

**ESTIMATES COMMITTEE  
(1972-73)**

**FIFTH LOK SABHA**

**TWENTY-SECOND REPORT**

**MINISTRY OF SHIPPING AND TRANSPORT**

**[Action taken by Government on the recommendations contained in the First Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Shipping and Transport—Visakhapatnam Port]**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*July, 1972/Asadha, 1894 (Saka)*

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(1972-73)

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(1972-73)

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13. Shri Venkatrao Babarao Tarodekar
14. Shri Krishnarao Thakur

## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present the twenty-second Report on action taken by Government on the recommendations contained in the First Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Shipping & Transport—Visakhapatnam Port.

2. The First Report of the Estimates Committee (Fifth Lok Sabha) was presented to the Lok Sabha on the 20th July, 1971. Replies indicating action taken on the various recommendations contained in the Report were furnished by Government between 20th March, 1972 and 29th April, 1972. The Study Group 'F' of the Estimates Committee considered the replies received from the Ministry on the 16th June, 1972 and approved the draft Report on the same day. The Report was subsequently adopted by the Committee on the 30th June, 1972.

3. The Report has been divided into the following Chapters:—

- I. Report;
- II. Recommendations that have been accepted by Government;
- III. Recommendations which the Committee do not desire to pursue in view of the Government's reply;
- IV. Recommendations in respect of which reply of Government has not been accepted by the Committee;
- V. Recommendations in respect of which final replies of Government are still awaited.

4. An analysis of the action taken by Government on the recommendations contained in the First Report of the Estimates Committee (Fifth Lok Sabha) is given in Appendix II. It would be observed therefrom that out of 31 recommendations made in the said Report, 16 recommendations i.e. 51.6 per cent have been accepted by Government. The Committee do not desire to pursue 13 recommendations i.e. 42 per cent in view of Government's reply. The replies of Government to one recommendation i.e. 3.2 per cent has not been accepted by the Committee. Final reply of Government in respect of one recommendation i.e. 3.2 per cent is still awaited.

NEW DELHI:  
July 4, 1972  
Asadha 13, 1894 (Saka).

KAMAL NATH TEWARI,  
Chairman,  
Estimates Committee.

ance for leading and deballasting of water; (vi) quick procurement of clearance from customs to commence loading; (vii) avoidance of delay in measuring the draft and in furnishing the trimming quantity to be loaded etc.

The plant has already handled 5 lakh tons per month which amounts to 6 million tons per annum. It may be stated that the main plant has the theoretical capacity to handle 8 million tons per annum. The modifications were carried out to supplement the reclaiming capacity, which was 2000 tons per hour maximum as against 2660 tons per hour for direct loading. The actual output of the plant was tested by the Consultants and certified to be as per the designed capacity of 2660 tons per hour. Therefore, there was no lapse on the part of the firm connected with the design and supply of plant.

Government accepts the recommendation of the Committee as mentioned in the concluding portion of the recommendation."

The Committee regret to note that the circumstances in which the Ore Handling Plant which was expected to handle eight million tonnes of Iron Ore was discovered by the representative of the Japanese Steel Mills to be capable of handling only 4 million tonnes have not been explained. The Committee would like to reiterate their earlier recommendation that the reasons for this lapse should be thoroughly investigated and action taken against those found responsible.



## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation (S. No. 2 Para 1.9)

The Committee note that the main reason for the non-utilisation of funds and late completion of schemes has been stated to be "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.

#### Reply of Government

The recommendation has been noted. As regards the Fourth Plan, advance planning has been done and the detailed estimates and blue-prints have been prepared for the project works included in the Fourth Plan.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)71,  
20-3-71]

#### Recommendation (Serial No. 3 Para 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.

### **Reply of Government**

The question of delegating greater financial and administrative powers to the Chairman and the Port Trust Boards of the Major Ports was considered *inter alia* by the Commission on Major Ports and they have made certain recommendations in this regard *vide* their recommendation Nos. 83—85 (Appendix I). The Government decision on these recommendations is expected to be formulated shortly. Necessary legislation to give effect to these recommendations as accepted will be taken up in due course.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)71 dt 29-3-72].

### **Comments of the Committee**

The decision taken on the recommendations of the Major Ports Commission may be intimated to the Committee in due course.

### **Recommendation (S. No. 4 Para 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.

### **Reply of Government**

The non-utilisation of funds and late completion of schemes during the First, Second and Third Five Year Plans were not because of

lack of understanding and coordination among various Port Officials but because of the reasons enumerated in reply to recommendation No. 1 of Appendix IV to the Committee's Report. The Government agrees with the recommendation in the last sentence of the above summary.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)71 dt. 20-4-72]

### **Recommendation (S. No. 6 Para 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 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.

