

**ESTIMATES COMMITTEE  
(1971-72)**

( FIFTH LOK SABHA )

**FIRST REPORT**

**MINISTRY OF SHIPPING & TRANSPORT  
Visakhapatnam Port**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*July, 1971/Asadha, 1893 (Saka)*

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**ESTIMATES COMMITTEE**

**(1971-72)**

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## INTRODUCTION

1. The Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present the First Report of the Ministry of Shipping and Transport—Visakhapatnam Port.

2. The subject was examined by the Estimates Committee (1970-71) and necessary information obtained and evidence taken by them. That Committee, however, could not finalise their Report due to the sudden dissolution of the Lok Sabha on the 27th December, 1970. The Estimates Committee (1971-72) have perused the minutes of evidence and have come to their own conclusions which have been embodied in the Report.

3. The previous Committee (1970-71) took evidence of the representatives of the Ministry of Shipping and Transport and Visakhapatnam Port Trust on the 6th November, 1970. The Committee wish to express their thanks to the Joint Secretary, Ministry of Shipping and Transport, Chairman, Visakhapatnam Port Trust and other officers of the Ministry of Shipping and Transport for placing before them the material and information they wanted in connection with the examination of the estimates.

4. The Committee also wish to thank M/s New India Maritime Agencies Private Ltd., Visakhapatnam for furnishing Memorandum to the Committee.

5. The Report was considered and adopted by the Committee (1971-72) on the 7th July, 1971.

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

KAMAL NATH TEWARI,  
*Chairman,*  
*Estimates Committee.*

NEW DELHI:

July 16, 1971

Asadha 25, 1893 (S).

## CHAPTER I

### INTRODUCTORY

#### A. Historical Background

The historical background of the Visakhapatnam Port has been given in Chapter I of the 69th Report of the Estimates Committee (Third Lok Sabha).

1.2. Since the presentation of the 69th Report to Lok Sabha in April, 1965 two deep drafted berths fully mechanised for shipment of iron ore to Japan have been commissioned in the Port, in 1965. A fertilizer berth primarily intended to handle ships bringing raw materials for Fertilizers Ltd. has been put into commission, in April, 1967. One more general cargo berth has been constructed and opened for traffic, in the year 1966 and another general cargo berth was opened for traffic, in March, 1968.

#### B. Investment during First Second & Third Plans

1.3. The following table gives provisions made, expenditure incurred and shortfalls in expenditure on Visakhapatnam Port during the First, Second and Third Five Year Plans: —

Plan	Provision (Rs. in lakhs)	Expenditure (Rs. in lakhs)	Shortfall, if any (Rs. in lakhs)
First Plan	310.10	136.16	164.94
Second Plan	941.02	431.94	509.08
Third Plan	850.00	907.00	Nil

1.4. A statement giving the various projects included in the First and Second Plans, approved investment on each project, amount spent, shortfall, if any, and reasons for the same is appended (Appendix-I).

From the statement, it is seen that during the First Five Year Plan, there was a shortfall of Rs. 113.12 lakhs out of a provision of Rs. 81.7

lakhs in respect of "works connected with establishment of Oil Refinery" and of Rs. 29.84 lakhs out of a provision of Rs. 29.84 lakhs in respect of "Dredger (Suction)" as the Dredger "Visakha" which was programmed to be procured in First Five Year Plan was actually procured in 1958 only, and of Rs. 20.04 lakhs out of a provision of Rs. 52.98 lakhs in respect of "Other works, Plant, Machinery and Rolling Stock." Similarly, during the Second Five Year Plan, there was a shortfall of Rs. 8.67 lakhs against a total provision of Rs. 10 lakhs under the head "Railways, B. G.", shortfall of Rs. 20 lakhs against a provision of Rs. 20 lakhs under the head "1200 H.P. Tug", shortfall of Rs. 403.32 lakhs out of a provision of Rs. 450.00 lakhs under the head "Additional Berths Scheme inclusive of O.H.P." and a shortfall of Rs. 26.33 lakhs out of a provision of Rs. 30.00 lakhs under the head "Repairs to Breakwaters (Revenue)."

1.5. The Annual investment, actual expenditure and shortfalls during the Annual Plans for 1966-67, 1967-68, 1968-69, and 1969-70 are as follows:

Annual Plans Year	Approved Investment	Actual Expenditure	Short- falls	Percen- tage of Actual Expenditure to approv- ed invest- ment)
	(Rupees in Crores)			
1966-67	2.76	1.59	1.17	57.6%
1967-68	4.17	1.94	2.23	46.5%
1968-69	3.50	3.01	0.49	86.00%
1969-70	4.25	3.06	1.19	72.00%

1.6. When asked to furnish details of the projects which were carried over from the Third Plan to Fourth Plan, the Ministry of Shipping and Transport have furnished the following details to the Committee:—

Description of the Project	Estimated Cost (Rs. in Lakhs)
1. Construction of road and rail bridges across the swamps including the connected roads and rails (2 paralal bridges)	83.50
2. Works connected with Oil Refinery	242.56

Description of the Project	Estimated Cost (Rs. in Lakhs)
3. Special Repairs to Breakwaters . . . . .	19.03
4. Construction of Administration Office	29.08
5. Road Fly-over Bridge . . . . .	35.98
6. Railway connections and Rail facilities (in lieu of Railway fly over bridges . . . . .)	46.50
7. Additional four berth scheme . . . . .	362.41
8. Diesel Grab Dredger self propelled (Econ Day Duck)	58.73

1.7. When asked during official evidence about the reasons for this carryover and if the same had affected the operational capacity of the port, the representative of the Visakhapatnam port Trust stated before the Committee, "These are all new schemes, and thus it does not hamper the existing working. . . . . It is the late sanction. These were carried from the Third Plan to the Fourth Plan. When the sanction was available in 1965-66 for amounts running in crores, it had to be carried forward. That is the normal practice also."

1.8. The Committee are distressed to note that a number of schemes which were taken up for execution during the First and Second Five Year Plans were not completed according to schedule with the result that during these plan periods, only 45 per cent. or 46 per cent. of the approved investments for the Visakhapatnam Port could be utilised. The Committee note that among the schemes whose execution was delayed and which were not completed according to schedule were such important schemes like "Works connected with establishment of Oil Refinery" "Procurement of Dredger Visakha" "Procurement of 1200 H. P. Tug" and "Additional Berths Scheme inclusive of O.H.P." The Committee would like to emphasise that delayed completion of schemes particularly those geared towards exports not only adversely affects the working of the port but also causes set back to the economy of the country and expenditure goes up much more than the earlier estimate.

1.9. The Committee note that the main reason for the non Utilisation of funds and late completion of schemes has been stated to the "late sanction of schemes". It appears that the authorities have not seriously considered the urgency of the development of the port

and have consequently neglected advance planning in this regard. The Committee feel that apart from the full utilisation of funds provided for the projects it is still more important that the physical targets laid down for the projects are achieved according to scheduled programme. The Committee therefore recommend that the scheduled dates of completion of the projects should be fixed on a realistic basis and advance planning should be done and detailed blue prints prepared. They would like to emphasise that every possible endeavour should be made by the Government for the timely execution of the schemes.

### C. Management of the Port

1.10. Visakhapatnam Port is a Major Port and it was administered directly by the Government of India (Ministry of Transport) till 28th February, 1964. It has been constituted as a Port Trust with effect from 29th February, 1964, in terms of the Major Port Trusts Act, 1963.

The Port Trust consists of a Chairman, Deputy Chairman and 12 Trustees and they are appointed by the Government of India. The Trustees are appointed as follows:

---

1	Trustees	representing	the	Customs Department
1	"	"	"	Indian Railways
1	"	"	"	Defence Department
2	"	"	"	State Government
1	"	"	"	Mercantile Marine Department
1	"	"	"	Vizagapatnam Chamber of Commerce
1	"	"	"	Visakhapatnam Steamship Agents Association
1	"	"	"	Federation of Chamber of Industry, Andhra Pradesh
1	"	"	"	Minerals and Metals Trading Corporation of India Ltd.
1	"	"	"	Visakhapatnam Municipal Council.
2	Trustees	for	Labour	interests

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The Chairman is in overall charge of the administration of the whole port, assisted by the Deputy Chairman.

1.11. The Study Team of the International Ports and Harbours in their report on the Major Ports of India submitted in July, 1968 had stated that "There is great need for rationalising relationships between the Central Government and the individual ports. A greater degree of centralised planning control is required. This must be accompanied by granting increased freedom to the individual ports to accomplish and carry out their assigned ports development objectives."

1.12. When asked to state their reactions to the above observations of the Study Team, the representative of the Ministry of Shipping and Transport stated during evidence before the Committee "It can be both ways. Our thinking is that there should be greater centralisation in regard to policy and planning but there is no scope for any further centralisation of administrative control. The greater the autonomy they have, the better it will be. I would like to say that the present pattern of port trust administration has stood the test of time. But some of the restrictions we have imposed on the Port Trusts with regard to expenditure and works and other things are outdated. We want to promote legislation which will remove the kind of handicap and give them more powers. Subject to that, the present system is all right."

Asked when the legislation was likely to come up, the witness replied "It may take about a year."

1.13. The Study Team of the International Ports and Harbours had also commented on the lack of team work in the working of the various Departments of the Port Trust in these words "During our inspection of the mechanised ore handling berth, the Team came across a problem which we mention here not only because of the physical problem involved but also because it is illustrative of the lack of 'team work' between various port trust departments, a type of situation all too commonly found at Indian ports. It is frequently necessary to shift vessels loading at this berth, and sometimes to turn ship entirely, to complete loading. Such shifting would be eliminated if the northern end of the berth were dredged an additional 200 feet. This apparently can be done quite easily. However, as a result of misunderstanding and lack of communication among the Chief Engineer, Traffic Manager and Deputy Conservator, no action has been taken to effect the necessary improvement. This was a matter which should and could have been resolved by these three officials long ago. We strongly recommended corrective action as soon as possible."

1.14. When asked if the above mentioned observation of the Study Team was correct and what steps Government had taken to develop better understanding and maintaining coordination and liaison among the various Port officials, the Chairman of the Visakhapatnam Port Trust stated during evidence before the Committee, "So far as this important port is concerned, I may assure that there is neither lack of team work nor any misunderstanding among the officers. On the contrary, we have close understanding and Team work. There are periodical meetings amongst the officers at Departmental and also Inter-departmental levels wherein I myself preside. We have common problems discussed and operational efficiency achieved....This is a thing which happened in 1965."

When asked who was the coordinating top officers for these three officers, the representative of the Ministry of Shipping and Transport replied "Chairman is the top Officer."

1.15. The Committee note that the question of delegating more powers to the Port Trust authorities is already receiving the attention of the Government and that the proposed legislation in the matter is expected to be enacted within a year. The Committee would like to urge that the entire question of delegation of power and functions to the Port Trust authorities may be given a fresh look by the Government so that while the powers of determining policies and laying down guidelines may remain in the hands of Government, the Port Trust authorities may be vested with sufficient powers in the matter of day to day administration so as to enable them to take quick and on the spot decisions. The Committee hope that the proposed legislation would be brought forward soon after taking into consideration the above factors.

1.16. The Committee note with concern the observations of the Study Team of the International Association of Ports and Harbours that there is lack of understanding and coordination among the various Port Officials. The Committee were, however, informed by the representatives of the Ministry of Shipping and Transport and Visakhapatnam Port Trust that the instance happened in 1965 and that at present there was close understanding and team work in the Port. The Committee fail to understand that when there is close understanding and liaison work why there is non-utilisation of funds and late completion of schemes now. The Committee need hardly stress that the officials of the Port should work in close cohesion so as to achieve maximum operational efficiency.

## CHAPTER II

### FINANCES OF THE PORT

The following statement indicates the financial results of the working of the Visakhapatnam Port for the last 3 years, showing the gross revenue, working expenses, percentage of working expenses to gross revenue, depreciation provided and the contribution made from the general revenue to expansion activities of the Port:

(Rupees in lakhs)

Year	Gross Revenue	Working Expenses	Percentage of Working expenses to gross revenue	Depreciation provided	Contribution to expansion activities of the Port from the General Revenue
1967-68	581.08	296.68	51%	65.00	98.92
1968-69	670.77	374.27	55%	65.00	129.52
1969-70	847.68	500.01	59%	65.00	341.69

2.2. The revenue of the port falls under two heads—Port Fund and Pilotage Fund. The statement of earnings and working expenses under Port Fund for the years 1967-68 and 1968-69 is given at Appendix II.

