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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 170 **New Delhi,** **12 April, 2021**

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Paradip Port Trust for revision of Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/49/2020-PPT

Paradip Port Trust **- - -** **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Sunil Kumar Singh, Member (Economic)

O R D E R

(Passed on this 16th day of March 2021)

This case relates to the proposal received from Paradip Port Trust (PPT) vide its letter No. TD/TM/GEN-248/2858 dated 20 October 2020 for revision of Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo.

2.1. Based on the Berthing Policy issued by the Ministry of Shipping on 16 June 2016, this Authority vide its Order no. TAMP/79/2017-PPT dated 3 October 2018 had approved the performance norm based incentive/ penalty in respect of handling dry bulk cargo at PPT. The said order also approved the performance based incentive/ penalty for steel/ break bulk/ project cargo. The said Order was notified in the Gazette of India on 14 November 2018 vide Gazette No. 419. Vide the said Order, the validity was prescribed upto 31 March 2019.

2.2. Subsequently, based on the proposal of PPT, this Authority vide its Order no. TAMP/55/2019-PPT dated 20 February 2020 had extended the validity of the performance norm based incentive/ penalty with effect from 01 April 2019 to 31 March 2020. While proposing extension of the validity of the performance norm based incentive/ penalty, the PPT had also proposed changes in few notes governing the levy of the performance norm based incentive/ penalty. The said Order was notified in the Gazette of India vide Gazette No. 221.

2.3. Thereafter, on the ground that the performance norm based incentive/ penalty scheme for dry bulk / break bulk / project cargo for the period 2020-21 and beyond is being reframed, the PPT had sought extension of validity of the performance norm based incentive/ penalty fixed, for a period of 6 months from 01 April 2020 to 30 September 2020. Given that the validity of the existing Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo of PPT had expired on 31 March 2020 and considering the time required for processing the proposal to be filed by PPT and in order to avoid a discontinuation of scheme w.e.f. 1 April 2020, this Authority vide its Order no. TAMP/55/2019-PPT dated 01 June 2020 extended the validity of the existing Performance Norm based Incentive/ Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo of PPT for a period of six months i.e. from 1 April 2020 to 30 September 2020. Vide the said Order, the PPT was also advised to file its proposal for review of the performance norm based Incentive/ Penalty Scheme for Dry Bulk/ Break Bulk/ Project Cargo, for the period 2020-21 and beyond, latest by 30 June 2020.

3.1. In this backdrop, the PPT vide its letter No. TD/TM/GEN-248/2858 dated 20 October 2020 has come up with a proposal for revision of Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo.

3.2. The main points made by PPT in its proposal dated 20 October 2020 are summarised below:

(i). The scheme for Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo the period 2020-21 and beyond has been prepared taking into account the allied infrastructure development of PPT and past performance, which has got the approval of the Board of Trustees vide Resolution No. 62/2020-21 in the Meeting held on 01.10.2020. The PPT has furnished the copy of Board Resolution approving the subject proposal.

(ii). Since the validity of the existing performance norm based incentive/ penalty in respect of handling of dry bulk cargo/ Break Bulk and Project Cargo at Paradip Port has expired on 30.09.2020 and in order to avoid discontinuation of the scheme w.e.f. 1 October 2020, it is also requested to extend the validity of the current scheme till revised scheme comes into effect.

(iii). The details of parcels handled conventionally at GCBs during the last three financial years, percentage of parcels levied penalty/ claimed incentive and the quantum of penalties levied and the incentive paid is as follows:

(a). Vessels/ Parcels handled conventionally at GCBs:

FY	Total Parcels handled	Incentive			Penalty		
		No. of parcels	Incentivized hour	Amount ₹ in crores	No. of parcels	Penalized hour	Amount ₹ in crores
2017-18	993	459 (46%)	8870	3.10	534 (54%)	8547	2.99
2018-19	822	518 (63%)	7280	2.55	304 (37%)	3765	1.32
2019-20	478	338 (71%)	4293	1.50	140 (29%)	1361	0.48
Total	**2293**	**1315 (57%)**	**20443**	**7.16**	**978 (43%)**	**13673**	**4.79**

(b). Vessels/ Parcels handled mechanically at CB:

FY	Incentive			Penalty		
	No. of parcels	Incentivized hour	Amount ₹ in crores	No. of parcels	Penalized hour	Amount ₹ in crores
2017-18	01	01	0.005	219	696	0.348
2018-19	71	96	0.048	223	388	0.194
2019-20	22	28	0.014	96	263	0.132
Total	**94**	**125**	**0.063**	**538**	**1347**	**0.674**

(c). Vessels/ Parcels handled mechanically at IOB:

FY	Incentive			Penalty		
	No. of parcels	Incentivized hour	Amount ₹ in crores	No. of parcels	Penalized hour	Amount ₹ in crores
2017-18	-	-	-	65	290	0.145
2018-19	21	21	0.011	85	253	0.127
2019-20	38	55	0.028	107	272	0.136
Total	**59**	**76**	**0.038**	**275**	**815**	**0.408**

(d). From the above, it is seen that during the past three years 2017-2020, out of the total 2293 vessels handled conventionally, 57% of vessels have qualified for incentives and the balance 43% of vessels have paid penalty.

