

**FORTY-THIRD REPORT<sup>2</sup>**  
**ESTIMATES COMMITTEE**  
**(1986-87)**

(EIGHTH LOK SABHA)

(MINISTRY OF SURFACE TRANSPORT)

[Action taken by Government on the recommendations contained in the Twenty-Eighth Report of Estimates Committee (8th Lok Sabha) on the Ministry of Transport—Department of Surface Transport—Congestion in Ports.]



*Presented to Lok Sabha on 23 April, 1987*

**LOK SABHA SECRETARIAT**

**NEW DELHI**

*April, 1987/Chaitra, 1969 (Saka)*

*Price : Rs. 4.00*

Corrigenda to the Forty-third Report of  
 Estimates Committee (1986-87) on Congestion  
 in Ports.

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<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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## CONTENTS

	PAGE
COMPOSITION OF THE ESTIMATES COMMITTEE (1986-87)	(iii)
COMPOSITION OF THE STUDY GROUP ON ACTION TAKEN REPORT OF ESTIMATES COMMITTEE (1986-87)	(v)
INTRODUCTION	(vii)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations that have been accepted by the Govern- ment	13
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies	81
CHAPTER IV Recommendations/Observations in res- pect of which Replies of Government have not been accepted by the Committee	83
APPENDIX Analysis of Action Taken by Govern- ment on the recommendations contained in the 28th Report of the Estimates Committee (8th Lok Sabha)	90

# ESTIMATES COMMITTEE

(1986-87)

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\* Elected w.e.f. 24.7.1986 *vice* Smt. Sheila Dikshit appointed Minister. Nominated Chairman w.e.f. 20.11.1986 *vice* Shri Chintamani Panigrahi appointed Minister.

\*\* Elected w.e.f. 24.7.1986 *vice* Smt. Krishna Sahi appointed Minister.

\*\*\* Elected w.e.f. 28.11.1986 *vice* Shri Chintamani Panigrahi appointed Minister.

( iv )

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3. Shri J.C. Malhotra—*Senior Financial Committee Officer.*

**STUDY GROUP ON ACTION TAKEN REPORTS OF  
ESTIMATES COMMITTEE (1986-87)**

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4. Shri Ajay Mushran
5. Shri Satyendra Narain Sinha
6. Shri Manoranjan Bhakta
7. Shri Jai Prakash Agarwal
8. Shri Ram Pyare Panika
9. Shri C. Madhav Reddy

## INTRODUCTION

I, the Chairman of Estimates Committee, having been authorised by the Committee to submit the Report on their behalf present this Forty-third Report on Action Taken by Government on the Recommendations contained in the Twenty-eighth Report of Estimates Committee (8th Lok Sabha) on the Ministry of Transport—Department of Surface Transport—Congestion in Ports.

2. The Twenty-eighth Report was presented to Lok Sabha on 21st April, 1986. Government furnished their replies indicating action taken on the recommendations contained in the Report by 13th April, 1987. The replies were examined by the Committee at their sitting held on 16th April, 1987 and draft Report was adopted by the Committee on the same date.

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

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

4. An analysis of action taken by Government on the recommendations contained in the Twenty-eighth Report of Estimates Committee is given in Appendix. It would be observed therefrom that out of 41 recommendations made in the Report 36 recommendations, i.e., about 88 per cent have been accepted by the Government and the Committee do not desire to pursue one recommendation, i.e., about 2 per cent, in view of Government's reply. Replies of Government in respect of 4 recommendations, i.e., about 10 per cent have not been accepted by the Committee.

NEW DELHI ;

April 16, 1987

Chaitra 26, 1909 (S)

CHANDRA TRIPATHI

Chairman

Estimates Committee.

## CHAPTER I

### REPORT

1.1 This Report of the Estimates Committee deals with Action taken by Government on the recommendations contained in their Twenty-Eighth Report (8th Lok Sabha) on Congestion in Ports, which was presented to Lok Sabha on 21st April, 1986.

1.2 Action Taken Notes have been received in respect of all the 41 recommendations contained in the Report.

1.3 Action Taken Notes on the recommendations of the Committee have been categorised as follows :

(i) Recommendations/Observations which have been accepted by the Government :

Sl. Nos. 1 (Para 1.20), 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39

(Total 36, Chapter II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's Replies :

Sl. No. 40

(Total 1, Chapter III)

(iii) Recommendations/Observations in respect of which Government's Replies have not been accepted by the Committee :

Sl. Nos. 1 (Para 1.19), 2, 5, 8

(Total 4, Chapter IV)

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

#### *Organisational Set-up at the Centre*

*(Recommendation Sl. No. 1 para 1.19)*

1.5 The Committee had found that coordination of matters pertaining to Ports was the concern of several bodies with varying



compositions and overlapping functions. This was probably because these bodies were created at different points of time with specific objectives in view which had either become blurred, or had expanded with the passage of time. The Committee had regretted that the National Harbour Board on which all the maritime State Governments were represented and where their views got projected had remained more or less dormant for the last about 2 years. It met last in 1983. Conferences of Chairmen of all Major ports were being held once a year to discuss matters of topical interest. The Indian Ports Association (IPA), a society of major ports, financed by contributions from Port Trusts had come to play a vital role in coordinating the working of the major ports. It was ironic that crucial matters like procurement of supplies, consultancy services, data banks, training of personnel, promotion of sports and perspective planning for Major Ports had been left by the Government to this Association. Incidentally, the Governing Body of the IPA comprised of Chairman of all the Major Ports Trusts. The Committee had desired the Major Ports Reforms Committee, to whom this matter had been referred, to go deeply into the question whether there should be a single statutory apex body to administer the major ports, or the existing system of management of each Major Port through a Trust and having many bodies, for coordination and providing common services might be continued. It appeared to the Committee that the existing system of management of major ports was costlier, cumbersome and far from satisfactory.

### *Central Ports Authority*

1.6 The Committee had regretted that Government had taken a very low-key attitude towards the pressing need of establishing a Central Ports Authority to administer and coordinate the activities of all the Major Ports even though the Committee in their 32nd Report (1981-82) and 41st Report (1982-83) had strongly recommended the establishment of such an Authority. Later, the Bureau of Industrial Costs and Prices, who had been asked by Government to go into this question in February, 1982 and the National Shipping Board in 1983-84 and 1984-85 also supported the recommendation of the Committee and suggested for the establishment of such an Authority. Instead of giving a positive response to the suggestions made by the above bodies, the Committee regretted that Government has again chosen to refer this question to

Major Ports Reforms Committee, thereby further delaying the establishment of such an Authority which had been considered by so many bodies to be so essential for the smooth functioning and development of the Major Ports in the country. While agreeing that some of the Major Ports like Calcutta, Bombay and Madras had grown-up in their own historical settings, the Committee once again strongly recommended that a Central Port Authority was essential for better coordination and administering the Ports on the lines of commercial and result oriented enterprises. The Committee did not consider that the establishment of such an Authority would in any way hinder the functioning of the individual ports except to the extent necessary for the purposes of overall planning for integrated development of ports. The proposed authority would also take over all those functions which were being performed by the various bodies like National Shipping Board, National Harbour Board, Indian Ports Association etc. As the matter had been referred to the Major Ports Reforms Committee, the Committee, expected the Government to have the report of that Committee expedited and to take concrete action in the matter. The Committee desired to be informed of the progress on the issue within a period of six months.

1.7 In a common reply to both the recommendations the Ministry has stated that the final report of the Major Ports Reforms Committee received in Dec. 1986 came to the conclusion that setting up of such a National Ports Authority is not feasible. The MPRC is of the opinion that the apparent advantages a unified set up is likely to offer would be more than offset by the problems it will throw up, the principal among these being integration of the personnel of all major ports. In the Committee's view the assumption that a unified authority will strengthen the management and help the units to become economically viable is somewhat farfetched. Generally, the bigger the organisation, more difficult it is to manage. Even if this does not turn out to be so in the instant case and the proposed Authority is set up and the administrative Ministry given continued and final say on major and minor issues of policy as of now, the authority's major pre-occupation would really descend to the level of monitoring an overseeing day to day functioning of the ports. The unified Authority with all the organisational apparatus, will in effect thus only become yet another tier between the Government and the ports. The MPRC strongly felt that even in the existing set up, without a middle tier in between, the relationship between the ports and

the administrative Ministry can be made more business like. With a view to achieve this, the MPRC has recommended the setting up of Major Ports Development Board in the Ministry with Secretary, Ministry of Surface Transport as Chairman, Additional Secretary (Ports) as Vice Chairman and Financial Adviser in the Ministry, Representatives of the Ministries of Finance, Commerce and Railways, three Chairmen of major ports and two eminent outside professionals as members. Major Ports Development Board will be responsible for :—

- (a) Over-all planning and integrated development of all major ports ;
- (b) investment decisions ;
- (c) securing optimal utilisation of manpower and other assets ;
- (d) coordination with planning Commission and other Governmental agencies ;
- (e) management of the Port Development Fund ; and
- (f) evaluation/appraisal of all ports projects

1.8 The ministry has further stated that the recommendation of the MPRC for setting up of the Major Ports Development Board is under consideration of the Government

1.9 The Committee are constrained to observe that Government has chosen to side-track the basic issues raised in the recommendations of the Committee contained in paras 1.19 and 1.30 about the creation of a single statutory body to oversee the multifarious activities of the Major Ports rather than entrusting those activities to a number of bodies which have been found sometimes functioning at cross purposes. The Committee do not consider that the Major Ports Reforms Committee has understood the import of the recommendations of the Estimates Committee while considering those recommendations. The Committee do not subscribe to the views that the creation of a single statutory body will in any way create 'yet another tier between the Government and the ports'. The Committee stress that their conception of a Central Ports Authority is the establishment of a single apex body not only to evolve port policies on a common, uniform and expert basis, but also to administer, coordinate and monitor all the activities and operations of major ports, in lieu of the existing

**multiplicity of administrative bodies of the ports like National Shipping Board, National Harbour Board, Conferences of Chairmen of Major Port and last but not the least, the systematically swelling Indian Ports Association. The Committee feel that the recommendation of MPRC for establishment of a Major Ports Development Board within the Ministry for overall planning, investment decisions, coordination, with the Planning Commission and evaluation of projects in major ports, even if eventually accepted by the Government, not only falls woefully short of the Estimates Committee and other expert bodies, 'recommendation for establishment of a Central/National Ports Authority, but will also create yet another administrative body to monitor the development activities of the Ports in addition to the existing multiple authorities referred to above. The Committee would therefore, reiterate their recommendations and would like the Government to reconsider the whole matter afresh so that overall administration, planning and development of major ports could be run on sound commercial lines and not like attached autonomous offices of the Government as they appear to be functioning at present.**

### *Vacancies in Ports*

#### **(Recommendation SI No. 4, para 1.43)**

1.10 The Committee had felt concerned that top level posts like Chairman of Bombay Port Trust and Chairman of New Mangalore Port Trust had been lying vacant since 1st March, 1985 and 17th October, 1985 respectively. The Committee were also unhappy to learn that as many as 17 posts at the senior levels, of which 5 posts are at Bombay and 12 at other ports, were lying vacant for sufficiently long periods. The Committee felt sure that the vacancies for long periods at such levels were bound to affect the efficiency of the Ports. The Committee had desired the existing vacancies to be filled up without any further delay and factors leading to the delay in filling up the vacancies tackled with a sense of urgency. For the future, they suggested streamlined procedures being introduced both in the Major Ports as well as the Department of Surface Transport for initiating advance action in filling up the vacancy and finalisation of appointment in a manner that the gap between the occurrence of the vacancy and the new incumbent taking over was in no case more than one month.

1.11 In its reply the Ministry has *inter-alia* stated with regard to the 17 vacancies mentioned by the Estimates Committee, that the post of Chairman, Bombay Port Trust was filled up with effect from 3.4.1986. For filling up the post of Chairman, New Mangalore Port, the case is under consideration. Meanwhile, Chairman of another Port is holding additional charge of this post and thereby it has been ensured that the work of the Port does not suffer. Out of the remaining 15 vacancies, seven vacancies have already been filled up as on 1.8.1986. Necessary action to fill up the rest of the vacancies also has been taken.

1.12. The Committee hope that the vacancies of Chairman, New Mangalore Port and eight other senior posts in the major ports will be filled up without any further delay as the vacancies at such senior levels "do affect efficiency" in the ports as admitted by Additional Secretary in the Ministry during evidence in October, 1985.

*Dock-Labour Boards*

(Recommendation Sl. No. 5, Para 1.46)

1.13 The Committee had noted that Dock Labour Boards had not been set up at New Mangalore, Paradip, Tuticorin and Haldia Ports and that the question of setting up Boards in these ports was under consideration of the Government. The Committee desired the Government to take the final decision and positive action in the matter urgently and report to the Committee within a period of 3 months.

1.14 The Ministry has sent the following reply :—

"The Committee set up in May, 1984 to consider the demand for decasualisation/institutionalisation of cargo handling workers in Paradip, New Mangalore, Tuticorin and Haldia either under Dock Labour Boards or Tripartite Bodies or under Port Trusts, submitted its report in September, 1984. Copies of the Committee's report have been circulated to all Port Trusts, four Major Federations of port and dock workers and the Federation of Associations of Stevedores and their Comments have been obtained. As has been the practice, the recommendations of the Committee are being discussed with the representatives of four major federations of port and dock workers before a final decision on the Committee's recommendations is taken. Accordingly discussions were held on

8-7-1986 which were inconclusive. The four Federations are not agreeable to the recommendation made by a Committee appointed in pursuance of the long term agreement entered into the Government with the Federations. Efforts are continuing to find a mutually acceptable solution which also be fair to port users."

**1.15** The Committee are not convinced with the reasons advanced by the Ministry for not arriving at the final decision regarding setting up of Dock Labour Boards at New Mangalore, Paradip, Tuticorin and Haldia Ports, even though the matter has been pending consideration since 1981. The Committee do not visualise any difficulties in setting up of Dock Labour Boards at these Ports when such Boards have already been set up in other Major Ports long time back. The Committee would like to exhort the Government to initiate positive action without any further loss of time.

#### *Capacity Utilisation*

##### **(Recommendation Sl. No. 8, Paras 2.27 & 2.28)**

**1.16** The Committee were distressed to find that while at some Ports captive handling capacity in respect of certain commodities, was grossly under-utilised, at other ports in respect of other or the same commodities, the traffic, was for in excess of the existing handling capacity of the port. For example, POL capacity was under-utilised at New Mangalore ; iron-ore capacities were grossly under-utilised at New Mangalore and Paradip ; Fertilizer/raw-material capacity also was grossly under-utilised at Haldia and general cargo container capacities were not fully utilised at Haldia, Cochin, Visakhapatnam and Tuticorin. Furthermore, POL and Fertilizer/Raw-Material handling capacities were also grossly over-utilised at Madras and Visakhapatnam. In this connection, the Committee noted that even though the major ports handled a total of 106.73 million tonnes of traffic during 1984-85 against the total available capacity of 132.73 million tonnes showing capacity utilisation of 80.4 per cent, it was not of much relevance as the capacities were not inter-changeable. The Committee, had therefore, suggested that the problem of gross under-utilisation and excessive utilisation of port capacities merited in-depth examination to find out ways and means for allocation of traffic to each port in a balanced manner so as to strive for optimum utilisation of port handling capacities.

1.17 In this context, the Committee had pointed out that one of their study Groups which visited Lakshadweep Islands had noticed that Cochin Port, which was stated to be already overutilised, was catering to the Lakshadweep Islands even though the distances between the Cochin port and some of the Lakshadweep Islands were far greater as compared to the distances between those Islands and New Mangalore port which was reported to be under-utilised. The Committee desired the Government to examine the extent to which the traffic between Lakshadweep Islands and Cochin and New Mangalore ports could be rationalised keeping in view the distances involved.

1.18 In reply, the Ministry has stated *Inter alia* that the under utilisation and over utilisation of capacities is directly related to hinterlands requirements, export demand of cargo for which captive capacity has been developed etc. port developmental programme is drawn up after detailed discussions with the user agencies and port facilities are created accordingly to meet the future projected traffic as furnished by them. However, the traffic as projected generally do not materialise on account of various factors like production demand and supply, etc. Which are beyond the control of the user agencies. As a result, there is increase in traffic in some commodities and decrease in some other commodities. Further, this also results in variation in traffic at the ports also.

1.19 The Ministry has further stated that iron ore exports to New Mangalore could not be realised due to changed political situation in Iran and at Paradip, the utilisation of iron ore handling facilities is constrained by the fact that the port cannot accommodate vessels of more than 60,000 to 65,000 DWT. Under utilisation of fertilizer capacity at Haldia is largely due to delay in the commissioning of mechanical unloading plant by the Hindustan Fertilizer Corporation for which the berth has been specially constructed. Regarding under-utilisation of general cargo capacity at Haldia, Cochin and Tuticorin the Ministry has contended that the general cargo capacity utilisation is largely determined by the demand, infrastructural and industrial development in the hinterland region, and to supply cargoes to the end users at a minimum possible cost. Utilisation of a particular port is largely determined by economic considerations. Any attempt on the part of the Government to allocate traffic solely to secure optimum utilisation

of port capacities is likely to result in uneconomical transportation of goods.

1.20 About utilisation of New Mangalore for movement of cargo to Lakshadweep Islands, the Ministry has stated that the Port authorities are negotiating with Lakshadweep administration for diversion of some of their shipping activities to New Mangalore Port. They have reported that as the Union territory administration has already developed certain infrastructural facilities at Cochin, it will take some more time before they can develop similar infrastructure at Mangalore for handling the Islands traffic through that Port.

1.21 The Committee are not convinced with the reasons advanced by Government in justification of under-utilisation/excessive utilisation of capacities at the major ports. The Committee reiterate that the Government should entrust indepth examination of capacity utilisation in major ports to a body of experts and their findings should be furnished to the Committee within a period of six months.

