

MINISTRY OF SHIPPING

INDIAN PORTS – INFRASTRUCTURE DEVELOPMENT & CAPACITY
ENHANCEMENT

COMMITTEE ON ESTIMATES
(2010-2011)

NINTH REPORT

FIFTEENTH LOK SABHA



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

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**LOK SABHA SECRETARIAT
NEW DELHI**

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INTRODUCTION

I, the Chairman of the Committee on Estimates, having been authorized by the Committee to submit the Report on their behalf present this Ninth Report on the aspects of the subject "Indian Ports – Infrastructure Development & Capacity Enhancement" pertaining to the Ministry of Shipping.

2. The subject 'Indian Ports – Infrastructure Development & Capacity Enhancement' was selected for detailed examination by the Committee on Estimates (2009-10) and was carried forward for examination & report during the year 2010-11. The representatives of the Ministry of Shipping briefed the Committee on 23.09.2009 on the subject. The Committee took their oral evidence on 06.10.2009 and again on 5.02.2010.

3. The Committee wish to express their thanks to the representatives of the Ministry of Shipping for placing before them the written notes on the subject and for furnishing information desired in connection with the examination of the subject during the briefing and oral evidences.

4. The Report was considered and adopted by the Committee at the sitting held on 21.10.2010.

5. For facility of reference, the observations/recommendations of the Committee have been printed in bold type at the end of the Report.

**New Delhi;
29th October, 2010
Kartika 7, 1931 (Saka)**

**FRANCISCO SARDINHA
Chairman,
Committee on Estimates**

CHAPTER - I

INTRODUCTORY

Maritime Transport is a critical infrastructure for the social and economic development of a country. It influences the pace, structure and pattern of development. Ports are an essential link in the maritime transport chain. The Ministry of Shipping, Government of India encompasses within its fold shipping and ports sectors which include shipbuilding and ship-repair, major ports, national waterways, and inland water transport. It has also been entrusted with the responsibility to formulate policies and programmes on these sectors and their implementation. A comprehensive policy package is necessary to address the diverse issues facing the Maritime transport sector. The capacity of the ports in terms of their berths and cargo handling equipment needs to be vastly improved to cater to the growing requirements of the overseas trade. The economic development of India requires a well functional seaport system. In order to realize the economic growth potential, the attention needs to be given to development and modernization of economic infrastructure. To become globally competitive, utmost importance must be given for development of infrastructure in sectors like roads, airports, seaports, railways etc. in general and port sector in particular as the ports play the vital role in the overall economic development of the country. There has been sustained rise in volume of exports with revival of growth in the manufacturing sector and improved export competitiveness.

About 95% by volume and 70% by value of India's merchandise trade passes through Ports.

1.2 There are 13 major ports and about 200 non-major ports along India's Coastline which is about 7517 km. in length. The 13 major ports are located at Kolkata/Haldia, Mumbai, Jawaharlal Nehru Port at Nhava Sheva, Chennai, Cochin, Visakhapatnam, Kandla, Mormugao, Paradip, New Mangalore, Tuticorin, Ennore and Port Blair.¹ Out of these, the Kolkata, Mumbai and Chennai ports have been functioning since 19th century, while Ennore Port was commissioned in the year 2002. The Ennore Board, being a Corporate port, is administered by provisions of Companies Act. The major ports are

¹ Port Blair was declared a major port w.e.f. 1st June, 2010.

under the direct administrative control and ownership of the Government of India while the ownership of non-major ports are under the jurisdiction of the respective Maritime Board of the State Governments.

1.3 The Government of India in exercise of the powers conferred by Clause (8) of section of Indian Port Act, 1908 (15 of 1908), has declared the Port Blair Port with its territorial jurisdiction over all 23 ports of A&N Islands as a Major Port with effect from the first day of June 2010. The islands included in the Port Blair Port include Diglipur, Mayabunder, Rangat, Port Blair, Hut Bay, Car Nicobar (Malacca), Noncowry, Katchal, Campbell Bay (which are notified as Wharfage Ports). East Island, Havelock, Neil Island, Cinque Island, Jolly Buoy, Bugong Creek, Pilomillow, Kondul, South Bay (Great Nicobar Island), Chowra, Teressa, Tillangchang, Castle Bay, and Car Nicobar (Mus).

1.4 Development of Ports is an ongoing process based on the requirement of the trade and the future projections of traffic. Projects are taken up based on the requirement of individual ports to cater to the traffic. Capacity addition takes place through construction of berths /jetties/terminals, mechanization of cargo handling facilities through procurement/ replacement of equipment, deepening of channels/berths and other supplementing schemes for quicker evacuation of cargo through road and rail connectivity.

1.5 According to the Background material furnished by the Ministry, about 95% by volume and 70% by value of India's merchandise trade passes through ports. The total traffic handled at the Major Ports during 2008-09 was 530.04 million metric tonnes (as against the target of 576 million metric tonnes). Despite the recessionary trends and decline in exports during the current year, the traffic registered a growth of 2.1% over the previous year (2007-08). By the close of the 11th Five Year Plan (2011-12), the traffic at Major Ports is targeted to be 708 million tonnes. Traffic handled by Non-Major Ports during 2008-09 was 202.18 million tonnes, registering a growth of 2% over the previous year. Thus the Non-Major Ports handled more than a quarter of the total traffic of the country during 2008-2009. In the coming years the capacity of all Ports is expected to reach 1.5 billion tonnes with the Major Ports contributing 1 billion tonnes and the capacity of non-major ports is expected to touch 500 million metric tonnes. By 2011-12 i.e. by the end of

the 11th Five Year Plan, the capacity of major ports is projected to increase to 1016.55 million metric tonnes.

1.6 Replying to a query by the Committee, on the cargo handling capacity of Major Indian Ports visa-vis traffic, the Ministry informed *inter alia* as under:

“The aggregate capacity in major ports as on 31.3.2009 was 555.67 Million Metric Tonnes Per Annum. Thus the favorable capacity – traffic equation continued during the year. The table below gives the capacity and traffic in major ports since 2001-02: -

Year	Aggregate capacity in Million Metric Tonnes Per Annum as on 31 st March	Traffic in million metric tonnes
2001-02	343.95	287.59
2002-03	362.75	313.45
2003-04	389.50	344.80
2004-05	397.50	383.75
2005-06	456.20	423.57
2006-07	504.75	463.78
2007-08	532.07	519.16
2008-09	555.67	530.39

As per the International norms, ports need to keep a gap of 30% between the installed capacity and traffic. All the ports are utilizing the capacity to the maximum possible extent.

The Ministry of Shipping has not undertaken any feasibility study to augment the present capacity. The ports are continuously monitoring the requirement of expansions depending as their capacity utilization and the proposals are sent to the Ministry for necessary approval before taking up any new project.

The Ministry does not undertake any feasibility study at the Ministry level before introducing new plans and programmes to augment capacity. Such studies are undertaken by the Ports themselves for detailed Techno-Economic

Feasibility Reports (TEFR) for new projects and programmes with the help of experts and consultants. Thereafter Detailed Project Reports are prepared and approval of the competent authority is sought for implementation of the new projects based on the above reports.”

National Maritime Development Programme (NMDP):

1.7 A National Maritime Development Programme (NMDP) has been finalized by the Ministry of Shipping to implement specific programmes/ schemes for the development of the Port sector. Under the Programme, 276 projects to be taken up for implementation over the period from 1.4.2005 to 31.3.2012 have been identified. Total investment involved under the Programme is ₹1,00,339 crores at 2004-05 prices. Out of this, ₹55,804 crores (Approx) is for the Port Sector and the balance is for the Shipping and Inland Water Transport Sectors. In the Major Ports, projects under National Maritime Development Programme cover the entire gamut of activities, namely construction/upgradation of berths, deepening of channels, rail/road connectivity, equipment upgradation/ modernization schemes and other related schemes for creation of backup facilities. The objective is to upgrade and modernize the port infrastructure in India which will enable it to benchmark its performance against global standards.

1.8 The NMDP includes all projects which were under implementation as on 01.04.05 or are likely to start till 31.03.12. The Programme has been divided into two phases. Phase-I comprises of the following:

1. Plan works under implementation as on 01.04.05.
2. Plan works expected to be started from 01.04.05 to 31.03.07
3. Works which though likely to start after 31.03.07, but were expected to be completed by 31.03.09.

All other projects will be included in Phase-II.

1.9 The scheme-wise distribution of projects and the estimated cost is shown below:

- Channel Deepening 25 projects; ₹6304 crore
- Berth construction 76 projects; ₹32564 crore
- Equipment 52 projects; ₹2633 crore
- Connectivity 45 projects; ₹5956 crore
- Others 78 projects; ₹8347 crore

An investment of ₹55,803.73 crores has been earmarked for NMDP projects at all Major Ports, out of which ₹3,609.00 crores is to be met through Budgetary Support from the Government, ₹13,771.54 crores through Port's own Internal Resources and ₹34,505.34 crores is envisaged from the Private sector including JVs with other PSUs and respective State Governments. In addition, ₹3,917.85 crores has been envisaged from other sources.

1.10 Historically, investment in the transport sector, particularly in the ports, have been made by the Central Government mainly because of the large volume of resources required, long gestation periods, uncertain returns and various externalities, both positive and negative, associated with this infrastructure. However, the galloping resource requirements and the concern for managerial efficiency and consumer responsiveness have led to the active involvement of the private sector in infrastructure services in recent times. To encourage private participation in the port sector for infusion of funds, induction of the new technology and augmentation of capacity with improvement in port management. The Ministry of Shipping has laid down comprehensive policy guidelines, which are available on the Ministry's website.

1.11 According to the Ministry, Foreign direct investment upto 100% under automatic route is permitted for construction and maintenance of Ports and Harbours. To encourage private sector participation, uniformity, clarity and transparency in the bidding process is of the prime importance. To ensure uniformity in bidding documents, Model Request for Qualification (RFQ) and Request for Proposal (RFP) documents have been finalized by the Ministry. A Model Concession Agreement (MCA) has also been finalized which attempts to bring in uniformity to the agreements to be signed by the Major Ports as Concessioneing Authority with the various private operators as concessionaires.

1.12 The Tariff Authority for Major Ports (TAMP) which is an independent Statutory authority, fixes the tariffs to be charged from the Port users by the private operators. These tariffs act as a ceiling and the private operators are free to charge below these ceilings. The tariff setting mechanism has also been modified with tariffs being set upfront before the projects are bid out on a revenue sharing basis. Guidelines in this regard have already been issued.

1.13 In the subsequent chapters, a detailed analysis of the factors critical for Port Infrastructure development and Capacity Enhancement has been undertaken.

CHAPTER-II
PORT INFRASTRUCTURE DEVELOPMENT

(a) Programmes and Schemes

2.1 Asked to explain the programmes and schemes of the Ministry of Shipping relating to port infrastructure development, the Ministry, in a written note, submitted as under:

“The 11th Plan document has targeted a GDP growth rate of 9%. The manufacturing sector is expected to grow at 12% requiring high quality infrastructure in roads, railways, ports, power and telecommunication. The Working Group on the Port sector constituted to finalise the recommendations/targets in respect of the Port sector in the 11th Plan has projected that the total traffic handled by Ports in India will cross one Billion Tonne mark and will reach 1009 million metric tonne with the Major Ports having a 70% share with a traffic target of 708 million metric tonne by 2011-12. The capacity is expected to be in the range of 1.5 Billion Tonne with the 12 Major Ports expected to have a capacity of around one Billion Tonne at 1016 Million Metric Tonne Per Annum. The total investment required in the Port sector including the Major Ports for the 11th Plan has been pegged at around ₹67173 crores with a bulk of it coming from private sector in commercially viable activities such as construction and operation of berths/terminals. The Government budgetary support in common user facilities such as dredging of approach channels, etc. has been projected at ₹3749 crores.

Capacity Creation in Major Ports in the Eleventh Plan
(Million Metric Tonnes)

Port	Existing Capacity 2006-07 (beginning of 11 th Five Year Plan)	Capacity Addition by 2011-12	Total Capacity in 2011-12
Kolkata	13.40	18.85	32.25
Haldia	43.50	21.20	64.70
Paradip	56.00	55.00	111.00
Visakhapatnam	58.50	52.40	110.90
Ennore	13.00	51.20	64.20
Chennai	50.00	23.50	73.50
Tuticorin	20.55	43.43	63.98
Cochin	20.15	35.40	55.55
New Mangalore	41.30	22.50	63.80
Mormugao	30.00	37.46	67.46
Mumbai	44.65	48.16	92.81
Jawaharlal Nehru	52.40	43.90	96.30
Kandla	61.30	58.80	120.10
Total	504.75	511.80	1016.55

The National Maritime Development Programme (NMDP) has been formulated mainly for development of infrastructure development in the ports and capacity enhancement. This programme has been formulated after assessing the National Traffic demand, additional capacity required to meet this demand, investment required ,the funding pattern & a macro level traffic projection for the overall port sector, which includes Major and non-major/Private ports. These projections were based on the feedback received from the major ports and their users, a number of policy papers / plan documents, trade requirements, international scenario of country's exports and new and expansion projects to be undertaken by public and private sector.”

[Ref: Background material Point No. 5, Pg. 19]

(b) National Maritime Development Programme (NMDP)

2.2 The Committee desired to know about the status of National Maritime Development Programme (NMDP) – the flagship programme for infrastructure development & capacity enhancement at the major ports. The Ministry in a written note submitted in September, 2009 stated as under:

“Status of National Maritime Development Programme (NMDP):

As per the latest statistics total forty four (44) projects involving an investment of ₹4971.15 crores have been completed². Out of these 44 projects, Kandla Port has accounted for 9 projects, Paradip Port 9 projects, JNPT and Haldia 5 projects each, Tuticorin 4 projects, Visakhapatnam 3 projects, and Kolkata, Ennore and Cochin 2 projects each. New Mangalore, Mormugao and Mumbai have accounted for 1 project each thus totaling to 44 projects. So far the status of the above projects is concerned, the brief breakup till August, 2009 is as follows:

- 44 projects have been completed
- 69 projects are in progress.
- 23 projects are approved but yet to be awarded
- 28 projects are firmed up and under process of approval.
- 90 projects under planning and preliminary stage
- 22 have been dropped and to be taken up at later stages.

² As reported by the Ministry in September, 2009. In July, 2010, the number of projects completed were 53 at a cost of ₹5897.68 crore. Latest position on NMDP is placed at Annexure I.

All the projects are being monitored on a monthly basis by the Ministry of Shipping.”

2.3 A press release dated July 27, 2010, posted on the Ministry’s website informed as under:

The status of NMDP projects upto 31/03/2010 is as follows: -

. Project completed	- 50 amounting to ₹5717.28
. Work in Progress	- 74 amounting to ₹16502.68
. Approved but Work yet to be awarded	- 16 amounting to ₹3100.33
. Firmed up and under process for approval	- 29 amounting to ₹11561.39
. Under Preliminary planning stage	- 82 amounting to ₹19878.20
. Dropped	- 25 amounting to ₹5961.14

Since the NMDP is approaching its 2011-12 Milestone, it has been decided to create a New Perspective Plan for the Maritime Sector upto 2020.

The New Plan would have year-wise project for 10 years period covering the 12th plan and initial period of 13th Plan. The New Plan would include Policy – frame work for stimulation of capacity expansion as well as growth of maritime sector, supplementary projects for ports development from other infrastructure ministries like, National Highway Authority of India, Roads, Railways, Inland Waterways, Dredging Mechanization and Modernization Plan of Major Ports and Non-Major Ports, etc.

The Ministry of Shipping has constituted a Sub-Group and Core Working Group for preparation of Perspective Plan 2020 in the Port Sector in India.”

Status of Major projects/schemes being implemented in Major Ports was furnished as under:

1. Kolkata Port

River Regulatory Measures (RRM)

The scheme of River Regulatory Measures (RRM) for the Port was formulated with the objective to improve the draught of Hoogly Estuary and thereby obviates the need for maintenance dredging. At present, it requires annual maintenance dredging of about 21 million cubic mtrs to maintain the present depth of Hoogly Estuary. As dredging alone cannot improve the draught condition and river morphology, regulatory measures were felt necessary after conducting various studies in the Hoogly Estuary. The RRM scheme was finalized after conducting necessary model studies. It is expected that after completion, this will lead to reduce dead freighting and higher ship calls at the Port. A revised cost for the project would be obtained after the revalidation of the

scheme is completed. The revalidation studies are being done with the help of specialized agencies. The revalidation study of RRM has already been awarded in December, 2008 and the entire study is expected to be completed in 42 weeks.

2. Visakhapatnam Port

Outer Harbour expansion project

The project at Visakhapatnam Port at an estimated cost of ₹185 crore is proposed to be financed through JBIC loan and internal resources of the port in the ratio of 85:15. The project has been approved by Govt. of India. The Request for Proposal (RFP) document has been opened on 13.4.2009. Evaluation of financial proposals is in progress.

3. Tuticorin Port

Capital dredging of the dock basin

The project of Tuticorin Port at an estimated cost of ₹538.00 crore is under implementation after approval from CCEA. On completion it will enable the Port to handle 12.8 meter draft vessels.

4. Cochin Port

i) Rail Connectivity to the ICTT project site.

The ICTT project at Vallarpadam envisages setting up of a container transshipment terminal at Vallarpadam at an estimated cost of ₹2118 crore. As part of the license agreement signed by the Cochin Port with the BOT Operator M/s India Gateway Terminals Private Ltd. (IGTPL), the Port is obligated to provide rail connectivity to the site. The work for the rail connectivity has been awarded to RVNL in March, 2007. The work is in progress. The Govt. of India has given budgetary support for the project. The revised cost now stands at ₹298.17 crores and a budget provision of ₹45 crores has been provided for the year 2009-10. The project is expected to be completed by November, 2009³.

ii) Capital Dredging for the ICTT Project

The Capital dredging (Phase II) for the ICTT project to provide draft for 14 mtr. Vessel is an obligation of the Cochin Port Trust as part of the license agreement with the BOT operator. The project at an estimated cost of ₹381.25 crore has been approved by the Govt. of India on 6th November, 2008.

³ Project completed in March, 2010 (vide Ministry of Shipping OM No. PD/H-11013/3/2009-PD1 dated 12th November, 2010).

5. Mumbai Port

- i. Deepening of channel and improvement of infrastructure of 18 to 21 harbour wall berths at Indira Dock. The project at an estimated cost of ₹353 crore was approved by Govt. of India in December, 2007. M/s Howe India has been appointed as the Project Management Consultant and the dredging component is likely to be awarded in December, 2009. The project is expected to be completed by March, 2010 and on completion is expected to add a capacity of 8 Million Metric Tonnes Per Annum and also enable the Port to handle larger vessels of 35000 DWT capacity. In 2009-10 an amount of ₹10 crore has been kept for the scheme.
- ii. Construction of 2nd Chemical Berth off Pir Pau
This project at an estimated cost of ₹116 crore was approved by Govt. of India in November, 2007. M/s Royale Haskoning India has been appointed as the Project Management Consultant and the tenders for the dredging work have been invited in January, 2008. The project is expected to be completed by March 2010 and is expected to add a capacity of 2 Million Metric Tonnes Per Annum and will also enable the Port to handle large vessels up to 37,000 DWT. In 2009-10 an amount of ₹20 crore has been kept for the scheme.
- iii. Construction of two offshore container terminals
The construction of this terminal at an estimated cost of ₹1460 crore (revised) is being taken up on BOT basis. The Concession Agreement has been signed by Mumbai Port with the BOT Operator on 3rd December, 2007. The approval for the components of the work such as dredging etc. to be carried out by Mumbai Port at an estimated cost of ₹445 crore has been approved by Govt. of India. M/s CES has been appointed as Project Management Consultant and the dredging work is in progress. It is likely to be executed till March, 2010. The project is expected to be completed by December, 2010 and will add a capacity of 9.6 Million Metric Tonnes Per Annum. In 2009-10 an amount of ₹100 crore has been kept for the scheme.

6. Jawaharlal Nehru Port

- i) Deepening and Widening of Main Harbour Channel and approach channel of JN Port.

The CCEA approved the implementation of the Deepening and Widening of Main Harbour Channel and approach Channel of JN Port project at an estimated cost of ₹800 crore in September, 2005. The Channel when dredged would accommodate vessels upto draught of 14m (i.e. up to capacity of 6000 TEU) by using tidal window. The project has been included in the 11th Five year plan and the annual

plan 2007-08 also. Based on the bids received the Port had submitted a RCE proposal for ₹1055 crore. However, the project is now being re-tendered as the lowest bidder did not agree to unconditionally extend the work guarantee. The port has now been advised to compile the Hydrographic studies at the earliest. The same is in progress.

ii) Acquisition of three new Super Post Panamax Rail Mounted Quay Cranes (RMQCs)

Jawaharlal Nehru Port Trust proposes to acquire three new Super Post Panamax Rail Mounted Quay Cranes (RMQCs) on replacement basis at Main Container Berth against 3 old RMQCs (KHIC make) acquired during 1989 under buy back option. The 3 RMQCs shall be completing their economic life of 20 years as per the guidelines issued by the Ministry. Considering the projections for the JNPORT as recommended by M/s KPMG Business plan it is felt necessary to initiate action for replacement of old three RMQCs with super post panamax size and twin twenty feet container handling capability with under spreader lifting capacity of 50 million metric tonnes. By replacing the cranes, the terminal capacity shall be enhanced from 1.1 Million TEU's to 1.25 Million TEU's per annum and shall be able to serve bigger vessels with enhanced efficiency. The revenue on incremental traffic of 0.15 Million TEU's considering contribution per TEU of ₹2084/- works out to ₹31.26 crores per annum and the FIRR works out to post tax 16.36% with pay back of 6 years.

Based on the lowest acceptable budgetary offer and the Total revised cost for the present proposal works out to ₹143.25 crore considering the scheme is included in 11th Five Year Plan of the Port with provision of ₹120 crores. Budget provision of ₹46 crore has been made in the current fiscal 2009-10 for initiating the tendering activity. The work is expected to be completed in November, 2010.

iii) Development of 4th Container Terminal

Development of 4th Container Terminal and Marine Chemical Terminal at JNPT in two phases at an estimated cost of ₹6,700 crores with capacity of 4.8 million TEUs. The project (Phase-I) is scheduled for completion by 2012 and Phase-II by 2014-15. The RFQ document has been invited and the project is scheduled to be awarded in the year 2009-10.

7. Paradip Port

i) Deepening of Channel

Paradip Port is undertaking the work 'Deepening of Channel' at a cost of ₹253.36 crores. The work has been awarded to Dredging

Corporation of India who has commenced the work in June 2008 which is in progress. After deepening of the channel, Port will be in a position to handle Cape size vessels (i.e. upto 1,25,000 DWT). On completion of the project, the depth of the entrance channel and approach channel will be increased from 13.00 mtrs to 17.00 mtrs and 15.00 mtrs to 18.70 mtrs respectively. The likely date of completion of the project is March 2010.

ii) Sethusamudram Ship Channel Project

The Sethusamudram Ship Channel Project envisages cutting of a channel to connect the Gulf of Mannar and Bay of Bengal through Palk Strait & Palk Bay so that ships moving between east and west coast of India could have a continuous navigable sea route within India's own territorial waters. An SPV by name "Sethusamudram Corporation Limited" was incorporated on 6th December, 2004 to raise finance and to undertake implementation of the project. The project will lead to saving in navigational distance upto 424 nautical miles (1 Nautical Mile = 1.852 kms.) and the saving in time upto 29.9 hours. The project will give boost to coastal movement of cargo.

The dredging work has been awarded to DCI on 2.7.2005. The work in Adam's Bridge Area has however been suspended due to orders of the Hon'ble Supreme Court. The Revised Cost Estimate of the project is currently under process. A budget provision of ₹151.10 (2009-10) crore has been made for the project in the current year budgetary provision."

[Ref: Background material, Pg. 20]

2.4 During their visit to Goa, Bangalore & Chennai, the Study Group of the Committee on Estimates held discussions with the Chairman and officials of Mormugao Port Trust (MPT) at Goa & Chennai Port Trust at Chennai to apprise themselves on the progress achieved on various ongoing projects for their infrastructure development and capacity enhancement.

(i) Mormugao Port, Goa:

"MPT gave the Committee a Power Point Presentation (PPP) on upcoming projects of the MPT, particularly those concerning new berths, port connectivity etc. Some of the important areas where development & modernization is underway are deepening of channel, mechanization of berths, road & rail connectivity to the port, effective barging & mooring facilities as mentioned below:

1. 17.10 metres is the ideal depth for a Port & the MPT would like to dredge the Port to this depth, despite dredging being an expensive activity.
2. In view of the huge opportunities and prospects for cruise liners, the MPT would be constructing dedicated berths for them.
3. Efficient road & rail connectivity to the Port is essential for faster evacuation of the goods. In this regard 5.2 kms of the road which connects to the Mormugao Port is still incomplete, due to issues related to Land Acquisition & Rehabilitation of Project Affected People (PAP). The issue has led to a near-confrontation between MPT and the Government of Goa.
4. Construction of 4 lane port connectivity road:
 - a. Work of balance 4 lane road including Flyover from Baina Junction to gate No. 9 has commenced from 23.9.2009.
 - b. However 3 stretches totaling 1.18 kms has not been handed over since the building for housing the PAPs are still under construction.
 - c. The last stretch on NH-17A connectivity to Gate No.1 is to be undertaken by PWD. Forest clearance is pending.
 - d. Port is planning to realign/construct additional internal roads and flyovers within MPT operational area at a cost of ₹50 Cr.”

The Committee also heard the views of Government of Goa on the above issues, particularly on handing over of land to MPT to build hinterland connectivity, etc.