(e). In order to formulate the present proposal, the average productivity of best 70% parcels in different crane combinations as a reference point has been considered. In the event, the average productivity achieved by 70% best performing parcels is higher than the existing norm, the performance norm has been proposed for upward revision and if the average productivity achieved by 70% best performing parcels is lower than the existing norm, then the existing performance norm has been retained without any revision. The details of the performance norm is as follows:

Gearless (GL)/ Geared (G) vessels	**No. of HMC / Ship crane**	**Season**		**Ship-day productivity (in MT) Norms**				
				Coal	**Flux**	**Coke**	**Iron Ore/ Pellet**	**Other Dry bulk**
Gearless (GL)/ Geared (G) vessels	2 or above	Fair	Existing	22000	17400	15000	27000	22000
			70% best performance	24937	25294	18881	24043	17171
			Proposed	25000	25000	18500	27000	22000
		Monsoon	Existing	20000	16000	14000	27000	20000
			Proposed	23000	23000	17000	27000	20000
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair	Existing	15000	14000	12000	18000	15000
			70% best performance	17255	16873	13413	18763	13214
			Proposed	17000	16500	13000	18500	15000
		Monsoon	Existing	14000	13000	11000	18000	14000
			Proposed	15500	15000	12000	18500	14000
Geared (G) vessels	4 Ship cranes	Fair	Existing	14000	12000	10000	15000	13000
			70% best performance	18346	15897	11447	21074	15410
			Proposed	15000	13000	11000	18500	13500
		Monsoon	Existing	13000	11000	9000	15000	12000
			Proposed	14000	12000	10000	18500	12000

(f). A comparison of penalty and incentive for the year 2019-20 (norm vis-à-vis proposed norm):

Parcel Type	Prevailing Norm		Proposed Norm	
	No. of parcels	Total amount (excl. GST)	No. of parcels	Total amount (excl. GST)
Incentive	338 (70.71%)	15025500	240 (50.20%)	7283500
Penalty	140 (29.29%)	4763500	238 (49.80%)	8613500
Total	478	10262000 (revenue loss to PPT)	478	1330000 (revenue gain to PPT)

3.3. Based on the above submission, the PPT has sought the approval for the following:

"1. Performance norm based Incentive/ Penalty in respect of handling Dry bulk / Break Bulk cargo at Paradip Port Trust

1.1 Performance norms for Dry Bulk handling conventionally:-

Existing:

Gearless (GL)/ Geared (G) vessels	No. of HMC / Ship crane	Season (*)	Ship-day productivity (in MT) Norms				
			Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	22000	17400	15000	27000	22000
		Monsoon (*)	20000	16000	14000	27000	20000
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair (*)	15000	14000	12000	18000	15000
		Monsoon (*)	14000	13000	11000	18000	14000
Geared (G) vessels	4 Ship cranes	Fair (*)	14000	12000	10000	15000	13000
		Monsoon(*)	13000	11000	9000	15000	12000

Proposed:

Gearless (GL)/ Geared (G) vessels	No. of HMC / Ship crane	Season (*)	Ship-day productivity (in MT) Norms				
			Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	**25000**	**25000**	**18500**	27000	22000
		Monsoon (*)	**23000**	**23000**	**17000**	27000	20000
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair (*)	**17000**	**16500**	**13000**	**18500**	15000
		Monsoon (*)	**15500**	**15000**	**12000**	**18500**	14000
Geared (G) vessels	4 Ship cranes	Fair (*)	**15000**	**13000**	**11000**	**18500**	**13500**
		Monsoon(*)	**14000**	**12000**	**10000**	**18500**	12000

(*) Fair Season: October to May and Monsoon Season: June to September

"Methodology for calculation of Incentive and Penalty in respect of Gearless vessels operated with multiple HMC and Geared vessels having multiple consignment / multiple parties at conventional berths

(1). Gearless vessels with Multiple HMC:

(i). If simultaneous operation of 2 or more HMC is equal to or more than 50% of total operational hour of the vessel (*), then the norms as applicable to 2 HMC will be effected and accordingly incentive / penalty will be calculated.

(ii). If simultaneous operation of 2 HMC is less than 50% of total operational hour of the vessel, then the norms as applicable to 2 HMC will be effected for the duration in which 2 HMC's operated simultaneously and the norms as applicable to 1 HMC will be effected for the rest operational hour of the vessel. The potential volume of cargo that could be handled with the above norm will be calculated which will be compared with the actual volume of cargo handled during the entire operational hour. Incentive will be paid if the actual quantity handled is more than the normative quantity and penalty will be collected if the actual quantity handled is less than the normative quantity. The applicable for 1 HMC to calculate less stay / overstay period accordingly incentive / penalty will be calculated by multiplying the same with the rate of incentive/ penalty i.e. @ ₹ 3500 per hour or part thereof.

Proposed Method			
Parcel Size (in MT):	39972		
Commodity:	C. Coal		
Parcel Commencement:	08-12-18 02:15		
Parcel Completion:	10-12-18 17.00		
Stay at Berth(Hr):	62.75		
HMC used	2		
HMC Engagement (in nos)	Actual Duration of Engagement (Simultaneous opn. Hr)	Norm Applied	Projected Qty. to be handled
2	28.50	22000	26125
1	30.75	15000	19219
Total Projected Qty (MT):	45344		
Actual Qty Handled (MT):	39972		
Less Qty (MT):	-5371.75		
Penal Hr w.r.t 1 HMC Norm:	8.59		
Penalty Amount (₹.)*	**31500**		

N.B. Penalty/ incentive will be calculated considering 1 HMC Norm

(2). Geared vessel having multiple consignment / multiple parties' cargo operating with HMC:

In case of geared vessels having multiple consignment / multiple parties cargo use of HMC has been made compulsory under this policy. In such cases, norms applicable for 1 HMC will be considered for use of 1 HMC and norm applicable of 2 HMC will be considered for use of 2 HMC as the case may be. In case, the Port is unable to provide HMC for any reason, the norm applicable fore geared vessel will be considered. Incentive and Penalty will be calculated accordingly.

N.B:
(*) Total operation hour of the vessel = Date & Time of Completion of loading / discharge operation – Date & Time of commencement of loading / discharge operation – Stoppage times on Port Account (**)

(**) Stoppages on Port Account:
a. Shifting / warping of vessel on Port Account.
b. Inclement weather
c. Breakdown of Cranes
d. Stoppage of HMC due to operational reasons like passing of other HMC as per PPT requirement.

(*) In order to retrieve timestamp data on engagement and disengagement of multiple HMC's in a vessel, Statement of Facts (SOF) will be referred. In case of non-availability of required date from SOF, the data available in the HMC operational records will be reckoned for calculation of incentive / penalty.