*Role of Intermediate/Minor Port*

**Recommendation (Sl. No. 14, Para 2.89)**

1.22 The Committee had regretted that the centrally sponsored Scheme for development of minor/intermediate ports could not be revived even under the Seventh Five Year Plan as recommended by the Committee in their 41st Report (1982-83) and the provision of Rs. 100 crores as outlay for development of intermediate and minor ports recommended by the Working Group of the Department had been pruned to Rs. 20 crores only. The Committee had agreed with the National Shipping Board that the Government should develop minor/intermediate ports not only to reduce congestion in major ports but also to reduce the commercial dependence on a few major ports on account of strategic reasons so that the national commerce was not too much disrupted in the event of a crisis of any kind. The Committee, therefore, endorsed the recommendation of Working Group of the Department that Central assistance should be made available for development of intermediate/minor ports on a selective basis during the current plan so that at least some of these ports could play a complementary role to major ports to a substantial extent in normal times and a major role in times of a crisis.



In this connection the Committee had noted that adequate infrastructure had been provided at many intermediate/minor ports in the country, like Porbunder, at a huge cost but it was going waste due to lack of enough traffic. The Committee felt that if traffic was diverted from the congested ports to the intermediate/minor ports where adequate cargo handling facilities were available, it would go a long way not only in relieving congestion in the congested ports but also in providing necessary fillip to these ports where the capacities were grossly under-utilised.

1.23 The Ministry has stated in reply, *inter alia*, that the Planning Commission has suggested that one port on west coast and one port on east coast could be developed. As a result, the Ministry is examining the potential of minor/intermediate ports with respect to existing infrastructure, traffic handled in the past five years and the existing port facilities for identifying one port on west coast and one port on east coast. The Ministry has further stated that most of the Minor/Intermediate Ports with a few exceptions, are lighterage ports where ships cannot be brought alongside the berth for discharge of cargo. They also generally lack essential infrastructural facilities like Rail connection and warehousing facilities. But despite this user Ministries, especially Deptt. of Agriculture has been taking steps to unload a part of the imported fertilisers in Minor Ports.

1.24 The Committee trust that the process of identifying one intermediate/minor port each on Western and Eastern Coasts will be finalised at the earliest for development of the identified ports during VII Plan according to schedule and the Committee apprised of Governments final decision in this regard.

#### *Central Documentation Centres*

#### **Recommendation (Sl. No. 18 Paras 3.16 & 3.17)**

1.25 The Committee were glad to note that the recommendation of the Directing Group of the Department for establishment of a Central Documentation Centre at each major ports had been accepted by the Government and instructions were issued to implement it from 1st January, 1986. The Committee had hoped that the Centres had been set-up at all the major ports as envisaged. They trusted that the Port authorities would ensure that these Centres actually eased the

users' problems with regard to receiving indents and other service requests, customs facilities, import trade control clarifications, pre-shipment inspection services etc. During evidence, the Additional Secretary to the Department had stated that in all (Major) ports there were Committees which consisted of representatives of various agencies, which meet regularly. However, from the testimony of certain non-officials before the Committee it appeared that the standing coordination Committees at certain ports were not so effective as to satisfy, the local importers/exporters. The Committee had recommended that composition of these Committees at all the major ports should be reviewed and adequate representation given to all the agencies and interests concerned with the working of the port.

1.26 The Ministry has replied that the improvement of level of services is a continuous process and Ports are being advised from time to time to improve their efficiency whenever any shortfall or bottleneck in their efficiencies is noticed or reached the attention of the Government. The Central Documentation Centre has been set up at all Ports except Bombay and Calcutta. At Calcutta civil engineering and renovation work is in progress for the CDC. The Ministry has added that the Ports have been advised to review the composition of the standing coordination committees and to give adequate representation to all the agencies and interests concerned with the working of the Port.

1.27 The Committee trust that Central Documentation Centres will be established at the earliest at Bombay and Calcutta ports also, as major portion of Indian sea cargo is handled at these two ports.

#### *Port Railways*

##### **Recommendation (SI No 37, Para 5.49)**

1.28 The Committee were of the view that the Port Railways run by the Port Trusts at six major ports viz. Bombay, Calcutta, Visakhapatnam, Madras, Paradip and Mormugao should be merged at the earliest with the Trunk Railways to avoid problems of duplication and coordination affecting the efficiency of cargo movement. Since both the Departments of Surface Transport and Railways had come under the same Ministry and were agreed in principle to the merger of Port Railways with the Trunk Railways the Committee had felt that it should not be difficult for the two Departments to sort out the issue of port railway staff early.

1.29 The Ministry has stated in reply that the merger of Port Trust Railways at Haldia, Paradip and Mormugao with the Trunk Railways on an experimental basis was under consideration of Government. Because of different pay scales and service conditions governing Port Railways Staff and Trunk Railways Staff, the issue of Port Railways of staff was yet to be decided. Trunk Railways were agreeable to merger of Port Railways without the staff complement. However, this was not acceptable to Port Trusts as they had difficulty in providing alternative employment to the surplus staff if Port Railways were not under Port Trust Management. A viable alternative acceptable to the Port Trusts and Trunk Railways was being explored by the Government.

1.30 The Committee would like their recommendation, which has been accepted in principle by both the Ministries concerned, to be followed up on a priority basis and the Committee apprised of the results achieved in this regard.

#### *Implementation of the Recommendations*

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

## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation (Sl. No. 1, Para 1.20)

The Committee note that the expenditure on the Indian Ports Association is mounting year after year. Whereas it was Rs. 26.20 lakhs in 1982-83, it jumped to Rs. 48.81 lakhs in 1983-84 and to Rs. 55.04 lakhs in 1984-85. For obvious reasons the Committee do not subscribe to the view that since the expenditure of the Indian Ports Association is being funded by the Ports themselves, there should be no limit on the expenditure incurred by the Association. The Committee would like the Government to examine as to what extent this expenditure could be economised without sacrificing the services provided by IPA to the Major Ports, keeping in view the fact that expenditure on the Indian Ports Association comes out of the earnings of the Ports and naturally affects adversely the profitability of the Ports.

#### Reply of Government

A detailed analysis of the expenditure of the IPA shows that broadly the distribution of expenditure is about 36% on training, 11% on sports, 9% on staff and 9% on deferred payment for purchase of a computer. The progressive increase in expenditure is mainly due to expansion to activities of IPA during this period. The Indian Institute of Port Management, Calcutta commenced functioning as a full fledged training institute from 1983. The National Institute of Port Management, Madras was set up in 1985. The scope and nature of the activities of IPA Secretariat at New Delhi have considerably expanded during the last 3-4 years. The various facilities provided and activities undertaken by IPA during this period are set out in *Annexure*.

Indian Ports Association has benefitted all major ports in keeping the ports abreast of developments in technology and other related fields

and in coordinating matters of common interest. The emphasis on training and communication is vital. The IPA also plays the role of an adviser to the Ministry on matters affecting all the Ports.

In keeping with the recommendation of the Estimates Committee, IPA has been requested to keep a strict watch over its expenditure so as to achieve maximum economy in its operations.

(Ministry of Surface Transport O. M. No. PR-19016/1/16-PG dt. 27-2-1987).

### *ANNEXURE*

#### **PRINCIPAL WORKS/ACTIVITIES UNDERTAKEN BY IPA DURING 1982-83 to 1985-86**

1. Evolving port policies on a common basis;
2. Organising and undertaking studies related to major port working like—
  - (i) framing harbour craft rules;
  - (ii) framing regulations for handling containers containing dangerous/hazardous cargoes;
  - (iii) standardisation of fire fighting equipment;
  - (iv) rationalisation of service conditions and promotional opportunities for engineers;
  - (v) scheme to recruit centrally management trainees for major ports;
  - (vi) classification/categorisation and change of nomenclature of class III and IV staff of major ports and dock labour board;
  - (vii) framing model regulations for major ports;
  - (viii) formulating a ship plan for handling cargo at major ports.
3. Representation on committees constituted by Govt. of India/MOST like the Directing Group on Simplification of Tariff, procedures, etc. Major Port Reforms Committee etc.;

4. Assisting major ports and MOST in wage negotiations and other major industrial relations issues;
5. Re-structuring and activating the Indian Institute of Port Management, Calcutta which organised 40 training programmes covering 820 participants during this period;
6. Setting up of the National Institute of Port Management, Madras in February 1985;
7. Programming for human resources development for officers and employees of major ports in a scientific manner and organising training for port managers under the various schemes;
8. Establishing a technical library and disseminating current literature on port and shipping industry to port managers;
9. Developing a centralised computerised information system to generate information on port operations etc.;
10. Undertaking consultancy studies for major ports;
11. Maintaining liaison with DGTD, Controller of Imports and Exports, Wireless Adviser etc. for follow up of major ports proposals; and
12. Provision of lodging/boarding and transport facilities to visiting port officers.

#### **Recommendation (Sl. No. 3 Para 1.39)**

The Committee agree with the observations of the National Shipping Board that no amount of infrastructure planning and mechanisation will pave the way for modernisation of the ports if the management and the organisational structures are not suitably designed and oriented to achieve results in this sphere and therefore, a long term perspective plan should be drawn up for the purpose. The Committee consider that manning of the top level posts in the various major ports by the officers drawn from IAS cadre alone may not be conducive to the efficient functioning of the Ports unless these officers have been working in the various ports for sufficiently long durations and have acquired the necessary acumen to handle the diverse activities of the Ports. The Committee therefore would like the Major Ports Reforms Committee, to

whom the question of suggesting an efficient administrative set up for the ports has been referred to review the present administrative set up in the Ports in depth and suggest ways and means to tone up the administration. The Committee would also like the Government to seriously consider whether the setting up of an All-India Ports Service is feasible so that the experience and expertise in handling of ports could be pooled together and uniformity of approach in the administration of ports could be achieved.

### **Reply of Government**

The Committee's recommendation that the Major Ports Reforms Committee should review the present administrative set up in Ports and suggest ways and means to tone up the administration was referred to the Major Ports Reforms Committee. The Major Ports Reforms Committee has submitted its Report in December, 1986. The question of setting up of All-India Ports Service has also been considered by the Major Ports Reforms Committee. The recommendations made by the Major Ports Reforms Committee on the above aspects are being considered by the Government.

(Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27/2/1987)

### **Recommendation (Sl. No. 4, Para 1.43)**

The Committee are concerned that top level posts like Chairman of Bombay Port trust and Chairman of New Mangalore Port trust have been lying vacant since 1st March, 1985 and 17th October, 1985 respectively. The Committee are also unhappy to learn that as many as 17 posts at the senior levels, of which 5 posts are at Bombay and 12 at other ports, are lying vacant for sufficiently long periods. The Committee are sure that the vacancies for long periods at such levels are bound to affect the efficiency of the Ports. The Committee would like the existing vacancies to be filled up without any further delay and factors which are the cause of delay in filling up the vacancies tackled with a sense of urgency. For the future, they suggest streamlined procedures being introduced both in the Major Ports as well as the Department of Surface Transport for initiating advance action in filling up the vacancy and finalisation of appointment in a manner that the gap between the occurrence of the vacancy and the now incumbent taking over is in no case more than one month.

### Reply of Government

Under Section 3 of the Major Port Trusts Act, 1963, the Central Govt. is the appointing authority in respect of Chairman/Deputy Chairman of the Port Trusts. Similarly, under section 24 of the Major Port Trusts Act, Central Govt. is the appointing authority in respect of the posts which are in the rank of Head of Department or have the pay scale, the maximum of which exceeds Rs. 3700/-. The appointment of Chairman/Deputy Chairman in Port Trusts requires the approval of Appointment, Committee of the Cabinet irrespective of the fact whether the officer proposed for the appointment belongs to the Central Govt. service or any other service. The appointments to the posts in the rank of Head of Deptt. also require approval of Appointment's Committee of Cabinet/Central Establishment Board/senior Selection Board if the officer selected for appointment belongs to any organised services of the Central Govt. In case the officer selected for appointment belongs to the Port Trust, the Department of Surface Transport is competent to make such appointment in consultation with the Chairman of the Port Trust.

It may thus be appreciated that there is an elaborate procedure for making such appointments namely circulation of the posts to various organisations for the purpose of obtaining nominations, considering their suitability for the post, obtaining approval of various authorities as laid down under the Rules/Act. Some time is, therefore, consumed in complying with these procedural formalities. Apart from these procedural delays, sometimes suitable candidates for the posts are not readily available. Further a post may remain vacant for quite some time when it is vacated by the incumbent under certain compelling circumstances without any prior notice.

The Committee have desired that the existing vacancies be filled up without any further delay and the factors which cause delay in filling up the vacancies may be tackled with a sense of urgency. In this connection it may be stated that this Department has devised an Action plan to fill up the existing as well as anticipated vacancies in senior level posts in Port Trusts in the form of time-bound programme and a constant review and monitoring of this Action plan is done to achieve the targets.



The Department has prescribed a quarterly return from Ports regarding the vacancies at the level of Head of Department and above likely to come up within 6 months from the date of report. This return is required to be submitted by 10th January, 10 April, 10th July and 10th October each year by all the Port Trusts to this Deptt. on the basis of this return, advance action is initiated for filling up the anticipated vacancies in time. As stated above, a time bound programme in the form of action plan has already been adopted by this Ministry for filling up such vacancies. However, it will be appreciated that it is not always possible to restrict the gap between the occurrence of vacancy and date of its filling up to one month in view of the fact : that there are many procedural constraints in this regard. The recommendation of the Committee has however been noted for compliance to the extent it is possible.

As regards the 17 vacancies mentioned by the Estimates Committee the post of Chairman, Bombay Port Trust was filled up with effect from 3-4-1986. For filling up the post of Chairman, New Mongalore Port, the case is under consideration. Meanwhile, Chairman of another Port is holding additional charge of this post and thereby it has been ensured that the work of the port does not suffer. Out of the remaining 15 vacancies, seven vacancies have already been filled up as on 1/8/86. Necessary action to fill up the rest of the vacancies also has been taken.

(Ministry of surface Transport O. M. No. PR-19016/1/86.PG  
dt. 27/2/1987)

#### **Recommendation (Sl. No. 6. Para 2.8)**

The Committee regret to note that the waiting period for ships at Bombay Port has more than trebled from the average of 0.94 days in 1980-81 to 3.04 days in 1984-85 whereas the traffic handled at the port has risen only from 17.57 million tonnes to 25.77 million tonnes during the same period which means that the rise in traffic handled has been less than 50% whereas the waiting period has risen by more than 300%. The Additional Secretary in the Department attributed the increase in the waiting period for ships at Bombay Port to General Strike for about 12 days in all the ports in March-April, 1984. The Position in Visakhapatnam Port is no better. Whereas the traffic handled at Visakhapatnam port rose from 10.26 m.t. in 1980-81 to 12.87 m.t. in 1984-85, the average waiting period per ship more than doubled from 1.01 days to

2.10 days during the Same period. The Committee however, note that at Mormugao port while the traffic handled has increased from 13,76 m.t. in 1980-81 to 14.51 m. t. in 1984-85, the average waiting period per ship has declined from 3.02 days to 2.37 days during the same period. The Chairman, Mormugao Port Trust attributed it to "some change in productivity or some other parameter relating to iron-ore handling" and handling of "fewer but much bigger vessels they got after 1980-81." Happily the General strike in all the major ports in March-April did not have any effect at Marmugao Port and in fact the waiting period declined there. The Study Groups of the Committee which visited some of these ports also found that there has been an abnormal increase in the waiting period per ship at the major ports. The Committee do not consider that the increase in the traffic at the major ports alone warrants such an abnormal increase in the waiting period per ship and are firmly of the opinion that the waiting period can be substantially reduced. In the subsequent paragraphs of the Report, the Committee have dealt with the factors responsible for congestion in the ports, which are the main cause for the increase in the waiting period per ship at the major ports. Some of the factors causing congestion in ports, which have been brought to the Committee's notice are lack of adequate mechanisation of cargo handling facilities, inadequate berthing capacity, complicated and time taking port and customs procedures, high sea sale of cago, strained labour relations, inadequate storage and transport facilities etc. The Committee, would suggest to the Government to go into this problem in all its ramifications and take necessary corrective steps for reducing the waiting period to the barest minimum.

#### **Reply of Government**

Bombay Port suffered acute Post strike congestion as a result of the All India Strike by Port & Dock Workers from 15 March 84 to 12 April 84. The congestion was due to bunched arrival of ships consequent to the strike, to serve the hinterland of Bombay during April-August 84. Further monsoon rains during the period also resulted in increased pre-berthing time.

The pre-berthing detention to vessels at Ports is a function of :

(a) number of vessels arriving at ports;

- (b) the number of berths available in the Port; and
- (c) the average turn round time of vessels.

*(a) Number of Vessels Arriving at Ports :*

The Port Trusts/Government have little control over regulating the arrival of vessels at Ports. Even though the Committee on Rationalised Distribution of Cargo among different ports, the user Ministries are always reluctant to take their cargo to ports far removed from its ultimate destinations and where adequate infrastructural facilities may not be available. Further there is no control over the arrival of vessels catering to cargo on private account

*(b) Number of Berths Available in the Port :*

The number of berths in a Port cannot be increased in the short or medium term. The occupancy ratio of general cargo berths in Indian Ports is quite high ranging between 85 to 95% as against the international norm of 67%. At Bombay the percentage utilization is more than 100% in case of general cargo berths. Increase in waiting time is directly related to berth occupancy rate and service rate. Waiting time increases more than proportionately to increase in utilization of capacity.

*(c) The Average Turn-Round Time of Vessels :*

This is dependent on labour productivity and availability of gear on shore including loading and un-loading systems, state of industrial relations, and overall efficiency of port operations. This is an area where efficiency in Port operations can bring about improvements and as will be seen from the succeeding para, improvements have taken place. However with the conventional type of handling there is limited scope for improving the service time in the short run.

### **IMPORTANT STEPS TAKEN BY THE DEPTT. TO IMPROVE PERFORMANCE**

The important steps taken by the Ministry to improve performance of the ports which will help improve productivity and

reduce turnaround time of ships are the following :—

- (i) A decision has been taken by an Empowered Committee under the Chairmanship of Secretary of the Department to simplify the documentation system for cargo handling in various ports and also to adopt "single window" approach for providing service to the users of port facilities.
- (ii) All Port Trusts and Dock Labour Boards have constituted productivity Committees with the specific objective of increasing productivity.
- (iii) The level of mechanisation in the ports is low. While this position will continue to prevail during the Seventh Plan, the accent will be on modernisation and replacement of old and low productive equipment during the Seventh Plan.
- (iv) The 7th Plan will give a high priority to augmentation of container handling facilities in the four major ports of Bombay, Calcutta, Cochin and Madras, besides the speedy completion of the new port of Nhava—Sheva.
- (v) Incentive schemes for increasing productivity are in existence in most areas of cargo handling operations. More such schemes have been introduced. The Department has also undertaken the preparation of a draft productivity-linked bonus scheme and we hope to discuss this with the four labour Federations in the near future.

