

**ESTIMATES COMMITTEE  
(1982-83)**

**(SEVENTH LOK SABHA)**

**FORTY FIRST REPORT**

**MINISTRY OF SHIPPING & TRANSPORT  
MAJOR PORTS**

Action taken by Government on the recommendations contained in the Thirty Second Report of Estimates Committee (Seventh Lok Sabha) on the Ministry of Shipping and Transport—Major Ports.

*Presented to Lok Sabha on .*



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# C O R R I G E N D A

Corrigenda to 41st Report of Estimates  
Committee on Major Ports.

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**STUDY GROUP ON ACTION TAKEN REPORTS**  
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**(1982-83)**

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## INTRODUCTION

1. The Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Forty-First Report on action taken by Government on the recommendations contained in the Thirty-Second Report of the Estimates Committee (Seventh Lok Sabha) on the Ministry of Shipping and Transport—Shipping—Major Ports.

2. The Thirty-Second Report was presented to Lok Sabha on 27 April, 1982. Government furnished their replies indicating action taken on the recommendations contained in that Report by 25th January, 1983. The replies were examined by Study Group of Estimates Committee on Action Taken Reports at their sitting held on 5th March, 1983.

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

- (i) Report.
- (ii) Recommendations|Observations that have been accepted by Government.
- (iii) Recommendations|Observations which the Committee do not desire to pursue in view of Government's replies.
- (iv) Recommendations|Observations in respect of which replies of Government have not been accepted by the Committee.
- (v) Recommendations|Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in Thirty-Second Report of Estimates Committee (7th Lok Sabha) is given in Appendix. It would be observed that out of 97 recommendations made in the Report, 85 recommendations, *i.e.* about 88 per cent have been accepted by Government, and the Committee to not desire to pursue 5 recommendations *i.e.* about 5 per cent in view of Government replies. Replies have not been accepted in respect of 6 recommendations, *i.e.* about 6 per cent Final replies of Government in respect of about 1 recommendation, *i.e.* 1 per cent is still awaited.

**BANSI LAL**  
*Chairman,*  
*Estimates Committee*

NEW DELHI,  
March 11, 1983  
Phalguna 20, 1904 (Saka)



## CHAPTER I

### REPORT

1.1 This Report of the Estimates Committee deals with the action taken by Government (Ministry of Shipping and Transport) on the recommendations contained in their Thirty-Second Report (Seventh Lok Sabha) on the Ministry of Shipping and Transport—Shipping—Major Ports which was presented to Lok Sabha on the 27th April, 1982.

1.2 Action taken Notes have been received from Government in respect of all the 97 recommendations contained in the Report.

1.3 Action taken notes on the recommendations of the Committee have been categorised as follows :—

- (i) Recommendations|observations that have been accepted by Government (Chapter II)

Sl. Nos. 1, 2, 3, 7, 8, 9, 10, 11, 12, 14, 17, 18, 19, 21 to 28, 30 to 37, 39 to 59, 61, 62, 64 to 92, 94, 95, 96 and 97.

(Total : 85)

- (ii) Recommendations|Observations which the Committee do not desire to pursue in view of Government's replies (Chapter III)

Sl. Nos. 4, 15, 16, 38 and 63.

(Total : 5)

- (iii) Recommendations|observations in respect of which Government's replies have not been accepted by the Committee (Chapter IV)

Sl. Nos. 5, 6, 13, 20, 60 and 93.

(Total : 6)

- (iv) Recommendations|observations in respect of which final replies of Government are still awaited (Chapter V)

Sl. No. 29

(Total : 1)

1.4 The Committee will now deal with the action taken by Government on some of their recommendations.

#### *Capacity Utilisation*

#### **Recommendation Nos. 5 and 6 (Paras 1.56 and 1.57)**

1.5 Observing that while at certain ports in respect of certain commodities the capacity was grossly under-utilised, at other ports and

in respect of certain commodities at the same port the traffic was far in excess of the capacities. The Committee had suggested that a critical study of the available capacities and traffic at each of the major ports should be made by a task force with a view to drawing up concrete schemes to provide essential and supporting facilities to make the maximum use of the existing capacities. The Group should also identify capacities which could be suitably modified to handle traffic of other commodities for which there might be demand or for which the demand could be generated.

1.6 The Committee had urged that this exercise should be completed without delay and the report made use of by the expert group which was then being set up by the Ministry to draw up perspective plan for the Seventh Five Year Plan period (1985-90).

“The infrastructural facilities for iron ore traffic such as deepening of the harbour involve large investments. Such investments can be considered only if long term agreement is arrived at with the buyer on the sale of the ore. Moreover, the general policy is to limit the export of ore and hence only marginal investments on the Port facilities are required to be undertaken.

With regard to the coal handling facilities at Calcutta in view of the very small draught of ships that can be accommodated the shipment is viable only in case the ships are discharged at ports which have shallow draughts. From the point of view of ship freight it would be uneconomical to further develop the coal handling facilities at Calcutta. At Haldia, the shipment is mostly coastal and tied up to the thermal power station at Tuticorin. It would, therefore, be possible to increase the through put from Haldia plant. Actions are being taken to achieve a higher through put.

In view of the above explanation there appears to be no need for setting up a Task Force as the problems are identified.”

**1.7. Whatever be the reasons, the phenomenon of gross under-utilisation of capacities in a number of major ports causes concern to the Committee. They would therefore reiterate a part of their earlier recommendation that there should be a critical study “to identify capacities which can be suitably modified to handle traffic of other commodities for which there might be demand or for which demand could be generated.” This exercise should be made and such schemes as may be warranted should be provided for at least in the Seventh Plan.**

## Congestion

### Recommendation S. No. 13 (Para 2.63)

1.8 The Committee had observed in the original Report that diversion of traffic to nearby ports was the only practical way to ease pressure on Bombay and other such posts where there was acute congestion. The Committee however, found that, let alone the importing agencies of the Government who might have their own reasons to stick to Bombay, even the Ministry of Shipping and Transport was sceptical about the workability of diversion scheme even though the Chairman, Bombay Port Trust, made a plaintive admission before the Committee about large and disorderly movement of cargo to Bombay and wished that such cargo should be better controlled in future and not dumped in Bombay. The Ministry was not in favour of vesting power in port authorities to divert ships from a port where there might be heavy congestion to another nearby port where position might be easy. The Ministry had thought that improvement of port facilities and infrastructure was the only way to deal with heavy shipping traffic. The Committee felt that while there was no denying the fact that ultimate solution to the problem lay in creating higher capacity and improving facilities at congested ports, at times diversion of traffic could also help tide over the difficulties and should be resorted to in times of acute congestion. The Committee had suggested the Ministry to consider vesting statutory powers in a Central agency like Inter-Ministerial Committee on Rationalised Distribution of Cargo which it should exercise in large public interest of removing bottlenecks in Shipping traffic and order diversion of ships carrying cargo not only for Government and public sector but also for private sector to nearby convenient ports with a view to easing congestion at any of the major ports. The Committee desired to be apprised of the action taken in the matter.

1.9 The Ministry of Shipping and Transport have in their reply, stated that it is neither possible nor necessary to vest the Inter-Ministerial Committee on Rationalised Distribution of Cargo with more powers so as to enable it to divert ships from congested ports to other nearby ports.

1.10 The Ministry has added that transport of goods by ships from one port to another port is under a contractual agreement between the carrier and the shipper. The carrier cannot change the port of disembarkation without the concurrence of the shipper. When there is need to divert ship and cargo from a congested port to another port, the shipper may allow diversion of his cargo to another port only if that works out cheaper for him. It may not be legally correct to interfere with the contractual agreement between the Carrier and the shipper. The movement of export or import cargo through certain ports is best left to the compulsion of market forces. Before ordering diversion

of a ship from a congested port to another port a number of factors like (a) details of cargo and their destination, (b) whether all such cargo can be handled at the port to which the cargoes are diverted, (c) availability of inland transport from the other port and (d) comparative costs to the shipper if the cargo is diverted, have to be considered. According to the Ministry it may not be practicable for the Committee on Rationalised Distribution of Cargo to consider all these questions before deciding whether cargo should be diverted from a congested port to another port.

**1.11 The Committee attached great importance to the need for coordinated operation of all the major ports. The phenomenon of gross under-utilisation of capacities in certain ports and acute congestion in other ports should not be allowed to perpetuate. The Committee do not therefore appreciate the Ministry's helplessness and its preference to allow the utilisation of capacity to be decided by market forces. The Committee desire that a package of incentives and disincentives, incentives for better utilisation of under-utilised ports and disincentives for traffic from and to ports which are congested should be evolved and introduced. It is in this context that the need to have an unified institutional arrangement for management of all the major ports reiterated elsewhere in the Reports assumes urgency.**

#### *Development of Minor Ports*

##### **Recommendation S. No. 20 (Para 2.70)**

1.12 In their 32nd Report the Committee had observed that the Working Group of the Planning Commission had visualised a positive role for the minor ports to relieve pressure on major ports. The Ministry had informed the Committee that minor ports had been used in the past to divert traffic from major ports. The Central Government had a scheme to grant loans to State Governments to develop minor ports with a view to augmenting ports capacities but the scheme had been scrapped recently. Seeing the growing traffic at major ports, the Committee had expressed an opinion that discontinuance of the scheme to grant loans to develop minor ports was not a correct step. The Committee had recommended that the Government should review the earlier scheme and start giving loans to State Governments to develop minor ports like Porbander, Karwar, Pondicherry, Cuddalore, Kakinada and similar other ports so that these ports could take more traffic and thus help relieve pressure on major ports and could also be used for diverting traffic from nearly major ports in time of congestion.

1.13 The Ministry of Shipping and Transport has stated in their reply that Central financial assistance to the State Governments for development of their minor ports was discontinued, following a

decision of the National Development Council. The matter was taken up by the Ministry with the Planning Commission for reconsidering the matter in the context of the above recommendation of the Estimates Committee. The Planning Commission is stated to have reconsidered the matter and informed the Ministry as follows :—

“The system of grant of Central loan assistance to States for minor ports was discontinued after the Fifth Plan in the wake of the recommendation of the National Development Council to reduce the number of Centrally sponsored schemes and to transfer the funds thus released to the States in accordance with a formula. Thus, in the Sixth Plan, no provision has been made in the Central Sector for giving loan assistance to States for minor ports. However, development of selected minor ports has been given adequate priority in the State Sector. The overall provision made for minor ports in the Sixth Plan in the State Sector is as high as Rs. 72.18 crores against the total expenditure of about Rs. 25.83 crores in the Fifth Plan. A statement is enclosed showing Statewise break-up of outlays for minor ports in the State Sector in the 6th Plan.

Efforts have already been made by the Planning Commission to ensure that suitable provisions are made by States in their Plans for more important minor port schemes including those mentioned in the report of the Estimates Committee, viz. Porbandar Karwar (Rs. 200 lakhs) Pondicherry (Rs. 250 lakhs), Cuddalore (Rs. 95 lakhs), Kakinada (Rs. 206 lakhs), etc. Thus, the minor port schemes which are justified on techno-economic considerations are not expected to be starved of funds for their development in the absence of Central loan assistance for minor ports.

The responsibility for development of minor ports vests essentially with the maritime State Governments concerned (Ports other than Major Ports figure in the concurrent list under the Constitution). The revenues earned by minor ports form part of the State revenue. The minor port development schemes which merit high priority and are justified on techno-economic considerations and which are complementary to Major Ports are not expected to be ignored by the State Governments in their Plans for which Central assistance is otherwise available to them in the shape of block loans and grants.

It is felt that more than financial assistance, what is needed by the States is the technical assistance for development of minor ports. The technical assistance continues to

be provided to States by the Ministry of Shipping and Transport. There also exists a Minor Port Dredging and Survey Organisation in the Ministry to render assistance for development of minor ports.

Revival of the scheme of grant of Central loan assistance to States for minor ports may not be possible at this stage because, (a) there is no provision for such a scheme in the Central Sector, and it would be difficult to get funds re-transferred from the States to the Centre in lieu of these schemes, (b) this might open up large scale demands from various States in regard to minor ports as well as for Centrally Sponsored Schemes generally which may cause heavy financial burden on the Centre.

In view of the above, reintroduction of Centrally Sponsored Scheme for minor ports is not considered necessary at this stage."

1.14 The Ministry of Shipping and Transport have observed in this connection that the reasons advanced by the Planning Commission are considered convincing. Accordingly the Ministry have expressed their inability to accept the recommendation of the Committee.

1.15 The Committee note that in pursuance of their recommendation the question of revival of the Scheme of giving Central assistance to the States for development of minor ports in the interest of progressively relieving the major ports of growing traffic has been re-examined by the Planning Commission and according to them "reintroduction of centrally sponsored scheme for minor ports is not considered necessary at this stage". The Committee also note the views of the Planning Commission that the minor ports schemes which are justified on techno-economic considerations are not expected to be starved of funds for their development in the absence of specific central loan assistance for minor ports in the Sixth Plan. However, in view of the complementarity of the minor and major ports and the need to relieve the major ports of needless congestion, the Committee wish to stress that if the required degree of development of minor ports is not achieved under the existing arrangement in the Sixth Plan the centrally sponsored scheme should be revived during the Seventh Five Year Plan.

#### Tally of Cargo (S. No. 60, Para 7.40 and 7.41)

1.16 The Committee had recommended in their original Report that the port users were not satisfied with the existing tally system at ports. The tally of cargo unloaded at ports was at present prepared by the respective port trust through their own staff. Shipping companies could appoint licenced cargo surveyors to take tally of cargo on behalf

of the carriers, should they so desire, but the tally taken by these surveyors was not binding on the port trust. Ports Trusts accepted liability for only such cargo as was tallied by their own staff. It had been reported to the Committee that at certain ports there was an under-tally to the extent of 10 to 40% and this was done by the port trust staff to escape liability in the event of theft or pilferage of the cargo. Secretary, Shipping & Transport, had admitted in evidence that the present tally had many inadequacies, but he was not in favour of introducing any independent tally system and was not prepared to accept any record other than that maintained by the port trust staff as authentic record for the purpose of accountability.

1.17 The Committee had observed that having gone into the matter carefully they were of the opinion that there was no justification to continue a system like the present tally system in which the port users might have little confidence. In their opinion there was ample justification in the demand made by port users that an independent tally unit, which should not be under the port trust but might be under the Director General, Shipping or any other such Government or Government approved organisation should be set up at each port to undertake the tally work and its report should be binding on both the carriers and the port authorities. In the alternative the Government might appoint a panel of reputed cargo surveyors to undertake the tally work at the ports and their tally should be binding on the carriers and the port authorities. The Committee would like the Government to introduce a proper system of independent tally at the ports at the earliest.

1.18 In their reply Government have stated that the recommendations had been carefully examined and the Ministry was of the opinion that it was neither feasible nor desirable to have an independent tallying system. Tally work was basically a port operation and the port cannot accept liability of cargo against which receipt is granted by an outside agency. The relationship between the carrier/steamer agent and the port being that of a bailor and bailee, it is not advisable to allow a third party into the transaction. Moreover, a number of staff is employed by the ports for conducting tally work, and entrusting this work to an independent agency would mean the redeployment of this staff, which is not an easy task.

1.19 The Ministry have added that the remedy to the problem lies in plugging the loopholes in the present system. With the strict enforcement of bye-laws of the port, regulating discharge and storage of cargo Bill of Lading wise, introduced by Bombay Port with effect from 1-4-1982, it has been seen that there are fewer instances of mixture and loss of cargo. The weekly reviews conducted by Bombay Port

showed that tally has appreciably improved. All the ports are also stated to have been instructed by the Ministry to ensure that the difference between the import manifestos and the tally is minimal.

**1.20** There is force in the argument advanced by the Ministry that the port cannot accept liability of cargo against which receipt is granted by an outside agency and that it would not be desirable to allow a third party into the transaction between the bailor and bailee. According to the Ministry the remedy to the problem of under-tally lies in plugging the loopholes in the present system. Instructions are stated to have been issued to all the ports in this regard. The Committee desire that strict watch should be kept by the Ministry and if the position does not improve, some independent arrangement should be introduced. In the meantime it is desirable to have atleast a independent witness acceptable to both the parties.

### *Central Ports Authority*

#### **Recommendation Sl. No. 93 (Para Nos. 11.56 & 11.57)**

**1.21** In their original Report the Committee had observed that the National Transport Policy Committee had suggested the setting up of a Central Ports Authority for overall planning and development of ports but the Ministry of Shipping and Transport had not accepted this suggestion. The main objections raised by the Ministry, it might be recalled were, first that the ports were having different problems requiring development of a special kind and a single authority could not be entrusted with the responsibility of planning the development of all the ports and that this planning was already being supervised by the Ministry of Shipping and Transport through the Development Adviser. Secondly, that such an Authority would reduce the autonomy of the Ports. Having gone into this matter in the light of the Ministry's views the Committee had observed that the objections raised by the Ministry against such an authority were too feeble to carry conviction with them. The Committee felt that the major ports should be run like commercial and result-oriented units and not as a sort of attached offices as they appeared to be running at present. The present set-up with each Port Trust being a separate entity with traditional procedure oriented approach directly controlled by the Ministry through bureaucrats, was in the Committee's opinion not ideally suited to encourage business-like efficiency in the port operations and inter-port coordination.

**1.22** The Committee had expressed the view that Port Trusts should be declared commercial enterprises and controlled and managed at the apex level, not by the Ministry direct, but a professionally manned Public Sector Organisation (viz. Central Ports Authority) on the lines of International Airports Authority of India. This would not only bring



in commercial outlook in port administrations and business like efficiency in port operations with emphasis on results rather than rule-biased procedures, but also make for an integrated development, co-ordinated operation and optimal utilisation of resources of the ports. The Central Ports Authority might be under the administrative jurisdiction of Ministry of Shipping and Transport for the purpose of policy framework and accountability, but should otherwise be autonomous like other public sector enterprises, within the allotted sphere. The Committee, had recommended that the Government should consider setting up the Central Ports Authority as early as possible.

1.23 In their action taken reply, Government have stated as follows :—

“Government have carefully re-considered the matter and reiterate their earlier view that it is not necessary at this stage to set up a Central Ports Authority.”

1.24 The Committee's Report should have convinced the Ministry of the need for unified institutional arrangement for the major port Trusts to make for integrated development, coordinated operation and optimal utilisation of resources. The Committee see no reason why the concept of an Integrated authority adopted for the management of the major air ports could not be adopted for the management of major sea ports. They would therefore reiterate their recommendation.

1.25 The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendation accepted by Government. They would, therefore, urge that Government should ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement the recommendation in letter and spirit for any reason the matter should be reported to the Committee in time with reasons for non-implementation.

The Committee desire that reply in respect of the recommendation contained in Chapter V of this Report may be finalised and final reply of the Government furnished to the Committee expeditiously.

## CHAPTER II

### RECOMMENDATIONS|OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### (Recommendation S. No. 1, (Para 1.14—1.19))

1.19 This analysis reveals, beyond any doubt, that the Ministry of Shipping & Transport has failed to achieve financial and physical targets of port development during the successive plan periods. Instead of coming down, the shortfall has risen from 27 per cent upto the end of Fifth Plan to 41 per cent in first year of the Sixth Plan. This shows that even now the Ministry has not been able to gear itself upto the development tasks expected of it. Whatever be the reasons, capacity delayed is capacity lost for the period of delay resulting in adverse effect on development in vital transport sector. The Committee strongly urge the Ministry to analyse the reasons for its dismal performance in the past and take conclusive measures without delay to ensure that the Plan targets are achieved in full and on schedule at least hereafter. The Committee would like to be apprised of the measures taken in this regard.

#### Reply of Government

It is not correct to say that the performance was dismal. As a matter of fact, financial and physical targets of port development projects during successive plan periods have been fulfilled to a large extent. Besides, it may not be appropriate to judge the performance on the basis of expenditure incurred over the last 30 years. In fact, utilisation in 4th Plan was 95%. Though in 5th Plan expenditure was 78%, in 6th Plan during 81-82, the utilisation rose to 90%. However, in the first year of the 6th Plan, the schemes were formulated and preliminary action for implementation were taken. Quite naturally, during that period, the expenditures were lower and commensurate with the physical progress of the schemes.