(ii) Chennai Port, Chennai:

During the visit to Chennai, the Study Group of Committee on Estimates held discussions with the Chairman and officials of the Chennai Port Trust. The meeting began with an audio-visual presentation on the Chennai Port Trust and some of the important points of presentation were as under:-

1. Deepening of Channel: The project at an estimated cost of ₹143 crore is in progress. At present work for modernization of Jawahar Dock Berth is in progress which is estimated to cost ₹37 crore. It will enable the Port to handle deeper draft vessels. In 2009-10 ₹10 crore has been allocated for the scheme.
2. Record throughput of 61.06 million metric tonne, an increase of 6.2% over 2008-09.

3. No. 1 car terminal with volume increasing by 10.14%.
4. Container throughput touches new high of 1.21 MTEUs.
5. Operating income increases by 7.14 % to 720 Crs compared to 2008-09.
6. Retained number No.1 position among Indian Car Terminals.
7. Achievements in implementing International Ship & Port Security (ISPS) Code.
8. Installed CCTV Port Surveillance Management System.

[Ref: Study Tour notes]

STATUS OF VARIOUS PORT PROJECTS

2.5 The Committee, during evidence, enquired about the status of projects under NMDP. The Secretary (Shipping), stated as under:

“On NMDP, as the Committee is aware, the outlay for the development of the ports as envisaged in the NMDP was ₹55,000 crore. This covers projects for deepening of port channels, construction of berths, procurement of equipment, rail-road connectivity and other schemes; it has a total of 276 schemes. The status of these projects is that, out of these 276 projects, 48 have been completed, 70 are in progress; 15 have been approved, which means that the work could be started; 33 are firmed up for the process of approval, 89 are under preliminary planning stage and 21 had been dropped out of this because they were not found necessary or beneficial, on review. The funding pattern is that the development of the port capacity is through PPP route. The berth creation has been taking place through that route. The port money as well as some Government support is spent on deepening of port channels, connectivity and in some cases, procurement of equipments and for other generally beneficial schemes.

These were proposed when the NMDP was initially prepared. The NMDP was prepared in 2005 and based on the subsequent assessment some projects were dropped. There was a subsequent exercise of preparation of detailed perspective plan for each of the projects; consultation was done; these perspective plans were prepared by specialized consultants identified for this purpose. The consultation was done with the advice of the Rotterdam Port Authority, one of the best experts in the area. As a part of that exercise and based on subsequent review, some of the projects identified initially were decided to be dropped. But then, this is a continuing exercise; we continue to

review even the perspective plans based on subsequent analysis; and then projects are added or deleted as they become necessary or otherwise.”

[Ref: Proceedings 05.02.2010, Pg. 4-5]

2.6 On further query by the Committee regarding the status of three infrastructure projects at Mumbai Port, the Ministry in a written note furnished to the Committee stated as under:

- (i) **Deepening of Channel & Improvement of Infrastructure** of 18 to 21 Harbour Wall Berths at Indira Dock. Government sanction to this project at an estimated cost of ₹353 crore was conveyed on 14.01.2008.

Dredging: - The scope of Capital dredging for this work and that of Offshore Container Berths were clubbed in a single tender as per the directives of the Ministry. The combined tender was invited on 22.2.2008 and price bids were opened on 28.7.2008. The capital dredging for Offshore Container Terminal was awarded on 1.4.2009. However, the work of capital dredging for Harbour Wall Berth Project could not be awarded as the offers were very high and therefore the part tender was discharged. Tender for this work has been reinvited and the offers received are being processed.

Civil works: - The Tenders for Civil part of the work were received on 3.17.2009. As the work of capital dredging was not finalized and the same was likely to take some more time, the tenders received for civil part of work were discharged on 29.3.2010. The tender will be re-advertised after tender for the capital dredging is finalized since civil work can commence only after partial completion of dredging work. The project is expected to be completed by July 2010.

- (ii) **Construction of 2nd Chemical Berth of Pir Pau.**

Government sanction to the project at an estimated cost of ₹116 crore was conveyed on 26.11.2007.

Capital Dredging: - Tenders were invited on 31.3.2008. Only one offer was received. The tender was discharged on 31.3.2008 since the single bidder did not fulfill the eligibility criteria. Tender was invited 2nd time on 12.10.2008 but no bid was received. Tenders were invited third time on 12.12.2008, when a single bid was received which was conditional and hence discharged. Tenders were invited fourth time on 4.7.2009. The offer has been negotiated and is being processed. Meanwhile Dredging Corporation of India (DCI) has also been requested to take up the work on nomination basis. Detailed proposal from DCI is awaited.

Civil & other works: - Tender was invited on 30.10.2009. Offers received on 17.3.2010 are being processed. The project is expected to be completed by May 2012.

[Ref: Reply of Ministry vide OM F.No. PD-H-11013/3/2009-PD.I dated 19.05.2010]

2.7 On further query by the Committee regarding the status of infrastructure projects at Paradip Port, the Ministry in a written note furnished to the Committee stated as under:

“The status of the ‘Deepening of Channel’ Project at Paradip Port along with other relevant details is as follows:

1	Name of work	Deepening of Channel at Paradip Port
2	Sanction of revised cost estimate amounting to ₹253.359 crores by Govt.	13.12.2007
3	Contract value of work awarded to DCIL	₹234, 52, 10,000.00
4	Volume of Dredging	15 million cu.m. (3.7 by cutter & 11.3 by trailer)
5	Work order date	11.01.2008
6	Stipulated date of commencement as per work order	18.01.2008
7	Stipulated date of completion as per work order	17.01.2009
8	Actual date of commencement (Dredging by CSD-Aquarius)	15.06.2008
9	Volume of dredging done (as per bill measured upto dated 17.03.2010	10.97 million cu.m. (2.85 CSD & 8.12 TSHD)
10	Total assessed dredged quantity as on dated 04.05.2010	12.50 million cu.m. (9.65 m.cu.m TSHD & 2.85 m.cu.m CSD)
11	% of physical progress achieved against estimated quantity to be dredged	85% (approximately)
12	Upto date bill released amount (dt. 31.03.2010)	₹171.88 crores
13	% of financial progress achieved against contract value	73% (Approximately)
14	Anticipated date of completion	30.06.2010

Delay in completion of work is on account of Non-Deployment of dredgers by DCI in time. DCI have explained that this is due to pressing requirement in other Ports, particularly the emergency dredging requirement at KOPT/Haldia.”

[Ref: Reply of Ministry vide OM F.No. PD-H-11013/3/2009-PD.I dated 19.05.2010]

2.8 The Committee had asked for an updated status of all NMDP projects as on 3rd September, 2010. The Ministry in a written note furnished as under: -

“Status of all projects under NMDP:

As on 1st August, 2010, the projects in the port sector are at different stages of implementation as detailed below:

- a total of 53 projects involving an investment of ₹5897.68 crores completed.
- a total of 77 projects involving an investment of ₹18431.38 crores are in progress
- a total of 15 projects, involving an investment of ₹1863.64 cores approvals have been given but work is yet to be awarded.
- a total of 30 projects , involving an estimated investment of ₹12847.44 crores have been firmed up and are under approval.
- a total of 76 projects, involving an estimated investment of ₹19401.00 crores are in primarily planning stage and
- a total of 25 projects, involving an estimated investment of ₹5971.14 crores have been dropped.

The port-wise summary of completed projects under NMDP is given below in the table. The detailed status of NMDP projects under different stages for the period ending July, 2010 **is at Annexure I to this Note.**

Status of the Projects completed under the NMDP

Name of projects	No. of project completed	Total investments (In Rs. crores)	Total Capacity Addition (In Million Tonnes)
1. Kolkata	2	32.21	0.20
2. Haldia	5	185.86	6.50
3. Paradip	9	554.27	0.00
4. Visakhapatnam	4	175.93	0.80
5. Ennore	2	290.00	3.00
6. Chennai	1	492.00	0.08
7. Tuticorin	5	129.25	2.00
8. Cochin	2	767.58	7.50
9. New Mangalore	2	95.40	0.00
10. Mormugao	2	173.20	9.00
11. Mumbai	4	183.03	0.00
12. JNPT	5	1164.30	15.60
13. Kandla	10	1654.65	20.20
Total	53	5897.68	64.88

The 53 Projects that have been completed have added a capacity of 64.88 MILLION METRIC TONNES at the major ports. The 77 Projects that are under progress would add a capacity of 130.52 million tonnes after completion. Similarly the 15 Projects that have been approved but yet to be approved would further add a capacity 33.10 million tonnes. 30 Projects that have been firming up and under process of approval would add a capacity of Rs. 125.28 million tonnes in the major ports. Lastly the 76 Projects that are at preliminary / planning stage at present would add a capacity 114.83 million tonnes in the major ports after completion.

Some of the important projects under various ports that have been completed are given below:

Kolkata Port Trust (including Haldia Dock Complex)

Total number of projects – 40; Estimated cost – ₹6494.45 crore

❖ Completed Projects

Total number of projects - 7; Estimated cost – ₹218.07 crore

Some important projects completed

- ✓ Procurement of 2 RMQCs for container handling (including RMQC track and cabling) – Cost ₹50.00 crore; Capacity addition - 1.50 MT
- ✓ Procurement of 4 RTGCs for container handling at CPY – Cost ₹24.50 crore; Capacity addition – 1.50 MT
- ✓ Multipurpose berth (No. 2) inside the impounded dock – Cost ₹46.80 crore; Capacity addition – 2.00 MILLION METRIC TONNES
- ✓ Multipurpose berth (No. 13) inside the impounded dock – Cost ₹39.56 crore; Capacity addition – 1.00 MT

Paradip Port Trust

Total number of projects – 28; Estimated cost – ₹2402.83crore

❖ Completed Projects

Total number of projects - 9; Estimated cost – ₹554.27 crore

Some important projects completed

- ✓ Creation of additional facilities for Oil Jetty Cost-₹19 crores.
- ✓ Replacement of wharf crane – Cost ₹16.87 crore
- ✓ 4 laning of road from Chandikhole to Paradip NH-5A: ₹442 crores.

Visakhapatnam Port Trust

Total number of projects – 38; Estimated cost – ₹2621 crore

❖ Completed Projects

Total number of projects - 4; Estimated cost – ₹175.93 crore

Some important projects completed.

- ✓ Development of addl. Link road from port junction to the industrial by pass road - Cost ₹114.00 crore.
- ✓ First stage – Deepening and widening of inner harbour entrance channel and turning circle from 10.6 m to 11 m-Cost ₹28.7 crores.

Ennore Port Ltd.

Total number of projects – 14; Estimated cost – ₹6466 crore

Completed Projects

Total no. of projects – 2; Estimated cost- ₹290 core

Some important Projects Completed

- Development of a Marine Liquid Terminal to handle LPG, POL, Chemicals and other liquids – Cost ₹200.00 crore; Capacity 3 MT.
- Capital Dredging - Phase-I: Dredging in the berth areas of Marine Liquids, Coal, Iron Ore and Container Terminals to create a draft of 13.5 m – Cost ₹90.00 crore

Chennai Port Trust

Total number of projects – 14; Estimated cost – ₹2247.14 crore

Completed Projects

- No. of projects -1; Estimated Costs ₹492 crore
Second Container Terminal – ₹492 crore

Tuticorin Port Trust

Total number of projects – 24; Estimated cost – ₹4571.25 crore

❖ Completed Projects

Total number of projects - 4; Estimated cost – ₹104 crore

Some important projects completed.

- ✓ Replacement of Rajaji Tug – Cost ₹27.25 crore.

- ✓ Construction of Berth 9 – Cost ₹40.00 crore; Capacity addition 2.00 MT
- ✓ Replacement of old crane at Berth I and II

Cochin Port Trust

Total number of projects – 14; Estimated cost – ₹7920.00 crore

❖ Completed Projects

Total number of projects - 2; Estimated cost – ₹767.58 crore

Important projects completed.

- ✓ Capital dredging for providing 12.5 m draft at RGCT – Cost ₹23.98 crore
- ✓ Crude Oil Handling for Kochi Refineries Ltd. – Cost ₹743.60 crore; Capacity addition 7.50 MT

New Mangalore Port Trust

Total number of projects – 20; Estimated cost – ₹7148 crore

❖ Completed Projects

Total No. of projects 2 ; estimated cost ₹95.40 crore

Some important completed Projects

- ✓ Construction of multi-purpose General Cargo Berth at the cost of ₹45.40 crore
- ✓ Procurement of Harbour Tugs at the cost of ₹50 crore

Mormugao Port Trust

Total number of projects – 12; Estimated cost – ₹808 crores

❖ Completed Projects

Total number of projects - 2; Estimated cost – ₹173.20crores

Some important projects completed.

- ✓ Tran shippers for iron ore export, cost ₹140 crores
- ✓ Replacement of remaining four barge unloader cost ₹33.20 crores

Mumbai Port Trust

Total number of projects – 14; Estimated cost – ₹2766.06 crores

❖ Projects completed

No. of Projects 4; estimated cost ₹183.03

Some important Projects completed

- ✓ Procurement of 2 No. 32 T Ballard Pull Harbour Tugs ₹24.98 crores
- ✓ Procurement at 2 Nos. of QGCs at a cost of ₹62.50 crores

Jawaharlal Nehru Port Trust

Total number of projects – 32; Estimated cost – ₹7278.00 crore

❖ Completed Projects

Total number of projects - 5; Estimated cost – ₹1164.30 crore

Some important projects completed.

- ✓ Redevelopment of Bulk Terminal into Container Terminal – Cost ₹1078.00 crore; Capacity addition 15.60 million metric tonnes

- ✓ Acquisition of two RMGCs – Cost ₹23.20 crores
- ✓ Internal Port Road widening ₹37 crores

Kandla Port Trust

Total number of projects – 26; Estimated cost – ₹5081 crores

❖ Completed Projects

Total number of projects - 10; Estimated cost – ₹1654.65 crores

Some important projects completed.

- ✓ Construction of 12th Cargo Berth including Back-up area & setting up of state-of-art -Container Terminal through BOT at 11th &12th Cargo Berth with back up area of 40 hectares – Cost ₹446.77 crores; Capacity addition 7.20 MT
- ✓ Setting up of marine terminal by M/s. VOTL at Vadinar for M/s.Essar Oil Ltd. – Cost ₹750.00 crores; Capacity addition 12.00 MT
- ✓ Upgradation of Marine Infrastructure/flotilla for handling larger vessels – cost ₹214.01 crores
- ✓ Procurement of 6 Nos.ELL Wharf Cranes. Present TIL Cranes (3 Nos.) New Cranes (03 Nos.) – Cost ₹53.32 crores; Capacity addition 2.70 MT
- ✓ Gandhidham Palanpur Gauge conversion (which will reduce distance from Kandla from Northern Hinterland by 114 Kms.) – Cost ₹52.00 crores.

2.9 The physical and financial achievement vis-à-vis the targets under NMDP, Port-wise was provided as below:

PORT-WISE STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS AS ON 31-07-2010

(₹ in crores)

PORTS	Total Number of Projects under NMDP	Original Estimated Cost (Rs. in crores)	Estimated Cost (Rs. in crores)	Capacity Addition (In MT)	Project Completed	Work in Progress	Approved but work yet to be awarded	Firmed up and under process for approval	Under Preliminary / Planning Stage	Dropped
KOLKATA	25	5302.20	5855.75	0.70	32.21 (2)	181.90 (6)	- (-)	936.44 (1)	4705.20 (16)	- (-)
HALDIA	15	1192.25	1537.13	20.50	185.86 (5)	330.00 (2)	24.70 (1)	146.57 (2)	850.00 (5)	- (-)
PARADIP	28	2402.83	3152.99	15.00	554.27 (9)	1571.72 (8)	21.00 (2)	180.00 (2)	556.00 (3)	270.00 (4)
VISAKHAPATNAM	38	2621.00	3968.53	63.51	175.93 (4)	745.75 (10)	588.94 (4)	1501.91 (7)	724.00 (9)	232.00 (4)
ENNORE	14	6466.00	8688.47	67.00	290.00 (2)	2408.15 (5)	440.00 (1)	900.32 (2)	4650.00 (4)	- (-)
CHENNAI	14	2247.14	2244.14	0.58	492.00 (1)	943.00 (4)	48.00 (1)	- (-)	550.00 (3)	211.14 (5)
TUTICORIN	24	4571.25	4659.25	61.85	129.25 (5)	638.00 (6)	177.00 (3)	0.00 (-)	3715.00 (10)	- (-)
COCHIN	14	7920.00	9524.83	24.00	767.58 (2)	7352.25 (6)	- (-)	- (-)	1010.00 (4)	395.00 (2)
NEW MANGALORE	20	7148.00	5967.25	18.91	95.40 (2)	626.03 (5)	95.00 (1)	707.82 (5)	50.00 (1)	4393.00 (6)
MORMUGAO	12	808.00	1948.00	34.00	173.20 (2)	128.00 (4)	- (-)	721.00 (1)	740.80 (4)	185.00 (1)
MUMBAI	14	2766.06	3135.55	37.66	183.03 (4)	1843.52 (3)	469.00 (2)	- (-)	490.00 (4)	150.00 (1)
J.N.P.T.	32	7278.00	8702.30	65.20	1164.30 (5)	936.00 (11)	0.00 (-)	5855.00 (8)	747.00 (8)	- (-)
KANDLA	26	5081.00	5028.09	62.20	1654.65 (10)	727.06 (7)	0.00 (-)	1898.38 (2)	613.00 (5)	135.00 (2)
TOTAL	276	55803.73	64412.28	471.11	5897.68 (53)	18431.38 (77)	1863.64 (15)	12847.44 (30)	19401.00 (76)	5971.14 (25)

NOTE: Figures in brackets are number of projects under respective heads.

2.10 When pointed out by the Committee about the gap to be maintained as per international standards between installed capacity and traffic as furnished by the Ministry in their background material, the Ministry, in a written note, submitted:

“In an ideal situation, a gap of 30% between the installed capacity and the traffic is to be maintained which is in accordance with the conventional international norms. However, it may not be possible to maintain the exact gap at all times. The gap of 30% is generally required to be maintained in order to take care of maintenance works at the berths etc. It is not mandatory to maintain this ideal gap. The actual traffic / cargo handled at ports depends on the demand of industry / trade to export or import and is therefore, sometimes close to capacity created, which also indicates effective utilization of berth capacity. However, ports have been advised to create capacity in excess of 30% of actual traffic as per NMDP projections. Accordingly, capacity to the tune of 574.77 million tonnes has been created against the actual traffic of 530.36 million tonnes handled during 2008-09 which still indicates a gap of about 8% between capacity and traffic handled. The capacity indicated in the Ministry’s reply to point No.11 of the response provided for the meeting held on 23.9.09 was a provisional of 555.67 Million Metric Tonnes Per Annum. Efforts will be made continuously to attain the ideal gap of 30% over a period of time. Several projects are being taken up on PPP basis to create additional capacity. There has been some delay in their implementation as the Model Concession Agreement (MCA) was approved by the Cabinet in Jan, 2008 and projects were processed for approval and bidden out subsequently. “

[Ref: Post briefing LOP dated 23.09.2009, Pg.8]

2.11 In addition to above, the Secretary (Shipping) stated before the Committee during evidence as below:

“As far as low productivity and related issues are concerned, the facts and figures are before the Hon’ble Committee. In fact one of the major problems has been the inadequacy of the capacity of our ports .As is well known there has to be a cushion of about 30% between the traffic and the capacity for the ports to handle traffic effectively. Unfortunately, capacity utilization of our ports was about 93% last year and when there is an average capacity utilization of 93% it means that the waiting time for the ships is definitely longer and this has to be avoided .As per the plans that we have now, we expect that the major ports in the country would have a capacity of about slightly more than 800 million metric tonnes Our assessment is 816 Million metric tonnes as on 31st March 2012 which is the end of 11th five year plan. This plus about 400 MILLION METRIC TONNES capacity in the non major ports should provide the total port capacity in India of about 1200 MILLION METRIC TONNES which will probably lead to a situation where utilization is about 80%. Even that is not enough. There has to be more capacity creation. We are identifying projects which we can take up during the 12th plan also.”

[Ref: Proceedings dated 5.02.2010, Pg. 2]

(c) Port Special Economic Zones (SEZS)

2.12 An “SEZ” is geographical region that has economic laws that are more liberal than a country’s typical economic laws. An SEZ is a trade development tool, with the goal to promote rapid economic growth by using tax and business incentives to attract foreign investment and technology and to promote exports. For an Integrated Port Development major ports need to respond to users’ needs, sharing space with private players and getting every chain in maritime trade to link up to provide a viable solution. The port-based SEZs provide port facilities, industrial zones, and logistics facilities in close proximity of ports and integrated shipyards for a complete business cycle. The need of improving infrastructure and building capacities at ports in the form of SEZs is a must to stand the test of efficiency and global competition.

2.13 The Committee desired to be apprised of the steps taken to promote port-based SEZs. The Ministry, in a written note, stated as under:

“Port based SEZ’s promoted by Ministry of Commerce are already operational at Chennai, Cochin, Vizag, Mumbai and Kandla. The new version of SEZ’s are proposed at Kandla, Cochin and New Mangalore. The Kandla port is promoting a SEZ with 5000 hectares of land for which Ministry of Commerce has already given in-principle approval.

The Mangalore SEZ is promoted by a Special Purpose Vehicle (SPV) of ONGC-MRPL, KIADB and IL & FS. New Mangalore port had proposed to participate in the equity to the extent of ₹6 crore which is 12% of the equity holding. MSEZ has increased the equity holding from ₹50 to 100 crore. Accordingly, Port has proposed to contribute ₹11.5 crore towards equity participation. The proposal is being examined by the Ministry.

The Cochin Port Trust is developing two Port Based Special Economic Zones (1) Vallarpadam Special Economic Zone – 115 hect (2) Puthuvypeen Special Economic Zone – 285 hect. These have already been notified by Ministry of Commerce. In the Vallarpadam SEZ, the Cochin Port is developing an International Container Transshipment Terminal on BOT basis with Dubai Port World as the Private Partner. The terminal will ensure facilities for receiving container vessels of capacity exceeding 8,000 TEUs (mother vessels). The terminal will have an initial capacity of 5 lakh TEUs which will enhance to 3 million TEUs in phases. In the Puthuvypeen SEZ, the Petronet LNG (a consortium of Major Oil Companies and private sector) is developing an LNG import and re-gasification terminal of 2.5 Million tonne capacity which is in the initial stage of construction. The availability of the cost effective and eco-friendly LNG will accelerate the industrialization in Kerala, Tamil Nadu and Karnataka.”

[Ref: post briefing reply dated 23.09.2009, pg.14]

CHAPTER-III

ISSUES RELATED WITH INFRASTRUCTURE DEVELOPMENT & CAPACITY ENHANCEMENT

(a) General Budgetary Support & Non Utilization of Funds

3.1 The Committee asked about the General Budgetary Support and utilization of the funds during the last 3 years. The Ministry intimated as under:

(₹ in crore)

Total Eleventh Plan Outlay		2007-08			2008-09			2009-10		
		Outlays	Expen.	%	Outlays	Expen.	%	Outlays	Expen (April-August)	%
Major Ports	17551.24	941.29	646.37	68.66	1386.52	888.29	64.06	1677.00	325.63	19.41
Others	12753.92	1168.69	440.97	37.73	2264.45	246.83	10.90	738.50	82.95	11.23
Total	30305.16	2109.98	1087.34	51.53	3650.97	1135.12	31.09	2415.50	408.58	16.91

Others includes DCI, ALHW, R&D Studies, SCL, Post Tsunami Works, Web Based EDI, Assistance for Studies on Non-Major Ports, IT for Department of Shipping & Survey Vessels.