### **Reply of Government**

The sharp increase in working expenses during 1969-70 was due to a change in the accounting procedure under which accounts are maintained on accrual basis (as distinct from cash basis). If the accounts for 1968-69 are also recast on the same basis, the expenditure would amount to Rs. 419.33 lakhs instead of Rs. 374.27 lakhs. Thus, the difference between the figures of expenditure for 1968-69 and 1969-70 would be reduced to Rs. 80.68 lakhs. This was mainly due to increase in salaries and wages as a result of the implementation of the Wage Board Report, normal increments and increase in expenditure on staff and stores under Railways. The percentage of Working Expenses to Gross Revenue in 1969-70 was 60.90 per cent.

During 1970-71, the gross revenue increased to Rs. 928.96 lakhs (an increase of Rs. 107.90 lakhs), while the working expenses increased to Rs. 564.38 lakhs (an increase of Rs. 64.37 lakhs). The ratio of working expenses to gross revenue was 60.75 per cent. The increase in expenditure was mainly due to payment of additional Dearness Allowance to staff, increments, revision of pay of Marine Officers as a result of implementation of Desai Committee's report and higher maintenance costs.

It would thus be seen that in spite of unavoidable extra expenditure on salaries and wages and general increase in costs, the ratio of working expenses to gross revenue has not risen in 1970-71. However, the Committee's recommendation has been noted and the Port Trust is exercising the utmost economy in operational and administrative expenditure.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)71 dt. 29-4-72.]

### Recommendation (S. No. 7 Para No. 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."

### Reply of Government

The Major Port Commission's recommendation referred to by the Committee has been accepted by Government and the Visakhapatnam Port Trust would no doubt implement it. However, the following statistics will reveal that the rate of handling of general cargo at Visakhapatnam Port has been continuously going up:

Year.	Rate of handling cargo per hour (in tons)
1968-69	33
1969-70	34
1970-71	37

In fact, in the matter of handling general cargo with mechanical equipments, the Visakhapatnam Port Trust have made a major 'break-through'. They have procured so far 52 Forklifts of varying capacities (i.e., from 2000 Kgs. to 8000 Kgs). Further, 400 pallets have been recently acquired for use, in conjunction with Forklifts. With regard to other mechanical equipment such as Mobile Cranes, Tractors, Trailers, Dumpers, Floating Cranes etc., also they are comfor-

tably placed. The above position would show that they are well-equipped for handling general cargo for at least the next five years. [Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71 dt. 20-3-72]

#### **Recommendation (S. No. 8 Para 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.

#### **Reply of Government**

A Planning & Research Department has been established at Visakhapatnam Port with the Director as the Head of the Department. A continuous study of out-put is being made by this department, as well as the Traffic Department, with a view to improving the efficiency. The Cost Accounting Cell in the Accounts Department is also being associated with these studies to effect economies, wherever it is possible.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71 dt. 20-3-72]

#### **Recommendation (S. No. 9 Para 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.

#### **Reply of Government**

The Visakhapatnam Port Trust have introduced mechanisation in the handling of Iron Ore, without reducing or displacing any labour. They have procured several types of mechanical equipment with a view to improving the handling cargo. The more important are procurement of 25 Nos. of additional fork-lift trucks for palletizing the cargo, 3 Nos. high capacity fork-lifts, 6 Nos. 6000 lbs. capacity forklift trucks, 2 Nos. 8000/12000 lbs. capacity side-lifting forklift trucks and 5 Nos. shuttle dumpers.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71 dated the 20th March, 1972.]

**Recommendation (S. No. 11 Para 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.

**Reply of Government**

Noted.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71 dated the 20th March, 1972.]

**Recommendation (S. No. 12 Para 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.

**Reply of Government**

The Committee's observations are noted. Efforts will be made to reduce the waiting period of ships still further; but this would depend greatly on quick clearance. For clearance, the Railways have to act in a big way to make the wagons available

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71 dated the 20th March, 1972.]

**Recommendation (S. No. 19 Para 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.

## Reply of Government

At present, depreciation is being charged activity-wise on an *ad-hoc* basis. In respect of Railways, an amount of Rs. 4.91 lakhs during 1969-70 and Rs. 6.40 lakhs during 1970-71 has been charged. It would be possible to charge depreciation on a scientific basis after the finalisation of Assets Register by the Assets Cell created specifically for this purpose. This work has been completed including physical verification, and capital block is being recast by adjustments wherever necessary in the Annual Accounts for 1971-72 which would be ready by July, 1972.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71, dated the 20th April, 1972.]

### Recommendation (S. No. 21 Para 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.

## Reply of Government

In Visakhapatnam port, there are six regular Quay berths, out of which three berths are earmarked on priority basis for loading ore, handling foodgrains, etc. It is not possible to make any change in this procedure without detriment to trade and the practice has to be continued. Thus, there are only three berths in which the port have to handle other types of commodities. The covered accommodation is also available only at four berths. The cumulative effect of all these is that certain amount of shifting of vessels is necessary in the interest of both the shipping as well as the importers and exporters. The position would improve when the two West Ore Berths are released after the commissioning of the Outer Harbour.