"

1.2. Performance norms for Steel/ Break Bulk / Project Cargo handling conventionally:-

Cargo	Ship-day Productivity Norms (in MT) Norms for F.Y. 2019-20	Ship-day Productivity Norms (in MT) Norms for F.Y. 2020-21
HR Coil and other unit weight more than 5 T	6000	No change proposed
Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weight 5 T or less)	2000	
Project Cargo	1000	

1.3. The incentive or penalty for Dry and Break Bulk or Project cargo handled at conventional berths:

1.3.1 Steamer Agents to submit the 'Vessel Planning' prior to berthing of the vessel.

1.3.2. The stipulated time of stay of vessel shall be calculated based on the total cargo discharged/ loaded from the vessel during the stay at berth and the performance norm prescribed for the commodity. For example, a vessel carrying 59,830 tonnes of coking coal, the stipulated time of stay of vessel will be 103 hours i.e. 59830 tonnes ÷ 14000 tonnes per day x 24 hours = 102.56 hrs = 103 hours.

1.3.3 The penalty of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth higher than the stipulated time of stay of vessel at berth and incentive of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth lower than the stipulated time of stay of vessel at berth.

1.3.4. If the stayal of vessel at the berth 2 hours lower than the stipulated time, the Stevedores are eligible for incentive of ₹. 7000/- (₹.3500*2) and vice versa in case of penalty.

If the stayal of vessel on account of stevedores at the berth 2 hours lower than the stipulated time, the Stevedores are eligible for incentive of ₹. 7000/- (₹.3500*2) and vice versa in case of penalty.

1.3.5. Methodology for calculation of Incentive and Penalty in respect of Gearless vessels operated with multiple HMC and Geared vessels having multiple consignments / multiple parties at conventional berths.

1.3.5.1 Gearless vessels with Multiple HMC:

1.3.5.1.1. If simultaneous operation of 2 or more HMC is equal to or more than 50% of total operational hour of the vessel (*), then the norms as applicable to 2 HMC will be effected and accordingly incentive / penalty will be calculated.

1.3.5.1.2. If simultaneous operation of 2 HMC is less than 50% of total operational hour of the vessel, then the norms as applicable to 2 HMC will be effected for the duration in which 2 HMC's will be effected for the rest operational hour of the vessel. The potential volume of cargo that could be handled with the above norm will be calculated which will be compared with the actual volume of cargo handled during the entire operational hour. Incentive will be paid if the actual quantity handled is more that the normative quantity and penalty will be collected if the actual quantity handled will be divided by the norm applicable for 1 HMC to calculate less stay / overstay period accordingly incentive / penalty will be calculated by multiplying the same with the rate of incentive/ penalty i.e. @ ₹ 3500 per hour or part thereof.

1.3.5.2. Geared vessel having multiple consignment / multiple parties' cargo operating with HMC:

In case of geared vessels having consignment / multiple parties' cargo, use of HMC has been made compulsory under this policy. In such cases, norms applicable for 1 HMC will be considered for use of 1 HMC and norm applicable of 2 HMC will be considered for use of 2 HMC as the case may be. In case, the Port is unable to provide HMC for any reason, the norm applicable fore geared vessel will be considered. Incentive and Penalty will be calculated accordingly.

Note:
(*) Total operation hour of the vessel = Date & Time of Completion of loading / discharge operation – Date & Time of commencement of loading / discharge operation – Stoppage times on Port Account / weather as under 1.3.6.

1.3.5.3. In order to retrieve data on engagement and disengagement of multiple HMC's in a vessel, Statement of Facts ((SOF) of the vessel will be referred. In case of non-availability of required date from SOF, the date available in the HMC operational records will be reckoned for calculation of incentive / penalty.

1.3.6. The period for which the vessel operation is affected due to the following limited port-related or weather- related issues will be deducted from the actual time of stay of vessel at berth for arriving the incentive/ penalty scheme for handling Dry and Break Bulk cargo at conventional berths:

(a). Break down/ non-availability of cranes to be provided by Port at berth.
(b). Rain and inclement weather as indicated in the Statement of Facts (SOF)
(c). Foreign materials due to manual shifting of cargo to Mechanical Coal Handling Plant (MCHP)
(d). Shifting of vessel on account of Port.
(e). Any delays in sailing post vessel readiness to sail on account of Port. i.e. Pilot/ tug unavailability, and tidal conditions.
(f). The time lost due to stoppage of work for any reasons other than the above (a). to (e). to be excluded for calculation of performance norms, only with the approval of the Board.

1.3.7. Since licenses are issued by the Port to Stevedores for handling cargo and the Stevedores indent Port resources for handling cargo, the Stevedores would avail incentive and also bear the penalty.

1.3.8. The geared vessels are expected to operate all cranes till the completion of loading / unloading of cargo. Such geared vessels which are unable to engage all or any ship crane for cargo loading / unloading operations due to breakdown of ship cranes or any other reasons not attributable to port, the vessel agent/ importer/ exporter is liable to engage Harbour Mobile Crane (HMC) till the ship gears is / are made operational.

1.3.9. In case the geared vessels engage HMC in loading / unloading operation to supplement the vessel gears for any reason, the productivity norm applicable to geared vessels to be considered as the productivity norms of such vessels.

1.3.10. In case of vessels using multiple HMCs to achieve better efficiency, the incentive / Penalty to be calculated as per the method of calculation prescribed under 1.3.5.

1.3.11. Where the vessel is not achieving the prescribed productivity norms, PPT reserve the right to shift the vessel to anchorage at the risk and cost of the ship in addition to levy of penalty charges, if any, at the above prescribed rate.

1.3.12. The above incentive/ penalty will not be applicable in respect of vessels operating at CQ-3 and IOB manually with vessel crane considering less wharf space and constraint in movement of IPT dumpers due to existing mechanized facilities.

1.3.13. PPT may review the productivity norms on quarterly basis and revise the same, if required, based on local conditions and past performance etc. as stipulated in the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016, issued by Ministry.

1.3.14. The performance norms as specified at clause 1.1 in respect of Dry Bulk cargo handled conventionally during the Fair Season and performance norms as specified at clause 1.2 in respect of Break Bulk cargo handled conventionally will be effective from 15 January 2017.

1.3.15. The performance norms as specified at clause 1.1 in respect of Dry Bulk cargo handled conventionally during the Monsoon will be effective from 01 June 2017.