It may be added that most of the major schemes included in the Sixth Plan have already been sanctioned and taken up for execution. In order to ensure their completion as per Plan targets, the progress on various projects is being monitored continuously and reviewed periodically by the Ministry. It is hoped that all these projects would be completed within the current Plan period, and the funds utilisation is expected to be above 90%.

Construction of a new port of Nhava Sheva across Bombay Harbour at an estimated cost of Rs. 592 crores has been sanctioned on 8-6-82. The port is expected to be thrown open to traffic by end of 1986.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

**Recommendation (S. No. 2, Para 1.23)**

1.23 The Committee find that Master Plan for the future development of the ports of Kandla, Madras, Paradip, Bombay, Calcutta and Cochin have not been finalised. These should be finalised expeditiously.

**Reply of Government**

The Committee's observations have been noted, and steps have been taken to expedite the finalisation of Master Plans for these ports.

[OM. No. PW|PGA|10|82, dated 29th October, 1982.]

**Recommendation (S. No 3, Para 1.24)**

1.24 The Committee welcome the Ministry's proposal to appoint a group to prepare a total plan for the development of ports for the Seventh Plan period. Port development schemes being long gestation projects, the Ministry may consider whether, instead of having a five-year perspective planning as at present, would it not be better to have a longer perspective in planning for development of ports.

**Reply of Government**

Planning of Port facilities requires proper assessment of traffic projections, both imports and exports, and the demand by user Ministries|Agencies. The past experience has shown that the projections made even for a period of 5 years do not materialise because of various factors. Moreover, in a developing country it is all the more difficult to make a realistic assessment of traffic over a longer period. The port development schemes are normally planned to be completed within 5 years. However, in certain cases where the schemes have long range implications the planning for such scheme is done on a longer time frame.

[O.M. Mi. PW|PGA|10|82, dated 29th October, 1982.]

**Recommendation S. No. 7 (Para 1.58)**

1.58 The Committee find that even if the Sixth Five Year Plan projections regarding capacity growth as worked out by the Working Group of the Planning Commission materialise fully, shortages in capacities will still persist in respect of POL, fertilizers, food grains and general cargo. The Committee feel that a second look at the Sixth Five Year Plan scheme in the context of the critical study of

existing capacities, as suggested by the Committee hereinbefore, is necessary not only to ensure optimum utilisation of existing capacities but also to provide more facilities for handling general cargo traffic in respect of which the portion at present is admittedly very difficult.

### **Reply of Government**

The capacities planned at various Ports during the current Five Year Plan have been based on traffic projected by the user Ministries and other agencies and subsequently approved by the Planning Commission. As indicated earlier, the traffic projections made in the earlier Plan periods did not materialise. Secondly, because of financial constraints it is not possible to create full capacities in all the commodities based on the projected traffic. However, it may be noted that the short-fall in capacities in respect of fertilizers only is considerable whereas in other commodities the capacities planned to be created would be adequate with only a marginal short-fall, with the introduction of mechanised handling facilities for fertilisers at Madras by Ministry of Agriculture an additional capacity of 2.0 million tonnes would be available. Moreover, with the construction of Nhava Sheva the gap in the general cargo capacities would be bridged. With regard to facilities for handling general cargo traffic, a capacity of 27.11 m tonnes would be created by the end of the current Five Year Plan, as against the projected traffic of 26.67 m.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 8, Para 1.59)**

1.59 The Committee find that the Ministry has worked out future projections of demand and supply on the basis of 75 per cent berth occupancy in ports. On this basis the Ministry is hopeful of being able to meet the foreign trade requirements of the country during the Sixth Five Year Plan. But in view of the fact that this level of berth occupancy is not only stated to be higher than international norms but also considered by the Ministry's own experts to be "a little too high", the Committee cannot but view the Ministry's optimism with a little doubt. The committee would like to advise the Ministry to review its expectations of berth occupancy more realistically so that it does not find itself in an un-enviable position of not being able to cope with sea traffic requirements of foreign trade, at the end of Sixth Five Year Plan period.

### **Reply of Government**

The Committee's observation will be kept in view for future planning of port facilities.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 9, Para 2.59)**

Bombay, Calcutta and Madras Ports have suffered from congestion on several occasions during the last 3 years. The congestion at Bombay has been persistent and very acute as will be seen from the fact that the maximum number of general cargo vessels and maximum waiting period respectively, were 46 vessels and 67 days in 1979, 30 vessels and 20 days in 1980 and 30 vessels and 45 days in 1981 (January—August). As compared to the position in 1976-77 maximum waiting period at all the Major Ports (except New Mangalore and Tuticorin) had doubled and travelled at some ports and had gone more than five times at Calcutta and Cochin, whereas the traffic had increased only marginally. These statistics show that it is not merely the congestion which has afflicted certain ports, but there has also been an all round decline in efficiency at the ports as compared to 1976-77. This has caused serious concern to the Committee. According to Secretary (Shipping & Transport) 24 hours should be the maximum waiting period at Indian ports, because of tide and some such thing. He told the Committee that ports in advanced countries had no waiting period for ships. The Committee wonder when Indian ports will be able to reach the standard of advanced ports abroad or at least the level of efficiency hinted by Shipping Secretary and whether ports have set any targets for themselves in this regard. At least those ports which are not congested can be asked to achieve the aforesaid level of efficiency within a few years.

### **Reply of Government**

It is not correct to say that there has been all round decline in efficiency at the ports as compared to 1976-77. All the ports together handled 87.41 million tonnes of cargo during 1981-82 as against 67.06 million tonnes in 1976-77 which represents an increase of 29%. It may also be pointed out that the maximum waiting period is not a correct criterion for comparing the efficiency of the ports over different periods. The average waiting time should be taken into account to judge the efficiency as the maximum waiting period gives a distorted picture.

During 1981-82, the average pre-berthing time of ships at the ports of Cochin, New Mangalore and Vizag was less than 24 hours whereas at the other major ports it was more than 24 hours. The problem of reducing congestion at the major ports has been receiving the constant attention of the Ministry. In the port's Chairman Conference held in January 1982 it was decided that all congestion prone ports and other ports where symptoms of congestion are prevalent even in a small degree should prepare contingency plans to optimise the existing resources and capacities till additional capacities are created.

In pursuance of this decision, the ports have prepared contingency plans to combat congestion. The situation is being constantly monitored in the Ministry. There has been considerable improvement in the position of pre-berthing detention at Bombay port and the port is not experiencing any congestion at present.

As a long-term measure, port's capacities are being enhanced by creating additional berths, modernising cargo handling equipment and acquiring container handling equipment. An amount of Rs. 521 crores has been earmarked for the development schemes of major ports during the VI Five Year Plan. Besides, construction of a new port of Nhava-Sheva across Bombay Harbour at Bombay at a cost of Rs. 592 crores has also been sanctioned. With the completion of these development schemes, preberthing period at different parts is expected to come down appreciably.

[O.M. No. PW/PGA/10/82, dated 29th October 1982.]

### **Recommendation (S. No. 10, Para 2.60)**

Turn-round time has also been sharply different from port to port during the last 3 years. It has ranged between 8—14 days at Bombay, 16 to 25 days at Calcutta and 10-11 days at Kandla. The lowest in 1980-81 was 4.9 days at Madras and the highest 16.2 days at Calcutta. The Ministry has attributed different turn-round periods at different ports to different reasons, like congestion at Bombay, estuarine character of Calcutta port, limited number of berths at Paradip and Marmugao, different sizes of ships touching different ports. Though more berths are stated to be under construction to ease the situation at certain ports, this by itself is not likely to reduce the turn round time. Discharge and loading rates also play an important part in this process. The Ministry it is stated, judges the performance at each port against standards laid down for the purpose. The Committee feel that Ministry should lay down optimum turn round time for each port after taking into account the number of berths and other facilities available there and make concrete efforts to accelerate the loading and unloading rates to bring down the turn round time to the optimum limits.

### **Reply of Government**

The Optimum turn round-time of a ship is dependent on various factors like quantity, nature and conditions of the cargo, type of ship, weather conditions, facilities available for discharging cargo, type of packing, parcel, size, work stoppage and strikes, number of hooks that can be operated, number of gangs, availability of wagons and trucks to clear the cargo after it is discharged, etc. ports do not have

control on many of these factors and as such it is not possible to lay down an optimum turn round-time for different ports. All efforts are being made to accelerate loading and unloading rates to reduce the turn-round time at ports.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 11, Para 2.61)**

The Committee would like the Ministry to accelerate the investment decision for the port of Nhava Sheva and arrange for adequate funds for the development of this port within the shortest possible time.

### **Ministry's comments**

The Nhava Sheva Port project has been sanctioned on 8th June, 1982.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 12, para 2.62)**

There is a tendency on the part of various importing exporting agencies to prefer Bombay port mainly because of its developed hinterland and existence of good railway and other infrastructural facilities. The lack of adequate rail and road links to and from the nearby ports of Kandla, Marmugao and New Mangalore would be accentuating the problem of Bombay. The Committee agree to the view placed before them by a number of non-officials that if rail and road links to the ports of Kandla, Marmugao and New Mangalore are developed and adequate cargo handling equipment provided there, a good bit of traffic can be diverted from Bombay to these ports, thus relieving pressure at Bombay. The Ministry has also accepted this view. The Committee recommend that Bombay should be connected by broadgauge rail upto Kandla in the north and upto Mangalore via Marmugao in the south and in this context the Konkan railway project, which has already been drawn up by Railway should be executed expeditiously.

### **Reply of Government**

Ministry of Railway (Railway Board) with whom the matter was taken up have intimated as follows :—

“Bombay is already connected to Kandla Port by a B.G. line via Ahmedabad, Viramgam and Dharangdhara. Mangalore is also connected on the B.G. system, via Salem, Erode and Shoranur.

2. The West Coast (Konkan) railway line connecting Apta to Mangalore via Marmugao is a major project involving construction of 911 Kms. of new line including branch line at a cost of nearly Rs. 500 crores. In view of the magnitude of the work and acute shortage of funds, it will not be possible to take up the work at one time and the work can be taken up only in stages, depending upon the availability of resources. As a first stage, the construction of Apta-Roha Line (62 Kms.) B.G. rail link has been taken in hand, at a cost of Rs. 15 crores, and it is in progress. The question of taking up the construction of other sections of the line will be considered at subsequent stages, subject to the availability of resources and clearance by the Planning Commission."

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

### **Recommendation (S. No. 14, Para 2.64)**

The ultimate and lasting solution to the problem of congestion at major ports is, as already stated, undoubtedly the expansion of capacities and cargo handling facilities at these ports. The Committee take note of the various schemes for development of port capacities and facilities which are under execution and the new projects which have been sanctioned or which are being considered for execution during the Sixth Plan Period. Such projects have a tendency to linger on and on resulting in cost over-runs. The Committee cannot over emphasize the need to execute all these projects without delay so that additional capacities become available at the earliest. But this can be done only if the Ministry plays an active role in monitoring progress and solving problems which might arise in the course of execution of these projects.

### **Reply of Government**

The progress of various port projects is being monitored continuously and also reviewed periodically by the Ministry to ensure their completion according to the scheduled programme.

In the past, the importers, having indicated that port of arrival of the goods, often used to face difficulties on one count or the other. In many cases, the port of arrival had to be changed which necessitated amendment of the import licences, entailing considerable hardship and loss to the importers. Administrative delays also used to take place. In some cases the issue of import licences had to be delayed in the absence of the name of the port of arrival in the import application. It was also observed that in many cases import licences covered a number of items which the importer had to obtain from different sources. In such cases, making the licence valid for import at a specified port only created available hardship to the importers. For these reasons, the old procedure was discontinued. It may



also be mentioned that under the customs procedure, every import licence has to be registered at the customs port where the first consignment has to arrive and it appears that, in the interest of importers, this is a satisfactory arrangement. Reintroduction of the old procedure may result in the old problems being again experienced by the importers, whose number has increased during the last few years. Since by and large the importers tend to get imported goods at the port nearest to the place of their work, if the same is feasible and economical, the continuance of the existing simplified procedure would be appropriate.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

#### **Recommendation (S. No. 17, Para 2.67)**

The Government should also examine whether some sort of fiscal or tariff concession or weightage in the matter of issue of import licence or any priority in this regard cannot be given to those importers who choose ports other than congested ports for the discharge of their goods.

#### **Reply of Government**

Ministry of Commerce has examined the recommendation and intimated that the issuance of licences for higher value than what is normally permitted or with a similar weightage, if goods are routed through ports other than congested ports, may not be advisable.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

#### **Recommendation (S. No. 18, Para 2.68)**

The suggestion to make Cochin as a compulsory port of call to relieve pressure at Bombay merits consideration. The Committee are aware that the Ministry has no hold over liner vessels of other countries and cannot therefore compel them to touch Cochin. But persuasion combined with incentives can yield some results and should be attempted.

#### **Reply of Government**

The recommendation of the Committee has been noted.

The use of a particular port for loading and unloading of cargo depends upon the choice of the importers|exporters depending upon the originating places|consuming inland centres combined with transportation and other facilities available at the port. The liner vessels will call at a port if some cargo is destined for that part or sufficient cargo is available for loading. In so far as import|export of cargo by private particular port. Government have no control to force them to use a particular port. However, as regards the import|export of bulk commodities on Government account, every effort is being made through the institution of the Standing Committee on rationalised distribution of cargo to utilise the underutilised ports

like Cochin where some idle capacity exists so as to relieve pressure from the ports like Bombay which are working beyond their capacity.

[O. M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 19, Para 2.69)**

The Committee have taken note of the factors because of which moorings berths at Cochin Port are not popular and are not preferred by the importers. But to strike off the port capacity at moorings berths will be total waste of investment already made. The Committee would like to suggest that the feasibility of utilising these berths at time of heavy traffic should be studied and necessary facilities provided to labour and importers as and when these are considered necessary to be pressed into service.

### **Reply of Government**

Generally, the trade prefers wharf berths to moorings due to several advantages like safer operations, storage facilities, speedier handling of cargo, direct link to rail and road transportation, etc. Due to the low demand for handling cargo at these moorings, priority in dredging was being given to other areas and as such they have become shallow over the years on account of heavy backlog in dredging. Only 2 stream moorings out of 12 are now capable of accommodating deep-drafted vessels, and they are used regularly even now for handling bulk cargo. Other stream moorings are also utilised to some extent for light draft vessels and also for Port's own craft. As already indicated in the report, D.L.B. labour is also disinclined to work on board vessels at these moorings.

In the light of the above it is seen that utilisation of the moorings depends upon the preference of the trade and also the willingness of the workers to work on board vessels at the moorings. Besides, for using them continuous dredging of the moorings would be required. It is not economical however, to dredge and maintain all the moorings if these cannot be put to optimum use. However, if the traffic warrants and the trade is inclined to use mooring berths, more moorings would be brought under operations.

[O. M. No. PW|PGA|10|82, dated 29th October, 1982]

### **Recommendation (Serial No. 21, Para 3.66)**

Non clearance of goods sold by canalising agencies on high seas due to delayed despatch of papers by these agencies to the consignees has been mentioned as a contributing factor for congestion at Bombay port. The suggestion that the canalising agencies should build their own warehouses at the port for storage of unclear-

ed cargo imported by them has been welcomed by the Ministry of Shipping and Transport, but not acceptable to the Ministry of Commerce. The Ministry of Shipping and Transport wants the high sea sales to stop if the goods sold on high seas cannot be cleared without delay. According to the STC and SAIL, the parties to whom goods are sold on high seas generally take prompt deliveries except in 5 to 10 per cent cases. The Ministry of Commerce and the canalising agencies, however, strongly feel that the high sea sales has come to be an accepted practice and it will not be possible to completely do away with this. Taking note of the sharp difference of opinion on the question of high sea sales and lack of consensus among the Ministries concerned about the solution to the problem, the Committee recommend that this matter should be studied depth by an inter-ministerial and export body to determine the extent to which high sea sales have contributed to congestion at the ports and how this problem can be tackled to the satisfaction of both the Ministry of Shipping and Transport, Ministry of Commerce and the canalising agencies.

### **Reply of Government**

A Working Group to undertake a study of the problem of congestion at Bombay Port and to suggest remedial measures was constituted by the Planning Commission on 4 January 82. This Working Group consists of Dr. M. Q. Dalvi, Adviser, UNDP Transport Project, Planning Commission as Chairman and the representatives of the Ministry of Shipping and Transport, Ministry of Law, Justice and Company Affairs, Railway Board, Industries, Bombay Port Trust, Customs and Steel Authority of India Ltd. as members. One of the terms of reference of this Working Group is to study how far the policy of sales, on high seas of canalised items of imports such as steel, news-prints etc. to different consignees has been responsible for creating congestion at the Bombay Port and to suggest remedial measures. The Working Group has been asked to submit its report by the end of August, 1982.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 22, Para 3.67 & 3.68)**

3.67 A view has been expressed before the Committee that delay in clearing cargo from port premises is also due to non-readiness on the part of the consignees to take delivery either because they are short of funds or because they have no warehousing facilities and they keep the goods at the port premises till the market is favourable for them to sell the goods at premium. This charge has been denied by trading organisations who have stated that demurrage charges at Bombay Port are too high to keep the cargo for a period longer than it is absolutely necessary.

3.68 In this context Secretary, Ministry of Shipping and Transport was candid enough to admit that clearance of cargo in Bombay Port had been slow to some extent because of the managerial failure. He felt that if the port was really in full control of the situation it could pressurise consignees to take away the cargo. Some time consignees escaped demurrage for various reasons. This reveals a very alarming aspect of port management at which the Committee cannot but express serious concern. The Committee expected that if managerial control was lax to the knowledge of the Ministry, something concrete should have been done by it to strengthen management and make it competent to handle the port affairs firmly and fairly for all without fear or favour. The Committee would urge the Ministry not to delay the remedial action on this front any longer.

### **Reply of Government**

Necessary action to tone up the administration in traffic department is being taken by Bombay Port Trust. The General Manager of the Port Trust has been kept in the overall charge of Dock Department in place of Docks Manager with effect from 1 October, 1982.

With the strict enforcement of bye-laws regarding un-loading of goods bill of lading-wise, stacking of goods and clearance of cargo etc. by Bombay Port Trust with effect from 1-4-1982, there has been considerable improvement in the situation.

During the period 1-4-1980 to 31-3-1981, the Port was able to dispose of 3,700 lots comprising 1,18,089 packages; during the period 1-4-1981 to 31-3-1982, 3,716 lots comprising 88,689 packages; and during the period 1-4-1982 to 31-8-1982, 1,731 lots comprising 51,500 packages were disposed of. The Chairman of the Port Trust personally conducts review meetings with the members of the Sale Committee with a view to expediting disposal of old cargo.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

### **Recommendation (S. No. 23, Para 3.69)**

When the usefulness of the system of unloading and stacking of goods loading-wise has been admitted by the Ministry, the Committee expect that it will instruct all ports to enforce the bye-law to this effect strictly and ensure compliance with the instructions.

### **Reply of Government**

The recommendation of the Estimates Committee has been accepted and all the Chairmen of Major Port Trusts have been instructed to follow the system of unloading and stacking of goods Bill of lading-wise.

[O. M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 24, Para 3.70)**

Non-clearance or delayed clearance of cargo from ports is also stated to be due to inability of importers to retire documents from banks and make payments of customs duty and port dues in time. The Committee find that no study of this phenomenon has been made either by the Ministry of Shipping and Transport or by the Ministry of Finance from the customs side. The Committee have also been informed that even where customs duty has been paid, in 90 per cent of the cases, there is a time gap of over 10 days after payment of duty before the importer clear the goods. The Committee feel this is a phenomenon which should be studied jointly by the Ministry of Shipping and Transport and the Ministry of Finance with view to finding a solution to the problem.

### **Reply of Government**

The recommendation of the Estimates Committee has been accepted for implementation. It has been decided to set up a study team with the three officers, one each from Ministry of Finance (Department of Revenue), Reserve Bank of India and Ministry of Shipping and Transport.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

### **Recommendation (S. No. 25, Paras 3.71 and 3.72)**

3.71 Consignees are expected to remove cargoes from the port premises within 3 days (excluding Sundays and Dock Holidays) following the general landing date and after this free period they have to pay demurrage. If the goods are not removed within 2 months, the port authorities can dispose of the goods by auction or otherwise. Notwithstanding this in Bombay Port large number of packages remain uncleared long after the free period of 3 days and even after two months when the goods are liable to be disposed of. As on 2 November 1981, there were 6,82,681 import packages lying uncleared in the Bombay docks including outlying areas, of which 2,09,516 lay uncleared for more than 2 months. The number rose to 7,25,780 packages on 28 December 1981 of which over 2,86,000 packages lay there for more than free period but upto two months, while more than 2,11,000 packages were lying there for more than two months. The Port Trust, it is stated is handicapped in disposing of the 2 months old packages despite the powers allowed under section 61 and 62 of the Major Port Trusts Act, 1963 because of the restrictions contained in Section 48 of the Customs Act, 1962 under which no package can be disposed of without the specific permission of the customs. Even the amended guidelines laid down for expeditious disposal of goods have not been effective enough in expediting disposal.