[Ref: Presentation 06.10.2009 Pg.8]

OUTLAYS (GBS + IEBR) OF VARIOUS ORGANIZATIONS: - PORT SECTOR FOR THE YEAR 2007-08, 2008-09 & 2009-10

(₹ In crores)

S.No.	Name of Port/Organisations	OUTLAYS 2007-08			OUTLAYS 2008-09			OUTLAYS 2009-10		
		GBS	IEBR	Total	GBS	IEBR	Total	GBS	IEBR	Total
(A) Major Ports										
1(a)	Kolkata	0.00	30.31	30.31	0.00	10.47	10.47	0.00	11.00	11.00
(b)	Haldia	0.00	7.05	7.05	0.00	34.00	34.00	0.00	45.00	45.00
(c)	RR Schemes	0.01	0.00	0.01	0.50	0.00	0.50	2.00	0.00	2.00
Sub Total (Kolkata)		0.01	37.36	37.37	0.50	44.47	44.97	2.00	56.00	58.00
2.	Mumbai	0.00	50.36	50.36	0.00	150.00	150.00	0.00	192.00	192.00
3.	J L Nehru	0.00	188.18	188.18	0.00	175.17	175.17	0.00	324.00	324.00
4.	Chennai	0.00	47.81	47.81	0.00	72.95	72.95	0.00	34.00	34.00

5.	Cochin	100.01	58.51	158.52	140.00	115.65	255.65	144.97	47.00	191.97
6.	Vizag	8.00	75.00	83.00	6.00	33.97	39.97	0.01	65.00	65.01
7.	Kandla	0.00	89.49	89.49	0.00	140.87	140.87	0.00	115.00	115.00
8.	Mormugao	0.00	10.10	10.10	0.00	22.07	22.07	0.00	71.00	71.00
9.	Paradip	45.00	55.00	100.00	0.01	287.99	288.00	0.01	276.50	276.51
10.	New Mangalore	0.00	36.00	36.00	0.00	30.00	30.00	0.00	34.00	34.00
11.	Tuticorin	1.00	78.46	79.46	0.99	95.88	96.87	5.00	215.50	220.50
12.	Ennore Port Ltd.	0.00	61.00	61.00	0.50	69.50	70.00	0.01	95.00	95.01
Total (A)		154.02	787.27	941.29	148.00	1238.52	1386.52	152.00	1525.00	1677.00

[Ref: Presentation 06.10.2009, Pg.9]

OUTLAYS (GBS + IEBR) OF VARIOUS ORGANIZATIONS: - PORT SECTOR FOR
THE YEAR 2007-08, 2008-09 & 2009-10

(₹ in crores)

S.No	Name of Port/ Organisations	OUTLAYS 2007-08			OUTLAYS 2008-09			OUTLAYS 2009-10		
		GBS	IEBR	Total	GBS	IEBR	Total	GBS	IEBR	Total
(B) Others										
13	DCI	0.00	300.00	300.00	0.00	494.40	494.40	0.00	495.50	495.50
14	ALHW	53.16	0.00	53.16	36.00	0.00	36.00	45.00	0.00	45.00
15	R&W / Studies	17.74	0.00	17.74	6.45	0.00	6.45	2.90	0.00	2.90
16.	Assistance for Studies on Non-Major Ports and MSDC	1.27	0.00	1.27	1.33	0.00	1.33	1.00	0.00	1.00
17	Sethusamudram	140.22	524.22	664.44	1.00	1580.07	1581.07	151.10	10.00	161.10
18	Port Tsunami Works	105.29	0.00	105.29	60.00	0.00	60.00	20.00	0.00	20.00
19	Web Based EDI	7.50	0.00	7.50	6.00	0.00	6.00	2.50	0.00	2.50
20	IT for Department of Shipping	0.49	0.00	0.49	0.20	0.00	0.20	0.50	0.00	0.50
Total (B)		325.67	824.22	1149.89	110.98	2074.47	2185.45	223.00	505.50	728.50
(C)	Survey Vessels	19.00	0.00	19.00	79.00	0.00	79.00	10.00	0.00	10.00
Total (C)		19.00	0.00	19.00	79.00	0.00	79.00	10.00	0.00	10.00
Grand Total (A)+(B)+(C)		498.69	1611.49	2110.18	337.98	3312.99	3650.97	385.00	2030.50	2415.50

[Ref: Presentation 06.10.2009, Pg.10]

TABLE SHOWING BUDGETARY ALLOCATION AND UTILIZATIONS

*ALL FIGURES IN CRORES

S. NO	Name of port	2006-07	2006-07	2007-08	2007-08	2008-09	2008-09
		Outlay	expenditure	Outlay	expenditure	Outlay	expenditure
1	KOLKATA PORT TRUST	50.04	71.99	37.37	56.60	44.97	53.64
2	PARADIP PORT TRUST	83.40	23.15	100.00	42.05	288.00	101.47
3	VISHAKHAPATNAM PORT TRUST	27.33	40.05	75.00	37.32	39.97	31.46
4	ENNORE PORT LIMITED	70.00	9.57	61.00	34.53	70.00	102.43
5	CHENNAI PORT TRUST	35.00	26.07	47.81	46.72	72.95	48.98
6	TUTICORIN PORT TRUST	52.31	29.11	79.46	52.71	96.87	65.12
7	KANDLA PORT TRUST	94.66	80.19	89.49	41.39	140.87	58.07
8	JAWAHAR LAL NEHRU PORT TRUST	106.14	40.74	188.18	70.29	175.17	48.77
9	MUMBAI PORT TRUST	59.86	14.55	50.36	29.32	150.00	37.84
10	MORMUGAO PORT TRUST	28.06	20.77	10.10	11.48	22.07	17.52
12	NEW MANGALORE PORT TRUST	18.00	18.02	36.00	29.25	30.00	30.11
13	COCHIN PORT TRUST	73.84	72.89	158.52	149.71	255.65	292.90

[Ref: Presentation 06.10.2009]

3.2 When asked about the reasons for non utilization of funds by some of the Ports like Paradip Port, Chennai Port and JNPT, the Ministry in a post evidence reply stated:

“The important reasons of variations for actual expenditure from the budget provisions are summarized below:

- (i) Inadequate response to tenders for which projects had to be retendered.
- (ii) Time taken for obtaining approvals/clearances from various agencies e.g. environmental clearance, security clearance, etc.
- (iii) Change in scope of work.
- (iv) Less expenditure due to slow progress in construction of linked infrastructures like roads, etc.
- (v) Variation due to change in the rate of Foreign Exchange, etc. in projects having foreign exchange components e.g. acquisition of cutter suction dredgers (CSD) by Dredging Corporation of India.
- (vi) Non-accurate estimates of the amount of dredging/quantity to be dredged in the channel and basin deepening projects.

The main cause for non-utilization has been the delay in execution of work which in turn was due to the long procedures of non-standard contract and infirmities in tender documents. The Ministry of Shipping has considered the matter and a Committee was constituted for Standardization of procedures and documents for award of contracts with the following Terms of Reference:

- To identify the potential areas of standardization in contracts in port working;
- To analyse the system of drawing up of specification and estimates (quantity and/or finances) for contracts at the various ports and recommend common procedures;
- To lay down Minimum Eligibility Criteria in terms of technical and financial parameters for each type of contract and
- To suggest common bidding procedures and stages of clearances/sanction of the competent authority, including security clearance in case of foreign bidders, and evaluation of technical and the financial offers.

The Committee submitted its report and discussions were held in a series of meetings with the Port Chairmen. Accordingly, the Ministry has circulated the Committee's Report to all the major ports which contains basically the following:

- (i) Recommendations with regard to bid procedures
- (ii) Reduction in stages of approval

It is expected that with the implementation of the recommendation of the Committee by the Ports, there will be speedy execution of works and accordingly utilization of plan outlays would improve substantially.

Apart from the above following actions are regularly being taken by the Government:

- i. In order to ensure that the outlays are utilized by the concerned agencies, necessary instructions are issued to them from time to time;
- ii. All the Chairmen have been advised from time to time to monitor the plan expenditure periodically and incur expenditure to improve utilization of the plan outlay.
- iii. In additions, the expenditure position is also reviewed on monthly basis in the Ministry through provisions of returns to be furnished by all the agencies.
- iv. Periodical review meetings are being held to monitor the plan expenditure and suggest ways and means to step up the plan expenditure wherever there is a short-fall.
- v. Minister of Shipping also reviews the performance of the ports from time to time;
- vi. Senior officers of the Ministry also visit the ports frequently to review the progress of projects and their functioning;
- vii. The Ministry is also considering delegating more powers to the Port Trust Boards for sanctioning plan schemes and award of contracts.

Incidentally, it may be mentioned that Government budgetary support to only a few ports like Cochin, Tuticorin, Paradip etc. is being provided, that too for common user facilities like capital dredging. The expenditure under the Government funding support is generally satisfactory. Last year (2008-09), the entire Government Budgetary Support (GBS) allocated to the port sector was fully utilized. Maximum expenditure by the ports on various projects is incurred out of their internal resources. Therefore, in the true sense of words there is virtually no locking of plan allocations.”

[Ref: Post briefing reply dated 23.09.2009, Pg.6]

(b) Modus Operandi for decisions on new projects for capacity enhancement & infrastructure development of Ports

3.3 The Committee enquired from the Ministry regarding the modus operandi for taking necessary decisions on new projects for Capacity enhancement and infrastructure development of Ports. The Ministry responded as under:

“The Ports have the autonomy to identify and decide on new projects which they would be undertaking for capacity enhancement and infrastructure

development. Most projects of capacity augmentation at the new ports are being taken up on the basis of the Business Plans prepared by consultants for each of the Ports. The Modus-operandi for decision making and autonomy to port is given as under:

(a) Stages for formulation and appraisal of new project of capacity enhancement and infrastructure development:

- Preparation of Feasibility Report.
- Issue of RFQ
- Shortlisting of bidders.
- Submission of proposal to PPPAC/appraisal body.
- Security Clearance
- Environment Clearance
- Upfront Tariff fixation by TAMP
- Obtaining the approval of CCI.
- Issue of RFP
- Selection of Concessionaire
- Signing of the Concession Agreement

(b) Financial Powers to Ports-

- ₹50 cr. for New Projects by the Port Trust Board.
- ₹100 cr. for replacement projects by the Port Trust Board.
- Above ₹100 cr. by EFC/PIB/Cabinet Committee on Infrastructure (CCI).
- Above ₹250 crores- appraisal by Private Public Partnership Appraisal Committee and approval by Cabinet Committee on Infrastructure (CCI)
- ₹2 cr. to ₹5 cr. by Port Chairmen.”

(c) Operating Cost Ratio

3.4 The Committee asked the Ministry about the operating cost ratio, the Ministry in a written note stated as under:

“At present, there are twelve major ports in India which are covered under the Major Port Trust Act, 1963, out of which only one port namely Ennore Port Limited have been commissioned as a Company under the Companies Act. Hence, only one corporate port among all Major Ports is in existence.

The operating ratio of major ports in India for the year from 2001-02 to 2008-09 are as follows:

YEAR	OPERATING RATIO (%)
2001-02	72.02
2002-03	67.51
2003-04	64.13
2004-05	60.61
2005-06	60.13
2006-07	56.00
2007-08	57.17
2008-09	62.20

It may be seen from the above that the operating ratio has been declining successively over a period of time right from 2001-02, except in the years 2007-08 and 2008-09, where there is a slight increase in the operating ratio. This increase is basically due to the increase in the operating income which is lesser than that of operating expenditure in some of the Major Ports. This may be again due to recession noticed during the last 2 years where the operating income has not gone up substantially as compared to operating expenditure. All the Ports have been advised to maintain operating ratio as minimum as possible by adopting various cost cutting measures also. Recently manning scales were implemented to reduce the expenditure on manpower. Mechanism of equipment is being installed for quick navigation. Capacity expansion is being done to improve the Operating Ratio.”

[Ref: Post briefing reply 23.09.2009, Pg. 10]

(d) Private Sector Participation

3.5 With reference to Private Sector Participation, the Ministry in a written note furnished to the Committee, stated as under:

“With the opening up of the Indian economy, the Government of India has allowed private sector participation in Major Ports to infuse funds, induct latest technology, improve management practices and above all for addition of capacity. Foreign direct investment upto 100% under automatic route is permitted for construction and maintenance of Ports and Harbors.

To encourage private sector participation, uniformity, clarity and transparency in the bidding process is of prime importance. The Ministry of

Shipping has already put in place guidelines for private sector participation. To ensure uniformity in bidding documents, Model Request for Qualification (RFQ) and Request for Proposal (RFP) documents have been finalized. A Model Concession Agreement (MCA) has also been finalized which attempts to bring in uniformity to the agreements to be signed by the Major Ports as Concessioneing Authority with the various private operators as concessionaire.

Tariff Authority for Major Ports (TAMP) which is an independent statutory authority fixes the tariffs to be charged from the port users by the private operators. These tariffs act as a ceiling and the private operators are free to charge below these ceilings. The tariff setting mechanism has also been modified with tariffs being set upfront before the projects are bid out on a revenue sharing basis. Guidelines in this regard have already been issued.

Several projects at the Major Ports are being undertaken through investment by the private sector/public sector (other than port resources). The status of projects with private investment or investment by Public Sector Units on captive basis at various Major Ports is summarized below:

- 25 Public Private Partnership (PPP) projects or projects on captive use basis are operational at a cost of **₹6525.5 crores** and capacity of **140.65 Million Tonnes Per Annum (Million Metric Tonnes Per Annum)**.
- 15PPP projects at an estimated cost of **₹10333.96 crores** and capacity 127.05 Million Metric Tonnes Per Annum are under construction/implementation.
- 25 PPP Projects at an estimated cost of ₹14771.94 crores and capacity 182.95 Million Metric Tonnes Per Annum are under bidding/tendering stage.”

In the year 2009-10, 13 PPP Projects have been awarded in the Major Ports including mechanization projects. Details are as follows:

Sl. No.	Projects	Port	Cost (in Cr. ₹)	Capacity (in Million Metric Tonnes Per Annum)
1.	Development of 13 th multipurpose cargo berth (other than liquid and container cargo berth)	Kandla	188	2.00
2.	Construction of Deep Draft Iron Ore Berth	Paradip	591	10.00
3.	Construction of Deep Draft Coal Berth	Paradip	479	10.00
4.	Setting up of Mechanised Iron Ore Handling Facilities at Berth No-14	New Mangalore	277.11	6.62
5.	Development of Berth No-7 for handling	Mormugao	252	7.00

	bulk cargo			
6.	Development of Western quay (WQ-6) in the northern arm of Inner harbor of VPT for handling Dry bulk cargo	Vizag	114.37	2.00
7.	Development of EQ-10 berth in Inner Harbour for handling liquid cargo	Vizag	55.38	1.85
8.	Mechanised Coal handling facilities at General cum Cargo Berth (GCB) in the Outer Harbour	Vizag	444.10	10.18
9.	Mechanisation at HDC berth no.2	Kolkata	75	4.00
10.	Mechanisation at HDC berth no.8	Kolkata	75	4.00
11.	Mechanisation of Cargo Handling Project-1	Paradip	37.32	2.00
12.	Mechanisation of Cargo Handling Project-2	Paradip	25.13	2.00
13.	Mechanisation of Central Quay-III Berth	Paradip	40.00	4.00
Total			2653.41	65.65

[Ref: Study tour of the Committee on Estimates to Goa, Bangalore & Chennai from 14th to 18th June, 2010 – Note on Indian Ports Infrastructure Development and Capacity Enhancement]

3.6 At the same time, “The Committee also noted that the Government has a policy for preventing private sector monopoly in Major Ports” to ensure healthy competition and smooth award of the projects for capacity enhancement at Major Ports. The policy was conveyed to all Port Trusts in August, 2010, as under:

“If there is only one private terminal/berth operator in a port for a specific cargo, the operator of that berth or his associates shall not be allowed to bid for the next terminal/berth for handling the same cargo in the same Port”.

[Ministry’s Website]

(e) Productivity, Higher Turnaround Time and International Standards

3.7 When asked about the delays and higher turn-around time, the Secretary (Shipping) clarified during evidence:

“There was a question of delays and higher turnaround time and the variation between various ports. The variation, of course, is natural. The first thing is that of course, it is dependent on type of commodity handled. The JNPT is handling primarily containers only, there may be a lower turnaround time for handling whereas in a port like Paradip which is handling various types of cargo, there would be problems in certain types of cargo and delays. We are inefficient compared to the international ports and we have taken quite a few steps. I am not elaborating them because they have been detailed in the notes circulated to the Committee, but one of the things I must say is that the creation of capacity by itself will substantially help to reduce the turnaround time, coupled with mechanization and networking with the other stakeholders. All that will lead to improved performance”.

[Ref: Proceedings 05.02.2010, Pg. 26]

3.8 The Committee also desired to know about the turnaround time for vessels docking at Indian ports and the reasons for higher turn-around time at Major ports. The ministry in a written note stated as under:

“It is submitted that the average turnaround time of 10 hours at Hong Kong is given for handling of container traffic only, since it is a leading container handling port of the world, whereas the turnaround time of 3.85 days for Indian Ports is for all the 12 major ports as well as for all the commodities put together. At the same time, it is also pertinent to mention that most of the Indian Ports are multi – commodity ports with a mix of fully and semi-mechanical and labour intensive handling facilities. In addition, the major ports of India handle a variety of commodities, including container which accounts for around 18% of the total cargo handled at all the major ports.”

[Ref: Post briefing reply 23.09.2009, Pg. 19]

3.9 Broad reasons for higher turnaround time at major ports are as under:

1. Less available draft.
2. Locational disadvantage as Hong Kong lies on the mainline shipping route.
3. Occasional congestion.
4. Lack of modern equipment.
5. Various components attributed to non-port account like weather conditions, want of cargo of the containers, customs formalities, poor clearance of cargo, want of wagons/lorries/trailors, want of private labour / equipment, non-maintenance of equipment etc.

In this regard, it is to be mentioned that broadly following four components are involved in the import & export of cargo to /from India:

1. Documentation preparation
2. Inland transportation handling
3. Customs clearance & Technical control
4. Ports & terminal handling

In fact, for exporting the goods, a number of procedures range from packaging of goods at the factory to their departure from the port of exit. Similarly, for importing of goods, the procedures range for vessels arrival at port of entry to cargoes delivery at the factory warehouse. Such procedures take more than 50 per cent of the time for exporters/importers of the country. The time taken at the port/terminal is comparatively much less than time spent on other components of the trade. As per a study conducted by World Bank during 2008-09, it has been observed that more than 80 to 84 per cent time is spent on the components other than port/terminal handling.

Following steps are being taken to improve the port infrastructure with modern facilities:

1. A number of initiatives have already been taken by the Ministry of Shipping and rigorous monitoring is being done by various wings of the Ministry for formulating and devising programmes for enhancement of Port Capacity Projects. Efforts are also being made to increase the private sector participation in the Port Development Projects. The capacity of the major Port have been targeted at the level of 1016.35 million tonnes at the end of 11th five year plan as against the capacity of 574 million tonnes as on 31.3.2009.
2. To accommodate larger vessels in the port, a number of projects to increase draught level of 14 meters to 17 meters at JNPT, Paradip, Mumbai, Visakhapatnam, Tuticorin, Cochin and Ennore Ports are underway at an estimated total cost ₹2382 crores.
3. For smooth and seamless movement of cargo at ports, the projects on rail and road connectivity have been given top priority. Each port to have double line rail connectivity. 10- Rail projects with the length of 922 km at a total cost of around ₹3903 crores are under progress. Similarly, it has been decided that each major port should have 4 lane road connectivity. 11 Road projects at a total cost of around ₹4150 crore for developing 360 km of length are under implementation.
4. To create a paperless regime, the process of developing the Port Community System has commenced across all the major ports. Directions have been issued for installation of I.T. infrastructure for exchange of EDI messages with all the stake holders which is in progress.
5. Directions have also been issued to major ports to undertake process re-engineering to discontinue redundant documents, simplify and merge essential documents and facilitate web-enabled services to other stakeholder's e.g. Steamer Agents file the Vessel Arrival Intimation through a port user interface in the respective port's websites.
6. Ports have been advised to undertake study of their internal yard planning to enhance the efficiency of rail movement within the port."

[Ref: Post briefing reply 23.09.2009, Pg. 15]

3.10 In addition to the above, the ministry in a written note furnished to the Committee stated as under:

"The Major Ports have improved their efficiency over the last several years in operations in terms of performance indicators. The average Turn Round Time (TRT) has improved significantly during the past 1 ½ decade for all the Major Ports. Average TRT for all Major Ports improved from 10.10 days in

1990-91 to 3.85 days in 2008-09. The TRT varied in a range between 1.96 days at Jawaharlal Nehru Port to 5.20 at Kandla Port. “

The average over all pre-berthing detention time for All Major Ports has declined from 2.2 days in 1990-91 to 1.57 days in 2007-08. There is tremendous improvement in average output per ship berth day. It is more than trebled from 3372 tonnes in 1990-91 to 10,960 tonnes in 2008-09 for Major Ports. However, the average output per ship berth day is marked by substantial variation across Major Ports ranging from a high 28,429 tonnes in case of Ennore to a low of 3477 tonnes at Kolkata Dock System during 2008-09. This variation reflects the cargo being handled, level of mechanization and labour practice.

The productivity standards in respect of container terminals at some of the Major Ports in India and some International Ports are given below. The productivity standards in respect of Container Terminals of Indian Ports such as JNPT as compared to international standards are not far behind. As per the performance parameters JNPT is ranked 25th amongst the top container handling ports of the world.”

MOVES PER HOUR

Port	Crane productivity for small vessel	Berth productivity for small vessels	Crane productivity for large vessel	Berth productivity for large vessels
Singapore PSA	23	45	36	140
United Arab Emirates Port Rashid and Jebel Ali Khor-Fakkan	22	40	30	110
Salalah	20	32	28	100
Aden	N/A	N/A	29	90
India				
Nhava Sheva	18	30	22	40
Jawaharlal Nehru	16	24	20	36
Turicorin	14	14	-	-
Colombo-SLPA	14	23	18	45
Colombo-SAGT	13	25	24-25	-
Belgium Ports	-	-	30-35	-
Shanghai	-	-	35	-
International Standards	-	-	27-33	-

[Source: UNCTAD Monographs on Port Management]
[Ref: Background material, Pg. 44]

(f) Transshipment

3.11 Enquired about the timeline by which the International Transshipment container terminal be operational, the Ministry, in a written note furnished to the Committee, stated in September, 2009 as under:

“At present the construction of International Container Transshipment Terminal (ICTT) at Cochin is going on and the revised scheduled completion date along with the supporting infrastructure is 30th November, 2009 which may slightly go beyond schedule. Apart from Cochin, the Mega Container Terminal proposed at Chennai is expected to handle transshipment traffic. A feasibility study is also being studied to explore establishing the feasibility of transshipment terminal at South Andamans.”

[Ref: Post briefing reply 23.09.2009, Pg. 13]

3.12 In addition to the above, the Secretary (Shipping) during evidence stated as under:

“On the specific question regarding the commissioning of international container terminal at Kochi, the work on this is at the final stages. The expectation now is that the first phase could be opened by the 31st of May. The rail connectivity is almost complete. Rail connections would be in position. In fact the expectation was that it would be complete by November last year but because of some slippages it was targeted for completion in March. Present assessment, which is a very realistic assessment, is that the first phase could be opened by 31st of May. The biggest constraint has been the non-completion of the highway, the 4-lane road which is to connect NH-47 to the container terminal. The plan now is to have two-lane highway to start with which will be complete by May. Further extension into the four-lane will follow. The rest of the work, in respect of ICTT and the connectivity, is almost complete. There is also a proposal for receiving containers in vessels through ‘over the water on Ro-Ro’ system for which jetties have almost been complete. It is very realistically expected that it would be possible to have it by end of May.”

[Ref: Proceedings 05.02.2010, Pg. 3]

3.13 He further added:

“I had reviewed it very recently. For the container terminal, the main reason is road connectivity. As the Hon. Member is aware, substantial part of the road is through the side of the newly reclaimed land; there were technical issues which compelled the Highways Authorities to wait for some time, for the completion. There were a few land acquisition related issues also. But the main issue was the technical problem in completion of the road. But now the decision has been taken that we will start operating a two-lane road and that the four-lane road could follow. By 31st May, NHA agreed that the two-lane connectivity will be in position. There has been no other substantial delay on the part of any of the players, but because of this reason probably, there has been some delay in the dredging as well; but dredging is now going on; based on the present assessment, 31st May looks to be very realistic date, and it is just 3 and half months from now.”

[Ref: Proceedings 05.02.2010, Pg. 5]

3.14 Noting the delay in the completion of the ICTT, the Committee enquired about its status, the ministry in a written note furnished in post evidence reply stated as under:

“The work for construction of ICTT is in progress along with the other supporting infrastructure projects namely:

- (a) Rail Connectivity to ICTT at Vallarpadam.
- (b) Four-lane National Highway Road Connectivity to ICTT.
- (c) Capital dredging for deepening and widening of the approach channel and berth basin of ICTT to provide draft of 14.5 m at Vallarpadam at Cochin Port.

Due to delay in providing four-lane highway connectivity, some delay is envisaged in completion of the project. The delay has occurred mainly due to delay in land acquisition, increased quantum of work on account of difficult soil condition in the back water area and other local problems. As per present estimates, the partial operations of the terminal are likely to begin by mid August, 2010.”

[Ref: Post evidence reply 05.02.2010, Pg. 5]

3.15 The Committee when enquired about the status of commissioning of the International Container Transshipment Terminal (ICTT) at a later date, the Ministry in a written reply stated that the revised likely date of commissioning of ICTT will be October, 2010.

[Ref: Email dated 29.07.2010 of Director (PD), Ministry of Shipping]

(g) Dredging Capacity

3.16 A draft Report prepared by the then Ministry of Shipping, Road Transport and Highways in 2007 had recommended as under:

“Restrictions of draughts at various Ports seriously impede the ability to handle vessels of a standardized international scale. Minimum draft of – 14m will give the major ports the capability to handle post Panamax vessels for dry bulk and mainline mother vessels for containers. At International Ports, the Government funds the dredging and maintenance cost of channels. It is, therefore, recommended that, as a national policy, minimum draft of – 14m in all berths of the major ports may be developed. It is also recommended that the Government fund the cost of maintaining the minimum draught.”

3.17 Providing sufficient draft in the channels and berths is most important to attract bigger vessels and to have competitive edge. Dredging assumes most important role in view of the ever increasing need to have adequate draft at the ports.

3.18 The Committee note that, the Ministry in its presentation on 23rd September, 2009, had asked for budgetary support. The Committee enquired as to why the Ministry needs budgetary support when all the ports are profit making entities and maintenance of infrastructure for service are the ports responsibilities. The Ministry in a written reply stated as under:

“Dredging is a capital intensive activity and the financial resources of many of the Ports are inadequate. The ports have to invest in many projects which have a direct or indirect bearing on the capacity addition of the port.

Private investment is forthcoming mainly in commercially viable areas and which have good financial returns such as, construction and operation of berths. It is not forthcoming in many of the areas of Port operation such as capital dredging, replacement of assets, rail and road connectivity projects for which the ports have to either finance from Government of India depending upon the financial position of the port.

The ports have large pensionary liabilities especially the older ports of Mumbai, Kolkata and Chennai. The Ports have also liabilities towards interest payment, statutory reserve. In addition, the salaries and wages have increased substantially due to implementation of Wage Revision for All Port employees including officers. While some major ports are undertaking dredging with their internal resources, it would be necessary to get budgetary support for capital dredging in most of the ports.”