1.3.16. The penalty/ incentive norms as specified at clause 1.3 will be effective from 15 January 2017.

1.3.17. Stevedores are not engaged by Shippers/Exporters at mechanical berths i.e., CB 1, CB 2 and IOB for cargo loading operation, which are operated by PPT. As far as payments of charges are concerned, the Steamer Agents make payment towards vessel related charges and concerned Shippers / Exporters make payment towards cargo related charges. At these berths, the productivity mainly depends on the deballasting capacity of vessels, loading rate accepted by vessel, time taken for opening of hatches, number of hatch changes and draft checks etc. and therefore it is decided to pay / recover incentive / penalty from the Steamer Agents.

1.4. Performance, Incentive and Penalty norms for the vessels working at Mechanised Coal berths CB1 & CB2

1.4.1. Performance Norms for Clearance and Loading

Sl. No	Activity	Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)		No Change
	(i). Existing coastal vessel (i.e. already converted)	60 minutes	
	(ii). Foreign vessels requiring coastal conversion	60 minutes	
(b)	**Time allowed for de ballasting**		
	(i). Panamax Vessel	Nil	
	(ii).Handymax/Supramax	1 hour	
(c)	**Number of Times to be taken for hatch changes**		
	(i). Panamax vessel	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	
(d)	**Time allowed for draught check** **(**2 times draught check)	1 hour	
(e)	**Time allowed for final clearance from the time of completion of loading**	1 hour	

1.4.2 Performance norms for Average Loading Rate

Sl. No.	Vessel Type	**Existing Performance Norm for F.Y. 2019-20 (Tonnes per hour)** Total Qty. Loaded / Time Taken (Berthing to Completion)	**Proposed Performance Norms for F.Y. 2020-21 (Tonnes per hour)** Total Qty. Loaded / Time Taken (Berthing to Completion)
(a).	(i) Panamax vessel	3000	No Change
	(ii) Handymax/ Supramax Vessel	2500	

1.4.3 Penalty for Non-Achievement of the above Performance norms at 1.4.1

		Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and	₹ 5,000/- per hour or part thereof	

	other clearances as stipulated above.		No Change
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.4.1 (c)	₹ 5,000/- for each additional hatch change.	
(c)	Levy of penalty for each additional draught check than the above Item I.4.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	

1.4.4. Incentive for Achievement of the above Performance norms at 1.4.1

		Existing Norms for F.Y. 2019-20		**Proposed Norms for F.Y. 2020-21**	
		Time	**Rate**	**Time**	**Rate**
(a)	Total allowed Time for existing Coastal Panamax vessel = 45 min (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	3 hr.	₹5,000/- per hour or part thereof for less time taken for the above activities	No Change	
(b)	Total allowed Time for existing Coastal Handymax / Supra vessel = 45 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	4 hr.			
(c)	Total allowed Time for existing Foreign going Panamax vessel = (Loading clearance time: 1 hr 10 min (Loading clearance time) + 1 hr(draft check) + 1 hr (Completion to Final Clearance)	3 hr.			
(d)	Total allowed Time for existing Foreign going Handymax / Supra vessel = (Loading clearance time: 1 hr 10 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	4 hr.			

Notes :

(i). A vessel is eligible for incentive, if average loading rate specified at 1.4.2 is achieved.

(ii). Incentive Scheme is not applicable for up- topping vessels.

1.5. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Coal Loading

1.5.1 Performance Norms for Clearance and Loading

Sl. No	**Activity**	**Existing Norms for F.Y. 2019-20**	**Proposed Norms for F.Y. 2020-21**
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)		No Change
	(i). Existing coastal vessel (i.e. already converted)	60 minutes	
	(ii). Foreign vessels requiring coastal conversion	60 minutes	
(b)	**Time allowed for de-ballasting**	Nil	
(c)	**Number of Times to be taken for hatch changes**		
	(i). Panamax vessel	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	
(d)	**Time allowed for draught check** (2 times draught check)	1 hour	
(e)	**Time allowed for final clearance from the time of completion of loading**	1 hour	

(f)	**Gross Ship Day Output (Tonnes per day)** (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	24000TPD	

1.5.2 Penalty for Non-Achievement of the above Performance norms at 1.5.1

		Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof	No change
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.5.1 (c)	₹ 5,000/- for each additional hatch change.	
(c)	Levy of penalty for each additional draught check than the above Item I.5.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	

1.5.3 Incentive for Achievement of the above Performance norms at 1.5.1

		Existing Norms for F.Y. 2019-20		Proposed Norms for F.Y. 2020-21	
		Time	**Rate**	**Time**	**Rate**
(a)	Total allowed Time for existing Coastal vessel = 45 min (Loading clearance time) + 1 hour (draught check) + 1 hour (Completion to Final Clearance)	2 hr.	Rs.5000/- per hour or part thereof for less time taken for the above activities	No Change	
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 10 min (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr.			

Notes:

(i) A vessel is eligible for incentive, if average loading rate specified at 1.5.1(f) is achieved.

1.6. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Iron Ore Loading

1.6.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)		No Change
	(i). Existing coastal vessel (i.e. already converted)	60 minutes	
	(ii). Foreign vessels requiring coastal conversion	60 minutes	
(b)	**Time allowed for de-ballasting**	Nil	
(c)	**Number of Times to be taken for hatch changes**		
	(i). Panamax vessel	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	
(d)	**Time allowed for draught check** (2 times draught check)	1 hour	
(e)	**Time allowed for Trimming**	4 hour	

(f)	**Time allowed for final clearance from the time of completion of loading**	30 minutes (0.50 hr)	
(g)	**Gross Ship Day Output (Tonnes per day)** (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	42000TPD	

1.6.2 Penalty for Non-Achievement of the above Performance norms at 1.6.1

		Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof	No change
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.6.1 (c)	₹ 5,000/- for each additional hatch change.	
(c)	Levy of penalty for each additional draught check than the above Item I.6.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	
(d)	Levy of penalty for additional time taken for trimming in excess of time norm stipulated at 1.6.1 (e)	₹ 5,000/- per hour or part thereof	

1.6.3 Incentive for Achievement of the above Performance norms at 1.6.1

		Existing Norms for F.Y. 2019-20		Proposed Norms for F.Y. 2020-21
		Time	Rate	
(a)	Total allowed Time for existing Coastal vessel = 1 hour (Loading clearance time) + 1 hour (draught check) + 4 hours (Trimming) + 30 minutes (Completion to Final Clearance)	6 hr. 30 min	Rs.5,000/- per hour or part thereof for less time taken for the above activities	No Change
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 30 minutes (Loading clearance time + 1 hour (draft check) + 4 hours (Trimming) + 30 minutes (Completion to Final Clearance)	6 hr. 30 min		

Notes :

(i) A vessel is eligible for incentive, if average loading rate specified at 1.6.1 (g) is achieved.