3.72 Even if, out of 2,11,320 packages lying at Bombay Port (on 28-12-1981) for over two months, 94,195 packages were held up on customs account, the fact remains that for the rest of the packages (1,17,125), which could have been disposed of under the law but were not disposed of, the responsibility squarely lies on the Bombay Port Trust which has admitted its inability to step up disposal of such goods. From this, the Committee cannot but come to the conclusion that the Port Trust authorities are themselves to blame to a considerable extent for the congestion in Port warehouses. This also testifies to the failure of the management to exercise wide statutory powers vested in them to dispose of over-two months old packages lying at the port premises. The Committee regret that, even the Ministry of Shipping and Transport has failed to take serious notice of the alarming state of congestion at Bombay Port on account of uncleared cargo and to apply correctives. The Committee would like that the Ministry and the port authorities at all ports should continually review the position of uncleared cargo at port premises and take remedial measures, including disposal of over two month old packages lying there, without delay. In this regard, if the present procedures stand in the way of quick action, these should be reviewed and streamlined so that the congestion at the port may be minimised to the extent possible within the powers of the port authorities.

### **Reply of Government**

Generally, there is no problem of clearance of cargo from the Major Ports except Bombay Port. However, there has been considerable improvement in the disposal of uncleared packages at Bombay Port. As on 31-8-1982, there were 1,74,662 packages lying for more than 2 months. Out of this, 1,038 packages were confiscated by the Customs and were in the process of removal to the Customs Warehouses. Besides, 9,722 packages were under investigation by the Special Intelligence and Investigation Branch of the Customs or under adjudication proceedings. 10,580 packages were lying for want of 'No Objection Certificates' from the C.B.I. Recently, Writ Petitions have been filed in the High Courts particularly at Delhi and Chandigarh against the Customs and Bombay Port Trust restraining the BPT from auctioning cargo and praying for relief in demurrage charges. 11,541 packages were lying because of pending court cases.

2. During the period from 1-4-1981 to 31-3-1982, Bombay Port Trust has disposed of 88,689 packages and from 1-4-1982 to 31-8-82, 51,910 packages have been disposed of. Efforts are being made to step up the rate of disposal of unclaimed packages and the Chairman, Bombay Port Trust, has been personally conducting the review meetings with the members of the Sales Committee with a view to expediting disposal of old cargo.

3. In January 1982, Planning Commission has constituted a Working Group to study the problem of congestion at the Bombay Port. This Group is headed by Dr. M. Q. Dalvi, Adviser, UNDP Transport Project, Planning Commission. Two of the terms of reference are as follows :—

- (i) To study the need for and feasibility of amending the Major Port Trust Act so as to provide for adequate powers to the Port Trusts to dispose of the cargo which remains uncleared after the stipulated time-limit permissible under the Act ; and
- (ii) To study the need for and feasibility of amending the Indian Customs Act so as to plug loopholes which are being used by certain importers for not clearing the consignments quickly from the ports, and which provide them with a chance for indulging in forward trading etc.

The report of the Working Group is under finalisation and it is expected by the end of October 1982. On its receipt, the report will be considered for implementation.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983].

#### **Recommendation (S. No. 26 Para 3.73)**

Representations against the time consuming formalities for customs resulting in delays in clearance of goods have been made to the Committee by official and non-official organisations though the Finance Ministry has maintained that the formalities were essential and were not time consuming. The Customs, it is stated have not only simplified the procedures but have extended many facilities to the Port Trust and the Trade for expeditious disposal, such as examination of goods at Importers' private bonded public bonded warehouses and allowing full-containers, load to be taken outside the dock premises for examination. The Ministry of Finance has also stated that steamer agents who have been allowed the facility of filing cargo manifesto before the arrival of the vessels so that bills of entry could be processed in the Customs House in advance and goods cleared as soon as they are landed. But only in about 40 per cent of cases, this facility is availed of by the steamer agents. The Customs have also identified a number of other reasons which have delayed clearance of cargo and for which, they say, the Consignees are responsible. This shows as if everything is all right with Customs and all the blame lies with the steamer agents and the consignees. This sounds strange. The Committee feel that there is need to go into this matter in depth to find out the real reasons for steamer agents or consignees not availing themselves of the facilities extended by Customs and to see how far their difficulties can be sorted out in the larger interest of easing congestion at the Ports.

### Reply of Government

Ministry of Finance (Department of Revenue) to whom a reference was made has intimated that the Directorate of Inspection and Audit (Central Board of Customs and Excise) is being asked to carry out a study in this regard.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983].

#### Recommendation (S. No. 27 Para 3.74)

From as many as 94195 packages lying at Bombay Port (outside as well as inside the docks) for want of customs clearance in some form or the other (though Ministry of Finance accepts responsibility only in respect of 8657 packages), the conclusion cannot be resisted that customs performance in this field is not all that good as it is claimed to be. And, over and above, the controversy as to the exact number of uncleared packages at Bombay Port between the Port Trust and the Customs goes to show that the coordination between the two organisations is far from satisfactory. The Committee would like that the Customs organisation should shed the attitude of self righteousness which it has adopted in this regard and both the Port Trusts and the Customs set-ups at all ports should critically review the state of congestion at each port on account of customs clearance in one form or the other and jointly evolve a way out of the present difficult situation.

### Reply of Government

Ministry of Finance (Department of Revenue) to whom a reference was made has intimated that "the recommendation|observations of the Estimates Committee are being sent to the Collector of Customs of Major Custom Houses for their information and necessary action. The Collectors are also being directed to give their utmost cooperation to the Port Trust authorities to evolve a way out of the present difficult situation."

The problem of clearance of packages is mainly felt at the port of Bombay. Bombay port authorities have taken up the matter with customs authorities for the implementation of this recommendation and some progress has already been achieved.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983].

#### Recommendation (S. No. 28 Para 3.75)

In the Committee's opinion, the customs should re-orient its approach and streamline its procedures to speed up clearance of goods and give consent to dispose of goods, as the case may be, with a view to ease congestion at the port premises.



### Reply of Government

Ministry of Finance (Department of Revenue) to whom a reference was made has intimated that the Directorate of Inspection and Audit (Central Board of Customs and Excise) is being asked to carry out a study in this regard.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983].

### Recommendation (S. No. 30 Para 3.79)

Shortage of clearing agents at Bombay Port has been brought to the Committee's notice. The Committee find that the Bombay customs has already initiated action to increase the number of clearing agents from 360 at present to 430. The Committee are concerned to note that not all the clearing agents at the Bombay Port are fully competent or fully equipped to handle the jobs. The Committee feel that mere increase in the number of clearing agents would not be enough unless the new entrants are selected after a careful screening with reference to their capacity and competence.

### Reply of Government

Ministry of Finance (Department of Revenue) to whom a reference was made have intimated that they have taken note of "the recommendation of the Committee and are taking necessary implemental action in this regard."

[O. M. No. PW|PGA|10|82, dated 4th January, 1983].

### Recommendation (S. No. 31 Para 3.79)

In order to enable clearing Agents to function effectively, it is also essential that they should be given adequate facilities and their problems regarding suitable office accommodation are also considered sympathetically.

### Reply of Government

The Recommendation has been noted and the Chairmen of all Indian Major Port Trust have been advised to provide the necessary facilities to the Clearing Agents as far as possible.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### Recommendation (S. No. 32 Para 3.80)

Traffic management at Bombay Port is stated to be very poor. Traffic management has been admitted by Secretary, Ministry of Shipping and Transport to be one of the weakest sectors requiring immediate attention. The Committee note that the Bombay Port Trust has appointed a traffic consultant to undertake a study of the traffic flow in the docks and some of his recommendations have been

implemented and others are under examination. The Committee hope that the port authorities will take all the necessary measures to enforce proper traffic control in the port area so as to ensure smooth flow of traffic of all kinds.

### **Reply of Government**

Recently, Bombay Port Trust have entrusted to NATPAC (National Traffic Planning and Automation Centre) a study of the traffic flow within and outside the port area and preparation of a traffic management plan. NATPAC have already commenced their work which is expected to be completed by the end of 1982. Appropriate follow-up action will be taken as soon as the report is received.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 33 Para 3.95)**

It has been represented to the Committee that the transit sheds in Calcutta Port are not being properly maintained. In monsoon season it becomes particularly difficult to move the cargo in and out of the sheds, often causing heavy congestion of vehicular traffic in front of the sheds. Lighting arrangements in the sheds as well as along the wharves are also reportedly in bad shape. The Ministry has admitted that the Calcutta Port is very old and required heavy and special repairs but because of constraint of resources, no special repairs have been done since 1965. It required Rs. 3-4 crores to carry out some special repairs. According to the Ministry the position is expected to improve this year (1982). That a major port like Calcutta should have reached such a sorry pass as not to have funds to carry out necessary repairs to sheds, roads, and lighting system not only reflects on the management's efficiency but also betrays the indifference of the Ministry. The Committee urge the Ministry to look into this matter urgently and ensure that adequate funds are made available to the Calcutta Port so that special and heavy repairs required at the port are not neglected any longer.

### **Reply of Government**

Schemes for improvement of sheds, roads, lighting, etc. are carried out as part of non-plan works of the ports. A sum of Rs. 15 lakhs has been provided in 1982-83 for such works in the non-plan Budget of the Calcutta Port. NATPAC has been commissioned to study traffic flow in the Port and, based on their recommendations, improvement|re-aligning of roads is proposed to be carried out by the Port. The Port also is drawing up a based programme for improvement of sheds, which will be financed as non-plan capital works by the Port.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

**Recommendation (S. No. 34 Para 3.96)**

The Committee hope that the study of the traffic-problems near the sheds of Calcutta Port proposed to be commissioned through National Traffic Planning and Automation Centre will be undertaken soon and follow-up action taken to set things right without delay.

**Reply of Government**

The recommendation of the Estimates Committee has been accepted for implementation. National Traffic Planning and Automation Centre has started the study in July 1982, and it is likely to complete it in six months. On receipt of the study report, necessary follow-up action will be taken by Calcutta Port Trust.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

**Recommendation (S. No. 35 Paras 3.97 & 3.98)**

It has been brought to the notice of the Committee that large amounts of imported steel remain accumulated at the docks at Calcutta port causing congestion of sheds and yards and retarding vessel's output at the congested sheds.

The port authorities have stated that the congestion results from lack of proper equipment with the port and due to lack of its own dumping arrangements for non-SAIL imported steel cargo. Given proper equipment and a dump under the port's authority this problem can be brought under control. The Committee would expect the Ministry to look into the matter with a view to finding a practical remedy to the problem.

**Reply of Government**

The Port Authorities at Calcutta are procuring additional equipment for cargo handling purpose. Besides, an area inside the port close to 'A' NSD locks at Alifnagar is being used as a Customs bonded stockyard for uncleared steel. To overcome operational constraints arising out of inadequate availability of port mobile equipment for handling such cargo, the Port is also taking action to appoint a contractor, who will be entrusted with the job of removing cargo from transit shed|yard of these stockyard by his own equipment. Necessary removal charges as per prescribed scale of rates would be recovered from importers of such consignments prior to the delivery of cargo.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

**Recommendation (S. No. 36 Para 3.99)**

It is stated that a similar situation of congestion is faced at the fertilizer berths of the Calcutta port due to delay in commencement of delivery by the handling agencies—mainly public sector agencies

like Hindustan Fertilizers and the F.C.I. for want of adequate arrangements for movement of fertilizers. This is apparently because of lack of coordination between agencies and the Railways. The Chairman, Calcutta Port Trust was of the view that either the fertilizer should be bagged outside the port premises or the trucks movement should be expedited, or covered 4-wheeler wagons should be provided by the Railways for safe movement of fertilizers. The Railways were ready to extend all cooperation to the port and handling agencies in expediting movements of fertilizers. When every agency concerned is ready to cooperate, all that is a joint effort to evolve a suitable arrangement to handle the fertilizers imports and to ensure their expeditious movement. The Committee should like the Ministry of Shipping and Transport to take the necessary initiative in this regard.

### Reply of Government

The congestion at the fertilizer sheds at Calcutta Port is mainly due to the manifold operations carried out at the transit sheds. Loading and clearance of fertilizers in bulk form would help to avoid congestion. Accordingly, Calcutta Port Trust has taken up the matter with M/s India Potash Limited and M/s Hindustan Fertilizer Corporation for handling the fertilizers in bulk form. M/s India Potash Ltd. have agreed to handle fertilizers in bulk. Calcutta Port Trust is pursuing the matter with M/s Fertiliser Corporation of India to agree to the above suggestion.

It is expected that the congestion at the sheds will be reduced when the above suggestion is implemented.

[O.M. No. PW/PGA/10/82, dated 29th October, 1982].

### Recommendation (S. No. 37 Para 4.69)

According to the Ministry, the optimum period for which many cargo handling equipment can be effectively deployed is 30—35 per cent of the available time in a year. From the data furnished by the Ministry, the Committee find that the utilisation of cargo handling equipments at major ports is much below the optimum. All types of equipments are grossly under-utilized in ports like New Mangalore, Tuticorin and Cochin. Mobile cranes are not being fully utilised in Kandla, Mormugao, Bombay and Vizag, fork lift trucks are under-utilised at Mormugao, Bombay and Vizag. Utilisation of some of the equipments is as low as 1, 2, 3 or 4 per cent as against an optimum of 30—35 per cent. The Ministry is currently taking a review of various cargo handling equipments vis-a-vis requirements commensurate with utilisation. The Committee hope that the study will be completed expeditiously and the follow up action taken to ensure that the cargo handling equipment purchased at heavy cost it utilised upto

the optimum level. The Committee would like to be apprised of the outcome of the study and the follow-up action taken in the light thereof.

### Reply of Government

The question of fixing operational norms and permissible down time, etc. for cargo handling equipment was reviewed in the Development Wing of the Ministry of Shipping and Transport. As a result of this study, a set of norms was formulated. The standard average norms for yearly lay-up period, availability and degree of reasonable utilisation for general cargo handling equipments as formulated are as follows :—

Type of equipments	Yearly lay-up period	Availability	Yearly utilisation
1. Electrical Wharf Cranes			
(a) 3 to 10 tonnes capacity	10% to 12% or total time in a year	88% to 90%	35% (3000 hrs.)
(b) Above 10 tonnes capacity	12% to 15%	85% to 88%	35% (3000 hrs.)
2. Mobile Crane	15% to 18%	82% to 85%	30% (2500 hrs.)
3. Fork Lift Trucks	*20% to 25%	75% to 80%	35% (3000 hrs.)

\*(May go up to 35% in cases of handling abrasive/corrosive material).

*Assumption:* 352 days of working in a port per annum.

*Important:*

- Irrespective of the utilisation norms, the achievement availability norm is of utmost importance as the 3000 hrs. or 2500 hrs. of utilisation norm may as well get distributed over as many as 300 days or over.
- The above norms are to be considered as basic guidelines. With continuous effort and better coordination, there is a definite possibility of improving the system efficiency and, in result of improvements on utilisation factor.

2. The above guidelines have been circulated under Ministry's letter No. DW/DTE/16/81, dated the 6th February, 1982. The Directorate of Transport Research in this Ministry is also monitoring the degree of utilisation of various equipments on regular basis.

3. It is true that in some of the ports certain categories of equipments could not attain a reasonable level of utilisation. However, optimum utilisation of equipment depends on number of factors which are not within the control of the port, such as, number of hatches in which the cargo is stowed, seasonal arrival of certain commodities and the arrival pattern of ships in the port. Besides, certain equipments for the needs of handling a particular type of cargo are necessarily required by a port, even if its utilisation is low.

4. This Ministry while selecting new equipments, particularly in replacement of old items, is keeping the present degree of utilisation in mind. There are a number of instances where, in order to ensure optimum utilisation, smaller number of new equipments have been sanctioned to replace larger number of old equipments. Transfer of surplus equipment from one port to another port, if the situation so demands, is also considered.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983]

### **Recommendation (S. No. 39, Paras 4.71 & 4.72)**

The Committee find that cargo handling equipment at the ports has outlived its service life and is outmoded with capacities unsuited to latest requirements and trade patterns. According to the Ministry, economic life of a mobile crane is 15-18 years and that of Wharf Cranes 30-35 years. At Bombay Port 34 out of 44 mobile cranes are over 15 years old and 90 out of 194 Wharf cranes are over 30 years old. At Calcutta 20 out of 37 mobile cranes are over 15 years old and 58 out of 127 Wharf cranes are over 30 years old. At other ports also position is more or less similar. For instance, all the 8 Wharf cranes at Mangalore and 9 out of 15 at Mormugao are more than 30 years of age ; at Cochin 5 out of 9 mobile cranes are more than 15 years old.

The Ministry, it is stated, is taking a census of the port equipment every two years and it is aware of the equipment which has outlived its normal life. But, the Ministry has stated that such equipment cannot be scrapped until its maintenance becomes uneconomical. Financial constraints also stand in the way of replacement of outmoded equipment. The Ministry had drawn up of a plan to replace old equipments at various ports. While the Committee appreciate the financial and other difficulties faced by the Ministry and the ports in regard to replacement of old equipment, they feel that the Ministry's approach becomes uneconomic and not to take the efficiency and productivity of the equipment in the context of changing pattern of trade is not a very happy approach. In the Committee's opinion, the port users are entitled to expect modern and efficient equipment of international standards to handle cargo at all the major ports in India. The Committee would therefore like the Ministry to review the position from this angle.

### **Reply of Government**

The view expressed by the Committee are generally acceptable where ports suffer from resource constraints, port users would be encouraged to bring their equipments for use.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

**Recommendation (S. Nos. 40, 41, Paras 4.73 and 4.74)**

Shortage of spare parts needed to repair the cargo handling equipments at Bombay has been brought to the Committee's notice. And even though the Bombay Port Trust is reported to have taken a number of measures for expeditious procurement of spare parts, the measures taken so far do not appear to have been effective enough, as otherwise, 14 mobile cranes and 9 forklifts would not have been lying idle on this account, most of them for a period of 3 to 8 months. The Chairman, BPT stated before the Committee that "when the equipment break down, only then they come to know what spares are needed". This reveals a very unsatisfactory and unscientific method of working of the Bombay Port Trust insofar as the inventory planning is concerned. The Committee would like the Ministry to direct the Bombay Port Trust to evolve a scientific system of anticipating demand of spare parts and building up a proper inventory so that, as far as possible, the spare parts required for repair of equipment are available without delay and the equipment does not lie idle unnecessarily for want of spare parts.

The Committee would like that the inventory system in other ports should also be reviewed with a view to making them modern and scientific.

**Reply of Government**

The position, as ascertained from the ports, indicates that there are no equipments specially lying idle for want of spares in any port, excepting Bombay Port.

2. To ensure timely supply of spare parts, Bombay Port has taken a number of measures as indicated below :

- (i) Forward planning of spare parts for 1983 requirements have been estimated by Indenting Officers.
- (ii) Codification of spare parts stocked in Central Stores has been completed.
- (iii) Rate Contracts on DEM for stock and non-stock spares have been increased.
- (iv) Steps identified to improve spare parts inspecting and reduce procurement lead period. When implemented, this would drastically improved spare parts availability.
- (v) Continuous review of critical spare parts requirements with Indenting Officers is being carried out.
- (vi) Cash purchase of emergency spares, as and when required, is arranged.
- (vii) Number of stock spare parts is being gradually increased.

(viii) Stress is being laid for timely review of availability of non-stock spares by Indenting Officers, so that equipment lay off can be reduced.

(ix) Follow-up with U. E. Ms for quick supply of spares.