[Ref: Post-evidence reply 05.02.2010, Pg. 1]

3.19 The Committee desired to know about the dredging capacity problem at ports like Kolkata and Haldia. The Ministry in a written reply stated as under:

“The steps taken by DCI to increase dredging capacity are detailed below:

- i) A new Cutter Suction Dredger DCI Dredge-XVIII of 2000 M3/ Solid per Hour capacity was ordered on Mazagon Docks Ltd. during Oct., 2005. The dredger is now under final stage of building and expected to be delivered by the end of Sept, 2009.
- ii) Work order for building a new Backhoe Dredger has been placed on 21.11.2008 at a contract price of EUR 18.5 MIn with a delivery period of 18 months.

- iii) Proposal for procurement of three Trailer Suction Hopper dredgers for augmenting the dredging capacity is under process. It has been approved by the PIB.
- iv) Two Survey Launches were ordered in 2007-08. The same are in final stage of construction.
- v) Expression of Interest for Second-hand Trailer Suction Hopper Dredgers is invited through open tenders and the same are under scrutiny.”

[Ref: Background material Pg. 25]

3.20 In addition to the above Secretary (Shipping) during evidence stated as under:

“In the last nine years, the Dredging Corporation of India could not acquire any dredger. They could not finalise it because of some matter or the other. Recently they have decided to buy three dredgers, two initially and one as option. That is a matter that is going to the Public Investment Board. Once it is cleared, they should be able to acquire it.”

[Ref: Proceedings 06.10.2009, Pg. 7]

Dredging at Kolkata & Haldia Port

3.21 When asked specifically about the chronic problem of siltation and low draft at Kolkata and Haldia port by the Committee, the acting Chairman, Kolkata port trust during evidence stated as under:

“As you know, Calcutta Port is an estuarine port. It has certain limitations and its features are not akin to that of the sea ports; primarily, draft is the major constraint in this port. As on date, there are six dredgers working, all of them are deep sea dredgers. In addition, one dredger, Dariamanthan was brought to this port on the 19th September; unfortunately this dredger developed some snags on 21st September and is presently under repair; hopefully within a week, it shall be commissioned. This is the position on dredger.

To take on from what the Secretary mentioned, we have taken some initiatives to have cargo handling facilities in deeper drafter locations. As you know, we have discussed; our draft position is quite bad. There are limits to which we can go in our port; only alternative is to go to deeper water locations. Keeping that in mind, we have initiated a project at Diamond Harbour; that is proposed to be a container terminal, at South of Kolkata. The draft is reasonably good with 9 - 9.5 meters. Unfortunately, there are some land issues and we hope to overcome them. There are some issues with the Defence Ministry; if we can overcome that, this terminal will help us and it will be a purely container terminal; it will have about 1.5 TEUs from that terminal. The preparatory work for that project is already through. We are ready to issue

RFQ for that project, the only constraint being the land availability which we will be able to overcome.

There is another project which we have in mind, that is trans-loading of cargo at deeper drafted locations in the river closer to sea. Solution that we have to overcome this draft problem, EOI has been invited. We are in the process of examining the response. If that comes through bigger drafted ships will come to these locations closer to the sea, from there we hope to transfer the cargo in smaller vessels to Halida particularly. So, this is one project which we have in mind.

There is another project that we have in mind is to develop cargo handling facilities at Sagar Island which is also closer to the sea where the draft is about 10 meters. In fact, already such cargo handling activities are going on at that place but that is only in a very small scale. If we develop berths and jetties in this place possibly we may be able to overcome this draft limitation. These are all the short term and medium term measures. As you know, it is a riverine port and there is a need for river regulatory measures. A study is presently underway by IWRPS and WAPCOS, both Government of India organizations, to see how we can do capital dredging and river regulatory measures in this river. The study is expected to be completed by next month. Thereafter we hope to go to the Government. We estimate a cost of about ₹933.64 crores or around the same figure. If it is approved by the Government of India, we hope to improve the draft in this river by at least one meter.”

[Ref: Proceedings 06.10.2009, Pg. 17-18]

3.22 In addition to above, the Ministry, in post evidence reply regarding draft at Haldia port stated as under:

“There has been no change in the size of vessels that generally visit Haldia Dock Complex. However, the parcel load has been reduced due to inadequate draft. In this connection, it may be mentioned that the depths of Haldia channel showed rapid deterioration since July 2007 and the depth of Auckland fell from 5.3 m to 3.8 m in August 2008. This was due to non-implementation of River Regulatory Measures for the last seven years, coupled with adverse morphological changes in the Haldia channel and DCI’s inability to provide adequate number of dredgers in the year 2007-08 and 2008-09. As a result of shifting the dredgers to Auckland, the depth of Jellingham also fell to 4.0 m from 4.5 m during this period.

In order to reduce the impact on the draft of Haldia vessels, the width of the shipping channel was reduced to 345 m from traditional 460 m and the Under keel clearance was reduced to 0.9 m from 1.3 m. in August 2008. Therefore, though the depth reduced by 2.1 m, since June 2007, the average draft was reduced only by 0.50 m.

As directed by the Ministry, DCI mobilized additional dredgers since November 2008 and thereafter, the severe shoaling trend could somehow be arrested. Till August, 2009, seven trailer suction DCI dredgers viz. Dredge-VI, Dredge-VIII, Dredge-IX, Dredge-XI, Dredge-XIV, Dredge-XVI & Dredge-XVII were engaged in dredging the Haldia channel. However, in spite of undertaking extensive dredging by the aforementioned dredgers, there has been no improvement in the depth of the navigational channel which continued to remain at 4.0 m and 4.4 m at Jellingham and Auckland against the desired level of 5.0 m and 5.5 m respectively till August 2009.

As per the new contract, DCI was to deploy seven of its dredgers (including two large dredgers out of XV, XVI & XVII) continuously till restoration of depth. However, Dredge-XVII was released for other ports as per directive of the Ministry on 23.8.09. Unfortunately, the other large dredger Dredge-XVI also met with an accident and remained inoperative from 29.8.09 to 12.9.09. Due to non-availability of both the large dredgers, coupled with post-monsoon effect, the depth at Auckland sharply reduced to 4.0 m on 15.9.09 resulting in a draft cut of 0.4 m from the predicted draft (Average draft 7.3 m from predicted 7.7 m). In order to augment the dredging, DCI mobilized a chartered dredger Darya Manthan on 19.9.09 which, however, became inoperative since PM 21.9.2009 due to steering failure. As of now many of the tracks are once again showing a deteriorating trend and unless a few more dredgers are mobilized immediately, it may not be possible to maintain the current depth of the channel. As indicated by DCI, Dredge-XII & Dredge-XV which left for repairs on 8.6.09 & 30.4.09 are likely to be ready in October 2009 and these must report to Haldia immediately after repairs. In addition to the above seven dredgers, two more dredgers are required to be mobilized by DCI, for which they have initiated the tendering process. Till the last date of submission of the tender i.e. on 30.9.09, two bids were received.

As a long term solution to problem of situation in the Haldia channel various river training works viz. (i) Rebuilding of spurs and protection of bank at Nischintapur area; Bank protection work at western edge of Ghoramara Island (ii) Sand by-passing at the southern end of Nayachara tail (Subject to feasibility) (iii) Opening of waterway by removing obstruction/impediments in the Auckland area (Subject to feasibility) (iv) Revalidation study of RRM, Formulation of scheme & Execution of Capital dredging etc. have been undertaken by the port.

The river training works at items (i) & (ii) are nearing completion. The proposed opening of an alternative channel (Eden Channel) bypassing the Lower Auckland bar, which is the most disturbed area at present, is being explored. CWPRS, WAPCOS and Lankan Hydraulic Institute were engaged for a detailed study of the channel. The study has since been completed and further action will be taken for removal of the impediments existing in the alternative channel as per decision of the Technical Advisory Committee. All efforts will be made to operationalize the alternative channel in a time bound manner, if the same is found otherwise feasible.”

3.23 The Committee further enquired about the status of draft at Kolkata and Haldia port, to which the acting Chairman, Kolkata Port Trust, stated as under:

“I can give a ray of hope. This long-term measure is the river regulatory measure. A major component of it is capital dredging. As you are aware, in the year 2004 this scheme was formulated by NIOT. But there were various reasons for the delay. This cannot be attributable to the Ministry or to the Port. But, in any case, the fact of the matter was that we were advised to get this scheme revalidated because the underlying geomorphological changes had taken place in the river. Accordingly, WAPCOS, a Central Government public sector undertaking was engaged for this work. They, in association with Lanka Hydraulic Institute, have taken up this study. This study was entrusted to them in December, 2008. Now they have just given us a draft report. This is on 25th January. This is a long-term measure that has been formulated by them. Now this will be placed before our Technical Advisory Committee and then thereafter to the Government of India. PIB clearance is necessary because the entire funding will be from the Government of India. This is as far as the long-term measure is concerned.

About the Eden Channel, let me just clarify that this was not meant to be a long-term measure. It was just an adhoc interim measure which we thought, pending long-term measure, if we could get go ahead with it. Unfortunately, we could not do it during the last fair-weather season. The fair-weather season is very limited. We may still go ahead with this in the ensuing season that we have here. I may ad once again that this is a purely, short-term alternative measure. But the long-term measure is what we have in mind, river regulatory measures. This time we are very confident that this will see the light of the day. We cannot go into the earlier story. I will not be able to comment on it. It is a fact that a lot of effort went in the past. Now that the scheme is formulated we hope that with the assistance of Government of India we will be able to implement it.

I may add one more thing. In the meantime we are also doing some bank protection works at Nischintopur and Ghoramara and strengthening the spurs there. These are all in the nature of short-term measure. Another scheme which we have to overcome this draft problem is this transloading activities at deeper drafter locations in our Channel. An EOI for this was invited last year. We got a very encouraging response from various leading participants. On 7th of January they have made their presentations. Now we are working on it. What essentially EOI means is that bigger ships will come at deeper drafted locations in the channel; near may be Sagar or in the Orissa coast, Conica sands. Bigger ships will come; with the help of a transloader it will shift the cargo to the smaller vessels, the barges or the daughter vessels. This sort of thing is already going on in the Zuari river in Goa. So, we would like to start a similar thing here.

The solution that we have to overcome this draft problem is this. I am afraid it will take some time. You will have to bear with it. These long-term measures, even when implemented, will take some time to fructify, to give the results. But in the meantime these are the short-term measures we are taking. Another long-term measure which may be possible is to build a port at Sagar for which, as a very tentative measure, we took our own initiative at Calcutta Port to bring out an Expression of Interest. Again, the response has been encouraging. Of course, the main constraint there is the road connectivity with the mainland – the Sagar Island. We understand the Ministry of Railways are considering the possibility of a bridge there; or even the Sundarbans Development Board is thinking of a bridge there.”

[Ref: Proceedings 05.02.2010, Pg. 20-21]

3.24 In addition to the above the ministry in post evidence reply stated as under:

“Regarding the deterioration of draft at Haldia, DCI has been directed to provide adequate number of dredgers at Haldia. The Maintenance Dredging contract between KoPT/HDC and DCI has been renewed for another term of five years w.e.f. 1.1.2009. River Regulatory Measures (RRM) have been proposed to be undertaken as a comprehensive scheme for improvement of draft in Haldia Channel. The revalidation of the study has been completed by M/s. WAPCOS and the final draft report was received on 25.1.2010 which is under examination.

For capacity enhancement of DCI, a proposal for acquisition of three TSHDs of 5000 cub.m capacity (each) has been approved by the Cabinet Committee on Infrastructure in February, 2010.”

[Ref: Post evidence reply 05.02.2010, Pg. 7]

(h) Hinterland Connectivity

3.25 The Committee desired to know about the development of Port Hinterlands and regionalization and development of logistical zones in the vicinity of port sites, to which the Ministry, in written note, stated as follows:

“Considering the constraints of expansion of existing ports, the sites in the vicinity of the ports are developed to supplement the storage capacity to boost industrial activity to ensure cargo growth. Every port has “Land use plan” to encourage cargo related activities made after a detailed study of the trade and their requirements. The popular developments that have taken place in the recent past on the lands in the vicinity of the ports are:

- (i) Container Freight Stations
- (ii) Cargo terminals with rail linkage
- (iii) Liquid terminals with tank farms

- (iv) Special Economic Zones
- (v) Dry cargo warehouses
- (vi) Container storage and repair yards

The land is given on lease for 30 years by inviting tenders to the private persons for the activities permitted as per land use plan.

The port trusts also take up the port connectivity projects by the nearest National Highway and the Railway head to improve evacuation of cargo and faster turnaround of the ships. The existing evacuation deficiencies and bottlenecks in movement of the cargo investment the competitiveness of ports in the region and vitiates the environment for increment in manufacturing in the country. Therefore the connectivity of major ports with the hinterland is required to be augmented to ensure smooth flow of traffic at the present level but also to meet the requirement of projected increase in traffic .The projects on rails and road connectivity are implemented mainly by national Highways Authority of India(NHAI) and Indian Railways, respectively. The ports have made significant financial contribution for execution of the connectivity projects implemented by the Railways through special purpose vehicles (SPV). Similarly Paradip, Chennai, Visakhapatnam, New Mangalore Tuticorin, Ennore and Mormugao ports have contributed in the SPV set by NHAI for implementation of road connectivity projects.

For expediting the ongoing rail/ road connectivity projects and to recommend new connectivity, two Committees have been set up by Ministry of Shipping namely Apex Committee and Operational Committee.”

[Ref: Background material, Pg. 49]

(i) Security

3.26 In light of the 26/11 terrorist attack on Mumbai the Committee asked the Ministry about its plans for security measures at the ports and several other infrastructure projects being developed under the PPP model, the Secretary (Shipping) during evidence stated as under:

“Sir, on the issue of the security of ports immediately after 26/11 happened, we had a series of meetings. Some meetings were taken by the Raksha Mantri quite a few by the Cabinet Secretary and the Home Secretary and several meetings were taken internally in the Shipping Ministry including the then Minister. We had initiated a short term plan of hiring some boats so that we can patrol along with the customs and with the marine police station and the coast guard. Apart from it, the ports have been asked to raise their own small group of marine oriented commandos so that they can respond to any situation. We have requested CISF to do this for us. CISF themselves are trying to build the capacity because they do not have it right now. India is a member of the Container Security Initiative but the lead Department is the

Custom Department. They are doing it. Nevertheless, we will have to provide the land there and we will have to provide the access to the security personnel. The Customs Department proposes to set up container scanners in four ports to begin with, the Mumbai Port, the Kandla Port, the Tuticorin Port and the Chennai Port. There the container traffic is heavy. I believe they have already placed orders for the scanners. We are in the final stages of negotiation and the rental for the area to be taken by the customs. In the new PPP projects we are building in a clause that the private operator should comply with all the security measures that are insisted upon by the port. We have something called the ISPS. Under this there is a standard of preparedness. In terms of the cargo and the tourist ships that can come into the ports, the measures are fairly standardized. The one off sort of a thing that has happened in Mumbai where they came in a hijacked fishing trawler and then came in a lift raft in the last short distance, in the long term the Coast Guard in collaboration with our Director General of Lighthouses is building a chain of automatic identification system through radar all along the coast utilizing the lighthouses which are in existence in mostly and also the high points so that if the mischief maker does not give his call sign or does not get into radio contact, in the current system we have no way of knowing except through radar. Radar is the only improvement because satellite also can be switched off. The equipment has already been ordered for and this will take a little more time. I will convey the precise time table for this to the Hon'ble Committee."

[Ref: Proceedings 23.09.2009, Pg. 19-20]

3.27 In further evidence, the Secretary (Shipping) stated as under:

"After 26/11 incident, a number of meetings were taken up at different levels – some by the Minister (Shipping), a few by the Minister of Home Affairs, several meetings with the Home Secretary and the Cabinet Secretary. A consensus ultimately that emerged is that the Navy and Coast Guard were insisting that every single vessel moving in the coastal waters should be identifiable. Now for the cargo vessels, there is Automatic Identification System. It is already in place. For the smaller vessels, the Director-General (Shipping) had issued order that more than 20 meters length vessels should equip themselves with Automatic Identification System Class 'B'. They have given six months' time for this. Once this is done, on the radar in the control room you can see which are the ships going near that spot with a cursor. You can name all the ships and other details etc. For the smaller ships, especially for the fishing vessels and other small vessels, so far there has been no system of identification. The radar will only tell that there is some object. It does not tell us which is the vessel and who is travelling in that.

Sir, the Navy has advised that all the vessels which are not having identification system, there should be specific lane by which they should come and go. If 220 vessels go in the morning for fishing, in the evening it should be

shown that 220 vessels have come back. There should be some sort of roster that you can mark the attendance whether the fellow has come back or not.

Route can be identified. I think the only thing is that many of the fishing harbours are in close proximity to the cargo harbours, the big vessel harbours. It is creating a problem. In many places we are trying to separate the fishing harbour away from the cargo area because small vessels are much more difficult to really control. The small vessels can be used for any sort of nefarious purpose.

For that reason, as a policy we will move small vessels a little away from the cargo area. We are working on this. It takes a time as the Hon'ble Committee will appreciate. They are small people and all that. There is a lot of pressure but we are working on it."

[Ref: Proceedings 06.10.2009, Pg. 23]

3.28 The Chairman, Chennai Port added as under:

"Before 26/11 incident in Mumbai port security was there but there was no co-ordination between port security, Indian Navy and Coast Guard. So, the entire coast was not covered as a whole. That is one of the reasons. Like for example, in Mumbai the incident which took place, port security was there but the boat which came, it came to the fishing harbour. Now the fishing harbour is not coming in the jurisdiction of the Bombay Port Trust and that is why that lapse was there. In Chennai or in Tamil Nadu what we have done is that we have formed a group now where Navy, Coast Guard, Army, Police and the Port, all ports in Tamil Nadu have formed a group now and no boat is allowed to come less than five kilometers within the coastal range. They can only enter a fishing harbour. Earlier all the fishing boats were not registered but now 100 per cent boats have been registered, now boat is identified that who is the owner and who are the people working in the boat and then they go as a group and when they go as a group from the fishing harbour, they maintain record that 6 boats or 20 boats went in a group for fishing in such and such area and with so many people and so when they come back they again record it. That kind of a register is being maintained. Then, there is coastal police. Coastal police practically covers the entire coastline of Tamil Nadu. The idea is that it would be done all over. It was chaired by the Admiral of Navy. He had chaired it and they hold that the entire maritime States coast will be covered like this."

[Ref: Proceedings 06.10.2009, Pg. 25]

3.29 The Committee desired to know about the security infrastructure at ports, the Secretary (Shipping) during evidence, stated as under:

“The Hon’ble Member has raised the issue about port security which is a matter of great concern for everybody. In fact, in the recent past there have been a lot of efforts to improve both the port security and coastal security and there have been lots of effort to coordinate among all the agencies involved including the Navy, Coast Guard, fisheries, marine police and other agencies. As is known, the security of the ports is with the Central Industrial Security Force and a section of CISF personnel has been given maritime training as well. So, they are in a better position to handle marine matters. There is regular system of a sea patrolling Coast Guard is responsible for that. In fact one of the Government installations that many of the ports have is the SPM, which are outside the port, slightly deeper into the sea for receiving oil vessels. Taking that into account patrolling has been intensified. We are discussing further with other agencies for a systematic arrangement for further enhancement of the protection measures.

There is a scheme for installation of scanners at major ports. The US has introduced requirement that containers reaching the US after 2012 must be scanned, subjected to X-ray scanning. We have a scheme for installation of X-ray security scanners at various ports. Scanning may not be complete may be done on a risk assessment basis. Right now it is in the process of inter-Ministerial consultation. We have the light house system under the Ministry. They are building a chain of automatic information system which is radar-based. That information will also be used by the Coast Guards and various other agencies. We also have notified the requirement for registration of all the vessels including the port vessels. Registration for the smaller vessels is with the State Fishery Department but this registration of vessels coupled with installation of some system for identification would help to beef up the coastal security. That is one area which will be getting a lot of attention. Apart from this we have dog squads and others. So, no risk is taken as far as security is concerned.”

However, answering a query on whether all major Ports have facility of X-Ray Scanner to check human trafficking through containers, the Secretary replied in the negative. Replying on the point raised by the Committee that modern gadgets are required to ensure specially of Ports, he stated:

“It is fully accepted. What we are working on is the scanners required by the security personnel, customs and may be by the port itself and coordinated. We do not want to create systematic bottlenecks. There has to be a coordinated effort. Scanners have been installed in a few ports.”

[Ref: Proceedings 05.02.2010, pg. 14-15]

3.30 On further query about the latest measures/equipments acquired to enhance port security by the Committee, the Ministry in a written note submitted as follows:

“On the recommendations of High Powered Committee set up to review the security preparedness of Major Ports and Shipyards (N. Ramachandaran

Committee), a no. of security measures taken in the ports. Compliance Report of Security measures taken in Ports is enclosed.

S.No.	Port Name	Issuance of I-cards	Acquisition of speed boats	Installation of CCTVs	Bomb detection & disposal squads	RFID based VTS	Dog squad	Registration of Fishing Vessels
1	Tuticorin	Being issued	1 st No. given to CISF. 2 nd No. tender issued.	Proposal given to CISF.	Letter issued to CISF.	Specification being drawn up.	Dogs expected deployment shortly.	Fisheries Deptt. is being advised.
2	Jawaharlal Nehru	Being issued after verification	Action initiated for 2 nd Boat	18 working and 7 being acquired.	Proposal sent to CISF.	No.	Presently deployed in the port.	Fisheries Deptt. has been requested.
3	New Mangalore	Are being issued	1 st boat in position and another being procured.	Installed.	Request sent to CISF.	To be implemented in phase manner.	Request sent to CISF.	Not applicable.
4	Pardadip	Entry passes issued by the Port	Tender floated	Installed.	Request sent to CISF.	No.	Available with CISF.	Letter issued to fishing Dept.
5	Mumbai	Being issued	Two boats being used.	Installed.	Action being taken.	VTS is being used.	Tied up with local police.	Registration done by Fisheries Deptt.
6	Chennai	Being issued	Patrol boats are available.	Installed.	CISF is requested.	Action being taken.	1 dog squad.	Issued by fisheries Deptt.
7	Visakhapatnam	Being issued by CISF	2 small speed boats being used.	2 nos. installed. 14 being procured.	CISF is being requested.	Being processed.	1 dog squad.	Maintain records of registered vessels with MMD.
8	Kandla	Being issued by CISF.	2 speed boats available.	16 nos. working. 5 more being procured.	Action being taken. CISF has written to their HQ.	Under installation.	1 dog squad available.	Registration done by Fisheries Deptt./MMD.
9	Kolkata	Being issued.	In operation.	Under implementation expected to be installed by June, 09.	Services of Kolkata police being taken.	---	Squad being trained at Hyderabad expected deployment shortly.	Being done by State Govt.
10	Cochin	Being issued.	2 nos. purchased.	12 are in use more are being procured.	Written to CISF.	---	Written to CISF.	Being issued by State Fisheries Deptt.
11	Mormugao	Being issued.	1 in use and 2 are being hired from May, 10.	In operation.	Basic equipment available being coordinating with Vosco police.	AIS based VTS in operation.	2 dog squads in operation.	Being issued by fisheries Deptt.
12	Ennore Port Ltd.	Being issued.	Pilot boat is temporarily used for patrolling. One speed boat procured, 2 are being procured in May.	4 CCTVs in operation.	Being shared with Chennai Port Trust.		Shared with Chennai Port Trust.	Being issued by State Fisheries Deptt.

[Reply of Ministry vide OM F.No. PD-H-11013/3/2009-PD.I dated 19.05.2010]

(j) Electronic Data Exchange & Port Community System

3.31 The Committee had asked the Ministry about any proposal for integrating all major ports and stakeholders. The Ministry in post evidence reply stated:

“To integrate all the Port users in all the Major Ports through a common interface, a Port Community System(PCS) is being implemented in the major ports in various phases for which budgetary assistance has also been provided to the extent of ₹6 crores and the rest would be contributed by the respective ports. The system which is under implementation involves a centralized hub linking all Major Ports of India and other stakeholders like shipping Lines/agents, surveyors, stevedores, Banks, container Freight Stations, Government regulatory agencies, Customs House agents, Importers, Exporters, etc in a secure manner.”

[Ref: Background material, Pg. 16]

3.32 In addition to above, the Secretary during evidence stated as under:

“Hon. Chairman has mentioned about improvement of electronic data interchange. We would fully agree that this is one of the most important factors in the whole system. As such the ports have already developed the port community system with linkages to custom agents, shipping line and others in the field but it is necessary to have a more enlarged network covering the customs because the linkage between the custom system and port system has not been fully effective so far. So, we are working on for linkages with customs, laboratories and various other players who are in charge of import and export activities. We would definitely be giving further stress to the development of these areas.”