Every effort is being made to reduce the No. of shiftings of the vessels to the absolute minimum. In 1970-71 only 37 per cent of the vessels had to shift berths.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71, dated the 29th March, 1972.]

### **Recommendation (S. No. 23 Para 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, blue prints 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.

### **Reply of Government**

Schemes relating to ports are included in the Plan for providing infra-structure facilities at different major ports. These schemes are subject to scrutiny before inclusion in the Plan. But the type and nature of the examination of the proposals at the time of inclusion in the Plan is different from the scrutiny which takes place at the time of final sanction of the scheme by the Government.

Schemes are included in the plan in the light of certain priority, depending upon their importance and availability of funds. Sometimes contingency planning has also to be done. Funds are sometimes provided in the Plan for pre-investment surveys and undertaking preparation of shelf of projects.

Inclusion of a particular scheme in the plan does not imply its implementation straightaway. At the time of detailed examination, if some of the schemes in the Plan do not deserve high priority because of lack of justification on account of the decline in traffic or constraint on financial resources or change in hydraulic conditions at ports etc., such schemes have either to be dropped or deferred. Planning is a continuous process and appraisal of the Plan proposals at intervals is necessary to ensure that investment made does not prove unproductive at a later stage.

At present necessary preliminary steps are taken sufficiently in advance so that the execution of the Plan is completed according to the schedule requirements. The Plan works are reviewed by the Chairman, Visakhapatnam Port Trust in the monthly meetings and it is ensured that all the items are processed quickly. The Departments of the Port have also been instructed in regard to the replacement of the existing equipment etc. to take action



in advance. There is a Liaison Unit at Delhi exclusively for taking up follow-up action in respect of the proposals sent to the Government specially in connection with the Outer Harbour Project.

At the Government level, there is a Steering Committee under the Chairmanship of the Secretary, Ministry of Shipping & Transport, to review the progress made in the project and to resolve bottlenecks faced in the execution. The Steering Committee comprises representatives from various Ministries (like Finance, Steel & Mines, Planning Commission etc.) and organisations (MMTC, NMDC etc.) and has been found to be a very useful forum to expedite decisions.

The Committee's recommendations are hence accepted.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71,  
dated the 12th April, 1972.]

#### **Recommendation (S. No. 26 Para 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.

#### **Reply of Government**

Though the Outer Harbour Project is designed to receive 100,000 dwt. ore carriers initially in the first stage, provision has been made to receive even 200,000 dwt. ore carriers in future. As such, we will be keeping abreast of the development of Port facilities in other competitive countries.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71,  
dated the 20th March, 1972.]

**Recommendation (S. No. 29 Para 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.

**Reply of Government**

During the year 1970-71, the wagon unloading workers in the unregistered scheme of the Dock Labour Board went on strike from 25th August, 1970 to 12th September, 1970 and again from 21st October, 1970 to 25th November, 1970. Since then, industrial relations so far as dock workers at Visakhapatnam Port are concerned have been generally satisfactory. The Dock Labour Board is a tripartite body at which the workers as well as the employers are represented. Various sub-committees like, review committee for strength of workers, piece-rate committee, welfare committee, etc., in which representatives of the workers are also associated, have also been constituted with a view to settling the grievances and demands of the workers.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71,  
dated the 1st April, 1972.]

**Recommendation (S. No. 30 Para 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.

**Reply of Government**

No comments.

[Ministry of Shipping and Transport O.M. No. 12—PDI (32)/71,  
dated the 1st April, 1972.]

**Recommendation (S. No. 31 Para 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.

### Reply of Government

Efforts are being made to provide quarters to a maximum number of employees, as far as resources permit. The present position (31-7-71) of Housing is as follows:

Category	No. of employees	No. of Qrs. provided	No. of Quarters.		Total No. of Quarters	Percentage.
			Under construction	Proposed to be constructed during IV Plan		
<i>Officers</i>						
Class I & Class II	142	84	..	..	84	59.15
Class III	3512	405	48	..	453	12.9
Class IV	4987	248	280	..	528	10.58
Shore Labour.	1807	..	600	900	1500	83.00
<b>TOTAL</b>	<b>10448</b>	<b>737</b>	<b>928</b>	<b>900</b>	<b>2565</b>	<b>24.55</b>

[Ministry of Shipping and Transport O.M. No. 12-PDI(32) 71, dated 20-3-72]

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

#### Recommendation (S. No. 1 Para 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.

#### Reply of Government

There were several factors which contributed to some delay in the execution of the schemes during the earlier plans. In the cases cited, the position, briefly, is as follows:—

