly blended with the above ore from lump-ore zone, the total exportable ore will be 26.16 million tonnes with an average grade of 62.4 per cent Fe.

If the fines from the over-burden which is of 48·2 per cent Fe grade is eliminated, a total of 22·60 million tonnes of fines with a grade of 61·6 per cent Fe is recoverable from the lump ore zone and blue dust zone.

In case the working of the blue dust zone for the fines alone is not considered economic the lump ore zone itself will yield 14·01 million tonnes of 59·5 per cent Fe grade.

The 1·24 million tonnes fines in the overburden is estimated to be of 48·2 per cent Fe grade. It is too low for use in agglomerates and if combined with the fines of lump-ore zone the combined grade will come down to 58·3 per cent Fe.

There does not seem to be any scope for increase in the tonnage of exportable ore, even if the average grade is lowered to 60 per cent Fe. The above estimations cover the whole of the iron ore body except for the two small portions at the N. Western and Southern end. If these two portions are also added, another about 0·5 million tonnes of ore may be available, but in the north-western portion the grade is below economic limit and in the south the recovery is very poor."

The Committee gather that according to present programme of the Orissa Mining Corporation the ore handling plant at Daitari will be ready by March 1966 and it would not be practicable to assume full commercial working of the Daitari Mines by, October, 1965. Allowing time for the above factors it is evident that shipment of iron ore from the new port at Paradeep cannot commence before October, 1966.

As the primary purpose of developing the deep sea port at Paradeep is to facilitate export of iron ore, the Committee consider that the pace for port development should be integrated with the progress made in mining the ore in the hinterland and in arranging facilities for its transport to the shore.

The Committee are doubtful of the operational feasibility of maintaining an export traffic of 2 million tonnes of ore per annum by using a fleet of heavy trucks or truck-trailor combination.

The Committee understand that a detailed comparison of costs of road and rail transport of iron ore from hinterland to Paradeep prepared by the Central Government some times ago showed that there were significant economies in rail transport as compared to road transport. The Committee cannot feel happy that inspite of the result of that comparative study of the cost of transport, plan has been made and expenditures have been incurred for road transport of ore. The Committee consider that even now the question of cost of transport of ore from the hinterland to Paradeep should be gone into in detail by an expert team, and the most economic means of transport adopted. The Committee also feel that for the development of a port of the size of Paradeep, railway communication may be desirable. They hope that this matter will receive consideration of the Government.

The Committee note that the Indian Bureau of Mines who conducted a detailed exploration of the extent of iron ore deposits in the Daitari region of Orissa and submitted a report in August, 1963 were of the opinion that "If the fines from the over-burden which is of 48·2 per cent Fe grade is eliminated, a total of 22·60 million tonnes of fines with a grade of 61·6 per cent Fe is recoverable from the lump ore zone and blue dust zone. In case the working of the blue dust zone for the fines alone is not considered economic the lump ore zone itself will yield 14·01 million tonnes of 59·5 per cent Fe Grade."

The Committee understand that when the Orissa Government's proposal for the integrated project were examined in the Ministries concerned and in the Planning Commission considerable doubts were expressed about the economic viability of the integrated scheme. Doubts were also expressed about the capacity of Tomka/Daitari mines to sustain exports of more than 2 million tonnes of requisite quality for a sufficiently long period. The Committee consider that if planning of Paradeep Port and connected ancillaries was to be done on realistic basis all such doubts about the capacity of Tomka Daitari iron ore mines to sustain exports of the order of 2 million tonnes should have been resolved before according approval.

The Committee would like the Ministries of Commerce and Steel and Mines to go thoroughly into this aspect of the matter. The Committee would suggest that the deposits of iron ore available in nearby Nayagarh may also be investigated so as to ascertain their suitability for export.

B. Accumulation of 40,000 tons of Iron Ore at Paradeep

20. The Study Group of the Estimates Committee during their visit to Paradeep in October, 1964, noted that 40,000 tons of iron ore which had been purchased by the Department for export were lying at Paradeep for a long period. The Committee are informed by the State Government that in the central sector of the Third Five Year Plan a provision had been made for execution of the various schemes known as first priority and second priority schemes at a total cost of Rs. 1·5 crores for developing Paradeep into an Intermediate Port for handling traffic of the order of 5 lakh tons at the end of the Third Five Year Plan. Action on the implementation of these schemes was started by the Government in the year 1961 and considerable expenditure was incurred. The Ministry of Transport were approached by the State Governments for assistances for execution of the schemes included in the central sector of the Third Five Year Plan for mid-stream loading through Paradeep Port under the scheme for developing Paradeep into an Intermediate Port. It is understood that the Government of India advised the State Government that no expenditure on any of the development works may be incurred pending the decision on the State Government's scheme for developing Paradeep into an all-weather port during the Third Five Year Plan period. The Government of India were again approached in April, 1962 to allow the implementation of the schemes for developing Paradeep into an Intermediate Port as it was argued that the implementation of the scheme did not conflict with the objective of establishment of an all-weather port. The Central

Government informed the State Government in May, 1962 that the, had no objection to advance loans for the development schemes relating to Paradeep Port recommended by the Intermediate Ports Development Committee and included in the Ministry's Third Five Year Plan project. However, this was not followed by actual release of loan assistance to the State Government.

In October, 1963, the Ministry of Transport revived the earlier question whether in view of the fact that now that the State Government were implementing the scheme for establishment of an all-weather Port at Paradeep, there was justification for incurring expenditure on the scheme recommended and included in the Third Five Year Plan for developing Paradeep into an Intermediate port and wanted further justification for the grant of the loan.

It has been stated by the State Government that the required justification was provided to the Ministry of Transport in November, 1963 but no specific communication in this regard has been received from the Ministry of Transport as yet.

The total expenditure incurred by the State Government on the implementation of the scheme for Intermediate Port is about Rs. 95 lakhs.* Loan assistance from the Central Government has not been yet received.

The State Government have further stated—

“that for want of loan assistance from the Central Government on the implementation of the Intermediate Port (Schemes) for the 3 years no action is now being taken by the State Government to implement the schemes. Further action on the schemes relating to development of Paradeep into an Intermediate Port has been stopped with effect from this year, and as such no provision has been made in the State's Budget for implementing any of the schemes. This has resulted in the stocks which were built up in anticipation of export through mid-stream loading not being cleared up. At present about 40,000 tons of iron ore are lying at Paradeep. There was programme this year to export about 15,000 tons, but Minerals and Metals Trading Corporation Ltd. through whom the iron ore is exported at Paradeep at present have indicated in a recent letter that there would not be any shipping from Paradeep during this year. Accordingly, the iron ore deposits lying at Paradeep are now proposed to be shipped through the all-weather port during next shipping season i.e. from October, 1965 onwards when the all-weather port is also expected to be ready.”

The Committee are informed by the Ministry of Transport that—

“The quantity of 40,000 tons is not such a large quantity that it could not have been exported by the State Govern-

*As intimated in November, 1964.

ment with the available loading facilities at the existing minor port of Paradeep. Actually, it will be seen from the Book "Development of Paradeep Port" published by the NCAER (Table 15 on page 140) that Paradeep handled the following quantities since 1958-59:—

	Tons
1958-59	16,000
1959-60	30,000
1960-61	—
1961-62	21,000

The provision made in the Third Five Year Plan was only for expansion of Paradeep to export ore upto 5 lakh tons annually. The quantity of 40,000 tons was certainly within the capacity of the facilities already available at Paradeep Port."

The Committee note that the Central Government promised a loan assistance of Rs. 1.5 crores to the State Government for developing Paradeep as an intermediate port and on that expectation, the State Government spent about Rs. 95 lakhs. The Committee further note that the Central Government later on did not pay the loan assistance to the Orissa Government perhaps on the ground that the Orissa Government was developing Paradeep on a size and demension of a major port. The Committee feel that when the Central Government realised the ambitious scheme of the State Government, the Central Government should have taken a very definite stand of preventing the State Government from taking up on themselves a scheme beyond the sphere of the State Government and which would rightly belong to the sphere of the Central Government according to entry 27—Union List of the Seventh Schedule of the Consttiation. So, the responsibility of the infructuous expenditure of Rs. 95 lakhs should more or less be equally shared by both the Central Government and the State Government.

