

# In three yrs, major ports double operational profit

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**New Delhi:** The focus of Modi administration on port and port-led development has resulted in a revival of the financial fortunes of major ports in the past three years. The 12 major ports put together have nearly doubled their operational profit of close to Rs 2,500 crore in 2013-14 to Rs 5,070 crore in the last financial year.

The upswing has happened as a consequence of the many steps that the shipping ministry took under Nitin Gadkari to fix the systemic and operational deficiencies. The most significant of these was the reduction of vessel turn-around time from four days in 2014-15 to less than three-and-half days. Turn-around time is a process in which a ship unloads freight and reloads for the next trip.

According to shipping ministry data, the net profit of these ports has more than doubled in the past three years - from Rs 1,219 crore in 2013-14 to Rs 2,871 crore in last fiscal year. These ports have also increased their market share, which was declining in comparison to private and minor ports. They have also outshone non-major ports as far as cargo growth is concerned. Last year while non-major ports registered only 2% increase, major ports saw 5% growth.

The data shows that operating margin

which had seen a persistent decline—falling from 42% in financial year 2007-08 to 28% in 2013-14—has been restored to a 10-year high of 43%. “All this has been accomplished with improvement in efficiency and minimal capital infusion. The increased profits have helped shipping ministry increase its investment in new ports and access infrastructure,” said a ministry official.

While the major ports lost cargo share to private ports every year since 2008, they still handled close to 60% of India’s total cargo. But with their financial performance declining year on year, it was perceived that major ports were waiting to become another non-performing public undertaking.

The shipping ministry launched Project Unnati in 2014 under which efficiency of equipment was studied and every activity was scrutinised to identify excesses/mistakes. “We found that

ship loaders in Paradip were being run at less than 50% of their potential capacity. In Kandla, where ships were being sent back as berths meant to handle them were packed, it was found that with minor adjustment, the same infrastructure can handle more than double the volume. Project Unnati identified over 104 such initiatives across 12 major ports. These initiatives are being monitored regularly by the minister,” a ministry official said.

## PROFIT & SHARE

### PERFORMANCE OF MAJOR PORTS

Financial Year	Net surplus (in Cr)	Market share (in %)
2009-10	1,768	66
2010-11	1,946	64
2011-12	1,791	61
2012-13	1,150	58
2013-14	1,219	57
2014-15	1,483	55
2015-16	1,889	57
2016-17	2,871	57

Source: Shipping ministry