2.3. The Committee were informed in a written note that "the Government of India stipulated that the Visakhapatnam Port has to meet the outlay of Rs. 16.65 crores on the development works of the Inner Harbour and Rs. 14.50 crores on the Outer Harbour Project from its own sources which means that it has to find revenue to the tune of Rs. 31.15 crores within the Fourth Plan period." When asked what steps were being taken to raise the revenues for the development of the Port, the Committee have been furnished



by the Ministry of Shipping and Transport the following statement showing the anticipated internal resources expected to be generated during the Plan period i.e., from 1969-70 to 1973-74:

	(in crores of Rs.)
Revenue Surplus 1969-70	2.69
1970-71 (budget estimates)	4.38
1971-72	4.60
1972-73	4.62
1973-74	4.82
TOTAL	<u>21.11</u>
<i>Add reserves</i> including opening balance on 1-4-60	4.68
Accrued Income upto 31-3-70 on account of terminal charges	1.10
GRAND TOTAL	<u>26.89</u>
<i>Less</i> (1) extra expenditure on account of implementation of Wage Board recommendations	3.10
(2) Extra expenditure on account of the implementation of the anticipated recommendations of Major Ports Commission (Payment of <i>ex-gratia</i> )	2.00
(3) Extra expenditure on account of the anticipated implementation of the recommendation of the Marine Services Enquiry Committee	0.15
	<u>5.25</u>
Net resources	<u>21.64</u>

2.4. It will be seen from the statement that at the existing level of port charges, the resources expected to be generated internally, including reserve for depreciation (retained surpluses) is about Rs. 21.64 crores. The expenditure required to be met from internal resources during the Fourth Plan is Rs. 31.15 crores. Thus there

will be a gap of Rs. 9.51 crores between the requirement of resources and anticipated internal resources. To make up the gap, the following proposals are under the consideration of Government:

Proposals	Add. Revenue per annum (Rs. in lakhs)
(1) Increasing the handling charges on petroleum, oil and lubricants	24
(2) Levy of 15% surcharge on Port charges (excluding terminal charges) such as landing fee, shipping fee, handling fee etc.	110
(3) Increase on the Port charges on Manganese and Rock phosphate at the rate of Rs. 0.25 P. and Rs. 0.40 P. per ton respectively	4
TOTAL	138

The Railway terminal charges on General Cargo have been increased with effect from 1st April, 1966 and are under implementation. This would give an increase of Rs. 7 lakhs per annum. These items would give a total additional revenue of about Rs. 1.45 crores per annum. If the proposals in items 1 to 3 above are approved and implemented from January, 1971 the gap in the resources could be reduced from Rs. 9.51 crores to about Rs. 4.81 crores, during the plan period.

2.5. It has further been stated by the Ministry of Shipping and Transport that "The question of payment by the Railways of charges for the terminal services rendered by the Port in respect of the ore exchange yard is under discussion between the Port Trust and the Railways. The Railways have made a provisional settlement of 50 per cent of the dues, pending a final decision. As regards the ways and means for meeting the uncovered gap of Rs. 4.81 crores mentioned above, it may be necessary for the Port to go in for a Government loan to the extent of the uncovered gap, as and when necessary."

2.6. When asked about the steps taken to effect economy by rationalisation of operations and maximising efficiency, the Committee have been informed by the Ministry of Shipping and Transport in a written note that "the following steps have been taken:—

- (i) Introduction of modern cargo handling techniques like

Crane Trucks, Chute wagons, shuttle Dumpers, Mechanical Ore Handling Plan with Bucket Wheel Reclaimer, Conveyor Belt system etc.

- (ii) There is a Port Working Committee consisting of the representatives of the Port users presided over by the Chairman, which meets once in a month to discuss operational problems with a view to achieving the best results in cargo handling and shipping operations;
- (iii) Introduction of incentive schemes for cargo handling workers and other interrelated employees;
- (iv) The Traffic Manager and other Operating Officers conduct regular meeting with the trade and Shipping interests, aiming at similar objectives;
- (v) Introduction of data processing technique on I.B.M. for financial and stores accounts, etc.

2.7. The Committee note that the Government of India have decided that the Visakhapatnam Port has to meet the outlay of Rs. 16.65 crores on the development works of the Inner Harbour and Rs. 14.50 crores on the Outer Harbour Project from its own resources which means that it has to find revenue to the tune of Rs. 31.15 crores within the Fourth Plan period. The Committee have been informed that the Port authorities expect to raise Rs. 21.64 crores by surpluses of revenue over working expenses. They have submitted proposals for raising total additional revenue of about Rs. 1.45 crores per annum. If these proposals are approved and implemented from January, 1971, and taking into account an increase of Rs. 7 lakhs per annum from Railway terminal charges the gap in the resources would be reduced from Rs. 9.51 crores to about Rs. 4.81 crores during the Plan period. As regards the ways and means for meeting this uncovered gap of Rs. 4.81 crores it may be necessary for the Port to go in for a Government loan to the extent of the uncovered gap. The Committee hope that the Government will go into the pros and cons of these proposals and take decisions on them early.

2.8. The Committee note from the information furnished by the Ministry of Shipping and Transport that the working expenses of the Port have been showing an upward trend during the last three years. While the expenses in 1967-68 were Rs. 296.68 lakhs they increased to Rs. 374.27 lakhs in 1968-69 lakhs and Rs. 500.01 lakhs in

1969-70 and the percentage of the working expenses to gross revenue increased from 51 per cent in 1967-68 to 55 per cent in 1968-69 and 59 per cent in 1969-70. The Committee are concerned to see this upward trend in working expenses of the Port. They hope that every effort would be made to check this rise in working expenses by effecting economy in expenditure and maximising the efficiency in operations.

## CHAPTER III

### FACILITIES AT THE PORT

#### A. Berthing and Cargo Handling Facilities

In Visakhapatnam Port, there are six quay berths with a quay length of 3,610 ft. draft 31' at Q1 to Q4 and draft 33' at Q5 and Q6. These berths have all the conventional facilities like Transit Sheds and Electric Quay Cranes. The five transit sheds have a total area of 22,170 sq. metres and a capacity of 32,400 tonnes. All these berths are connected by BG tracks and road approaches. There are 27 shore electric cranes with capacities varying from 3 to 10 tonnes at these berths, in addition to a static crane of 30 tonnes capacity between Q4 and Q5.

3.2. The 3 Jetty Berths are used mainly for bunkering. These berths although are connected by BG tracks, have no shore cranes and transit sheds. The Jetty berths have a draft of 31'. The two wharf berths called "West Ore Berths" are exclusively used for export of iron ore to Japan. They are equipped with conveyers and mechanical loaders and other accessories both for receiving the cargo from the mines and for loading the ships.

3.3. There is an oil wharf with two berths for discharging crude oil and shipment of finished products. The crude oil is pumped to the Oil Refinery. A little away from the oil wharf on the Western side, there is a fertiliser berth for ships bringing raw materials for Coromandel Fertilisers. Ships upto 33' can be berthed at Oil wharf berth No. I and at fertiliser berth and ships drawing upto 32' can be berthed at Oil Wharf berth No. II. In addition to the above there are four mooring berths, 3 in the periphery of the turning basin and one in the North Western Arm.

#### Cargo Handling Facilities

##### *Cranes*

3.4 The quay berths are equipped with 26 electric level luffing portal cranes with capacities varying from 3 tonnes to 10 tonnes. In addition to these cranes, there is a Scotch Derrick Crane of 30 tonnes

capacity. The Port also has 2 floating cranes, one of 25 tonnes and the other of 60 tonnes capacity. A 150 tonnes self-propelled Floating Crane 'BHEEMA' (diesel operated) has recently been procured from Holland and put into commission for traffic operations. There is a number of mobile equipment like mobile cranes, fork lift trucks, tractors and trailers for handling cargo and more are proposed to be procured.

### *Tugs*

3.5. There are four shipping tugs, two of 1200 H.P. each, one of 1,000 H.P. and one of 900 H.P. for handling ships etc. The two 1200 H.P. tugs and 900 H.P. tugs are equipped with fire fighting appliances and wireless equipment and can be used for salvage work also, within a limited range. Two out of the four tugs are old and require replacement immediately.

### *Lighters and Barges*

3.6. The Port owns 34 wooden lighters, 13 steel barges and 2 steel pontoons with capacities varying from 40 tonnes to 150 tonnes.

### *Storage facilities*

3.7. There are five transit sheds capable of accommodating 30,000 tonnes of cargo. 2 Storage sheds with a capacity of 20,000 tonnes situated inside the Port area are generally allotted to exporters for storage of their cargo, pending shipment. For stacking mineral ores, a vast area which can accommodate about 3 lakh tonnes at a time, is available and is connected by BG Railway lines for inward movement of cargo and by a narrow gauge railway system for outward movement of cargo for shipment. Open space is also available for storage of pig iron, rock phosphate and sulphur on the jetty side as well as in the S-1 area. There is a steel dump within the port area for storage of steel products awaiting shipment. A large warehouse 500' x 200' has recently been completed and put into commission. Another one of the same dimension is nearing completion.

3.8. In respect of cargo handling operations at Visakhapatnam, the Study Team of the International Association of the Ports and Harbour in their report has observed "During our inspection of the wharf areas, we noted that the cargo handling activities generally involved the use of rope slings and/or canvas-hired net slings for the various types of commodities. Cargo was stacked in the transit sheds upto about 12 ft. high. While this was substantially higher than that observed at most other Indian ports, nevertheless, we be-

lieve that the movement of cargo between ships and transit shed can be speeded up by using pallets for handling both import and export cargo between ships holds and transit sheds, for cargo storage and for subsequent movement of cargo to either trucks or railway wagons."

3.9. It has further been stated by the Study Team "On the opposite side of the channel at the jetty berths, ships discharge sulphur and load pig iron. The sulphur is discharged in canvas-lined net slings, while the pig iron is loaded using small steel tubs. In both instances, the cargo is moved between the jetty and shore by headload. This operation is very inefficient and our discussions with labour leaders indicate that the headload practice is considered degrading. We recommend that the handling of commodities such as these be improved with mobile cranes which, for handling pig-iron, could easily be equipped with electro-magnets."

3.10. When asked if the facts stated by the Study Team were correct and if so, what steps had been taken for the installation of mobile cranes equipped with electro-magnets for the handling of these commodities, the Committee have been informed in a written note by the Ministry of Shipping and Transport, "It is a fact that sulphur and pig iron are handled on shore manually. A sulphur ship working three hooks can discharge 500 tonnes per day on an average and a Pig Iron Ship working 4 hooks can load 2,000 tonnes per day. This performance is considered satisfactory. The present quantum of traffic in sulphur of about 12,000 tonnes and pig iron of about 2 lakh tonnes per annum at the Jetty berths does not justify mechanisation or installation of mobile Cranes equipped with electro-magnets. Also, the Jetty berths, being of finger piered construction, do not lend themselves to mechanisation."

3.11. The Committee suggest that necessary follow up action in the light of the following recommendation of the Major Ports Commission may be taken by the Visakhapatnam Port authorities at an early date, that "the handling rates of general cargo in the Indian Ports should be improved. It is only by mechanisation that a satisfactory measure of improvement can be attained. We recommend that steps in that direction should be taken urgently in view of the considerable increase in the general cargo traffic anticipated in the next five or ten years."

3.12. The Committee would also like to emphasise the urgent need for a continuous study of loading and unloading operations in the port so as to improve efficiency and reduce the cost of handling to the minimum.

3.13. The Committee have no doubt that port authorities would take up mechanisation where necessary in the interest of speeding up handling operations consistent with the policy of ensuring right of work for existing employees.

3.14. The Study Team of the International Ports and Harbours had recommended that the movement of cargo between ships and transit sheds be speeded up by using pallets for handling both import and export cargo between ship holds and transit sheds for cargo. The Committee would like Port authorities|Government to take action in pursuance of this recommendation at an early date.

3.15. Regarding the maintenance of the present equipment at the Port, the Study Team of the International Association of Ports and Harbours has observed as follows:—

“Fortunately, Visakhapatnam is relatively better equipped with forklifts etc. than many other Indian Ports. However, our inspection of the mechanical equipment, maintenance facilities and review of Port procedures, inclined us to agree with a report of frequent equipment breakdowns. Again, this emphasises the need for development and implementation of a system of programmed maintenance for valuable mechanical equipment.”

3.16. When asked to state the number of equipment breakdowns that have taken place in the Visakhapatnam Port during the last 5 years and steps taken for the development and implementation of a system of programmed maintenance for valuable mechanical equipment, the Committee were informed by the Ministry of Shipping and Transport as follows:—

“There has been no equipment break-down causing stoppage of work during the last five years. Minor breakdowns, not due to wear and tear, of short durations were immediately attended to with the help of the workshops available and the plant put back in commission promptly. A system of programmed maintenance has been in existence for all plant and equipment.”

3.17. When asked to furnish a statement giving details of machinery|equipment remaining idle because of non-availability of spare parts, the Committee have been informed in a written note by the Ministry of Shipping and Transport that “During 1967-68, 1968-69 and 1969-70, no machinery|equipment was idle on account of non-availability of spare-parts.”



3.18. The Committee are glad to note that there has been no equipment break-down causing stoppage of work during the last 5 years and no machinery has remained idle because of lack of spare parts. The Committee hope that utmost attention would continue to be paid to the timely and periodical check-up of all mechanical appliances in the Port.

3.19. When asked about the percentage of berth occupancy at the Visakhapatnam Port, the Committee have been furnished with the following statement showing the percentage of berth occupancy in the Visakhapatnam Port:—

Year	Occupancy rate of alongside berths (in per cent)
1967-68	65.89
1968-69	71.15
1969-70	68.06

3.20. Asked about the number of ships kept waiting and average period of waiting because of non-availability of berths and the estimated financial loss involved, the Committee have been furnished with the following statement:—

Year	Number of ships kept waiting	Average period of waiting (in days)
1967-68	150	2.20
1968-69	137	1.22
1969-70	103	0.74

3.21. It has been further stated that "The Port has not sustained any financial loss on this account. The financial loss, if any, sustained by the ship-owners is not known to us."

3.22. The Committee are glad to note that the average period of

waiting at the Port and the number of ships kept waiting is getting reduced during the last three years. The Committee hope that the Port authorities would make sustained efforts to reduce the period of waiting and the number of ships kept waiting still further in coming years.