The Committee further regret that in spite of the facilities already available at Paradeep for the export of iron ore, as has been done in previous years, no attempt was made for the export of 40,000 tons of iron ore accumulated there. The Committee also note that the promised loan assistance of Rs. 1.5 crores to the State Government was not released by the Central Government and feel that in view of the changes in the project and dimension of the Paradeep port, there was little justification for releasing that amount. The Committee also like to indicate here that by simply withholding the amount of the promised loan, the responsibilities of the Central Government in that ambitious scheme have not been discharged and that they should have stooped any further progress in the work.

The Committee suggest that Government may explore the possibilities of exporting early the 40,000 tons of iron ore lying at Paradeep.

CHAPTER VI

DREDGING

A. Capital Dredging

21. Capital dredging in the lagoon and the Entrance Channel involves 4,990,000 cubic metres of ground and the approach channel 1,350,000 cubic metres. M/s. Ivan Milutinovic who have been awarded the contract for this work have brought to Paradeep 'Vlasina' a cutter dredger capable of dredging 400,000 cubic metres per month. This dredger reached the open sea in front of Paradeep Port on the 12th January, 1964. It underwent repairs and servicing at Paradeep after its long journey from South America. The Committee understand that the Dredger is a pontoon type dredger and is unsuitable for working in the Sea which is beset with swells. On the 15th March, 1964, the capital dredging in the lagoon was started.

It is stated that the dredging work provided for in the Project Report would have enabled the iron ore loading berth to handle iron ore carriers of upto 30,000 DWT. Under this scheme further deepening of the entrance channel and turning basin etc. so as to enable the berth to receive carriers of 60,000 DWT, was to be done only in the Fourth Plan under what was described as Phase II of Stage I of the project. Decision was taken to provide for further deepening in the first phase itself, so that the berth as soon as it is ready, should be able to receive carriers upto 60,000 DWT.

It has been stated by the State Government that "the original estimate for dredging work had to be revised from Rs. 99 lakhs to Rs. 239 lakhs as the original estimate was based upon the rate for dredging which turned out to be much lower than the lowest tendered rate of Rs. 1,90,19,296 when global tenders for the work were called". The quotations received from various parties are given below:—

	Rupee portion	Foreign Exchange Portion in Rs.	Total in Rupees
1. M's Mizuno Gumi & Co., Japan.	80,19,296	1,10,00,000 (to be paid in Yen or dollars)	1,90,19,296
2. Standard Dredging Co., New York.	81,60,000	1,22,40,000 (to be paid in dollars)	2,04,00,000
3. Invest Import, Bel- grade	2,44,95,614 (to be paid in rupees)	..	2,44,95,614*
M/s Ivon Milutinovic			
4. Vianin Dragaggi Rome	3,01,80,888	1,92,83,610 (to be paid in £ Sterling)	4,94,64,498

*This was, however, reduced to Rs. 1,91,71,200 after negotiations with the firm.

The Committee have been further informed that the lowest quotation which was from a Japanese firm could not be accepted on account of difficulties connected with release of Yen credit, required for awarding the contract to the Japanese firm. The Committee have been informed during evidence that about 25 lakh cubic metres of dredging has since been completed. The work on the entrance channel and the approach channel is scheduled to be completed by October, 1965.

The Committee regret to note that no detailed assessment was made by the Project authorities about the extent of dredging work required to be done in the lagoon and the entrance channel. Consequently, their estimates were prepared on unrealistic basis and had to be revised subsequently, necessitating an increase of Rs. 140 lakhs in the project estimates. The Committee further note another disquieting feature viz., a very unusual type of dredger being deployed, which is understood to be suitable only for internal dredging and not the approach channel in the sea beset with swells.

The Committee need hardly stress that every care should be taken in association with the Consulting Engineers to see that the quality of dredging work done is not below standard and that there is no delay in the execution of work as per scheduled programme.

B. Maintenance Dredging (Hopper Suction Dredger)

22. The Committee have been informed that contract for the manufacture of one Twin Screw Hopper Suction Dredger for maintenance dredging has been awarded on the 24th September, 1963 to Garden Reach Workshop, who are collaborating with Messrs. Orenstein Koppen and Lubecker Maschinenbau, Lubeck, West Germany. The cost of the dredger was estimated earlier to be of the order of Rs. 85 lakhs on the basis of indication given in the Project Report prepared by the Consulting Engineers. This cost, however, had to be revised to Rs. 1,15,63,243 on the basis of the quotations received after global tenders. The value of the contract includes foreign exchange amounting to Rs. 61,83,027. A list of firm from which quotations were received in response to global tenders issued along with their specific quotations is given below:—

Name of Firms	Total cost quoted	Terms offered	Time of completion
1	2	3	4
1 Invest-Import Yugoslavia	71,50,000·00	The firm is prepared to accept payment in rupees.	18 months
2 M/s. Kinoshita and Company (Hitachi. Japan.)	86,12,268·00	Entire amount payable in U. S. dollars or Japanese 'Yen'.	12 months
3 Sarda Shipping and Trading Co. representing M/s Uraga Heavy Industries, Tokyo, Japan.	87,36,980·00	Do.	45 weeks
4 M/s. Blackwood Hodge & Co. representing M/s. Flicot/Nippon, Kokan, Kabushiki, Kaisha, Tokyo.	95,75,001·00	Full amount payable in U. S. Dollars or 'Yen'.	12 months
5 M/s. L. M. G. (Orienstein Koppel, West Germany)	99,50,400·00	On cash payment payable in D. M.	18 months
(ii) L. M. G. (Orienstein Koppel, West Germany)	1,08,60,000·00	On deferred payment including financing charges payable in D. M.	Do.
(iii) L. M. G. (Orienstein Koppel, West Germany)	1,00,21,140·00	On deferred payment including financing charges payable in D. M. for welded construction	Do.
6 M/s. Fleming and Ferguson	1,02,69,33·00	Entire amount payable in £ (£s. and sterling)	20 months

1	2	3	4
7 New India Maritime Agencies, Holland, Shipbuilding Association.	1,03,08,000.00	Payable in Dutch Guilders	Do.
8 Eastern Equipment & Company representing Mitsubishi Nippon Heavy Industries, Japan.	1,06,86,200.00	Payable in U. S. Dollars or Japanese 'Yen'	..
9 Mezagaon Dock	1,17,26,610.00	Of this Rs. 54,08,933 is payable in 'Yen' Rs. 89,869 in ₹ the rest in rupees	24 months
10 Garden Reach Workshop in collaboration with M's. L. M. G. (Item 5)	*1,21,67,112.00	Of this Rs. 61,83,022 will be payable in 'D' Marks, Rest in rupees.	Do.
11 M's. Simon Lobnitez	1,23,62,667.00	Payable in £ Sterling	22 months
12 I.H.C., Holland	1,31,05,333.00	Payable in Dutch Guilders	Do.

This was, however, reduced to Rs. 1,15,63,243 after negotiations with the firm.

It has been stated during evidence that the lowest tender of Rs. 71,50,000 of the Yugoslov firm was not accepted as "the Consulting Engineers did not consider it technically suitable."

The Committee have been informed that the Orissa Government considered that out of the tenders received the most suitable offer was from M/s. L. M. G., West Germany, who had given the following three alternative quotations, namely—

- “(i) For direct supply from their shipyard cash payment of Rs. 99,50,400 payable in D.M.
- (ii) For direct supply from the shipyard on deferred payment terms at a price of Rs. 108,60,000 payable in D.M.
- (iii) For supply in collaboration with Garden Reach Workshop at Rs. 1,21,67,112 out of which Rs. 61,83,027 will be payable in D.M. and the balance in Rupees.”