As a result of the steps taken by BPT, average waiting period at Bombay in 1985-86 came down to 1 91 days, and during 1986-87, there has hardly been any congestion or pre-berthing delays at any of the Ports except when vessels arrive unexpectedly in a bunched fashion despite the fact that during the period April 86 to January 87, the Major Ports handled 99.7 million tonnes of cargo compared to 98.10 MLT of cargo during the corresponding period of 85-86.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

**Recommendation (Sl. No. 7, Paras 2.16 & 2.17)**

Even conceding the peculiarity of Calcutta port of being "125 miles inside the river away from the sea" which takes ships "2½ days in coming and going" as pointed out by the Chairman of the Calcutta Port Trust during evidence, the Committee feel that the turn-round time of 15.30 days at the port during 1984-85 is on the high side when compared with 9.43 days for a more congested port like Bombay during the same year. As for the other reasons attributed by the Port Chairman to the long turn-round time at the port, namely the existence of dry docks for repairs at the port and the necessity of ships coming into the port with import cargoes having to wait for export cargoes on return, the Committee are sure that these also apply to other major ports like Bombay. The Committee are of the view that the turn-round time at Calcutta Port should have compared favourably with Bombay Port keeping in view the fact that the traffic handled at Calcutta now is much less as compared to that handled at Bombay. The Committee recommend that an expert body should go into the question of inordinately long turn-round time of ships at Calcutta Port and suggest positive measures for its substantial reduction.

The Committee regret to note that the turn-round time of ship at Paradip port (9.40 days) is almost as high as that at Bombay (9.43 days). Even though the Department had stated in the material furnished by them to the Committee that the turn-round time of a ship was dependent on various factors like quantity and nature of cargo etc., the Chairman Paradip Port Trust tried during evidence, to play down the role of quantity of traffic handled at the port in turn-round time of ships there, saying that "... there is not much relationship between traffic handled and turn-round time". The Committee feel that the high turn round time at Paradip (9.40 days) is not justifiable in view of the quantum of cargo handled at the Port and necessary corrective steps should be taken to reduce it substantially. Similarly, the turn-round time at New Mangalore (8.21 days), Visakhapatnam (7.53 days) and Kandla (7.43 days) also appears to be on the high side and merits close scrutiny with a view to reducing the same.

**Reply of Government**

The Estimates Committee have pointed out that the turn round time of vessels at Calcutta is high as compared to Bombay and sugges-

ted that an expert body, should go into the question of inordinately long turn round of ships at Calcutta Port and suggest positive measures for its substantial reduction.

The turn round time of a ship is dependent on various factors like quantity of cargo to be handled, nature and conditions of the cargo, type of ship, weather conditions, facilities available for discharging cargo, type of packing, parcel size, work stoppage and strikes, number of books that can be operated, number of gangs, availability of wagons, clearance of cargo from the quay/sheds, etc. For example, one ship may have to discharge 1000 metric tonnes at one Port 5,000 metric tonnes at another port. As turn round time of vessels is dependent on quantum of cargo discharged and cargo mix it is difficult to have inter-port comparison.

The turn round time of vessels at Bombay, Calcutta and Haldia are given below for the year 1982-83, 1983-84 and 1984-85.

(In days)

Port	1982-83	1983-84	1984-85
Bombay	6.83	8.61	9.43
Calcutta (excluding Haldia)	13.80	14.30	15.30
Haldia	7	7.40	6.10

At Bombay, the bulk of the traffic handled is through mechanical handling system such as POL Edible Oil and Containers. During 1985-86, out of 24.9 million tonnes of traffic through Bombay, POL and Containerised traffic alone contributed 19.3 million tonnes. Such bulk handling results in higher throughput per day and quick turn round of vessels, whereas at Calcutta, the cargo handled is of varied nature and only 20% of the cargo is handled through mechanised unloading system. During 1985-86, Calcutta handled 4.16 million tonnes out of which only 0.77 million tonnes of POL was handled through mechanical unloading facilities. This has resulted in high turn round time of vessels at Calcutta because of high percentage of general cargo as compared to high

percentage of bulk and containerised cargo at Bombay. At Haldia, as the bulk of traffic was in the form of POL and Coal, the port has recorded lower turn round time.

Even though the higher turn round time at Calcutta is basically related to low percentage of mechanised unloading and high percentage of general cargo, it is felt that perhaps appointment of an expert body would be useful. This body would also look into the turn around time for New Mangalore, Visakhapatnam, Paradip and Kandla as indicated by the Committee.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 9, Para 2.36)**

The Committee are distressed to note that neither specific criteria have been laid down with regard to regulation of inflow of imports and outflow of exports through major ports on behalf of public canalising agencies and through other parties, nor has any sizeable diversion of ships been effected to contain congestion at ports during 1984-85 at major ports except Calcutta. The Department has stated that the Committee on Rationalised Distribution of Cargo "do make efforts to have traffic diverted to other ports if the ports designated are not in a position to handle the projected traffic." The Department has also stated that "there are no provisions/regulations as such for diverting ships to ports other than the destined ones or to alternative ports with a view to easing congestion" and "the diversions resorted to during strike of port and dock workers in March-April, 1984 were on the advice of the Government and these diversions were effected from the reporting stations."

In the absence of specific provisions on the subject, the Committee cannot but conclude that the Committee on Rationalised Distribution of cargo has been playing only a perfunctory role in regulating the inflow and outflow of traffic at various ports and has per force allowed the utilisation of capacities at ports to be decided by market forces. The Committee therefore recommend that (i) the Ministry of Transport may examine the desirability and feasibility of acquiring authority by legislation to effect diversion of cargo ships from one port to the other

in certain circumstances in the interest of smoother flow of traffic (ii) the Inter-Ministerial Committee on Rationalised Distribution of Cargo should lay down certain specific criteria and guidelines to regulate the inflow and outflow of traffic on behalf of both public and other agencies through major ports according to the capacities available at the ports (iii) the Ministry should urgently set up an instant upto date information system in regard to the state of traffic at each port for the use of shippers. To make private parties more amenable to regulations regarding distribution of traffic, a package of incentives and disincentives for better utilisation of capacities at both major and minor/intermediate ports for reduction/diversion of traffic from congested ports should be evolved and introduced at the earliest.

#### **Reply of Government**

The Committee's recommendations that (i) the Ministry of Transport may examine the desirability and feasibility of acquiring authority by legislation to effect diversion of cargo ships from one port to the other in certain circumstances in the interest of smoother flow of traffic (ii) the Inter-Ministerial Committee on the Rationalised Distribution of Cargo should lay down certain specific criteria and guidelines to regulate the inflow and outflow of traffic on behalf of both public and other agencies through major ports according to the capacities available at the ports (iii) the Ministry should urgently set up an instant upto date information system in regard to the state of traffic at each port for the use of shippers, have been considered in detail in the Ministry.

Transportation of goods by ships from one port to another port is under a contractual agreement between the carrier and the shipper. The carrier cannot change the port of discharge without the concurrence of the shipper. The shipper may allow diversion of cargo to another port only if that works out cheaper for him. Acquisition of authority through statutory power means interference with the contractual agreement between the carrier and shipper. The cargo arriving at a port is basically meant for the users most of whom would be located in the hinterland of the Port. Any diversion of cargo may lead to rail and road transport bottlenecks and may lead to higher unit cost for the users. Before ordering diversion a number of factors like :—

- (a) availability of inland transport and other needed infrastructure in and from the port to which the cargo is diverted;



- (b) distance from the new port to the places of consumption.
- (c) comparative costs to the shipper if the cargo is diverted, have to be considered.

The intake of ships in particular Ports depends not only upon the destination and hinterland infrastructure, but also upon the availability of dedicated facilities at certain ports. In view of above, it is felt that it is not desirable to acquire authority by the Government from congested to less congested ports. Acquisition of such authority enforcing compulsorily diversion of ships, may result in uneconomical transportation of goods and may strain the available infrastructural facilities. It will also militate against the Convention and Statute on the International Regime of Maritime Ports, Geneva, December 9, 1923 which gives on the basis of reciprocity the freedom of access to the ports to vessels of foreign countries and the full enjoyment of the benefits as regards navigation and commercial operations which it affords to vessels, their cargoes and passengers belonging to itself. Perhaps if we take power to divert ships, foreign States might also take up such legislative powers for our ships going to their countries on principle of reciprocity and may prove harmful to Indian Shipping. Voluntary appeals or request to divert to them to port which are less congested at a point of time may be helpful.

The inter-Ministerial Committee on Rationalised distribution of Cargo allocates the bulk cargo being imported into the country on Government account. The representatives of the user agencies and ports meet once in a quarter under the Chairmanship of a senior officer of the Ministry of Surface Transport and allocate the cargo among the different ports taking into account the handling capacity of the port, the preference of the importer, availability of infrastructure etc. Even though no criteria for allocation of such cargo among various ports has formally being laid down, in the light of the functioning of the Committee, the following criteria has emerged :—

- (i) The allocation of traffic will be made amongst Ports as per the references of the importer, to the extent possible.
- (ii) Where the preference of the importer cannot be fully met, the cargo which cannot be handled in the preferred port will be distributed among other ports in his order of preferences.

Government feel that in the long run, economic considerations will ultimately decide whether an importer diverts his ship from one port to another. Waiting for a berth at a preferred port has a cost to the importer and diverting a ship to another port also has a cost. An importer will have to weigh the comparative advantages and then take a decision.

Regarding recommendation relating to upto date information system on the state of traffic, the information is being made available by the ports on demand by the shippers. Government have also decided to accept the recommendation of the Major Ports Reforms Committee that periodical meetings should be held by the Port Management with the Shipping Lines where availability of berths and their allotment can be discussed.

The Government is happy to point out that for the last several months has been hardly any congestion at major ports due to effective monitoring done by the Chairmen of the Port Trusts and the Ministry. Therefore, there seems to be no need for a package of incentives and disincentives for better utilisation of capacities. However, the recommendation of the Committee in this connection is being sent to the ports.

**Recommendation (Sl. No 10, Paras 2.46, 2.47 & 2.48)**

The Committee need hardly stress that there is an imperative need for pre-loading checking for stricter quality control of sensitive cargoes like fertilisers and sugar at the foreign ports before shipment to India. They are also firmly of the opinion that cargoes of fertilisers and sugar, which are prone to the vagaries of weather, should be handled expeditiously and with utmost care on arrival at the various ports. The Committee are distressed to find that such sensitive cargoes are still being handled manually even though the Government has conceded for long the need for mechanisation of the handling operations fully. Now that a national project of handling and storage of fertilisers and sugar has been conceived, the Committee hope that both these cargoes will be expeditiously handled on arrival at the ports and will be saved from damages owing to the vagaries of weather.

The Committee are unhappy to learn that a large quantity of sugar amounting to as much as five thousand bags was damaged because of

rains in 1984. They attribute this loss to the total lack of coordination on the part of the Government, port authorities and canalising agencies. All these authorities have to gear up their working and show better results by avoiding recurrence of any such losses in future.

The Committee also desire that while allocating the ports of call to ships carrying fertiliser and sugar, the weather conditions in the ports at the time of call should be duly taken into consideration and with this end in view the Committee on Rationalised Distribution of Cargoes should maintain close and better liaison with the metrological department.

### **Reply of Government**

The question of pre loading checking for stricter quality control of sensitive cargoes like fertilisers and sugar at the foreign load ports has been discussed with the importing Ministries. It is reported that the pre loading checks are carried out by Independent Surveyors with regard to quality and weight of the cargo, vessels fitness and cleanliness etc.

The observations of the Committee for expeditious handling and clearance of sensitive cargoes and for better coordination among various agencies have been noted and will be adhered to in future. For maintaining better Liaison with the meteorological department a representative of the meteorological department will also be invited for the meetings of the Standing Committee on RDC.

[Ministry of Surface Transport O.M. No. PR—19016/1/86 PG  
dt. 27-2-1987].

### **Recommendation (Sl. No. 11, Paras 2.58 & 2.59)**

The Committee are distressed to note that demurrage to the tune of Rs. 3.76 crores in 1982-83, Rs. 2.34 crores in 1983-84 and Rs. 3.80 crores in 1984-85 was paid to the ship owners by the Department of Agriculture and Cooperation on account of excess time taken at loading port, pre-berthing and post berthing detention of ships at the discharging ports. Though Government has not furnished the exact figure, the Committee assume that a major portion of this demurrage must have been paid in foreign exchange, thus causing

undue strain on the country's meagre foreign exchange resources. The Committee fear that the figure of demurrage paid in foreign exchange could be far more staggering if data regarding such demurrage paid to the ship owners on behalf of all the canalising agencies under the Ministries of Agriculture, Industry, Commerce, Petroleum etc. had been made available to the Committee. In these circumstances the Committee cannot but conclude that there is utter lack of control supervision and coordination in the matter of cargo handling operations causing all-round delays for which compensation has been paid by the Govt. largely in foreign exchange to the foreign ship owners. The Committee would like the Govt. to immediately appoint an expert body to go into the reasons for the payment of such heavy demurrage/compensation to the ship owners year after year and to suggest necessary corrective measures in this regard.

The Committee are amazed to learn that instead of improving the performance of the F.C.I. in handling fertilizers at various ports, the handling operations were assigned to an agency called SPIC (Southern Petro-chemical Industries Corporation) for fertilizers handling operation by this agency at Vizag. Port resulted in a extra payment of Rs. 27 lacs in foreign exchange by way of compensation to the shipowners for delay in discharging the cargoes. The Committee would like the Government to recover this amount from SPIC for which an assurance was given to the Committee during evidence by the representative of the Ministry of Agriculture. The Committee would also like the Govt. to reconsider the new arrangements regarding handling of fertilizers at ports with a view to effect improvement therein in the light of the past experience.

### **Reply of Government**

This was examined in consultation with Ministry of Agriculture and other user agencies. According to information furnished by them Demurrage comprises of two components-Demurrage at load ports and Demurrage at discharge ports. Arrangements at load ports are the responsibility of the suppliers who pay demurrage to shipowners on account of pre-berthing detention or any other reason. Government liability is not there in such cases. At discharge Ports when there is delay in allotment of berth to the vessels, demurrage on account of

pre-berthing detention is to be borne by the Government. If there is delay on the part of the handling agents either in commencement of discharge operations after allotment of berth or discharge rate is slow, which results in accrual of demurrage, the liability for payment of such demurrage is ultimately that of the handling agents.

In order to examine the whole issue in proper perspective information is being collected from all the user agencies and Government departments regarding overall payment of demurrage to ship owners at Indian Ports. The appointment of an expert body to go into the reasons for payment of heavy demurrage will be done after compilation of the required information as this would reveal which are the problem areas.

Regarding handling arrangements for Fertilizers the matter was taken up with the Department of Fertilizers, Ministry of Agriculture. They have clarified that the Food Corporation of India was inducted as handling agents on commercial basis during 1984-85 at Kandla, Bombay, Madras and Vizag Ports. It was reported that the FCI had expressed their inability to handle fertilizer vessels to the extent agreed to by them earlier at the above years. In order to overcome this difficulty an additional handling agency was inducted at each of the above ports, and SPIC was introduced as the agency for Vizag Port.

As per the information furnished by the Ministry of Agriculture despatch/demurrage liability on account of vessels handled by any particular handling agency is taken up for settlement on a year to year basis. Despatch/demurrage issues with respect of SPIC have been settled upto 1983-84. The settlements for the subsequent periods are yet to take place. No despatch money is being released to SPIC pending adjustment of demurrage which is recoverable from them on account of detention to any vessels at Vizag and any other ports assigned to them during the last two years.

[Ministry of Surface Transport O.M. No. PR—190 16/1/86—PG  
dt. 27-2-1987]

#### **Recommendation (Sl. No. 12, Para 2.71)**

The Working Group of the Planning Commission on the High Sea Sales of canalised Imports (1982) was "in favour of continuation

of high sea sales" and thought that port congestion "to the extent it can be attributed to high sea sales of canalised cargo falls basically in the area of port and trade management." The Chairman, Calcutta Port Trust during evidence pin pointed the problem of congestion arising out of international practice of high sea sales by admitting that "the whole point is that documents quite often do not go to the parties in time and therefore the port authorities do not know which is the party to whom to press" for clearance of cargoes involved in such sales. He also informed the Committee that "some parties are in the habit of using ports as warehouses". The Additional Secretary in the Department mentioned in this regard that "in many cases the consignee may not come with documents". The Committee are of the firm view that the responsibility for expeditious clearance of cargoes involved in High-Sea-Sales should be shared by the concerned canalising agency also not only by expediting the movements of documents to ultimate consignees under intimation to Ports concerned, but by creating special storage facilities for such cargoes in and around the Ports in collaboration with the Port Trusts concerned. The Committee hope that due priority will be given by the authorities to both expeditious movements of documents as well as creation of additional storage facilities for cargoes involved in High-Sea-Sales.

### **Reply of Government**

For expeditious clearance of cargo instructions have already been issued to the Ports for setting up of Co-ordination Groups associating the representatives of various canalising agencies and other user interests. These instructions have been reiterated once again. However, it may not be feasible to create additional storage facilities in a Port like Bombay where there is an acute shortage of space for constructing special godown facilities.

[Ministry of Surface Transport O.M. No. PR—19016/1/86—PG  
dt. 27-2-1987]

### **Recommendation (Sl. No. 12, Para 2.72)**

In so far as the habit of certain parties to misuse ports as warehouses is concerned, the Committee strongly recommend an upward revision of demurrage as a check against the malpractice.

### Reply of Government

During the last revision of Port charges, the demurrage charges at most of the ports have been subjected to an effective upward revision. The existing rates are quite high. On account of this, the practice of misusing the port warehouses by certain parties for storing cargo for unduly long periods has been considerably reduced. If, however, it is found in certain cases that there are possibilities of such malpractices being resorted to by the parties, a further revision from the present level of demurrage charges would be considered.