#### *Oil Refinery Wharf* ..

The work on the Oil Refinery Wharf was started in the First Five Year Plan. This involved not only construction of 2 berths but also considerable underwater rock cutting for deepening and widening the Channel. Although, the deepening and Widening of the Channel and rock-cutting continued for a longer period, Berths I and II of the Oil Refinery Wharf were completed and commissioned in January, 1957 and October, 1957 respectively and were available for receiving the tankers. As the Caltex Oil Refinery was commissioned in April/May 1957, it cannot be said that there was delay in commissioning the wharves. The deepening and widening of the channel

has been completed and the rock-cutting work will be completed in the course of the current year. (1971-72)

*Construction of Additional 4 berths*

The work was commenced in October, 1961 and was due to be completed in April 1964. The actual completion was as follows:—

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Ore Berth No. I	. December, 1964
Ore Berth No. II	. June, 1965
Cargo Berth No. I	. October, 1966
Cargo Berth No. II	. December, 1967

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The delay in completion of the work was mainly because of delay on part of the contractors on whom a compensation of Rs. 16.5 lakhs was levied. As regards the Ore Berths the mines had not started sending ore by the time these berths were completed and hence the delay did not affect the exports. Although, there was some delay in the completion of the general berths I and II, the then existing berths were continued to be utilised, with some difficulty, before the new berths were commissioned.

*S.D. Visakha*

Procurement action was taken in 1954/55 and the order was placed for the dredger in November, 1955. It was actually received in February, 1958.

*1200 H. P. Tugs*

Action for the procurement of an additional tug to meet the requirements of the port was taken in 1958. In 1959, it was considered necessary to also replace the low-powered tug "Ranger" by a new high-powered (1200 H.P.) tug. Action for procurement of the two tugs was commenced in 1958 and 1959 and the D.G.S.&D. was requested to call for tenders. The tenders were finalised and work order was issued in August, 1961. The delivery was within 21 months from the date of receipt of the import licence. The Import Licence was received in November, 1961 and the tugs were actually received in 1964.

The Visakhapatnam Port Trust by a system of monthly review of all the schemes and regular correspondence with Government, etc., for clearance, import licence and other formalities and pursuit

of the cases through the Liaison Officer at Delhi are endeavouring to avoid delays in the various stages to a great extent.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32) 71, dated 20-3-72]

### Recommendation (S. No. 5 Para 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.

### Reply of Government

The Fourth Five Year Plan proposals have been revised by a Working Group of the Ministry associating the representatives of the Planning Commission, Ministry of Finance etc. in the light of the progress of various schemes, traffic trends, escalation in the cost of the schemes etc. The total outlay during the Fourth Plan period has now been suggested at Rs. 56.86 crores for the Visakhapatnam Port Trust as against the original estimations of Rs. 51.65 crores, as detailed below:—

(Rupees in crores)

	Approved Fourth Plan Provision	Present require- ment
Inner Harbour	16.65	16.86
Outer Harbour	35.00	40.00
<b>TOTAL</b>	<b>51.65</b>	<b>56.86</b>

The Port's own resources are estimated to be Rs. 16.86 crores during the Plan period and as per the revised estimated cost of the schemes included in the Plan, an amount of Rs. 40 crores has to be advanced by the Government as loan. However, the Port Trust have been advised to raise open market loan to the extent of Rs. 10 crores during the Fourth Plan period so that the requirement of loan from the Government is reduced to Rs. 30 crores.

It will be seen that according to the revised estimates, the Visakhapatnam Port Trust are expected to provide Rs. 16.86 crores from their internal resources, excluding Rs. 10 crores to be raised by open market loan. It is expected that they would be able to find this amount at the existing level of Port rates.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)/71,  
dated 29-4-72]

#### **Recommendation (S. No. 10 Para 3.14)**

The Study Team on 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 hold and transit sheds for cargo. The Committee would like Port authorities|Government to take action in pursuance of this recommendation at an early date.

#### **Reply of Government**

A good position of the cargoes that are amenable to palletisation, both in the case of exports and imports, is moved between the ships and transit sheds at Visakhapatnam Port, by using pallets.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)/71,  
dated 20-3-72]

#### **Recommendation (S. No. 14 Para 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.

### **Reply of Government**

The Outer Harbour Project is designed to provide the necessary facilities for the export of iron ore principally to Japan, in accordance with the Agreement entered into with the Steel Mills of Japan.

When the Project is completed it will be able to take in ships of 100,000 d.w.t. initially and this can be improved to handle ships of 150,000 d.w.t. and 200,000 d.w.t., in the final stage. The iron ore loading plant will provide a loading rate of 8,000 tonnes per hour to ships of 100,000 d.w.t. and 16,000 tonnes per hour to ship of 200,000 d.w.t. On completion, the port would rank as one of the most modern ore loading ports in the world.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32) 71,  
dated 20-3-72]

### **Recommendation (S. No. 15 Para 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.D. 'Waltair' (Dredger-cum-rock 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.