### B. Ore Handling Plant

3.23. In 1958, Government entered into an agreement with a group of Japanese steel mills for export of iron ore mines at Kiri-Duru and Bailadilla through the Port. Six million tonnes of ore per annum were to be supplied from 1967. To facilitate handling of the ore, orders for the supply and installation of a mechanical ore handling plant were placed in July, 1962 with an American manufacturing company and installation was completed in 1965 at a total cost of Rs. 260.85 lakhs. The capacity of the conveyors to the plant was increased by 33.14 per cent after the contract was awarded, to enable the plant to handle eight million tonnes of ore per annum.

3.24. While the work was in progress, the representatives of the Japanese steel mills and Government of India expressed serious doubts about the capacity of the plant to handle six to eight million tonnes of ore per annum in a sustained manner. In order to resolve these doubts, Government appointed a foreign firm of consultants in June, 1965 to advise on the adequacy of the plant to cater to the needs and to suggest corrective measures and improvements of waterways for export of six to eight million tonnes of ore per annum. The firm of consultants reported in October, 1965 that the plant would not be able to handle more than four million tonnes per year and suggested certain corrective measures estimated to cost Rs. 57 lakhs. The estimate was sanctioned by Government in July, 1967 and the firm was appointed as consulting engineers to advise and assist in connection with the capacity and performance tests prior to taking over of the plant from the manufacturer.

The corrective measures intended to increase the capacity of the plant as a whole from 4 million tonnes to 6 million tonnes per annum were estimated to cost Rs. 57 lakhs (including consultants' fee of Rs. 5.50 lakhs) but due to the increase in the price of bucket wheel reclaimer (to be purchased as a corrective measure) the cost is likely to be about Rs. 93.41 lakhs.

3.25. When asked to state as to who was responsible for this agreement with the firm and if any enquiry was held in the matter, the representative of the Ministry of Shipping and Transport stated during evidence that "Originally in 1958, our idea was to provide a

plant with a capacity of two million tonnes. Then in 1960, this was revised to six million tonnes. Our contractual obligation to the Japanese was to provide a plant which would handle six million tonnes of ores. It was found then that the rail capacity was available upto 8 million tonnes. Therefore, it was decided to provide a mechanised plant for this extra capacity at Vizag also. . . . When the contract was placed with a particular American firm which manufactured this plant, the original contract was for a plant designed to handle six million tonnes. Later the idea of stepping this upto 8 million tonnes was considered. We asked the manufacturer to make certain improvements in the plant so that it can handle 8 million tonnes of ores. . . . In 1964, when the Japanese came to India and inspected the performance of the plant, they expressed an apprehension that it might not handle upto six million tonnes. We immediately appointed a consultant to go into this and assess the realistic capacity of the plant and to tell us as to what exactly should be the improvements to be made to the plant so that it could produce six million tonnes. They suggested certain improvements which cost us about Rs. 65 lakhs. The contract with the manufacturing concern was for Rs. 1.72 crores. To that we have added Rs. 65 lakhs. On that basis we have ensured a handling capacity of 6 million tonnes."

3.26. When asked about the responsibility for this additional expenditure, the representative of the Ministry of Shipping and Transport informed the Committee "There was nothing inherently wrong with the equipment. I would submit that this plant consists of a number of items each having a certain rated capacity all of which working in a unified manner should normally ensure the targeted output. When the Japanese complained that the plant was not likely to deliver 6 million tonnes in a year, opinion of a consultant was sought. He pointed out that by the addition of fluid couplings, additional electric shovel and a mobile hopper and increase in the capacity of conveyors etc., the desired output can be achieved. The main shortcoming was regarding the need for additional capacity viz. additional electric shovel or reclaimer. On the basis of final estimate of Rs. 65 lakhs for improvement to the plant which included Rs. 40 lakhs for the reclaimer, the deficiencies in the specifications were made up." He, however, added that "lack of experience on the part of those who drew up the plan was there."

3.27. The Committee regret to note that the ore handling plant which was expected to handle eight million tonnes of iron ore, was discovered by the representative of Japanese Steel Mills to be capable of handling only 4 million tonnes. Even after carrying out

some corrective measures resulting in an additional expenditure of Rs. 93.41 lakhs, the capacity of the handling plant could not be increased beyond six million tonnes. The Committee cannot help drawing the conclusion that sufficient care was not exercised by those entrusted with the execution of the scheme. The Committee would therefore, suggest that the matter should be thoroughly investigated and action should be taken against those who were responsible for the lapse. They would also like to emphasise that in all such cases, the Government should examine such proposals in advance and in detail with the assistance of technical experts so that machinery of desired specifications may be procured in time and huge losses on account of subsequent additions and changes entailing waste of time and additional expenditure might be avoided.

3.28. The Committee note that Australia occupies first position in the export of Iron ore to Japan and India occupies second position. The Committee feel that one of the chief reasons for not being able to sustain and increase our iron ore exports to Japan and other countries is failure to develop in time the port and handling facilities of the requisite capacity and efficiency. Now that Government are going in for a more ambitious project for export of iron ore by developing the Outer Port, the Committee would like Government and the Port authorities to ensure that such lapses do not recur. What the Committee in particular desire to emphasise is that the failure of the plant to handle ores with the requisite efficiency does not only mean a poorer return on the capital invested by the Port authorities but also has the effect of depriving the country of a potential source for increasing exports to earn the much needed foreign exchange. It has also the effect of cutting back the development programme for mining and other ancillary industries connected therewith. The Committee, therefore, feel that the Port authorities should ensure that the handling facilities for ore exports, both in terms of capacity and efficiency, do not lag behind the integrated export programme.

### C. Dredging

3.29. A major siltation problem at the Port has been the problem of the littoral drift of sand along the coast from South to North to an extent of about one million tonnes per year. Therefore, continuous dredging for the maintenance of all the navigable waterways of the Port is required to be done.

3.30. The Visakhapatnam Port has 3 Suction Dredgers and 3 Grab

Dredgers and one Dipper-cum-Rock Breaker. The name of the Dredger, year of the purchase and the Hopper Capacity is given below:—

(a) Suction Dredgers	Year of Purchase	Hopper Capacity
S.D. "Vizagapatam"	1926	1500 tonnes
S.D. "Visakha"	1958	3000 tonnes
S. D. "Pansy"	1951 (Built) 1968	1000 tonnes
(Purchased by Visakhapatnam Port Trust from Calcutta Port Commissioners)		
(b) Grab Dredgers		Grab Capacity
G. D. 'Mudlark'	1948	1½ tonnes
G.D. 'Memhay Duck'	1951	5 tonnes
G.D. 'Gamine'	1952	1½ tonnes
(c) D. D. 'Waltair' (Dipper-cum-Rock Breaker)	1959	50 to 70 tonnes per hours in Rock and 150 tonnes per hour in Loose.

231. Asked about the cost of dredging during the last 5 years and quantities of annual dredging, the Committee have been furnished with the following statement:—

Year	Expenditure in Rs.				Remarks
	S.D. 'Visakha'	S.D. 'Vizagapatam'	Grab Dredgers	D.D.	
1965-66	12,39,543	13,35,045	7,09,951	4,41,931	
1966-67	12,65,200	14,59,152	7,44,004	5,75,831	—
1967-68	14,56,542	17,70,508	9,82,038	6,30,704	
1968-69	15,02,201	18,29,432	9,57,941	5,97,825	The expenditure of S. D. for 'Pansy' the year 1968-69 has been included in S.D. 'Vizag'

*Quantities of Annual Dredging for the last 5 years.*  
 Qty. in lakhs cft.

1965-66	318.58	
1966-67	202.27	(Shortfall due to S. D. 'Visakha' under oil tank conversion for six months)
1967-68	312.78	
1968-69	301.50	(Shortfall due to S. D. 'Vizag' shut down for overhaul and repairs)
1969-70	392.72	

3.32. The Study Team of the International Association on Ports and Harbour in their Report on the Major Ports in India submitted in July, 1968 made the following observations relating to the dredging operations in the Visakhapatnam Port. "At present, dredging of the main entrance Channel is accomplished by pumping dredged material ashore *via* a floating pipeline to permit vessels to enter or leave the harbour. Because of the frequency of interruptions to dredging operations and because of the excessive time required to disconnect and reconnect the pipeline (2 to 2-1/2 hours) dredging productivity is greatly reduced. Port officials expressed reservations concerning the maintenance requirement of a submerged pipeline for pumping sand. Nevertheless, the critical need to increase dredging productivity at Visakhapatnam requires installation of a submerged pipeline as soon as possible. We make this recommendation despite the high maintenance costs which may be entailed. We suggest the utilisation for the pipeline of material least susceptible to the wearing action of sand and of methods whereby the sand pipe might be rotated periodically to equalize wearing of its inner surface. Pending installation of the submerged pipeline, we recommend as an interim improvement that the Port Trust investigate the types of pipeline connections available and suitable for use in current operations which would reduce the time now required for breaking and reconnecting the floating pipeline."

3.33. As regards dredging operations in the Port, the Study Team observed "The Team urges that until a final solution to the dredging problem is realised, the Port Trust schedule dredging operations on Sundays. Failure to do this, together with diminished dredging productivity due to the above-mentioned pipeline situation, has in the Team's opinion, reduced utilisation of existing dredging equipment to

only 25 per cent of its total productive capacity. A specific example of dredger utilisation is provided by the record of the suction dredger S. D. "Vizagapatnam" which during the 32 day period from 2nd February to 30th March, 1966 actually operated a total of only 187 hours on 18 days. During this period, a total of approximately 1,00,000 long tonnes (8.92 lakhs cubic feet) of sand was dredged from the sand trap. Of approximately 14 days when the dredger did not operate, five were caused by a need to effect nozzle repairs, while nine occurred on holidays and Sundays. We compare this record with typical utilisation of similar dredgers in the United States which operate generally on a six day week, 24 hour basis."

3.34. When asked about the normal working hours of the dredgers and if there was optimum utilisation of dredgers and difficulties, if any, experienced in their working, the representative of the Visakhapatnam Port Trust stated in his evidence before the Committee. "We have three shifts round the clock each shift lasting for eight hours. I should say they are working quite satisfactorily. So far, we have been experiencing the shortage of Marine Officers since 1969 for manning the dredgers. Even though we advertised we did not get adequate response. We had two posts of Dredger Commander and Dredger Chief Officer vacant. Dredger Commander was recruited only on 21-9-1970. This will be overcome after the implementation of the Desai Committee's recommendations. All the dredgers but those that are in the dry dock are working. The overriding consideration is that the draft must be maintained and unless we maintain the draft, we cannot receive the ships." Asked whether they were experiencing any shortage of dredgers, he replied, "There is no shortfall in dredgers... It was only in 1968 that we were obliged to go in for another dredger from Calcutta Port. That was purchased in connection with erosion in the beach. With the purchase of this dredger, we are now able to discharge our commitments satisfactorily."

3.35. Asked to state the number of days worked by each dredger, average working hours and the number of breakdowns, the Ministry

of Shipping and Transport in a written note furnished to the Committee have furnished the following information:—

“Number of days worked for each dredger during the last 5 years.

Year	Suction Dredgers			Grab Dredgers		Dredgers-cum-Rock Breaker	
	S.D. Vizagapatam	S.D. Visakha	G.D. Pansy†	G.D. Mudlark	G.D. Bombay Duck	G D Gamine	D.D. Waltair
1965-66	156	220		246	166	160	90
1966-67	198	130		179	157	112	56
1967-68	211	203		222	195	137	110
1968-69	152	186	29	252	217	157	54
1969-70	195	241	82	233	221	196	114

\*Acquired in 1968.

*Average working hours for each dredger during the last five years.*

All the dredgers worked for 24 hours per day, in three shifts of 8 hours each, except as indicated under:—

- (i) S. D. 'Visakha' worked for 16 hours per day during 26.11.1969 to 31.3.1970 due to shortage of officers.
- (ii) S. D. 'Pansy' could work only one shift of 8 hours per day during 22.1.1970 to 31.3.1970 as S. D. 'Vizagapatam' was also in commission, working 3 shifts, during this period.
- (iii) C. D. 'Gamine' worked for 16 hours per day during 1.4.1968 to 31.5.1968. One shift was shut down for want of driver."



3.36. As regards number of days lost on account of mechanical delays in case of breakdown, the Committee have been furnished with the following table:—

Year	Days						
	S.D. Visakha	S.D. Vizagapatam	S.D. Pansy	D.D. Waltair	G.D. Mudlair	G.D. Gamine	G. D. Forlay Duck
1965-66	3	17		9½	4½	3½	1½
1966-67	2½	3		½	4½	5½	½
1967-68	1	7		3½	6	3	4½
1968-69	5	6	Acquired in 1968	2	7½	1½	13
1969-70	3	1	2	5	6½	4½	1½

The staff for working on S.D. 'Vizagapatam' and 'Pansy' are common and whenever it is found that 'Vizagapatam' is not able to do pipeline dredging due to either increased shipping or bad weather, 'Pansy' is utilised by transferring the staff from 'Vizagapatnam'. Further there has been a common pipeline for both these dredgers."

3.37. The Committee note that in the Visakhapatnam Port the dredgers are being utilised from 112 days to 252 days in a year only and that in 1966-67, G.D. 'Gamine' and S.D. 'Visakha' were utilised for 112 and 130 days respectively and in 1968-69 S.D. 'Vizagapatam' was utilised for 152 days only. The quantities of annual dredging during the years 1966-67 and 1968-69 have also shown a downward trend. The position in respect of D.S. 'Waltair' (Dredger-cum-road breaker) is still more unsatisfactory. The Committee further note that shortage of Marine officers has also contributed to the unsatisfactory position in respect of full utilisation of dredgers. The Committee need hardly emphasise the need for maximum utilisation of the dredgers in the Port in order to maintain the draft in the channel. They, therefore, urge that Government should ensure maximum utilisation of dredgers by coordinated and purposeful planning. The Committee further suggest that steps should be taken immediately by the Port authorities to overcome the shortage of trained staff and to reduce loss of mandays due to breakdown of the dredgers.