3. As a result, the supply of spare parts has improved during 1982, as compared to the position in 1981, as follows :—

Value of spares supplied in

	1981	1982 (11 months)	
		Supplied	Under procurement for immediate supply.
Godrej Forklifts	Rs. 1.68 lakhs	Rs. 2.44 lakhs	Rs. 2.1 lakhs
Voltas Forklifts	Rs. 0.52 lakhs	Rs. 6.94 lakhs	Rs. 2.2 lakhs

4. Against 14 mobile cranes and 9 forklifts which were lying idle due to non-availability of spares at the time of reporting to the Estimates Committee, the present position as reported by the Chief Mechanical Engineer, BPT is as follows :—

		Lying idle for over 6 week for want of spares
Mobile cranes	2 Nos.	Approx. 3 months.
Forklifts	7 Nos.	5—between 2 & 3 months. 2—between 4 & 5 months.

5. Keeping in view the observations of the Committee, necessary guidelines have been issued to the Controllers of Stores of the Port Trusts to review their inventory systems with a view to making them modern and scientific. At a meeting taken by Additional Secretary (Ports) on 16th June, 1982, the Controllers of Stores were, *inter alia*, advised to :—

- to draw Annual Plan for purchase of spares ;
- to introduce quality assurance systems and to keep properly all manuals and drawings ;
- to undertake codification of spares ;
- to identify non-moving spares ; and
- to introduce regular inspection of spares.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983]

**Recommendation (S. No. 42, Para 4.75)**

It has been conceded by the Ministry that workshop facilities at Calcutta, Paradip and Haldia are not satisfactory and need improvement. Considering the under-utilisation of equipment at various ports, importance of efficient workshop facilities for repair and maintenance



cannot be over-emphasised. The Committee are informed that certain ports have themselves engaged consultants to study the workshop facilities and are formulating proposals to improve their working. The Committee would like the Ministry to monitor the implementation of the measures being taken by various ports to tone up the efficiency of their workshops and ensure results within a time frame.

#### **Ministry's comments**

The Committee's observations have been noted.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

#### **Recommendation (S. No. 43 Para 4.76)**

There are different practices in vogue for fixing hire charges for cranes at different ports. Some ports fix charges on shift basis, some on half shift basis and others on hourly basis. At some ports the trade has to pay a minimum charge whether the equipment is hired on shift basis or on hourly basis. The Committee are glad to note that the Ministry would be looking into this matter with a view to bringing in some uniformity in the matter of fixing hire charges for equipment at all the ports.

#### **Reply of Government**

The question of bringing about uniformity in fixing hire charges for equipments at all the ports was examined by the major Ports Trusts. They have decided that the minimum charges should be fixed on half shift basis, and if prevailing practice at any port was more liberal, it could continue. They have also decided that if the equipment breaks down at the time of starting the operation, the hire charges of the equipment should be waived.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

#### **Recommendation (S. No. 44, Para 4.77)**

The Committee note that liability of users to pay hire charges for cargo handling equipments in the event of labour strike varies from port to port. The Ministry has admitted that this is not a satisfactory situation. The Committee would like the Ministry to review the matter and introduce a rational and fair system of charges payable by hirers of port equipment in the event of labour strike.

#### **Reply of Government**

The practice of fixing the liability of users to pay hire charges for cargo handling equipments in the event of labour strike has been got reviewed by the major port trusts. They have decided that users need

not be required to pay hire charges for cargo handling equipment which are not used due to labour strike.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

**Recommendation (S. No. 45, Para Nos. 4.78 & 4.79)**

Equipment at Cochin Port is reported to be much costlier than the private equipment which is available but not allowed to be used there. It was also brought to the Committee's notice that despite the Cochin Port Trusts' equipment being inadequate and unserviceable, the port did not allow the use of private equipment there even when such equipment was allowed to be used elsewhere.

The Ministry has admitted that the private equipment is not allowed to be used at Cochin Port because port trust equipment is already available for the purpose. In justification of higher charges for the port equipment as compared to that charged for private equipment, the Ministry has stated that the port trust equipment has to be manned according to a prescribed manning schedule, giving pay and allowances and other benefits to its employees on established pattern and its charges have to be fixed to ensure a reasonable return on investment on the equipment. These arguments have not carried conviction with the Committee. They consider that it is unreasonable and irrational to compel port users to hire only port trust equipments for handling cargo and then force them to pay higher charges than those prevailing for private equipment. In evidence before the Committee, however, the Ministry of Shipping and Transport appreciated the genuineness of the port users' grievances, and agreed that the hire charges should be competitive and where hire charges were not competitive, private equipment should be allowed to be used. The Committee hope that follow-up action will be taken in this regard without hesitation.

**Reply of Government**

The recommendation of the Committee has been accepted and instructions have been issued to all Major Ports including Cochin Port to make hire charges of their equipments competitive and where hire charges are not competitive to allow use of private equipment.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

**Recommendation (S. No. 46, Para 4.89)**

Mechanisation of cargo handling in Indian ports has been slow and in majority of the ports it hardly exists. The percentages of cargo handled mechanically has been as low as 4.9 per cent at Kandla, 4 per cent at Bombay, and nil at New Mangalore and Cochin. Looking to the advantages accruing from mechanisation and keeping in view the

need for the Indian ports falling in line with advanced countries in regard to the cargo handling systems, it is obvious that conventional methods of handling have ultimately to be replaced by fast, efficient and clean methods through mechanisation. The Committee are aware that in Indian ports, however, the process of mechanisation has essentially to move forward in a phased manner. So long as the existing manpower employed to handle cargo in ports is not directly affected and their jobs are secured, it should not be difficult to persuade labour to move along on way to mechanisation. The Committee hope that the Ministry will patiently pursue the matter and gradually succeed in introducing mechanisation in cargo handling equipment in more and more ports and fields.

### **Reply of Government**

The Committee's observation has been noted.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

### **Recommendation, S. No. 47 (Paras 5.31, 5.32, 5.33)**

Containerised traffic in Indian ports has been growing significantly since 1975-76. From 9745 TBUs (20 ft. equivalent units in 1975-76, the number of TEUs handled by Indian ports rose to 94940 in 1979-80. In view of the rapid growth of containerised traffic, container handling facilities are being planned by the Ministry with the objective of equipping four major ports namely, Bombay, Cochin, Madras and Haldia to be able to handle gearless ships and to equip other major ports to be able to handle general container vessels and container oriented vessels. But the Committee are concerned to note that the progress equipping ports to handle containers or gearless ships is far from satisfactory. The ports which have been chosen as container terminals lack properly equipped container berths and the necessary equipment to handle the container traffic. Infrastructural back-up to handle containers at the ports and inland is also lacking. What has pained the Committee is that even in the matter of deciding as to whether the equipment be manufactured indigenously or imported, there have been delays. In the case of Bombay and Madras for instance it has taken the Ministry of Shipping and Transport and the Ministry of Industry nearly six months to arrive at this decision as to whether and if so, how many gentry cranes should be imported and how many should be manufactured indigenously. The Committee are afraid that if decision making in such matters is delayed, the ports chosen for handling container traffic may not be fully operational by the target dates. The committee would, therefore, urge that selection and procurement of equipment for container traffic should be accelerated so that the Indian ports become fully equipped at the earliest to handle the gearless ships, general container vessels and container oriented vessels efficiently and without difficulty.

### Ministry's Comments

The Committee's observation has been noted.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### Recommendation, S. No. 48 (Para 5.34)

If development of infrastructure for handling containers inland does not synchronise with the provision of container handling facilities at the ports, the huge expenditure being incurred on the ports for this purpose will remain infructuous and the country will not be able to reap full advantage of containerisation. This contingency must be avoided.

### Reply of Government

The Committee's observation has been noted.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### Recommendation, S. No. 49, (Para 5.35)

Since infrastructure required for container handling has to be developed, on many fronts such as, railways, road transport, labour, customs, it will require the collective and concerted efforts of many Ministries and it will be difficult for one Ministry viz. Ministry of Shipping and Transport, to do it alone. The Committee therefore recommend that an inter-Ministerial task force should be set up to draw up and implement a comprehensive plan to action to develop infrastructure to handle the inland movement of containers and to find solutions to problems of labour cooperation and customs clearance.

### Reply of Government

The question of an integrated plan for promoting containerisation in the country has been engaging the attention of the Government. Keeping in view the expanding container traffic, four ports—two on the West Coast (Bombay and Cochin) and two on the East Coast (Madras and Haldia) are being developed as container ports. In Haldia, there is a separate berth for handling containers. In Calcutta, Bombay and Cochin existing berths are being modified to handle containers. In Madras, one berth in the outer harbour is being constructed as container berth. Government have also since sanctioned construction of a new Port at Nhava Sheva across the present Bombay Harbour. The Nhava Sheva Port will have a fully mechanised container terminal comprising four berths.

2. In order to promote modification of containerised cargo to/from inland points, the Ministries of Commerce, Railways and Shipping and Transport have jointly agreed that Inland Container Depots (ICD's) be established at Bangalore and New Delhi, followed by

another one at Ahmedabad. The ICD's have been established by Ministry of Railways at Bangalore and New Delhi with certain infrastructural facilities. So far, ICD at Bangalore has been utilised in a rather small way but the ICD at New Delhi has not been utilised. This is because certain problems regarding handling charges, combined transport documents and customs formalities are yet to be resolved.

3. In order to study the present cost of handling containers at ports, the cost involved in transporting to ICD's and handling them there etc., an inter-Ministerial Committee under the Chairmanship of the Additional Secretary (Ports), Ministry of Shipping and Transport was constituted on 23rd April, 1982. The Committee is required to make recommendations regarding :—

- (a) the ceiling on casts for handling containers in the ports ;
- (b) the promotional railway freight to be charged in the initial stages for moving containers between the ports and Inland Container Depots ;
- (c) the customs service charges to be levied ; and
- (d) handling costs at the Inland Container Depots—with a view to ensure that the Inland Container Depots are financially viable and attractive to the shippers.

4. The Committee is expected to submit its report shortly.

5. In view of the position explained above, it does not appear necessary to set up an Inter-Ministerial Task Force, as suggested as necessary actions have been initiated already to develop the requisite infrastructure for handling containers.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

#### **Recommendation, S. No. 50, (Para 5.36)**

The Committee find that the container traffic at Haldia has not picked up because of lack of outside infrastructure facilities. The Committee would urge that now when the reasons for the Haldia container traffic not picked up have been identified, the Ministry should organise accelerated action to ensure that the right type of wagons are provided by the Railways to move containers and the draft is deepened to the requisite level to facilitate movement of container vessels.

#### **Reply of Government**

In order to increase container traffic at Haldia, movement of containers by barges between Calcutta and Haldia has been started by the Central Inland Water Transport Corporation. Measures have also been taken to complete the road link as early as possible and also promote movement of container by train to Haldia. It is also neces-

sary to provide adequate communications and service infrastructure at Haldia in order to encourage the use of Haldia as a base for shipping activities. The question of introducing promotional tariffs by the port Trust, both at Calcutta and Haldia, is also under active consideration. It is proposed to have a meeting with the shipping lines, container operators, their agents and others concerned to ascertain the measures to be taken to improve container traffic at Haldia. At present ships prefer to call at Calcutta Port only. What is necessary is to provide the necessary infrastructure facilities at Haldia and the communication links to Haldia to ensure that ships would find it more attractive to call only at Haldia for unloading or loading containers.

[O.M. No. PW|PGA|10|82, dated 4th, January, 1983]

#### **Recommendation (Serial No. 51, Para 5.37 & 5.38)**

The Committee desire that efforts should be intensified to persuade the labour to agree to the most scientific and efficient methods of handling containers and to dispel any unfounded fears of retrenchment or loss of wages.

#### **Reply of Government**

Instructions have been issued to the Chairmen of Port Trusts at Ports where there is container traffic, to hold discussions with labour unions and arrive at a negotiated settlement on issues relating to manning scales for deployment of labour on container handling, the norms/datum of output therefor for evolving a suitable payment by Results Scheme and stuffing and destuffing of containers outside the Port premises. The Chairmen have initiated discussions accordingly.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

#### **Recommendation (S. No. 52, Para 6.7)**

The storage and warehousing space at a number of major port, namely Bombay, Kandla, Mormugao, Paradip, Tuticorin and Visakhapatnam is inadequate according to the Ministry's own assessment. The position at other ports is also not very satisfactory according to users. Additional storage/warehousing space at Kandla, Bombay, Mormugao, New Mangalore, Cochin, Tuticorin, Madras, Visakhapatnam and Paradip is being constructed during the Sixth Plan period. Surprisingly the Ministry has made no detailed study to assess the requirements of storage space for the projected traffic at the end of Sixth Five Year Plan. It will be a serious lapse if now when only three years more are left of the Sixth Five Year Plan such as a study is delayed further. The Committee would advise the Ministry that it should undertake a study of the problem now so that it can initiate measures to meet the storage requirements at the ports before it is too late.

### Ministry's comments

The question of adequate storage and warehousing facilities at the ports have already been gone into by Shri R. Srinivasan, ex-Chairman of Vizag Port Trust. However, a further review if necessary, would be made at the time of formulating the Seventh Plan. In the Sixth Plan it will not be possible to provide additional funds for storage etc. on account of revenue limitations.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

### Recommendation (S. No. 53 Para 6.8)

Needless to say, such a study should also take into consideration the new trends in our exports and imports so that new storage capacities can be so planned as to match the type of cargo that each port may be called upon to handle.

### Reply of Government

Committee's observation has been noted and will be considered while formulating the Seventh Plan.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

### Recommendation (S. No. 54, Para 7.34)

The Committee are concerned to find that Security arrangements in almost all the ports are deteriorating and the situation at some of the major ports such as Bombay, Calcutta, Madras, Haldia, is particularly distressing. According to the official figures in Bombay the value of stolen cargo increased from Rs. 37.14 lakhs in 1978-79 to Rs. 79.01 lakhs in 1980-81. It more than doubled in 1981-82, when, upto February, 1982, the cargo worth Rs. 1.58 crores had been reportedly stolen. In Calcutta the number of theft cases increased from 493 in 1978-79 to 666 in 1980-81 and the value of cargo stolen rose there from Rs. 1.5 lakhs to over Rs. 47 lakhs in 1980-81. In Haldia Dock Complex also the number of theft cases rose steeply from 48 in 1978-79 to 186 in 1980-81 and the value of stolen cargo rose from 0.94 lakhs in 1978-79 to Rs. 9.80 lakhs in 1980-81. Curiously while the number and value of theft cases have been rising from year to year, the number of cases in which convictions have been secured has been coming down in Bombay, Calcutta and Madras.

### Reply of Government

There had been considerable improvement regarding the problem of thefts and pilferages at the ports of Bombay, Calcutta and Madras during the present year as compared to the previous years.

#### *Bombay Port :*

The Bombay Port Trust Administration is very much concerned about the security of cargoes at the Port and the position is constantly reviewed at the level of the Deputy Chairman in periodical meetings

with the Deputy Commissioner of Police/Addl. Commissioner of Police (Crime)/Home Secretary, Maharashtra Government. One possible reason as to why the value of cargo stolen has gone up is the inflationary rise in the price of goods stolen. On the advice of the Port's Security Adviser (who is a retired Inspector General of Police, Maharashtra Government), the BPT's own Security Organisation has been strengthened by augmenting the strength of BPT Watchmen. The Deputy Commissioner of Police (Port), who is in charge of the Maharashtra State Police force deployed at the Port for security of cargo (about 490 Police personnel) and for law and order functions, (about 690 police personnel) has also tightened security measures and has arranged regular patrolling of the docks by the Police so as to put down the incidence of thefts and pilferages. A decision has also been taken to induct the CISF at the Bombay Port. About 700 CISF personnel will be inducted in the BPT Docks in the first phase for security purposes after housing is provided on some land near Brick Bunder recently released by the Defence Department.

The value of cargo stolen at this port during the period April to August, 1982 is Rs. 14.50 lakhs against the cargo stolen worth Rs. 69.17 lakhs during the corresponding period of last year.

#### Calcutta Port :

2. The magnitude of the problem of thefts at Calcutta Port is given below :—

Period	No. of thefts registered.	Value of property stolen.	Value of property recovered
			(Rs. in lakhs)
1980-81	802	46.5	23.7
1981-82	1278	16.8	13.1
April to Sept' 82.	544	7.00	5.2

The above figures clearly show that there has been improvement in the situation at Calcutta Port.

3. A number of steps have been taken by Calcutta Port for improvement of security at the Port. The steps taken include construction of watch towers at vulnerable areas; raising of boundary walls, barbed wire-fencing and better illumination of yards and quays. Besides special care is taken for the security of valuable cargo by securing them in lock-fast. Action has also been taken for demolition of unauthorised constructions along security walls and fencing. The Police have also been requested to intensify patrolling in the railway yards. Steps have also been taken for streamlining permit schemes with a view to restricting entry of outsiders into the port area. Two anti-pilferage Committees with representatives of trade insurance associations, customs, police, CISF etc., have been



set up which regularly meet to review the thefts/pilferages position and to suggest remedial measures.

**Madras Port :**

4. As far as Madras Port is concerned, there were 80 property theft cases involving properties worth Rs. 3.6 lakhs of which properties worth Rs. 3.3 lakhs were recovered during 1981-82. This is as against 174 cases in 1980-81 involving properties worth Rs. 6.6 lakhs of which properties worth Rs. 5.8 lakhs were recovered. From April 1982 to June 1982 only 8 property cases have been registered involving properties worth Rs. 20,000 and the entire properties have been recovered.

[O.M. No. PW/PGA/10/82, dated 4th January, 1983]

**Recommendation (S. No. 55 Para 7.35)**

Reports of thefts at Bombay Port reaching the Committee and published in the press are very alarming. The Committee are informed that the Ministry has now taken a number of measures to prevent the thefts and tighten security measures at Bombay Port and is considering some more measures in this regard. But why the Ministry of the port authorities tolerated the utterly unsatisfactory security arrangements at the port so far and did not take remedial measures as it now claims to have taken, remains unexplained. This reveals a deplorable state of affairs at Bombay port for which the management cannot escape responsibility.

**Reply of Government**

No tangible evidence of armed gangs being in collusion with the local police, Port and Customs officials and of robbing goods in the docks and from the ships in an organised manner has come to the Port's notice. The power of registration of thefts or investigation of thefts, of arrest of culprits and of their prosecution in the Court is statutorily vest in the State Police. The information about the number of thefts, the value of cargo stolen, etc., furnished to the Committee is as per the Police records.

Apart from the Bombay Port Trust's own Security personnel consisting of 560 men, arrangements have been made from several years past to deploy Maharashtra State Police personnel for watch and ward duties (about 490 Police personnel) as also for land and order duties (about 690 Police personnel) at the Port. The Police force is in charge of a Deputy Commissioner of Police, who is assisted by Assistant Commissioners of Police, 6 Inspectors of Police and 42 Sub-Inspectors of Police. 10 per cent cost of the Police deployed for watch and ward duties is met by the Port Trust. 50 per cent cost of the Police deployed for harbour controlling is borne by the Bombay Port Trust.

The payment that was made to the Maharashtra Government on this account came to about Rs. 120 lakhs during 1981-82. The Port's expenditure on its own Security Organisation also amounted to about Rs. 53 lakhs during 1981-82. It is not correct to say that the Port authority tolerated the utterly unsatisfactory security arrangements at the Port so far and did not take any remedial measures. The position relating to security of cargoes is constantly kept under review at the highest level and measures for improvements therein are taken wherever needed.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

### **Recommendation (S. No. 56 Para 7.36)**

The security at Bombay Port is looked after by the Port's own security organisation and the State Police. The Committee find that a decision has now been taken to induct C.I.S.F. at Bombay Port in replacement of the State police and the Port's own organisation and to make CISF to be solely incharge of the security arrangements there. This is a welcome though belated, measure. The Committee take note of the assurance given by the Minister of Shipping and Transport in Rajya Sabha on 26th March, 1982 that within a period of six months it would be possible for the Port authorities to build residential barracks for C.I.S.F. near the Bombay Port area and put C.I.S.F. in position to handle the security arrangements at the Bombay Port. The Committee hopes that this welcome measure would not get delayed any further.