[Ref: Proceedings 05.02.2010, Pg. 3, Para 2]

CHAPTER-IV

CHALLENGES FACED BY PORT PROJECTS

(a) REQUIREMENTS FROM OTHER DEPARTMENTS

4.1 The Committee had noted that developing a port was a consolidated activity that required active cooperation from several Government departments, which posed a major challenge in certain port projects. The Results Framework Document for the Department of Shipping (2010-11) specified the performance requirements from other Departments as under:

Department	Relevant Success Indicator	What do you need?	Why do you need?	How much you need?	What happens if you do not get it?
Ministry of Road, Transport and Highways	Sanction and timely completion of Road linkage projects for Major Ports	Timely sanction and completion of projects	Road linkage is critical for commissioning of new projects of ports and to cater to increasing traffic	Four lane connectivity to all Major Ports	Congestion and reduction of tonnage and traffic respectively
Ministry of Railways	Sanction and timely completion of Rail linkage projects for Major Ports	Timely sanction and completion of projects	Rail linkage is critical for commissioning of new projects of ports and to cater to increasing traffic	Double line Rail connectivity to all Major Ports	Congestion and reduction of tonnage and traffic respectively
Ministry of Environment and Forests	Environmental Clearance	Timely Environmental Clearance	Under their jurisdiction	Within two months of submission of specific proposals	Pre-requisite for commencement of the project
Department of Expenditure	EFC approval	Timely approval	Under their jurisdiction	Within one month of submission of proposal	Pre-requisite for commencement of the project
Department	PPPAC	Approvals in	Procedural	Within one	Pre-requisite for

of Economic Affairs, Ministry of Finance	Approval	time	requirement for timely award of projects	month of submission of proposal	commencement of the project
Planning Commission	Appraisal for projects taken up through IEBR/ appraisal for EFC notes	Appraisal in time	Procedural requirement for timely award of projects	Within one month of submission of proposal	Pre-requisite for commencement of the project
Ministry of Home Affairs	Security Clearances for PPP Projects	Security clearances in time	For timely sanction of projects	Within one month of submission of proposal	Pre-requisite for commencement of the project
Ministry of Defence					
Ministry of External Affairs					
Cabinet Secretariat					
Department of Revenue	- Increase in tonnage under Indian Ships - Increase in share of Indian ships to overall trade	Fiscal benefits for Shipping Industry	To have level playing field for Indian Shipping Industry in comparison to global shipping	- Inclusion of certain income under tonnage tax regime - Service Tax benefits - Seafarers Taxation issue	There will not be enough incentive for Indian Shipping Industry to procure ships and flag it under Indian Registry
CPWD	Construction of terminal at Pandu and Kollam	Construction is done in time	Construction is being undertaken by CPWD	Completion of the projects	Construction of terminals will not be completed

4.2 In this connection, the Secretary, Shipping explained during Evidence, as under:

“...sea ports have to be developed as multi-dimensional system. There has to be integrated logistic system for transport of cargo. While 95 per cent of the cargo is taken on the sea route it is necessary that the integration with the rest of the logistics, whether it is the highway systems or the railway system or the Indian waterways, has to be done more

effectively. We are continuously striving towards that. In fact one of the components of the NMDP, I will come to the NMDP later, has been the connectivity aspect.”

[Ref: Proceedings 05.02.2010, Pg. 2]

(b) Land Acquisition for Expansion

4.3 Due to agitations by local people regarding land acquisition at ports for expansion the Committee desired to know the steps being taken by the Ministry in this regard. The Ministry in a written note stated as under:

“Various Ports are facing problems of acquisition of land for their developmental programmes as acquisition of land from Government Departments, State Governments and various private parties is a very cumbersome process and gets delayed due to various reasons including local problems and agitations. As a result of this delay some of the projects are pending although feasibility reports have been prepared but land could not be acquired from various Departments/State Governments”.

[Ref: Background material, pg. 29]

4.4 During their examination, the Committee had noted one specific instance in Mormugao Port, where a dispute had arisen for acquiring land during four-laning of highway between Verna and Sada junction of the Mormugao Port. When the Committee desired to know the present status as local people were agitating against it, the Chairman, Mormugao Port Trust, during evidence, explained as under:

“The four-laning of the highway between Verna and Sada Junction of Mormugao Port was part of the earlier decision of having four-lane roads around all major ports, and this decision was taken by the Commerce Ministry and the Cabinet in 1994. In fact, the road was planned in the 1970s when it was thought necessary to bypass Vasco City. As you are aware, the heavy traffic of Mormugao Port including coal passes through Vasco City. As long back as in the 1970s, the State Government itself had planned that a bypass road should be constructed bypassing Vasco City. This was converted into the necessity of a four-lane road in 1994 consequent upon which some land acquisitions have been made from 1970s onwards till 1998. In this not a single inch of private land is involved. It is only Government land which is now to be used for completing the balance 5.2 kilometers stretch of the road. The entire road was to be 18.3 kilometers long. The construction work was started in 2001 at which stage Mormugao Port paid the entire amount of compensation for the rehabilitation of the encroachers including further acquisition of land for the rehabilitees units. After payment of the amount of the State Government for the rehabilitation and after payment of the entire amount for shifting of utilities

like electrical lines, sewerage, water pipelines, some work on realignment of walls was started in 2001 by the Border Roads Organisation. The work had to be abandoned in 2004 after completion of work on 13.1 kilometers stretch because there were problems about removing encroachments on the balance 5.2 kilometers stretch. Then, around 2006, because the port users were suffering, four associations and individual companies filed public interest litigations in the High Court. After many hearings, consent terms were filed by the Government of Goa in April, 2008 by which they would clear the Government land along the alignment of the road from encroaches. Since they could not clear it, they filed an application, but in September, 2008, the court directed the Government to clear the entire area from encroachers. Since the consent terms were filed in the High Court, NHAI went ahead with the tenders and they awarded the work for the construction of the entire road, that is, for balance 5.2 kilometers stretch in January, 2009 at a cost of ₹120 odd crores. Here I may mention that the cost of the road, if it had been constructed in 2004, that is, the balance work on the 5.2 kilometers stretch, would have been only ₹22 crore. Now, the project cost has gone up to ₹160 crore because of the delay in clearing the land from encroachers. Mormugao Port Trust contributes ₹80 crore and NHAI is going to contribute ₹80 crore which includes the cost of rehabilitation of all the encroachers who have encroached the Government land to the extent of ₹25 crore.

After all this happened, after the work was awarded, the Government of Goa has now suddenly moved a miscellaneous application in the High Court, asking for deletion of 2.35 km, that is one limb of the road from the scope of it being made four-lane because they said that some 78 houses will have to be demolished. Here the important point is that along with this 5.2 km, there are about 450 structures for which the Government of Goa has agreed to demolish 380, which have already been demolished and the people have been displaced. But in the last 350 meters, there are 78 structures which the Government does now want to demolish; hence, there is a miscellaneous application pending in the High Court, which is now coming in the way of completion of the road.

For the sake of information, work is already started on the balance; the contractor has mobilized all the equipments; this is a small hindrance that is coming in the way. The MPT is committed to pay the entire cost of rehabilitation of the 78 houses, including construction of shopping centre complex, and other shops, etc., for those who will be displaced.”

[Ref: Proceedings 02.02.2010, Pg. 30-32]

(c) Environmental Clearance & Swaminathan Report

4.5 Some infrastructure development projects are being held up due to environmental clearance. A Committee under the Chairmanship of Prof. M.S. Swaminathan was constituted in this regard, the Committee desired to know the action plan of the Ministry. The Ministry, in a written note, stated as under:

“A Report has been submitted by Prof. M. S. Swaminathan Committee in July, 2009 to the Ministry of Environment & Forests. Among the recommendations included in the Report, it is stated that the mushrooming of Ports and Harbours in the country be halted. Since the Report has recommended that a study needs to be conducted to assess the cumulative impact of the growth of ports along the coast on environment and a moratorium has been imposed for environmental clearance till such time the Report of the study is submitted, it is a matter of great concern as delay in getting environmental clearance to the development projects at ports would have an adverse impact on the targeted capacity creation.

[Ref: Background material, pg. 29]

4.6 The Secretary (Shipping) during evidence clarified:

“I would like to submit that we do not treat the Ministry of Environment and Forests as in opposition. That was not the intention at all. I was only submitting that please examine our proposals and then clear them as per your procedure, instead of putting them on hold through a moratorium. They were informally saying that they will not examine anything for three months. Our submission was that please examine and see that our people follow all the necessary procedures and rules and also protect the environment. Our intention is not to really say that we should be given a total dispensation away from the environmental controls.”

[Ref: Proceedings 23.09.2009, Pg. 21]

4.7 As the Committee desired to know further about projects held up due to environmental clearances from the Ministry of Environment & Forests, the Ministry in a post evidence reply stated as under:

“Some of the projects which are awaiting environment clearance / CRZ clearance from the Ministry of Environment & Forests/ State Government are given below:

- i) Development of Berth No.7 at Coal Terminal of Mormugao Port
- ii) Construction of 8 MPTA Berth at west of Breakwater at Mormugao Port
- iii) Development of East Quay at IA Berth in the inner harbour of Visakhapatnam Port.

- iv) Development of East Quay 1 Berth in the inner harbour of Visakhapatnam Port.
- v) Creation of berthing facilities off Tekra near Tuna at Kandla Port.
- vi) Construction of Deep Draught Iron Ore Berth at Paradip Port.
- vii) Construction of Deep Draught Coal Berth at Paradip Port.

Time taken for getting environment clearance is different for different projects at Ports depending on the terms of reference for the Environmental Impact Study and the time taken for the State Governments to recommend Coastal Regulatory Zone clearances.”

[Ref: Post evidence reply of 05.02.2010, pg.9]

(d) Coastal Shipping Development

4.8 When asked about the efforts made by the Ministry in development of coastal shipping in India, the Ministry in post evidence reply stated as under:

“A meeting was taken by Secretary, Ministry of Shipping on 5.5.2009 to discuss coastal shipping Policy and it was decided that a group consisting of representative of Indian National Ship-owners Association (INSA) and Indian Coastal Conference (ICC) should prepare an action plan on Coastal Shipping. Therefore Director General (Shipping) held a meeting with the representative of INSA and ICC on 16.7.2009 and the following decision have inter-alia, been taken for implementation during the current financial year: -

- (i) Removal of all operational constraints relating to river sea vessels.
- (ii) Proposal to Ministry for consideration of duty free bunker stores and spares of coastal ships.
- (iii) Proposal for development of a separate set of tariffs exclusively for coastal ships.
- (iv) Need for financial stimulus for coastal shipping within the overall financial package being worked out by the Ministry for shipping industry.

The latest position on the action taken on the above decision is awaited. It is also mentioned here no proposal whatsoever has been received from any of the State Government regarding promotion of coastal shipping.”

[Ref: Post evident reply dated 23.09.2009, pg.11]

4.9 On being enquired about the size of the coastal shipping cargo and the vision of the Ministry in development of coastal shipping in comparison to road and rail transport systems, the Ministry informed as under:

“As regards size of the Coastal Shipping cargo, the Annual Report of Indian National Ship-owners Association indicate the commodity wise Coastal Traffic during the years 2006-07 and 2007-08 as under:

Year	POL & Products	Thermal Coal	Iron Ore	Iron Ore Pellets	Cement/ Clinker	Others	Total
2007-08	48698	30654	4804	6040	992	8050	99238
2006-07	46386	30864	4725	4885	887	6923	94670

As on 1.2.2010, Indian tonnage dedicated for coastal service is 665 ships (983988 GRT and 994238 DWT).

Coastal shipping serves the domestic trade as an environment friendly, fuel efficient and economic mode of transportation vis-à-vis land based modes and helps decongesting the already overstretched rail/road transportation system. Coastal shipping has not been able to occupy its rightful place in the transportation chain in the Indian supply economy for various reasons. While the infrastructure in terms of ports exists along the coastline, it is important to draft policy initiatives in areas such as Custom Processes and Procedures for seamless movement of cargo on Indian flag vessels operating on the coast, granting priority status to coastal cargo for the purpose of landslide evacuation and suitable schemes to reward usage of tonnage employed on the coast for a prescribed period of time. Slew of financial initiatives in respect of incidence of taxation on bunkers and repair facilities for coastal vessels would reduce operation costs on the coastal trade. Creation of suitable dry docking assistance to coastal vessels would also be needed. Suitable support and incentivizing partnerships between coastal shipping and minor ports of India would foster growth of both minor ports and coastal shipping in India. Above all the encouragement of Multi-model transport involving coastal shipping needs to get popularized. This is very important from the users point of view as he is interested in the end to end solution and not in an isolated component i.e. coastal shipping.”

[Ref: Post evidence reply of 05.02.2010, pg. 8]

4.10 Asked about the Indian Cabotage (Coastal Shipping) laws vis-à-vis other countries, the Ministry in a written reply stated:

“India follows a Cabotage policy by exercising powers under Section 406 and Section 407 the Merchant Shipping Act 1958. Section 406 governs the provision for granting license to two categories of ships a) Indian ships within the meaning of Section 21 of the Act and b) ships chartered by an Indian entity. Such license includes the license for the whole or any part of the coasting trade

of India. Section 407 deals with 'licensing of foreign flag ships for the remaining category for coasting trade which are essentially foreign flag ships not chartered by any Indian entity. The power to exempt or further restrict such ships from the provisions of Section 407 is available under sub section 3 of this section in respect of any part of the coastal trade of India.

Sub-section (3) of Section 406 and sub-section (2) of Section 407 of the MS Act, 1958 empowers the Director General of Shipping to grant license to Foreign Flag vessels subject to such conditions as may be specified. Detailed guidelines in this respect were issued by the Directorate in SD Circular 2 of 2002.

While India does not follow a full Cabotage policy as is done by the US through a Statute, it does provide for reasonable restrictions. It is not out of place to indicate that the proviso of the Section 406(i), explicitly places vessels chartered by an Indian entity on a separate footing by stipulating that the Central Government may exempt these vessels from the provision of the Section 406(1). But unlike the Section 407(3), this proviso does not give the Central Government an elbow room to restrict these ships. In yesteryears when availability of Indian tonnage for coastal shipping was inadequate, such a stipulation may have been necessitated. But today it needs to be reviewed, at least to the extent of giving the Central Government the powers to put such restrictions on these ships as deemed appropriate."

[Ref: Post evidence reply of 05.02.2010, pg. 8]

4.11 In addition to above the Secretary during evidence stated as under:

"The suggestion that the Indian cargo should be moved by only the Indian registered vessels as in the case of Indonesia is a valuable suggestion. Certainly, we will example that. Right now, of the exim trade, a little less than less than 10 per cent is being carried on by the vessels. Over a period of time, our policies have not been conducive to building our tonnage in a big way. For any coastal run, they have to use tax free fuel. In international shipping, they get tax free fuel but in coastal shipping, this is another thing which is not encouraging our coastal shipping in a big way. We are likely to come up with a coastal policy shortly.

On encouraging coastal cargo, recently, we had a meeting with the Power Ministry. The NTPC plants at Farakka, Khelgaon (Barh) are almost located on the Ganga River. The Railway movement can be supplemented through barge movement over the River. This will give a boost to the riverine traffic. In fact, the Director General (Shipping) has also more or less, finalized a design for a ship-cum-barge which can move along with the coast and also on the river. These are long-gestation items. But we have taken up the items.

Right now, they are subject to different regulations. Along the coast, they are under the Merchant Shipping Act. They need a separate licence for that. In the river, there is the Inland Vessels Act under which licences are

given by the State Governments. So, we wanted to put both these things together and give a common sort of a licence so that it is useful. This will help the Ports like Haldia and others because a lot of barge movement has to be there. Draft is always a perpetual problem in spite of all the efforts.

The Master's qualification will be different, the manning skills will be different. So, we wanted to have a uniform system. The DG (Shipping) is in an advanced stage in this matter."

[Ref: Proceedings 23.09.2009, Pg. 25-26]

(e) Corporatization of Ports

4.12 When asked whether the Ministry has any plans for corporatization of other major ports after Ennore, as envisaged in the perspective plan, the Ministry in a post evidence reply stated as under:

"Regarding corporatization of Major Ports, only Ennore Port Ltd. (EPL) has been corporatized so far. However, it was decided with the approval of the then Minister (SRT&H) that the performance of EPL be first evaluated before proceeding further in the matter. A Committee of Experts has been set up for evaluation of EPL's performance. The Committee submitted its report on 23.10.2006 which is under examination of the Ministry for chalking out the further course of action on the proposal for corporatization of Major Ports."

[Ref: Post briefing reply 23.09.2009, Pg. 9]

"In the review meeting taken by the Hon'ble Prime Minister on 3rd February 2010, one of the action points is that the Ministry will initiate steps for corporatization of at least three major ports including Jawahar Lal Nehru Port.

After corporatization, EPL is being managed by a Professional Board. It has the flexibility to quickly respond to commercial environment/market situation. Its financial reporting is realistic as per Schedule VI of the Companies Act, 1956 which means all transactions are on accrual basis and reflect true and fair view of the profit and loss account and assets and liabilities. The books of accounts and financial reports are being audited by professional Chartered Accountants. Annual performance both physical and financial are being fixed and reviewed by an independent task force constituted by the Department of Public Enterprises, Govt. of India."

[Ref: Post evidence reply 05.02.2010, pg. 2]

4.13 In addition to above the Secretary (Shipping) during evidence stated as under:

“As was mentioned, only Ennore Port is a corporate port whereas other ports are port trusts under the Major Port Trusts Act. We have had some study done on the advantages of ports being in the corporate form. Some advantages have been reported in the sense that decision-making is easier in the company system whereas the trusts are governed by the statutes which provide for lot of details. This is being examined and the corporatization of ports is something which we would come back to the Committee on at some future point of time because as of now, there is no decision or no firm approach in the matter.

There is a proposal in the sense that when the perspective plans were prepared and consolidated by the international advisors, one of the pieces of advice was that ports would function better under the corporate system. We are internally evaluating that. After evaluation, we will have to take a view on that. The advantages may not be immediately available in the short-term, they may be there in the longer term, but we will make an assessment and take a view in that matter. I may also clarify that corporatization does not really mean privatization. For example, Ennore Port is a company in the public sector. So, corporatization is only for converting the legal entity from a statutory trust into a company.”

[Ref: Proceedings 05.02.2010, Pg. 25-26]

4.14 Highlighting the performance of Ennore Port, the Chairman, Ennore Port added as under:

“Ennore Port, as has been mentioned by our Secretary, is the first corporate port and it came into operation sometimes in the middle of 2001. In the third year onwards the port has been making profits continuously by reversing the losses. The accumulated losses have been completely wiped out and in seven to eight years of its operation, the port has been conferred the status of Mini Ratna category 1 and for the first time we have declared the maiden dividend and gave it to the Government and the Chennai Port Trust which is a shareholder of the company which was 15 percent of the corporate tax. We started as a satellite port of Chennai port to handle coal basically for the power stations of Tamil Nadu. Now realizing the potential available in the port with its vast land back up and better connectivity we have taken up the second phase expansion which is going on now. In the second phase we are developing it into a multi cargo port with modern facilities for export of iron ore and separate terminal for non-TNEB coal and a liquid terminal and we have planned a container terminal as well for which the bidding process is on. We have also planned, the work is already in progress, for setting up a car terminal, the Nissan Motors want to have exports through our port and so we have signed a MoU with them. So, we started with a single cargo port in 2001, today it is going to become a multi cargo port and handling all operations. In this context, the performance of the Ennore port as a corporate port was reviewed

by the Government some three to four years back but at that time the port operations had not stabilised. As I mentioned, we have progressed quite a lot after that and the Committee had given report to the Government with certain recommendations, perhaps keeping in view the progress made so far the Government would be able to take view on the matter particularly the performance of the port as a corporate entity *vis-à-vis* the corporatization of the rest of the ports.”

[Ref: Proceedings 06.10.2009, Pg. 26-27]

(f) Tariff Authority for Major Ports (TAMP)

4.15 The Tariff Authority for Major Ports was constituted in April 1997 as an independent regulator to oversee the tariffs of all Major Ports and private terminals at Major Ports. TAMP is mandated to promote rationalization of the tariff system, applying uniform principles at ports to develop cost-based prices. The Committee desired to know about the benefits that have accrued after the formation of TAMP, the Secretary during evidence stated as under:

“On the status of the major ports regulatory authority and the effectiveness of the tariff authority, I would like to mention that the major ports regulatory authority Bill which was drafted was put on the website for eliciting opinion. One of the major factors which we have been considering is the non-availability of a level playing ground in this sector. The non-major ports, some of which are very big, are not governed by any tariff regulation at all and they are, as of now, free to fix their own tariffs. The tariff regulation is applicable only for 12 major ports under the Government of India. Therefore, in a competitive market environment, the simultaneous existence of two sets of organizations, one without regulation and one under a very strict regulatory regime, is a question which we have to ponder very carefully. So, we will have to take that into account before we finalize the regulatory authority Bill. We hope to do so very soon. TAMP has helped us in keeping tariffs at a reasonable level because TAMP fixed the rates after hearing all interested parties. Therefore, the interest of the stakeholders is taken into account when TAMP fixes the rate, and TAMP fixes the ceiling rate; so the operators are free to bring down the rates if they feel that the markets conditions so demand.”

[Ref: Proceedings 05.02.2010, Pg. 29]

4.16 The Secretary further added:

“On the single tariff authority, there was a draft put up wherein it was proposed to bring in even minor ports under the single tariff authority. But there appears to be a lot of opposition from the States as well as many of the minor ports. I would submit that as long as we add adequate capacity, the tariff will be taken care of by the market because if the port prices themselves are too high, cargo will automatically shift to the other ports. Our endeavour has been to add

more capacity, both in the public sector that is the major ports, as well as in the private sector by liberally encouraging so that more capacity will automatically be take care of the tariff issues.

Currently, the Tariff Authority for Major Ports fixes the upper ceiling of tariff. They do not prescribe that the tariff cannot be lowered. The Board is competent and on several occasions the Chairman of the individual Boards also reduce the tariff when they are getting more business. So, to that extent, the flexibility, in terms of below the ceiling is available to major ports”.

[Ref: Proceedings 23.092009, Pg. 23]

4.17 The Committee wanted to know about the role of the regulatory authority for tariff.

The Ministry in a reply furnished to the Committee interalia stated as under:

“...The Tariff Authority for Major Ports (TAMP) has been established for deciding the tariff structure for the ports for various cargoes. The TAMP has revised guidelines in 2005 which attempts to reduce cross subsidization to bring uniformity in Return on Capital Employed (ROCE) for ports and private terminals and concessional rates for encouraging coastal shipping superseding the earlier guidelines adopted in 1998. It has formulated normative tariff fixation for the ports.

A Committee under the Chairmanship of Additional Secretary & Financial Advisor, Ministry of Shipping was formed to examine the role of Tariff Authority for Major Ports (TAMP), Mumbai, vis-à-vis its performance regulation, the organizational structure and the statutory framework for the purpose of strengthening of Tariff Authority for Major Ports. The Committee prepared the draft Major Ports Regulatory Authority Bill, 2009 and the same was posted on the Ministry’s website for inviting comments/views of the various stakeholders on the proposed Act. The Bill, if enacted by Parliament, will be a successor to the provisions currently enshrined in the Major Port Trusts Act, 1963 in so far as the working of Tariff Authority for Major Ports is concerned. No final decision on the issue has yet been taken. Also, a critical assessment of the work of TAMP has not been taken up.”

[Ref: Post evidence reply 05.02.2010, Pg. 10]

OBSERVATIONS/RECOMMENDATIONS

5.1 Ports are vital to the country as these enable the nation to trade with rest of the world. The major ports in India act as conservancy and pilotage authorities besides operating terminal facilities for maritime trade. However, with passage of time, most of these ports have become deficient in modernization and productivity, despite an overall increase in port trade. As the projected capacity of major ports in the 11th Plan period is likely to go beyond One Billion tonne, the Government of India has initiated certain efforts like the NMDP scheme to invest in restructuring these ports and increase their efficiency and capacity. Also, during the course of the examination of the subject by the Committee, the Government of India added another port i.e. the Port Blair Port as 13th Major Port in the list of other 12 major ports, in June, 2010. The Committee welcome these steps since minor ports are proving to be a major challenge to the major ports due to the traffic diversion and attractive tariffs as well as exhaustion of capacity utilization at the major ports. This underlines the need to improve and increase the cargo handling capacity of major ports further. The following paragraphs would touch upon various aspects of the subject and the Committee's views and recommendations on the same.

5.2 The Committee note the initiative of the Ministry to formulate the National Maritime Development Programme (NMDP) as a flagship programme which aims for large-scale infrastructure development in all the major ports and their capacity enhancement during the period 2009-2012 in two phases. It is a large scale programme spread over all the major ports with participation of the private sector as well. However, the Committee find that the progress in the implementation of the projects under the NMDP is far from satisfactory. Out of a total of 276 projects with an investment of ₹55,804 crore, which are scheduled to be completed by the year 2011-12, only 53 projects of 64.88 million metric tonne capacity are complete and 77 projects are under implementation. 25 projects have been dropped and the rest 127 projects are yet to start as those are in various stages of planning, approval & awarding. The Committee also note that the port capacity as on 31.03.2009 was 574.77 million metric tonnes & the utilization was 530.39 million metric tonnes which was above 90% of capacity utilization. The Committee note that the traffic forecast for major ports as per the Ministries' Perspective Plan, is projected to be 739.14 million metric tonnes in 2011-12 reaching up to 1595.07 million metric tonnes in 2025-26. Thus the Committee note with dismay that the Ministry has not been able to create adequate capacity of Major Ports to accommodate further rapid increase in traffic. Since the Ministry had formulated the NMDP after extensive assessment and feedback from Major Port, authorities, users and trade requirements, the Committee fail to understand as to why not even 25% of the targeted projects could be achieved under NMDP. The tardy progress makes it evident that all 276 projects will not be completed by the end of 11th Five Year Plan and would be carried forward thus resulting in massive cost overruns. The Committee further note that perhaps realizing this, the Ministry has decided to create a New Perspective Plan for the Maritime Sector for 12th & 13th Five Year Plan upto the year 2020. The Committee hope that the said Plan would be prepared urgently and realistic year-wise targets would be set alongwith appropriate mechanism to ensure its implementation. The Committee would like to be apprised of the progress on the matter. At the same time, the Committee, deplore the prevailing situation and would like to be apprised of the reasons attributed to the delay as well as dropping of projects. The Committee expect the Government to understand the significance and impact of

timely completion of projects under NMDP on the business carried by the Major Ports, as these ports are already facing stiff competition from a number of minor ports functioning in States like Gujarat, Karnataka, and Andhra Pradesh.