### Reply of Government

The position is in regard to the various dredgers is explained below:

(1) G.D. "Gamine" Procured in 1949:

The Grab Dredger G.D. "Gamine" was utilised during the year 1966-67 as follows:

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Dredging	112½ days
Overhaul	38 days
Pile driving	45 days
Mechanical repairs	28½ days
Holidays	69 days
Want of Hopper Barges	24½ days
Boiler inspection	5½ days

*Miscellaneous delays :*

Shifting delay.	16½ days	} 42½ days
Shipping delay	½ day	
Tug delay	1½ days	
Bad weather	1½ days	
Strike for Steel Plant	4 days	
Want of coal	4 days	
Boiler Washout	4½ days	
Non-dredging days.	2 days	
Supplying Steam for tugs	4 days	
Attended for pile driving & other works of P.E. Section	3 days	
Fixing T. Head cradle at N.W. Arm	½ day	}
Searching concrete boulders in front of Naval Wharf	1 day	

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(2) *S. D. 'Visakha' procured in 1958.*

During the year 1966-67 due to major overhaul and conversion from coal to oil fuel which took 147 days she was employed for dredging on 130 days. The break-up is as follows:

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Dredging	130 days
Oil conversion and overhaul	147 days
Holidays	69 days
Changing over from drag to cutter and <i>vice-versa</i> including mechanical delays	14 days
Miscellaneous delays	5 days

---

As against the sanctioned strength of 2 Dredger Commanders and 6 Dredger Chief Officers for all the dredgers the actual strength was 2 Dredger Commanders and 3 Dredger Chief Officers during 1966-67. Hence the dredgers could not be worked for all the shifts on some days.

(3) *S.D. "Vizag" Procured in 1966:*

The following are the details of dredging and non-dredging days for the year 1968-69:

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Dredging	152 days
Non-dredging (Sundays & Holidays)	69 days
Half yearly overhaul	66 days
Mechanical delays and changing over from nozzle to cutter and <i>vice-versa</i>	26 days
Bad weather	13 days
Crew attended on S. D. Pansy"	24 days
Delays due to shipping	15 days.
	<u>365 days</u>

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As against the sanctioned strength of 2 Dredger Commanders and 6 Dredger Chief Officers for all the Dredgers, the actual strength was 1 Dredger Commander and 5 Dredger Chief Officers during 1968-69 and the dredgers could not be worked for all the shifts on some days.

Note: The crew of S.D. "Vizag" and S.D. "Pansy" are interchangeable and when one dredger is working the other is shut-down, the crew is transferred on the working dredger.

(4) D.D. "Waltair": Whenever this dipper dredger-cum-rock breaker is utilised in chiselling and rock dredging, the out-put is less as compared to the out-put when it is engaged in dredging soft material.

2. Considering the position stated above, there was no short fall in the annual dredging out-put during the years 1966-67 and 1968-69. It is also pointed out that the water-ways are being maintained to required depths by proper utilisation of the dredgers and there has never been any occasion when shipping was effected due to inadequate dredging. The Commission on Major Ports has made certain recommendations to ensure optimum utilisation of dredgers which have been accepted. Their implementation would improve matters. It has also been decided to set up a Committee of Technical Experts under the chairmanship of the Development Adviser, Ministry of Shipping & Transport to study the dredger requirements of the country and assess the measures to be taken to ensure the optimum use of available dredgers and to examine the indigenous capacity for manufacturing additional dredgers and for repairs, overhaul etc. The Committee is expected to submit its report within six months.

3. After the implementation of the Desai Committee scales in the year 1970, the difficulty experienced in recruiting the qualified Officers for the dredgers has slightly reduced.

4. The loss of mandays due to break-down of dredgers is only due to the age of the dredgers.

[Ministry of Shipping & Transport O.M. No. 12-PD(32)|71 dated 20-3-72].

#### **Recommendation (S. No. 16 Para 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.

### Reply of Government

To overcome the delay to dredging at the entrance channel and as an interim relief for beach nourishment programme a second hand dredger S.D. "PANSY" was acquired by the Visakhapatnam Port Trust and commissioned in January, 1969. This dredger has a hopper capacity of 1000 Tons and is equipped to pump out the material from her hopper. Two new jetties have been constructed on the north side of the Channel to enable the dredger to come along-side with a full load of sand and pump the material to foreshore without interruption to shipping. Since the commissioning of the jetties for this dredger, several difficulties were encountered for berthing S.D. "PANSY" due to prevailing surge and weather conditions due to which the pipeline used to dislocate.

To overcome this difficulty experienced during pumping the material to foreshore, an indent has been placed with M/s. I.H.C., Holland for a flexible rubber joint for the connection between the ship and shore pipeline. The flexible joint has not yet been received.

Further, in view of the Visakhapatnam Outer Harbour Project sand by passing system, complete with a new dredger berth, booster pump and pipeline, which is expected to be ready by April 1972, no difficulty is expected to be encountered. In view of this there is no need to have a sub-merged pipeline, as recommended by the Study Team of the International Ports and Harbours.