1.7. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Iron Pellets Loading

1.7.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)		No change
	(i).Existing coastal vessel (i.e. already converted)	60 minutes	
	(ii).Foreign vessels requiring coastal conversion	60 minutes	
(b)	**Time allowed for de-ballasting**	Nil	
(c)	**Number of Times to be taken for hatch changes**		
	(i). Panamax vessel	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	

(d)	**Time allowed for Trimming**	1 hour	
(e)	**Time allowed for final clearance from the time of completion of loading**	1 hour	
(f)	**Gross Ship Day Output (Tonnes per day)** (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	42000TPD	

1.7.2 Penalty for Non-Achievement of the above Performance norms at 1.7.1

		Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof	No changes
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.7.1 (c)	₹ 5,000/- for each additional hatch change.	
(c)	Levy of penalty for each additional draught check than the above Item I.7.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	

1.7.3 Incentive for Achievement of the above Performance norms at 1.7.1

		Existing Norms for F.Y. 2019-20		Proposed Norms for F.Y. 2020-21
		Time	**Rate**	
(a)	Total allowed Time for existing Coastal vessel = 45 min (Loading clearance time) + 1 hour (draught check) + 1 hour (Completion to Final Clearance)	3 hr.	₹ 5,000/- per hour or part thereof for less time taken for the above activities	No Change
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 10 min (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr.		

Notes :

(i). A vessel is eligible for incentive, if average loading rate specified at 1.7.1(f) is achieved.

1.8. Penalty scheme for non-evacuation of cargo from wharf 1.8.1.

		Existing Norms for F.Y. 2019-20	Proposed Norms for F.Y. 2020-21
a.	The penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel.	Rs. 3500/- per hour or part thereof.	No Change

4. In accordance with the consultative procedure prescribed, a copy of the proposal of PPT dated 20 October 2020 was forwarded to the concerned users/ user organisations seeking their comments. None of the users/ user organizations except Paradip Port Stevedores Association (PPSA) has furnished its comments. The comments of PPSA vide its letter dated 15 November 2020 and 15 December 2020 were forwarded to PPT seeking its comments. The PPT vide its emails dated 17 December 2020 and 9 January 2021 has responded.

5. Based on a preliminary scrutiny of the PPT proposal, additional information/ clarification were sought from PPT vide letter dated 18 December 2020. The PPT has responded vide its email dated 9 January 2021. The information/ clarification sought and reply of PPT thereon are as follows:

Sr. no.	Information / clarification sought by us	Reply of PPT

<table>
<tr><td>(i).</td><td>The PPT in Annexure –IV forming part of its proposal dated 20 October 2020 has furnished a statement indicating the existing approved performance norms, 70% best performance and the proposed norms for broad dry bulk cargo groups viz. coal, flux, coke, Iron ore/ pellets and other dry bulk. On perusal of the Board Agenda attached to the proposal, it is seen to have mentioned that average productivity of the best 70% parcels of different groups (i.e. different crane combination) was taken as a reference for the proposed revision of norms. In case the average productivity achieved by 70% best performing parcels is higher than the existing norms, the performance norms have been proposed upwards, and if the average productivity achieved by 70% best performing parcels is lower than the existing norms, the performance norms is proposed to be retained without any revision. In this regard, the PPT to furnish the following information / clarification:</td><td></td></tr>
<tr><td>(a).</td><td>The basis for considering the Best performance at 70% and not considering any other high performance level to be explained.</td><td>MoS vide its letter no. PD-25021/14/2016-PD-II dtd. 21.04.2016 endorsing the policy paper of BCG (Project Unnati) wherein it is suggested to increase the norms up on achievement of 60%-70% of set norms.

TAMP, vide case No. TAMP/79/2017-PPT, suggested that PPT may file new Productivity Norm on achievement of productivity Norms by 70% of vessels and improvement of infrastructural bottlenecks.

During the period from January 2017 (date of implementation of productivity norms for dry bulk cargo vessels), PPT has taken up several infrastructure development works like widening /concreting of roads, improvement of illumination by installing additional lighting towers, widening of water drains etc. The detailed list of completed projects is furnished by PPT.

The statistics on productivity norms achieved by different vessels carrying dry bulk cargo is given below:

<table>
<tr><th>Fin Year</th><th>Total No of Parcel</th><th>Parcels Crossed Performance Norm (Incentivized)</th><th>Parcels Not Crossed Performance Norm (Penalized)</th></tr>
<tr><td>2017-18 *</td><td>993</td><td>46 %</td><td>54 %</td></tr>
<tr><td>2018-19</td><td>822</td><td>63 %</td><td>37 %</td></tr>
<tr><td>2019-20</td><td>478</td><td>71 %</td><td>29 %</td></tr>
<tr><td>2020-21 (Jul-Sep) Provisional</td><td>145</td><td>73 %</td><td>29 %</td></tr>
</table>

* Date of Inception of the Policy was 15.01.2017

During the last 3 F.Ys, PPT has paid ₹ 7.16 Crore Incentive as against ₹ 4.79 Crore collected as penalty.