It was decided by Government in the middle of 1963 that the third alternative offer of Messrs. L. M. G., West Germany, was most suitable as it meant manufacture of the dredger within the country in collaboration and less payment in terms of foreign exchange.

According to the terms of contract the dredger is due for delivery on the 24th September, 1965. The Committee understand that delay is apprehended in the delivery of the dredger due to delay in the procurement of special quality steel plates for the construction of the vessel, with the result that construction work is likely to fall behind schedule.

The Committee are concerned to note that the supply of the Suction Dredger which is very essential for maintenance dredging is likely to fall behind schedule.

The Committee would stress that every effort should be made to arrange supply of special quality steel plates and other material required for the construction of the dredger so that the original schedule for its delivery is adhered to.

In fact, as capital dredging in the entrance channel is likely to be completed shortly, it is imperative that the maintenance dredger is put in position in time to prevent the entrance channel being filled back by sand.

CHAPTER VII

MISCELLANEOUS

A. Sand Pump and Gantry

23. The Project Report prepared by the Consulting Engineers had proposed *inter alia* that "the sand deposited in the trap area should be removed by two methods, that carried well across towards the harbour entrance will be removed by a suction dredger and that deposited near the entrance to the trap will be removed by two travelling sand pumps attached to a gantry running out to the Island Breakwater".

The Committee have been informed by the representative of the Orissa Government that "in the project report prepared by the Consulting Engineers, there was a provision (for sand pump and Gantry). But in our project estimate this item was left out. Subsequently we added it when it was revised in December, 1963." The reasons for non-inclusion in the original estimate are stated to be that "there was some limitation because Rs. 12 crores only were allowed for all approved works." The sand pump was, accordingly included in the revised estimates of Rs. 20 crores at an estimated cost of Rs. 84 lakhs including foreign exchange component of Rs. 25 lakhs. It has been stated that global tenders for the sand pump were issued on 10-1-64. In response to the global tenders, only one tender from an indigenous firm was received, which has been found to be unsuitable. On the advice of the Consulting Engineers, therefore, limited enquiries to leading foreign firms were addressed. The following firms have responded to the enquiries addressed to them:

- (1) M/s Nippon Kokan Kabushiki Kaisha Otemachi Chiyoda—
Ku. Tokyo, Japan.
- (2) M/s Simmons—Lobnitz Ltd., Lint House, Glogow, S. W.
- (3) M/s I. H. C. Holland, 2, Verlengde Tolweg, P. B. No. 6058,
the Hague, Holland.

The Committee are informed that the matter has been referred to the Government of India for clearance of foreign exchange, as pending the clearance of foreign exchange required for the sand pump, no firm is willing to negotiate and finally quote for the sand pump.*

The Committee are unhappy that a vital item like sand pump, needed for keeping the entrance channel free from sand, which was an integral part of Stage I of development of Paradeep Port was left out from the original estimates in order to limit them though un-

*At the time of factual verification the Ministry of Transport have stated that "So far as the sand pump is concerned, the State Government have already been authorised to arrange for the placing of the orders and they have been informed that the necessary foreign exchange would be given. This was done in February, 1965."

realistically, to Rs. 12 crores. The Committee would stress that early decision should be taken on the question of placing orders for the sand pump which is vital part of the scheme envisaged by the consultants for maintenance dredging. In placing the orders, Government should fully satisfy itself that the design of the sand pump would suit the requirements.

B. Eastern Breakwater

24. In the Project report drawn up by the Consulting Engineers, the eastern breakwater was included in Phase II of Stage I of the project and was to be taken up after the completion of Phase I by October, 1965. It has been stated that the construction of this breakwater for a length of 1680 ft. is necessary to protect the Approach Channel, which is to be dredged in early 1965. By the end of 30th September, 1964, the length of the breakwater from the root stood at 270 ft. The Committee understand that the construction of the Eastern breakwater stood suspended pending the approval of the Government of India*. An amount of Rs. 3 lakhs is stated to have been spent already for the limited construction of the breakwater. During the discussion with the Planning Commission (Transport Division) in December, 1963, it was stated on behalf of the State Government that a beginning with the construction of eastern breakwater might be made in the current Plan period and that the breakwater was to be completed during the Fourth Plan period. The Consulting Engineers in their Report (April 1964) have recommended immediate construction of the eastern breakwater because the construction of Western breakwater has resulted in erosion in the area in the vicinity of the root of the future eastern breakwater and this area has to be protected in the interests of the port. A provision of Rs. 150 lakhs has accordingly been made in the revised estimates of Rs. 26.45 crores.

In view of the findings of the consultants that erosion is occurring in the vicinity of the root of the future eastern breakwater, the Committee would underline the need for taking an early decision in the matter to protect the interests of the port. The Committee have no doubt that in undertaking the construction of Eastern Breakwater the lessons learnt in the construction of the Western Breakwater would be put to good use to effect economy and ensure sound construction.

C. General Cargo Berth

25. According to the original programme, the General Cargo Berth was to be constructed in the Fourth Plan period after completion of phase I of Stage I of the Port. In the project estimates of Rs. 12 crores approved by the State Government no provision for the construction of cargo berth as such was made but a limited amount of about Rs. 4 lakhs was included in the sanctioned approved project estimate only to do such preliminary work in regard to the construction of cargo berth as was considered necessary to be done while other approved works of the projects such as turning circle,

*At the time of factual verification the Ministry of Transport have stated that "The clearance for the construction of the Eastern Breakwater was given on the 9th February, 1965."

construction of the iron ore berth were to proceed. When discussions were held with the Planning Commission in December, 1963 for revision of Project estimates, the afore-mentioned provision for cargo berth was increased from Rs. 4 lakhs to Rs. 12 lakhs. It is stated that there is no original estimate for cargo berth as such, which has been revised except the estimate indicated by the Consulting Engineers in the Project Report according to which the cost of cargo berth and transit shed was estimated to be Rs. 1.60 crores. As during the construction of the port, it was found that it will be advantageous to construct cargo berth even before October, 1965, the Consulting Engineers were asked to prepare designs and specifications which they did and global tenders were invited. The lowest tender received for cargo berth is from a firm of Denmark. The firm has given quotations for two alternative designs. The total cost of the monolith design will be Rs. 1.93 crores and for alternative designs with sheet piles, it will cost Rs. 1.19 crores. The construction of transit shed and cranes in connection with cargo berth will cost another Rs. 30 to 40 lakhs and as such in the revised estimates of Rs. 26.45 crores for Stage I, the total cost of the cargo berth has been shown as Rs. 2.20 crores. It is stated that the Ministry of Transport have been moved to give their concurrence to the taking up of the cargo berth before October, 1965. In the meanwhile, Consulting Engineers have cleared the alternative design with sheet piles.

The Committee find from the minutes of discussion held with the Planning Commission (Transport Division) in June, 1964 that "the Consulting Engineers in their latest report of April, 1964, have recommended construction of the berth at this stage. The main reason given in the Report is that certain preliminary works have already been done by the State Government on this berth and that these will be wasted. It has been stated that the site of the cargo berth has been bunded off and excavated and tenders have been invited for the work and have been received by the Chief Engineer. The expenditure incurred by the State Government on the berth is indicated as Rs. 1 lakh. It should be ascertained that infructuous expenditure, if any, would be involved if the construction of the general cargo berth were not proceeded with beyond the present stage. One of the argument for the construction of the general cargo berth at this stage is that the dredging of berth would be easier now that the contractor for dredging is already working in the port. It may be mentioned that according to the original scheme the general cargo at the port of Paradeep was to be handled only at the mooring berths, and therefore, no alongside berth for general, cargo was proposed in Phase I of the Project. In this connection it is important to consider the urgency or otherwise of the general cargo berth from the point of view of the traffic to be handled."

The Study Group of the Estimates Committee which visited Paradeep Port in October, 1964 questioned the necessity of undertaking construction of cargo berth at this stage of development. The Committee were glad to be informed during the course of evidence by the official representatives in November, 1964 that the work on cargo berth has since been stopped. The Committee are distressed

to find that about Rs. 1 lakh should have been spent on preliminary works pertaining to general cargo berth without first establishing its immediate necessity with reference to the cargo to be handled.