[Ministry of Shipping & Transport O.M. No. 12-PDI(32)|71 dated 20-3-72].

### Recommendation (S. No. 17 Para 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, 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.

### Reply of Government

The National Council of Applied Economics Research has done a perspective study of the Traffic Projections for this Port for the period upto 1988-89. In connection with the interim report of the Committee on Co-ordination of the programme of export of Iron Ore with the requirements of the steel industry, perspective planning has been done in the Ministry of Shipping and Transport with regard to the export of iron ore through major ports including Visakhapatnam Port and it has been estimated that iron ore export through Visakhapatnam Port is likely to touch 12 million tonnes by 1980. Port facilities are generally being geared to cater to the traffic requirements. The Planning and Research Department of the Port is also applying its mind, from time to time, to correctly fore-cast the trend of the trade.

In regard to the development of Port Railway, the following schemes have recently been completed.

(a) Construction of Reception-cum-Despatch Yard at a cost of Rs. 82 lakhs.

(b) Lengthening 9 out of 17 lines in the North Holding Yard at a cost of Rs. 23 lakhs.

(c) Laying an arterial siding for Jaggayyapalem to connect the Western Sector of Port Railway.

(d) Acquisition of 11 Diesel Engines at a cost of Rs. 165 lakhs in place of Steam Engines hitherto used by the Port Railway taken on hire from the S.E. Railway.

As a result of these developments, the capacity of the Port Railway is now practically doubled. In other words, as against handling of about 750 wagons in and out prior to the development, it would be possible to handle about 1500 wagons (in terms of four-wheelers). In regard to the Railway system for handling Iron ore traffic, improvements are being effected to handle the projected number of trains of about 12 a day in terms of BOY wagons. The essential feature of this development is the loop railway system and suitable modifications in the Reception-cum-Despatch Yard, in the Ore Exchange Yard. It is, therefore, felt that there would be absolutely no difficulty in dealing with all anticipated Railway traffic in the Port in the next five years. The question of further improvements will be considered, in due course.

[Ministry of Shipping & Transport O.M. No. 12-PDI(32)|71 dated 20-3-72].

**Recommendation (S. No. 18 Para 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 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 recommends 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.

**Reply of Government**

The figure of working expenditure of Rs. 28.43 lakhs on the Port Railways during 1968-69 was based on the old accounting system while that during 1969-70 was based on the revised accounting system introduced at the Port. Under the revised accounting system, which is on the accrual basis (as distinct from cash basis) the expenditure during 1968-69 would have been Rs. 48.95 lakhs. Thus the actual increase of expenditure during 1969-70 over the expenditure in 1968-69 was nearly 27 per cent, the final figures of expenditure during 1969-70 being Rs. 62.10 lakhs. This was mainly due to increase in the net-work of Port Railways, Railway equipment and locomotives and the consequential increase in the maintenance costs and increase in salaries and allowances as a result of the implementation of the Wage Board Report.

During 1970-71, however, the gross earnings of the Port Railways increased to Rs. 125.75 lakhs, while the expenditure came down to Rs. 58.26 lakhs. It will thus be seen that the expenditure on Port Railways is well under control.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)/71,  
dated 29-4-72]

**Recommendation (S. No. 20 Para 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.

### **Reply of Government**

In view of the anticipated traffic of 12 million tonnes by 1974-75 (and not 12 lakh tonnes as indicated in the Report), the Port has undertaken the construction of an Outer Harbour for the export of Iron ore. Out of 12 million tonnes, iron ore, accounting for about 8 million tonnes, would be handled at the Outer Harbour, when commissioned. The consequential release of two Iron ore berths, *viz.*, WOB—1 and WOB—2, for handling other types of commodities will increase the handling capacity of the Inner Harbour. It is not, therefore, considered necessary to appoint a Team to study the problem of heavy congestion. The Port Trust has been applying its mind constantly, with a view to avoiding any hold-up or bottle-neck, in the provision of basic facilities to the shipping industry and trade.

The mid-term reappraisal for the IV Plan has been conducted recently, taking into consideration the priorities of various schemes. The provision during the IV Plan period has been recommended to be fixed at Rs. 16.86 crores.

[Ministry of Shipping & Transport O.M. No. 12-PDI(32)/71, dated 29-3-1972].

### **Recommendation (S. No. 22 Para 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 indicate that the justifications for the Schemes were not fully examined from all angles before including them in the Plan. The Committee expects 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.

### Reply of Government

Schemes relating to ports are included in the Plan for providing infra-structure facilities at different major ports. These schemes are subject to scrutiny before inclusion in the Plan. But the type and nature of the examination of the proposals at the time of inclusion in the Plan is different from the scrutiny which takes place at the time of the final sanction of the scheme by the Government.