### **Reply of Government**

The decision to induct the C.I.S.F. at the Bombay Port was taken by the Bombay Port Trust Board in June 1977 and the necessary requisition as required under Section 14(1) of the C.I.S.F. Act, 1968, was placed on the Ministry of Home Affairs, in July 1977. One of the conditions for the induction of the C.I.S.F. in any industrial undertaking is that, as required by Rule 59 of the C.I.S.F. Rules, 1969, residential accommodation is required to be provided to the C.I.S.F. personnel for 45 per cent family quarters and for 55 per cent dormitory type. It has not become possible to actually induct the C.I.S.F. at the Bombay Port as the Bombay Port authorities were unable to provide necessary residential accommodation for the C.I.S.F. personnel. The non-availability of land for housing accommodation was the main constraint. Efforts made with the Maharashtra Government for the allotment of 50 hectares of land adjacent to the Express Highway did not yield any result as the land holders had brought a stay order from the High Court as a result of which further action in the matter was held up. The State Government also expressed its inability to allot the Port Authorities any other suitable plot of land. The Bombay Port Autho-

rities were, therefore, unable to provide residential accommodation to the C.I.S.F. personnel with the result that the C.I.S.F. could not be inducted earlier.

Some land belonging to the Port Trust has now been released by the Military Authorities at Brick Bunder. Efforts are on to build residential accommodation for the C.I.S.F. on those plots of land. It is expected that by December, 1982, the Port Authorities will be in a position to provide residential accommodation to about 700 C.I.S.F. personnel and by that time a beginning will be made for the gradual induction of the C.I.S.F. at the Bombay Port. The Port is also making efforts to resume land which it has leased out in the past to the private parties and the Government Departments. As soon as sufficient land become available for the construction of the requisite residential accommodation for the C.I.S.F., all security arrangements at the Port will be handed over to the C.I.S.F.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

#### **Recommendation (S. No. 57 Para 7.37)**

The Committee would like to refer in this context to the experience at Calcutta, Haldia and Madras where thefts/pilferages have been on the increase in spite of the fact that the security arrangements there are manned by C.I.S.F. The Committee would like to caution the Ministry against any sense of complacency on this account after the posting of C.I.S.F. at Bombay, they would like the Ministry to keep the new arrangements at Bombay Port, when enforced under watch and whatever else is required to be done to make the new experiment there a success.

#### **Reply of Government**

The Committee's observation that even after the induction of the C.I.S.F. at Bombay Port there should not be any sense of complacency in matters relating to security of cargo has been noted. Even after the induction of the C.I.S.F. at the Bombay Port, matters relating to security of cargo will constantly be kept under review at the highest level.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

#### **Recommendation (S. No. 58 Para 7.38)**

The Ministry has made an in-depth study of the security arrangements at Bombay Port and initiated certain measures to control the incidence of thefts there. The Committee would like that similar studies should be made in respect of Calcutta, Madras and other such ports where the incidence of thefts is high with a view to tightening security measures there also.

### Reply of Government

The problem of thefts and pilferages at the ports of Calcutta and Madras is not so much as to call for a special study by the Central Government.

2. The magnitude of the problem of thefts at Calcutta Port is given below:—

Period	No. of thefts registered	Value of property stolen.	Value of property recovered.
			(Rs. in lakhs)
1980-81	802	45.5	23.7
1981-82	1278	16.8	13.1
April to Sept' 82	544	7.00	5.2

3. A number of steps have been taken by Calcutta Port for improvement of security at the port. The steps taken include construction of watch towers at vulnerable areas, raising of boundary walls, barbed wire-fencing and better illumination of yards and quays. Besides, special care is taken for the security of valuable cargo by securing them in lockfast. Action has also been taken for demolition of unauthorised constructions along security walls and fencing. The Police have also been requested to intensify patrolling in the railway yards. Steps have also been taken for streamlining permit schemes with a view to restricting entry of outsiders into the port areas. Two anti-pilferage Committee with representatives of trade insurance associations, customs, police, CISF etc., have been set up which regularly meet to review thefts/pilferages position and to suggest remedial measures.

4. As far as Madras Port is concerned, there were 80 property theft cases involving properties worth Rs. 3.6 lakhs, of which properties worth Rs. 3.3 lakhs were recovered during 1981-82. This is as against 174 cases in 1980-81 involving properties worth Rs. 6.6 lakhs of which properties worth Rs. 5.8 lakhs were recovered. From April '82 to June '82 only 8 property cases have taken place involving properties worth Rs. 20,200 and the entire properties have been recovered.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

#### Recommendation (S. No. 59 Para 7.39)

From the information supplied by the Ministry it is seen that at Calcutta Port the responsibility for security arrangements is divided among three agencies viz. CISF, Port Police and Port Security organisation. In the Committee's opinion this pattern of divided responsibility leads to laxity in security and responsibility for lapses in such cases cannot be fixed. The Committee would recommend that at Calcutta

and any other port where there may be dual or multiple control over security, the duality or multiplicity of control should be eliminated and one single organisation should be made solely responsible for security arrangements.

### Reply of Government

The dual or multiple control of Security Organisation does not, by itself, lead to any laxity in security arrangements. Although, it is desirable, to have a single organisation solely responsible for the security of the port, in some cases, it may not be practicable to do so. However, to the extent possible, it is being ensured that there is no multiple control over security at port.

It has been decided to entrust the security of Bombay Port to Central Industrial Security Force. About 710 personnel of CISF will be inducted in the first phase. Construction of necessary residential accommodation on the land released by Defence Authorities at Brick Bunder, Bombay is under progress. On the gradual induction of CISF, the intention is that the Police personnel deployed for watch and ward duties should be gradually withdrawn and security matters should vest in the BPT's own security staff|CISF personnel. The powers of registration of thefts, investigation of thefts, arrest of criminals and prosecution of the criminals in the Court of Law will, however, continue to vest statutorily only in the State Police. The duality of control to this extent, is, therefore, unavoidable and will have to continue.

With a view to strengthening the security arrangement at Calcutta Port including Haldia, a policy decision has been taken to induct the Central Industrial Security Force in phases and replace the existing Port Security Organisation. In pursuance of this policy, the CISF was first brought in 1971 and the strength of the force is being increased gradually since then. Meanwhile all recruitment of the Port Security Organisation has been stopped with a view to making the Organisation die out by natural attrition. The present strength of CISF in Calcutta Port is 1100 against a sanctioned strength of 1118. The force is in charge of Customs' Bonded area and other important operational areas including EJC area. The remaining areas, such as, Workshops, Stores, Kantapukur Sheds and the Railway Yards other than the EJC Yard are under the charge of the Port Security Organisation.

On a recent review, it has been decided to increase the strength of the CISF by 573 men. A requisition for this has already been made. Meanwhile, steps have also been taken to improve physical security by improving illumination in the Docks and the Railway Yards and other operational areas and by repairing damaged boundary walls etc.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

**Recommendation (S. No. 61, Para 7.42)**

The Ministry has stated that the difficulty in making a proper tally of the unloaded cargo arises because of the jumbled way in which the cargo is unloaded and stacked at the shore. This problem can be taken care of by the port authorities if the labour can be trained in the matter of handling and unloading the cargo in a systematic manner and their working can be properly supervised. The Committee would advise the Ministry to evolve a suitable scheme for training of the labour in loading/unloading cargo and tighten supervision.

**Reply of Government**

It is considered that the problem of proper unloading, stacking and tallying of cargo on the shore can be taken care of by earmarking stacking area on the shore for the unloaded cargo and also by ensuring that the unloaded cargo are properly stacked in that area. The Chairmen of the Major Port Trusts have been advised to unload cargo bill-of-ladingwise and to ensure proper stacking by effective supervision of the shore labour by the supervisory/inspection staff of the Port Trust. The need for training of workers and supervisors on a continuous basis on these aspects of cargo handling and storage has also been reiterated.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983.]

**Recommendation (S. No. 62, Para 7.43 of Report)**

At present the cargo unloaded at a port is marked with the name of the ship from which it has been unloaded and not with the name or insignia of the port; nor is the cargo given any numbering for easy reference later on. It could improve the matters considerably if the Ministry could devise a suitable system of numbering every piece of cargo unloaded at the ports and marking them with the insignia or the name of the port. The Committee would like the Ministry to examine this matter.

**Reply of Government**

In order to ensure quick identification and smooth clearance of cargo all the ports have been advised by the Ministry to load and unload goods bill-of-ladingwise. After watching the results, any additional instructions necessary or the marking of the good will be issued.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983.]

**Recommendation (S. No. 64, Para 8.11)**

Where Port Railways and Trunk Railways have not been integrated and placed under single unified control as is the case at Bombay, Calcutta, Visakhapatnam, Madras, Paradip and Marmugao, the problems of duplication and coordination are bound to rise, affecting the

efficiency of cargo movement. The ideal arrangement in the interest of efficiency of operations would be to merge Port Railways into Trunk Railways. While the Ministry of Shipping and Transport agrees with this view, the Ministry of Railways, it is stated, has reservations on taking over the port railways, because of over staffing of port railways. The port railways staff unions are also reported to be showing resistance to the idea of take-over by Trunk Railways.

The problem appears to have now narrowed down to the mechanics of merger so far as the Ministry of Shipping and Transport and the Ministry of Railways are concerned. The Committee hope that, with tact patience and persuasion, the authorities would succeed in bringing round the port railway staff to the idea of integration of the two railway systems and persuade the trunk railways to take over the port railways in due course.

### Reply of Government

In April 1982, A two-man Committee was constituted by this Ministry to examine the working of the Indian Major Port Trust Railways. The two members of the Committee are Shri T. R. Prasad, Chairman, Visakhapatnam Port Trust and Shri R. P. Singh, Director, Traffic Transportation, Ministry of Railways (Railway Board). The terms of reference of the Committee are as follows :—

- (i) To identify the Port Railways which should be fully or partly taken over by the Trunk Railways for operation, maintenance and development.
- (ii) To identify those sections of the Port Railways which at present cannot be taken over by the Trunk Railways but where existing operations could be reduced/shrunk without causing injury to the trade or port efficiency.
- (iii) To suggest modalities of absorption of the port employees by the Indian Railways where it is decided to transfer the Port Railways. This would *inter-alia* include the matters relating to the payment of Provident Fund, Gratuity, Pension etc. of the employees to be absorbed by the Trunk Railways.
- (iv) Where it is found that port railways cannot be transferred to the Trunk Railways:
  - (a) to suggest measures to streamline the working of the Port railways ;
  - (b) to suggest ways to reduce the losses incurred in the running of the Port Railways ;
  - (c) to study the feasibility of framing a uniform agreement between Trunk Railways and Port Railways on operational and commercial matter;

- (d) to lay down guide-lines for determining the share of the ports in terminal, haulage, sidings and marshalling charges" etc.

The Two-man Committee has since submitted the first part of its report which contains general recommendations about all the port railways and also specific recommendations about Mormugao, Bombay, Haldia and Paradip ports. As regards the merger of the Port Railways with Trunk Railways, the Committee has suggested that in order to give relief to the ports immediately and to improve the Railway working in the ports, the Indian Railways may take over the working of the Port Railways as "Managing Agents" on behalf of this Ministry and the trial to this effect may be made at two or three ports like Bombay, Paradip, Haldia. After watching the results of the experiment a decision for the complete changeover or otherwise might be considered. The report of the Committee is under consideration in the Ministry of Shipping and Transport.

[O. M. No. PW/PGA/10 82, dated 29th October, 1982.]

**Recommendation (S. No. 65, Para 8.22)**

Shortage in supply of wagons for movement of cargo have been reported at the ports of Kandla, Visakhapatnam, Calcutta, New Mangalore, Paradip and Cochin. The problems at all the ports are not alike, Railways too have some operational problems. But the Committee need hardly stress that adequate supply of wagons for movement of goods to and from port is absolutely essential. The Committee have also no doubt, that with the increasing efficiency in freight movement lately brought about by Railways, it should not be beyond the ingenuity and capacity of the Railways to evolve suitable solutions to the problems and meet the wagon demands at the ports in full. The Committee would recommend that the Ministry of Railways and Ministry of Shipping and Transport should jointly discuss the wagon position in respect of each port and draw up agreed programmes to clear imported cargo with utmost expedition.

**Reply of Government**

Ministry of Railways (Railway Board) with whom the matter has taken up have intimated as follows :—

"The availability of wagons in different sectors, including ports, varies from time to time according to availability of traffic and the patterns of movement. At present, Railways are in a position to carry any amount of traffic that is offered from the ports. The following points need special attention :

- (i) There is no difficulty in movement of traffic from the ports to their rational hinterland.



- (ii) Railways do not have, nor do they encourage the infrastructure for connecting the ports or to carry traffic from one port to destination near another port e.g., Bombay Port to Visakhapatnam, or from Kandla to Bombay etc.
- (iii) The port of import of a cargo may be decided keeping in view the ultimate destination in the country and in consultation with Railways. This policy may be adopted for main imports like fertilizers and foodgrains.
- (iv) Difficulties do arise at ports like Kandla where the imports are much more as compared to exports. The imbalance in traffic results in less availability of empty wagons for clearance of imported cargo. Imports at such ports should, therefore, be limited to the extent possible and mainly for the rational hinterland."

In this connection, it may be mentioned that in order to encourage exports through Kandla Port, a proposal relating to the grant of freight rebate to certain commodities if exported through Kandla Port is under consideration of Commerce Ministry. They are placing a paper before the Main Committee of Market Development Assistance consisting of Secretaries of Commerce, Expenditure and Economic Affairs to find out the feasibility of giving such assistance. If this proposal is accepted, the wagon imbalance at Kandla Port, can be corrected to some extent.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983.]

#### **Recommendation (S. No. 66, Para 8.23)**

The Ports of Tuticorin and Mormugao are connected only with the metre-gauge with the result that the railway carrying capacity is limited, and transshipment adds to the transportation costs and causes delays. The Committee learn that broad-gauge link to Tuticorin has already been sanctioned. A survey is in progress to ascertain the feasibility of converting Hospet-Mormugao and linked sections from metre gauge to broadgauge and final decision on linking Mormugao on broad-gauge will be taken after consideration of the Surveyor's report. Needless to say, the broad-gauge linking of Mormugao and Tuticorin with the hinterland as also the broad-gauge link of Mangalore with hinterland to its north would go a long way in improving the operational efficiency of these ports and also provide better and economic transport system for the benefit of Indian importers and exporters. The Committee would urge that broad-gauge links to these ports should be provided on a priority basis.

### Reply of Government

Ministry of Railways (Railway Board) with whom the matter was taken up have intimated as follows :—

“Work on providing a parallel B.G. link from Tuticorin-Tirunelveli section on Southern Railway has already been started as a part of the scheme of laying a B. G. line from Karur-Dindigul-Madurai-Maniyachi-Tuticorin-Tirunelveli Section. On completion of this line, a direct B.G. line to Madras from (i) Tuticorin to Cochin, etc. via Tirunelveli and Trivandrum and (ii) Via Madurai will be available.

A survey for conversion of Londa-Mormugao MG line is in progress alongwith other connected lines. It will be possible to take a decision, after the survey is completed, report is technically examined and the scheme cleared by the Planning Commission, subject to allotment of funds.”

[O. M. No. PW|PGA|10|82, dated 4th January, 1983.]

#### Recommendation (S. Nos. 67-68, Paras 9.34, 9.35)

The Committee are concerned to note that the drafts at a number of major ports, namely, Bombay, Calcutta, Haldia, Kandla and Paradip are not what these should be. The siltation rate at Bombay port is 3 metre per year and the draft at Indira Dock (Bombay) is 3.5 feet less than the scheduled draft. It is a pity that even though Bombay port has adequate fleet of dredgers to meet its maintenance dredging requirements, dredging could not be done regularly because, according to the Ministry, it has not been possible for the port authorities to make berths available for dredging due to congestion. At Mormugao port too, berths have not been made available for dredging but here it appears to be due to management inadequacies rather than congestion. The Committee do not think it was prudent for the port authorities to have neglected dredging of berths or forgone it merely as a measure of expediency. The Committee feel that the Ministry should consider laying down clear guidelines for the benefit of ports so that they can take a balanced decision in the matter of making berths available for dredging even in the context of traffic congestion.

The Committee find that a systematic plan for release of berths at Bombay port for dredging has been evolved and put into operation since October, 1981 and will be continued till all the berths are dredged. The Committee would like that similar programmes of dredging should be drawn up for other such ports also where draft available are less than the desired levels and dredging carried on till the desired depths are reached and repeated according to time-table.

### Reply of Government

The observations of the Committee have been noted and the Ports are being advised to draw a planned programme of dredging so as to ensure the desired depths at the berths.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983]

#### Recommendation (S. No. 69, Para 9.36)

Navigational channels to Haldia and Calcutta have been posing problem over a long period now. In spite of massive dredging efforts, results have not been commensurate. The Committee understand that based on extensive model studies, a comprehensive scheme for maintaining as well as improving depths in the navigational channels has now been prepared envisaging engineering measures like dredging over the bars, river training works at various locations in the channel. This scheme under examination by the Ministry. The Committee hope that the Ministry will soon find a long term solution to the problem and succeed in maintaining requisite depths in the navigational channels.

### Reply of Government

The Comprehensive Scheme has already been sanctioned by the Govt. The results of the execution of this scheme, which will be completed during the 7th Five Year Plan, will be watched with interest.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

#### Recommendation (S. No. 70, Para 9.37)

The Calcutta Port Trust has been incurring substantial expenditure towards dredging and maintenance of the river of which 80 per cent is at present borne by the Central Government. The subsidy by Central Government was to continue upto the year 1981-82 but its further continuance is under consideration. A proposal has been made that Central Govt. should assume the full responsibility for dredging of the port and bear 100 per cent cost of dredging operation. But this proposal is not favoured by Central Government which sees no reason why, like other ports, Calcutta Port Trust should not bear at least a part of the expenditure. While on principle this approach cannot be faulted, the Committee feel that the proposal also deserves to be looked at from a more practical angle in the context of the unprecedented nature of the problem and the financial capacity of the Port to bear even a part of the burden.

### Reply of Government

The question of continuing the subsidy to CPT beyond 1981-82 for dredging and maintenance of the Hooghly river will be considered

after receipt of the Report of the Committee of officers which was appointed by the Govt. to look into the increasing costs on river dredging and maintenance and allied matters. The question whether Central Govt. should assume the full responsibility for the dredging of the river and bear 100 per cent cost of dredging operation will be considered after the Committee has submitted its report.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendation (S. No. 71, Para 9.38)**

As per recommendations of the Dredger Utilisation Committee (1972), the norms for working of dredgers have been fixed at 5,000 hours per annum on the basis of 3 shift work. But it is a matter of regret that, according to the Ministry's own norms, the dredgers have, by and large, remained under-utilised at all the ports utilisation in certain cases being as low as :

- 527 hours per annum (Bombay),
- 622 hours (Madras),
- 722 hours (Calcutta).

Such a situation is particularly painful considering the magnitude of the dredging problems at certain ports and their consequence.

### **Reply of Government**

It is true that by and large the utilisation of port dredgers have remained low with reference to the norms suggested by the Dredger Utilisation Committee. However, the three figures quoted in the Report pertain to one dredger of Bombay Port Trust in the year 1978-79, one dredger of Madras Port Trust in the year 1979-80. The Bombay Port Trust's dredger 'Virat' was a new dredger manufactured indigenously by M/s Mazagaon Dock Ltd., which suffered many break-downs and also teething troubles in the dredging equipments installed in the dredger. Moreover, the dredger itself was taken over by the Port Trust some time during the same year. In the successive years 1979-80 and 1980-81, the same dredger has been much better utilised. Regarding the dredger of Calcutta Port Trust, this is a very old bucket dredger built in the year 1951. During the year 1979-80, this was laid up for extensive repair and special surveys etc. Regarding Madras Port Trust's dredger, this dredger has also laid up for repair and special survey etc. for 250 days.

2. To achieve maximum productivity from dredger, the ports have been advised to review and monitor continuously the performance of their dredgers. Besides, in certain cases, at the instance of the Ministry the port's dredger has been given to the dredging Corporation of

**India for management.** For instance, a dredger each of Mormugao and Kandla Ports is being managed by Dredging Corporation of India.

3. It may be mentioned however, that the utilisation level as per Dredger Utilisation Committee norm, can be obtained only if a dredger could be worked round the clock for 3 shifts. But factors like criticality of demand, non-availability of adequate manpower and economic considerations are relevant at times and round-the-clock operations by the dredgers may not be possible or required.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983].