The Committee deprecate the tendency to incur expenditure on a project without thoroughly investigating its economics and necessity and without waiting for its formal clearance by the Central Government.

D. Cuttack-Kujang Road

26. One of the components of the Port Project which was not included in the original estimates of Rs. 12 crores sanctioned by the State Government for construction of an all-weather port at Paradeep is the "Cuttack-Kujang Road." A provision of Rs. 130 lakhs has been made in the revised estimates of Rs. 20 crores of December, 1963. It has been stated by the State Government that "In the original estimates, no provision for Cuttack-Kujang Road was made as it was the anxiety of the State Government that the cost of the project should be kept as low as possible, and the cost of this item should be met by finding funds from elsewhere; subsequently it was found that Cuttack-Kujang Road which had to be vastly improved and had mainly to subserve the ends of Paradeep Port construction would involve a huge expenditure for which alternative source of finance was difficult to locate. It was accordingly decided by the State Government that Paradeep Port Project should bear a major portion of the expenditure on the improvement of Cuttack-Kujang Road."

The Committee see no reason why the cost of Cuttack-Kujang Road should be debited to the Port Project. They feel that this work should appropriately form a part of the road development scheme and be a charge on the road development.

E. Permanent Building in Township

27. In the original estimate of Rs. 12 crores prepared by the State Government provision for construction of temporary quarters only was made but in the revised estimates of Rs. 20 crores a provision of Rs. 2 crores has been made for a township in the Port area. It has been stated during evidence that an expenditure of Rs. 27.24 lakhs has since been incurred on the township. The Study Group of the Estimates Committee which visited the Port in October, 1964 were informed by the representative of the Orissa Government that in the initial stages much of the township would not be necessary and that they could go slow with the scheme. The Consulting Engineers in their "Report on the development of a deep water port at Paradeep" have stated that "it is envisaged that upto October, 1965 no permanent port buildings will be constructed."

It has been stated by the State Government in a note furnished to the Committee through the Ministry of Transport that "as work on the project proceeded it became clear that the scope of the quarters which have to be widened as at Paradeep no facilities whatever

were available and everything starting from roads, public health facilities, water supply and market areas etc. had to be provided because of the absolutely underdeveloped nature of area in which the construction of project had been taken up."

The Committee feel that the raising of a township costing Rs. 2 crores in the early stages of the Port Project, particularly when other essential port facilities are yet to be developed, is too ambitious a plan imposing a very considerable burden on the financial resources of Government. They suggest that the desirability of constructing permanent buildings in the proposed township should be re-examined in the light of the resources available. The Committee would also like to emphasise the need for drawing up a phased programme for the construction of the township out of the revenues of the Port after it becomes fully operational. In the meanwhile, the Committee recommend that the temporary buildings already constructed and which are stated to have a life of 20—25 years should be fully utilised.

F. Purchase of Tubular Trusses

28. The Committee were informed during evidence by official representatives that Rs. 14 lakhs were advanced to Kalinga Industries for purchase of tubes for Paradeep Port. The Committee desired to be furnished "a detailed note showing *inter alia* the amount advanced to the firm, the reasons therefore, terms specified in the supply order and the extent to which these were fulfilled. Please also indicate the total value of tubes actually supplied by the firm against the advance."

It was also stated during evidence that orders were placed on the firm on a "rate contract" basis. The Committee desired to know "how these rates compare with the D.G., S.&D. rate contract for tubes?"

The Ministry of Transport in a written note have stated as follows:—

"The State Government have replied as follows:—

All the files relating to purchase of tubular trusses have been taken away by Central Investigation Bureau. Necessary information required can be furnished only after the files are received. It may however, generally be stated that advance was given to the firm as it was the condition stipulated by the firm for supplying the trusses at the same rate at which it had been supplying to State Government for the past three years in spite of the fact that there had been increase in the price of skilf and excise duty had been levied since, which facts could have justified a 15 per cent rise in prices. In the supply order, the firm was required to deliver the entire quantity by a particular date failing which penalty at a certain rate on the undelivered quantities of the trusses would be levied. The firm however, delivered the quantities ahead of the delivery date. The total value of the tubular trusses supplied by the firm against this order for which advance of 14 lakhs was given is about Rs. 16 lakhs."

G. Foreign Exchange for Paradeep Port

29. The Committee have been informed that foreign exchange has been released by the Government of India for various items of work for Paradeep Port as per details given in the table below:

Item of work	Foreign Exchange	
	Total requirements	Amount released by the Govt. of India.
	(Rs. in lakhs)	
1. Dredging	114·00	114·00
2. Dredger	62·00	62·00
3. Ore Handling Plant	55·00	67·94
4. Iron Ore Berth	25·00	16·38
5. Cranes	25·00	11·60
6. Miscellaneous	22·00	9·65
7. Pump and Gantry	25·00	..
8. General Cargo Berth	48·00	..
9. Harbour Craft	92·00	..
TOTAL	468·00	281·57

The Committee desired to know specifically whether the Ministry of Transport had recommended the release of foreign exchange to the Ministry of Finance and if so on what considerations. The Committee also desired to be furnished copies of the correspondence exchanged between the Ministries of Transport and Finance in this regard.

The Ministry of Transport have in a written note stated the position as follows:—

"Release of foreign exchange for different requirements are made by the Ministry of Finance, after consideration from all aspects. The Paradeep Project, as has already been pointed out in reply to another question, is an approved Third Five Year Plan Project and, as such, the essential requirements of the Project have been met by the Ministry of Finance, after consideration, at a high level. As the Project in the present case is being executed by the State Government, all requirements of foreign exchange have been submitted by them to the Government of India. The decisions of the Ministry of Finance in these matters represent the decision of the Government of India as a whole."

The reply of the Ministry of Transport does not specifically cover the points raised by the Committee and, therefore, leaves unresolved doubts whether formal clearance from the Ministry of Transport was obtained before according sanction for release of foreign exchange and whether normal procedure obtaining in this behalf was followed.

CHAPTER VIII

FUTURE OF THE PORT

30. It has been stated that "so far (June, 1964) an expenditure of Rs. 870 lakhs has been incurred on the project and in order to complete the various works, funds to the extent of Rs. 12 to 16 crores would be required during 1964-65 and 1965-66 depending upon whether action to build a large cargo berth and Eastern Breakwater before October, 1965 in addition to other works has to be taken or not."

As already mentioned earlier the State Government have requested the Central Government to take over the responsibility for financing the project because "the State finances have already shown signs of serious strain under the impact of this heavy expenditure". The State Government have also suggested that "the actual execution of the project may continue to rest with the State Government as an agency of the Government of India till October, 1965. The Minister of Transport during the course of discussion on Demands for Grants on 19th April, 1965 stated that the Central Government "are really intending to take over the entire Paradeep Port Project for execution."

The Committee are conscious of the fact that the Project has reached an advanced stage and considerable amounts of money have already been invested. The Committee consider it unfortunate that a situation like the present one should have been allowed to develop in a project of the size and magnitude of Paradeep Port.

The Committee are also not happy over the manner in which the Central Government have allowed the State Government to proceed with the construction of the project setting out an unrealistic target date and pressing into service all their resources of men and material, more or less on an emergency basis, to complete what is called, Phase I of Stage I of the Port Development for an export of 2 million tons of iron ore per annum. This target date has been put out as the raison d'etre for all the shortcuts adopted in either modifying the designs post-haste or in rushing the construction work without due regard for procedures and cost. The Committee cannot but feel distressed at the manner in which the estimates of important components of the Port Project have been revised upward from time to time, designs altered and deviations made from the Master Plan prepared by the Consulting Engineers. The result is that a port initially mentioned as a minor port and envisaged in the Third Five Year Plan to be developed as an intermediate port has ultimately assumed dimensions of a major port.