As regards specific projects, the Committee are constrained to note that infrastructure projects at Mumbai and Paradip Ports have missed their completion dates and the same has been revised. For instance, the project of construction of 2nd Chemical berth of Pir Pau, that was scheduled to be completed by March 2010 at Mumbai Port was later assigned a new date in July 2012. Similarly the Channel deepening project at Paradip Port missed its completion date of January, 2009 and was anticipated to be completed by June, 2010. As missing timelines would result in huge cost overruns, the Committee exhort the Ministry to make realistic claims and timelines based on better planning and execution.

The Committee also note with concern that against the international standard of a gap of about 30% between the installed capacity and the traffic, the gap in major ports is just 8%, which, in turn has led to a substantial increase in waiting time for the ships. Due to heavy traffic and over utilization of capacity, the maintenance work of machines at the ports also suffers as there is hardly any idle capacity to relay the work for maintenance. Consequently, this can be hazardous to life and limb of port workers as well as detrimental to the functioning of the port. The Committee observe that with the country growing at the rate of 9% and the manufacturing sector at 12%, it is imperative that the ports sector matches with the pace as facilitator of the international trade which enables the country's economy to grow at a faster rate.

In this backdrop, the Committee desire that the Ministry should monitor all the ongoing projects under NMDP on a regular basis and ensure timely completion of all projects. The Committee hope that 77 projects under implementation will be completed within the set timelines. The Committee feel that all other projects which are in various stages of finalization and awarding should be executed with due promptitude. The Committee desire that the Ministry should furnish a Statement enlisting all completed projects, as on date, under NMDP and status of hitherto

incomplete projects alongwith reasons for delay to them. The Committee exhort the Ministry to be proactive about traffic forecasting and capacity addition. It is of paramount importance to focus on adequate capacity and high productivity in order to render services of an international standard by all major ports.

5.3 The Committee note that the major ports like Paradip Port, Kandla Port, Jawaharlal Nehru Port and Mumbai Port have not been able to utilize the funds allocated to them for development/maintenance work during the last 3 years. For example for Paradip Port, out of total budgetary allocation of ₹83.4 Cr in 2006-07 expenditure was only ₹23.15 Cr, during the year 2007-08 out of ₹100.00 Cr, ₹42.05 Cr were spent and in 2008-09 out of ₹288.00 Cr, ₹101.47 Cr were spent. The Committee find it strange that on the one hand inadequate capacity and outdated machinery/ infrastructure lead to inordinate delays, higher turnaround time and deficiency of service in the ports, yet, on the other hand the Port Authorities have not been able to utilize funds available to them for the purpose. The Ministry's stand that long procedures of non-standard contract and infirmities in tender documents have adversely affected the utilization of funds point towards a lack of perspective as well as sound planning of projects to be executed. The Committee note that now a Committee has been constituted by the Ministry for standardization of procedures and documents for award of contracts. The Committee are unable to understand as to why such ground work was not done before handing out contracts for execution of work. The Committee feel that to undertake such critical projects, it is essential that a professional approach is followed by the Major Ports/Ministry to streamline procedures. The Committee are further distressed to note that inaccurate estimate of the amount of dredging/quantity to be dredged in the channel and basin deepening projects have also been the reasons for non-utilization of allocated funds. The Committee feel that half-hearted measures have seriously dented the professional standing of the Major Ports with the result that these ports are fast losing out to many non-Major Ports/private ports. The Committee, therefore, urge the Ministry to monitor the utilization of funds allocated to Major Ports on a monthly basis and advise the Port Chairmen accordingly from time to time to adhere to project schedules. The Committee also exhort the Ministry /major ports to be proactive in their planning and utilize the funds effectively. The Committee desire that all the schemes/projects awaiting completion should be dealt with due promptitude and the future projections for funds requirement be done more realistically in the New Perspective Plan.

5.4 The Committee are glad to note that the operating cost-ratio of Ports has been reducing over the last decade. However, it is around 60% which is still on the higher side. The Committee observe that although all the major ports function on a cost plus model, thereby make profits, yet higher expenditure on salaries, pension liabilities and day to day operation costs, eats into the profit margins. Thus, the Committee suggest that the ports should not only minimise the operating cost ratio through capacity expansion i.e. through higher volumes, but also through reducing cost of operation through mechanization, long-term planning and efficient management. The Committee also desire that all major ports should try to maximize productivity through efficient human resource utilization and a critical analysis of the functions performed by Port workers to remove redundancy at all levels.

5.5 The Committee note with dissatisfaction that productivity and turn around time of all major ports is below international standards, as admitted by the Secretary, Shipping during oral evidence. Though there has been a marked improvement in average turnaround time from 10.10 days in 1990-91 to 3.85 days in 2008-09, the average pre-berthing detention time and average output per ship berth day is still not upto the international standards despite some improvement. The variations between the major ports in the productivity and turnaround time in the country itself is quite substantial irrespective of the type of cargo being handled. The Committee also note that due to 93% capacity utilization in ports as stated by Secretary (Shipping), delays are bound to occur with increased waiting time. As the Ministry is hopeful of improvement in the current scenario after the completion of various Port capacity enhancing projects, the Committee suggest that the Ministry should expedite the implementation of these projects to reduce higher turn-around time and waiting periods. Level of mechanization with technologies of international standard should also be increased substantially to increase average output per ship berth day. The Ministry should ask Port Authorities to conduct periodic reviews of the factors critical to their functioning and initiate corrective action accordingly.

5.6 It is a matter of concern that India does not have a transshipment facility till date. The proposed International Container Transshipment Terminal (ICTT) at Cochin Port is thus critical to Indian Port Business. However, the Committee note with dismay that the ICTT at Cochin Port, which was supposed to be commissioned in second half of 2009, is not ready yet. The second revised date for its completion was given by the Ministry as October 2010. During the course of examination of the subject, the Ministry projected three different time-lines for the project namely November, 2009, May, 2010, and October, 2010, which indicates total lack of respect for timelines and projects schedules. The Committee would like to know whether the ICTT has finally commissioned now. The non-availability of transshipment facility in our country leads to longer delivery time for goods being exported and loss of competitive advantage for the Ports. The Committee feel that the Ports at Singapore, Hong Kong and Sri Lanka have such facilities and thus have a professional edge over the Indian Ports. The Committee, therefore, impress upon the Ministry to expedite the commissioning of the ICTT at Cochin, if not done till now. The Committee also hope that the progress of Mega Container Terminal at Chennai is satisfactory. Besides, as Port Blair has been declared a major Port now, the Committee recommend that the feasibility study of an ICTT at South Andamans should be completed soon.

5.7 The Dredging Corporation of India (DCI) is the entity providing dredging services for maintenance and is responsible for creation and maintenance of draft at all major ports. Several Indian ports face the problem of inadequate draft which translates into their inability to service bigger vessels. However, the Committee are shocked to learn that DCI has not been able to procure any new dredging machinery in the past nine years and that chartered dredgers like the *Dariyamanthan* developed snags thus compelling the Ports to give dredging contracts to foreign companies inspite of the presence of a GOI-owned entity in the field. The Committee fail to comprehend as to why the Government has not taken any measures in this regard during the past years despite infrastructure projects being delayed badly due to non-availability of dredgers. Further, the Committee fail to see any justification as to why no capacity enhancement was envisaged for the dredging capability of Major Ports, when the Ministry was formulating its flagship program – the National Maritime Development Program (NMDP). It shows a complete lack of foresight on their part. Nonetheless the Committee desire to be apprised of the reasons for the lack of dredgers in DCI and the steps taken, if any, to fulfill the requirements. The Committee therefore desire that the Ministry conduct a detailed study of the dredging capacity and requirements of all major ports and take necessary action to enhance the same. The Committee are of the opinion that ideally the DCI should have 1.5 times more capacity than the actual requirement so as to accommodate breakdown & maintenance of dredgers and any other unforeseen incidents. Till then, in order to tide over the present deficiency of dredgers, the Ministry should get into agreements with efficient dredging companies worldwide as a short term measure because adequate draft in the country's Ports would contribute substantially in attracting better business for them. The Committee would also desire to be apprised of the progress on the procurement of the dredgers by the DCI, in due course.

5.8 The Committee observe with regret that at Kolkata and Haldia Ports the parcel load has been reduced due to inadequate draft. Kolkata Port, being an estuarine port, has limitation of draft apart from siltation, which is a chronic problem. The situation at Haldia Dock has also deteriorated due to non-implementation of River Regulatory Measures for the last seven years and no dredging could be undertaken due to non-availability of dredgers in 2007-2008 and 2008-09. The Committee are surprised to note that though siltation is a permanent feature of the morphology of Kolkata Port & Haldia Port, hardly any pro-active measure was taken to tackle it, rather, the situation was allowed to deteriorate for want of dredgers. The Committee are not convinced with the reasons given by the Ministry in this regard, for instance, financial resources of Ports being inadequate for dredging or non-availability of private investment for it. The Committee feel that the Government should have stepped in at the appropriate time for dredging, as has been the international practice, and pursued for better budgetary support to undertake the same. The Committee thus strongly urge the Ministry to ensure implementation of River Regulatory Measures and deploy as many dredgers as required to improve draft at both the locations. The Committee also suggest the Ministry to study the matter on priority and take long term measures like river training works – rebuilding of spurs, river bank protection, river regulatory measures including capital dredging, engage expert institutions of world repute to study the channel and operationalize the alternate locations with good draft and low siltation for instance, the Sagar Island near Kolkata Port. The Committee are aware that Kolkata and Haldia cater to the entire North-East of India, as well as Nepal and Bhutan, for export and import, hence the Ministry should take all necessary action to improve the situation in these ports.

5.9 The Committee note that the road and rail connectivity to all major ports is not satisfactory and leaves a lot to be desired, though some work has been undertaken to develop hinterland for speedy evacuation of cargo from ports. The Committee also observe that two other Central Ministries namely the Ministry of Railways and the Ministry of Road Transport are the implementing authorities responsible for rail and road connectivity of ports, respectively. The Committee also note that most of such projects are delayed thus adding to the existing evacuation deficiencies and bottlenecks in the movement of cargo. The Committee further observe that the process of land acquisition and agitation by local people on account of acquisition of their land is extremely complex and time taking which is also holding up the completion of such projects. For instance, the Committee are constrained to note that construction of 4 lane port connectivity road for Mormugao Port Trust (MPT) at Goa is held up, due to certain issues between MPT and Government of Goa, particularly the acquisition of Government land for 5.2 kilometers stretch of road, due to encroachment problems. The Committee during their visit to Goa were pained to note that several areas of disagreement exist between the MPT and State Government on the matter. As the work has been stalled for the last 6 years, the Committee advise MPT and Government of Goa to co-operate with each other and resolve the impasse at the earliest. The Committee also desire that MPT should not go on a confrontation course with Government of Goa and should consider a suitable alternate alignment for the disputed 5.2 kilometers of road stretch, as a last resort to break the impasse. The committee exhort the Ministry to resolve similar issues concerning the connectivity between Chennai and Ennore Ports, Kolkata and Haldia ports etc too.

In this backdrop, the Committee also feel that projects involving land acquisition, displacement/rehabilitation of people need a very careful approach. Before commencement of the project, the local administration/ representatives and the concerned State Government should be consulted and taken into confidence to ensure smooth acquisition of land or rehabilitation of displaced people. All rehabilitation processes should be in place before undertaking any such project. The benefits accruing from such projects should be well publicized and advertised

to send a positive message to the local people so as to convince them that such projects not only benefit the port industry but add to the infrastructure development of the region as well as the economy of that particular area.

5.10 The Committee further learn with regret that many projects of infrastructure development and capacity enhancement at the major ports are not only getting delayed/deferred due to problems in land acquisition but in some cases, it is turning out to be a very cumbersome process ending in litigation too. The Committee, therefore, advise that the Ministry should constitute a local Committee consisting of DM/elected representative/State Government official/Ministry before commencement of land acquisition, which can look into grievances arising out of displacement/rehabilitation/compensation issues and try to settle the matter within the ambit of the law of the land. The Committee also recommend that local people from whom land is acquired for projects should be preferred for jobs in the project itself, provided they are found suitable for it. The committee strongly feel that all commitments made to the land owners should be strictly adhered to so as to ensure landholders co-operation in the implementation of such projects. The Committee also desire that the Ministry should desist from getting involved into unnecessary litigation which ends up delaying the project for an indefinite period or deferring it altogether.

5.11 The 26/11 terrorist attack on Mumbai was an eye-opener bringing forth the issue of maintaining adequate and foolproof security at all Indian Ports. The Committee observe that the Ministry is taking measures to tighten the security at Indian Ports. Since a lot of infrastructure development is taking place through the PPP model in the several ports, the Committee feel that security scenario at privately managed ports/terminals should be properly standardized and the concessionaire be urged to adhere to all the prescribed safety measures. The Committee desire that security at all major ports be upgraded and adequate container scanners be installed wherever required. The Committee strongly urge the Ministry to initiate measures to have proper co-ordination between port security, the Customs Department, the Indian Navy and the Coast Guard, so as to have a thorough vigil on the entire coast. Quick reaction teams should be deployed at all major ports comprising of CISF, port security, Coast Guards and Navy. The Committee also desire that the automatic identification system through radar be installed all along the coast-line in collaboration with Coast Guard at the earliest. Separate routes should be specified for small vessels/fishing boats of less than 20 meters length and those not equipped with the Automatic Identification System Class 'B'. The Committee urge the Ministry to ensure that all Port Authorities remain vigilant and pro active in this regard as it is a matter of national security and cannot be compromised under any circumstances. The Committee note that though the Ministry has undertaken some action regarding the latest measures/equipment to enhance port security, it is taking lot of time to complete. As any slip-up in future would be catastrophic in light of the 26/11 terrorist attack on Mumbai, the Committee, strongly recommend that all security measures be strictly implemented at the earliest at the ports so that all emergencies such as terror attacks, collision of containers, accidental oil spills, poisonous gas leakages, dumping of harmful e-waste etc. could be handled effectively.

Another matter posing danger to the lives of people residing near ports is the presence of a large amount of hazardous goods in ports like the Mumbai Port and Jawaharlal Nehru Port. In this regard, the Committee are alarmed at certain press reports which indicate that around 409 MT of hazardous and toxic material like

brass ash, old nickel-cadmium batteries etc. is lying unattended on these ports and needs to be neutralized urgently. Reportedly the matter is stuck due to inaction by certain Government departments, which are required to give no-objection-certificates on the matter. The Government of India, by virtue of being a signatory to the Basel Convention, 1992 that addresses issues like transboundary movement and shipment of hazardous waste and its disposal, is expected to take prompt measures for timely and appropriate disposal of toxic wastes lying in its ports. The Committee, are appalled at the gross negligence on the part of the Government to attend to such critical issues which poses a direct and serious threat to public health. The Committee, therefore, deplore the insensitivity of the departments involved and recommend the Ministry to urgently approach the concerned departments for appropriate disposal and clearance of hazardous goods from all Indian Ports. The Committee hope that the matter would be given critical importance. The Committee also desire that the Ministry should immediately seek reports from all major and minor port authorities on any hazardous cargo including e-waste lying in their premises and urge them to take urgent action for its evacuation. The Committee desire to be apprised of the progress on the matter through a detailed note from the Ministry. Besides, they would also like to know the progress on the Govt's proposal to install advanced radioactive material detectors in all major ports.

5.12 The Committee note that a common interface, a Port Community System (PCS) to bring all Major Ports and various stakeholders at one platform, is not fully functional at present. A fully functional Port Community System is a must to speed up various processes, usher in greater deal of transparency and streamline services rendered by Indian Ports. The Committee feel that since India has emerged as a major player in the information technology domain, the Ministry of Shipping should leverage that expertise and implement the Port Community System at the earliest. From the security point of view too, establishing Port Community System is absolutely critical since the entire security infrastructure is based upon electronic data and tracking systems. The Committee also observe that an electronic data exchange will enable port customers and users to make quick decisions about logistics. The Committee feel that all port users, for instance shipping lines/agents, surveyors/stevedores, Banks, container freight stations, regulatory agencies, customs house agents, importers, exporters etc. should be able to utilize the available resources at the ports in a secure manner, once Port Community System is established as a central hub. It will also enhance the ability of the decision makers to make a more informed decision about capacity utilization, costs and all parameters pertaining to logistics of ports business. The Committee, therefore, recommend that Port Community System network must be established and operationalised at the earliest, in all ports.

5.13 The Committee are sad to note that environmental clearance has also become another key factor for delay of Port projects in Mormugao, Visakhapatnam, Kandla and Paradip Ports. A moratorium has been imposed on environment clearance for new ports and harbours till a study on the cumulative impact of ports along the coast on environment is conducted in view of the Prof. Swaminathan Report, which had stated that the mushrooming of Ports and Harbours had an adverse impact on the country's marine and coastal environment. The Committee are convinced about the importance of maintaining a healthy balance between development and environment and are of the view that the eco system has to be preserved along with infrastructure development. At the same time, the Ports need capacity enhancement to support the country's economy. Therefore, the Committee are of the view that the Ministry should ensure that all their projects are prepared with due regard to the protection of coastal and marine environment in the first instance. They should have a dedicated team of professionals working on environmental clearance in tandem with the Ministry of Environmental & Forests before commencement of projects because collaboration and co-operation between the two Ministries is the only way to move ahead for fast paced sustainable development of all sectors.

5.14 The Committee note with dissatisfaction that despite having a 7500 km coast line, coastal shipping has not made much progress in the country due to reasons ranging from lack of policy initiatives and financial incentives in areas such as customs and procedures for seamless movement of coastal cargo, to inadequate repair facilities for coastal vessels and need to incentivize partnerships between coastal shipping and minor ports. The Committee also observe that there are certain legal hurdles in the development of coastal shipping, as stated by the Ministry in terms of licensing and taxation on fuel for coastal and riverine traffic. The Committee suggest that a uniform licensing policy should be put into place to incentivize coastal shipping and thus provide an alternative to rail/road/air cargo movement within and along the country's coastline. The Committee also suggest that the Ministry should revisit its fifty-year old coastal shipping laws so as to enable Indian cargo to be moved by India - registered vessels only along the coastline as in the case of countries like Indonesia. The Committee are convinced that such a move will promote coastal shipping as well as create ample employment opportunities for the Indian entities. As the Ministry is stated to be working to develop a coastal policy, the Committee would like to be apprised of the progress on the matter.

5.15 The Committee note that out of all the major ports of the country, Ennore Port is the only corporate entity at present. It has been functioning as a corporate entity managed by a professional Board since 2001. The Committee note with pleasure that Ennore Port has wiped out all its accumulated losses and has steadily been earning profits. It has already been conferred a Mini Ratna Category-I status since its corporatization. The Committee observe that decision regarding corporatization of Major Ports was to be taken by the Government after evaluating the performance of Ennore Port. To this end a Committee of Experts was set up which had submitted its Report in 2006. The Committee are, however, distressed to note that four years have already lapsed since its submission and it is still ‘under examination of the Ministry’. The Committee impress upon the Ministry to review the report at the earliest. As the Ministry has been asked to initiate steps for corporatization of at least 3 major ports including JNPT in February, 2010, the Committee would like to know the status of the same.

The Committee also note that major ports are governed by the Major Ports Trusts Act, 1963 (MPTA) which has many restrictive provisions. Corporatization requires legislative action for amendment of the said Act. Corporatization of ports is necessary as it will not only give complete autonomy to the port to quickly respond to commercial situations but will also lead to a much faster decision making process. Ports will become less dependent on budgetary support and it will certainly increase their capacity to raise resources from the market. The Committee observe that faster decision making can help the Indian Ports in taking quicker value decisions and increase efficiency and productivity for all stakeholders. Keeping the same in view, the Committee support the recommendation of the Expert Committee that major ports be corporatized at the earliest.

5.16 The Committee note that non-major ports are beyond the purview of Tariff Authority for Major Ports (TAMP), whereas only major ports are regulated by it. The Committee also note that since its constitution in April 1997, a review of the benefits of such a regulatory body has not been undertaken. The Committee desire that such a review should be conducted without any further delay and critically analyzed. The Committee also suggest that a level playing field should be there for all ports in the country, under a single regulator with a quasi-judicial mandate for settling disputes. The Committee observe that some of the non-major ports are even bigger than major ports in terms of their business and clientele, hence it make all the more sense to do away with such a demarcation between major and non-major ports. The Committee, therefore, suggest that necessary amendments be considered to the Major Port Trust Act, 1963 to cater to the changed scenario.

In this connection, the Planning Commission is understood to have recommended that Major Port Trusts be allowed to decide their own tariffs once they reach optimum capacity, so that these are able to thwart price-related competition from minor ports. The Committee would like to know whether the same has been accepted. The Committee also note that the States controlling non-major ports are against a single regulatory authority. They suggest that the Ministry should push for a single regulatory regime and advise the State Governments that they can always have the controlling stake in the functioning of non-major ports, but they would be subjected to an impartial regulatory institution for developing a level playing field, as eventually the market condition and service would determine the tariffs. The Committee also desire the Ministry to incorporate the suggestion in the draft Major Ports Regulatory Authority Bill 2009 and develop a long term vision keeping in mind that in the future the nomenclature of major and non-major ports will only remain by definition, as 100% FDI and private sector participation in Ports business can change the entire industry in the years to come.

New Delhi;
29th October, 2010
Kartika 7, 1931 (Saka)

FRANCISCO SARDINHA
Chairman,
Committee on Estimates

ANNEXURE-I

STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS LIST OF DROPPED PROJECTS AS ON 31-07-2010

Sl. No.	Port	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
1.	KOLKATA	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
2.	HALDIA	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
3.	PARADIP	1.	Mechanized coking coal handling facilities	20.00		-	20.00	-	-
		2.	Acquisition of additional land (1000 acres) for expansion of the port	10.00		-	10.00	-	-
		3.	4 laning of road from Cuttack to Paradip SH-12	200.00		-	-	-	200.00
		4.	Shore protection work	40.00		-	40.00	-	-
	TOTAL :	4		270.00	0.00	0.00	70.00	0.00	200.00
4.	VISAKHAPATNAM	1.	Relocation of oil mooring facilities	20.00		-	20.00	-	-
		2.	Allotment of land for development of ware houses in Phase-II	20.00		-	-	20.00	-
		3.	Shifting of non VPT periodical maintenance examination activities at ore exchange yard to separate yard	12.00		-	-	-	12 Min. of Railways
		4.	Revamping of EQ.1 to EQ.4 berths to cater to 14 m draft vessels	180.00		-	180.00	-	-
	TOTAL :	4		232.00	0.00	0.00	200.00	20.00	12.00
5.	ENNORE	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
6.	CHENNAI	1.	Replacement of Wagon Tippler	5.14		-	5.14	-	-
		2.	Ship Repair Facility	100.00		-	2.00	98.00	-
		3.	Desalination projects of 1000 MT per day	6.00		-	-	6.00	-
		4.	Port Connectivity - Bridging Gap in EMRIP Project	50.00		-	50.00	-	-
		5.	Development of Back up area at Sathangadu off Dock CFS	50.00		-	-	50.00	-
	TOTAL :	5		211.14	0.00	0.00	57.14	154.00	0.00
7.	TUTICORIN	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
8.	COCHIN	1.	International Ship Repair Complex	315.00		-	-	315.00	-
		2.	Construction of Breakwaters	80.00		-	80.00	-	-
	TOTAL :	2		395.00	0.00	0.00	80.00	315.00	0.00

Sl. No.	Port	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
9.	NEW MANGALORE	1.	Deepening of Channel & lagoon area to create a draft of 14 m (Infront of DDGB Berth)	390.00		-	195.00	-	195.00
		2.	Addl. Rail connectivity to the Port from the existing KRCL railway.	50.00		-	-	-	50.00
		3.	Improvement of Draft & Strengthening of Berth No.8 (KIOCL) from 13.0 m to 14.0 m	18.00		-	18.00	-	-
		4.	Outer harbour for development of Addl. Port Facilities	1325.00		-	300.00	1025.00	-
		5.	Development of LNG Terminal	2600.00	2.50	-	-	2600.00	-
		6.	Development of Bunkering Facilities at NMP.	10.00		-	-	10.00	-
	TOTAL :	6		4393.00	2.50	0.00	513.00	3635.00	245.00
10.	MORMUGAO	1.	Construction of cruise-cum-Container berth at Baina	185.00		-	103.00	82.00	-
	TOTAL :	1		185.00	0.00	0.00	103.00	82.00	0.00
11.	MUMBAI	1.	Redevelopment of BPX & BPS berths	150.00	-	7.50	142.50	-	-
	TOTAL :	1		150.00	-	7.50	142.50	-	-
12.	J.N.P.T.	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
13.	KANDLA	1.	Construction of 13th & 14th Cargo Berth at Kandla	100.00		-	100.00	-	-
		2.	Gauge conversion of Bhildi Samdari Segment	35.00		-	35.00	-	-
	TOTAL :	2		135.00	0.00	0.00	135.00	0.00	0.00
	GRAND TOTAL:	25		5971.14	2.50	7.50	1300.64	4206.00	457.00

**STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS
LIST OF COMPLETED PROJECTS AS ON 31-07-2010**

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
1.	KOLKATA	1.	Development of infrastructure in the docks and allied facilities	17.71	0.20	-	17.71	-	-
		2.	Modernisation/ Replacement of Port Craft	14.50	-	-	14.50	-	-
TOTAL :		2		32.21	0.20	0.00	32.21	0.00	0.00
2.	HALDIA	1.	Procurement of 2 RMQCs for container handling (including RMQC track and cabling)	50.00	1.50	-	50.00	-	-
		2.	Procurement of 4 RTGCs for container handling at CPY	24.50	1.50	-	24.50	-	-
		3.	Improvement of back up area with railway connectivity inside the dock (NMDP/10th Plan)	25.00	0.50	-	25.00	-	-
		4.	Multipurpose berth (No. 2) inside the impounded dock	46.80	2.00	-	46.80	-	-
		5.	Multipurpose berth (No. 13) inside the impounded dock	39.56	1.00	-	-	39.56	-
TOTAL :		5		185.86	6.50	0.00	146.30	39.56	0.00
3.	PARADIP	1.	Extension of Iron Ore berth to handle 75000 DWT vessel	8.73	-	-	8.73	-	-
		2.	Extension of wet basin and construction of integrated dry dock	18.14	-	-	18.14	-	-
		3.	Replacement of wharf crane	16.87	-	-	16.87	-	-
		4.	Creation of additional facilities for Oil Jetty	19.00	-	-	19.00	-	-
		5.	Upgradation of Road inside Harbour Area	13.47	-	-	13.47	-	-
		6.	Electrification of MCHP railway line to handle 20 MTPA	6.87	-	-	6.87	-	-
		7.	Upgradation of Iron Ore Handling Plant	12.80	-	-	12.80	-	-
		8.	Extension of Wet Basin Ph-II	16.39	-	-	16.39	-	-
		9.	4 laning of road from Chandikhole to Paradip NH-5A	442.00	-	-	40.00	-	402.00
TOTAL :		9		554.27	0.00	0.00	152.27	0.00	402.00
4.	VISAKHAPATNAM	1.	Replacement of 2 nos. Locos by 1430 HP	21.75	-	-	21.75	-	-
		2.	Development of addl. Link road from port junction to the industrial by pass road (NHAI JV project)	114.00	-	-	30.40 18.40 as Equity 12.00 as subordinate loan	-	83.60 NHAI share & Senior debt

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
		3.	First Stage - Deepening and widening of Inner harbour entrance channel and turning circle from draft of 10.6 m to 11 m.	28.70	0.80	-	28.70	-	-
		4.	Replacement of 1 No. Loco by 3100 HP loco	11.48		-	11.48	-	-
	TOTAL :	4		175.93	0.80	0.00	92.33	0.00	83.60
5.	ENNORE	1.	Development of a Marine Liquid Terminal to handle LPG, POL, Chemicals and other liquids. (Capacity 3 MTPA)	200.00	3.00	-	-	200.00	-
		2.	Capital Dredging - Phase-I: Dredging in the berth areas of Marine Liquids, Coal, Iron Ore and Container Terminals to create a draft of 13.5 m	90.00	-	-	90.00	-	-
	TOTAL :	2		290.00	3.00	0.00	90.00	200.00	0.00
6.	CHENNAI	1.	Second Container Terminal	492.00	0.08	-	-	492.00	-
	TOTAL :	1		492.00	0.08	-	-	492.00	-
7.	TUTICORIN	1.	Replacement of Rajaji Tug	27.25		-	27.25	-	-
		2.	Up Gradation of Port Electrical System	20.00		-	20.00	-	-
		3.	Widening & strengthening of port Roads from Western boundary to green Gate and strengthening of approach road, Ambedkar Road with bituminous layer	17.00		-	17.00	-	-
		4.	Construction of Berth 9	40.00	2.00	-	40.00	-	-
		5.	Replacement of Old Crane at Berth I & II	25.00		-	25.00	-	-
	TOTAL :	5		129.25	2.00	0.00	129.25	0.00	0.00
8.	COCHIN	1.	Capital dredging for providing 12.5 m draft at RGCT	23.98		-	23.98	-	-
		2.	Crude Oil Handling for Kochi Refineries Ltd.	743.60	7.50	-	-	743.60	-
	TOTAL :	2		767.58	7.50	0.00	23.98	743.60	0.00
9.	NEW MANGALORE	1.	Construction of Multi-purpose General Cargo Berth	45.40		-	45.40	-	-
		2.	Procurement of Harbour Tugs	50.00		-	50.00	-	-
	TOTAL :	2		95.40	0.00	0.00	95.40	0.00	0.00
10.	MORMUGAO	1.	Replacement of remaining four barge unloaders	33.20		-	33.20	-	-
		2.	Transhippers for Iron ore export	140.00	9.00	-	-	140.00	-
	TOTAL :	2		173.20	9.00	0.00	33.20	140.00	0.00

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)				
						Budgetary Support	Internal Resources	Private	Others	
11.	MUMBAI	1.	Procurement of 2 Nos. 32 T Bollard Pull Harbour Tugs.	24.98		--	24.98	--	--	
		2.	Replacement of 2 Dock Tugs by 2 Dock Tugs	21.15		-	21.15	-	-	
		3	Modernisation of cargo handling equipments. [Renamed as Procurement of ELL wharfs cranes]							
		a) Procurement of 2 Nos. QGCs	62.50		-	62.50	-	-		
		b) Procurement of 3 Nos. RTGs	21.60		-	21.60	-	-		
		c) Procurement of 10 Nos. 6 Tonnes ELL wharf cranes.	37.40		-	37.40	-	-		
		4	Replacement of caisson gate at HDD	15.40		-	15.40	-	-	
		TOTAL :	4	183.03	0.00	0.00	183.03	0.00	0.00	
12.	J.N.P.T.	1.	Redevelopment of Bulk Terminal into Container Terminal	1078.60	15.60	-	-	1078.60	-	
		2.	Acquisition of two RMGCs	23.20		-	23.20	-	-	
		3.	Procurement of 20 nos. of Tractor Trailers	9.50		-	9.50	-	-	
		4.	Area development behind SWB and development of ICD yard	16.00		-	16.00	-	-	
		5.	Internal Port Road widening	37.00		-	37.00	-	-	
		TOTAL :	5	1164.30	15.60	0.00	85.70	1078.60	0.00	
13	KANDLA	1	Construction of 12th Cargo Berth including Back-up area & setting up of state-of-art - Container Terminal through BOT at 11th & 12th Cargo Berth with back up area of 40 hec.	446.77	7.20		116.00	330.77		
		2.	Setting up of marine terminal by M/s. VOTL at Vadinar for M/s.Essar Oil Ltd.	750.00	12.00			750.00		
		3	Procurement of 6 Nos.ELL Wharf Cranes. Present TIL Cranes (3 Nos.) New Cranes (03 Nos.)	53.32	0.70		53.32			
		4	Up-gradation of Marine Infrastructure/Flotilla for Handling Larger Vessels.	214.01	N/A		214.01			
		5	Gandhidham Palanpur Gauge conversion (which will reduce distance from Kandla from Northern Hinterland by 114 Kms.)	52.00	N/A		52.00			
		6	Upgradation of infrastructure facilities in newly added custom bounded area (66 hectares)	33.00	N/A		33.00			

Sl. No.	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
					Budgetary Support	Internal Resources	Private	Others
	7	Construction of Storage Godowns	37.85	N/A		37.85		
	8	Construction of additional carriage way for four lanning of road from kutch salt junction to west gate no. 2 at Kandla	7.70	N/A		7.70		
	9	Modification of Bunder Basin for barge handling	10.00	0.30	-	10.00	-	-
	10.	Additional facilities for handling crude oil at Vadinar - -- Procurement of different crafts (Estimated Cost 17.41 crores) --Construction of extension jetty (Estimated Cost 4.50 crores) -- Construction of T-Shaped Service Jetty alongwith allied facilities. (Estimated Cost 28.09 crores)	50.00		-	50.00	-	-
	TOTAL :	10	1654.65	20.20	0.00	573.88	1080.77	0.00
	GRAND TOTAL:	53	5897.68	64.88	0.00	1637.55	3774.53	485.60

STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS
LIST OF PROJECTS UNDER PROGRESS AS ON 31-07-2010

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
1.	KOLKATA	1.	Procurement/Replacement of Cargo handling equipment.	25.80	0.50	-	25.80	-	-
		2.	Upgradation /extension of VTMS upto Kolkata with accessories and night navigational aids etc	6.10	-	-	6.10	-	-
		3.	Development of Cruise Tourism/ Setting up of new Passenger Terminal Development of River Park(Aquatica) in the River Hooghly	20.00		-	2.00	18.00	-
		4.	Ship Repair/ Commerical Utilisation of Dry Docks and Revival of Slipways including Workshop Modernisation etc.	20.00		-	20.00	-	-
		5.	Development of ship Breaking Facilities	10.00		-	1.00	9.00	-
		6.	Setting up of IWT Terminals, development of Mechanised loading/unloading facilities at the IWT Wharves	100.00		-	40.00	60.00	-
	TOTAL :	6		181.90	0.50	0.00	94.90	87.00	0.00
2.	HALDIA	1.	Development of Road Infrastructure including drainage, etc. inside and outside dock (in phases)	30.00	1.00	-	30.00	-	-
		2.	Equipping of berths 2 & 8 at HDC for enhancement of operational productivity under the erstwhile scheme "Acquisition of 2 nos. Mobile Harbour Cranes"	300.00	8.00			300.00	
	TOTAL :	2		330.00	9.00	0.00	30.00	300.00	0.00
3.	PARADIP	1.	Deepening of channel to handle 1,25,000 DWT vessels	253.36		45.00	208.36	-	-
		2.	Enhancement of draught at existing dock system to cater to Panamax vessels	40.00	5.00	40.00	-	-	-
		3.	Upgradation of Paradip Railway Yard, Signalling, Station building	17.60		-	17.60	-	-
		4.	Illumination of Storage Area	10.00		-	10.00	-	-
		5.	Acquisition of Floating Craft	31.41		-	31.41	-	-
		6.	Enhancement of rail connectivity (Haridaspur – Paradip)	598.00		-	27.50	-	570.50
		7.	Construction of Deep Draught Iron Ore Berth on BOT basis	591.35	10.00	-	-	591.35	-
		8.	Improvement of pollution control system including sewage disposal & solid waste management	30.00		-	30.00	-	-
	TOTAL :	8		1571.72	15.00	85.00	324.87	591.35	570.50

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
4.	VISAKHAPATNAM	1.	Improvement to road infrastructure with road bridges / fly over bridges-Phase:I	40.00		-	40.00	-	-
		2.	Improvement to port railway system	35.00		-	35.00	-	-
		3.	Development of Addl. Stacking Space - Transit shed of 5,000 sq.mts. and Open Storage shed (2 Nos.) of 20,000 Sq. mtrs.	21.23		-	21.23	-	-
		4.	Environmental up-gradation schemes: Phase-I	24.03		-	24.03	-	-
		5.	Modernisation of Railway sidings facilities	25.00		-	25.00	-	-
		6.	Replacement of one tug Nethravathi	83.20		-	83.20	-	-
		7.	Replacement of 1 tug (TT Swarna)						
		8.	Strengthening of EQ5, EQ6, and WQ1, WQ2, WQ3, berths to cater to 12.5 mtrs draft vessels	35.19	0.06	-	35.19	-	-
		9.	Environmental upgradation schemes : Phase-II	38.00		-	38.00	-	-
		10.	Mechanized cargo handling facilities at GCB at Outer Harbour	444.10	10.18	-	-	444.10	-
TOTAL :		10		745.75	10.24	0.00	301.65	444.10	0.00
5.	ENNORE	1.	Development of a Coal Terminal to handle coal for users other than TNEB.	399.13	8.00	-	-	399.13	-
		2.	Development of an Iron Ore Terminal.	480.00	12.00	-	-	480.00	-
		3.	Four laning of 9Km length (Manali-Vallur stretch) of Thiruvottiyur-Ponneri-Pancheti Road (TPP Road) connecting the three National Highways (NH4, NH5 & NH45) to Ennore Port under the Ennore-Manali Road Improvement Project (EMRIP). <i>EPL has committed financial contribution.</i>	34.02 (EPL Share)		-	34.02	-	-
		4.	Rail Connectivity between Ennore Port and Main Lines of Indian Railways (Ennore Port to Attipattu Rly station) for servicing Coal, Iron Ore and Container terminals.	88.00		-	88.00	-	-
		5.	Development of a Container Terminal (1000 m length) (Capacity 1.5 MTEUPA)	1407.00	18.00	-	-	1407.00	-
TOTAL :		5		2408.15	38.00	0.00	122.02	2286.13	0.00
6.	CHENNAI	1.	Deepening of Channels, Basin and Berths	143.00		-	143.00	-	-
		2.	Modernisation of Chennai Port	200.00		-	200.00	-	-
		3.	Creation of addl. open storage yards by reclamation	200.00		-	200.00	-	-
		4.	Dedicated elevated corridor on NH-4 from Port to Maduravoyal (Revised estimated cost: Rs. 1655/- Cr. - Break-up not available)	400.00	-	-	200.00	-	200.00
TOTAL :		4		943.00	0.00	0.00	743.00	0.00	200.00

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
7.	TUTICORIN	1.	Four laning of NH 7A between TPT and Palayamkottai.	25.00		-	25.00	NHAI	-
		2.	Usage of information Technology for the operation and management of port.	5.00		-	5.00	-	-
		3.	Auxiliary facilities	20.00		-	20.00	-	-
		4.	Conversion of HT / LT Over head Lines	10.00		-	10.00	-	-
		5.	Dredging the Dock Basin and Channel* (* EOI being sought for private sector)	538.00		269.00	269.00	-	-
		6.	Construction of Coal Berth at NBW for NLC. - TNEB	40.00	6.30	-	40.00	-	-
	TOTAL :	6		638.00	6.30	269.00	369.00	0.00	0.00
8.	COCHIN	1.	International Container Transshipment Terminal (ICTT)	2118.00	12.50	-	-	2118.00	-
		2.	National Highway Connectivity to the ICTT project site at Vallarpadam	557.00		-	-	-	557.00
		3.	Rail connectivity	246.00		246.00	-	-	-
		4.	Port based Special Economic Zone	850.00		-	100.00	750.00	-
		5.	Capital dredging for ICTT 1st stage for 14.5 m draft and LNG basin to create a draft of 11.5 m	381.25		381.25	-	-	-
		6.	LNG Re-gasification Terminal	3200.00	2.50	-	-	3200.00	-
	TOTAL :	6		7352.25	15.00	627.25	100.00	6068.00	557.00
9.	NEW MANGALORE	1.	Improvement to Port Internal Roads	50.00		-	50.00	-	-
		2.	Road connectivity to the Port.	10.00		-	10.00	-	-
		3.	Development of Marshalling Yard	40.00		-	10.00	30.00	-
		4.	Development of Coal Handling Facilities for captive user.	230.0	3.00	-	-	230.0	-
		5.	Setting up of mechanized Iron ore handling facilities (at berth no. 14) - BOT	296.03	2.00	-	-	296.03	-
	TOTAL :	5		626.03	5.00	0.00	70.00	556.03	0.00
10.	MORMUGAO	1.	Replacement of two stackers	15.00		-	15.00	-	-
		2.	Capital Dredging for Mooring Dolphin (In lieu of Deepening of Approach Channel and berth no. 9 to increase the draft from 14.10 m to 15.10 m.)	50.00	6.00	25.00	25.00	-	-
		3.	Construction of berth alongside breakwater (in lieu of Strengthening of breakwater)	47.00		-	47.00	-	-
		4.	Extension of existing POL berth no. 8 (In lieu of modification of existing POL berth for handling Iron ore)	16.00	3.00	-	16.00	-	-
	TOTAL :	4		128.00	9.00	25.00	103.00	0.00	0.00

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)						
						Budgetary Support	Internal Resources	Private	Others			
11.	MUMBAI	1.	Development of coastal shipping	50.00	1.28	10.00	40.00	-	-			
		2.	Construction of two off-shore container terminal. Development of two container berths of total quay length of 700 mtrs. and related upgradation for handling vessels of 6000 TEUs capacity. Capacity (0.8 MTEUs)	1460.52	9.60	-	444.86	1015.66	-			
		3.	Improvement of Rail & Road infrastructure.	131.00				131.00				
			a) Rail connectivity between Wadala & Kurla.								-	-
			b) Road improvements within MbPT estate.								-	35.00
			c) Road improvements outside MbPT estate.									
	i) Wadala Mahul to Truck Terminus Link. #	15.00				7.50		7.50				
	ii) Anik Panjarpol Link #	152.00				35.00		117.00				
TOTAL :		3		1843.52	10.88	10.00	693.36	1015.66	124.50			
12.	J.N.P.T.	1.	Improvement of Road Connectivity (a) Four laning of NH4B (b) SH-54 Amramarg in progress	357.00		-	100.00	-	257.00			
		2.	Internal Port Road widening-Stg-II	45.00		-	45.00	-	-			
		3.	Infrastructure facilities for Port based industries	45.00		-	45.00	-	-			
		4.	Environmental measures	10.00		-	10.00	-	-			
		5.	Environmental measures	20.00		-	20.00	-	-			
		6.	Road connectivity to Port	300.00		-	30.00	-	270.00			
		7.	Replacement of three Pilot launches, one VIP launch, one Utility launch and procurement of Pollution control vessels, VIP launch replaced	22.00			22.00					
		8.	Infrastructure facilities for Port based industries - Ph-II	45.00		-	45.00	-	-			
		9.	Infrastructure facilities for Port based industries Phase-III	45.00		-	45.00	-	-			
		10.	Procurement of one RMQC and shifting of two old RMQC at SWB	35.00	3.60	-	35.00	-	-			
		11.	Replacement of One RMGC on line 1 and 2	12.00		-	12.00	-	-			
TOTAL :		11		936.00	3.60	0.00	409.00	0.00	527.00			
13.	KANDLA	1.	Deepening of Navigational channel of KPT beyond 13.5 m draft	186.00		-	186.00	-	-			
		2.	Extension of Road & Railway Network in the rear of back up area from berth no. 11 to 18 at Kandla.	17.39			17.39					
		3.	Four lanning of existing road from national highway 8A upto jetty complex.	21.79			21.79					
		4.	Developmmt of open storage facilities	40.00		-	40.00	-	-			
		5.	Augmentation of Water Suply at Kandla	12.80		-	12.80	-	-			
		6.	Providing railway network in newly developed cargo jetty.	6.08		-	6.08	-	-			
		7.	Construction of 15th to 18th Cargo Berth on BOT Basis including mechanization (Renamed as Construction of 13th to 16th Cargo berth on BOT basis including Mechanisation)	443.00	8.00	-	-	443.00	-			
TOTAL :		7		727.06	8.00	0.00	284.06	443.00	0.00			
GRAND TOTAL:		77		18431.38	130.52	1016.25	3644.86	11791.27	1979.00			

(#) MUMBAI: State Government Schemes

STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS
LIST OF APPROVED PROJECTS YET TO BE AWARDED AS ON 31-07-2010

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
1.	KOLKATA	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
2.	HALDIA	1	Procurement of 3 nos. Stacker-cum-Reclaimer	24.70	1.00	0.00	24.70	0.00	0.00
	TOTAL :	1		24.70	1.00	0.00	24.70	0.00	0.00
3.	PARADIP	1.	Extension of break-water Ph.I	6.00		-	6.00	-	-
		2.	Up-gradation of power supply and distribution system	15.00		-	15.00	-	-
	TOTAL :	2		21.00	0.00	0.00	21.00	0.00	0.00
4.	VISAKHAPATNAM	1.	Modernization of iron ore handling complex (Replacement of stacker, control panels, circuit breakers, HT motors etc)	45.00		-	45.00	-	-
		2.	Enlarging the scope of outer harbour for 2,00,000 DWT Iron ore vessels by deepening outer channel from 16.5 m to 18.1 m	359.44	6.50	-	359.44	-	-
		3.	Second Stage - Deepening of Inner harbour entrance channel and turning circle from 11.0 m to 12.5 m.	70.00	1.20	-	-	70.00	-
		4.	Allotment development of WQ6 berth in the Inner Harbour for Alumina exports	114.50	2.10	-	-	114.50	-
	TOTAL :	4		588.94	9.80	0.00	404.44	184.50	0.00
5.	ENNORE	1.	Renamed: Capital Dredging (Phase II & III): Dredging in the Iron ore and Container berth side areas to create draft of 16 m and 18.5 m of (Earlier as Capital Dredging (Phase II) :Dredging in the berth side areas of LNG Terminal to create a draft of 15 m)	440.00		217.00	223.00	-	-
	TOTAL :	1		440.00	0.00	217.00	223.00	0.00	0.00
6.	CHENNAI	1.	Multilevel Stack yard for Automobile export	48.00	0.50	-	48.00	-	-
	TOTAL :	1		48.00	0.50	-	48.00	-	-
7.	TUTICORIN	1.	Structural Upgradation of Coal Jetty II	5.00	5.00	-	5.00	-	-
		2.	Replacement of Kamaraj Tug	22.00		-	22.00	-	-
		3.	Conversion of Berth 8 as Container Terminal (BOT)	150.00	4.80	-	-	150.00	-
	TOTAL :	3		177.00	9.80	0.00	27.00	150.00	0.00

Sl. No.		Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
8.	COCHIN	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
9.	NEW MANGALORE	1	POL Berth at Oil Dock Arm	95.00	3.00	-	95.00	-	-
	TOTAL :	1		95.00	3.00	-	95.00	-	-
10.	MORMUGAO	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
11.	MUMBAI	1.	Redevelopment of 18 to 21 ID, Harbour Wall Berths. Upgradation of the four berths to three berths to handle larger & deep drafted general cargo vessels.	353.00	7.00	51.00	302.00	-	-
		2.	Construction of 2nd berth for handling chemicals/ specialised grade of POL off Pir Pau Pier.	116.00	2.00	7.50	58.50	-	50.00 (State Govt.)
	TOTAL :	2		469.00	9.00	58.50	360.50	0.00	50.00
12.	J.N.P.T.	-							
	TOTAL :	-		0.00	0.00	0.00	0.00	0.00	0.00
	GRAND TOTAL:	15		1863.64	33.10	275.50	1203.64	334.50	50.00

(#) Being kept in abeyance

**STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS
LIST OF PROJECTS FIRMED UP AND UNDER PROCESS OF
APPROVAL AS ON 31-07-2010**

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
1.	KOLKATA	1.	River Regulatory Measures for improvement of Draft in Hooghly Estuary from average 8.0 m to 8.5 m and reduce annual maintenance dredging by 3 million cub. Mtrs.	936.44	-	936.44	-	-	-
TOTAL :		1		936.44	-	936.44	-	-	-
2.	HALDIA	1.	1 riverine jetty north of existing Lock Gate #	47.11	1.50	0.00	47.11	0.00	0.00
		2.	2 riverine jetty north of existing 3rd Oil Jetty	99.46	2.50	0.00	0.00	99.46	0.00
TOTAL :		2		146.57	4.00	0.00	47.11	99.46	0.00
3.	PARADIP	1.	Feasibility study and shifting of Deep Sea Trawler Berth	30.00		30 (Min. of Agriculture)	-	-	-
		2.	Development of Container Terminal for 0.5 MTEU	150.00		-	-	150.00	-
TOTAL :		2		180.00	0.00	30.00	0.00	150.00	0.00
4.	VISAKHAPATNAM	1.	Construction of berth WQ8 in Inner harbour for Alumina exports.	208.87	4.56	-	-	208.87	-
		2.	Improvement to road infrastructure with road bridges / fly over bridges - Phase:II	55.00		-	55.00	-	-
		3.	Mechanized facilities at WQ7 berth for captive user for Alumina exports	213.87	4.54	-	-	213.87	-
		4.	Development of interchange Yard at Vadlapudi and Reception and Despatch yard at Mindi and associated facilities	81.00		-	81.00	-	-
		5.	Replacement of 10 ton cranes by 2 nos. harbour mobile cranes	62.60	2.00	-	-	62.60	-
		6.	Development of East docks in the inner harbour (4 berths and ancilliary facilities) to cater to 14 m draft vessels [renamed as 1. Development of EQ1A on south side of East Quay under DBFOT 2. Development of EQ1 berth on south side of East Quay on DBFOT	313.39	7.36	-	-	313.39	-
				323.18	6.41	-	-	323.18	-
		7.	Deepening the entrance channel and turning circle from draft of 12.5 m to 14 m Inner Harbour Stage-III	244.00	3.00	-	244.00	-	-
TOTAL :		7		1501.91	27.87	0.00	380.00	1121.91	0.00
5.	ENNORE	1.	Northern Port Access of 9Km in length to service entry and evacuation of containers, liquid cargo etc., (This road is planned as a four lane road and would be upgradable to 8 / 12 lane road in a phased manner consistent with the traffic growth.	454.32		-	78.08	376.24	-
		2.	New Chord (Railway) Line linking Puttur (in Arakkonam- Renigunta Sector) to Attipattu (Chennai-Gudur Sector) to facilitate iron ore traffic from Bellary-Hospet region to reach Ennore Port without entering congested Arakkonam-Chennai sector, reducing the distance by 37 Km and reduction in freight cost.	446.00		-	223.00	-	223.00
TOTAL :		2		900.32	0.00	0.00	301.08	376.24	223.00