Schemes are included in the Plan in order of certain priority, depending upon their importance and availability of funds. Sometimes contingency planning has also to be done. Funds are sometimes provided in the Plan for pre-investment surveys and undertaking preparation of a shelf of project for the purpose of ex-ante project appraisal on a comparable basis.

Inclusion of a particular scheme in the Plan does not imply its implementation straightaway. At the time of detailed examination, if some of the schemes in the Plan do not deserve high priority because of lack of justification on account of the decline in traffic or constraint on financial resources or change in hydraulic conditions at ports etc., such schemes have either to be dropped or deferred. Planning is continuous process and appraisal of the Plan proposals at intervals is necessary to ensure that investment made does not prove unproductive at later stage.

A reappraisal of the Fourth Plan programme has been made recently giving due consideration to all aspects. After careful consideration of all aspects, total provision for the Inner Harbour has been recommended to be fixed at Rs. 16.86 crores as against an approved outlay of Rs. 16.65 crores and for the Outer Harbour at Rs. 40 crores as against an approved outlay of Rs. 35 crores during the IV Plan period. The amount of Rs. 16.86 crores has been fixed taking into account the on going schemes and the priorities. In view of the paucity of funds particularly due to construction of the Outer Harbour Project, the following projects/schemes which were included in the original IV Plan have been deferred:

1. Construction of 50 bedded hospital.
2. Remodelling of North Reception Yard.
3. Provision of Second Turning Basin at the Northern end at Northern Arm.
4. Construction of 3 quay berths on the West bank of Northern area in place of 3 existing jetty berths.
5. Transit sheds and Warehouses.
6. Road Fly Over Bridge over R & D Yard.



7. Rest houses and canteens.
8. Super Bazar with rat proof godown.
9. Ring Road.

As regards Type I Quarters, originally a provision for 1,500 quarters at Rs. 150 lakhs has been made in the IV Plan period. The construction of 600 quarters has been taken up at an estimated cost of Rs. 70.96 lakhs and is under execution. For the remaining 900 units, taking into consideration the financial position and the scarcity of building material, action is being taken to limit the total expenditure on these quarters to Rs. 100 lakhs in the IV Plan period (including the 600 quarters under execution).

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)/71,  
dated 12-4-72]

#### **Recommendation (S. No. 24 Para 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.

#### **Reply of Government**

The developed capacity of Visakhapatnam Port of 10.30 million tonnes includes designed capacity of 6 million tonnes of the mechanical ore loading plant. According to the contract during 1968-69, the quantity of iron ore to be shipped was 35.41 lakhs WMT. Against this, actual shipment was 34.07 lakhs WMT. The underutilization of the port capacity was mainly on account of the shortfall in the export of iron ore.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)/71,  
dated 28-4-72]

#### **Recommendation (S. No. 25 Para 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 the 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.

### **Reply of Government**

Because of the tight construction programme, it is not possible to advance the date of completion of the project. Every effort is, however, being made by the Visakhapatnam Port Trust to complete the project in accordance with the scheduled date.

[Ministry of Shipping & Transport O.M. No. 12-PDI(32)/71, dated  
20-3-1972].

### **Recommendation (S. No. 27 Para 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.

### **Reply of Government**

While it is true that there were some initial teething troubles in receiving and loading of Iron Ore, the performance in the last two years has been progressively good. To-day, the handling of Iron Ore trains and loading of ships have surpassed our estimates. The Iron Ore trains are being received, unloaded and returned expeditiously and the loading rate has also been touching an average of 1,800 to 2,000 tonnes per hours. In the Outer Harbour, facilities are being created to handle ships of 200,000 d.w.t. eventually, with a loading rate of 16,000 tonnes per hour. There would, therefore, be no difficulty in handling ships of 1,00,000 D.W.T.

[Ministry of Shipping & Transport O.M. No. 12-PDI(32)/71, dated  
20-3-1972].

## CHAPTER IV

### RECOMMENDATION IN RESPECT OF WHICH REPLY OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (S. No. 13 Para 3.27)

The Committee regret to note 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.

#### Reply of Government

The specification for the Ore Handling Plant was prepared by the Development Adviser in the Ministry of Transport. The capacity of the plant was specified as 2,660 tons/hour. The plant was tested for this capacity by the Consultants *viz.*, Ms. Soros and Ms. Howe India Private Ltd., who have certified that the erected plant has the designed capacity of 2,660 tons/hour.

It is not the normal practice to specify annual throughput capacity in the Contract Agreement. Rated hourly capacity of different components of the plant is generally indicated in the Agreement. This was followed in the present case.