[Ministry of Surface Transport O. M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

### Recommendation (Sl. No. 13, Para 2 76)

The Committee regret to note that even in an acutely congested port like Bombay, the existing dredging capacity is not adequate and the port, equipped with very old dredging units, is concentrating dredging efforts on selected areas only. The Committee are of the view that with its sound financial position it should not have been difficult for the port authorities to acquire adequate dredging equipment in time to tackle the "heavy back-log of dredging" in the various locations of the Port. The Committee hope that it would now be done expeditiously.

### Reply of Government

Shortfall in dredging capacity of the Bombay Port is mainly in respect of grab dredging along side of berths. To augment this capacity, orders have been placed for a back hoe dredger and complement of barges and tugs. This unit is expected to be available for operations by March, 1987.

The Port is also in touch with DCI for using one of its existing dredgers to get the dredging work done in Ballard Pier, Harbour wall, Harbour Wall channel and in the berth at Pir Pau. DCI have no grab dredgers as the dredging alongside of berths is normally done by the Ports themselves. A draft agreement between DCI and Bombay Port Trust for carrying out the above dredging is in an advanced stage of discussion.

Proposal for replacement of old dredgers "VIKRAM" and "VIKAS" were mooted in the Sixth and Seventh Five Year Plans, but these could

not be included in the Approved Plan due to reduced Plan allocation. However, as stated above, Bombay Port has already placed an order for a back-hoe dredger to augment dredging capacity and are also in touch with DCI to assist them in the matter.

[Ministry of Surface Transport O. M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 13. Para 2.77)**

The Committee are distressed to note that the existing dredging capacity in ports like Calcutta/Haldia and Cochin is also not adequate and Dredging Corporation of India is unable to supplement the dredging efforts of these ports because of other commitments. At other major Ports the designed drafts are being maintained with the assistance of DCI dredgers. The Committee feel that each Port Trust should gradually build up its own dredging fleet for day to day operations and look forward to the DCI only for large scale dredging operations at periodic intervals. To entrust the dredging work in respect of all the ports to a single organisation would not be practicable as the DCI may not be able to meet needs of all the ports if demands are made simultaneously.

One of the Study Groups of the Committee, which visited Paradip Port in September, 1985, noticed that a dredger belonging to Dredging Corporations of India was lying sunk in the Port, thereby disrupting the smooth inflow and outflow of traffic from that Port. The Committee would like the Government to immediately make arrangement for removal of the sunk dredger from the port so as to facilitate the flow of normal traffic there.

#### **Reply of Government**

There is gap between the dredging capacity and dredging requirements in the Ports Sector. The effort is to make the best use of available capacity to meet the requirements in the most effective manner possible. While dredging Corporation of India has been formed with the object of taking care of the Dredging requirements of the major ports, certain ports, who have their own dredgers attend to their maintenance dredg-



ing. The Following ports have their own dredgers as given below :—

Bombay	9
Madras	8
Calcutta	8
Mormugao	3
Cochin	3
Visakhapatnam	5

During the 7th Five Year Plan, the following ports have provision for acquiring of dredgers of their own :—

Cochin	1
Madras	2
Kandla	2

Ports who do not have their own dredgers, depend on DCI to carry out their entire maintenance dredging through out the year. However, as acquisition of dredging equipment for channel dredging requires heavy investments and their maintenance and management need a high degree of expertise, it was considered that it would be desirable to pool the resources and efforts in future, wherever possible, through a single agency. Dredging alongside the basins and inside the basins would continue to be done by the Ports themselves.

Measures to effect wreck removal of DCI dredger, MOT III grounded near Paradip approach channel have already been taken. The salvage work given to a foreign contractor after issue of global notices commenced in early November, 1986.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 14, Para 2 89)**

The Committee regret to note that the centrally Sponsored Scheme for development of minor/intermediate ports could not be revived even under the Seventh Five Year Plan as recommended by the Committee in their 41st Report (1982-83) and the provision of Rs. 100 crores as

outlay for development of intermediate and minor ports recommended by the Working Group of the Department has been pruned to Rs. 20 crores only. The Committee agree with the National Shipping Board that the Government should develop minor/intermediate ports not only to reduce congestion in major ports but also to reduce the commercial dependence on a few major ports on account of strategic reasons so that national commerce is not too much disrupted in the event of a crisis of any kind. The Committee, therefore, endorse the recommendation of Working Group of the Department that Central assistance should be made available for development of intermediate/minor ports on a selective basis during the current plan so that at least some of these ports could play a complementary role to major ports to a substantial extent in normal times and a major role in times of a crisis.

In this connection the Committee understand that adequate infrastructure has been provided at many intermediate/minor ports in country, like Porbunder, at a huge cost but it is going waste due to lack of enough traffic. The Committee feel that if traffic is diverted from the congested ports to the intermediate/minor ports where adequate cargo handling facilities are available, it will go a long way not only in relieving congestion in the congested ports but also in providing necessary fillip to these ports where the capacities are grossly under-utilised at present.

#### **Reply of Government**

The Working Group on Port Sector for 7th Plan had recommended a provision of Rs. 100 crores as Central assistance to the State Governments for the development of intermediate/Minor ports on selective basis. Besides, the Working Group also recommended upgradation of two intermediate ports as Major Ports for which a separate provision of Rs. 25 crores was recommended. However, due to resource constraint, the outlay finalised for the 7th Plan for the Port Sector as a whole makes provision of Rs. 20 crores only for improvement/development of minor ports. Planning Commission has suggested that one port on west coast and one port on east coast could be developed.

A sub-Group of the Working Group for Port Sector was set up for identifying such minor ports in each maritime state for their develop-

ment under central assistance. The Sub-Group invited detailed proposals from the maritime state Governments and the total cost of the proposal as received by the Sub-Group is as under :-

(Rs. in crores)

1. Gujarat	65.24
2. Maharashtra	29.47
3. Karnataka	18.50
4. Kerala	47.94
5. Tamil Nadu	2.75
6. Pondicherry	1.87
7. Andhra Pradesh	50.20
8. Orissa	27.70
9. Goa	4.05

Total : 247.72

In view of the meagre outlay, the sub-Group did not deliberate further on the issue and sought the direction of the Ministry. As a result, the Ministry is examining the potential of minor/intermediate ports with respect to existing infrastructure, traffic handled in the past five years and the existing port facilities for identifying one port on west coast and one port on east coast.

Most of the Minor/Intermediate Ports with a few exceptions, are lighterage ports where ships cannot be brought alongside the berth for discharge of cargo. They also generally lack essential infrastructural facilities like Rail connection warehousing facilities. But despite this user Ministries, especially Deptt. of Agriculture has been taking steps to unload a part of the imported fertilisers in Minor Ports.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

Recommendation (Sl. No. 14, Para No. 2.90)

The Committee also urge the Government to consider allocation of funds during Seventh Plan for Ports Sector in general

and for development of selected minor/intermediate ports in particular. Meanwhile the Committee hope that the process of identifying suitable minor/intermediate ports for the Central assistance will be expedited.

#### **Reply of Government**

As indicated in reply to para 2.89

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 15, Para 3.2)**

The Committee note that the Government has accepted the recommendation of the Directing Group on Simplification of Port Procedures (1984) for reducing the present limit of two months for the clearance of the cargoes to 45 days. The Committee hope that necessary legislation for amendment of the Major Port Trusts Act, 1963 will be brought before the Parliament without any further delay.

#### **Reply of Government**

A comprehensive Amendment to the Major Port Trust Act on the basis of recommendations of the Directing Group on simplification of port procedures and the Major Ports Reforms Committee which has submitted its report on 1st December, 1986 is under consideration in the Ministry. The proposed Amendments to the Act include provision for reducing the present limit of two months for the clearance of cargoes to 45 days. The Major Ports Reforms Committee in its report received in December, 1986 has also made a number of recommendations which, if accepted, would necessitate amendments to the Act. The question of bringing up proposals for amendments to the Act is under the consideration of Government. The recommendation of Directing Group when sought to be translated on the ground have thrown up certain snags. Computer studies have been taken up to overcome the snags. The comprehensive legislation will be brought after overcoming the problems.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

### **Recommendation (Sl. No. 15, Para 3.3)**

In view of the evidence of the Additional Secretary of the Department that 90% of the cargo of the private parties was being cleared within the available free time, the Committee agree that there is no need to allow any rebate for the purpose. They commend the recommendation of the Shipping Board (Report 1983-85) that the demurrage charges should be revised upwards so that the consignees clear their cargoes within the stipulated period and do not use the ports as warehouses.

### **Reply of Government**

During the last revision of Port charges, the demurrage charges at most of the ports have been subjected to an effective upward revision. On account of this, the practice of misusing the port wharves by certain parties for storing cargo for unduly long periods has been considerably reduced. If, however, it is found in certain cases that there are possibilities of such malpractices being resorted to by the parties, a further revision from the present level of demurrage charges would be considered.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

### **Recommendation (Sl. No. 16, Para 3.5)**

The Committee note that the demurrage realised during 1980-81, 1981-82, 1982-83, 1983-84 and 1984-85 by Bombay Port was to the tune of about Rs. 30.56 crores, 38.63 crores, 43.78 crores, 34.92 crores and 55.54 crores respectively. The demurrage waived during the same period was about Rs. 6.19 crores, 9.95 crores, 8.6 crores, 5.54 crores and 12.51 crores respectively. So far as Kandla Port is concerned, the demurrage realised during the years 1981-82, 1982-83, 1983-84 and 1984-85 was to the tune of about Rs. 2.9 crores, .47 crores, .15 crores and .37 crores respectively and the demurrage waived during the same period was .04 crores, 0.27 crores, 1.2 crores and .30 crores respectively. The position is no better in Calcutta, Cochin, Madras and other ports. The Committee need hardly point out that the realisation of demurrage is directly linked with the use of Port premises as warehouses by some unscrupulous consignees to achieve their own

ends, viz. (a) finding a convenient and cheap storage place at the ports and (b) jacking up prices of the goods imported by creating artificial scarcity thereby resulting in avoidable congestion in the Ports. The Committee are, however, distressed to note that very large amounts of demurrage have been waived at Bombay, Kandla, Cochin, Madras, Calcutta and other Ports. They are firmly of the opinion that the question of waiving the demurrage should arise either when the demurrage has not been correctly levied and there is mistake in calculation or the law and the rules have not been correctly interpreted. There is also scope for malpractices : first to harass the consignees demurrage is levied on unsustainable grounds and later on a compromise may be reached and demurrage reduced. The Committee would like the Government to have the matter examined in depth in order to find out whether any malpractices have been indulged in while levying as well as waiving the demurrage not only at Bombay and Kandla Ports but at other Ports also. This enquiry has also to be directed towards finding out whether the same or similar type of consignments attracting demurrage were involved in the exemptions and also whether the consignors/consignees liable to pay demurrage were the same in series of cases and through the same clearing agents. The Government may also consider amending Section 53 of the Major Port Trust Act, 1963 for making the provisions more stringent so that the waiving of demurrage is granted only in exceptional and compelling circumstances or where there is a genuine mistake in calculation.

#### Reply of Government

As regards the Committee's suggestion that the question of waiving demurrage should arise either when the demurrage has not been correctly levied and there is a mistake in the calculation or the law and the rules have not been correctly interpreted, it is submitted that in such cases, the demurrage is legally refundable provided the claims therefor, are filed within 6 months from the date of payment as prescribed in Section 55 of the Major Port Trusts Act, 1963. Such cases do not fall under Section 53 of the Major Port Trusts Act.

2. At present, waiver of demurrage is normally considered by the Port Trusts in respect of the following cases :—

- (i) Gift cargo consigned to charitable and welfare organisations, public hospital primarily run on non-profit basis or educa-

tional and scientific institutions provided the cargo has been exempted from customs duty.

- (ii) Cargo imported by welfare organisations, educational and scientific institutions intended for their own use.
- (iii) Goods imported by diplomatic or consular corps and officials of International Bodies like the United Nations and its affiliated Bodies, students & research scholars.
- (iv) Individual cases where there is apparent hardship or the rent recoverable is disproportionate to the value of the goods or there are other special circumstances warranting a more liberal treatment or special consideration.

3. The port wise position of demurrages levied and waived is indicated below :—

#### **Bombay Port**

During the year 1985-86, the demurrage realised was Rs. 62.19 crores and demurrage waived was Rs. 7.21 crores.

#### **Kandla Port**

The Port Trust have informed that demurrage waived from 1981-82 to 1984-85 is as follows :—

Year	Amount of demurrage actually waived (in Rs.)
1981-82	3.73 lakhs
1982-83	26.16 lakhs
1983-84	102 lakhs
1984-85	0.3 lakhs

During the year 1985-86, demurrage charges amounting to Rs. 9635.80 have been waived.

**Calcutta Port**

Demurrage realised and demurrage waived by the port from 1980-81 to 1985-86 is as follows :

Year	Demurrage realised (Rs. in crores)	Demurrage waived (Rs. in crores)	Percentage of demurrage waived to demurrage realised
1980-81	19.74	0.30	1.52
1981-82	19.98	0.19	0.95
1982-83	37.66	0.04	0.11
1983-84	28.22	0.34	1.20
1984-85	45.17	0.06	0.13
1985-86	23.21	0.31	1.34

It may be seen from the above figures that the demurrage waived formed less than 1.5% of the demurrage levied.

**New Mangalore Port**

No demurrage has been waived at the Port during the last two years.

**Tuticorin Port**

In this Port, demurrage accrued is not significant. The position during the last few years is as follows :—

Year	Amount of demurrage accrued	Remission granted
1982-83	2.72	0.06
1983-84	11.90	3.19
1984-85	8.58	—
1985-86	0.68	0.15

(Rs. in lakhs)



**Madras port**

The details of demurrage charges realised and waived during the last five years are as follows :—

(Rs. in lakhs)			
Year	Demurrage charges realised	Demurrage charges waived	Percentage of charges waived to charges realised
1980-81	485.12	26.66	5.49%
1981-82	512.95	3.54	0.69%
1982-83	510.37	15.45	3.02%
1983-84	418.41	27.58	6.59%
1984-85	876.82	26.84	3.06%

The percentage of amount waived to the amount realised has ranged between 0.69% and 6.59% indicating a low percentage of waiver.

**Paradip Port**

At this port, waiver has been granted only in cases of storage unavoidable due to strike and prolonged adverse weather conditions, not permitting removal cargo from sheds.

**Visakhapatnam Port**

Waiver/remission of demurrage charges are being considered only in exceptional cases depending upon the merits of each individual case. The demurrage charges collected and the waivers during the last 3 years at this Port is as under :

(Rs. in crores)			
Year	Demurrage charges	Remission	% of
1983-84	4.67	0.0475	1.02%
1984-85	5.98	0.0002	0.04%
1985-86	4.50	0.055	1.22%

It could be seen from the above that remissions granted worked out around 1% of the total demurrage charges.

### **Cochin Port**

The Chairman, Cochin Port Trust has informed that no instance of levying demurrage charges on unsustainable grounds has been noticed. Wherever remission was granted subsequent to levying demurrages, such decisions were taken only on the merits of individual cases without any consideration of the party or the type consignments. In most of the cases it was found that the delay in the clearance of cargo was beyond the control of the consignees and was mainly on account of the delay in getting clearance from the Customs, Port Health Organisation etc.

### **Mormugao Port**

With upward revision of shed rents with effect from 29-7-83, there is no possibility of misuse of portpremises as cheap warehouses. In the last two to three years, there has been practically no case of remission. Even earlier, the cases of remission were on merits and were very few.

4. With a view to closely scrutinising the revenue receipts of port trusts and analysing the lacunae and loopholes in the procedure for levy and the collection of charges and remission, certain proposals to institutionalise arrangements by means of setting up of internal Audit Parties at the Ports and a permanent organisation in the Ministry are under consideration. A temporary Audit Party from the existing staff of office of Controller of Accounts has been formed which had conducted a Test Check of the revenue receipts of Cochin and Bombay ports. This Audit Party is also examining the various remission cases of the Bombay Port Trust. General instructions have also been issued to all the ports that whenever remission of charges is granted, there should be speaking orders.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-PG  
dt. 27-2-1987]

### **Recommendation (Sl. No. 16, Para 3.6)**

The Committee also suggest that a proper procedure should be devised for registering the complaints, if any, from the Clearing Agents in regard to levying and waiving the demurrage charges and recording disposal thereof in all the Major Ports.

## Reply of Government

The matter has been taken up with all the Major Ports. The detailed position explained by the Ports in regard to the procedure for registering the complaints from the Clearing Agents regarding levy and waiving of demurrage charges and recording disposal thereof is indicated below :—

### *Bombay*

Under the existing procedure, there is a system of recording a log entry at the transit shed and/or warehouse. Whenever the importers find that their goods are not available for Customs examination or for delivery, log entry is granted provided documents bearing the Custom order for examination and documents of title are lodged or documents showing that the goods are released out of Customs' cargo. In order to prevent misuse of this facility, it is provided that the Shed Superintendent in charge of the transit shed or Warehouse will obtain the approval of the sectional Assistant Manager before granting it. It is open to the importers or their clearing agents to approach the Deputy Manager of the Docks concerned if they are aggrieved by the decision of the Assistant Manager in the matter of granting log entry. In the cases where log entry is made no demurrage is recoverable from the date of lodging it till the second working day of the intimation of availability of the consignment/s for Customs examination or for delivery as the case may be. Should there be any instance of importers or their clearing agents being aggrieved by the decision of the concerned Deputy Docks Manager in the matter of granting a log entry or waiver of demurrage in cases where such entries have been granted they can approach the Addl. Docks Manager or Docks Manager for redressal of their grievances. Besides, the Port Trust have introduced a system for attending any grievances that the users of the Port may have in which case they can approach the Deputy Docks Manager, who sits in the office of the Docks Manager. Grievance of any kind pertaining to the services to be rendered by the Docks Department can be taken up with him for redressal. Under this arrangement any problem enacted with lodging of a log entry or waiver of demurrage under the rules can also be taken up with him for solution.