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
6.	CHENNAI	-	-	-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
7.	TUTICORIN	-							
	TOTAL :	-		0.00	0.00	0.00	0.00	0.00	0.00
8.	COCHIN	-		-	-	-	-	-	-
	TOTAL :	-		-	-	-	-	-	-
9.	NEW MANGALORE	1.	Bulk handling berth at Western Dock Arm (Iron ore and Coal)	147.00	3.00	-	147.00	-	-
		2.	Procurement of Harbour Crane	30.00		-	30.00	-	-
		3.	Development of Port based SEZ.	5.00		-	1.00	4.00	-
		4.	Container Terminal for transshipment at N.M.P.	275.82	4.41	-	-	275.82	-
		5.	Installation of SBM for POL Handling	250.00		-	-	250.00	-
	TOTAL :	5		707.82	7.41	0.00	178.00	529.82	0.00
10.	MORMUGAO	1	Development of Iron ore Terminal at west of breakwater (In lieu of Installation of wagon handling system)	721.00	8.00	-	-	721.00	-
	TOTAL :	1		721.00	8.00	-	-	721.00	-
11.	MUMBAI	-	-	-		-	-	-	-
	TOTAL :	-		-	0.00	-	-	-	-
12.	J.N.P.T.	1.	Construction of second evacuation road	45.00		-	45.00	-	-
		2.	Road work: Construction of Grade separators through SPV of Port connectivity	80.00		-	40.00	-	40.00
		3.	Deepening & widening of main harbour channel and JN Port Channel Phase I to increase draft from 12.5 m to 14.0 m.	800.00			800.00	-	-
		4.	Rail work: Extension of doubling beyond holding yard leading to terminal 1, 2 & 3	20.00		-	20.00	-	-
		5.	Extension of Container berth by 330 m and other facilities	600.00	7.20	-	168.00	432.00	-
		6.	Replacement of three tugs	90.00		-	90.00	-	-
		7.	Development of Fourth Container Terminal and Chemical Terminal Phase I (BOT Basis)	4100.00	38.80	-	-	4100.00	-
		8.	Acquisition of three no. of RMQC and shifting of 2 RMQC from MCB to SWB	120.00		-	120.00	-	-
	TOTAL :	8		5855.00	46.00	0.00	1283.00	4532.00	40.00
	KANDLA	1.	Creation of Berthing and allied facilities off Tekra near Tuna (outside Kandla Creek)	1200.00	20.00	-	-	1200.00	-
		2.	Setting up of Off- shore Liquid Term. (SPM cost 103.00 crores, Off-shore pipeline cost Rs.284.00 crores)	698.38	12.00	-	-	698.38	-
	TOTAL :	2		1898.38	32.00	0.00	0.00	1898.38	0.00
	GRAND TOTAL:	30		12847.44	125.28	966.44	2189.19	9428.81	263.00

STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS
LIST OF PROJECTS AT PRELIMINARY/PLANNING STAGE
AS ON 31-07-2010

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
1.	KOLKATA	1.	Development of full-fledged Cargo handling Facilities at Saugor	2300.00		350.00	150.00	1800.00	-
		2.	Transloading of Dry Bulk Cargo and installation of a Floating Terminal for Container handling at Sandheads	500.00		50.00	50.00	400.00	-
		3.	Construction of two additional Virtual Jetties/Mooring Systems at Saugor	15.00		-	-	15.00	-
		4.	Construction of Break Water at Saugor	150.00		150.00	-	-	-
		5.	Development of Infrastructure and allied works	110.00		-	35.00	75.00	-
		6.	Modernisation/Replacement of Port Craft	225.00		-	95.00	-	130.00
		7.	Procurement/Replacement of Cargo Handling Equipment	67.20		-	21.20	46.00	-
		8.	Development of a Tea Processing Park at Kidderpore	28.00		-	1.00	27.00	-
		9.	Development of Container Manufacture repair facility	20.00		-	2.00	18.00	-
		10.	Development of Ship Building Facilities	500.00		-	10.00	490.00	-
		11.	Development /Commercial Utilisation of Warehousing Facilities	100.00		-	5.00	95.00	-
		12.	Commercial use of various land parcels of Kolkata Port for development of convention Centre, Multiplexes, Shopping Malls, Parking Yards, Service Hubs and Port Users' Complex	100.00		-	5.00	95.00	-
		13.	Development for Industrial Township/ Commercial Centre etc.	500.00		-	10.00	490.00	-
		14.	Development of Riverfront & existing Ghats in River Hooghly for promotion of tourism, Amusement Parks & setting up of Food Marts, Cafeterias, Meditation Centres, Health Hubs like Ayurvedic Therapy Centres. Development of Vedic Villages setting up of Parks and Gardens, shops & other establishments	60.00		-	35.00	25.00	-
		15.	Development of Energy Education/ Environmental Awareness Park	10.00		-	10.00	-	-
		16.	Commercial utilisation of Mech. Engr. Workshop facilities at KDS for undertaking repair of commercial vessels and introduction of various Marine/ Mech. Engg. Training Course	20.00		-	20.00	-	-
TOTAL :		16		4705.20	0.00	550.00	449.20	3576.00	130.00

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
2.	HALDIA	1.	Acquisition of land at Jellingham for dumping of dredged spoil. (1st phase of acquisition of 2500 acres)	50.00		25.00	25.00	-	-
		2.	Construction of 650 meter quay length (i.e. 3 berths) either in 2nd Dock Arm inside impounded dock or on the river front in phases	150.00		-	-	150.00	-
		3.	Procurement of 6 nos. quay cranes	120.00		-	-	120.00	-
		4.	Setting up of 2nd Lock Entrance.	280.00		200.00	80.00	-	-
		5.	Setting up of 2nd Dock Arm (excavation work only)	250.00		-	90.00	160.00	-
TOTAL :		5		850.00	0.00	225.00	195.00	430.00	0.00
3.	PARADIP*	1.	Deepening of Channel from 13.0 m to 20.1 m to handle 1,85,000 DWT vessels	90.00		45.00	45.00	-	-
		2.	Construction of berths for clean cargo on BOT basis	138.00		-	-	138.00	-
		3.	Extension of break-water Ph.II	328.00		-	328.00	-	-
TOTAL :		3		556.00	0.00	45.00	373.00	138.00	0.00
4.	VISAKHAPATNAM	1.	Extension of container terminal by 400mtrs. (2 container berths or one container and one bulk cargo berth)	120.00	6.00	-	-	120.00	-
		2.	Addl. Oil Handling facilities	50.00	2.00	-	50.00	-	-
		3.	Mechanized cargo handling facilities at 2 berths at Inner harbour (BOT)	201.00	6.00	-	-	201.00	-
		4.	Improvement to road infrastructure with road bridges/ fly over bridges	150.00		-	110.00	-	40.00
		5.	Allotment of land for development of ware houses - Phase-I	20.00		-	-	20.00	-
		6.	Development of tank farms for liquid cargo	50.00		-	-	50.00	-
		7.	Multi-storeyed building to house Trade Centre	15.00		-	15.00	-	-
		8.	Development of stacking space in the Fishing Harbour area after relocation of the same	100.00		-	100.00	-	-
		9.	Strengthening of EQ7, WQ4 & WQ5 berths to cater to 12.5 mtrs draft vessels	18.00	0.80	-	18.00	-	-
TOTAL :		9		724.00	14.80	0.00	293.00	391.00	40.00

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
5.	ENNORE	1.	Development of a LNG Terminal (Capacity 5 MTPA): Berth, pipelines and regassification plant	2700.00	5.00	-	-	2700.00	-
		2.	Capital Dredging : Dredging the berths side area of second MLT and Container terminal to create a draft of 13.5 m.	250.00		-	250.00	-	-
		3.	Development of Second Marine Liquid Terminal to handle POL Products, Chemicals and Liquid.	200.00	3.00	-	-	200.00	-
		4.	Development of a Container Terminal (Phase-II) (Capacity 1.5 MTEUPA)	1500.00	18.00	-	-	1500.00	-
TOTAL :		4		4650.00	26.00	0.00	250.00	4400.00	0.00
6.	CHENNAI	1.	Construction of Marina	300.00		-	-	300.00	-
		2.	JV with MEPZ for off dock ICD	50.00		-	-	50.00	-
		3.	JV with Ennore Port for handling Dry bulk cargo	200.00		-	-	200.00	-
TOTAL :		3		550.00	0.00	0.00	0.00	550.00	0.00
7.	TUTICORIN	1.	Development of Outer Harbour (Break Water, Dredging and Reclamation) - Dredging will involve increasing the draft from 12.8 m (created in phase-I) to 14.0 m.	2250.00		1125.00	1125.00	-	-
		2.	Development of Outer Harbour (Construction of Berth and providing container handling equipment) (BOT)	750.00	43.00	-	-	750.00	-
		3.	Reclamation and heavy duty pavement	15.00		-	15.00	-	-
		4.	Construction of shallow draught Berth (3 NOS)	30.00	0.75	-	30.00	-	-
		5.	Floating Craft Procurement	60.00		-	60.00	-	-
		6.	Construction of bulk Cargo berth/Oil Terminal in the outer harbour	100.00		-	-	100.00	-
		7.	Conversion of Berth 9 as Container Terminal (BOT)	150.00		-	-	150.00	-
		8.	Construction of Separate Approach / Road Connectivity to outer harbour.	100.00		-	100.00	-	-
		9.	Construction of International size ship building yard	200.00		-	-	200.00	-
		10.	Construction of separate signal station including provision for VTMS and procurement 2Nos 32T-BP-Tug, 1Nos 45 T Bollard pull Tug, 2 Nos Pilot launch 2, 3 Nos Mooring boat 3.	60.00		-	60.00	-	-
TOTAL :		10		3715.00	43.75	1125.00	1390.00	1200.00	0.00

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
8.	COCHIN	1.	International Bunkering Terminal	195.00	1.50	-	-	195.00	-
		2.	International Cruise Terminal	375.00		-	-	375.00	-
		3.	Reclamation for streamlining of Flow in the Port Channel for reducing siltation and for future development works	120.00		-	-	120.00	-
		4.	Land acquisition for SEZ	320.00		-	-	320.00	-
TOTAL :		4		1010.00	1.50	0.00	0.00	1010.00	0.00
9.	NEW MANGALORE	1.	Multi-purpose General Cargo Berth	50.00	1.00	-	50.00	-	-
		TOTAL :		1		50.00	1.00	0.00	50.00
10.	MORMUGAO	1.	Modernisation of mechanical ore handling system (In lieu of replacement of one bucket wheel reclaimer)	445.80	1.00	-	135.20	310.60	-
		2.	Replacement of one Ship loader	15.00		-	15.00	-	-
		3.	Mechanisation of berth no. 11 for coal (In lieu of modification of existing General Cargo berth to handle Iron ore)	160.00	5.00	-	160.00	-	-
		4.	Construction of two berths at Vasco Bay	120.00	2.00	-	-	120.00	-
TOTAL :		4		740.80	8.00	0.00	310.20	430.60	0.00
11.	MUMBAI	1.	New cruise terminal near Gateway of India. (Revised Estimated cost Rs. 1860/- Cr. - Break-up not available)	152.00		-	82.00	70.00	-
		2.	Capital dredging for deepening approach channel to 5th Oil Berth at J.D. to increase draft from 10.6 m to 11.5 m (Revised Estimated cost Rs. 689/- Cr. - Break-up not available)	50.00		25.00	25.00	-	-
		3.	Capital dredging for deepening of approach channel to 2nd chemical berth at Pir Pau to increase draft from 8.7 m. to 11.50 m.	138.00		69.00	69.00	-	-
		4.	5th Oil berth at Jawahar Dweep - modern oil berth to handle larger oil tankers.	150.00	17.78	-	50.00	100.00	-
TOTAL :		4		490.00	17.78	94.00	226.00	170.00	0.00
12.	J.N.P.T.	1.	Acquisition of six RTGCs	30.00		-	30.00	-	-
		2.	Construction of addl. Rail lines in Jasai yard and holding yard and extension of electrification	22.00		-	22.00	-	-
		3.	Construction of Sorting yard for handling mix trains	40.00		-	40.00	-	-
		4.	Construction of second link road to Port	168.00		-	17.00	-	151.00
		5.	Six Lanning of NH-4B	45.00		-	5.00	-	40.00
		6.	Merry-go-round Linkage in JN Port	72.00		-	72.00	-	-
		7.	Alternative Road connecting to Port	350.00		-	35.00	-	315.00
		8.	Environmental Measures	20.00		-	20.00	-	-
TOTAL :		8		747.00	0.00	0.00	241.00	0.00	506.00

Sl. No.	PORTS	Total Number of Projects	Name of the Project	Estimated Cost (Rs. In Crores)	Capacity Addition (In MT)	Funding Arrangement (Rs. In Crores)			
						Budgetary Support	Internal Resources	Private	Others
13.	KANDLA	1.	Captive Power Plant at Kandla	18.00		-	18.00	-	-
		2.	Installation of 66 KV power supply sub station	20.00		-	20.00	-	-
		3.	Gandhidham Kandla Gauge Conversion	25.00		-	25.00	-	-
		4.	Construction of Ship bunkering complex	50.00	2.00	-	-	50.00	-
		5.	Construction of ship repair and building yard PHASE - I (Estimated Cost Rs. 120.00 crores) PHASE -II (Estimated Cost Rs. 380.00 crores)	500.00		-	130.00	370.00	-
TOTAL :		5		613.00	2.00	0.00	193.00	420.00	0.00
GRAND TOTAL:		76		19401.00	114.83	2039.00	3970.40	12715.60	676.00

(*) PARADIP: Projects at Sl. No. 1 and 5 are consolidated as one Project. Projects at Sl. No. 3 and 4 are taken as addl./alternative work planned.

**PORT-WISE STATUS OF NATIONAL MARITIME DEVELOPMENT PROJECTS
AS ON 31-07-2010**

(Rs. in Crores)

PORTS	Total Number of Projects under NMDP	Original Estimated Cost (Rs. in Crores)	Estimated Cost (Rs. in Crores)	Capacity Addition (In MT)	Project Completed	Work in Progress	Approved but work yet to be awarded	Firmed up and under process for approval	Under Preliminary/ Planning Stage	Dropped
KOLKATA	25	5302.20	5855.75	0.70	32.21 (2)	181.90 (6)	- (-)	936.44 (1)	4705.20 (16)	- (-)
HALDIA	15	1192.25	1537.13	20.50	185.86 (5)	330.00 (2)	24.70 (1)	146.57 (2)	850.00 (5)	- (-)
PARADIP	28	2402.83	3152.99	15.00	554.27 (9)	1571.72 (8)	21.00 (2)	180.00 (2)	556.00 (3)	270.00 (4)
VISAKHAPATNAM	38	2621.00	3968.53	63.51	175.93 (4)	745.75 (10)	588.94 (4)	1501.91 (7)	724.00 (9)	232.00 (4)
ENNORE	14	6466.00	8688.47	67.00	290.00 (2)	2408.15 (5)	440.00 (1)	900.32 (2)	4650.00 (4)	- (-)
CHENNAI	14	2247.14	2244.14	0.58	492.00 (1)	943.00 (4)	48.00 (1)	- (-)	550.00 (3)	211.14 (5)
TUTICORIN	24	4571.25	4659.25	61.85	129.25 (5)	638.00 (6)	177.00 (3)	0.00 (-)	3715.00 (10)	- (-)
COCHIN	14	7920.00	9524.83	24.00	767.58 (2)	7352.25 (6)	- (-)	- (-)	1010.00 (4)	395.00 (2)
NEW MANGALORE	20	7148.00	5967.25	18.91	95.40 (2)	626.03 (5)	95.00 (1)	707.82 (5)	50.00 (1)	4393.00 (6)
MORMUGAO	12	808.00	1948.00	34.00	173.20 (2)	128.00 (4)	- (-)	721.00 (1)	740.80 (4)	185.00 (1)
MUMBAI	14	2766.06	3135.55	37.66	183.03 (4)	1843.52 (3)	469.00 (2)	- (-)	490.00 (4)	150.00 (1)
J.N.P.T.	32	7278.00	8702.30	65.20	1164.30 (5)	936.00 (11)	0.00 (-)	5855.00 (8)	747.00 (8)	- (-)
KANDLA	26	5081.00	5028.09	62.20	1654.65 (10)	727.06 (7)	0.00 (-)	1898.38 (2)	613.00 (5)	135.00 (2)
TOTAL	276	55803.73	64412.28	471.11	5897.68 (53)	18431.38 (77)	1863.64 (15)	12847.44 (30)	19401.00 (76)	5971.14 (25)

NOTE: Figures in brackets are number of projects under respective heads.

**MINUTES OF SEVENTH SITTING OF
THE COMMITTEE ON ESTIMATES (2009-2010)**

The Committee sat on Wednesday, the 23rd September, 2009 from 1030 hrs. to 1250 hrs.

PRESENT

Shri Francisco Sardinha - Chairman

MEMBERS

2. Shri Sanjay Singh Chauhan
3. Shri Adhir Ranjan Chowdhury
4. Shri Bhakta Charan Das
5. Shri T.K.S. Elangovan
6. Dr. Sanjay Jaiswal
7. Shri P. Karunakaran
8. Shri M. Krishnaswamy
9. Smt. Raneer Narah
10. Shri Prabodh Panda
11. Shri Ravindra Kumar Pandey
12. Shri Kabindra Purkayastha
13. Shri C. Rajendran
14. Shri Jagdish Singh Rana
15. Shri M. Sreenivasulu Reddy
16. Shri S. Semmalai
17. Shri Madan Lal Sharma
18. Shri Brij Bhushan Sharan Singh
19. Dr. Raghuvansh Prasad Singh
20. Shri Lalji Tandon
21. Shri Manish Tewari
22. Shri K.C. Venugopal

SECRETARIAT

1. Shri U.S. Saxena - Joint Secretary
2. Shri Bhupesh Kumar - Director

WITNESSES

MINISTRY OF SHIPPING

1.	Shri A.P.V.N. Sarma	-	Secretary (Shipping)
2.	Shri Vijay Chhibber	-	Addl. Secretary & Financial Advisor
3.	Shri Rajeev Gupta	-	Joint Secretary (Shipping)
4.	Shri A. Janardhana Rao	-	MD, Indian Ports Association
5.	Shri R. Srinivas Naik	-	Director(PO)
6.	Shri B. Poiyaamozhi	-	Director (Engg.)
7.	Ms. Geetu Joshi	-	Deputy Secretary (PD)
8.	Shri J.P. Saini	-	Under Secretary (PD-I)
9.	Shri P.K. Sharma	-	Under Secretary (PD-III)
10.	Shri P.D. Vaghela	-	Chairman, Kandla Port Trust
11.	Smt. Maya Sinha	-	Deputy Chairperson, JNPT
12.	Shri Rahul Asthana	-	Chairman Mumbai Port Trust
13.	Shri Praven Agarwal	-	Chairman, Mormugao Port Trust
14.	Shri P. Tamilvanan	-	Chairman, New Mangalore Port Trust
15.	Shri N. Ramachandran	-	Chairman, Cochin Port Trust
16.	Shri Senthil	-	FA&CAO, Kolkata Port Trust

2. At the outset, the Chairman welcomed the Members of the Committee and representatives of Ministry of Shipping to the sitting of the Committee.

3. Thereafter, the Secretary, Ministry of Shipping briefed the Committee on the subject 'Indian Ports – Infrastructure Development and Capacity Enhancement with special reference to Ports on the Western Coast'. The Members of the Committee raised questions on various issues involved in the subject and the representatives of the Ministry replied to the same. The Secretary was requested to furnish replies in writing to the questions for which answers were not readily available at the time of briefing.

4. The Committee decided to hold the next sittings on 5th and 6th October, 2009.

5. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF NINTH SITTING OF
THE COMMITTEE ON ESTIMATES (2009-2010)**

The Committee sat on Tuesday, the 6th October, 2009 from 1100 hrs. to 1310 hrs.

PRESENT

Shri Francisco Sardinha – Chairman

MEMBERS

- 2 Shri Sanjay Singh Chauhan
- 3 Shri Adhir Ranjan Chowdhury
- 4 Shri T.K.S. Elangovan
- 5 Shri M. Krishnaswamy
- 6 Shri Vikrambhai Arjanbhai Madam
- 7 Shri Ravindra Kumar Pandey
- 8 Shri S. Semmalai
- 9 Shri Madan Lal Sharma
- 10 Shri Brij Bhushan Sharan Singh
- 11 Dr. Raghuvansh Prasad Singh
- 12 Shri Sushil Kumar Singh
- 13 Shri Lalji Tandon
- 14 Shri K.C. Venugopal

SECRETARIAT

1. Shri Bhupesh Kumar - Director
2. Smt. Manju Chaudhary - Deputy Secretary
3. Shri C. Kalyanasundaram - Under Secretary

WITNESSES

MINISTRY OF SHIPPING

1. Shri A.P.V.N. Sarma - Secretary (Shipping)
2. Shri Vijay Chhiber - Addl. Secretary & Financial Adviser
3. Shri Rajeev Gupta - Joint Secretary (Shipping)
4. Shri A. Janardhana Rao - MD, Indian Ports Association
5. Shri G.J. Rao - Chairman, Tuticorin Port Trust
6. Shri S. Velumani - CMD, Ennore Port Ltd.
7. Shri Ajay Kallam - Chairman, Visakhapatnam Port Trust
8. Shri K. Raghuramaiah - Chairman, Paradip Port Trust
9. Shri A. Majumdar - Chairman, Kolkata Port Trust
10. Capt. Subhash Kumar - Chairman (i/c), Chennai Port Trust
11. Shri Rajiv Puri - Dy. Director (EDP), Indian Ports Association

2. At the outset, the Chairman welcomed the Members of the Committee and representatives of Ministry of Shipping to the sitting of the Committee.

3. Thereafter, the Secretary, Ministry of Shipping briefed the Committee on the subject 'Indian Ports – Infrastructure Development and Capacity Enhancement with special reference to Ports on the Eastern Coast'. The Members of the Committee raised questions on various issues involved in the subject and the representatives of the Ministry replied to the same. The Secretary was requested to furnish replies in writing to the questions for which answers were not readily available at the time of briefing.

4. The Committee decided to hold the next sitting on 15th October, 2009.

5. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE SEVENTEENTH SITTING OF
THE COMMITTEE ON ESTIMATES (2009-2010)**

The Committee sat on Friday, the 5th February, 2010 from 1100 hrs. to 1300 hrs.

PRESENT

Shri Francisco Sardinha – Chairman

MEMBERS

2	Shri Sanjay Singh Chauhan
3	Shri Adhir Ranjan Chowdhury
4	Shri T.K.S. Elangovan
5	Shri Ramesh Jigajinagi
6	Shri Chandrakant Khaire
7	Shri M. Krishnaswamy
8	Shri Vikrambhai Arjanbhai Madam
9	Smt. Ranee Narah
10	Shri Prabodh Panda
11	Shri Kabindra Purkayastha
12	Shri C. Rajendran
13	Shri K. Jaya Surya Prakash Reddy
14	Shri M. Sreenivasulu Reddy
15	Shri Brij Bhushan Sharan Singh
16	Shri Sushil Kumar Singh
17	Shri K.C. Venugopal

SECRETARIAT

1. Shri Bhupesh Kumar - Director
2. Smt. Juby Amar - Under Secretary

WITNESSES

1	Shri K. Mohandas	Secretary (Shipping)
2	Shri Vijay Chhiber	AS & FA
3	Shri Rakesh Srivastava	JS (P&A)
4	Shri Rajeev Gupta	JS (Shipping)
5	Shri A. Janardan Rao	MD, Indian Ports Association
6	Shri B. Poiyaamozhi	Development Adviser I/C
7	Shri A. Majumdar	Chairman I/C, Kolkata Port Trust
8	Shri M. Raghuramaih	Chairman, Paradip Port Trust
9	Shri Ajaya Kallam	Chairman, Visakhapatnam Port Trust

10	Cap. Subhash Kumar	Chairman I/C, Chennai Port Trust
11	Shri G.J. Rao	Chairman, Tuticorin Port Trust
12	Shri P. Tamilvanan	Chairman, New Mangalroe Port Trust
13	Shri N. Ramachandaran	Chairman, Cochin Port Trust
14	Shri Rahul Asthana	Chairman, Mumbai Port Trust
15	Shri S.S. Hussain	Chairman, Jawaharlal Nehru Port Trust
16	Shri P.D. Vaghela	Chairman, Kandla Port Trust
17	Shri Praveen Aggarwal	Chairman, Mormugao Port Trust
18	Shri S. Velumani	CMD, Ennore Port Ltd.

2. At the outset, the Chairman welcomed the Members of the Committee and representatives of the Ministry of Shipping to the sitting of Committee.

3. Thereafter, the representatives of the Ministry of Shipping gave evidence before the Committee on the subject 'Indian Ports – Infrastructure development and capacity enhancement'. The Members of the Committee raised questions on various issues relating to the subject and the officials of the Ministry replied to the same. The Secretary was requested to furnish replies in writing to the questions for which answers were not readily available during the course of briefing.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF SIXTEENTH SITTING OF
COMMITTEE ON ESTIMATES (2010-2011)**

The Committee sat on Thursday, the 21st October, 2010 from 1500 hrs. to 1555 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

Shri Francisco Sardinha – Chairman

MEMBERS

- 2 Shri T.K.S Elangovan
- 3 Shri Ramesh Jigajinagi
- 4 Shri M. Krishnaswamy
- 5 Shri Prabodh Panda
- 6 Shri Ravindra Kumar Pandey
- 7 Smt. Yashodhara Raje Scindia
- 8 Shri S. Semmalai
- 9 Shri Arjun Charan Sethi
- 10 Shri Sushil Kumar Singh
- 11 Shri Lalji Tandon

SECRETARIAT

1. Smt. Anita B. Panda - Additional Director
2. Smt. Juby Amar - Deputy Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.
3. Thereafter the Committee took up for consideration the draft Report on the subject 'Indian Ports – Infrastructure Development & Capacity Enhancement' pertaining to the Ministry of Shipping.
4. The Committee adopted the draft Report with minor modifications suggested by the Members of the Committee.
5. The Committee then authorized the Chairman to finalize the Report in the light of modifications suggested as well as other consequential changes arising out of the factual verification, if any, by the concerned Ministry and present the same to the Lok Sabha.

The Committee then adjourned.