Contractors are not in a position to guarantee the annual throughput of the plant as it not solely dependent on the rated hourly capacity of the various components but on several other factors, the important ones being such as (i) despatch of adequate quantity of ores from the mines; (ii) regular arrival of the ore trains; (iii) adequate shipping; (iv) regular arrival of the ships; (v) avoidance of delay on the part of the ships such as time taken for giving clearance for loading and deballasting of water; (vi) quick procurement of clearance from customs to commence loading; (vii) avoidance of delay in measuring the draft and in furnishing the trimming quantity to be loaded etc.

The plant has already handled 5 lakhs tons per month which amounts to 6 million tons per annum. It may be stated that the main plant has the theoretical capacity to handle 8 million tons per annum. The modifications were carried out to supplement the reclaiming capacity, which was 2,000 tons per hour maximum as against 2,660 tons per hour for direct loading. The actual output of the plant was tested by the Consultants and certified to be as per the designed capacity of 2,660 tons per hour. Therefore, there was no lapse on the part of the firm connected with the design and supply of the plant.

Government accepts the recommendation of the Committee as mentioned in the concluding portion of the recommendation.

[Ministry of Shipping and Transport O.M. No. 12-PDI(32)71, dated 12-4-72].

#### **Comments of the Committee**

The Committee regret to note that the circumstances in which the Ore Handling Plant which was expected to handle eight million tonnes of Iron Ore was discovered by the Japanese Steel Mills to be capable of handling only 4 million tonnes has not been explained. The Committee would like to reiterate their earlier recommendation that the reasons for the lapse should be investigated and action taken against those found responsible.

## CHAPTER V

### RECOMMENDATION IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

#### **Recommendation (S. No. 28 Para 4.20)**

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

#### **Reply of Government**

The Committee's recommendation has been noted.

[O.M. No. 12-PDI(32)71, dated 20-4-1972].

#### **Comments of the Committee**

The Committee may be informed by the Government if the recommendation has been accepted.

NEW DELHI;  
July 4, 1972.

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Asadha 13, 1894 (Saka).

KAMAL NATH TEWARI,  
Chairman,  
Estimates Committee.

## APPENDIX I

(Vide reply to recommendation at Serial No. 3)

### REPORT OF THE COMMISSION ON MAJOR PORTS

#### Recommendation No. 83

There are wide variations in the powers of the Chairman and the Board of Trustees as under the various Acts and the regulations framed thereunder with reference particularly, to the charging of expenditure to capital in the older ports. Greater financial powers should be bestowed on the Chairman and the Port Trust Boards and it is recommended that:—

- (1) for schemes included in the Annual Plans and for which administrative approval has been accorded by Government, the Port Trusts should have the power to sanction individual items upto Rs. 25 lakhs as well as approve tenders for the same value;
- (2) cases of escalation by over ten per cent and of material change in the scope of the project should go to the Government for approval; and
- (3) the revenue and capital budgets should continue to receive the approval of the Central Government.

#### Recommendation No. 84

The time of the Trust Boards is unnecessarily lost in personnel matters and they should devote their entire attention to the policies and programmes of port development, port management, etc., rather than an administrative details such as appointments, disciplinary proceedings etc.

The Commission recommends that the creation of all posts carrying a pay scale of Rs. 1,250.00 should vest in the Chairman, posts between the pay scale of Rs. 1,250 to Rs. 2,000 with the Board of Trustees, including the Chairman and posts above Rs. 2,000.00 with the Central Government. The appointments of the Chairman, the Deputy Chairman and General Manager may be made by the Central Government and the Heads of Departments and incumbents of posts

carrying a maximum salary of over Rs. 2,000.00 by the Chairman with the prior approval of the Central Government and of all other persons by the Chairman of the Port.

**Recommendation No. 85**

Appeals against the orders made by the Heads of Departments should lie with the Chairman and appeals against the orders made by the Chairman should go to the Ministry of Shipping and Transport.

## APPENDIX II

(Vide Introduction to Report)

*Analysis of the action taken by Government on the recommendations in the First Report of the Estimates Committee (Fifth Lok Sabha)*

1.	Total No. of recommendations . . . . .	31
2.	Recommendations which have been accepted by Government (Vide recommendations No. 2, 3, 4, 6, 7, 8, 9, 11, 12, 19, 21, 23, 26, 29, 30 & 31 included in Chapter II)	
	Number . . . . .	16
	Percentage to total . . . . .	51.6%
3.	Recommendations which the Committee do not desire to pursue in view of the Government's reply (Vide recommendations, No. 1, 5, 10, 14, 15, 16, 17, 18, 20, 22, 24, 25 & 27 included in Chapter III)	
	Number . . . . .	13
	Percentage to total . . . . .	42%
4.	Recommendations in respect of which replies of Government have not been accepted by the Committee (Vide recommendations No. 13 included in chapter IV)	
	Number . . . . .	1
	Percentage to total . . . . .	3.2%
5.	Recommendations in respect of which final replies of Government are still awaited (Vide recommendation at Serial No. 28 included in chapter V)	
	Number . . . . .	1
	Percentage to total . . . . .	3.2%