3.38. The Committee agree with the recommendation made by the Study Team of the International Ports and Harbours that as an interim improvement the Port Trust investigate the types of pipeline connections available and suitable for use in current operations which would reduce the time now required for breaking and re-connecting the floating pipeline. The Committee would like to be apprised of the action taken by the Government in the matter.

#### D. Port Railways

3.39. The Railway system in the Port is owned and operated by the Port Trust. The length of the Port Railway is approximately 60 miles (97 Km.) of B. G. track. The goods train of South Eastern and South Central Railways are received at the Port's North Holding Yard from whether they are diverted to the different sidings and *vice versa*.

3.40. At the end of the Second Five Year Plan period the Port Railway system with a length of 50 Km. had a capacity to handle 250 wagons (four wheeler) per day. It has been stated by the Ministry that a perspective planning was made to assess the extent of augmentation of the capacity of the Port Railways during the Third and Fourth Plan periods, to cater for the increased Port Traffic, as a result of the following anticipated developments:—

- (a) Ore handling Plant to ship 6 Million tonnes of iron ore.
- (b) Commissioning of the Fertilizer Plant and Fertilizer Berths in the industrial area of the Port.
- (c) Construction of two general cargo berths and lighterage wharf in Port.
- (d) Export of finished steel through Visakhapatnam Port by Hindustan Steel.
- (e) Increased handling in the Port of Oil, Manganese Ore, Foodgrains, Fertilizer etc.

3.41. These developments called for large-scale improvement of Railway facilities in Port area, so as to handle on an average 400 wagons of iron ore for ore handling Plant and 100 wagons for other traffic. It has been stated that a number of schemes to augment Railway capacity in the Port have been undertaken in the Third and Fourth Five Year Plans as enumerated below:—

- (a) Dumper Yard: An independent railway yard to serve the mechanical ore Handling Plant, of about 12.5 Km. has been commissioned in 1965. The yard consists of two through lines for bringing loads and one through despatch line for clearance of empties and are connected to Ore exchange yard. There is also an empty yard consisting of six lines,

where all empties are gathered after unloading and automatically coupled.

(b) Extension of North Holding Yard and construction of new Reception-cum-Despatch Yard:

- (i) Under this scheme, 9 of the existing 17 lines are being extended to clear standing length of 2250' for receiving and marshalling full trains at a cost of Rs. 23 lakhs.
- (ii) A new Reception-cum-Despatch Yard is being developed between the present North Holding Yard and Departure Yard of South Eastern Railway' on the West of Galli hill in Port Area with 10 lines, each of 2250 ft. clear standing length and other ancillaries at a cost of Rs. 82.5 lakhs.
- (iii) Construction of Parallel Bridges (Rail Bridge).

Due to the proposed extension of the North Western Area by the Navy and to fulfil the need to substitute the existing dilapidated Rail-cum-Road Bridge with new ones for maintaining the internal movements to and fro and Western area of the Port, two Bridges one for Rail and other for Road have been constructed across Meghadrigedda River. The Railway Bridge was commissioned in April, 1969.

It is proposed to serve the Western area of Port after the dismantlement of Rail-cum-Road Bridge, through a Railway line from Jaggayapalem. This work is under execution and is expected to be completed by the end of 1971, at a cost of Rs. 46.60 lakhs.

To suit the requirements of Caltex Oil Refinery and Coromandal Fertilizer, the Naval Dock Yard Project have suggested alterations in the Railways system in Western area of Port by re-cramping of the portion of Railway line through the right of way of Refinery and the Coromandal Fertilizers. The clearance for the Project has already been given by the Ministry of Defence and the Navy propose to complete this work in time for the commissioning of the proposed Railway line from Jaggayapalem to serve Western area of the Port.

3.42. The Committee have been informed by the Ministry of Shipping and Transport that "A number of improvements in the Port Railway system have been carried out during the Third and Fourth Plan so far and they are listed below:—

- (i) Two additional lines in East Yard and a water column line to improve facilities for Manganese Shipment: Cost Rs. 2.15 lakhs.

- (ii) Holding lines, West of Rail-cum-Road Bridge to cater to the increased traffic to Western area of Port, as a result of developments in the industrial area like establishment of Fertiliser Factory, increase in Oil Traffic etc: Cost Rs. 00.82 lakhs.
- (iii) Construction of Railway lines to serve two warehouses in RI area of Port for increased warehousing facilities.
- (iv) Four important sidings of M/s Coromendal Fertilisers in Western areas of Port, M/s Hindustan Steel Ltd. in R-I and R-2 areas of Port, Food Corporation of India in R-1 area and M/s Esso Ltd. in the industrial area of the Port have been developed during the Third and Fourth Five Year Plans.
- (v) Construction of a private siding by the Port to the new Graving Dock (of shipyard) is in progress."

3.43. The Ministry of Shipping and Transport have further stated that "With all these projects, which have either been completed or are in an advanced stage of execution and at any rate, all to be completed by the end of 1971, the total mileage of railway lines in Port area excluding private sidings will go up from 50 Km. in 1961 to 120 Km. by the end of 1971."

3.44. The following statement regarding working of the Port Railways gives the gross earnings, working expenditure and net revenue/loss during the last 3 years:

Year	Gross Earnings (in lakhs)	Working Expenditure (in lakhs)	Net Revenue (in lakhs)
1967-68	57.11	37.50	19.61
1968-69	98.78	28.43	70.35
1969-70	104.47	59.23	45.24

3.45. As regards provision of depreciation for the Port Railways, it has been stated that "At present, depreciation is charged on an *ad hoc* basis taking the total value of the assets of the Port. Depreciation is not being charged to each asset. Till 1966-67, the annual *ad hoc* provision was Rs. 30 lakhs. Since 1967-68, the provision has been

enhanced to Rs. 65 lakhs per annum. Under the revised accounting procedure, a list of assets is being compiled. Therefore, separate provision would be provided under Railways from 1970-71 onwards.

3.46. Asked to state the number of locomotives and wagons available with the Visakhapatnam Port and hiring charges paid to the Railways for use of locomotives/shunters during the last five years, the Committee have been furnished with the following statement:—

**Broad Gauge Locomotives**

Sl. No.	No. of Locomotives	Make	Year of purchase	Type	H.P. of each loco
1	Six	International General Electric Co. Washington	1965	Diesel	650
2	Two	Tata Engineering and Locomotive Co.	1966	Diesel	150
3	Four	Chittaranjan Loco Works	1969	Diesel Hydraulic	650

(b) *Narrow Gauge Locomotives*

No. of Locos	Type	Year of purchase
Five	Steam	2 in 1934 2 in 1936 1 in 1955
Two	Diesel	1959

2. *Wagons available*

1. Flats	6 Nos.
2. Opens	15 Nos.
3. Covered	15 Nos.
	36 Nos.

3. *Hiring Charges of Locomotives*

	Rs.
1965	11,29,835.23
1966	13,29,854.89
1967	14,197.44
1968	14,2935.84
1969	14,70,077.26
<b>TOTAL</b>	66,86,900.66

3.47. The Committee feel that with the commissioning of the Ore Handling Plant and development of Visakhapatnam Port as a major outlet for iron-ore the Railways in the Port will have to play an increasingly important role in the functioning of the Port. They note that the Port authorities have already taken a number of schemes in hand for the development of Port Railways to meet the increasing demand in the year's to come. The Committee would, however, like that a detailed assessment of the likely traffic in the Port in the next ten years may be made and perspective planning done to provide the requisite capacity.

3.48. From the statement furnished by the Government to the Committee regarding the working of the Port Railways, the Committee note that while Gross earnings of the Port Railways increased from Rs. 98.78 lakhs in 1968-69 to Rs. 104.47 in 1969-70, an increase of only 6 per cent approximately, the working expenditure during the corresponding period increased from Rs. 28.43 lakhs to Rs. 59.23 lakhs, an increase of more than 100 per cent. The Committee recommend that the reasons for this heavy increase in the working expenditure should be gone into and immediate remedial steps taken to keep the expenditure to the minimum.

3.49. The Committee further note that at present depreciation is being charged on an ad hoc basis taking the total value of assets of the Port and separate depreciation is not being charged to each asset. They feel that this procedure is not satisfactory as the working results achieved after charging such depreciation cannot give a true picture of the working of the Port Railways. The Committee, however, note that separate depreciation would be provided under the head "Railways" from 1970-71 onwards based on the assets whose list is being compiled.

### E. Congestion at the Port

3.50. Figures of traffic handled at the Visakhapatnam Port during the last five years are as follows:—

	1965-66	1966-67	1967-68	1968-69	1969-70
	(Figures in tons)				
1. Exports	25,01,957	36,55,105	40,31,578	53,58,772	60,79,246
2. Imports	18,93,431	22,27,003	24,13,966	26,92,445	23,48,993
<b>TOTAL</b>	<b>43,95,388</b>	<b>58,82,108</b>	<b>64,45,544</b>	<b>80,51,217</b>	<b>84,28,239</b>

(Provisional)

3.51. The number of ships that visited the Port during the above period is as follows:—

Year	Number
1965-66 . . . . .	626
1966-67 . . . . .	646
1967-68 . . . . .	590
1968-69 . . . . .	626
1969-70 . . . . .	611

3.52. It is expected that the Visakhapatnam Port would be handling a traffic of 111.25 lakh of tonnes in 1971-72, 114.50 lakh tonnes in 1972-73, 116.50 lakh tonnes in 1973-74 and 120.00 lakh tonnes in 1974-75.

3.53. The Study Team of the International Ports and Harbours in their Report on the Visakhapatnam Port had state "The Team learned that in Visakhapatnam Port, the shifting of vessels is a serious problem. For example, during the year 1967, out of a total of 613 ships which called at the Port, no less than 468, or over 75 per cent were required to shift berths. Since the total ship number includes about 100 tankers which were not shifted, it is obvious that over 90 per cent of all ships other than tankers, were required to shift berths. Compounding the problem some ships were required to shift berths more than once. Without making a detailed study of the cause for this excessive number of shifts, we contend that this situation could be alleviated through improved planning and scheduling of both cargo and vessels."

3.54. When asked about steps taken for improving the position in respect of shifting of vessels, the representative of the Visakhapatnam Port Trust stated in his evidence before the Committee, "So far as our Port is concerned, there is no serious problem of shifting the vessels. In 1969-70, only 47 per cent of the vessels, excluding tankers had to shift berths. That is because till 1965, we had only 4 quay berths. These four quay berths are tied-up with commodity-wise priorities for loading or discharging of cargo. Manganese ore, foodgrain and iron and steel products only have been taken care of at these four berths. Vessels arriving to load or discharge other commodities, whenever berthed alongside these quay berths, have to shift when these priority vessels arrive. Thus shifting of these vessels had become as an operational necessity. With the addition of Q.5 and Q.6 berths, one in 1966 and the other in 1968 such shifting has been e-

duced. Even in regard to priority vessels, when loading or unloading is in a finishing stage, they are shifted to moorings and the residual work taken care of by the supply of lighters and barges. The berths so vacated are allotted to ships which can make fuller use of the alongside berths."

3.55. During their visit to the Visakhapatnam Port in June, 1970 the Study Group of the Estimates Committee felt that "there was a heavy concentration at Visakhapatnam Port". Further it came to the notice of the Group that a portion of the Port area was with the Indian Navy.

3.56. Asked if Visakhapatnam Port was not very much overcrowded, the representative of the Visakhapatnam Port stated during evidence that "In 1968-69, the lowest figure of ship-days lost in the case of other ports was 00.76. In 1969-70, ours was 00.74. Therefore, the average delay in 1969-70 was less than the lowest figure for all the Indian Ports."

3.57. Asked if after the location of the naval base in the Visakhapatnam Port, there had been any dispute about jurisdiction with the navy, the representative of the Visakhapatnam Port Trust stated before the Committee "So far as jurisdiction is concerned, we have no difficulty at all. The only problem is when the navy either wants some port land to be leased or sold and it is upto the Port Trust having regard to its own requirements whether it will be in a position to spare the land. We are, otherwise, able to sort out our problems and there have been no major problems at all between us."

3.58. The Committee note that Visakhapatnam Port has the lowest number of ship-days lost and there has been considerable improvement in the position relating to shifting of ships. However, as the traffic at the Port is expected to increase to 12 lakh tonnes by 1974-75 and with the development of the Visakhapatnam Port as a big centre of iron ore export and construction of steel plant near Visakhapatnam, the position relating to congestion is likely to get complicated, Government should appoint a team of experts to study the problem of heavy concentration likely to develop in next fifteen years in Visakhapatnam Port, so that remedial measures may be initiated in time.

3.59. The Committee note the observation made by the Study Team of the International Ports and Harbours that in Visakhapatnam Port the shifting of vessels is a serious problem and that in 1967 as many as 75 per cent ships were required to shift berths. Even according to the statement of the Government as many as



47 per cent of the vessels in 1969-70 were required to shift berths. The Committee recommend that the shifting of the vessels should be reduced to the minimum through improved planning and scheduling of both cargo and vessels in a planned manner. The Committee desire that concrete steps in this behalf should be taken without delay.