It would obviously not be a healthy precedent if the Central Government were to reimburse the entire cost of the project without full and detailed scrutiny of the accounts (assets, liabilities, infructuous expenditure, heavy charges for transport of ore by road etc.)

and other technical details. The Committee feel that the predicament in which the Government find themselves could have been avoided if considering the magnitude of the development involved, a clear decision had been taken to treat Paradeep Port Project as constituting a major port by appropriate legislative and executive sanction. The Committee would suggest that for future, Government should clearly lay down the definition of major port so that there is no room for ambiguity in this behalf. The Committee in Para *30 of their 48th Report (First Lok Sabha) on the Ministry of Transport—Major Ports (1956-57) had recommended that the classification of “Intermediate”, “Minor” and “Sub”, ports should be given statutory recognition in order to enable the Centre to focus greater attention to the development of these ports. This recommendation of the Committee was accepted by Government who stated that “necessary legislation to amend the Indian Ports Act, 1908, will be taken at suitable opportunity.” (Sixty-seventh Report of the Estimates Committee, Second Lok Sabha on the Ministry of Transport and Communications). The Committee regret to note that despite the committee’s earlier recommendation no statutory recognition has been given to the classification of ports. The Committee would reiterate their earlier recommendation and urge that necessary steps may be taken at an early date for classifying and defining all ports,—minor, intermediate and major.

The Committee need hardly say that the execution of a project of the dimensions of a major port should not have been left to the State Government and like to stress that if a project is treated as major port it should be undertaken either directly by the Central Government or through Central Board presided over by a representative of the Central Government and having adequate representation of technical and financial experts.

31. In conclusion, the Committee would like to record that Paradeep has got a good harbour and other facilities of a major port and that the progress of work so far made, in spite of many irregular procedupres, has been rather satisfactory. The Committee feel that this port needs now to be developed by the Central Government as a major port whose necessity on that side is well recognised. The execution of the remaining portion of the work or any future development there, would then be the direct responsibility of the Central Government. The Committee suggest that before re-imbursing the State Government the amount already spent, a thorough scrutiny should be made of the expenditure incurred and any further commitment in this regard should be made only after a thorough scrutiny. As the expenditure incurred on the Paradeep Project, may have rendered the financial position of the State Government very difficult, the Committee suggest that if necessary, a part payment not exceeding 50 per cent of the expenditure incurred, may be made.

NEW DELHI;
 May 8, 1965.
 Vaisakha 18, 1887 (Saka).

ARUN CHANDRA GUHA,
 Chairman,
 Estimates Committee.

APPENDIX I

(Vide Para 5)

GOVERNMENT OF ORISSA
Commerce (Ports) Department
No. 2277/PD

From

Shri B. Sivaraman, I.C.S.,
Chief Secretary to Government.

To

The Secretary to Government of India,
Ministry of Transport and Communications,
Department of Transport (Transport Wing),
New Delhi.

Bhubaneswar, the 10th June, 1964.

Subject.—Arrangement for financing of Paradeep Port Project and take over the Project by the Government of India.

Sir,

I am desired to say that it was in 1962 that State Government initiated action on the construction of an all-weather port at Paradeep to be completed by October, 1965. At the time of starting the work on this Project it was estimated that the total expenditure would be nearly Rs. 12 crores out of which Rs. 4 crores, it was reckoned, the State Government will be able to rise from its own resources and Rs. 8 crores through Market Floation through the proposed Port Trust to be constituted for the Port. There was also the hope of having a barter deal with the Japanese who had been evincing keen interest in the export of iron ore through Paradeep all along and thereby get some key and important equipments required for the construction of Paradeep Port without the need for arranging finance from the State or country's resources.

As the work on the Project proceeded, it soon become necessary to reconsider scope of some items of work which were proposed to be done within the approved estimate of Rs. 12 crores, as it was felt that in order to successfully complete in the World Market it was imperative that most modern facilities for loading and for admitting big Iron Ore Carriers are provided at Paradeep Port. This factor coupled with the increase in rates of various items of work, it is now found, has pushed up the estimate to about Rs. 20 crores.

Meanwhile, the work on the Project has proceeded at a very rapid pace and very good progress has been recorded and according to all available indications it will be possible to commission the Port in October, 1965 with provision for handling traffic of the order of 2 million tons in iron ore annually. So far an expenditure of Rs. 870 lakhs has been incurred on the Project and in order to complete the various works for the funds to the extent of Rs. 12 to 16 crores would be required during 1964-65 and 1965-66 depending upon whether action to build a Cargo Berth and Eastern Breakwater before October, 1965 in addition to other works has to be taken or not *vide* details in Appendix 'A'. The expenditure incurred so far on the Project has been entirely from the State's own resources and although State Government has approached the Government of India both during the last year as well as during this year for financial assistance to the extent of Rs. 3 to 4 crores, no assistance from the Government of India has been received as yet. Even there has been no decision on State Government's request that this amount of Rs. 1.5 crores earmarked in the Central Sector of the Third Five Year Plan for developing Paradeep Port into an Intermediate Port should be allowed to be utilised by the State Government for developing Paradeep Port into an all-weather port. Further for various reasons, chief amongst which is the maintenance of rapid rate of progress of work already attained, it has been found that it will not be advisable to constitute the Port Trust Authority at this Stage which it was originally contemplated could be constituted and utilised for raising funds from the market for financing of the Project. Also it has been decided that the question of having a barter arrangement with the Japanese for possible financial help for financing of the Project should not be pursued as it is not in the larger national interest.

All this has resulted in a very difficult financial position for the State Government necessitating revision and recasting of the arrangements for financing the Project as well as ultimate responsibility to take over and operate the port. Accordingly I am desired to approach the Government of India that the matter may be reconsidered and necessary decision for financing the Project and its ultimate take over and operation may be taken. In this connection, it may be pointed out, that although, the State Government are continuing to incur the expenditure in the interest of early and proper completion of this Project of great national importance, as, however, the State finances have already shown signs of serious strain under the impact of this heavy expenditure it is necessary that a decision on the points raised above is taken at an early date.

The State Government will make the following suggestions in regard to financing and take over of the Project by the Government of India.

It will be granted that ordinarily the development of an all-weather port at Paradeep would have been done by the Central Government with its own fund as per the practice in vogue in the country. That the State Government came forward to incur expenditure on the project from its own resources should not operate against it when it now finds itself in financial difficulty especially

when there has been remarkable physical progress and the Project has been oriented to national rather than State's requirement. It may not be out of place to explain here that the State Government was anxious to start the work on Paradeep Port Project as it was a crucial part of the integrated scheme drawn up and taken up for implementation by State Government for developing mines, construction of an Express Way, acquisition of a fleet of heavy vehicles for export of iron ore through Paradeep Port. The schemes regarding development of mines, construction of an Express Way and acquisition of a fleet of heavy vehicles are State Schemes and are being financed by the State Government and will continue to be so financed. The total funds which the State Government is to find for completing these schemes is about Rs. 22 crores which in itself is a large sum and more than the legitimate share of the State Government of the total burden of the Paradeep Port complex which will primarily subserve the national interest by stepping export of iron ore and earning huge foreign exchange. It is, therefore, requested that the Government of India may take over with immediate effect the responsibility for financing the Project and while the State Government may be relieved of the need for finding funds any more for the construction of Paradeep with immediate effect, steps to reimburse the expenditure already incurred by the State Government may also be taken and necessary decision arrived at in due course.

As a result of this arrangement for financing the Project, the State Government would agree to the Government of India taking over the Project under its direct control with immediate effect with the only qualification that as it is necessary that in the process of taking over nothing happens which will in any manner adversely affect the quick execution of the Project and its completion by October, 1965, the actual execution of the Project may continue to rest with the State Government as an Agency of the Government of India till October, 1965. Necessary control both administrative and financial by the Government of India on the execution of the Project can be exercised in the meanwhile, through the constitution of a Control Board or Supervisory Committee as deemed proper as was suggested earlier by the State Government in Chief Minister's D.O. letter No. 832-CM, dated 23rd August, 1962 and was mentioned in the note dated October 18, 1962 circulated by the Deputy Chairman of the Planning Commission to the various Ministries.