Since, more than 70% of parcels have achieved the productivity norms and several infrastructure development works have been completed in the</td></tr>
</table>

<table>
<tr><td></td><td></td><td>meantime, it was felt appropriate to enhance the norms. In this regard, a thorough scrutiny of the performance of all dry bulk cargo vessels was done by the Port. It is observed that several vessels carrying coal, lime stone and other flux materials have excelled the performance norm by a big margin and earned hefty amount of incentive. At the same time, some vessels in the category could not achieve the norm and paid penalty, mainly due to their operational inefficiencies. In certain category, like Iron Ore with 2 HMCs, many vessels could not achieve the norm.

After making a detailed deliberation and on collective application of mind, it was decided to take average productivity of best 70% vessels as a yard stick to fix new norm. It may be appreciated that the average productivity of 70% of best performing vessels is quite achievable and is a logical yardstick since it represents 70% of entire population.

So, in view of this, PPT has considered 70% best performance parcels average for escalating of Productivity Norm.</td></tr>
<tr><td>(b).</td><td>The PPT is generally seen to have proposed higher norms as compared to the level of 70% best performance. However, in the case of the Geared vessels (Ship cranes) as per the table given below, the proposed norms are seen to be kept far below than the 70% best performance levels. The PPT to review and revise the said proposed norms at the level of 70% best performance.

<table>
<tr><td colspan="6">Geared (G) vessels</td></tr>
<tr><td colspan="6">Fair season</td></tr>
<tr><td rowspan="2">Existing</td><td>Coal</td><td>Flux</td><td>Coke</td><td>Iron ore</td><td>Other Dry Bulk</td></tr>
<tr><td>14000</td><td>12000</td><td>10000</td><td>15000</td><td>13000</td></tr>
<tr><td>70% Best Performance</td><td>18346</td><td>15897</td><td>11447</td><td>21074</td><td>15410</td></tr>
<tr><td>Proposed Norm</td><td>15000</td><td>13000</td><td>11000</td><td>18500</td><td>13500</td></tr>
<tr><td>Difference</td><td>3346 (-18%)</td><td>2897 (-18%)</td><td>447 (-4%)</td><td>2574 (-12%)</td><td>1910 (-12%)</td></tr>
</table>
</td><td>While considering the best 70% parcels for framing the proposed productivity norm, there was a deviation encountered in case of geared vessels where the average productivity norm of best 70% performing vessel exceeds the average productivity norm for 1 HMC group. Productivity of such type of operations (HMC with Ship crane) is more than 1 HMC Norm. It has happened in some geared vessels, HMCs worked with ship crane, in several instances, as supplement to achieve better productivity and faster turnaround of the vessel. The achieved productivity in case of geared vessel, doesn’t truly represent the productivity of gears of the vessel since HMCs were engaged partially. Hence PPT has proposed the Ship cranes Norm, which is less than the 1 HMC Norm.

The Authority is requested to take cognizance of the above aspect and consider the norms for this category as proposed by the Port.</td></tr>
<tr><td>(c).</td><td>The information regarding 70% best performance considered for the period from 2017-18 to 2019-20 in respect of Monsoon Season to be furnished.</td><td>The information regarding 70% best performance considered for the period from 2017-18 to 2019-20 in respect of Monsoon Season is furnished by PPT.</td></tr>
<tr><td>(d).</td><td>The reasons for not achieving the existing prescribed performance norms in respect of some commodity groups viz. Iron ore/ Pellets & other dry bulk being handled by Gearless or Geared vessels (2 or above) and dry bulk cargo being handled by Geared vessels (1 HMC) to be clarified.</td><td>Basically the group of cargo mainly Iron ore/ Iron ore pellet are coming under export cargo, which are loaded into ships.

During the loading operation, the stevedores have to transport the cargo to the berth from the respective plots through dumpers for loading into the vessel. The engagement of dumpers is in the scope of stevedores. It has been observed that the stevedores are not providing adequate dumpers for movement of cargo from plot to berth and the dumpers usually start the transportation work late in beginning of shifts and break early at the end of shifts. In this type operation, HMCs are idle most of the time at beginning /end of</td></tr>
</table>

<table>
<tr><td></td><td></td><td>shifts due to insufficient cargo at the feeding point on the wharf. Hence the existing prescribed norms could not be achieved in case of Iron Ore / pellet group.</td></tr>
<tr><td>(ii).</td><td>The PPT has furnished a statement indicating the existing approved performance norms, 70% best performance and the proposed norms for broad dry bulk cargo groups viz. coal, flux, coke, Iron ore/pellets and other dry bulk. However, no such information is seen to have been furnished by the Port in respect of Break bulk cargo. The PPT to furnish the similar information indicating the productivity achieved during the Financial years 2017-18 and 2019-20 in respect of break bulk cargo especially with regard to HR Coil and other unit weighing more than 5T, Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weight 5 T or less and Project Cargo.</td><td>Information indicating the productivity achieved during the Financial years 2017-18 and 2019-20 in respect of break bulk cargo especially with regard to HR Coil and other unit weighing more than 5T, Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weight 5 T or less and Project Cargo is as follows:
<table>
<tr><td rowspan="2">Season</td><td colspan="4">Ship day productivity (in MT)</td></tr>
<tr><td></td><td>Project cargo</td><td>Steel cargo (unit weight < 5 tonne)</td><td>Steel cargo (unit weight > 5 tonne)</td></tr>
<tr><td rowspan="2">Fair/ Monsoon</td><td>Existing</td><td>1000</td><td>2000</td><td>6000</td></tr>
<tr><td>70% best performance</td><td>860</td><td>3004</td><td>10734</td></tr>
</table>
No modification in the productivity norm for break bulk cargo is proposed as because at present break bulk cargo is being handled at PICT berth.</td></tr>
<tr><td>(iii).</td><td>The PPT to explain the reason for not proposing any increased norms with reference to break bulk cargo, over the existing ship day productivity norms, at Sl. No. 1.2 of the proposed SOR.</td><td>As per concession agreement signed with PICT (Paradip International Cargo Terminal) a new multipurpose clean cargo berth is developed and operated on PPP basis by PICT. All the Break bulk cargo are handled exclusively at the multipurpose clean cargo berth.