## CHAPTER IV

### EXPANSION PROGRAMMES

#### A. Expansion Programme during Fourth Plan Period

During the Fourth Five Year Plan (1969—74) an outlay of Rs. 51.65 crores is anticipated for various developmental works in Visakhapatnam Port i.e. Rs. 16.65 crores for Inner Harbour and Rs. 35.00 crores for the Outer Harbour. Some of the important schemes and projects under execution together with the estimated expenditure are mentioned below:—

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	Estimated Cost
	Rupees in Lakhs
1. Diesel Grab Hopper Dredger Self-propelled (500 B.H.P. hopper capacity) in replacement of 2 grab dredgers, non-propelled (capacity 80 tonnes per hour) and 2 hopper barges of 150 tonnes capacity each	98.73
2. One Hopper Cutter Suction Dredger with capacity to dredge upto 60 ft. 4000 tons capacity	266.00
3. Replacement of tugs "Grampus" 500 B. H. P. and "Sakti", 1050 B.H.P. by tugs of higher capacity (2000 B.H.P.)	193.40
4. Provision of a Second Turning basin at the northern and of northern arm	90.76
5. Construction of 3 quay berths on the West Bank of northern arm in place of 3 existing jetty berths	222.00
6. Procurement of 3 Nos. 6, 10 tonnes capacity electric wharf cranes.	41.61
7. Construction of Road over bridge across the Dumper Lines	35.98
8. Remodelling of the North Holding Railway Yard and the provision of Reception-cum-Despatch Yard	105.50
9. Provision of Rail facilities to serve Western area	46.60
10. Procurement of 7 Nos. B. G. Locos	107.71

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A statement giving name of the scheme, salient features of the scheme, estimated expenditure, scheduled period for its completion, yield, if any, and progress made may be seen at Appendix III.

4.2. Eight schemes which were sanctioned during the Third Five Year Plan were carried over from the Third Plan to the Fourth Plan. The details of these schemes have already been given in Chapter I of the Report.

4.3. From the 'Details of Schemes undertaken' it is noticed that out of 11 schemes undertaken for inclusion in the Fourth Five Year Plan, Government's sanction is still awaited in respect of 4 schemes. Statement indicating the dates on which the proposals were submitted for approval and the reasons for delay furnished by the Ministry is reproduced below:—

1. Provision of a second turning basin at the Northern end of Northern arm.

Proposals submitted to the Government for approval on 23-2-1968.

Deferred for the present in view of the relatively lesser priority assigned in the IV Plan Programme and also in view of the need to conserve resources for the outer Harbour Project.

2. Construction of 3 quay berths on the West Bank of Northern arm in place of 3 existing Jetty Berths.

Proposals first submitted to the Government for Rs. 292.80 lakhs on 4-4-1968 and revised proposals for Rs. 222.00 lakhs were sent on 27-11-1969.

The Planning Commission has suggested that this scheme may be reviewed at the time of Annual Plan discussions for 1971-72.

3. Procurement of 3 Nos. 6|10 tonnes capacity Electric Wharf Cranes.

Proposals submitted to the Government for approval on 3-4-1970.

Government have asked to shelve the scheme until Planning Commission approves the Annual Plan for 1971-72.

4. Procurement of 7 Nos. B. G. Locos.

Proposals submitted to the Government for approval on 3-9-1967. Government sanction for 4 Nos. received on 20-5-68 and order placed on M/s. Chittaranjan Loco Works in June, 1968, and awaiting supply. Government's sanction for 3 Nos. Locos is awaited.

4.4. Asked if any long-term perspective planning had been done for the expansion of Visakhapatnam Port to cope with the increase in traffic, the Committee have been informed in a written note by the Ministry of Shipping and Transport, "As regards iron ore, the outer Harbour being constructed will be able to handle the projected increase. The increase in crude oil traffic will depend on an expansion of the existing Refinery or the establishment of a Second Refinery. In the event of the expansion of the present Refinery, it would be possible to handle the increased quantity of crude oil at the existing two berths in the Inner Harbour, Crude Oil for the Second Refinery, if established, will have to be handled in the Outer Harbour. In order to cater to the traffic of iron ore and crude oil in 1985-86, it would be necessary to put up additional facilities in the Outer Harbour. The consultants to the Outer Harbour Project are preparing a Model Plan for the development of the Port to meet the increased traffic. A Research and Planning Department have also been set up in the Port to undertake studies relating to planning, development and operations of the Port."

4.5. Regarding handling capacity at Visakhapatnam Port by the end of the Fourth Five Year Plan, the representative of the Ministry of Shipping and Transport stated in his evidence before the Committee, "The capacity at the commencement of Third Five Year Plan was 3.6 million tons. At the end of the Third Plan this capacity was 8 million tons. The capacity at the end of 1968-69 was 10.30 million tons. The capacity by the end of the Fourth Plan is 13.64 million tons. As against that we have to see the actual performance."

4.6. The Committee note that as many as eight schemes which were taken up for execution in the Third Five Year Plan could not be completed in the Third Five Year Plan period and were taken over to the Fourth Five Year Plan period. The Committee note that in the Fourth Five Year Plan period also, a number of schemes have not been taken up since the same are awaiting sanction or have been accorded lower priority. This indicates that the justifications for the schemes were not fully examined from all angles before including them in the Plan. The Committee expect the Port Authorities and Government to ensure that all schemes for development are examined in all aspects with particular reference to their potential use.

and return on investment, before accepting them for inclusion in the Plan.

4.7. This does not however mean that the Committee rule out review of the schemes in the light of developments but they feel that if planning is done on realistic basis there should be no occasion for any drastic revision of the schemes on a subsequent date. The Committee also consider that once a scheme has been accepted for inclusion in the Plan, no time should be lost by the Port Authorities in preparing detailed estimates, blueprints etc., so as to obtain timely sanction. Government and Port Authorities should also review the existing procedure in order to streamline it in the interest of speedy and efficient execution of Plan schemes.

4.8. Another important aspect which has attracted the attention of the Committee is that the traffic handled at the Port in 1968-69 was 8.05 million tonnes only as against the developed capacity of 10.30 million tonnes. While the Committee appreciate that the capacity has to be marginally ahead of the immediate requirements, they consider that planning should be done on a realistic basis to avoid locking up of scarce financial resources on development of infrastructure facilities which may not lend themselves to immediate utilisation or offer reasonable return on capital invested.

### B. Outer Harbour Project

4.9. At present, the Visakhapatnam Port is geared to handle 6 million tonnes per annum of high grade iron ore from the Bailadilla mines for export to Japan. With the limitations of water depth available and physical characteristics of the entrance channel, it is not economically feasible for the inner port to cater to large size iron ore carriers of 1 lakh dwt. and above. It was in this context that the Outer Harbour Project has been sanctioned as a solution to the problem.

4.10. The main features of the construction of the Outer Harbour are:—

1. A set of breakwaters built to form two protected basins, separated by an area of reclaimed land. The Southern basin has been designed to permit entry and berthing of 1,00,000 dwt. ships fully loaded. This could, in future, be developed to take 2,00,000 dwt. vessels or even more. The northern basin provides at no additional cost a suitable basin for use as a large fishing harbour.

2. There is a single berth for iron ore loading designed to handle 2,00,000 dwt. vessels ultimately. There is also room for additional berths of 1200 metres length suitable for 2,00,000 dwt. ships, which can be later brought into commission.
3. The Ore loaded at the Outer Harbour could be conveyed through a conveyor system and necessary steps will be taken to eliminate the dust nuisance to the utmost extent.
4. The Outer Harbour Project has been designed to load 1,00,000 dwt. vessels at 8,000 tons per hour initially. This can be increased to 12,000 tons per hour and 16,000 tonnes per hour to load 1,50,000 and 2,00,000 dwt. vessels respectively when such a demand builds up. A stockpile capacity of 30 days supply on the basis of the levels of shipment has been provided. The receiving system including the two existing dumpers and additional railways and Shunting locos can handle about 10 million tons of iron ore per year from the mines. With a third dumper, this can be increased to 15 million tons.
5. Provision has been made to permit the future installation of a screening and/or collaborating plant and a pallet plant.
6. The Project includes navigation aids, harbour craft, as well as the other ancillary facilities required for operation of the Outer Harbour.

4.11. The estimated capital cost of the Project is Rs. 36.97 crores with a foreign exchange component of Rs. 8.27 crores. It is estimated that the facilities would fetch a capital return of 6 per cent per annum.

4.12. The Ministry of Shipping and Transport have intimated that the progress of the project has generally been according to the schedule. The target date for completion is May, 1974.

4.13. As regards economic benefits of the project, the Committee have been informed by the Ministry of Shipping and Transport that "There is stiff competition for iron ore export trade to Japan from countries like Australia, Brazil and South Africa and only by developing port facilities capable of handling large size ore carriers and turning them around in the shortest possible time, is it possible to make C & F Ore price acceptable to the buyers. The Outer Harbour is planned to do this."

4.14. Asked if India is in a position to stand in international competition in respect of export of iron ore having regard to the imperative need for effecting economy on the freight charges, the representative of the Visakhapatnam Port Trust stated during evidence before the Committee, "It is precisely in that context that Outer Vizag Project was conceived and when it is commissioned in 1974, the first 1,00,000 dwt. ship will be launched. Subsequently it will take care of 1,50,000 dwt. Ships and 2,00,000 dwt. ships. Then it will become one of the major ports of the world and it is then that we will be able to effect economy in freight charges and stand international competition. In fact, a long term agreement has been entered into by the M.M.T.C. with Japan. This project, I may assure you, will take care of the export of iron ore from Visakhapatnam to Japan."

4.15. The Development Adviser of the Ministry of Shipping and Transport added "There was a world traffic of the order of 187 million tons. Japan alone took 70 million tons. In 1968, Japan took 14 million tons from Australia, 13 million tons from India, 8 million tons from Brazil and another 8 million tons from Chile. Now Australia created at that time in 1968, conditions ahead of those in India, For example, even in the year 1968, they were catering to 70,000 tonnes. They have a programme of 1,00,000 tonnes in the next two or three years. But when the Visakhapatnam handling facility is completed in the Outer Harbour, we will not in any way be inferior to their facilities."

4.16. As regards progress in the execution of the project the representative of the Visakhapatnam Port Trust stated before the Committee, "The scheme was sanctioned in December, 1969. The first year is to get the equipment by global tender and so on. The whole project has been sanctioned and we expect to complete it by May, 1974."

4.17. The Committee note that the Visakhapatnam Outer Harbour Project is intended to enable the port to receive large size iron ore carriers so as to meet international competition in regard to freight charges on the export of iron ore to Japan. The Committee are glad to note that the work on the Outer Harbour Project is progressing according to schedule and is expected to be completed by May, 1974. In this connection, the Committee would like to emphasise that work on the Project should be speeded up as much as possible so that the date of completion of the Project may be advanced. In case it is found difficult to advance the date of completion, it should be ensured by all possible means that the Project is executed and completed at least in time. . .

4.18. The Committee are constrained to note that while other countries like Australia have already created conditions which are far ahead of those in India and have been catering to iron-ore carriers of 70,000 tonnes since 1968 and would soon be receiving iron-ore carriers of 1,00,000 dwt. the Visakhapatnam Port would be in a position to receive iron-ore carriers of 1,00,000 dwt. only in 1974, when the Visakhapatnam Outer Harbour Project is completed. With this there is every possibility that by 1974, ports in those countries might be receiving iron-ore carriers of bigger tonnage, thus leaving India far behind in the matter of freight charges. The Committee would, therefore, like to emphasise that Government should keep themselves abreast of the development in respect of port facilities in other competing Countries and do realistic planning to ensure that developments in the Outer Harbour Project at Visakhapatnam keep pace with the port facilities in other competing countries.

4.19. The Committee feel that the performance of the Visakhapatnam Port in the past regarding loading of cargo has not been satisfactory. The Committee would like to emphasise that the Port-Trust-Authorities should make proper arrangement for quick and timely loading and unloading of cargo particularly when the port is expected to handle carriers of 1,00,000 dwt. and more in the near future.

4.20. The Committee would also like the Port authorities to ensure that the handling charges at the Port are both economic and competitive.



## CHAPTER V

### GENERAL

#### A. Labour Relations

The strength of employees in the Visakhapatnam Port as on 1.6.1970 was as follows:—

No. of Class I employees	.	.	.	97
No. of Class II employees	.	.	.	40
No. of Class III employees	]	.	.	3,349
No. of Class IV employees	.	.	.	4,048
				<hr/>
				7,534

In addition, there were 1,950 Ore Handling and Shore Handling Labourers and 1,095 persons working as Casual Labour. There were 4,956 persons working under Dock Labour Board and 90 persons working as Chipping and Painting Workers.

5.2. It has been stated that a number of welfare activities have been taken up in the Port for the benefit of the staff. There is a well-equipped dispensary, near the Central Offices with facilities for night attendance. Free medical advice and treatment is given to all the Port Employees. There is a proposal to construct a 50 bedded Hospital during the Fourth Five Year Plan at a cost of Rs. 31 lakhs and eventually to develop it into a 300 bedded Hospital. Educational and recreational facilities are also provided. There is a Cooperative Credit Society as well as a Cooperative Consumers' Store.

5.3. As regards labour relations in the Port, it has been stated by the Ministry of Shipping and Transport that "There have been no strikes by the Port Employees during the last 2 years. Periodical meetings with the Union are held by the Chairman for settlement of issues raised by the Unions. A grievance procedure has also been introduced in consultation with the Unions for speedy settlement of individual grievances."