It is hoped considering the importance of the issues involved an early action will be taken and State Government favoured with a reply soon.

Yours faithfully,
 Sd/- B. SIVARAMAN,
 Chief Secretary to Government.

APPENDIX III

(Vide para II)

Summary of Conclusions as contained in the Report of M/s Rendel, Palmer and Tritton on the development of a Deep Water port at Paradeep.

1. The Consulting Engineers concur with the opinion of the Central Water and Power Research Station that it is practicable to construct a Deep water port at Paradeep with a Lagoon Type Harbour.
2. A suitable site for the harbour would be that with the centre line of Entrance Channel at Indian Naval Survey Station 'U' south of the Mahanadi River.
3. The coast-line south of the mouth of the Mahanadi River near this point can be considered as stable and substantial movements are unlikely.
4. Initially one Iron-ore Berth should be sufficient for a throughput of 2 million tons per annum to be loaded into ore carriers of up to 60,000 tons, deadweight.
5. In the first stage of development one Cargo Berth capable of accommodating vessels of up to 14,000 gross register, should be built.
6. Ultimately the port can be developed to include 3 Iron-ore Loading Berths, 19 Cargo Berths, an Oil Dock with two berths, and ship repair yard having two dry docks.
7. An area can be set aside for future development as a Naval Dockyard.
8. It is estimated that the first ore carrier could dock in October 1965, and the Cargo berth could be opened in mid 1968. Prior to the latter date cargo vessels could use Buoy Berths.
9. The cost of the Main Port Construction work for the initial development would be approximately Rs. 11.7 crores of which about 25 per cent might be foreign exchange. This sum does not include the cost of ore handling equipment and Stockyard, Dredger, Harbour Craft, Roads, Services, Buildings and Canal Extension. These additional items are expected to cost a further Rs. 4.5 crores of which about 45 per cent might be foreign exchange.

10. The cost of the additional Main Port Construction Work for the Ultimate Development would not be required for very many years though another Ore Berth and additional Cargo Berths might be necessary in the not too distant future.

11. Passage of the largest ships in the Channels and Turning Circle will be limited to the upper half of each tide as is often the case in tidal waters. Ships will be able to lie afloat at their berths at all stages of the tide.

12. A dredger will be required for the continuous maintenance dredging of the Sand Trap and Approach Channel, and the occasional dredging necessary in the Entrance Channel and Docks. This dredger should be able to do some of the initial dredging of the Sand Trap and Approach Channel, but a further dredger will be necessary for the initial dredging of the Entrance Channel and Turning Circle.

13. Modifications to the Master Plan layout may be necessary after the model tests have been completed at the Central Water and Power Research Station, Poona.

14. Areas set aside for the township and industrial development are shown on Master Plan Drawing No. PP/23.

15. Almost all the land for the development shown will have to be raised in level and it is intended that the excavation from the Turning Circle Channels and Docks be largely used for this purpose. There will not be sufficient spoil available from the Port Excavations for the reclamation of the whole of the area required."

APPENDIX IV

(Vide para 30)

EXTRACT: FROM THE 48TH REPORT OF THE ESTIMATES COMMITTEE (1ST LOK SABHA) ON MINISTRY OF TRANSPORT (MAJOR PORTS)— 1956-57.

Ports other than Major Ports

27. The Government of India appointed an Officer on Special duty to survey the minor ports in India. This Officer pointed out the anomaly of the then existing classification of major and minor ports in the following terms:

“The minor ports in India present an amazing variety in size and functions, volume of traffic handled, financial position and administrative set-up. The facilities provided vary from nothing in some of the open Roadstead ports on the sea board to fine elaborate harbours with dredgers and equipment as some in Saurashtra; from ports handling only a few hundred tons per year to as much as 500,000 tons per year; from Ports with an income of only a few hundred rupees per year to cover ones with an income range of Rs. 6 to 8 lakhs per year; from ports very well and efficiently administered as in Madras State to those which ‘also run’.

“The above points to the need for a further classification of the minor ports. At present, all ports which are directly under the Central Government are called major ports and all other ports which are under the direct administrative control of the State Governments go under the classification of minor Ports. This is an arbitrary though politically and administratively convenient method of classification. The term ‘Minor Ports’ is taken unpleasantly if not with a degree of resentment by those concerned with some of the bigger and important minor ports. A strict definition of a major port is not easy. The Ports (Technical) Committee have clarified the distinction between a major and minor Port. As a rule, all Major Ports are capable of taking in ocean going steamers with a registered tonnage of 4,000 or more and berth them alongside wharves. This should be regarded as an essential feature of a major port. Only two minor ports—Okha and Bhavnagar—have wharves or piers capable of berthing deep draft steamers. In all other ports, steamers stand out at anchorages and cargo between them and shore is handled by boats, lighters or barges. At others, the traffic is carried by sailing vessels from or to other coastal ports or foreign countries.”

This Officer on special duty therefore, suggested that minor ports may be classified into the following three categories:—

1. INTERMEDIATE PORTS handling not less than one lakh tons a year of which are otherwise important.
2. MINOR PORTS handling more than 5 thousand tons but less than one lakh tons a year.
3. SUB PORTS handling less than five thousand tons a year.

28. The Committee are glad to learn that this suggestion has been accepted by the Government. The following 18 Ports have been classified as Intermediate Ports:—

Ex-Kutch State—Mandvi.

Ex-Saurashtra State—Bhavnagar, Veraval, Porbander, Bedi, Navalkhi.

Ex-Bombay State—Okha, Broach, Ratnagiri, Karwar.

Andhra State—Kakinada, Masulipatnam.

Ex-Madras State—Cuddalore, Nagappattinam, Kozhikode (Calicut), Mangalore, Tuticorin.

Ex-Travancore-Cochin State—Alleppey.

29. A state-wise classification of Intermediate, Minor and Sub Ports is given as Appendix I*.

30. In view of the fact that minor ports have been more or less neglected by the Centre so far despite the fact that they are in the 'Concurrent List' the Committee recommend that this classification of 'Intermediate', 'Minor' and 'sub' Ports be given a statutory recognition. This will enable the Centre to focus greater attention to the development of these ports.

APPENDIX V

Summary of Conclusions/Recommendations contained in the Report

S. No.	Reference to Para No. of the Report	Summary of Conclusions/ Recommendations
1	2	3
1	3	<p>The Committee are unable to reconcile the two statements <i>viz.</i>, of the State Government's proposal to hand over Paradeep to the Centre at a latter stage as a major port and that of Cabinet decision, not to treat it as a major port. They are also unable to appreciate how a decision was taken to allow the State Government to undertake an integrated project of the dimensions of Rs. 38.31 crores, out of which Rs. 11.66 crores were for the development of the main port, without clearly taking a decision about treating Paradeep as a major port.</p>
2	4	<p>The Committee feel that before accepting the proposal of Rs. 38.31 cores to be put in the Third Plan, the planning Commission/Government should have made a proper assessment of the proposal made by the Government of Orissa with the quantity and quality of ore likely to be available for export, and also whether in view of the Cabinet decision of not treating Paradeep as a major port, Rs. 38.31 crores was worth spending on the project.</p>
3	7	<p>The Committee note that till April, 1964 the Supervisory Committee did not include any technical expert other than the Chief Engineer-cum-Administrator of the Project. The Committee feel that having regard to the size of the project and the complex nature of problems thrown up during the course of construction necessitating repeated modifications of design, it would have been a distinct help to the Supervisory Committee to have a high ranking technical adviser to assist them in their deliberations right from the beginning.</p>

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The Committee are unhappy to note that the programme of construction as originally outlined by the Orissa Government in the later half of 1962 on the basis of which the decision was taken by the Government of India to concur in the State Government's proposal to take up the project within the Third Plan had undergone a radical revision necessitating an increase in outlay from Rs. 12 crores to Rs. 20 crores and then to Rs. 26 crores to be spent by October, 1965. The Committee are constrained to observe that the original estimate prepared by the Orissa Government for completion of Phase I of Stage I of Port development was unrealistically framed and the overall estimate turned out to be low as certain essential components like Sand Pump and Gantry and Eastern Breakwater were left out from the original Project estimate. The unrealistic nature of the estimate is apparent from the fact that the State Government had to revise their estimates at different stages.