### **Recommendation (S. No. 72, Para 9.39)**

Poor maintenance is stated to be one of the main reasons for the under utilisation of the dredgers, Secretary (Shipping and Transport) has informed the Committee that spare parts for the machinery most of which is indigenous are by and large available and it is only a question of proper materials management. It is unfortunate this factor of poor maintenance which is well within the control of port authorities should have been allowed to come in the way of full utilisation of dredgers. The Committee should expect the Ministry to take remedial measures, including strengthening of materials management without loss of time.

### **Reply of Government**

The observations made by the Estimates Committee have been noted. In order to obtain full utilisation from the dredgers, the following steps have been taken :

- (i) For sometime past, the performance of ports on various counts, including the dredging performance, is being reviewed by the senior officers of the Ministry during their tours to the ports.
- (ii) A special scheme of producing qualified personnel for the dredgers has been taken up under the auspices of the Dredging Corporation of India Ltd., Visakhapatnam. Induction of these officers into the Marine Departments of the ports, it is hoped, would help in improving the dredging performance.
- (iii) The Ministry had organized sometime back meetings of Heads of Departments of Ports, including Controller of Stores|Materials Managers. The need for strengthening and improving materials management was emphasized at this meeting.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983].

**Recommendation (Serial No. 73, 74 & 91, Para 9.40, 9.41, 11.40 and 11.42)**

Shortage of qualified and experienced marine officers is another factor stated to be responsible for the under-utilisation of dredgers. The Committee find that the shortage of trained personnel is not a universal phenomenon. The shortage is only at certain ports like Kandla, which are not very popular for various reasons and where the available personnel do not want to go and they cannot be forced to go as job opportunities are available at other places in India and abroad. The Committee, however, feel that the factors which make such ports unattractive are not such as have developed suddenly or without notice and there is no reason why the authorities at such ports could not have anticipated such shortage and taken appropriate action well before the occurrences of shortage. In the Committee's opinion this reveals weakness of the personnel management at these ports for which the port authorities and the Ministry cannot escape responsibility.

The Committee would urge that Ministry should look into the matter of manpower planning so as to ensure that the port operations in any field do not suffer for lack of trained personnel, particularly in view of large scale unemployment problem facing everywhere."

"The Committee take note of the training programme launched by the Dredging Corporation of India in 1976, to fill the void of trained personnel at various ports, so far 53 cadets have been trained. The Ministry expects the shortage in this respect to be made good in 4-5 years' time. But the Committee feels that the availability of trained personnel by itself may not end the shortage particularly at unpopular ports like Kandla. For this purpose it may be necessary for the Ministry to think of incentives to attract qualified staff to take up jobs at such ports and stay there for a reasonable length of time. The Committee would like the Ministry to give this matter a serious thought."

"The Committee note that some ports are experiencing shortage of trained and qualified personnel for manning essential services. Shortage is prominent among Pilots, Marine Engineers and Motor Drivers (Tugs). That the trained personnel leave whenever they get foreign jobs is not a new development and it is not a factor which cannot be taken care of by a proper system of manpower planning. The Committee would like the Ministry to draw up a long term perspective of requirements and availability of trained personnel for port services and initiate an integrated plan of action to ensure that adequate personnel become available, from year to year to cope with the demand."

### Reply of Government

The recommendations of the Committee have been noted. The steps being taken or overcoming the shortage of trained and qualified personnel were indicated in the written reply furnished earlier by the Ministry to the Estimates Committee. These steps are briefly mentioned below :—

- (a) Calcutta Port Trust has started a marine apprenticeship scheme under which T. S. Rajendra—passed cadets are recruited and trained for two Marine services namely, Calcutta Pilot Service and Hooghly River Service.
- (b) The Dredging Corporation of India has undertaken a scheme to build-up an All-India Dredging cadre for manning the post of Dredger Officers in its own service as well as at the Major Ports.
- (c) There is a proposal under consideration to raise the training capacity of DMET Bombay from 120 Graduate Engineers per year to 200 and the training capacity of DMET Calcutta to 480 cadets in 4 years so that the annual out turn comes to 120 cadets.
- (d) Similarly, there is a proposal under consideration for raising the capacity for training Nautical Officers from the existing 250 to 500.

In addition to the above steps, the Ministry is also considering the question of changing the qualification for appointment of an officer as a Pilot. According to the current practice, a Master Mariner can be appointed as a Pilot. It is however, felt that if the minimum qualification for Pilots is lowered from the existing Master Mariner's Certificate to some other suitable qualification, the position regarding availability of pilots, may improve. The Sub-Committee of Maritime Safety Committee of IMCO, LONDON, which considered this matter in January, 1981 agreed by a substantial majority that it was not necessary to prescribe a certificate of Competency or have specific sea-going experience for a Pilot, and this matter should be left to the discretion to the Competent authorities.

As regards, the Committee's recommendation No. 74 about the Ministry thinking of offering incentives to attract qualified personnel to accept jobs at unpopular ports like Kandla, it will be examined in consultation with the concerned Ports, i.e. Paradip, Kandla and Calcutta, (Where there have been shortage of Marine Staff) and others and the Ministry of Finance. The decision taken in this regard will be brought to the notice of the Estimates Committee at the appropriate time.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

**Recommendation (S. No. 75, Para 9.48 & 9.49)**

The desirability of taking up Sethusamudram Project providing for an artificial canal across the rocky barrier called Adam's Bridge to connect the Indian Ocean with the Bay of Bengal similar to Suez and Panama Canals has been represented before the Committee. It is claimed that the project is economically viable and technically feasible and should be undertaken as a national project in national interest.

The Government it is stated, has set up an expert committee to go into the technical and economic viability of the project once again. The committee will also consider the strategic importance of the channel for the country's defence, and the Government will take an early decision in the matter which will be in the larger interest of the nation. The Committee would like to be informed about the recommendation of Technical Committee and action taken thereon.

**Reply of Government**

The technical committee is yet to submit the report to the Government. The Committee would be informed of the recommendations of the above technical committee and action on them taken in due course of time.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

**Recommendation (S. No. 76, Para 9.54)**

The need for capital dredging at Tuticorin Port to increase its draft by 5 feet has been represented to the Committee. It has been stated that capital dredging is very essential to make Tuticorin Port suitable for bigger ships to meet the national needs. The Ministry has stated that deepening of draft at Tuticorin Port is linked with the scheme for improvement of draft of shipping channel to Haldia Port from which bigger ships carrying coal are expected to sail to Tuticorin. But considering the complex problem of improving the draft at Haldia and paucity of funds, the Tuticorin scheme was not included in the Sixth Plan. The Committee take note of the observation made by Secretary, Shipping and Transport that there is a possibility of the Ministry taking up the capital dredging scheme for Tuticorin in the Seventh Five Year Plan.

**Reply of Government**

No specific comments are required.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

**Recommendation (S. No. 77, Para 9.60)**

The Committee feel that the Ministry should keep the international trend of commissioning bigger and bigger ships under watch and plan well in advance to make Indian ports usable for bigger ships so as to keep pace with the international trend.



### Reply of Government

The Committee's observation has been noted.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### Recommendation (S. No. 78, Para 10.36)

Surprisingly no study has been made by the Ministry to know whether, any, and if so, how many strikes/work stoppages could have been forestalled by timely action on the part of management. The Committee feel that such a study should be made to learn lessons from past mistakes which will no doubt stand the management in good stead in dealing with such situations in the future.

### Reply of Government

The Chairman of the Major Port Trusts have been requested to make a study in respect of the strikes/work stoppages during the year 1981 by port and dock workers, keeping in view whether any notice for strike was given, action taken by the management to settle grievances during the notice period, efforts made by the Conciliation Machinery to settle the dispute, reasons for strike in spite of efforts made to settle the dispute, the remedial action to be taken in future in such cases etc. The Port Authorities have been asked to carry out the study on a priority basis and the result of the study will be analysed in the Ministry for future guidance.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

### Recommendation (S. No. 79, Para 10.37)

The Committee also feel that if the port management has tactful, alert and sensitive set-up to look after industrial relations and keep a watchful eye on the health and mood of the labour community, it can sense the approaching storm before-hand and move in the matter well in time to defuse some, if not all, explosive situations before it is too late. The Ministry will do well to review the industrial relations machinery at each port with a view to making it strong and efficient.

### Reply of Government

The following is briefly the set-up relating to Industrial Relations at the various Ports to handle the labour problems :

**BOMBAY :** The post of Chief Personnel and Industrial Relations Manager was created two years ago to deal with labour problems. He is assisted by a Personnel Officer and four Junior Officers. Proposals are under formulation to strengthen the Personnel and Industrial Relations Department by providing an Industrial Relations and Person-

nel Officer in the bigger Departments employing large staff such as Chief Mechanical Engineer's, Docks and Ports Departments.

**CALCUTTA :** There is a full-fledged Industrial Relations Department headed by Labour Adviser and Industrial Relations Officer. He is assisted by Deputy Labour Officer and Industrial Relations Officer, five Labour Officers, one Welfare Officer and Welfare Inspectors. Strengthening of the Department is under active consideration of the Port authorities.

**MADRAS :** The Industrial Relations Section is functioning under the charge of the Secretary of the Madras Port Trust. In each Department, one Officer has been appointed as Grievance Officer, who looks after the individual grievances of the employees.

**COCHIN :** The administration Department headed by the Secretary co-ordinates the general problems pertaining to labour. According to the Port Authorities, the existing arrangement is sufficient to handle the labour problems.

**VISAKHAPATNAM :** The Administration Department under the control of Secretary is assigned the job of looking into labour problems. According to Port Authorities, the present set up is adequate enough to be alert and watchful to defuse situations, well in time. The issues, if any, are settled through bilateral discussions.

**MORMUGAO :** The job of looking into the labour problems is assigned to a Deputy Secretary, who is assisted by Labour Officer, Welfare Promotion Officer and Welfare Inspector. The Port Authorities have already taken steps to strengthen labour relations by creating the post of Industrial Relations Officer, which is being filled in shortly.

**KANDLA :** Industrial Relations Work has been assigned to the Secretary's Department and there is a Labour Section. In addition, the labour problems arising in relation to the working of different Departments are attended to by the Heads of Departments concerned.

**PARADIP :** The Administration Department is assigned the job of looking into labour problems, which inter alia looks into Labour Management Services, Estate and General Establishment. The Port Administration is of the view that a full-fledged Personnel Department needs to be established.

**NEW MANGALORE :** There is no Personnel Department and need for having a Personnel Department is under examination.

**TUTICORIN :** There is an Industrial Relations Officer. The Port Authorities are taking a comprehensive view of the existing Industrial Relations Machinery at the Port with a view to making it strong and efficient.

2. It will be seen from above that action is being taken to strengthen the present set-up wherever necessary.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendation (S. No. 80, Para 10.38)**

The Committee are concerned to note that labour-productivity has been more or less stagnant in all the Ports over the last four years. Norms of productivity have remained unchanged despite the facts that wages have been rising from time to time and the equipment too has been improved and mechanised. The Committee fully endorse the thinking of the Government that when piece rate wages are increased hereafter, the norms should also be revised upward and the increased-wages should be linked to increased productivity. The Committee hope that the new productivity norms will also ensure that the labour report at work sites on time and are encouraged to achieve higher outputs. This will be in the fitness of things in the year of productivity; that is 1982; if conclusive action in this direction is taken now and not delayed any longer.

### **Reply of Government**

Para 21 of the Wage Settlement dated 4-1-1981 between Government of India and Federations of Port and Dock Workers provides as follows :—

“Existing incentive|payment by result scheme will be suitably revised after discussions locally. Revised schemes will have prospective effect but in cases of failure of revise any existing scheme in a Port before 31-3-1981 revised rates will be made applicable from 1-4-1981. The demands for extension of such schemes to new categories or introduction of new schemes will be discussed by the Port Trusts and Dock Labour Boards locally with the concerned Unions. Such Schemes wherever introduced will be made applicable prospectively from the date of agreement.”

The Chairman of the various Port Trusts and Dock Labour Boards were advised from time to time to conduct negotiations with the local unions on revision of the Piece-rate|Incentive Schemes with a view to enthuse the workers to increase their productivity and also to reduce the cost of handling of cargo. The matter is under discussion by the authorities of Port Trusts and Dock Labour Boards with the Unions at local level.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (S. No. 81, Para 10.39)**

The Committee are concerned to note that the labour force at Calcutta and Mormugao Ports is far in excess of requirements. The Committee will urge the Ministry to find satisfactory solutions to the problem of surplus labour by making voluntary retirement schemes more attractive as also by taking such other measures as may be considered feasible and effective.

### **Reply of Government**

The position regarding surplus labour at Calcutta and Mormugao Ports and the action being taken to tackle the same is as under :—

#### **Calcutta Port Trust :**

1. A Voluntary Retirement Scheme was introduced some time ago for all categories of employees. Under the Scheme, 5 years' weightage was given for the purpose of payment of retirement benefits. There was, however, little response from the Port employees. The existing strength of cargo-handling labour is 4260. About 600 of them would superannuate within next two years and the balance labour force would be the optimum strength required to handle traffic projections in 1982—85.

#### **Calcutta Dock Labour Board :**

2. It is estimated that at present there are about 750 surplus dock workers. The Calcutta DLB has introduced in November, 1980 a Voluntary Retirement Scheme by which worker was entitled to 10 months' average pay for the past service plus one month's wage for each year of foregone service subject to a maximum of 15 months' pay, in addition to the normal retirement benefits. The additional benefits admissible to workers was about Rs. 25 to 30 thousands. But the response to the Scheme was very poor, and about 80 workers have retired so far. However, the Calcutta DLB is drawing up a Scheme on a liberal scale in order to attract more workers to seek voluntary retirement.

#### **Mormugao Dock Labour Board :**

3. Consequent upon the commissioning of Mechanical Ore Handling Plant in October, 1979 a large number of registered dock workers became surplus at Mormugao DLB. The Dock Labour Board introduced a Voluntary Retirement Scheme and also persuaded the Mormugao Port Trust to absorb some surplus workers of the Dock Labour Board. The Board also decided to remove the names of surplus workers, on attaining the age of 45 years. As a result of all these measures, the number of workers has been reduced from 1778 as on 30-6-81 to 1208 as on 31-8-82. There is still about a surplus of 126 workers in the category of Winch Drivers out of which 10 are likely to be absorbed in the

Mormugao Port Trust. The Mormugao Dock Labour Board is making efforts to provide additional employment for the remaining workers by deploying them on shore handling operations on the Port side.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (Serial No. 82) Para 10.40**

The Committee regret to note that even though cargo handling technology and trade pattern are changing fast there are no training arrangement to keep them labour abreast of the latest development at a number of major ports in India viz., Calcutta, Cochin, Kandla, Tuticorin and New Mangalore. The need to train labour in the latest techniques of cargo handling and to regroup and re-categorise labour gangs to suit the changing trade pattern cannot be over-emphasized. The Committee hope that the proposals which have been initiated in this direction will be translated into action soon.

### **Reply of Government**

The proposal for setting up of Training Institutes for imparting training to port and dock workers was considered by the Governing Body of the Indian Ports Association at its meeting held on 22-1-1981 and it was agreed that the training schools at the ports of Bombay, Calcutta, Cochin, Madras and Visakhapatnam should be set up. It was envisaged that these 5 schools would arrange for training of port and dock workers at all the ten Major Ports. The Governing Body of the Indian Ports Association decided that the job of preparation of Project Report should be entrusted to a foreign agency in association with Indian experts.

2. Accordingly, Mr. Peter G. Pattinson, who was assigned this consultancy assignment by the International Labour Organisation, visited various Ports during the months of April and May, 1982 and submitted his draft report to the Government of India on 31-5-1982. The report is being examined in consultation with Ports authorities.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

### **Recommendation (Serial No. 83, Paras 10.41 & 10.42)**

At present there are two categories of labour working at the ports, the dock labour and the port trust labour. The Committee have gone into this question. They are of the opinion that for the optimum utilisation of labour force and for efficiency of operations at the ports, it is absolutely essential to integrate all categories of labour whether of Port Trusts or of Dock Labour Board into one labour force and

place them under a unified control. They would urge the Ministry to pursue this matter vigorously with a view to bringing about such an integration as early as possible.

### **Reply of Government**

Integration of cargo handling labour of the Port Trust and Dock Labour Board is no doubt a desirable objective. Out of 10 major ports, there are Dock Labour Boards in seven major ports, viz., Bombay, Calcutta, Madras, Visakhapatnam, Cochin, Mormugao and Kandla. There are no Dock Labour Boards in the remaining three ports of Paradip, Tuticorin and New Mangalore. Experiments are already underway for having a common pool of labour for carrying out cargo handling operations both on board the vessel and on shore in these three ports. As regards the integration of port labour and dock labour in the seven ports having Dock Labour Boards, the matter will be pursued after the results of experiments being made in Paradip, Tuticorin and New Mangalore Ports are known and also after holding elaborate discussions with the labour in due course.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendations (No. 84, Para No. 11.5)**

The Committee notes that at Calcutta, Cochin and Tuticorin there are formal Committee viz. Port Operations Committee consisting of port officials and users which meet at regular intervals to discuss problems and difficulties of port users. But no such regular Committee have been constituted at other ports though *ad hoc* arrangements are stated to have been made there to hear and redress the grievances of the Port users.

The Committee is glad to learn that the Ministry has no objection to constitute formal Committee of port officials and users at all other ports to provide a regular forum for hearing grievances and finding solutions by collective discussions. The Committee hope that this will be done soon.

### **Reply of Government**

Instructions have been issued to all major port trusts to implement the recommendation of the Committee.

[O. M. No. PW|PGA|10|82, dated 4th January, 1983].

### **Recommendation (S. No. 85, Para 11.13)**

The Committee feel that the constitution of Port Trust Boards should be reviewed at the earliest opportunity and representations rationalised so as to give an effective voice on the Board to a cross

section of interests which have a direct stake in the efficient working of the Ports.

### **Reply of Government**

The interests which have a direct stake in the efficient working of ports are the labour employed in the port, shippers, shipowners, customs, railways, Mercantile Marine Department, State Government concerned, Defence Services, various Chambers of Commerce etc. under the provisions contained in Section 3 of the Major Port Trusts Act, 1963, all the above interests are to be represented on the Port Trust Boards. The Port Boards are being constituted as per the provisions of the Act. In view of the existing statutory ceiling on the number of trustees who could be appointed on each Board and the need to keep the Boards as compact as possible, it is not possible to give representations to all the interests, which are involved in the port operations. However, it will be the endeavour of the Ministry to give representations to all those interests which have a vital stake in the efficient functioning of the Port.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982.]

### **Recommendation (Serial No. 86, Para 11.21)**

The Committee would like that a critical study of the powers vested in the Ministry and Port Trusts under the Major Ports Act and the Rules made thereunder should be made to determine whether the Ports have been allowed autonomy in actual practice within the allotted sphere and whether the Ministry has over-stepped the Limits of its powers under the law. To make the study objective, it would be necessary to associate the representatives of the Ports and if the Ministry feels it necessary to have powers for itself or limit the powers of ports in any particular respect in national interest, there should be no objection provided the law is modified accordingly. What the Committee would like is that statutory powers granted by Parliament to Port Trusts should not be taken or eroded by administrative fiat.

### **Reply of Government**

The Ministry appreciates the rationale of the recommendation made by the Estimates Committee. The Committee may be assured that there has been no intention of taking away from the Port Trusts powers that have been given to them under the statutes, and it would be ensured that they enjoy the powers delegated to them in an unfettered manner.

As regards the suggestion for a study of the delegated powers vested in the Ministry and the Port Trusts, it should be mentioned that existing position regarding delegation of powers to the Port Trusts had been indicated in the written reply furnished earlier by the Ministry. By and large, it is felt that the existing delegation of powers in favour of the Port Trusts is adequate. In view of the recommendation made, however, it has been decided to review the existing delegation of powers in consultation with the Ministry's Financial Adviser and the Chairman of the Port Trusts. This review is proposed to be done in the near future.

This issues with the approval of Minister of Shipping and Transport.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendations (Serial No. 87 and 88, Paras 11.26 & 11.27)**

From the data furnished by the Ministry, the Committee however, find that Chairmen of certain ports have remained out of station for an aggregate of 83 to 128 days in 1981; in 1980, the aggregate period of absence was as high as 147 days at Kandla, 148 days at New Mangalore, 131 days at Tuticorin and 99 days at Pradip. The Ministry would do well to consider the effect of absence of Chairmen, Port Trusts, from headquarters for such long period on the efficiency of the port operations.