*Kandla*

At Kandla Port, procedure is existing for registering complaints, if any, received from the Clearing Agents in this regard. All applications so received are examined on their merit and wherever the case deserves consideration of waiver of demurrage charges, under the prescribed rules and regulations, same is acceded to. Those cases where requests are not found reasonable are attended to by a reply to the party giving the reasons for not acceding to the request. As suggested by the Estimates Committee a register for such complaints is being introduced.

*Madras*

Under the Tottenham system followed at this Port, all letters from User Agencies in the nature of complaints, request for waiver of demurrage charges, etc., are registered in the registers and disposal watched and recorded therein, after taking the orders of the competent authority.

*New Mangalore Port*

On receiving the bills raised in connection with the realisation of the port charges, the C&F agents are free to examine whether the bills have been levied correctly or not. If any error is found in the bill, they represent the same to the Port Administration for rectifying the bills. If any error is found, the same is rectified early.

*Visakhapatnam Port*

Representations from clearing and forwarding agents for waiver of demurrage charges are registered in a register and disposal of the same recorded.

2. As regards other Ports, they have informed that suitable action is being taken by them in order to look into the cases relating to registering and disposal of complaints regarding levy and waiver of demurrage charges. General instructions to all the Ports in this regard, in the light of recommendations made by the Estimates Committee, have also been issued.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-PG  
dt. 27-2-1987]

### Recommendation (Sl. No. 17, Para 3.10)

The committee note that to encourage discharging of cargoes in midstream, a subsidy scheme is being administered in Bombay Port and subsidy was enhanced from Rs. 30/- to Rs. 45/- per ton for partial and from Rs. 60/- to Rs. 90,- per ton for total discharge of cargo in midstream at Bombay Port. The Committee do not find any favourable impact of the increase of subsidy on discharge of cargo in midstream as the tonnage has come down from 2,25,798 in 1983-84 to 1,67,484 in 1984-85. The figures for the first six months of 1985-86 (57,105 tonnes) also do not show any encouraging trend. In the circumstances, it merits reconsideration whether the scheme should be continued beyond September, 1986.

### Reply of Government

Subsidy on midstream discharge was introduced to ease congestion of waiting vessels at Bombay. Reduction in tonnage discharged in stream is in fact favourable development for Port Operations and shows that the ships are successful in securing berths immediately. In this context scheme for payment of subsidy has been reviewed by the Bombay Port authorities. It was initially decided to discontinue it with effect from 1st October, 1986, but because of reduction in draught due to repairs to lock gates at Indira Dock, the scheme is being allowed to continue.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-PG  
dt. 27-2-1987]

### Recommendation (Sl. No. 18, Paras 3.16 & 3.17)

The Committee are glad to note that the recommendation of the Directing Group of the Department for establishment of a Central Documentation Centre at each major port was accepted by the Government and instructions were issued to implement it from 1st January, 1986. The Committee hope that the Centres have since been set up at all the major ports as envisaged. They trust that the Port authorities will see to it that these Centres actually ease the users' problems with regard to receiving indents and other service requests, customs facilities, import trade control clarifications, pre-shipment inspection services etc.

During evidence, the Additional Secretary to the Department stated that "In all (Major) ports there are Committees which consist of representatives of various agencies, which meet regularly". However, from the testimony of certain non-officials before the Committee it appears that the standing coordination Committee at certain ports are not so effective as to satisfy the local importers/exporters. The Committee therefore recommend that composition of these Committees at all the major ports should be received and adequate representation given to all the agencies and interests concerned with the working of the port.

#### **Reply of Government**

The observations of the Committee have been noted. Improvement of level of services is a continuous process and Ports are being advised from time to time to improve their efficiency whenever any shortfall or bottleneck in their efficiency is noticed or reached the attention of the Government. The Central Documentation Centre has been set up at all Ports except Bombay and Calcutta. At Calcutta civil engineering and renovation work is in progress for the CDC.

Ports have been advised to review the composition of the standing coordination committees and to give adequate representation to all the agencies and interests concerned with the working of the Port.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-PG  
dt. 27-2-2-1987]

#### **Recommendation (Serial No. 19, Para 3.21)**

The Committee endorse the recommendation of the Directing Group of the Department on Simplifications of Port procedures that there is an imperative need to upgrade the level of services being rendered at Ports for quick clearance of cargoes. The Committee hope that the recommendations of the Directing Group which were to be implemented by 1st January, 1986, have since been implemented and the revised procedure brought into force. They would like to be apprised of the position.

#### **Reply of Government**

The recommendations of the Directing Group is being implemented by the Ports in a progressive manner. Implementation of some of

the recommendations require prior amendment to the Major Ports Trusts Act 1963 and Indian Ports Act 1908. This is being processed by the Department. In respect of the recommendations some snags have been noticed. Computer studies to overcome these have been taken up.

[Ministry of Surface Transport O.M. No. PR-19016/86-  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 20 Paras 3.33 & 3.34)**

The Committee expect the Ministry of Finance to expedite implementation of all the recommendations on customs procedures made by the Directing Group of the Department of Surface Transport and accepted by the Empowered Committee so as to ease the hurdles faced by users and port authorities in the expeditious clearance of cargoes from the docks.

The Committee would also like the Government to extend the one-window delivery system to all other major ports if the response at Madras and Cochin Ports has been found to be encouraging.

#### **Reply of Government**

The observations of the Committee are noted. The implementation of recommendations of the Directing Group as accepted by the Empowered Committee on customs procedure etc. is being actively pursued with the Department of Revenue, Ministry of Finance for speedy implementation. However, all the ports have introduced single window delivery system/Central documentation Centres on the basis of existing documentation except : Bombay and Calcutta.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 21, Para 3.40)**

The Committee are constrained to observe that some stevedoring firms have managed to manipulate the cargo handling operations in Calcutta in such a way that they are in a position to hold the port at ransom whenever their irregularities are sought to be curbed or con-

tained by the authorities concerned. The Committee can well imagine that similar situation must be prevailing at Bombay and other Major Ports. The Committee are, therefore, of the view that an indepth study of the role of stevedores in Major Ports be conducted with a view to check malpractices of stevedores and to find out whether multiple cargo handling agencies should be abolished and instead only one integrated cargo handling agency entrusted with the job. The Committee suggested that this aspect should also be looked into by the Major Ports Reforms Committee which it yet to submit their final Report.

### Reply of Government

The recommendations of the Estimates Committee were brought to the notice of the Major Ports Reforms Committee. Major Ports Reforms Committee has since submitted its Report on 1.12.1986, which *inter-alia*, contains certain recommendations regarding unified cargo handling agency and stevedoring system in the Major Ports. The recommendations of the Major Ports Reforms Committee are under consideration of Government.

(Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987)

### Recommendation (Sl. No. 22, Para 3.44)

The Committee are distressed to note that operation-cost ratio of 147.03 at Paradip Port is the highest among all the ports in the country. They strongly recommend that immediate corrective steps should be initiated to bring down the operation-cost ratio.

### Reply of Government

Although the operational Cost ratio of Paradip was 147.03 during 1984-85, it has come down to 98.82 during 1985-86. This improvement was made possible by handling of more cargo at this Port and upward revision of the Scale of Rates from August 1984. The reasons for high Operational Cost ratio at this Port are as follows :—

- (i) As against a rated capacity of 8.5 lakh tonnes for handling General Cargo, the Port handled 14.63 lakh tonnes of General



Cargo during 1985-86. During the current year also the traffic trend is showing improvement over that of the previous years. As more cargo is being handled at the Port, the Operating Cost is increasing.

- (ii) The Iron Ore handling Plant was installed in 1967. Since it is an ageing plant, it has been giving frequent troubles. In order to keep the Plant in running condition, the Port is incurring heavy expenditure towards its maintenance which is another contributing factor for its high operation cost.
- (iii) Paradip Port, due to its geographical location, is subjected to littoral drift resulting in large scale siltation in the entrance channel and other working areas. This compels the Port to incur considerable expenditure on maintenance dredging which adds up to the high Operational Cost. The expenditure on maintenance dredging alone constitutes about 30% of the total Operational Cost.

2. With a view to reduce the Operational Cost ratio further, following proposals are under consideration :—

- (i) Construction of one more General Cargo Berth, at an estimated cost of Rs. 19.7 crores.
- (ii) Deepening of the Port Harbour to enable the Port to receive Iron Ore Carrier upto 1,70,000 DWT.

(Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987)

#### **Recommendation (Sl. No. 22 Para 3.45)**

The Committee also note that the second highest cost-operation ratio of 93.54 is at Cochin, the third highest of 79.15 at New Mangalore, the fifth highest of 73.44 at Madras and the sixth highest of 67.78 at Visakhapatnam. The Committee urge that the reasons for this high operation-cost ratio should be investigated at these Ports immediately with a view to bring the ratio down at the level of at least that of Bombay, which is 64.11.

## Reply of Government

### Cochin Port Trust

During 1984-85, the operating cost of the Port was 93.5% of the operating income. This was due to the huge expenditure incurred on maintenance dredging. Dredging expenditure during 1984-85 was Rs. 7.96 crores and this accounted for 31.5% of the operating income. In order to bring down expenditure on dredging the port trust have taken action to procure a new grab dredger for maintenance dredging which when commissioned is expected to result in a substantial reduction in dredging costs. Another step taken to reduce operating cost is to have a better control on inventory. When the Stores Complex which is under construction is commissioned, it would be possible to have a better inventory control resulting in reduction in cost. The acquisition of new equipment such as dredgers, Cargo handling equipment etc., will also result in economy in fuel costs. Another step taken towards reduction of operating cost is to have better labour productivity. The Port is closely monitoring labour productivity through the Productivity Committee, Task Force etc. constituted for the purpose. As a result of these steps, the Cost Operational ratio has come down to 89.0% in 1985-86. It is expected that with the further steps that are being taken now, the operating cost ratio will further reduce during the coming years.

### Madras Port Trust

The operating ratio for the Madras Port Trust for the year 1984-85 was 56.9% and not 73.44% as mentioned above. For the year 1985-86, the operating ratio at this port was 55.62%.

### Visakhapatnam Port Trust

The operating ratio of the Port for the year 1985-86 has come down to 66.45%. The main reason for high operating ratios is non-realisation of economic rate for iron ore handled at Visakhapatnam Port due to competition amongst iron-ore export countries. However, some of the areas responsible for high cost of operation ratio are given below :—

- (1) There is surplus shore labour in the Ore Handling pool. While the traffic in Manganese and other ores is at a level of 1.52 to

2 lakh tonnes per annum, the man power kept for this purpose with the port for handling at the dumps is about 762.

- (2) Attractive voluntary retirement schemes have been adopted to reduce this man power. During the year 1986-87, as many as 65 OHL workers retired voluntarily there by reducing the strength of the OHL Workers.
- (3) The system of handling Manganese Ore used to be with the help of skips located on NG platforms to move to the wharf areas from the dumps by NG rail system with the help of NG Steam and Diesel Locomotives. This system appeared to be not giving fruitful results and more expenditure was incurred. The per ton cost of operation is more when compared to the realisation. As such, a new system was adopted recently dispensing with the NG Rail System. In the new system, at the dumps, front-end loaders are deployed to load dumpers, the dumpers move the cargo to the wharf and into the net slings and the net slings are hooked to the wharf cranes for loading into the vessel. With this system, the productivity is more and the costs are less.
- (4) It is proposed to exercise a check on the inventory to keep the cost operation ratio as low as possible.

### **New Mangalore Port**

The operating ratio of the Port was high because of the low capacity utilisation of Kudremukh Iron Ore berth. The traffic of Kudremukh Iron Ore Company Limited during the year 1984-85 and 1985-86 was 1.7 million tonnes and 2.26 million tonnes representing 22.07% and 30.13% of the total capacity during 1984-85 and 1985-86 respectively. During 1986-87 it is expected to increase to 3.5 million tonnes representing 46.67% of the total capacity. The position is likely to improve. Efforts are being made to reduce the revenue expenditure other than maintenance dredging. Consequently operating ratio is expected to improve.

[Ministry of Surface Transport O.M. No. PR-190/6/1/86-  
PG dt. 27-2-1987]

**Recommendation (S. No. 22, Para 3.46)**

The Committee note that the fourth highest cost-operation ratio of 75.84 is at Calcutta Port Trust which has surplus labour of 1329 (including Haldia) in the Port Trust and that of 2038 in the Dock Labour Board. Suitable measures are called for tackle the problem of surplus labour and reduce the operation—cost ratio of this part.

**Reply of Government**

The cost operation ratio of 75.84 relates to the year 1984-85 when the strength of the cargo handling labour at Calcutta was 3195 as on 1st January, 1985. The strength has since come down to 2915 as on 1st January, 1986. In pursuance of Government's policy of ban on recruitment there has been virtually, no fresh cruitment during the last few years except where these were inescapable. The existing strength of surplus work-force will be gradually reduced through normal attrition. Other economy measure adopted include economy in use of consumable stores, reduction in overtime expendituse (variable), condemnation and sale of surplus locos, wagons, cranes, vessels, closing down of un-economic area of operation like the Shalimar section and Northern section of the Port Railway system, Garden Reach Jetties, etc.

[Ministry of Surface Transport O.M. No. PR-190/6/1/86-PG  
dt. 27-2-1987]

**Recommendation (S. No. 23, Para 3.56)**

The Committee regret to note the rise in the number of ship-days lost as a result of labour problems at Major Ports from 2571 in 1981-82 to 4309 in 1983-84. The committee further note that the number of ship-days, lost at Bombay Port during 1984-85 are "not available". The total number of ship days lost at the remaining major ports during 1984-85 comes to 3782. Had the figures relating Bombay Port been made available, the Committee imagine that the total number of ship days lost in all the major ports during the year 1984-85 might have been more than the corresponding figures for 1983-84 during which there was a stoppage of work by employees of all departments" a major ports due to "All India General Strike" from 15th March to 11th April, 1984.

### Reply of Government

The statement showing the number ship-days lost as a result of labour problems yearwise in each Port during 1975-76 to 1984-85 [given as Annexure to reply to point to 23(a)] requires modification, as the Calcutta figures included, ship-days lost at Calcutta due to factors other than labour problems also. The overall figures for Calcutta were given inadvertently and the inconvenience caused in this regard is regretted. The statement has since been modified and also up-dated by incorporating the figures for Bombay for 1984-85 and also the figures for all Ports for 1985-86. A modified and updated statement showing the number of ship-days lost as a result of labour problems yearwise in each port during 1975-76 to 1985-86 is annexed.

2. It will be seen therefrom that the number of ship-days lost as a result of labour problems in 10 major Ports during the last 4 years are as follows :—

Year	Ship-days lost as a result of labour problems
1982-83	204
1983-84	2,378
1984-85	2,668
1985-86	639

There was an All India strike in all major Ports from 15th March to 11th April, 1984 on the issue of Wage Reservation of Port and Dock Workers. Hence the number of ship days lost during 1983-84 and 1984-85 are more as compared to the figures of 1982-83 and 1985-86.

[Ministry of Surface Transport O.M. No. PR-190/6/1/86-  
PG dt. 27-2-1987]

**ANNEXURE**

*Statement showing the number of ship days lost as a result of labour problems—yearwise in each port during 1975-76 to 1985-86*

Name of the Port	Year										
	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
1. Bombay	18	7	907	510	383	259	247	65	1172	717	72
2. Calcutta	Not available		74	66	12	150	1	8	58	721	11
3. Madras	Not available		9	99	73	131	24	69	77	237	16
4. Visakha- patnam	—	—	—	1	94	—	—	—	191	88	12
5. Cochin	—	—	105	75	60	160	47	30	141	284	52
6. Mormugao	39	—	11	217	17	136	49	—	216	217	56
7. Kandla	—	—	—	77	38	132	7	—	110	65	—
8. Paradeep	Not available		9	101	50	17	4	14	24	11	23
9. Tuticorin	—	—	—	—	83	55	146	196	264	236	—
10. New Mangalore	—	—	—	—	—	—	27	22	125	38	397
<b>Total</b>	<b>57</b>	<b>7</b>	<b>1115</b>	<b>1146</b>	<b>810</b>	<b>1040</b>	<b>552</b>	<b>404</b>	<b>2378</b>	<b>2668</b>	<b>639</b>

### Recommendation (Sl. No. 23, Paras 3.57 & 3.58)

The Committee are also distressed to note the recurrent stoppages of work by one or the other section of employees at each major port during the last three years and feel that the state of labour management relations both at macro as well as micro levels at the major ports is far from satisfactory. The Committee consider that labour problems have a direct bearing on the congestion in ports. The labour are naturally averse to modernisation of port operation as they fear cut in employment on this account. The Committee expect that all labour problems should be settled amicably and specific measures initiated to bring home to the labour that modernisation of port operations was ultimately in their own interest.

The Committee are not sure whether any study has been made by the Department of Surface Transport after the aforesaid "All India General Strike by employees of all the Departments" of major ports with a view to find out the quantum of loss incurred as a result of the strike and see how many strikes or sectional stoppages of work by major Ports employees could have been forestalled and averted by timely action on the part of the Deptt. or the port managements. The Committee feel that such a study should be made early to learn lessons from past mistakes, if any, on part of both the Department and major port managements so as to face similar situations in future more correctly. The Department will do well to review the industrial relations machinery in each major port with a view to make them more disciplined, efficient and productive.

### Reply of Government

The number of mandays lost as a result of all Ports strike from 15/16th March to 10th April, 1986 was around 26 lakhs. The principle of 'no work, no pay' was applied in the case of workers who were on strike. The total amount of loss of wages to port and dock workers on this account was estimated at Rs. 15.32 crores. It is not possible to quantify the loss to various other user organisations and economy as the repercussions of strike in ports are very wide ranging and are not susceptible to quantification.

In pursuance of the Estimates Committee's recommendations, 10 operating major Port Trusts and 7 Dock Labour Boards were requested to make a study in respect of the stoppages of work from 1.5.1984 to 30.4.1986 with particular reference to the facts whether strike was restored to after giving due notices of strike, and, if so whether discussions/conciliations were held to settle their issues and avert the strike. Reports of the analysis made by the Port Trusts and Dock Labour Boards reveal that there were 258 stoppages of work either by Port Trust employees or by Dock Labour Board workers or by the workers in the private pools operating in the major ports resulting in sectional stoppages of work. The analysis also reveals that out of 258 stoppages of work, 256 were without prior notice of strike. These stoppages of work were wild cat and on the spot strike by the workers without giving an opportunity to the management to take preventive action in most of the cases. However, remedial action through discussions with the unions had been taken by the management wherever feasible.