The Committee regret that the Central Government and the Planning Commission did not in the initial stages scrutinise these details and the financial resources position of the Orissa Government when it embarked on an ambitious scheme and also when it declared its intention of handing over the project to the Government of India for being developed as a major port. The Committee consider that the outlays on port construction with the proposed outlays on complementary works like the development of mine, construction of the Express Highway and the setting up of a Transport Organisation Division were apt to stretch the resources of the State to the utmost and necessitate either a curtailment of outlays on other sectors of the State Plan or raising of additional resources by way of increased taxes both of which should have been the subject matter of some scrutiny by the Central Government. In any case the Committee feel that the situation has posed a problem of immense magnitude for the Government of India who now intend to take over the assets and liabilities attached to the Paradiep Fort from the Government of Orissa.

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Now that the State Government have already completed 3300 ft. out of the projected length of

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3,900 ft. of the Western Breakwater by the 31st December, 1964 there is little point in discussing the merits of the continuous breakwater *vis-avis* the island breakwater. The Committee cannot however, feel happy that the Central Government should have allowed the State Government to change the design of the western breakwater from Island breakwater, as originally suggested by the Consulting Engineers, into continuous breakwater despite the fact that the Intermediate Ports Development Committee, the Japanese Survey Mission and the former Port Development Adviser, Government of India, had expressed themselves in favour of Island breakwater.

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The Committee are distressed to know that the Port authorities knowing fully that there was danger to the breakwater due to storms did not take adequate timely precautions to protect the breakwater. They feel that there is an urgent need for making available in time all ancillary equipment required for execution of the various components of the Project so that the breakwater may be protected against ravages by storms and sea during stages of construction. The Committee are also unhappy that the financial loss suffered due to damage sustained by the breakwater has not yet been determined.

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The Committee understand that "as global tenders were not possible", the contract for the ore handling plant had to be negotiated with suppliers in a selected country. The Committee would like the Government to satisfy themselves as to why global tenders for the plant were not possible.

The Committee would also like the Government to investigate whether a proper assessment was made of the iron ore resources available in the hinterland of Paradeep which would enable it to sustain export of 2 million tonnes of ore from Paradeep and would have justified a plant with the handling capacity of 2500 tonnes per hour, being installed in Stage I of the development of the port.

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The cost of the express highway from the mining area to Paradeep is estimated to be Rs. 14.20 crores while the cost of the road transport orga-

nisation is estimated at Rs. 2.45 crores. The Committee note that the integrated scheme for the development of the project envisaged that money for the express highway, road transport organisation, mining of iron ore etc. would be found from the State resources. As it is of the utmost importance that the handling charges for an exporting port are kept at a competitive and economic level, so as not to burden the exports, the Committee would like every care to be taken to see that the Port project is not saddled with the cost of any development which does not strictly pertain to the port.

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As the primary purpose of developing the deep sea port at Paradeep is to facilitate export of iron ore, the Committee consider that the pace for port development should be integrated with the progress made in mining the ore in the hinterland and in arranging facilities for its transport to the shore.

The Committee are doubtful of the operational feasibility of maintaining an export traffic of 2 million tonnes of ore per annum by using a fleet of heavy trucks or truck-trailor combination.

The Committee understand that detailed comparison of costs of road and rail transport of iron ore from hinterland to Paradeep prepared by the Central Government some times ago showed that there were significant economics in rail transport as compared to road transport. The Committee cannot feel happy that inspite of the result of that comparative study of the cost of transport, plan has been made and expenditures have been incurred for road transport of ore. The Committee consider that even now the question of cost of transport of ore from the hinterland to Paradeep should be gone into in detail by an expert team, and the most economic means of transport adopted. The Committee also feel that for the development of a port of the size of Paradeep, railway communication may be desirable. They hope that this matter will receive consideration of the Government.

The Committee note that the Indian Bureau of Mines who conducted a detailed exploration

of the extent of iron ore deposits in the Daitari region of Orissa and submitted a report in August, 1963 were of the opinion that "If the fines from the over-burden which is of 48.2 per cent Fe grade is eliminated, a total of 22.60 million tonnes of fines with a grade of 61.6 per cent Fe grade is eliminated, a total of 22.60 and blue dust zone. In case the working of the blue dust zone for the fines alone is not considered economic the lump ore zone itself will yield 14.01 million tonnes of 59.5 per cent Fe Grade."

The Committee understand that when the Orissa Government's proposal for the integrated project were examined in the Ministries concerned and in the Planning Commission considerable doubts were expressed about the economic viability of the integrated scheme. Doubts were also expressed about the capacity of Tomka/Daitari mines to sustain exports of more than 2 million tonnes of requisite quantity for a sufficiently long period. The Committee consider that if planning of Paradeep Port and connected ancillaries was to be done on realistic basis all such doubts about the capacity of Tomka/Daitari iron ore mines to sustain exports of the order of 2 million tonnes should have been resolved before according approval.

The Committee would like the Ministries of Commerce and Steel and Mines to go thoroughly into this aspect of the matter. The Committee would suggest that the deposits of iron ore available in nearby Nayagarh may also be investigated so as to ascertain their suitability for export.

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The Committee note that the Central Government promised a loan assistance of Rs. 1.5 crores to the State Government for developing Paradeep as an intermediate port and on that expectation, the State Government spent about Rs. 95 lakhs. The Committee further note that the Central Government later on did not pay the loan assistance to the Orissa Government perhaps on the ground that the Orissa Government was developing Paradeep on a size and dimension of a major port. The Committee feel that when the Central Government realised the ambitious scheme of the State Government, the Central Government should have taken a very definite

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stand of preventing the State Government from taking up on themselves a scheme beyond the sphere of the State Government and which would rightly belong to the sphere of the Central Government according to entry 27—Union List of the Seventh Scheduled of the Constitution. So, the responsibility of the infructuous expenditure of Rs. 95 lakhs should more or less be equally shared by both the Central Government and the State Government.

The Committee further regret that in spite of the facilities already available at Paradeep for the export of iron ore, as has been done in previous years, no attempt was made for the export of 40,000 tons of iron ore accumulated there. The Committee also note that the promised loan assistance of Rs. 1.5 crores to the State Government was not released by the Central Government and feel that in view of the changes in the project and dimension of the Paradeep port, there was little justification for releasing that amount. The Committee also like to indicate here that by simply withholding the amount of the promised loan, the responsibilities of the Central Government in that ambitious scheme have not been discharged and that they should have stopped any further progress in the work.

The Committee suggest that Government may explore the possibilities of exporting early the 40,000 tons of iron ore lying at paradeep.

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The Committee regret to note that no detailed assessment was made by the Project authorities about the extent of dredging work required to be done in the lagoon and the entrance channel. Consequently, their estimates were prepared on unrealistic basis and had to be revised subsequently, necessitating an increase of Rs. 140 lakhs in the project estimates. The Committee further note another disquieting feature viz. a very unusual type of dredger being deployed, which is understood to be suitable only for internal dredging and not the approach channel in the sea beset with swells. The Committee need hardly stress that every care should be taken in association with the Consulting Engineers to see that the quality of dredging work done is not below standard and that there is no delay in the execution of work as per scheduled programme.

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The Committee are concerned to note that the supply of the Suction Dredger which is very essential for maintenance dredging is likely to fall behind schedule.

The Committee would stress that every effort should be made to arrange supply of special quality steel plates and other material required for the construction of the dredger so that the original schedule for its delivery is adhered to.

In fact, as capital dredging in the entrance channel is likely to be completed shortly, it is imperative that the maintenance dredger is put in position in time to prevent the entrance channel being filled back by sand.