5.4. Asked what was the strength of the manual labour and what was the labour situation in this Port, the representative of the Visa-

khapatnam Port Trust has stated before the Committee, "So far as Port Trust is concerned, we have 3,000 labour force. So far as the Dock Labour Board is concerned, they have 5,000 dock labourers.....we have the record to show that we have industrial truce.....There are no strikes at the moment." When asked if there had not been some strike in the Port recently, he replied, "one particular section of the Ore-Handling labour was pooled for manual loading in Vizag. Here there was a strike. We have launched what is known as listing schemes. Labourers were under private employment whom we have taken over under the Dock Labour Board. In this particular section, the force was about 1,700 in strength. This was taken over from the Pool and taken by the Dock Labour Board. Their duty consists of unloading from wagons and dumping on the sites. This particular section has had unfortunately very bad history. They had been used to wild cat strikes every now and then. We have taken them over and during this period it has now been reduced to three strikes wherever earlier there used to be strike once a month more or less."

**5.5. The Committee are glad to note that the relations between the management and labour in the Visakhapatnam Port are quite cordial and there has been no major strike in the Port recently. The Committee have, however, noted that there has been some discontentment in the workers under the Dock Labour Board leading to strikes. The Committee would stress that steps should be taken to settle the grievances and demands of this section of the labour by means of fruitful negotiations so as to obviate any possibility of a strike.**

#### **B. Incentive Scheme**

**5.6. The minimum gross wage of a worker in the lowest category in the Port is 9.34 rupees per day. Besides, Visakhapatnam Dock Labour Board has introduced an incentive scheme, which provides for payment of incentive wages when the tonnage handled by the workers exceed the datum lines fixed under the scheme for different types of cargoes. The introduction of incentive scheme for cargo handling workers and other inter-related employees is one of the steps taken by the Port Trust authorities for effecting economy by rationalisation of operations and maximising efficiency.**

**5.7. The Committee are glad to note that an incentive scheme has been introduced in the Visakhapatnam Port Trust for cargo handling workers and other inter-related employees for effecting economy by rationalisation of operations and maximising efficiency.**

### C. Housing for the Staff

5.8. The following statement gives the position regarding provision of houses for the staff in the Visakhapatnam Port Trust:—

Category	No. of Employees	No. of Quarters provided	No. of Quarters		Total No. of Quarters
			Under Construction	Proposed to be constructed	
Class I & II	137	50	16	..	66
Class III	3,349	335	92	8	435
Class IV	4,048	248	168	32	448
Shore Labour	1,950	..	..	1,500	1,500
	9,484	633	276	1,540	2,449

At present 240 employees of Shore Labour have been provided accommodation at "Thatchetlapalem."

5.9. In a written note submitted to the Committee, the Ministry of Shipping & Transport have stated that "Quarters to the remaining employees have not been provided due to paucity of funds."

5.10. Asked about the provision of houses for the staff, the representative of the Visakhapatnam Port Trust stated during evidence before the Committee, "This again is a problem to which the Port Trust is very much alive.....The Port Trust has sanctioned Rs. 1.5 crores to construct 1,500 tenements only for the labour. As much as 80 per cent of the Port Trust will have permanent housing accommodation.....Practically about 35 per cent of the work is already over. On the Dock Labour Board, I am happy to say that we have launched upon a low housing tenement scheme. For the Dock Labour Board, the Ministry has already given a subsidy whereas the Port Trust does not get that. Recently, we represented to the Minister for Labour stating that just as subsidies are given by State Governments for the housing schemes, our labourers also should get that subsidy. Apart from the financial limitation, we have launched a scheme for the Dock Labour Board for building up 1,000 houses, we have acquired 100 acres of land from the State Government and we are building houses there."

5.11. The Committee note that out of 9,484 employees of the Visakhapatnam Port, only 633 i.e. about 6.6 per cent have been pro-

vided with quarters and only 1540 more quarters are proposed to be constructed for all categories of employees. Even after the construction of the proposed quarters, only a small percentage of the employees would be provided accommodation. The Committee have been informed that quarters for the remaining employees could not be provided because of paucity of funds. They need hardly stress that concerted efforts should be made to provide quarters to maximum number of employees by availing of facilities under various housing schemes.

NEW DELHI;  
July 16, 1971.  

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Asadha 25, 1893 (Saka)

KAMAL NATH TEWARI  
Chairman,  
Estimates Committee.

## APPENDIX I

(Vide para 1.4 of the Report)  
*Statements giving the Various Projects included in the First and Second Five year Plans*

First Five Year Plan (1951-56)  
 (Rupees in lakhs.)

Sl. No.	Name of the Work	Approved investment in the 1st Five Year Plan	Amount spent in 1st Five Year Plan	Shortfall	Reasons
1	2	3	4	5	6
1	Works connected with establishment of Oil Refinery.	181.17	68.05	113.12	The work on the Oil Refinery was started in the 1st Five Year Plan. There was stoppage of work for some time. The work was completed in 1958.
2	Construction of Additional Four Berths	23.93	23.52	0.41	The short-fall is negligible.
3	Construction of Staff Quarters	13.18	11.465	1.53	The Short-fall is negligible.
4	Dredger (Suction)	29.84	..	29.84	The procurement of Dredger 'Visakha' was programmed in the 1st Five Year Plan, but it was actually received in April, 1958.
5	Other works. Plant, Machinery and Rolling Stock.	52.98	32.94	20.04	Due to late receipt of planer and craft. The details are not available.
		301.10	136.16	164.94	

NOTE: (1) The actual amount spent was Rs. 1.36 crores and not Rs. 1.13 crores mentioned in Question 1. The expenditure is therefore 45.18 per cent of the approved investment and not 37.5%.

(2) The Port was under the Railways during the First plan period.

Second Five Year Plan (1956—1961)

Sl. No.	Name of the work	Approved investment in the 2nd Five Year Plan	Amount spent in 2nd Five Year Plan	Shortfall(—) Excess(+)	Reasons for Shortfall
1	2	3	4	5	6
		(Rupees in lakhs)			
1	Works connected with establishment of Oil Refinery.	129.00	116.16	(—)12.84	The work on the Oil Refinery Wharf, which was started in the First Five Year Plan was completed and it was put into commission in April, 1958 Deepening and Widening of the Entrance Channel to accommodate larger oil tankers was continued throughout the Second Five Year Plan and the work was completed in the Third Five Year Plan period.
2	Sunction Dredger 'Visakha'	117.56	129.53	(+)11.97	
3	Staff Quarters . . . . .	—	1.77	(+)1.77	
4	Construction of Quay Berth No. IV . . . . .	—	1.44	(+)1.44	
5	Tug 'Ranapratap' . . . . .	—	2.86	(+)2.86	
6	Misc. works Plant & Floating Craft . . . . .	2.00	16.23	(+)14.23	
7	Sheds, Ware-houses and other Buildings . . . . .	15.00	6.99	(—)8.01	Due to non-completion of the following works in 2nd Plan.

(i) Cement concreting in Wharf area between Sheds, Quay wall and Roads.

(ii) Development works at K. Colony and fencing works in Port area.

(iii) The remaining works were completed within the Plan Period, but final bills were received and adjusted in Third Plan.

The following works could not be completed in second Plan as anticipated:

(i) Railway line for repairing Port B.G. Wagons & Tools Shed.

(ii) Providing Railway scissors cross over at Nestr: Holding Yard between 12 and 11th lines.

(iii) Soling of Railway Steel Dump.

8 Railways, B.G.

10.00

1.33

(- ) 8.67

9 Mangroove facilities, Electricity & Drainage

5.00

5.76

(+ ) 0.76

10 Water supply, Roads, Electricity & Drainage

25.00

3.97

(- ) 21.03

Only preliminary work regarding "Bridge across swamp area could be completed within second plan period". Roads in R.1 area and Black topping works have been carried over in Third Plan period.

(i) *Water Supply*: Pipes could be obtained during 1963 for laying water mains in R.1. area.

(ii) *Electricity*: Control panels, O.C.Bs and other Elec. materials, which were expected in 1951-52 have not been received within the plan period.

(iii) *Drainage*: Negotiations with CORIL regarding of sharing of cost for the work viz., "Cut-off drain including Bridges crossing the same" could not be finalised during the Second Plan Period.

11	Housing & Welfare . . . . .	8.00	8.43	(+)0.43	
12	Plant equipment and Floating Craft . . . . .	99.05	82.22	(- )16.83	Out of about 86 items proposed in the Second Plan under Plant equipment, Floating Craft, etc., 63 were completed. Out of 63 completed works, debits for 53 were adjusted during the Plan period under review, and the balance under the next Plan Period.
13	1200 U.P. Tug . . . . .	20.00	—	(- )20.00	The order for the Tug was placed on 9-8-1961 and the Tug was received on June, 1964.
14	Lengthening and deepening of Dry Dock . . . . .	20.00	0.62	(- )19.38	The work on the deepening and extension of Dry Dock was started in the last year of Second Five Year Plan and was carried-over to Third Plan.
15	Introduction of Night Navigation Scheme . . . . .	10.31	4.28	(- )6.13	Reasons not readily available.
16	Additional Berths Scheme inclusive of O.H.P. . . . .	450.00	46.68	(- )403.32	In the new schemes, provision of Rs. 450 lakhs was made in the Second Five Year Plan for the construction of Addl. Four Berths and for mechanisation of Ore Berths. The estimate and design for the Berths had to be revised in the light of data obtained from further soil investigation and all the preliminary steps such as obtaining sanction to the estimate, calling for tenders etc., were completed in the Second Five Year Plan Period. The construction of the berths was also taken-up but only 50% of the dredging for the berths was done in the Second Plan Period. The specification of the Ore Handling Plant were finalised and tenders called for in Third Five Year Plan period.
17	Repairs to Breakwaters (Reveque) . . . . .	30.00	3.67	(- )26.33	Only maintenance repairs were done and the Major repairs to the Breakwaters were not taken-up.
		<u>941.02</u>	<u>431.94</u>	<u>509.08</u>	

Note : The Port was under the Ministry of Transport from 1-10-1956.



## APPENDIX II

(vide para 2.2 of the Report)

### Statement of Earnings and Working Expenses of Visakhapatnam Port

Statement of Earnings and Working Expenses under Port Fund as compared to 1967-68 and 1968-69 is given below :

#### Analysis of Earnings—Port Fund.

(Figures in Units of Rupee)

Head of Account	Actuals for 1967-68	Actuals for 1968-69
1	2	3
<b>I. Wet Dock &amp; Wharves</b>		
(a) Landing fees on Imports . . . . .	89,24,437	1,05,46,227
(b) Shipping fees on Exports . . . . .	2,92,17,994	1,46,05,080
(c) Berth hire . . . . .	3,75,192	3,53,468
(d) Mooring & Unmooring fees . . . . .	2,49,219	2,56,933
(e) Ground & Shed rents . . . . .	5,05,958	7,05,001
(f) Sale of water to vessels . . . . .	1,26,338	1,82,246
(g) Lighterage . . . . .	1,67,492	2,13,760
(h) Cranage . . . . .	5,26,587	9,57,016
(i) (a) Handling Imports . . . . .	24,90,991	27,20,239
(b) Handling Exports . . . . .	10,67,683	20,58,805
(c) O.H.P. Exports . . . . .		1,81,98,966
(j) Passenger Fees . . . . .	..	3
(k) Night and holiday charges . . . . .	3,57,964	4,17,518
(l) Penalty fees on goods in Transit . . . . .	5,22,278	4,99,280
(m) Miscellaneous Receipts . . . . .	34,314	25,593
<b>TOTAL I</b>	<b>4,45,62,387</b>	<b>5,17,40,135</b>

(Figures in units of Rupees)

1	2	3
II. Bunder and Jetties . . . . .	..	..
III. Rivers and Canals . . . . .	73,061	91,652
IV. Lands and Buildings ... . . . .	24,14,420	17,07,141
V. Railway Department . . . . .	56,44,751	54,47,333
VI. Dry Dock . . . . .	88,970	1,23,073
VII. Port Department . . . . .	11,17,123	14,70,508
VIII. Interest and Miscellaneous . . . . .	36,18,573	56,73,398
TOTAL GENERAL ACCOUNT . . . . .	5,75,19,285	6,62,53,240
X. Special Receipts (hire Charges on Tug ' Nagarjuna to Paradip Port and Haldia Port) . . . . .	..	1,58,963
TOTAL RECEIPTS . . . . .	5,75,19,285	6,64,12,203

## WORKING EXPENSES

Comparison in a tabular form by main heads of ordinary working expenses for the two years 1967-68 and 1968-69 is appended below :

(Figures in units of Rupees)

Head of account	Expenditure for 1967-68	Expenditure for 1968-69	Difference Excess(+) Less(-)
1	2	3	4
1. General charges . . . . .	39,75,199	49,72,805	+9,97,606
2. Wet Docks and Wharves . . . . .	88,66,285	1,00,43,858	+11,77,573
3. Bunders & zetties . . . . .	—	—	—
4. Rivers — Canals . . . . .	1,09,862	1,24,528	+14,666
5. Lands & Buildings . . . . .	12,11,697	15,55,171	+3,43,474
6. Railway Department . . . . .	32,14,415	33,47,684	+1,33,269
7. Dry Dock . . . . .	1,82,429	2,51,865	+1,69,436
8. Port Department . . . . .	31,24,517	59,85,327	+28,60,810
9. Debt charges . . . . .	68,56,412	74,18,206	+5,61,794
TOTAL . . . . .	2,75,40,816	3,36,99,444	+61,58,628

(Figures in units of Rupees)