In view of the above, PPT has not proposed any change in the existing Norm.</td></tr>
<tr><td>(iv).</td><td>The PPT to furnish the productivity achieved in terms of Gross Ship Output Per Day (OSBD) in respect of vessel handled at Mechanized coal berth (CB1 and CB2), Mechanized Iron ore berth (IOB) for coal loading, Mechanized Iron berth (IOB) for iron ore loading, Mechanized Iron berth (IOB) for Iron Pellets loading separately during the Financial years 2017-18 to 2019-20 to substantiate retaining the existing norms.</td><td>Productivity (OSBD) achieved during F.Y. 2017-18 to 2019-20 is furnished below: In MT.
<table>
<tr><td>Berth (Commodity)</td><td>2017-18</td><td>2018-19</td><td>2019-20</td></tr>
<tr><td>CB-1 & CB-2</td><td>46,754</td><td>49,033</td><td>43,650</td></tr>
<tr><td>IOB-IRON ORE</td><td>19,293</td><td>21,841</td><td>25,033</td></tr>
<tr><td>IOB-IRON PELLET</td><td>30,256</td><td>28,664</td><td>34,040</td></tr>
<tr><td>IOB-THERMAL COAL</td><td>20,948</td><td>24,140</td><td>11,719</td></tr>
</table></td></tr>
<tr><td>(v). (a).</td><td>The PPT to explain the reasons for not proposing any increased improved performance norms for average loading rate of Panamax and Handymax/ Supramax vessels, at Sl. No. 1.4.2. of the proposed SOR.</td><td>Actual loading rate of Panamax and Handymax / Supramax vessels at MCHP is given below:
(in MT)
<table>
<tr><td rowspan="2"></td><td rowspan="2">Existing Loading Rate</td><td colspan="3">Actual Loading Rate</td></tr>
<tr><td>2017-18</td><td>2018-19</td><td>2019-20</td></tr>
<tr><td>Panamax</td><td>3000</td><td>1952</td><td>2107</td><td>1935</td></tr>
<tr><td>Handymax/ Supramax</td><td>2500</td><td>1901</td><td>1951</td><td>1683</td></tr>
</table>
Since the average loading rates during the last three financial years are below the approved loading rate of Panamax, Handymax/ Supramax vessels, no change is proposed.</td></tr>
</table>

<table>
<tr><td>(v). (b).</td><td>The actual loading rate of the Panamax and Handymax/ Supramax vessels separately during the each of the years 2017-18 to 2019-20, to be furnished.</td><td>Actual loading rate of Panamax and Handymax / Supramax vessels at MCHP is given below:
(in MT)<table><tr><th>Vessel Type</th><th>2017-18</th><th>2018-19</th><th>2019-20</th></tr><tr><td>Panamax</td><td>1952</td><td>2107</td><td>1935</td></tr><tr><td>Handymax/ Supramax</td><td>1901</td><td>1951</td><td>1683</td></tr></table></td></tr>
<tr><td>(vi).</td><td>The PPT has proposed a norm of 1 hour for time allowed for Trimming for clearance and loading at Mechanized Iron Ore Berth (IOB) for Iron Ore pellets loading at Section 1.7.1, Item (d) in proposed SOR. However, at Section 1.7.2 item (c) given therein below, it is seen that PPT has erroneously drawn reference for levy of penalty for Draught Check at Item (d). Since the nomenclature at Section 1.7.1 Item (d) and 1.7.2 item (c) appear to be inconsistent, the PPT to rectify the same.</td><td>This was a typographical error, which may be replaced as given below:<table><tr><th>Clause No.</th><th>Description</th><th>Proposed</th></tr><tr><td>1.7.1 (d)</td><td>Time allowed for Trimming: 1 Hr</td><td>Time allowed for draft check (2 times draught check) : 1 Hr</td></tr></table></td></tr>
</table>

6. In view of the outbreak of COVID – 19 and in pursuance of the then Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 22 December 2020 through Video Conferencing. The PPT has made a brief power point presentation of its proposal. At the joint hearing, the PPT and the users have made their submissions.

7. As advised in the joint hearing, the PPSA vide its letter dated 28 December 2020 has furnished its additional comments on the proposal in reference. The additional comments of PPSA was forwarded to PPT for its comments. The PPT vide its email dated 9 January 2021 has responded.

8. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the arguments made during the joint hearing will be sent separately to the port and relevant parties. These details will also be made available at our website http://tariffauthority.gov.in.

9. With reference to the totality of the information collected during the processing of the case, the following position emerges:

(i). The then Ministry of Shipping (MOS) in June 2016 had issued the Berthing Policy laying down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports and to institute penalties and incentives tied to the performance norms. Based on a proposal filed by the Paradip Port Trust (PPT), this Authority vide its Order no. TAMP/79/2017-PPT dated 3 October 2018 had approved the performance norm based incentive/ penalty in respect of handling dry bulk cargo as well as for handling steel/ break bulk/ project cargo. After the validity prescribed vide the said Order expired on 31 March 2019, this Authority extended the validity upto 31 March 2020 and also made changes in few notes governing the levy of the performance norm based incentive/ penalty, as proposed by the Port. Thereafter, the validity was again extended for a period of six months i.e. from 1 April 2020 to 30 September 2020. In this backdrop, the PPT has now come up with a proposal for review of the performance norm based incentive/ penalty scheme for both dry bulk cargo and break bulk cargo taking into account the allied infrastructure development and past performance of PPT. The proposal of the port has the approval of its Board of Trustees.

(ii). The PPT has filed its proposal in October 2020. The proposal seeks approval for the Performance norm based Incentive/ Penalty, in respect of handling Dry Bulk Cargo by Ship's cranes and Harbour Mobile Cranes (HMCs) at PPT and in respect of conventional handling of steel, break bulk cargo and Project cargo. The said proposal alongwith the information furnished by the PPT during the processing of the case has been considered in this analysis.

(iii). (a). The PPT in its proposal has brought out that the existing Performance norm based Incentive/ Penalty Scheme was framed taking into consideration the infrastructural bottlenecks of PPT. Thereafter, there have been considerable improvements in the infrastructure like construction of concrete roads, wider drains, installation of more high mast towers etc.