As regards settling the labour problems amicably, it may be mentioned that the individual grievances of workers and the representations of unions are initially looked into by the officers in the respective Departments and Heads of Departments with a view to solving them. There are personnel departments/industrial relations cells which also look into the labour problems in the different departments. Periodical meetings are held with the Unions at different levels by the Chairman, Deputy Chairman and other officers of the Port Trust with a view to settling them amicably. The issues of all India nature such as wage settlement or the follow-up action of the wage settlement are discussed at Govt. level with the representatives of the four major Federations of port and dock workers. In this connection, it may be relevant to mention that when a joint communication was sent by the four major federations of port and dock workers intimating their intention to organise an all-India strike in the middle of June, 1986, the representatives of the four federations were called for discussions and as a result of a series of discussions held by Government, the strike threat was averted. Thus, it will be seen that if and when a notice of strike is served, all possible efforts are made by the Govt. as well as the Port authorities to avert the strike and to settle the disputes through negotiations.



Efforts are being made to introduce modern methods of cargo handling and port operations in consultation with the unions of port and dock workers, wherever considered necessary. It is being made known to the labour that modernisation/mechanisation is in the overall interests of the nation and also in the interests of labour in the long run.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG.dt. 27-2-1987]

### **Recommendation (Sl. No. 24, Para 3.61)**

The Committee feel that before fixing the norms for labour productivity, an in-depth study should have been made by the Department/Port authorities and the norms fixed on a scientific basis. However, while there may be some justification for different norms of labour productivity for handling different categories of cargo, there appear to be very wide differences in norms of productivity at various Major Ports for handling same category of cargo. The Committee, therefore, recommend that a fresh expert study of labour productivity at Major Ports may be made with a view to fix on a scientific basis, norms for handling different categories of cargo at all the Major Ports, allowing deviation in the norms only in case a particular category of cargo is handled mechanically or manually at a certain major port.

### **Reply of Government**

The labour productivity norms referred to in para 3.60 of the Report have been evolved by the Ministry of Surface Transport for the purpose of monitoring labour productivity in different ports, but the motivating factor for labour for increasing productivity is the payments under the piece rate/incentive Schemes applicable to them for cargo handling operations. Under these Schemes, datums have been fixed for a gang for a shift, upto the performance of which a worker is paid his daily wage. For performance above the datum in a shift, a worker is paid additional wage in the form of piece rate/incentive earnings. But the piece rate/incentive schemes have been evolved as a result of settlements/Awards under the Industrial Disputes Act, 1947 and as such it is not legally permissible to terminate or modify the schemes unilaterally. The only possible course of action is to revise them by another

settlement with the unions, but the unions are generally opposed to any upward revision of the datum. Govt. accept the recommendation that a fresh study by an expert body be conducted into the norms now existing in different ports for handling different categories in the different piece rate/incentive schemes with a view to identifying needed revisions to the existing norms.

[Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987]

### **Recommendation (Sl. No. 24, Para 3.62)**

The Committee also feel that constant efforts are needed for improving the labour productivity and a more coordinated effort on the part of the user agencies and operation groups should be strived for to achieve this end. Necessary incentive schemes should also be initiated and implemented to draw best out of the labour.

### **Reply of Government**

In the Wage Settlement dated 11.4.84 between the Govt. of India and the four major Federations of port and dock workers it was *inter-alia* agreed that the Federations and their affiliated unions would maintain industrial peace and harmony and to improve port performance during the currency of the wage settlement (1984-87) and also mutually cooperate in the endeavour for improving productivity level in all active areas by at least 15%. At the meeting taken by the then Transport Secretary on 6.8.84 with the Chairmen of Major Port Trusts, representatives of Federations of port and dock workers and the Federation of Associations of Stevedores, it was *inter-alia* decided that the Port Trusts and the Dock Labour Boards may set up Productivity Committees to examine all aspects of productivity. The productivity Committees have since been set up at various Port Trusts and Dock Labour Boards.

Productivity Committees are sub-committees of the Board of Trustees or of Dock Labour Boards wherein the user interests are represented.

A large number of incentive schemes covering cargo handling workers and their allied categories are already in operation. New schemes have already been introduced to cover fresh areas. The incentive schemes introduced since 1984-85 are the following :—

- (i) Incentive Scheme for workers of the coal handling plant at Haldia Dock Complex.
- (ii) Incentive scheme for loading and unloading of containers at Calcutta Port.
- (iii) Incentive scheme for staff of the ore handling Complex of Visakhapatnam Port Trust.
- (iv) Incentive scheme for workers of ore handling plant at Madras Port.
- (v) Incentive scheme for workers handling containers at Container Berth at Madras Port.

[Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987]

#### **Recommendation (Sl. No. 25, para 3.66)**

The Committee are concerned to note that the warehousing accommodation available at Bombay Port can still accommodate only 3.5 lakh packages whereas the number of uncleared packages lying in the port premises after expiry of free time has been about 5 lakhs. This was exactly the position of Storage Space at Bombay Port in 1981-82 according to the data supplied by the then Ministry of Shipping & Transport for the Thirty Second Report of the Committee (1981-82) on Major Port. Precious little appears to have been done during the Sixth Plan by Port authorities to augment the storage space. Now that the proposal for hiring Godowns has also been dropped due to inconvenient locations or terms offered, the Committee hope that the proposal to meet the shortage of 1 lakh square metres of storage space by constructing warehouses to the extent of 70,000 sq. metres during the 7th Plan and developing open land in the port area will be implemented on priority basis so that shortage in storage space at the port can be reduced to the minimum as early as possible.

### Reply of Government

Out of the total short fall of warehousing accommodation to the extent of about 91,600 sq. metres the proposed warehouse at Haji Bunder envisages built up area of about 33,900 sq. metres. The proposal for another warehouse at Incinerator Plot envisaging a built up area of a about 37,700 sq. metres has been kept in abeyance, pending finalisation of the proposal for the exchange of this strip of land at Incinerator Plot with the Land in possession of Defence Authorities in the Sewree area. Further due to the reduced allocation in the 7th Five Year Plan, a token provision for this warehouse at Incinerator Plot has been made in the last year of the Plan. If the issue relating to land is sorted out the possibility of increasing the Plan provision for this work will be explored.

So far as Haji Bunder warehouse is concerned, Government sanction to the estimate was issued on 12-11-86.

[Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987]

### Recommendation (Sl. No. 26, para 3.70)

On their visit to New Mangalore Port, the Committee found sizeable storage Space under-utilised at the port as also a large new storage structure under construction. The Development Adviser of the Department admitted during evidence that occasionally "the sheds are not fully occupied because some of the sheds had been leased out to Fertiliser Corporation of India". It is evident that new Mangalore Port Trust has been in a position to build storage space beyond its own requirements and rent the same out to other agencies. In view of the general financial constraints, the Committee feel that both the Port Trusts and the Department should exercise stricter control on expenditure on building of storage space at a Major Port which is not generally congested, so that the money could be gainfully utilised for other purpose.

### Reply of Government

At present there are two warehouses of 4000 MT each and 6 transit sheds of total capacity of 34,830 MT at New Mangalore Port Trust.

The warehouses have been utilised either by the Port itself for storing cement etc. or renting out the same to other user agencies. As far as the transit sheds are concerned only one shed of 8,000 tonne capacity has been rented out to M/s Mazagaon Dock Ltd. and other sheds are being utilised by the Shipping Agencies for storing of cargo imported or meant for export. The transit shed near the additional general cargo berth will be commissioned shortly.

The Provision made for the construction of additional transit sheds in the 7th Plan outlay has since been deleted in view of storage facilities now available and also due to the overall financial constraints faced by the Port during the VII Plan Period. The provision made for one number of transit shed in the feasibility report for another additional general cargo berth has also been deleted.

[Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-87]

#### **Recommendation (S. No. 27, Para 3.73)**

In view of the representation given by the Bombay Custom House Agents Association to the Study Group, which visited the Bombay Port recently, it is apparent that the recommendation of the Estimates Committee (1981-82) for providing adequate facilities to the Clearing Agents at the Port, has not been implemented in letter and spirit by the Bombay Port Trust. It cannot be expected of the clearing Agents to carry on their operations smoothly unless they have some space in the dock area to keep their papers telephone facility etc. While agreeing with the Bombay Port Trust that it may not be possible to provide office premises to each member of the Clearing Agents Association, numbering about 450, the Committee would like to stress that Port Trust authorities should, as assured by them, provide adequate space to the Clearing Agents for their collective functioning at the earliest.

#### **Reply of Government**

There are number of Associations which are directly involved in the port activities. The important Associations to name a few are, Bombay Stevedores Association, Bombay Custom House Agents Association,

**Federation of Freight Forwarders etc.** It may not be possible for the port to provide individual accommodation to all the members of the Associations as there is scarcity of space in the dock area. However, adequate space has been provided at operational points for the concerned agencies including Clearing Agents on common user basis.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

### **Recommendation (Sl. No. 28. Para 4.10)**

The Committee are distressed to note the deficiencies in Cargo Handling equipment at Major Ports like Calcutta, Cochin, Kandla, New Mangalore Visakhapatnam and Mormugao with meagre or no provisions to make-up these deficiencies even in the Seventh Plan. Any improvement in the Cargo handling operations in the ports could not be expected unless the requisite equipment is made available in the Ports. Taking into account the overall financial constraints, the Committee would like the Government to procure such equipment, as may be immediately required, in a phased manner so that the cargo handling operations could be carried on smoothly at these ports.'

### **Reply of Government**

**CALCUTTA :** During the 6th Plan Period, Sixteen low-mast forklifts, two 30 tonne crawler cranes, sixteen 6-tonne and seven 10-tonne mobile cranes, twenty 20-tonne tractors, fifteen 10 tonne and three 20-tonne trailers and eight 3 tonne shore cranes were procured. Actions have already been initiated to procure 9 mobile cranes during the 7th Plan.

**COCHIN :** In the 7th Plan a provision of Rs. 120 lakhs has been provided for acquisition of fork lift trucks and mobile cranes. Steps have also been taken to acquire container handling equipments and equipments for handling general cargo.

**KANDLA :** The Port Trust has planned to procure one more Crane (Fork Lift) of 40 tonne capacity during 7th Five Year Plan. In order to meet with the deficiency of mobile cargo handling equipments for handling containers, the Port Trust has permitted private parties to use their own mobile cranes.

**NEW MANGALORE :** The following provisions have been made for procurement of cargo handling equipments during the VIIth Five Year Plan :

- (i) Procurement of 30-tonne capacity mobile crane for handling containers, granite blocks and heavy lifts.
- (ii) Providing infrastructural facilities for container handling.

**VISAKHAPATNAM :** Keeping in view the changing pattern of traffic and requirements of the Trade, two number of 10-tonne electric wharf cranes of grab duty are being procured in replacement of 2 nos. of 3-tonne short jibbed wharf cranes at an estimated cost of Rs. 1.93 crores. Erection work is under progress.

As part of modernisation and replacement action has been initiated for the procurement of 2 Nos. of electric wharf cranes of 10-tonne capacity in replacement of 4 Nos. of 3-tonne capacity of electric wharf cranes at an estimated cost of Rs. 2.85 crores.

It is also proposed to procure 2 Nos. of Electric level luffing wharf cranes of 10/15 tonnes capacity in replacement of 3 Nos. of 3-tonne electric wharf cranes at a later date. Action has also been initiated to procure a type mounted mobile crane of 25 tonnes capacity which is intended to meet the traffic demands of steel and heavy industrial equipments. Action is being taken to procure a multipurpose diesel Hydraulic mobile crane of 40/60 tonne capacity with Hydraulic telescopic jib in replacement of Mobile crane (MC, 14) at a cost of Rs. 73 lakhs.

It is also proposed to procure 1 No. of 40 tonne capacity diesel Hydraulic rough terrain crane at an estimated cost of Rs. 59 lakhs as part of replacement and modernisation of Iron ore handling Complex. With these equipments, Port anticipates no difficulty to meet the demands of the trade in coming years.

**MORMUGAO :** Under the Seventh Five Year Plan, it is proposed to replace old 9 nos. electric wharf cranes with 3 Nos. of 10 tonnes capacity and 1 No. of 20 tonne capacity electric wharf crane. Besides

replacement of 30-tonne mobile crane with 45 tonne capacity crane, 6 Nos. of forklifts were replaced and 8 new forklifts were purchased.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987]

**Recommendation (Sl. No. 28. Para 4.11)**

The Committee also consider that utmost care is essential for the proper maintenance of the quipment being used at the various port. In this connection, the Committee are unhappy to learn that the cranes being used at the Bombay Port have been out of order for quite some time. This can be either due to improper handling or poor maintenance. The crane operators of the Bombay Trust also need training to make them perfect in operation of cranes. The Committee expect the Government to take immediate steps for getting the cranes repaired for their proper maintenance and for giving necessary training to the crane operators.

**Reply of Government**

Out of 48 Hydraulic Wharf Cranes owned by the Port, one crane has been laid up for along time because the driver's cabin needs extensive repairs. The Timber needed for the repairs could not be procured in-time. This was the reason for delay in repairing the crane. Out of total fleet of 50 Mobile Cranes five cranes have been laid up for want of spare parts. Steps are being taken to procure the critical spares required. The other two cranes which are laid up are over 20 years old and the parts have become obsolete and they are no longer available. Efforts are being made to modify some of the parts. If this is not possible there will be no alternative but to dispose them off.

Mechanical Engineering Department has been following a regular scheme for training of employees in operation of cranes prior to their promotion as drivers. Under the scheme, employees are trained in actual operation of cranes for periods ranging from 2 to 3 months. After this training the employees are subjected to a practical test and only those who pass the practical test are promoted as drivers. In



respect of Mobile crane drivers it has now been decided to supplement the practical training given with theoretical instructions also.

[Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987].

**Recommendation (Sl. No. 29, Para 4.39)**

The Committee are distressed to note (i) the delay of about one year in the procurement of highpowered tugs Bombay Port due to some difficulty in procurement of a component and labour problem at Mazagon Docks (ii) the giving of financial relief/concession and allowing escalation of costs from 1.1.1981 at 85% to the defaulting contractors engaged on the construction on Outer Protection Arm at Madras Port, scheduled to be completed by August, 1985 but now anticipated to be completed by March, 1986; (iii) the delay in completion of Development Works at Tuticorin from November, 1980 to June, 1986 and escalation in the cost of the project from Rs. 21.76 crores to Rs. 46.95 crores due to belated major changes in design and structure of the port, delay in award of contract and inclusion of new works/Schemes in the Project; (iv) escalation in the cost of Third General Cargo Berth at Paradip from Rs. 7.12 crores to 13.33 crores due to delay in award of the contract, inclusion of overhead charges (Staff expenditure) in the project cost and addition of capitalised interest in the project cost; (v) escalation in the cost of Mechanised Fertiliser Berth at Paradip from Rs. 15.50 crores to Rs. 31.60 crores due to escalation of cost "before award of contract", inclusion of capitalised interest in the revised estimate, shifting of "the site of fertiliser berth from eastern face of the central dock to Western face" necessitating fresh soil investigation; (vi) escalation in the cost of Iron Ore Handling Plant at Paradip from Rs. 808.13 lakhs to Rs. 11.74 crores sanctioned respectively in November, 1979 and 1983 due to increase in the cost of inputs/materials like cement and steel and provision of escalation clauses in the contracts, and (vii) escalation of the cost of additional oil handling facilities at Visakhapatnam from Rs. 28.93 crores to Rs. 43.11 crores due to "high tendered and dredging costs."

The Committee are not at all convinced by the arguments advanced by the Department of Surface Transport justifying the delays in the execution of the development projects; resulting in steep cost escalation

there by out only causing heavy losses to the ex-chequer but also causing a severe set back to the development of major ports to cope up with the increasing cargo traffic. The Committee attribute this state of affairs to deficiencies in planning of projects and lack of monitoring and control over their execution.

The Committee feel that the project Planning mechanism and supervision and control systems for execution of Port development projects at the level of the Deptt. need to be activated and strengthened if necessary. It should be possible for the Deptt. to promptly attend to the snags coming in the way of orderly execution of projects and see that these are completed as per schedule. In the short run, the Committee would expect the Department to have a closer look at the progress of all the major port development projects make an all out effort to remove bottlenecks, if any, and see that the projects are completed as early as possible.

#### Reply of Government

The facts stated above are accepted. There is a Monitoring Cell headed by Development Adviser (Ports) in the Development Wing of the Ministry of Surface Transport to monitor the progress in the plan schemes of the different ports. Secretary (SFT)/Additional Secretary also periodically take review meetings with the Chairman of the Ports to review the progress of Plan schemes, identify the bottlenecks in different developmental areas and find solutions thereto.

2. In Port sector, Nhava Sheva Port Project is the most important project costing over Rs. 100 crores. This project is being monitored by the PM Secretariat, Cabinet Secretariat and Ministry of Programme Implementation. A CPM network chart has been drawn up and the milestones to be achieved monthwise have been identified. Every month, a Flash Report indicating the milestones slipped, reasons for shortfall/slippages, input supply problems, if any, and areas requiring action in respect of milestones during next three months is sent directly by the port authorities to the Ministry of Programme Implementation on the first of the every month. Based on this the Ministry of Programme Implementation prepares a Summary Output Report for submission to Prime Minister's Office. By the 14th of every month, an Exception Report showing the action taken to contain the delay in achieving the

milestones slipped during the month is also sent to the Ministry of Programme Implementation;

3. For monitoring the physical and financial progress in respect of plan projects. Annual Action Plan 1986-87 has been drawn identifying the targets/milestones to be achieved every month. Monthly report on Action Plan indicating the milestones achieved/slipped and reasons for slippages, if any, in respect of certain key items identified by Cabinet Secretariat is sent every month to Cabinet Secretariat. This report is also accompanied by an Analysis of the achievement/slippages. A Quarterly Report on Key Items identified in the Action Plan is also sent to PM's Office showing Quarterly achievements/slippages and reasons for shortfall.