The Committee are unhappy that a vital item like sand pump, needed for keeping the entrance channel free from sand, which was an integral part of Stage I of development of Paradeep Port was left out from the original estimates in order to limit them though unrealistically, to Rs. 12 crores. The Committee would stress that early decision should be taken on the question of placing orders for the sand pump which is a vital part of the scheme envisaged by the consultants for maintenance dredging. In placing the orders, Government should fully satisfy itself that the design of the sand pump would suit the requirements.

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In view of the findings of the consultants that erosion is occurring in the vicinity of the root of the future eastern breakwater, the Committee would underline the need for taking an early decision in the matter to protect the interests of the port. The Committee have no doubt that in undertaking the construction of Eastern Breakwater the lessons learnt in the construction of the Western Breakwater would be put to good use to effect economy and ensure sound construction.

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The Study Group of the Estimates Committee which visited Paradeep Port in October, 1964 questioned the necessity of undertaking construction of cargo berth at this stage of development. The Committee were glad to be informed during the course of evidence by the official representatives in November, 1964 that the work on cargo berth has since been stopped. The

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Committee are distressed to find that about Rs. 1 lakh should have been spent on preliminary works pertaining to general cargo berth without first establishing its immediate necessity with reference to the cargo to be handled.

The Committee deprecate the tendency to incur expenditure on a project without thoroughly investigating its economics and necessity and without waiting for its formal clearance by the Central Government.

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The Committee see no reason why the cost of Cuttack-Kujang Road should be debited to the Port Project. They feel that this work should appropriately form a part of the road development scheme and be a charge on the road development.

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The Committee feel that the raising of a township costing Rs. 2 crores in the early stages of the Port Project, particularly when other essential port facilities are yet to be developed, is too ambitious a plan imposing a very considerable burden on the financial resources of Government. They suggest that the desirability of constructing permanent buildings in the proposed township should be re-examined in the light of the resources available. The Committee would also like to emphasise the need for drawing up a phased programme for the construction of the township out of the revenues of the Port after it becomes fully operational. In the meanwhile, the Committee recommend that the temporary buildings already constructed and which are stated to have a life of 20-25 years should be fully utilised.

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The reply of the Ministry of Transport does not specifically cover the points raised by the Committee and, therefore, leaves unresolved doubts whether formal clearance from the Ministry of Transport was obtained before accord- ing sanction for release of foreign exchange and whether normal procedure obtaining in this be- half was followed.

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The Committee are conscious of the fact that the Project has reached an advanced stage and considerable amounts of money have already been invested. The Committee consider it un- fortunate that a situation like the present one

should have been allowed to develop in a project of the size and magnitude of Paradeep Port.

The Committee are also not happy over the manner in which the Central Government have allowed the State Governments to proceed with the construction of the project setting out an unrealistic target date and pressing into service all their resources of men and material, more or less on an emergency basis, to complete what is called, Phase I of Stage I of the Port Development for an export of 2 million tons of iron ore per annum. This target date has been put out as the *raison d'être* for all the shortcuts adopted in either modifying the designs post-haste or in rushing the construction work without due regard for procedures and cost. The Committee cannot but feel distressed at the manner in which the estimates of important components of the Port Project have been revised upward from time to time, designs altered and deviations made from the Master Plan prepared by the Consulting Engineers. The result is that a port initially mentioned as a minor port and envisaged in the Third Five Year Plan to be developed as an intermediate port has ultimately assumed dimensions of a major port.

It would obviously not be a healthy precedent if the Central Government were to reimburse the entire cost of the project without full and details. The Committee feel that the predicaments, infructuous expenditure, heavy charges for transport of ore by road etc.) and other technical details. The Committee feel that the predicament in which the Government find themselves could have been avoided if considering the magnitude of the development involved, a clear decision had been taken to treat Paradeep Port Project as constituting a major port by appropriate legislative and executive sanction. The Committee would suggest that for future, Government should clearly lay down the definition of major port so that there is no room for ambiguity in this behalf. The Committee in para 30 of their 48th Report (First Lok Sabha) on the Ministry of Transport—Major Ports (1956-57) had recommended that the classification of "Intermediate", "Minor" and "Sub", ports should be given statutory recognition in order to enable the Centre to focus greater attention to

the development of these ports. This recommendation of the Committee was accepted by Government who stated that "necessary legislation to amend the Indian Ports Act, 1908, will be taken at a suitable opportunity," (Sixty-seventh Report of the Estimates Committee, Second Lok Sabha of the Ministry of Transport and Communications). The Committee regret to note that despite the Committee's earlier recommendation no statutory recognition has been given to the classification of ports. The Committee would reiterate their earlier recommendation and urge that necessary steps may be taken at an early date for classifying and defining all ports,—minor, intermediate and major.

The Committee need hardly say that the execution of a project of the dimensions of a major port should not have been left to the State Government and like to stress that if a project is treated as major port it should be undertaken either directly by the Central Government or through a Central Board presided over by a representative of the Central Government and having adequate representation of technical and financial experts.

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In conclusion, the Committee would like to record that Paradeep has got a good harbour and other facilities of a major port and that the progress of work so far made, in spite of many irregular procedures, has been rather satisfactory. The Committee feel that this port needs now to be developed by the Central Government as a major port whose necessity on that side is well recognised. The execution of the remaining portion of the work or any future development there, would then be the direct responsibility of the Central Government. The Committee suggest that before reimbursing the State Government the amount already spent, a thorough scrutiny should be made of the expenditure incurred and any further commitment in this regard should be made only after a thorough scrutiny. As the expenditure incurred on the Paradeep Project, may have rendered the financial position of the State Government very difficult, the Committee suggest that if necessary, a part payment not exceeding 50 per cent of the expenditure incurred, may be made.

APPENDIX VI

(Vide Introduction)

Analysis of the Conclusions/Recommendations Contained in the Report.)

I. CLASSIFICATION OF RECOMMENDATIONS

A. Recommendations for improving the Organisation and working:

Serial Nos. 1, 3, 6, 7, 11, 12, 13, 15 and 16.

B. Recommendations for Effecting Economy :

Serial Nos. 8, 9, 10, 14, 17 and 20.]

C. Miscellaneous Recommendations :

Serial Nos. 2, 4, 5, 18 and 19.

II. ANALYSIS OF THE RECOMMENDATIONS DIRECTED TOWARDS ECONOMY.

Serial No. as
per Summary
Recommendations
(Appendix V)

Particulars

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Handling charges should be kept at a competitive and economic level so as not to burden the exports.

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The question of cost of transport of ore from the hinterland to Paradeep should be gone into in detail by an expert team and the most economic means of transport adopted.

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In view of the integrated scheme since drawn up by Orissa Government, there is now little justification for making the advance of Rs. 1.5 crores to the State Government for development of Paradeep as an intermediate Port.

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14	In undertaking the construction of eastern breakwater the lessons learnt in the construction of the western breakwater should be put to good use to effect economy and ensure sound construction.
17	The desirability of constructing permanent buildings should be re-examined in the light of the resources available. The temporary buildings already constructed should be fully utilized.
20	If necessary, a part payment not exceeding 50% of the expenditure already incurred on Paradeep may be made to the State Government.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
24.	The Central News Agency, 23/90, Connaught Place, New Delhi	15	31.	The United Book Agency, 48, Amrit Kaur Market, Paharganj, New Delhi	88
25.	The English Book Store, 7-L, Connaught Circus, New Delhi	20	32.	Hind Book House, 82, Janpath, New Delhi .	95
26.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi .	23	33.	Bookwell, 4, Sant Naran- kari Colony, Kingsway Camp, Delhi-9	96
27.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6	27	MANIPUR		
28.	Jayana Book Depot, Chap- parwala Kuan, Karol Bagh, New Delhi	66	34.	Shri N. Chaoba Singh, News Agent, Ramlal Pau High School Annexe, Imphal	77
29.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi	68	AGENTS IN FOREIGN COUNTRIES		
30.	People's Publishing House, Rani Jhansi Road, New Delhi	76	35.	The Secretary, Establish- ment Department, The High Commission of India, India House, Aldwych, LONDON, W.C. 2.	

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