1	2	3	4
<b>II. Special Expenditure:</b>			
(a) (i) Contribution to DRF . . . . .	65,00,000	65,00,000	
(ii) Contribution to Revenue Reserve Fund . . . . .	5,00,000	5,00,000	
(iii) Contribution to Port Welfare, Fund . . . . .	50,000	9,991	(—)40,009
(b) Expenditure on New Minor Works, Special Works etc. . . . .	4,18,465	7,53,825	+3,35,360
(c) Civil Defence . . . . .		2,879	..2,879
(d) H.R.A., D.A., D. P. O. T., C.E.A. N.W.A., I.R. Ex-gratia payment etc.	81,88,169	1,00,30,936	+18,42,767
(e) Grainshop concessions . . . . .		..	..
(f) Revenue Stores . . . . .		..	
(g) Workshop transaction . . . . .	39,548	(—)39,548	(+ )79,096
(h) Salvage of Port Craft . . . . .			
(i) Miscellaneous—			
Strike expenses . . . . .	..	..	..
Suspense Miscellaneous Advances . . . . .	11,90,130	18,72,953	+6,82,823
TOTAL . . . . .	4,44,27,128	5,33,30,480	+89,03,352

### APPENDIX III

(Vide para 4.1 of the Report)

*Details of Schemes or projects undertaken in Visakhapatnam Port during the Fourth Plan*

(Figures in lakhs of rupees)

Sl. No.	Name of the Scheme	Salient features of the scheme	Estimated expenditure	Scheduled period for its completion.	Yield if, any	Progress made
1	2	3	4	5	6	7
1	Diesel Grab Hopper Dredger, self-propelled (500 B.H.P. hopper capacity) in replacement of 2 grab dredgers, non-propelled (capacity 80 tonnes per hour) and 2 hopper barges of 150-tonne capacity each).	A self-propelled grab dredger has been considered essential in replacement of 2 grab dredgers and 2 hopper barges which have outlived their lives. In view of the increase in the number of berths and navigational water ways, a grab dredger with higher capacity is necessary.	98.73	1971-72	There will be in-direct yield.	The proposal to place work order on M/s. Hindustan Shipyard Ltd. is under active consideration.
2	One Hopper Cutter Suction Dredger with capacity to dredge upto 60 ft., 4000 tonnes capacity.	In view of the rapid development during the Plan, the existing dredgers are not sufficient to maintain the depths of the navigational waterways. The dredger would also be used in the construction of the Outer Harbour Project.	266	1972-73	There will be in-direct yield.	Procurement was approved by Government in February, 1970 and tenders were invited in 3/70 and are scheduled to be opened on 25-6-'70.

3 Replacement of tugs "Grampus", 500 B.H.P. and "Sakti", 1050 B.H.P. by tugs of higher capacity (2000 BHP).

The port has 2 new tugs of 1200 H.P., but these are inadequate for safe handling vessels in harbour under the present conditions when both the size and number of ships to be handled have increased. Accordingly proposals have been made for acquiring 2 new tugs in replacement of the two very old tugs of limited horsepower. The tugs would be 2,000 H.P. which are absolutely essential for safe handling of vessels in the restricted water areas of harbour.

4 Provision of a second Turning Basin at the northern and of northern arm.

At present vessels entering the harbour for the ore berths and certain other cargo berths are turned in the Turning Basin. When vessels of 600 ft. are handled, the moorings in the present Turning Basin have to be kept vacant. This creates problems for vessels which would otherwise normally occupy the moorings and work cargo. Sometimes the vessels are taken in bow first and berthed at the ore berths. In such cases on completion of loading the

193-40 1971-72

Orders have already been placed for the procurement of one tug indigenously from M/s. Rajabaghan Dockyard at a cost of Rs. 18 lakhs in 5/70 which includes a foreign exchange component of Rs. 4.15 lakhs. The delivery of the tug is expected by end of 1971.

As regards the second tug, the possibility of obtaining a tug on hire-purchase basis from abroad is under consideration.

As more ships can be accommodated with the lessening of time for departures etc., there will be more revenue to the Port.

The work will commence on sanction and is likely to be carried forward to the V Plan,

90-76

The proposal is under examination.

vessel has to be backed down all the way into the present turning basin and turned round before proceeding out to sea. This manoeuvring increases the handling time of vessels leaving Port by at least one hour in every case. To obviate these difficulties it is proposed to have a second turning basin and this will considerably reduce time taken for shifting of vessels which require to be turned at the general cargo berths to facilitate cargo working.

5 Construction of 3 quay berths on the west bank of northern arm in place of 3 existing jetty berths.

222 Work will commence after sanction and is likely to be carried forward to the V Plan.

Report is under examination.

On the western bank of the northern arm, there are 3 jetty berths. None of these berths has crane or any other mechanical cargo handling facilities. These berths cannot also take heavy mobile cranes. Further they are not provided with sub-ways to take essential services.

In the past, the jetty berths were constructed for the limited purpose of handling bulk oil, molasses, coal and manual loading of iron ore, and the conditions have changed since then and the demand for handling the commodities has increased. There is no rail link on the jetty.

With a deep waterway running close to the shore, it is thought that it would be a waste of the available facility if these are left as jetty berths. Hence the proposal for the conversion of jetty berths into regular quay berths with ancillary facilities such as railway track, quay cranes, etc. has been included in the Revised IV Plan.

6 Procurement of 3 Nos. 6/10 Tonnes capacity elec. wharf cranes.

Steel ingots ranging from 8 to 10 tonnes are being exported by M/s. Hindustan Steel Ltd. through this Port for which work 2 cranes are essentially required at Q. 5 and Q. 6. One crane is required for use at Dock Yard Workshop to facilitate heavy material required for repairing port cranes and equipment at the Cement Concrete Continuous Jetty.

41-61 1971-72

Earnings of the Port will increase but cannot be stated in exact figures.

The proposal is under examination.

7 Construction of Road Over-bridge across the Dumper Lines.

The River Meghadrigidda which flows through the Port area and joins the north-western arm of the harbour, divides the industrial complex in and around the port area which can gene-

35-98 September 1971 There is no direct yield.

The project was sanctioned by Govt. in October, 1968 and the work was commenced in April, 1969. An expenditure of Rs. 14.67 lakhs has been incurred up to the end of March, 1970 (Preliminary).

rally be classified as eastern and western sectors. These two sectors are linked by a rail bridge constructed over the river in the year 1950. At that time the road traffic was passing through a ferry service. Later in 1956, the deck of the bridge was modified to permit road traffic also for a single lane. The bridge is closed to road traffic whenever there is rail movement. The bridge is also in a bad condition. To replace this, two parallel bridges, one for road and another for railway have been constructed. To complete the road access from the port to the western industrial belt through the parallel bridges, another road overbridge is necessary to cross the damper lines. A service level crossing also considered and ruled out due to intensive movement of ore trains, empties returning to the ore exchange yard, locos etc. on the damper lines. Therefore, it is considered essential to cross the damper lines by a road over bridge.

8 Remodelling of the North Holding RL, Ya. 1 and the provision of Reception-D. Spacing yard.

The existing north holding yard is meant as a marshalling yard. If this yard is also used for receiving and

105-50 June, 1970.

The yields cannot be estimated as it is a facility.

The Govt. sanctioned the project in December, 1966 and the order for commencement of work has been



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placed in September 1967. Up to the end of March (Prel.) 1970, an expenditure of Rs. 78.36 lakhs has been incurred on the project.

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despatching trains, the efficiency of the operation is hampered. It has, therefore, been proposed to construct a new reception-cum-Despatch Yard, west of Galli Hill. Besides, it has also been proposed to extend the existing North Holding Yard, as the existing one consists of only 17 lines of lengths ranging from 1900 ft. to 1500 ft. whereas the length of the full train is 2250 ft. Since the present holding yard cannot accommodate full trains for marshalling purposes, 9 out of the 17 lines of the present yard are therefore proposed to be extended with a length of the track up to 225 ft. so that some lines would be capable of handling full trains. The construction work is, therefore, an extension or improvement of the existing facilities in the Port.

46-60 June, 1972.

As the existing rail-cum-road bridge across the River Meghadrigedda through which the B. G. Railway lines serving the various industries located in the

9 Provision of rail facilities to serve western area.

The Port will derive a revenue of about Rs. 40 lakhs p.a. on a/c of the traffic to be sanctioned by Government in October, 1969 the work was commenced in November, 1969. Up to the end of March (Prel.) A/c. 1970. an

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western area of the port is passing, is in a very bad condition, 2 parallel bridges have been constructed about 1.5 k.m. upstream to diver the road and railway traffic. Consequently, it was first planned to construct a railway fly over bridge, by taking the railway line across the dump lines connecting the new railway bridge across Meghadigcedda to serve the western area. Subsequently it was decided to give up the plan of constructing the fly over bridge, owing to the limitation of number of pilots that can be negotiated over it, and to examine the manner in which the installations and industries located in the western area of the Port could be served. Finally, it has been decided that a railway line from Port near Mindi Village should be constructed up to the existing railway line south of parallel bridges and one holding line north of parallel bridges with C.S.L. of 2250ft.

expenditure of Rs. 35.5 lakhs has been incurred.

dealt with in the Western sector. If the proposal for a second Fertiliser Factory materialises, the revenue is likely to go up above Rs. 50 lakhs p.a. The percentage of earnings to investment in the western sector would be about 20 on the basis of earning of Rs. 40 lakhs and about 30 on the basis of earnings of Rs. 50 lakhs.

This is under examination.

The procurement of these locos will add to the Port re-

The probable date of supply is not known.

107-71

The Locos hired at present from S.E. Railway are steam operated and old ones and, therefore, they are not quite

10 Procurement of 7 Nos. B.G. Locos.

suitable and adequate to meet the increases in port traffic. To facilitate quick internal movement of the wagons in the harbour area, the procurement of locos by Port itself has become absolutely necessary, against the requirement of 11 locos, 4 have already been received. The hired engines will be returned to the Railways.

venues by way of increases in traffic. Port need not also pay hire charges to the Railways.

## II Housing Colony for labour.

The Port Trust departmental labour consisting of ore handling and shore handling labour numbering about 2000 have not been provided with residential accommodation. The problem of accommodation is very acute in Visakhapatnam. Therefore, the port has made a provision of Rs. 150 lakhs in the IV Plan to construct quarters for these workers. Government have sanctioned the construction of 600 units of Type I quarters at an estimated cost of Rs. 68 lakhs comprising phase I Development. This includes development of one

150 September, 1971 for first phase of 600 units.

This is a welfare measure. Rent will be recovered from the employees as per usual rules (standard rent of 10% of 7½% of emoluments whichever is less).

Work order has been placed on the contractor in May, 1970 and the work is in progress.

sector of this colony with provision of necessary periphery and internal roads, drainage—both sewage and storm water, water-supply headworks and electrification, etc. Necessary investigations are in progress for further development of the colony in subsequent phases. Amenities like recreation club, a play-ground, market centre, primary school, dispensary, etc., have also to be provided to meet the requirements of an ultimate population of 12,000 to 14,000 in this colony.

## APPENDIX IV

### Statement showing summary of Recommendations|Conclusions

S. No.	Reference to Para No. of the Report	Summary of Recommendations, Conclusions
1	2	3
1.	1.8.	<p>The Committee are distressed to note that a number of schemes which were taken up for execution during the First and Second Five Year Plans were not completed according to schedule with the result that during these plan periods, only 45 per cent or 46 per cent of the approved investments for the Visakhapatnam Port could be utilised. The Committee note that among the schemes whose execution was delayed and which were not completed according to schedule were such important schemes like "Works connected with establishment of Oil Refinery" "Procurement of Dredger Visakha" "Procurement of 1200 H.P. Tug" and "Additional Berths Scheme inclusive of O.H.P." The Committee would like to emphasise that delayed completion of schemes particularly those geared towards exports not only adversely affects the working of the port but also causes set back to the economy of the country and expenditure goes up much more than the earlier estimate.</p>
2.	1.9.	<p>The Committee note that the main reason for the non-utilisation of funds and late completion of schemes has been stated to the "late sanction of schemes". It appears that the authorities have not seriously considered the urgency of the development of the port and have consequently neglected advance planning in this regard. The Committee feel that apart from the full utilisation of funds provided for the projects, it is still more important that the physical targets laid</p>

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down for the projects are achieved according to scheduled programme. The Committee therefore recommend that the scheduled dates of completion of the projects should be fixed on a realistic basis and advance planning should be done and detailed blue prints prepared. They would like to emphasise that every possible endeavour should be made by the Government for the timely execution of the schemes.

3.

1.15.

The Committee note that the question of delegating more powers to the Port Trust authorities is already receiving the attention of the Government and that the proposed legislation in the matter is expected to be enacted within a year. The Committee would like to urge that the entire question of delegation of power and functions to the Port Trust authorities may be given a fresh look by the Government so that while the powers of determining policies and laying down guidelines may remain in the hands of Government, the Port Trust authorities may be vested with sufficient powers in the matter of day to day administration so as to enable them to take quick and on the spot decisions. The Committee hope that the proposed legislation would be brought forward soon after taking into consideration the above factors.

4.

1.16.

The Committee note with concern the observations of the Study Team of the International Association of Ports and Harbours that there is lack of understanding and coordination among the various Port officials. The Committee were, however, informed by the representatives of the Ministry of Shipping and Transport and Visakhapatnam Port Trust that the instance happened in 1965 and that at present there was close understanding and team work in the Port. The Committee fail to understand that when there is close understanding and liaison work why

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there is non-utilisation of funds and late completion of schemes now. The Committee need hardly stress that the officials of the Port should work in close cohesion so as to achieve maximum operational efficiency.

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2.7.