4. The projects costing over Rs. 20 crores are monitored by the Ministry of Programme Implementation through monthly reports showing Milestones achieved and slippages if any. This report covers on going projects costing Rs. 20 crores and above, which are 10 in number. This report is also accompanied by an Executive Summary showing the reasons for shortfall in achievement.

5. A Quarterly Report on projects costing Rs. 20 crores and above is also sent to Ministry of Programme Implementation indicating the time and cost over runs and reasons for excess expenditure and delays in execution of the projects.

6. A monthly report in respect of projects where the expenditure has exceeded the sanctioned cost is furnished to FA for incorporation in the d.o. letter from FA to Secretary (Expr.). This also includes the actual expenditure incurred by various Ports every month *vis-a-viz.*, the Annual Plan Outlays.

7. A Quarterly Report on expenditure incurred by the Port Trust in respect of projects costing Rs. 5 crores and above against the allocation made monthwise and also in respect of projects below Rs. 5 crores (taken together) is sent to Financial Adviser for onward transmission to Deptt. of Expenditure.

8. The progress of pending PIB/EFC cases in respect of new investment proposals is reviewed once in a month in a meeting taken by Secretary (SFT) with all Wing Heads.

9. In order to monitor the newly sanctioned projects in Port Sector, a model form of sanction has been evolved whereby Port Trusts will have to furnish on issue of the sanction a Part/CPM chart relating to the project identifying the important milestones to be achieved and the targets data for crossing the milestones, to be followed by monthly performance reports showing the milestones achieved and the reasons for slippages, if any. The Port Trust will also not be permitted to incur any expenditure in excess of the sanctioned cost beyond permissible limits without obtaining prior approval of the competent authority to the Revised Cost Estimates of the concerned projects, with adequate justification.

10. The physical progress of the projects costing over Rs 5 crores is being monitored by the Development Wing on Quarterly basis and a Status Report is submitted to Secretary (Surface Transport).

(Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1937)

**Recommendation (Sl. No. 30, Para 4.42)**

The Committee find that the proportion of actual expenditure to the original outlay on major ports schemes during the Sixth Plan ranges from one Extreme of 151.5% for Madras Port (original outlay Rs 82.13 crores) to the other extreme of 59.6% in respect of Nhava Sheva Port (Original outlay Rs. 30 crores, actual expenditure Rs. 17.88 crores). The percentage of expenditure have been as low as 65.6% in case of Calcutta Port (Outlay Rs. 30.30 crores, expenditure Rs. 19.88 crores), 61.4% on Haldia Docks (Outlay Rs. 21.45 crores, expenditure Rs. 13.18 crores) 68.1% in Bhagirathi-Hooghly River Training Works (Outlay Rs. 19.73 crores and expenditure Rs. 13.44 crores). 80.5% on Vishakhapatnam (outlay Rs. 71.33 crores and expenditure Rs. 57.35 crores) and 59.6% on Nhava Sheva Port (Outlay Rs. 30 crores and expenditure Rs. 17.88 crores)

The Committee are of the view that such sizeable excesses and shortfalls of expenditure over original outlays not only betray a nonchalant disregard of financial discipline in implementing the plan schemes but also expose the virtual absence

of any competent central level financial control to regulate the cash flow and expenditure on projects. Had this not been the case, the shortfall of expenditure would not have been so high with regard to Nhava Sheva Port on which the Department is banking so much for easing congestion in Bombay Port. The Committee, therefore, stress that the budget proposals should be drawn up on a realistic basis and once the allocations are made, every care should be taken to ensure that the allocations are fully utilised. The financial control mechanism at the level of the Department also need refurbishing.

### Reply of Government

The recommendations of the Committee have been noted. Plan allocation are now being made after detailed discussion with the Ports. To monitor Plan expenditure, an Action Plan has been drawn up in the Ministry and every month the Plan expenditure and budgetary expenditure is critically examined in relation to the Action Plan.

During 1985-86 Nhava Sheva Port spent its plan outlay of Rs. 40 crores and this year too in 1986-87 Nnava Sheva Port is expected to spent its Plan outlay of Rs. 128.00 crores.

(Ministry of Surface Transport O.M. No. PR-19016/1/86 PG  
dt. 27-2-1987)

### Recommendation (Sl. No. 31, Para 5.4)

5.4 The Committee note that the existing rail-road facilities at Bombay Port for direct transportation of international containers are not adequate and there is a plan to extend them. The successful implementation of the plan will depend upon the Port Trust's ability to get back the possession of lease hold lands given to ICI, Indian Posts and Telegraphs Department and FCI. The Committee would like the Bombay Port Trust authorities and Department of Surface Transport to accord high priority in pursuing modalities and negotiations currently going on to obtain vacant possession of this land to enable the Port Trust to execute its plan to overcome the inadequacy in the facilities for direct transportation of international standard containers into the Port. As the leases are stated to be ending between 1986 and 1991, the negotiations should be taken up at a sufficiently high level to ward-off pres-

asures for renewal or extension of leases of such lands at the cost of development of essential facilities for the Port itself. The Committee hope that the lands in question will be acquired by the Port authorities at the earliest and the requisite facilities created for container traffic.

### **Reply of Government**

The observations of the Committee have been noted. The Bombay Port Trust have initiated action to explore the possibility to obtain surrender of about 50 metres of strip of land let out to Defence (Navy) and re-acquire leased land through negotiations with the other Government bodies/Public Sector Undertakings.

(Ministry of Surface Transport O.M. No. PR-19016/1/86-PG  
dt. 27-2-1987)

### **Recommendation (Serial No. 32, Para 5.8)**

The Committee regret that the repeated efforts of Calcutta Port Trust is persuading the State Government to make arrangements for widening and improving the roads connecting the Port to the main city have not been successful. They would, however, like the Ministry to continue their persuasive efforts with the State Government with a view to make them agree to participate in the programme and take up road improvement works.

The Committee need hardly point out that as improvements in the road communication net work outside the port would relieve traffic congestion in the adjoining area, the programme appropriately falls within the area of civics responsibility.

### **Reply of Government**

The observations of the Committee are noted. It is reported by the Calcutta Port that the most important link viz., Swing Bridge No. 1 requires immediate replacement for improvement of traffic flow from the dock. The matter has been taken up with the West Bengal Government. This is also being actively pursued with the State of West Bengal.

(Ministry of Surface Transport O.M. No. PR-19016/1/86  
PG dt. 27-2-1987)

### Recommendation (Sl. No 33, Para 5.13)

The Committee would like the Department of Surface Transport to take up formally with the State Government the matter regarding the need to widen the road link from the Port to the National Highway which is stated to be about three kilometres stretch of the road approximately. The Committee would also like the Department to prepare a perspective plan for the growth of the Paradip Port and if the cargo traffic in the port so warrants necessary steps may be taken for doubling the railway line between Cuttack and Paradip.

### Reply of Government

The preparation of Paradip Ports' Master plan for development has been entrusted to Indian Ports Association. In the light of the Master-plan and the projections of traffic, the feasibility and necessity of doubling the Railway track between Paradip and Cuttack will be taken up for examination in consultation with Ministry of Railways. The matter regarding widening of the road link from the Port to National Highway has already been taken up with the State Government of Orissa.

(Ministry of Surface Transport O.M. No. PR-19016/1/86  
--PG dt. 27-2-1987)

### Recommendation (Sl. No. 34, Paras 5.22 & 5.13)

The Committee regret to note that it has not been possible for the Planning Commission to accord high priority to the proposal, pending for the last 20 years, for the conversion into broad-gauge of metre-gauge rail link from Mormugao to Miraj/Hospet, as the survey conducted by Railways projected 'about one per cent growth in general cargo traffic after the conversion' and 'worked out that internal growth will not be more than 8 per cent'. They welcome the commissioning by the Port authorities of a fresh study of the techno-economic feasibility of conversion of track by a Railway Consultancy Organisation (RITES) and hope that if the study concludes that the proposal is feasible on techno-economic grounds, the Railways will react favourably and include the project in their works programme and accord it high priority for completion during the current plan period.

The Committee also regret that the progress on the works relating to conversion of Tuticorin—Tirunelveli metre gauge line is 'slow due to

paucity of funds' inspite of the admission of the representative of the Department of Railways that 'there is no dispute about its necessity.

### Reply of Government

The Rail India Technical and Economic Services Ltd. (RITES) have been entrusted with a techno-economic feasibility study for provision of broad-gauge from the Mormugao Port to hinterland. The RITES report will be examined with reference to financial and operational implications. Ministry of Railways (Rly. Board) reported that only Rs. 150 crores have been allocated for all gauge conversions during the entire VII Plan while the balance required for completion of already approved projects is over Rs. 700 crores.

The Ministry of Railways have reported that the Tuticorin-Firunselveli Parallel broad gauge line has been commissioned in May, 1985 and the 11 Km stretch of line from Milavattam to Tuticorin Harbour was also completed in June, 1986. However, the conversion of the private sidings serving the Tuticorin Port is yet to be completed by the private siding owners.

(Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987)

### Recommendation (Sl. Nos. 35 and 36, Paras 5.29 & 5.33)

The redressal of complaints of shortages in supply of wagons at Calcutta, Cochin, Kandla, Mormugao and Visakhapatnam should not be beyond the ingenuity of the Departments of Surface Transport and Railways if 'the acceptance of the projected traffic ....by standing Committee on Rationalised Distribution of Cargo' is indicated to the Railways systematically and in due time. Now that both the Departments of Surface Transport and Railways have come under the same Ministry, the Committee expect greater coordination and cooperation between the two Departments in such a crucial matter as that of supply of wagons for the port traffic. The Committee would not like congestion building up in ports on account of inadequate and untimely availability of Railways Wagons and recommend that both the Departments



should jointly discuss the position of wagons in respect of each major port at regular intervals and draw up agreed programmes to clear imported cargoes with utmost expedition.

The Committee feel that much of the problem regarding shortage of wagons can be solved if there is a close coordination of close circuit traffic in as much as the the wagons carrying goods for exports to the Port could bring back imported goods, instead of returning empty. There is imperative need for more coordination between the Departments of Surface Transport and Railways and Ports to achieve the maximum utilisation of the wagons both on onward and inward journeys.

#### **Reply of Government**

The observations of the Committee are noted. The Government have constituted Co-ordination Committee of Secretaries for Transport and Co-ordination Committee of Ministers for Transport for better coordination among the Ministries of Surface Transport, Railways and Civil Aviation. All the matters relating to Railways and the Ports are being taken up in the Committee meetings which meets periodically.

(Ministry of Surface Transport O.M. No. PR—19016/1/86  
—PG dt. 27-2-1987)

#### **Recommendation (Sl. No. 37, Para 5.40)**

The Committee are of the view that the Port Railways run by the Port Trusts at six major ports. *viz.* Bombay, Calcutta, Visakhapatnam, Madras, Paradip and Mormugao should be merged at the earliest with the Trunk Railways to avoid problems of duplication and coordination effecting the efficiency of cargo movement. Now that both the Departments of Surface Transport and Railways have come under the same Ministry and are agreed in principle to the merger of Port Railways with the Trunk Railways, it should not be difficult for the two Departments to sort out the issue of port railway staff early.

#### **Reply of Government**

The merger of Port Trust Railways at Haldia, Paradip and Mormugao with the Trunk Railways on an experimental basis is under

consideration of Government. Because of different Pay scales and service conditions governing Port Railways Staff and Trunk Railways Staff, the issue of Port Railways staff is yet to be decided. Trunk Railways are agreeable to merger of Port Railways without the staff complement. However, this is not acceptable to Port Trusts as they have difficulty in providing alternative employment to the surplus staff if Port Railways are not under Port Trust Management. A viable alternative acceptable to the Port Trusts and Trunk Railways is being explored by the Government.

(Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987)

#### Recommendation (Sl. No. 38. Para 5.49)

The Committee need hardly stress that Calcutta, Bombay, Madras, Cochin and Nhava Sheva Ports, chosen as container terminals, should not be lacking in properly equipped berthing/handling equipment and infrastructural facilities if these ports are to cope up with the rising container traffic passing through them. In case development of the requisite infrastructure required for handling containers and provision of container handling facilities does not match with the growth of container traffic, the huge expenditure being incurred on these ports for this purpose will not only remain infructuous but will also accentuate congestion there. The Committee therefore recommend that the Departments of Surface Transport, Railways and Port Trust authorities concerned should draw a time bound plan frame for equipping all the major ports chosen as container terminals with full berthing and handling equipment as also with the requisite infrastructural back-up.

#### Reply of Government

The suggestion of the Committee is well taken. In the Ports of Calcutta, Madras Bombay and Cochin, additional equipment has been proposed during the 7th Five Year Plan to handle the increasing volume of container cargo. In each of the ports additional equipment have either already been sanctioned or are under process in the Ministry.

### **Cochin Port Trust**

The Port has now been provided with 19 trailer chasis, 6 forklift trucks, 2 heavy forklift trucks, 5 heavy duty mobile cranes, 3 tractors and 2 transfer cranes. The area of the existing container terminal has been extended from 9.6 acres to 16 acres to meet an annual through put of one lakh TEUs. These equipments will meet, to a great extent the requirements of container vessels having their own gantries. With a view to meet the requirements of gearless vessels, for which the port is not presently equipped, the port has projected the need for procurement of 2 gantry cranes and for deepening Q 8 and Q 9 berths to 40'. For this purpose a provision of Rs. 13 crores has been made in the VIIth Plan. M/s Engineers India Ltd., the Port's consultants, have been entrusted with the work of making a study on these aspects. The report of the consultants has been just received and is under consideration.

### **Calcutta Port**

A Scheme has been drawn up for providing a modern container Terminal at Calcutta at an estimated cost of Rs. 10.36 crores. The work was taken up in 1985. The scheme includes providing proper container parking area, two Transcontainer cranes capable of handling road and rail borne containers, illumination of operating area, setting up of a container freight station etc. Additionally, a scheme to augment the container handling facility at Haldia is also proposed to be taken up during the 7th Plan at an estimated cost of Rs. 10 crores.

### **Bombay Port Trust**

The BPT has forwarded a proposal for provision of container handling facilities at Bombay Port estimated to cost Rs. 38.07 crores. This proposal envisages the following :

- (i) Civil Works including connected electrical works at Ballard Pier, Manganese Ore Depot, Cotton Depot and Timber Depot.
- (ii) Equipment consisting of 11 Nos. Rubber Tyre Container Staking cranes, 23 Nos. Prime Movers, 64 Trailors and 2 Nos. Weighbridges.
- (iii) Communication system consisting of VHF, telephone and inter-com facilities at various container terminals. The proposal is being proposed for sanction:

## Madras Port Trust

Madras Port has commissioned a full-fledged container terminal during Dec. 1983 capable of handling third generation cellular vessels. Equipment provided in the first phase was found to be necessary to be augmented to meet the container traffic at the Port. Orders have been placed for acquiring two more transfer cranes to ease the situation. This facility can handle 75,000 TEU containers annually.

As per the forecast on container traffic trend the port is expected to handle 2,00,000 TEUs container by 1990. In order to meet this traffic demand a proposal has been submitted to provide the following additional facilities :—

- (i) Extension of existing berth from 380 m to 600 m.
- (ii) Additional container parking yard of 20,000 sq. m.
- (iii) Two quayside gantry cranes and four yard side gantry cranes and related equipments.
- (iv) A container freight station of 6300 sq. m. area.
- (v) A paved area of 49,500 sq. m. for about 1200 container slots.

As far as Railways are concerned, at present there are seven ICDs viz. New Delhi, Guwahati, Dhandari Kalan (Ludhiana) Bangalore, Coimbatore, Anaparti and Guntur. Handling of containers at these ICDs (excepting at Anaparti where stuffing of cargo is done without dismounting the containers from flats is presently being managed by terminal operators appointed on contract basis for specific periods and equipment suitable to handle the present level of container traffic has been provided by them. As and when the ICD container traffic develops in future, the handling equipment at these ICDs will be upgraded according to the needs.

(Ministry of Surface Transport O.M. No. PR—19016/1/86  
—PG dt. 27-2-1987)

### Recommendation (Sl. No. 39, Para 6.4)

The slack performance on the Nhava Sheva Project, in as much as an expenditure of only Rs. 17.87 crores (out of the 6th Plan outlay of Rs. 30 crores) incurred during the Sixth Plan, has been mainly due to time taken in litigation for the land acquired for Nhava Sheva Port. The Committee have a genuine apprehension whether the project will be completed by the target time of October 1988, especially as two foreign agencies—World Bank and Dutch Government are also involved in financing the project apart from the Government of India and the Bombay Port Trust. The Committee were also informed that for getting the World Bank loan all the project plans had to be submitted to the World Bank through the Ministry of Finance. The Committee feel that unless matters are pursued with the World Bank and Dutch Government promptly and there is advance planning on the part of port authorities, the progress of the project could be adversely affected. Further the negotiations with the Netherlands Government for the dredging component of the Port have also not been finalised so far. The Committee would, therefore, like the Government to accord high priority to this project by taking appropriate measures both at the national and international levels so as to ensure the completion of this scheme by the target date i.e. October, 1988.

### Reply of Government

As per the provisions of the Loan Agreement with the World Bank the draft tender documents and Evaluation Reports of major tenders have to be sent to the World Bank for their review and concurrence. After sending such documents to the World Bank, the matter is pursued vigorously with the Bank and whenever considered necessary the Officers of the Port Trust/Ministry have been deputed for discussions with the Bank and expediting their clearance. As far as assistance of Dutch Government is concerned, it is limited to the component of "Dredging". Though formal Agreement on Loan Assistance has not yet been signed, since the financial package will be dependent on the value of tender to be finalised, the Dutch side has been actively associated in the tendering process right from the finalisation of documents to evaluation of tenders. The selection of the contractor for Dredging has been finalised in consultation with the Dutch authorities. The progress so far on this component of dredging is as per schedule drawn up for the work. Nhava Sheva is a high priority project of the Ministry which is being monitored by Flash Reporting System at the highest levels.

During 1985-86 the Port spent its plan outlay of Rs. 40 crores. Strict monitoring of the project is being done.