The Committee are of the view that, in the absence of the Chairman of a Port Trust if an urgent issue concerning port operations or security or safety arises and if delay in taking a decision on the issue is likely to cause harm to the port or harassment or financial loss to port users, the officer next below to the Chairman should be able to exercise the powers of the Chairman subject to review by the latter on his return. The Committee would like the Ministry to give a thought to this nature.

### **Reply of Government**

The recommendations of the Committee have been noted. The Ministry appreciates the keenness of the Committee that in the absence of Port Chairmen, decisions on important matters should not be delayed.

It may, however, be stated that sufficient powers regarding matters relating to operations, safety, security and administration of Ports have been delegated already to the heads of department in various Port Trusts. Moreover, excepting for the Ports of Kandla and Tuticorin where the posts of Dy. Chairmen are vacant at present but are likely to be filled in the near future, Deputy Chairmen of all other Port Trusts are in position. Therefore, when the Chairman is out of



station, the Deputy Chairman looks after important matters. If on some occasions the Deputy Chairman also happens to be out, the next senior most officer co-ordinates the work. In fact, no such case in which absence of Chairman caused delay in taking of decisions and affected adversely the working of the Port has been brought to the Ministry's notice.

2. However, keeping in view the spirit of the Committee's recommendation, the Port Chairman are being advised to ensure that the duration of their absence from the Headquarters should be kept to the minimum. They have also been requested to review the existing delegation of powers made to various officers in their ports and to send proposals for further delegation if that be found necessary.

[O.M. No. PW/PGA/10/82, dated 29th October, 1982.]

### **Recommendation (S. No. 89, Para 11.31)**

The Committee are glad to learn that Management Accounting System has already been introduced in all the ports except the ports of Tuticorin and New Mangalore which also have been advised by the Ministry to follow suit. Ports where the Accounting System is not yet linked with electronic data processing system have also been advised to do so early.

The Committee find that there is no Management Information System in the ports. The need for such a system appears to have been acknowledged by the port Chairmen but it is yet to be designed. It is awaiting further consideration by the Indian Ports Association. The Committee would urge the Ministry to help the ports arrive at a decision in the matter and introduce a Management Information System at the ports expeditiously as a step towards better control and direction of port management and operations.

### **Reply of Government**

The question of developing a management information system for all the ports has been engaging the attention of the Ministry for sometime. There is already an organisation in the Ministry headed by the Director, Transport Research, which is collecting and compiling information relating to various ports and shipping matter. It is also planned to develop a computer based management information system in consultation with the National Information Centre, New Delhi, and the Indian Ports Association.

The Development of a Management Information System under the auspices of the Indian Ports Association was discussed in the 35th meeting of the Governing Body of the IPA held at New Delhi on 7th and 8th September, 1982 and it was decided to appoint an

officer of the level of Joint Secretary on deputation basis and other supporting staff to develop a MIS system at IPA. The proposed management information system will be computer based.

O.M. No. PW/PGA/10/82, dated 29th October, 1982.

**Recommendation (S. No. 90, Para 11.33)**

The Committee note that the large volume of information which the Ministry is receiving from all the ports and which it says it is tabulating and analysing, is not at all being utilised for lack of electronic data processing system. When the Ministry has gone so far as to make all arrangements for collecting and analysing information from all the ports, the information should be fully utilised in monitoring and coordinating the working of the ports and the development projects under way there; otherwise the expenditure and efforts made in collecting information would be infructuous.

**Reply of Government**

The Ministry is in touch with the National Informatics Centre, New Delhi for setting up a Computer based information system in the Ministry. This will be used for collecting and analysing information from all the ports in a scientific manner.

[O.M. No. PW/PGA/10/82, dated 29th October, 1982].

**Recommendation (S. No. 92, Para 11.45)**

Now that definite need to go into all aspects of administrative procedures and organisational set up in Major Ports has been acknowledged by the Ministry, the Committee would expect the Ministry to initiate action to appoint an administrative reforms committee to take up a comprehensive review of the administrative systems and procedures with the object of making ports administration more efficient and result and service-oriented.

**Reply of Government**

The above recommendation by the Estimates Committee has been accepted by the Ministry. It is proposed to constitute a Committee, comprising members drawn from different disciplines, to examine the administrative systems and procedures prevalent at the major ports. It has also been decided that the proposed Committee, apart from looking into administrative procedures, should go into other aspects of ports' working like management, administration and operations which have a bearing on the performance of the ports and their fulfilling the objective of being service-oriented organisations.

2. The terms of reference to be assigned to the aforesaid Committee are being considered. The composition of the Committee has also to be decided. It is hoped that orders constituting the Committee

would be issued in the near future and a copy of the relevant orders would be forwarded to the Lok Sabha Secretariat for information of the Estimates Committee.

[O. M. No. PW/PGA/10/82, dated 4th January, 1983].

**Recommendation (S. No. 94, Para 11.58)**

The Committee note that the question of strengthening the Indian Ports Association and giving it additional functions in important fields like Management Information System and monitoring is engaging the attention of the Ministry and the Ports Chairmen. They would like to be apprised of the decisions taken in the matter.

**Reply of Government**

The issue of strengthening the Indian Ports Association to provide services like Management Information Service, Consultancy Service and various other coordination activities, was discussed in the 35th meeting of the Governing body of the Port Association held in New Delhi on the 7th and 8th September, 1982. It was decided in the meeting to appoint an officer of the level of Joint Secretary on deputation basis along with supporting staff, to develop a computer based M.I.S. for the Indian Ports Association.

It was also decided by the Indian Port Association to appoint a Consultant for framing uniform regulations on all aspects of service and other matters of operation pertaining to major ports. It was also considered necessary to appoint a Law Officer for scrutinising the model regulations from the legal angle.

In order to improve the communication with the ports, the I.P.A. has decided to set up separate teleprinter links with all the major ports.

O.M. No. PW/PGA/10/82, dated 4th January, 1983.

**Recommendation (S. No. 95, Paras 11.64 & 11.66)**

“The Committee are constrained to observe the implementation of the policy for appointments at the highest level is biased in favour of IAS Cadre. The Committee are of the view that port administration, like Railways and Airports administrations, is highly specialised affair for which professionals who are fully acquainted and have grown with the ports problems would be better suited to head the Port Trusts. Only when such an officer is not available from amongst the port services, the question of inducting an IAS Officer or other such officer from the general cadre should arise. The Committee, therefore, recommend that the appointments policy followed so far

in this regard should be re-oriented and a cadre of senior officers from among the port services should be gradually built up to man all the posts including the posts of Chairmen and Deputy Chairmen in the Port Trusts."

### Reply of Government

The recommendation has been considered carefully. However, the Ministry request to say that it is not possible to accept that all posts, including the posts of Chairmen and Deputy Chairmen in the Port Trusts should be manned by Officers of the Port Trusts.

In connection with the above, it is relevant that there is no combined cadre for all ports; and all the posts are borne on the establishment of a particular port. As explained by the Transport Secretary during his evidence before the Committee, the posts of Heads of Department are manned by Port Officers. Whenever men with leadership and ability are available in the Port Trusts, they are considered for appointment as Deputy Chairman and Chairman. For example, the posts of Deputy Chairman in the Ports of Cochin, Visakhapatnam, Mormugao and Paradip are, at present, being manned by Port Officers. In the past, Shri P. C. Mitra and Shri R. Srinivasan, both Port Officers, were appointed as Chairmen of the Ports of Calcutta and Visakhapatnam, respectively. It is felt that most of the posts of Chairmen will have to be manned by officers belonging to the IAS cadres of the concerned States for sometime to come, because the job, although professional to some extent, has numerous administrative aspects where a general administrator can be more useful.

2. Wherever suitable and competent persons are available in port services, they will be considered for promotion to the posts of Deputy Chairmen/Chairmen, but where such suitable persons are not forthcoming, officers belonging to the IAS or other services will have to be considered for appointment. In the larger interest of the ports it is currently not possible to restrict appointment of Chairmen/Deputy Chairman to the officers belonging to the port services. The Ministry does want to professionalise the Ports' Administration and this process will be accelerated.

[O.M. No: PW|PGA|10|82, dated 29th October, 1982]

### Recommendation (S. No. 96, Para No. 11.78)

The Committee are disturbed at the persistent losses being suffered year after year by Calcutta (except 1979-80), Paradip and Visakhapatnam ports. Tuticorin Port was also in the red in 1980-81. They are also unhappy at the high operating ratios at these ports. The operating ratio at the ports of Paradip and New Mangalore have been higher than 100%. This shows higher operational expenditure

than these ports can bear which is regrettable. The Committee view this situation with utmost concern. Obviously, the measures taken so far to tone up the financial health of these ports have not proved effective. With the losses recurring year after year, the Committee fear that the financial sickness of the ports may not come to be accepted as normal feature to live with which will be very unfortunate. They would, therefore, like to warn the Ministry against any such tendency overtaking the port authorities or even the Ministry itself. The Committee would urge that more effective and comprehensive measures are called for to improve the operating ratios and break the vicious circle of uneconomic working created around these ports and bale them out of this deficit syndrome. They would like to be informed of the measure to be taken in this regard.

### Reply of Government

Measures taken by the Government to improve the financial position of Calcutta, Visakhapatnam, Paradip, Tuticorin & New Mangalore Ports Trusts are :—

#### *CALCUTTA*

Calcutta is a riverine Port and has been functioning with draught limitations, which inhibit the entry of bigger size vessels into the port and in turn results in low traffic at the port. Steps taken to reduce the losses of the port include grant of subsidy by Government at the rate of 80 per cent of the expenditure incurred on river dredging and river maintenance of the river Hooghly upto 1981-82 in order to maintain a suitable draught, execution of Bhagirathi-Hooghly river training works at Government cost and construction of Farakka Barrage to ensure adequate head water supply. For improving the draught further in the navigational channel leading to the Ports of Calcutta and Haldia, Government is contemplating execution of certain dredging and river training works in the Hooghly estuary at an estimated cost of Rs. 40.50 crores. For this purpose an outlay of Rs. 83.00 has been included in the Sixth Five Year Plan.

Steps have also been taken by the port to attract more traffic by offering incentives and replacing old equipment by new and better ones. To increase the revenue, estate rentals were also revised by the port by 100% in 1981. Various measures have also been taken to reduce the extent of over staffing and by implementing a scheme of voluntary retirement. Uneconomic jetties and railway stations have also been closed down and negotiations are going on with the Trunk Railways for handing over these sections of the port trust railways which no longer handle traffic.

**PRADIP**

There is a decline in the iron ore traffic at Paradip Port and this has been engaging the attention of the Central Government and several discussions have recently been conducted with the concerned organisations. The MMTC which handles export of iron ore, reports that most of the iron ore exported from Paradip is in the form of lumps, while the preference in the international market is for fines. There is also slackness in the world iron ore export market and the inability of Paradip Port to handle vessels bigger than 60,000 DWT. The MMTC has been asked to explore the possibility of finding new avenues of export. Besides, to step up the traffic at the port, Ministry of Agriculture has been requested to increase the quantum of imported fertilizers at Paradip Port. In order to attract more general cargo traffic, a second general cargo berth has been sanctioned and is already under construction. The commissioning of the wagon tippler and modifications to the iron ore handling plant to increase its loading capacity are in progress. Adequate provision for additional port facilities, like construction of third general cargo berth, a fertiliser berth and capital dredging, has also been made in the Sixth Five Year Plan. For this purpose, an outlay of Rs. 60.81 crores has been included in the Sixth Five Year Plan.

The expenditure on overtime, POL consumption, travelling allowance and telephones is being reduced by the port by rigidly enforcing ceiling. The hire charges of various types of equipment have been rationalised to earn more revenue.

**VISAKHAPATNAM**

The rates and charges for the various services in the Inner Harbour have been increased recently which will fetch additional revenue to the port. Expenditure on establishment is being controlled. Besides, strict economy measures have been taken to keep other expenditure under control.

A proposal for revision of rates for handling iron ore at the Outer Harbour is under consideration of the Government. An outlay of Rs. 71.33 crores has been included in the Sixth Five Year Plan for installation of a wagon tippler, construction of a coal berth, an oil berth, a mooring berth and a general cargo berth and procurement/replacement of various types of equipment, vessel, etc.

**TUTICORIN**

Tuticorin Port is a young port. Its operating ratio has improved in 1981-82 from 93.06% in 1980-81 to 86.99% in 1981-82. The port has recently, revised its rates by 20% which is expected to bring additional revenue to the port. Besides, a coal berth and 2 general cargo berths are under construction. These measures will further improve the operating ratio of the port in future.

**NEW MANGALORE**

The operating ratio of the port was higher than 100% for the year 1980-81 but the same has improved in 1981-82 to 82.12%. In November, 1981, the port had rationalised its rate structure. This is expected to bring additional revenue to the port and bring the operating ratio further down.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

**Recommendation (S. No. 97, Para Nos. 11.91 & 11.92)**

It has been represented to the Committee that the charges at other ports are higher than Bombay, with the result that even when shippers or importers want to divert their consignments to other ports in order to ease congestion at Bombay, they are discouraged from doing so. From the data furnished by the Ministry the Committee find that the wharfage charges at the nearby Ports of Kandla and New Mangalore (information about Mormugao not made available) are double, treble and even four times the wharfage charges at Bombay for certain types of cargo. The Ministry is, however, of the view that raising tariffs in Bombay or reduction of tariffs in other ports will not help ease congestion at Bombay. It would also go against the principle laid down by the Major Ports Commission for fixing the costs of services. In the Ministry's view increasing the tariffs would not be a correct thing as it would amount to levying a punitive charge. The Committee do not see much force in these views. The Committee note that the criteria laid down by the major ports commission for fixing tariffs are currently being reviewed by the Bureau of Industrial Costs and Prices. The Committee are of the view that it would help in easing congestion at Bombay Port if the tariffs at this port are higher, or at least not lower than those prevailing at nearby ports. Even if it does not ease congestion to the desired extent, it can boost the revenues of Bombay Port which can be used to develop additional facilities there.

The Committee would, therefore, suggest that the port tariffs at Bombay and other Major Ports should be reviewed with a view to discouraging unnecessary traffic at Bombay and other congested ports and diverting it to nearby ports which may be having capacity to handle more traffic.

**Reply of Government**

The Bombay Port Trust has been asked to review their existing rate structure and submit proposals to the Government for upward revision of their rates, wherever necessary.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

## CHAPTER III

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

#### **Recommendation (S. No. 4, Paras 1.54 & 1.55)**

The Committee find that while at certain ports in respect of certain commodities the capacity is grossly under-utilised, at other ports and in respect of certain commodities at the same port the traffic is far in excess of the capacities. For Example, POL capacities are under-utilised at Tuticorin, New Mangalore, Mormugao. Bombay and Kandla, Iron Ore capacities are grossly under utilised at Haldia, Paradip, Vizag, and Madras, coal capacities are grossly under utilised at Calcutta and Haldia and general cargo capacities are not fully utilised at Calcutta, Haldia and Cochin. Even if one takes an overall picture, excepting at Bombay, capacity at no other port is fully utilised. Capacities for various types of traffic at the ports, it is presumed, must have been decided after detailed studies of demand and development potential provided at colossal cost. If these are not being fully utilised, it is either due to faulty planning or lop-sided development or failure of management, and for all this, the Ministry of Shipping and Transport has to bear the blame.

#### **Reply of Government**

The Committee has observed that the POL capacities are under-utilised at Tuticorin New Mangalore, Bombay and Kandla Ports. In the case of Tuticorin, New Mangalore and Mormugao, only 1 berth has been provided at each port for handling products. It will not be physically possible to create capacities of less than the minimum traffic, taking into consideration the size of the ships carrying the products. In effect it means that in the case of the products it will not be feasible to create POL capacities of less than a million tonnes. In the case of Bombay and Kandla, the facilities are not under-utilised. In fact, in Bombay a new oil berth is under construction. Similarly, in Kandla an old berth is being replaced.

With regard to the iron ore capacities at Haldia, it has been already explained that owing to the change in the size of the ore carriers used for export of ore, it will not be possible to utilise the facilities at Haldia.



In view of the recession on iron ore export market and shift to bigger vessels, which makes the available draught at Paradip inadequate for the bigger vessels, the capacities at Paradip Port are likely to remain under-utilised. It is not a viable proposition to increase the port facilities to secure deeper draughts at these ports.

In the case of Madras, the capacities can be augmented provided a long term agreement can be drawn up with the buyers. In the case of Visakhapatnam, due to the international market conditions further augmentation in the export is not likely to be achieved in the immediate future.

Coal capacity at Calcutta cannot be utilised because of the limitations in the draught at Calcutta. At Haldia, efforts are being made to augment the capacities.

It will not be correct to state that except at Bombay the capacities at other ports are under-utilised. A statement showing the actual traffic handled in 1981-82 at each port in respect of cargoes other than POL and iron-ore is annexed.

Some under-utilisation is due to the changing conditions of shipping and also due to variations in the market conditions. More specifically, in the case of iron ore, Japan, which has been a major buyer, has reduced the production of steel and consequently the intake of ore is reduced. This situation exists not only in India but in other ore producing countries like Australia as well.

Since the Port facilities were planned long ago, the shipping conditions have undergone a sea-change. This could not have been anticipated at the time of the planning of these ports.

[O.M. No. PW/PGA/10/82, dated 29th October, 1982]

PORT CAPACITIES VIS-A-VIS TRAFFIC HANDLED DURING THE YEAR 1981-82

Commodities	Cal- cutta	Hal- dia	Pata- dip	Vizag	Madras	Tuti- corin	Co- chin	New Manga- lore	Mor- mugao	Bom- bay	Kandla	Total
<b>COAL</b>												
Capacity: . . . . .	1.00	2.00	..	..	..	..	..	..	..	..	..	3.00
Traffic: 1981-82 . . . . .	.338	1.083	.173	.433	0.076	1.046	..	..	..	..	..	3.149
<b>FERTILISERS</b>												
Capacity: . . . . .	..	..	..	0.30	0.60	..	..	0.30	..	..	0.99	2.10
Traffic: . . . . .	..	..	..	..	..	..	..	..	..	..	..	..
1981-82 . . . . .	0.319	0.030	0.084	0.098	0.581	0.232	0.102	0.180	0.138	0.548	0.207	2.519
<b>GENERAL CARGO</b>												
Capacity: . . . . .	4.00	0.46	0.35	2.10	2.40	1.70	1.65	0.55	0.35	6.00	1.15	20.71
Traffic: . . . . .	..	..	..	..	..	..	..	..	..	..	..	..
1981-82 . . . . .	3.069	0.320	0.151	1.728	2.716	0.929	1.219	0.486	0.415	8.683	1.625	21.341

**Recommendation (S. Nos. 15 & 16, Paras 2.65 and 2.66)**

From the statements made by the Ministry before the Committee the general impression, that goods not destined for Bombay are brought at Bombay because of the preference of importers for this port, stands confirmed. To avoid such situations the Committee recommend that at the time of the issue of import licence it should be ensured that the port of delivery of cargo is the port nearest to the place for which goods are imported. This measure, will enable Government to disperse traffic rationally among all the ports and avoid congestion at Bombay and other such popular ports. Such a practice was there in the past, but recently it is stated to have been discontinued. The Committee recommend that the old practice should be revived.

The Committee would also suggest that alongwith the nearest port of discharge of cargo, as recommended in the preceding para, an alternative port should also be mentioned so that in the event of acute congestion at the port of first preference, the cargo can be diverted to the alternative port to avoid long detention of the ship at the former port.

**Reply of Government**

Ministry of Commerce have examined the above-mentioned recommendations and have intimated that in the past, importers were required to indicate in their import application, the port of arrival of goods and name of that port used to be indicated on the import licence. The choice of port of arrival of goods is governed by a variety of considerations and it may not be necessary that port of arrival should necessarily be the port nearest to the place where the importer is located, although in many cases the importers choose the nearest port. The shipment schedule, the availability of timely shipping service, the freight charges to be paid, the availability of necessary facilities for handling and storage of goods at the port of discharge, and the commercial and allied facilities available at the place of unloading of the goods etc. have a direct bearing on the choice of the port of unloading of goods.

[O. M. No. PW/PGA/10/82, dated 4th January, 1983].