The Committee note that the Government of India have decided that the Visakhapatnam Port has to meet the outlay of Rs. 16.65 crores on the development works of the Inner Harbour and Rs. 14.50 crores on the Outer Harbour Project from its own resources which means that it has to find revenue to the tune of Rs. 31.15 crores within the Fourth Plan period. The Committee have been informed that the Port authorities expect to raise Rs. 21.64 crores by surpluses of revenue over working expenses. They have submitted proposals for raising total additional revenue of about Rs. 1.45 crores per annum. If these proposals are approved and implemented from January, 1971, and taking into account an increase of Rs. 7 lakhs per annum from Railway terminal charges the gap in the resources would be reduced from Rs. 9.51 crores to about Rs. 4.81 crores during the Plan period. As regards the ways and means for meeting this uncovered gap of Rs. 4.81 crores it may be necessary for the Port to go in for a Government loan to the extent of the uncovered gap. The Committee hope that the Government will go into the pros and cons of these proposals and take decisions on them early.

6.

2.8.

The Committee note from the information furnished by the Ministry of Shipping and Transport that the working expenses of the Port have been showing an upward trend during the last three years. While the expenses in 1967-68 were Rs. 296.68 lakhs they increased to Rs. 374.27 lakhs in 1968-69 and Rs. 500.01

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- lakhs in 1969-70 and the percentage of the working expenses to gross revenue increased from 51 per cent in 1967-68 to 55 per cent in 1968-69 and 59 per cent in 1969-70. The Committee are concerned to see this upward trend in working expenses of the Port. They hope that every effort would be made to check this rise in working expenses by effecting economy in expenditure and maximising the efficiency in operations.
7. 3.11. The Committee suggest that necessary follow up action in the light of the following recommendation of the Major Ports Commission may be taken by the Visakhapatnam Port authorities at an early date, that "the handling rates of general cargo in the Indian Ports should be improved. It is only by mechanisation that a satisfactory measure of improvement can be attained. We recommend that steps in that direction should be taken urgently in view of the considerable increase in the general cargo traffic anticipated in the next five or ten years."
8. 3.12. The Committee would also like to emphasise the urgent need for a continuous study of loading and unloading operations in the port so as to improve efficiency and reduce the cost of handling to the minimum.
9. 3.13. The Committee have no doubt that port authorities would take up mechanisation where necessary in the interest of speeding up handling operations consistent with the policy of ensuring right of work for existing employees.
10. 3.14. The Study Team of the International Ports and Harbours had recommended that the movement of cargo between ships and transit sheds be speeded up by using pallets for handling both import and export cargo between ship holds and transit sheds for cargo. The Com-
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mittee would like Port authorities|Government to take action in pursuance of this recommendation at an early date.

11. 3.18 The Committee are glad to note that there has been no equipment break-down causing stoppage of work during the last 5 years and no machinery has remained idle because of lack of spare parts. The Committee hope that utmost attention would continue to be paid to the timely and periodical check-up of all mechanical appliances in the Port.

12. 3.22 The Committee are glad to note that the average period of waiting at the Port and the number of ships kept waiting is getting reduced during the last three years. The Committee hope that the Port authorities would make sustained efforts to reduce the period of waiting and the number of ships kept waiting still further in coming years.

13. 3.27 The Committee regret to note that the ore handling plant which was expected to handle eight million tonnes of iron ore, was discovered by the representative of Japanese Steel Mills to be capable of handling only 4 million tonnes. Even after carrying out some corrective measures resulting in an additional expenditure of Rs. 93.41 lakhs, the capacity of the handling plant could not be increased beyond six million tonnes. The Committee cannot help drawing the conclusion that sufficient care was not exercised by those entrusted with the execution of the scheme. The Committee would therefore, suggest that the matter should be thoroughly investigated and action should be taken against those who were responsible for the lapse. They would also like to emphasise that in all such cases, the Government should examine such proposals in advance and in detail with the assistance of technical experts to that

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machinery of desired specifications may be procured in time and huge losses on account of subsequent additions and changes entailing waste of time and additional expenditure might be avoided.

14. 3.28 The Committee note that Australia occupies first position in the export of iron ore to Japan and India occupies second position. The Committee feel that one of the chief reasons for not being able to sustain and increase our iron ore exports to Japan and other countries is failure to develop in time the port and handling facilities of the requisite capacity and efficiency. Now that Government are going in for a more ambitious project for export of iron ore by developing the outer Port, the Committee would like Government and the Port authorities to ensure that such lapses do not recur. What the Committee in particular desire to emphasise is that the failure of the plant to handle ores with the requisite efficiency does not only mean a poorer return on the capital invested by the Port authorities but also has the effect of depriving the country of a potential source for increasing exports to earn the much needed foreign exchange. It has also the effect of cutting back the development programme for mining and other ancillary industries connected therewith. The Committee, therefore, feel that the Port authorities should ensure that the handling facilities for ore exports, both in terms of capacity and efficiency, do not lag behind the integrated export programme.
15. 3.37 The Committee note that in the Visakhapatnam Port the dredgers are being utilised from 112 days to 252 days in a year only and that in 1966-67, G.D. 'Gamine' and S. D. 'Visakha' were utilised for 112 and 130 days respectively and
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in 1968-69 S.D. 'Vizagapatam' was utilised for 152 days only. The quantities of annual dredging during the years 1966-67 and 1968-69 have also shown a downward trend. The position in respect of D.S. 'Waltair' (Dredger-cum-road-breaker) is still more unsatisfactory. The Committee further note that shortage of Marine officers has also contributed to the unsatisfactory position in respect of full utilisation of dredgers. The Committee need hardly emphasise the need for maximum utilisation of the dredgers in the Port in order to maintain the draft in the channel. They, therefore, urge that Government should ensure maximum utilisation of dredgers by coordinated and purposeful planning. The Committee further suggest that steps should be taken immediately by the Port authorities to overcome the shortage of trained staff and to reduce loss of mandays due to break-down of the dredgers.

16. 3.38

The Committee agree with the recommendation made by the Study Team of the International Ports and Harbours that as an interim improvement the Port Trust investigate the types of pipeline connections available and suitable for use in current operations which would reduce the time now required for breaking and reconnecting the floating pipeline. The Committee would like to be apprised of the action taken by the Government in the matter.

17. 3.47.

The Committee feel that with the commissioning of the Ore Handling Plant and development of Visakhapatnam Port as a major outlet for iron-ore the Railways in the Port will have to play an increasingly important role in the functioning of the Port. They note that the Port authorities have already taken a number of schemes in hand for the development of Port Railways to meet the increasing demand in the years to come. The Committee would, how-

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		ever, like that a detailed assessment of the likely traffic in the Port in the next ten years may be made and perspective planning done to provide the requisite capacity.
18.	3.48.	From the statement furnished by the Government to the Committee regarding the working of the Port Railways, the Committee note that while Gross earnings of the Port Railways increased from Rs. 98.78 lakhs in 1968-69 to Rs. 104.47 in 1969-70 an increase of only 6 per cent approximately, the working expenditure during the corresponding period increased from Rs. 28.43 lakhs to Rs. 59.23 lakhs, an increase of more than 100 percent. The Committee recommend that the reasons for this heavy increase in the working expenditure should be gone into and immediate remedial steps taken to keep the expenditure to the minimum.
19.	3.49.	The Committee further note that at present depreciation is being charged on an <i>ad hoc</i> basis taking the total value of assets of the Port and separate depreciation is not being charged to each asset. They feel that this procedure is not satisfactory as the working results achieved after charging such depreciation cannot give a true picture of the working of the Port Railways. The Committee, however, note that separate depreciation would be provided under the head "Railways" from 1970-71 onwards based on the assets whose list is being compiled.
20.	3.58.	The Committee note that Visakhapatnam Port has the lowest number of ship-days lost and there has been considerable improvement in the position relating to shifting of ships. However, as the traffic at the Port is expected to increase to 12 lakh tonnes by 1974-75 and with the development of the Visakhapatnam Port as a big centre of iron ore export and cons-

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truction of steel plant near Visakhapatnam, the position relating to congestion is likely to get complicated, Government should appoint a team of experts to study the problem of heavy concentration likely to develop in next fifteen years in Visakhapatnam Port, so that remedial measures may be initiated in time.

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3.59

The Committee note the observation made by the Study Team of the International Ports and Harbours that in Visakhapatnam Port the shifting of vessels is a serious problem and that in 1967 as many as 75 per cent ships were required to shift berths. Even according to the statement of the Government as many as 47 per cent of the vessels in 1969-70 were required to shift berths. The Committee recommend that the shifting of the vessels should be reduced to the minimum through improved planning and scheduling of both cargo and vessels in a planned manner. The Committee desire that concrete steps in this behalf should be taken without delay.

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4.6

The Committee note that as many as eight schemes which were taken up for execution in the Third Five Year Plan could not be completed in the Third Five Year Plan period and were taken over to the Fourth Five Year Plan period. The Committee note that in the Fourth Five Year Plan period also, a number of schemes have not been taken up since the same are awaiting sanction or have been accorded lower priority. This indicates that the justifications for the schemes were not fully examined from all angles before including them in the Plan. The Committee expect the Port Authorities and Government to ensure that all schemes for development are examined in all aspects with particular reference to their potential use and return on investment, before accepting them for inclusion in the Plan.

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4.7.

This does not, however, mean that the Committee rule out review of the schemes in the light of developments but they feel that if planning is done on realistic basis there should be no occasion for any drastic revision of the schemes on a subsequent date. The Committee also consider that once a scheme has been accepted for inclusion in the Plan, no time should be lost by the Port Authorities in preparing detailed estimates, blueprints etc., so as to obtain timely sanction. Government and Port Authorities should also review the existing procedure in order to streamline it in the interest of speedy and efficient execution of Plan schemes.

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4.8

Another important aspect which has attracted the attention of the Committee is that the traffic handled at the Port in 1968-69 was 8.05 million tonnes only as against the developed capacity of 10.30 million tonnes. While the Committee appreciate that the capacity has to be marginally ahead of the immediate requirements, they consider that planning should be done on a realistic basis to avoid locking up of scarce financial resources on development of infra-structure facilities which may not lend themselves to immediate utilisation or offer reasonable return on capital invested.

25.

4.17.

The Committee note that the Visakhapatnam Outer Harbour Project is intended to enable the port to receive large size iron-ore carriers so as to meet international competition in regard to freight charges on the export of iron ore to Japan. The Committee are glad to note that the work on the Outer Harbour Project is progressing according to schedule and is expected to be completed by May, 1974. In this connection, the Committee would like to emphasise

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that work on the Project should be speeded up as much as possible so that the date of completion of the Project may be advanced. In case it is found difficult to advance the date of completion, it should be ensured by all possible means that the Project is executed and completed at least in time.

26.

4.18.

The Committee are constrained to note that while other countries like Australia have already created conditions which are far ahead of those in India and have been catering to iron-ore carriers of 70,000 tonnes since 1968 and would soon be receiving iron-ore carriers of 1,00,000 dwt. the Visakhapatnam Port would be in a position to receive iron-ore carriers of 1,00,000 dwt. only in 1974, when the Visakhapatnam Outer Harbour Project is completed. With this there is every possibility that by 1974, ports in those countries might be receiving iron-ore carriers of bigger tonnage, thus leaving India far behind in the matter of freight charges. The Committee would, therefore, like to emphasise that Government should keep themselves abreast of the development in respect of port facilities in other competing countries and do realistic planning to ensure that developments in the Outer Harbour Project at Visakhapatnam keep pace with the port facilities in other competing countries.

27.

4.19.

The Committee feel that the performance of the Visakhapatnam Port in the past regarding loading of cargo has not been satisfactory. The Committee would like to emphasise that the Port-Trust-authorities should make proper arrangement for quick and timely loading and unloading of cargo particularly when the port is expected to handle carriers of 1,00,000 dwt. and more in the near future.

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28. 4.20. The Committee would also like the Port authorities to ensure that the handling charges at the Port are both economic and competitive.
29. 5.5 The Committee are glad to note that the relations between the management and labour in the Visakhapatnam Port are quite cordial and there has been no major strike in the Port recently. The Committee have, however, noted that there has been some discontentment in the workers under the Dock Labour Board leading to strikes. The Committee would stress that steps should be taken to settle the grievances and demands of this section of the labour by means of fruitful negotiations so as to obviate any possibility of a strike.
30. 5.7. The Committee are glad to note an incentive scheme has been introduced in the Visakhapatnam Port Trust for cargo handling workers and other inter-related employees for effecting economy by rationalisation of operations and maximising efficiency.
31. 5.11. The Committee note that out of 9,484 employees of the Visakhapatnam Port, only 633 i.e. about 6.6 per cent. have been provided with quarters and only 1,540 more quarters are proposed to be constructed for all categories of employees. Even after the construction of the proposed quarters, only a small percentage of the employees would be provided accommodation. The Committee have been informed that quarters for the remaining employees could not be provided because of paucity of funds. They need hardly stress that concerted efforts should be made to provide quarters to maximum number of employees by availing of facilities under various housing schemes.
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APPENDIX V

*Analysis of recommendations contained in the Report.*

Classification of Recommendations. ..

**A. RECOMMENDATIONS FOR IMPROVING THE ORGANISATION AND WORKING**

Serial Nos. 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20 21, 22, 23. 24. 25. 26. 27; 28 and 30.

**B. RECOMMENDATIONS FOR EFFECTING ECONOMY**

Serial Nos. 6,18

**C. MISCELLANEOUS RECOMMENDATIONS**

Serial Nos. 5, 19, 29, 31.