(Ministry of Surface Transport O.M. No. PR-19016/1/86—  
PG dt. 27-2-1987)

**Recommendation (Sl. No. 39, Para 6.5)**

The Committee note that the Nhava Sheva Port Trust decided in its meeting held in January, 1983 to extend the Bombay Port Trust regulations to Nhava Sheva Port Trust pending framing of the Rules/Regulations governing Nhava Sheva Port Trust. Subsequently, the Rules/Regulations governing Nhava Sheva Port Trust were framed and approved by the Nhava Sheva Port Trust in its meeting held in September, 1984 and the same were sent to the Government in June, 1985 for approval. The Committee are unhappy to observe that it took almost nine months for the Nhava Sheva Port Trust to forward the Rules/Regulations to Central Government for approval. The Committee are also unhappy to be informed that the Central Government have not yet conveyed their approval of the Rule/Regulation to the Nhava Sheva Port Trust. The Committee would like the Central Government to expedite the matter.

**Ministry's Reply**

The first Regulations governing Nhava Sheva Port Trust are required to be framed by the Central Government under Section 126 of the Major Port Trusts Act, 1963. The Regulations have now been processed in consultation with the Ministry of Law. The Regulations would be notified shortly.

(Ministry of Surface Transport O.M. No. PR-19016/1/86—  
PG dt. 27-2-1987)

**Recommendation (Sl. No. 39, Para 6.6)**

The Committee also wonder how without getting the delegation of powers made by the Board of Trustees of the Nhava Sheva Port Trust to the Chairman and other officers of the Port, these powers are being

exercised by the Chairman and other officers. The Committee deplors that this irregularity which was pointed out by the Audit in its report dated 10-10-1985 had not been taken care of even till March, 1986 when Study Group of the Committee visited the Port.

#### **Reply of Government**

The approval of the Central Government under Section 21 of the Major Port Trusts Act, 1963 to the delegation of powers proposed by the Board of Trustees of Nhava Sheva Port has since been communicated.

(Ministry of Surface Transport O.M. No. PR—19016/1/86—PG  
dt. 27-2-1987)

## CHAPTER III

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

#### Recommendation (Sl. No. 40 Para 6.11)

The Committee are afraid that with the slow progress of Nhava Sheva Port and no provision in the 7th Plan having been agreed to by the Planning Commission for two new major ports as recommended by the Working Group of the Department, it is going to be rather difficult for the major ports to cope with the traffic in the years ahead if the growth rate of traffic continues to remain as high as it was during the first half of the last year, that is 13%, as against 6% during 1983-84 over the traffic handled in 1982-83. The Committee are, therefore, of the view that a reappraisal of the funds allotted to the Major Ports during the Seventh Plan is called for with a view to provide for at least one new major port, in addition to Nhava Sheva Project.

#### Reply of Government

The Working Group recommended an outlay of Rs. 1781,00 crores for the Port Sector as a whole. However, due to financial constraints, final outlay approved was Rs. 1105 crores only. In fact the Working Group had strongly recommended the upgradation of two intermediate ports as major ports with a provision of Rs. 25 crores and Rs. 100 crores for providing central assistance for the development of minor/intermediate ports. However, in the approved outlay of Rs. 1105 crores, only Rs. 20 crores has been agreed to for improvement of one minor/intermediate port on each coast. In view of this, there is hardly any scope to consider the establishment of one new major port apart from the Nhava Sheva Project, which is under implementation.



At the beginning of the 7th Plan i.e. 31-3-85, the port capacity stood at 132.73 million tonnes. With the approved outlay of Rs. 1105 crores, it is planned to enhance the port capacity by 28.72 million tonnes during the 7th Plan i.e. an achievement a total port capacity of 161.45 million tonnes at the end of the 7th Plan i.e. as on 31-3-1990. This developmental programme has been planned on the basis of annual traffic projections of the order of 147 million tonnes at the end of the 7th Plan Period. The gap in the planned capacity *vis-a-vis* traffic projections is mainly in the existing port capacity of handling port commodities, particularly iron ore, which are dedicated facilities and hence not interchangeable.

As against the annual growth rate of 6% and 13% during 1983-84 and 1985-86 respectively, the growth rate in the first 9 months of 1986-87 is only 0.9% when compared to the traffic during the corresponding period of last year. Efforts are also being made to improve the port efficiency indicators.

(Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987)

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (Sl. Nos. 1 and 2 Paras 1.19 and 1.30)

The Committee find that at present coordination of matters pertaining to Ports is the concern of several bodies with varying compositions and overlapping functions. This is probably because these bodies were created at different points of time with specific objectives in view which have either become blurred or have expanded with the passage of time. The Committee note with regret that the National Harbour Board on which all the maritime State Governments are represented and where their views get projected has remained more or less dormant for the last about 2 years. It met last in 1983. Conferences of Chairmen of all major ports are being held once a year to discuss matters of topical interest. The Indian Ports Association (IPA), a society of major ports, financed by contributions from Port Trusts has come to play a vital role in coordinating the working of the major ports. It is ironic that crucial matters like procurement of supplies, consultancy services, data banks, training of personnel, promotion of sports and perspective planning for major Ports have been left by the Government to this Association. Incidentally, the Governing Body of the IPA comprises of Chairman of all the Major Ports Trusts. The Committee would like the Major Ports Reforms Committee, to whom this matter has been stated to have been referred, to go deeply into the question whether there should be a single statutory apex body to administer the major ports, or the existing system of management of each Major Port through a Trust and having many bodies, for coordination and providing common services may be continued. It appears to the Committee that the existing system of management of major ports is costlier, cumbersome and far from satisfactory.

The Committee regret to observe that Government has taken a very low-key attitude towards the pressing need of establishing a Central

Ports Authority to administer and coordinate the activities of all the Major Ports even though the Committee in their 32nd Report (1981-82) and 1st Report (1982-83) had strongly recommended the establishment of such an Authority. Later, the Bureau of Industrial Costs and Prices, who had been asked by Government to look into this question in February, 1982 and the National Shipping Board in 1983-84 and 1984-85 also supported the recommendation of the Committee and suggested for the establishment of such an Authority. Instead of giving a positive response to the suggestions made by the above bodies, the Committee regret to find that Government has again chosen to refer this question to Major Ports Reforms Committee thereby further delaying the establishment of such an Authority which has been considered by so many bodies to be so essential for the smooth functioning and development of the Major Ports in the country. While agreeing that some of the Major Ports like, Calcutta, Bombay and Madras have grown-up in their own historical settings, the Committee cannot but once again strongly recommend that a Central Port Authority is essential for better coordination and administering the Ports on the lines of commercial and result oriented enterprises. The Committee do not consider that the establishment of such an Authority will in any way hamper the functioning of the individual ports except to the extent necessary for the purposes of overall planning for integrated development of Ports. The proposed authority will also take over all those functions which are now being performed by the various bodies like National Shipping Board, National Harbour Board, Indian Ports Association etc. Now that this matter has been referred to the Major Ports Reforms Committee, the Committee would expect the Government to have the report of that Committee expedited and to take concrete action in the matter. The Committee would like to be informed of the progress on the issue within a period of six months.

#### **Reply of Government**

The final report of the Major Ports Reforms Committee has been received in December 1986. After carefully considering the recommendations of the Estimates Committee made in its 32nd Report (1981-82), 41st Report (1982-83) and its 28th Report (1985-86) and of the National Shipping Board (1983-84) and of the Bureau of Industrial Costs and Prices, the Committee came to the conclusion that setting up of such a National Ports Authority is not feasible. The

Committee examined in detail, the organisational structure and functioning of the International Airports Authority of India and the Railway Board, and is of the opinion that similar set up for major ports is not suitable. The Committee has also examined the feasibility of a holding company with all major ports as its subsidiaries and visualised serious illegal and administrative problems in adopting such a system for the major ports which have close interdependence qua the quality and cost of service levels of international ports and shipping. The Committee is of the opinion that the apparent advantages a unified set up is likely to offer would be more than offset by the problems it will throw up, the principal among these being integration of the personnel of all major ports. In the Committee's view the assumption that a unified authority will strengthen the management and help the units to become economically viable is somewhat farfetched. Generally, the bigger the organisation, more difficult it is to manage. Even if this does not turn out to be so in the instant case and the proposed Authority is set up and the administrative Ministry given continued and final say on major and minor issues of policy as of now, the Authority's major pre-occupation would really descend to the level of monitoring and overseeing day to day functioning of the ports. The unified Authority with all the organisational apparatus, will in effect thus only become yet another tier between the Government and the ports.

2. While reiterating its concern, about the imperative need to rid the major ports of their existing deficiencies both in the areas of management as well as operations and development, the MPRC strongly felt that even in the existing set up, without a middle tier in between, the relationship between the ports and the administrative Ministry can be made more business like. With a view to achieve this, the Committee has recommended the setting up of Major Ports Development Board in the Ministry with Secretary, Ministry of Surface Transport as Chairman, Additional Secretary (Ports) as Vice Chairman and Financial adviser in the Ministry, Representatives of the Ministries of Finance, Commerce and Railways, three Chairmen of major ports and two eminent outside professionals as members. The Committee visualised that such a major Ports Development Board will be responsible for :

- (a) over-all planning and integrated development of all major ports ;

- (b) investment decisions ;
- (c) securing optimal utilization of manpower and other assets ;
- (d) coordination with Planning Commission and other Governmental agencies ;
- (e) management of the Port Development Fund ; and
- (f) evaluation/appraisal of all ports projects.

3. The recommendation of the Committee for setting up of the Major Ports Development Board is under consideration of the Government.

(Ministry of Surface Transport O.M. No. PR—19016/1,86—  
PG dt. 27-2-1987)

#### **Recommendation (Sl. No. 5, Para 1.46)**

The Committee note that Dock Labour Boards have not been set up at New Mangalore, Paradip, Tuticorin and Haldia Ports and that the question of setting up Boards in these ports is under consideration of the Government. The Committee would like the Government to take the final decision and positive action in the matter urgently and report to the Committee within a period of 3 months.

#### **Reply of Government**

The Committee set up in May, 1984 to consider the demand for decasualisation/institutionalisation of cargo handling workers in Paradip, New Mangalore, Tuticorin and Haldia either under Dock Labour Boards or Tripartite Bodies or under Port Trusts, submitted its report in September, 1984. Copies of the Committee's report have been circulated to all Port Trusts, four Major Federations of port and dock workers and the Federation of Associations of Stevedores and their comments have been obtained. As has been the practice, the recommendations of the Committee are being discussed with the representatives of four major federations of port and dock workers before a final decision on the Committee's recommendations is taken. Accordingly

discussions were held on 8-7-1986 which were inconclusive. The four Federations are not agreeable to the recommendation made by a Committee appointed in pursuance of the long term agreement entered into by Government with the Federations. Efforts are continuing to find a mutually acceptable solution which also be fair to port users.

(Ministry of Surface Transport O.M. No. PR—19016/1/86—  
PG dt. 27-2-1987)

**Recommendation (Sl. No. 8, Paras 2.27 & 2.28)**

The Committee are distressed to find that while at some Ports captive handling capacity in respect of certain commodities, grossly under-utilised, at other ports in respect of other or the same commodities, the traffic, is far in excess of the existing handling capacity of the Port. For example, POL capacity is under-utilised at New Mangalore; iron-ore capacities are grossly under-utilised at New Mangalore and Paradip; Fertilizer/raw-material capacity also is grossly under-utilised at Haldia and general cargo container capacities are not fully utilised at Haldia, Cochin, Visakhapatnam, and Tuticorin. Furthermore, P.O.L. and Fertilizer-Raw-Material handling capacities are also grossly over-utilised at Madras and Visakhapatnam. In this connection, the Committee note that even though the major ports handled a total of 106.73 million tonnes of traffic during 1984-85 against the total available capacity of 132.73 million tonnes showing capacity utilisation of 80.4 per cent, it is not of much relevance as the capacities are not inter-changeable. The Committee, therefore, suggest that the problem of gross under-utilisation and excessive utilisation of Port capacities merits in-depth port in a balanced manner so as to strive for optimum utilisation of port handling capacities.

In this context, the Committee would also like to point out that one of their Study Groups which visited Lakshadweep Islands recently noticed that Cochin Port, which is stated to be already overutilised, is catering to the Lakshadweep Islands even though the distances between the Cochin Port and some of the Lakshadweep Islands are far greater as compared to the distances between those Islands and New Mangalore Port which is reported to be underutilised. The Committee would like the Government to examine the extent to which the traffic between Lakshadweep Islands and Cochin and New Mangalore Ports could be rationalised keeping in view the distances involved.

### Reply of Government

The under utilisation and over utilisation of capacities is directly related to hinterlands requirements, export demand of cargo for which captive capacity has been developed etc. Port Developmental programme is drawn up after detailed discussions with the user agencies and port facilities are created accordingly to meet the future projected traffic as furnished by them. However, the traffic as projected generally do not materialise on account of various factors like production, demand and supply, etc. which are beyond the control of the user agencies. As a result, there is increase in traffic in some commodities and decrease in some other commodities. Further, this also results in variation in traffic at the ports also.

The Committee in its recommendations observed amongst other things that iron ore capacity is grossly under utilised at New Mangalore and Paradip and POL capacity is under utilised at New Mangalore. The detailed reasons for under utilisation capacity at New Mangalore and Paradip are as under :—

**NEW MANGALORE :** Iron ore exports to New Mangalore could not be realised due to changed political situation in Iran. The capacity of 7.5 million tonnes was arrived at based on the commitments given by M/s KIOCL as per the contract agreement they had with Iran. As the contract for export of iron ore did not materialise the capacity created for M/s KIOCL remained largely under utilised. Exports to other countries such as Japan, Rumania etc. are being explored to utilise the available capacity. The utilisation of POL capacities has got a direct bearing on the requirement of POL products in the command area of the port. The capacity utilisation is expected to pick up after installation of refining capacity at New Mangalore. The capacity and utilisation of POL and Iron Ore at New Mangalore is given below :—

(In thousand tonnes)

Year	P.O.L.			Iron Ore			Total		
	Capa- city	Tra- ffic	% ut	Cap.	Traf.	% ut.	Cap.	Traf.	% ut.
1983-84	1000	348	34.8	7500	1282	17.1	9300	2837	30.5
1984-85	1000	437	43.7	7500	1821	24.3	9300	3382	36.4
1985-86	1000	404	40.4	7500	2340	31.2	9300	3686	39.6

**PARADIP:** At Paradip, the utilisation of iron ore handling facilities is constrained by the fact that the port cannot accommodate vessels of more than 60,000 tonnes 65,000 DWT. MMTC are the sole users of the iron ore handling facilities at Paradip and they are making all possible efforts for nomination of maximum number of vessels to utilise the capacity, to the extent possible. The capacity utilisation of Paradip is given below :—

Year	Iron Ore			Total		
	Capacity	Traffic	% ut.	Capacity	Traffic	% ut.
1983-84	4000	1027	25.7	4350	1586	36.5
1984-85	4000	1843	46.1	4850	2137	44.1
1985-86	4000	1868	46.7	6050	3331	55.1

Under utilisation of fertilizer capacity at Haldia is largely due to delay in the commissioning of mechanical unloading plant by the Hindustan Fertilizer Corporation for which the berth has been specially constructed.

The Committee's observation regarding underutilisation of general cargo capacity at Haldia, Cochin and Tuticorin are noted. In this connection, it is pertinent to point out that the general cargo capacity utilisation is largely determined by the demand, infrastructural and industrial development in the hinterland region, and to supply cargoes to the end users and a minimum possible cost. Utilisation of a particular port is largely determined by economic considerations. Any attempt on the part of the Government to allocate traffic solely to secure optimum utilisation of port capacities is likely to result in uneconomical transportation of goods.

Regarding utilisation of New Mangalore for movement of cargo to Lakshadweep Islands, the Port authorities are negotiating with Lakshadweep administration for diversion of some of their shipping activities to New Mangalore Port. They have reported that as the Union territory administration has already developed certain infrastructural facilities at Cochin, it will take some more time before they can develop similar infrastructure at Mangalore for handling the Islands traffic through that Port.

(Ministry of Surface Transport O.M. No. PR-19016/1/86-  
PG dt. 27-2-1987)



## APPENDIX

(Vide Introduction)

Analysis of action taken by Government on the Twenty-eighth Report of Estimates Committee (1985-86) (8th Lok Sabha).

I. Total number of recommendations	41
II. Recommendations which have been accepted by Government (Sl. Nos. 1 (Para 1.20), 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39)	36
Percentage of total	88%
III. Recommendations which the Committee do not desire to pursue in view of Government's Replies (Sl. No. 40)	1
Percentage of total	2%
IV. Recommendations in respect of which Government's Replies have not been accepted by the Committee [Sl. No. 1 (Para 1, 19), 2, 5, 8]	4
Percentage of total	10%

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA  
SECRETARIAT PUBLICATIONS—1987**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>ANDHRA PRADESH</b>		<b>UTTAR PRADESH</b>	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500361.	12.	Law Publishers, Sardar Patel Marg, P. B. No. 77, Allahabad, U.P.
<b>BIHAR</b>		<b>WEST BENGAL</b>	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	13.	M/s. Manimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
<b>GUJARAT</b>		<b>DELHI</b>	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T. No. 79065).	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi. (T. No. 351663 & 350806).
<b>MADHYA PRADESH</b>		15.	M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate Delhi- 110006. (T.No. 2915064 & 230936).
4.	Modern Book House, Shiv Vilas Palace, Indore City. (T. No. 32289).	16.	M/s Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896).
<b>MAHARASHTRA</b>		17.	M/s. Bookwell, 2/72, Sant Niran- kari Colony, Kingsway Camp, Delhi-110009. (T. No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar, Old Double Storey, New Delhi-110024 (T. No. 6412362 & 6412131).
6.	The International Book Service, Deccen Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar Khan House, Bombay-400002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110001. (T. No. 344448, 322705, 344478 & 344508).
9.	M & J Services, Publishers, Repre- sentative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fuele Road, Nalgaum,Dadar, Bombay-400014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400001.	23.	M/s. Books India Corporation Publishers, Importers & Exporters L-27, Shastri Nagar, Delhi-110052. (T. No. 269631 & 714465).
<b>TAMIL NADU</b>		24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002.
11.	M/s. M.M. Subscription Agencies, 14th Murali Street, (1st floor) Mahalingapuram, Nungam- bakkam, Madras-600034. (T. No. 476558).		