**Recommendation (S. No. 38 Para No. 4.70)**

The Ministry has informed the Committee that as a result of investigation of the reasons of low utilisation of equipment at some ports like Tuticorin and Mangalore it was found that the equipment at these ports was procured recently at comparatively higher capital cost and consequently the hire charges, which are worked out on cost

basis, had to be fixed at higher levels as compared to other ports where the equipment was procured earlier at lower prices. At certain ports where the Ministry had reduced the hire charges, the utilisation of equipment had gone up. The Ministry has requisitioned a study through Bureau of Industrial Costs and Prices to determine the economic rates for hiring out equipment. The Committee feel that if the hire charges for equipments continue to be worked out on the basis of capital cost, then the new equipment which might be procured hereafter at huge capital cost might become almost prohibitive for use by the port users. In their opinion the Ministry should devise a more rational and fair system of working out hire charges for port equipment. This would not only step up the utilisation rate of port equipment but would also result in higher revenue through more extensive use of the equipment. The Committee hope that after the study by the Bureau of Industrial costs and Prices is completed, the hire rates of port equipment will not only be made reasonable and attractive but also, as far as possible uniform for all the ports.

### **Reply of Government**

Recommendations of the Bureau of Industrial Costs and Prices are under consideration of the Government. However, it may be clarified here that capital cost of the equipment is one of the many factors which is taken into consideration for determining the hire charges. The capacity of the trade to bear the hire charges is always kept in view. In many cases, cost-based rates could not be levied because these were found to be beyond the capacity of the trade to bear. Since the cost of the equipment and other factors, which determine the hire charges, differ widely from port to port, it is not considered practical to bring about uniformity in hire charges of port equipments at different ports.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendation (S. No. 63 Para No. 7.44)**

Under the provisions of the Major Port Trusts Act, 1963, the responsibility of the Ports Trusts is that of a bailee. In accordance with the Regulations on the subject the Port Trust takes the care expected of a bailee for 7 working days in respect of goods which have come in its custody. The Ministry apprehend that if the liability period is extended further, it would hinder speedy clearance of goods from docks. In the Committee's view this is no reason why the Port should absolve itself of the responsibility of security of goods placed in its custody after 7 days. This can lead to an indirect invitation to anti-social elements to pilfer goods from port premises with impunity after seven days of unloading in collusion with port officials. While the Committee would like all measures to be taken to ensure clearance

of cargo as early as possible including authorisation to port authorities to dispose of the un-cleared cargo after certain period, they do not approve the present system under which the port is allowed to disown responsibility for the security of the cargo left at the port after seven days of unloading. If the port can claim demurrage for goods left at the port premises after a certain period, it should also be held responsible for any theft of goods while they are in its custody. The Committee recommend that the relevant regulations may be amended so as to make the ports accountable for the custody of the imported cargo till it is delivered to the consignee or its ultimate disposal by way of auction or otherwise as may be provided in the law.

### Reply of Government

Port efficiency depends on timely clearance of import cargoes and timely aggregation of export cargoes. Unfortunately, a very large number of consignors/consignees do not adhere to this discipline. There is a tendency on the part of many consignors/consignees to use the ports for warehouse purposes. This tendency is sought to be curbed by suitable revisions in the demurrage charges. In a major port like Bombay, which accounts for a large proportion of the general cargo handled by all the ports in the country, the desire to speculate and manipulate market prices on the part of many consignees prevent them from clearing import cargo within a reasonable period of time. It is also reported that due to collusive action, several consignees themselves organise pilferage of cargo from the docks.

2. In the circumstances prevailing in the Indian ports and in view of the propensity of a large number of consignors/consignees, it will be neither prudent nor wise for the ports to take up the responsibility of being a bailee beyond a reasonable period of time. At present, the Port Trust is a bailee for a period of seven working days. If the Port Trust is asked to continue its responsibility as a bailee for a longer period, it will only encourage unscrupulous consignees and their agents, in collusion with dishonest and corrupt officials, to create a situation of confusion and chaos in Ports and exploit it for their own nefarious purposes. Therefore, this Ministry is not in favour of the Port Trust taking up the responsibility of being bailee for a period longer than has been prescribed in the Act.

3. The Port Trusts, however, do not abandon the cargo merely because the consignees have not cleared them within the time prescribed. The entire port area is a customs area, subject to customs and security cover and the entry and exit of persons and goods are checked, controlled and regulated. The Port Trusts thus take all precautionary measures to ensure the safety of the cargo. In many ports, like Bombay, consignees also are permitted to provide security cover for the cargo lying with the Port Trusts. Despite reasonable precautions any Port Trust may take, still there is some pilferage of

cargo. The Port Trusts have been taking continuous efforts to prevent and control this anti-social activity. The Ministry is also closely monitoring this situation and has initiated efforts to ensure that the Port Trusts provide adequate security cover for the cargo within the port premises. With due respect to the Committee, this Ministry is unable to accept the proposition that because Ports levy demurrage for goods left at the port premises after a certain period, it should also be held responsible for any theft of goods while they are in its custody. The imposition of demurrage is to encourage prompt clearance. If this is not done by the Port Trusts, then the Ports are likely to become warehouses and not serve as the transit points for the transshipment of cargo from ocean transport to surface transport and *vice versa*. This Ministry is of the view that the suggestion of the Committee is fraught with serious consequences and may place the Ports at the mercy of irresponsible and unscrupulous consignees. This Ministry is also apprehensive that the suggestion made by the Committee is likely to encourage more thefts being committed in the port premises. For the reasons mentioned above, this Ministry is not able to accept the recommendation made by the Committee.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

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#### **Recommendation (S. No. 5 Para 1.56)**

From the study of the reasons for under-utilisation of iron ore and coal handling capacities at Madras, Vizag, Paradip, Haldia and Calcutta the Committee have come to the conclusion that utilisation of capacities at these and other ports can be substantially improved if adequate infrastructural facilities are made available and draft deep enough for certain types of ships is provided at certain ports. This should be done without delay so that heavy capital investment does not remain infructuous. The Committee suggest that for this purpose a critical study of the available capacities and traffic at each of the major ports should be made by a task force with a view to drawing up concrete schemes to provide essential and supporting facilities to make the maximum use of the existing capacities. The Group should also identify capacities which can be suitably modified to handle traffic of other commodities for which there might be demand or for which the demand could be generated.

#### **Reply of Government**

The reasons for under-utilisation of the iron ore facilities have already been mentioned in reply to WR 5 (Planning port utilisation). The infrastructural facilities such as deepening of the harbour involve large investments. Such investments can be considered only if long term agreement is arrived at with the buyer on the sale of the ore. Moreover, the general policy is to limit the export of ore and hence only marginal investments on the Port facilities are required to be undertaken.

With regard to the coal handling facilities at Calcutta in view of the very small draught of ships that can be accommodated the shipment is viable only in case the ships are discharged at ports which have shallow draughts. From the point of view of ship freight it would be uneconomical to further develop the coal handling facilities at Calcutta. At Haldia, the shipment is mostly coastal and tied up to

the thermal power station at Tuticorin. It would, therefore, be possible to increase the throughput from Haldia plant. Actions are being taken to achieve a higher throughput.

In view of the above explanation there appears to be no need for setting up a Task Force as the problems are identified.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendation (S. No. 6 Para 1.57)**

The Committee feel that this exercise should be completed without delay and the report made use of by the expert group which is being set up by the Ministry to draw up perspective plan for the Seventh Five Year Plan period (1985—90).

### **Reply of Government**

As explained in the reply to S. No. 5, it is not considered necessary to appoint a task force, and hence no action on this recommendation is called for.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendation (S. No. 13, Para 2.63)**

Diversion of traffic to nearby ports is the only practical way to ease pressure on Bombay and other such ports wherever there is acute congestion there. But the Committee regret to find that the Ministry of Shipping and Transport, let alone importing agencies of the Government who may have their own reasons to stick to Bombay, is sceptical about the workability of diversion scheme even though the Chairman, Bombay Port Trust, made a plaintive admission before the Committee about large and disorderly movement of cargo to Bombay and wished that such cargo should be better controlled in future and not dumped in Bombay. The Ministry is not in favour of vesting power in port authorities to divert ships from a port where there may be heavy congestion to another nearby port where position may be easy. The Ministry thinks that improvement of port facilities and infrastructure is the only way to deal with heavy shipping traffic. While here is no denying the fact that ultimate solution to the problem lies in creating higher capacity and improving facilities at congested ports, the Committee feel that at times diversion of traffic can also help tide over the difficulties and should be resorted to in times of acute congestion. The Committee would suggest the Ministry to consider vesting statutory powers in a central agency like Inter-Ministerial Committee on Rationalised Distribution of Cargo which it should exercise in larger public interest of removing bottlenecks in shipping traffic and order diversion of ships carrying cargo not only for Government and public sector but also for private sector to nearby



convenient ports with a view to easing congestion at any of the major ports. They would like to be apprised of the action taken in the matter.

### **Reply of Government**

The recommendation has been considered and it is felt that it is neither possible nor necessary to vest the Inter-Ministerial Committee on Rationalised Distribution of Cargo with more powers so as to enable it to divert ships from congested ports to other nearby ports.

2. Transport of goods by ships from one port to another port is under a contractual agreement between the carrier and the shipper. The carrier cannot change the port of disembarkation without the concurrence of the shipper. When there is need to divert ship and cargo from a congested port to another port, the shipper may allow diversion of his cargo to another port only if that works out cheaper for him. It may not be legally correct to interfere with the contractual agreement between the carrier and the shipper. The movement of export or import cargo through certain ports is best left to the compulsion of market forces. Before ordering diversion of a ship from a congested port to another port a number of factors like (a) details of cargo and their destination, (b) whether all such cargo can be handled at the port to which the cargoes are diverted, (c) availability of inland transport from the other port and (d) comparative costs to the shipper if the cargo is diverted have to be considered. It may not be practicable for the Committee on Rationalised Distribution of Cargo to consider all these questions before deciding whether cargo should be diverted from a congested port to another port.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

### **Recommendation (S. No. 20 Para 2.70)**

The Working Group of the Planning Commission had visualised a positive role for the minor ports to relieve pressure on major ports. The Ministry informed the Committee that minor ports had been used in the past to divert traffic from major ports. The Central Government had a scheme to grant loans to State Governments to develop minor ports with a view to augmenting Ports capacities but the scheme has been scrapped recently. Seeing the growing traffic at major ports, the Committee are of the opinion that discontinuance of the scheme to grant loans to develop minor ports was not a correct step. The Committee recommend that the Government should review the earlier scheme and start giving loans to State Government to develop minor ports like Porbander, Karwar, Pondicherry, Cuddalore, Kakinada and

similar other ports so that these ports can take more traffic and thus help relieve pressure on major ports and can also be used for diverting traffic from nearby, major ports in time of congestion.

### Reply of Government

Central financial assistance to the State Governments for development of their minor ports was discontinued, following a decision of the National Development Council. The matter was taken up with the Planning Commission for reconsidering the matter in the context of the above recommendation of the Estimates Committee. The Planning Commission has reconsidered the matter and informed us as follows :

“The system of grant of Central loan assistance to States for minor ports was discontinued after the Fifth Plan in the wake of the recommendation of the National Development Council to reduce the number of Centrally sponsored schemes and to transfer the funds thus released to the States in accordance with a formula. Thus, in the Sixth Plan, no provision has been made in the Central Sector for giving loan assistance to States for minor ports. However, development of selected minor ports has been given adequate priority in the State Sector. The overall provision made for minor ports in the Sixth Plan in the State Sector is as high as Rs. 72.18 crores against the total expenditure of about Rs. 25.83 crores in the Fifth Plan. A statement is enclosed showing Statewise break-up of outlays for minor ports in the State Sector in the 6th Plan.

Efforts have already been made by the Planning Commission to ensure that suitable provisions are made by States in their Plans for more important minor port schemes including those mentioned in the report of the Estimates Committee, *viz.* Porbandar Karwar (Rs. 200 lakhs), Pondicherry (Rs. 250 lakhs), Cuddalore (Rs. 95 lakhs), Kakinada (Rs. 206 lakhs) etc. Thus, the minor port schemes which are justified on techno-economic considerations are not expected to be starved of funds for their development in the absence of Central loan assistance for minor ports.

The responsibility for development of minor ports vests essentially with the maritime State Governments concerned (Ports other than Major Ports figure in the concurrent list under the Constitution). The revenues earned by minor ports form part of the State revenue. The minor port development schemes which merit high priority and are justified on techno-economic considerations

and which are complementary to Major Ports are not expected to be ignored by the State Governments in their Plans for which Central assistance is otherwise available to them in the shape of block loans and grants.

It is felt that more than financial assistance, what is needed by the States is the technical assistance for development of minor ports. The technical assistance continues to be provided to States by the Ministry of Shipping and Transport. There also exists a Minor Port Dredging and Survey Organisation in the Ministry to render assistance for development of minor ports.

Revival of the scheme of grant of Central loan assistance to States for minor ports may not be possible at this stage because, (a) there is no provision for such a scheme in the Central Sector, and it would be difficult to get funds retransferred from the States to the Centre in lieu of these schemes, (b) this might open up large scale demands from various States in regard to minor ports as well as for Centrally Sponsored Schemes generally which may cause heavy financial burden on the Centre.

In view of the above, reintroduction of Centrally Sponsored Scheme for minor ports is not considered necessary at this stage."

2. The reasons advanced by the Planning Commission are considered convincing. Accordingly, it is regretted that we are unable to accept the recommendation of the Committee.

This issues with the approval of the Minister of Shipping and Transport.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982].

**ANNEXURE**

**Statewise Break-up of outlays for Minor Ports in the Sixth Plan (1980-85)**

(Rs. in lakhs)

A. States	Outlay	Minor Port Scheme
Andhra Pradesh	300	Kakinada and other minor Ports.
Gujarat	2500	Porbander and other minor Ports.
Karnataka	660	Karwar
Kerala	825	
Maharashtra	600	
Orissa	600	
Tamil Nadu	400	Cuddalore and other minor Ports.
Total (A):	<u>5885</u>	
<b>B. Union Territories</b>		
Andaman & Nicobar Islands	875	
Goa	32	
Lakshadweep	175	
Pondicherry	250	
Total (B):	<u>1333</u>	
GRAND TOTAL : (A+B)	<u>7218</u>	

### **Recommendation (S. No. 60 Para 7.40 & 7.41)**

The port users are not satisfied with the existing tally system at ports. The tally of cargo unloaded at ports is at present prepared by the respective port trusts through their own staff. Shipping Companies can appoint licenced cargo surveyors to take tally of cargo on behalf of the carriers, should they so desire, but the tally taken by these surveyors is not binding on the port trust. Port Trusts accept liability for only such cargo as is tallied by their own staff. It has been reported to the Committee that at certain ports there is an under-tally to the extent of 10 to 40% and this is done by the port trust staff to escape liability in the event of theft or pilferage of the cargo. Secretary, Shipping & Transport, has admitted in evidence that the present tally has many inadequacies, but he is not in favour of introducing an independent tally system and is not prepared to accept any record other than that maintained by the port trust staff as authentic record for the purpose of accountability.

The Committee have gone into the matter carefully. They are of the opinion that there is no justification to continue a system like the present tally system in which the port users may have little confidence. In their opinion there is ample justification in the demand made by port users that an independent tally unit, which should not be under the port trust but may be under the Director General, Shipping or any other such Government or Government approved organisation should be set up at each port to undertake the tally work and its report should be binding on both the carriers and the port authorities. In the alternative the Government may appoint a panel of reputed cargo surveyors to undertake the tally work at the ports and their tally should be binding on the carriers and the port authorities. The Committee would like the Government to introduce a proper system of independent tally at the ports at the earliest.

### **Reply of Government**

The recommendation has been carefully examined and the Ministry is of the opinion that it is neither feasible nor desirable to have an independent tallying system. Tally work is basically a port operation and the port cannot accept liability of cargo against which receipt is granted by an outside agency. The relationship between the carrier/ steamer agent and the port being that of a bail or and bailec, it is not advisable to allow a third party into the transaction. Moreover, a number of staff is employed by the ports for conducting tally work, and entrusting this work to an independent agency would mean the redeployment of this staff, which is not an easy task.

The remedy to the problem lies in plugging the loopholes in the present system. With the strict enforcement of bye-laws of the port, regulating discharge and storage of cargo Bill of Lading wise, introduced by Bombay Port with effect from 1st April, 1982, it has been seen

that there are fewer instances of mixture and loss of cargo. The weekly reviews conducted by Bombay Port showed that tally has appreciably improved. All the ports have also been instructed by the Ministry to ensure that the difference between the import manifesto and the tally is minimal.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983].

### **Recommendation (S. No. 93 Paras 11.56 & 11.57)**

The National Transport Policy Committee had suggested the setting up of a Central Ports Authority for overall planning and development of ports but the Ministry of Shipping and Transport had not accepted this suggestion. The Committee have gone into this matter in the light of the Ministry's views. The objections raised by the Ministry against such an authority are too feeble to carry conviction with them. They feel that the major ports should be run like commercial and result-oriented units and not as a sort of attached Offices as they appear to be running at present. The present set-up with each Port Trust being a separate entity with traditional procedure oriented approach directly controlled by the Ministry through bureaucrats, is in the committee's opinion not ideally suited to encourage business-like efficiency in the port operations and inter-port coordination.

The Committee are of the view that Port Trusts should be declared commercial enterprises and controlled and managed at the apex level, not by the Ministry direct, but by a professionally manned Public sector organisation (*Viz.* Central Ports Authority) on the lines of International Airports Authority of India. This would not only bring in commercial outlook in port administrations and business like efficiency in port operations with emphasis on results rather than rule-biased procedures but also make for an integrated development, coordinated operation and optimal utilisation of resources of the ports. The Central Ports Authority may be under the administrative jurisdiction of Ministry of Shipping and Transport for the purpose of policy framework and accountability, but should otherwise be autonomous like other public sector enterprises, within the allotted sphere. The Committee recommend that the Government should consider setting up the Central Ports Authority as early as possible.

### **Reply of Government**

Government have carefully re-considered the matter and reiterate their earlier view that it is not necessary at this stage to set up a Central Ports Authority.

[O.M. No. PW|PGA|10|82, dated 29th October, 1982]

## CHAPTER V

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE AWAITED

#### Recommendation (S. No. 29 Paras 3.76 to 3.78)

According to the existing procedures clearance of cargo from transit sheds generally starts after general landing date is declared. This is done only after the ship has discharged 2/3rds of the cargo. Further the Customs Officer begins examination of cargo only after 50 per cent of the cargo is landed. It is noted further that the number of clearing agents available at Bombay is inadequate.

The following suggestions made to the Committee to ease congestion at Bombay Port premises have been welcomed by the Ministry :—

- (i) The landed cargo should be removed to the rear shed and kept in a portion earmarked only for import.
- (ii) Customs examination should start immediately after the cargo is stored in the transit shed.
- (iii) Cargo not cleared within 5 days should be removed to the warehouses at the consignees cost.

The Committee would expect that these suggestions would be translated into action at the earliest.

#### Reply of the Government

Ministry of Finance (Deptt. of Revenue) to whom a reference was made has intimated that the suggestions are being examined in consultation with the Collectors of Customs.

[O.M. No. PW|PGA|10|82, dated 4th January, 1983]

NEW DELHI ;  
March 11, 1983  
Phalgun 20, 1904 (Saka)

BANSI LAL  
Chairman,  
Estimates Committee.

## APPENDIX

(Vide Introduction of the Report)

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE 32ND REPORT OF ESTIMATES COMMITTEE (SEVENTH LOK SABHA)

I. Total number of Recommendations . . . . .	97
II. Recommendations/Observations that have been accepted by Government (Nos. 1, 2, 3, 7, 8, 9, 10, 11, 12, 14, 17, 18, 19, 21, to 28, 30 to 37, 39 to 59, 61, 62, 64 to 92, 94, 95, 96, 97)	
Total . . . . .	85
Percentage . . . . .	88 %
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government replies (Nos. 4, 15, 16, 38, 63)	
Total . . . . .	5
Percentage . . . . .	5 %
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee. (Nos. 5, 6, 13, 20, 60, 93)	
Total . . . . .	6
Percentage . . . . .	6 %
V. Recommendations/Observations in respect of which final replies of Govern- ment are still awaited. (S. No. 29)	
Total . . . . .	1
Percentage . . . . .	1 %