(b). Clause 7.2 of the Berthing Policy Guidelines of 2016, stipulates that if more than 60%-70% of ships are achieving the set-norms then the port should increase the norms. Thus, the PPT, in order to formulate its present proposal has reported to have considered the average productivity of best 70% parcels in different groups (i.e. crane combinations) as a reference point. In the event, the average productivity achieved by 70% best performing parcels is higher than the existing norm, the performance norm is reported to have been proposed for upward revision and if the average productivity achieved by 70% best performing parcels is lower than the existing norm, the existing performance norm is reported to have been retained by the port without any revision.

(c). A comparative statement of the existing performance norm, the average productivity of best 70% parcels and the proposed performance norm in respect of all the dry bulk cargo, as furnished by PPT is given below:

Gearless (GL)/ Geared (G) vessels	**No. of HMC / Ship crane**	**Season**		**Ship-day productivity (in MT) Norms**				
				Coal	**Flux**	**Coke**	**Iron Ore/ Pellet**	**Other Dry bulk**
Gearless (GL)/ Geared (G) vessels	2 or above	Fair	Existing	22000	17400	15000	27000	22000
			70% best performance	24937	25294	18881	24043	17171
			Proposed	25000	25000	18500	27000	22000
		Monsoon	Existing	20000	16000	14000	27000	20000
			70% best performance	22792	22373	17269	22489	12751
			Proposed	23000	23000	17000	27000	20000
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair	Existing	15000	14000	12000	18000	15000
			70% best performance	17255	16873	13413	18763	13214
			Proposed	17000	16500	13000	18500	15000
		Monsoon	Existing	14000	13000	11000	18000	14000
			70% best performance	16909	18570	13553	18275	10791
			Proposed	15500	15000	12000	18500	14000
Geared (G) vessels	4 Ship cranes	Fair	Existing	14000	12000	10000	15000	13000
			70% best performance	18346	15897	11447	21074	15410
			Proposed	15000	13000	11000	18500	13500
		Monsoon	Existing	13000	11000	9000	15000	12000
			70% best performance	14275	14938	9529	16842	9189
			Proposed	14000	12000	10000	18500	12000

(d). From the above table it can be seen that when the average productivity achieved by 70% best performing parcels is higher than the existing performance norm, the PPT has proposed performance norms closer to the higher level of productivity achieved by the Port. Whereas, when the average productivity achieved by 70% of parcels is lower than the existing norm, then the port has proposed to continue with the existing norm.

(e). However, in the case of the Geared vessels (Ship cranes), the proposed performance norms are seen to have been proposed far below than the 70% best performance levels. In this regard, the PPT has clarified that in several instances at the time of deployment of Ship Cranes, HMCs have also been deployed along with the ship cranes, so as to achieve better productivity and to enable faster turnaround of the vessel. As a result, the achieved productivity in case of geared vessel, does not truly represent the productivity of gears of the vessel. Thus, the productivity norm proposed by the PPT is seen to be marginally higher than the existing performance norms relating to the Ship cranes.

(f). From the above table, it can also be seen that in respect of some commodity groups viz. Iron ore/ Pellets & other dry bulk being handled by Gearless or Geared vessels (2 or above) and dry bulk cargo being handled by Geared vessels (1 HMC), the existing prescribed performance norms have not been achieved. In this regard, the port has reasoned that the said cargo are mainly export cargo, which requires them to be transported to the berth from the respective plots through dumpers for loading into the vessel. In the absence of sufficient number of dumpers being made available by Stevedores and due to the inefficiency in the use of dumpers, the HMCs are reported to be idle most of the time due to insufficient cargo at the feeding point on the wharf.

Thus, the port has requested to take cognizance of the above aspect and consider the norms for this category as proposed by the Port.

(g). The users like Paradip Port Stevedores Association (PPSA), NTPC Tamilnadu Energy Company Limited, Orrisa Stevedoring Limited and Tamilnadu Generation And Distribution Corporation Limited have requested to continue with the existing penalty/ incentive scheme for a further period of one year i.e. upto 31 March 2022 and have requested the port to review the norms thereafter. The PPSA has stated that during 3 years period (15.1.2017 to 22.3.2020), 57% parcels have qualified for incentive and 43% parcels were penalized. Taking 70% best performing parcels from 57% is a deviation from the principle of 70% achievement.

In this regard, the port has stated that the existing Performance norm based Incentive/ Penalty Scheme was framed taking into consideration the infrastructural bottlenecks of PPT. Thereafter, there have been considerable improvements in the infrastructure like construction of concrete roads, wider drains, installation of more high mast towers etc. It is seen from the statistics furnished by PPT that more than 70% parcels have crossed performance norms during the year 2019-20 and 2020-21 (July-Sept.) and thus brought out the growth trend mainly due to infrastructure developments. As such, the port has felt it necessary to revise the Performance Scheme in respect of handling dry bulk cargo conventionally. The port has also stated that during the last 3 financial years, it has paid ₹ 7.16 Crores as Incentive to the users as against ₹ 4.79 Crores collected as penalty. Thus, the port is of the view that several vessels carrying coal, lime stone and other flux materials have excelled the performance norm by a big margin and earned hefty amount of incentive and that whereas, at the same time, some vessels have not achieved the norms and paid penalty, mainly due to their operational inefficiencies.

(h). Considering the above position and taking cognizance of the operational constraints as bought out by the PPT and also considering that the productivity norms as proposed by the Port is more than the average productivity achieved by the port in the past three years and given that the proposal of the port has the approval of the Board of Trustees of the port, the proposal of PPT for prescription of the performance norms for the various dry bulk cargo items viz., Coal, Flux, Coke, Iron Ore/ Pellet and Other Dry bulk cargo, for the fair season as well as the monsoon season is approved, as proposed by the Port.

(iv). As regards break bulk cargo viz., HR Coil and other unit weighing more than 5 Tonne, Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weighing 5 Tonne or less) as well as Project Cargo, the PPT has not proposed any change in the existing Performance Norms. In this regard, the port has stated that since all the Break bulk cargo are handled exclusively at the new multipurpose clean cargo berth, as per the Concession Agreement entered between PPT and PICTPL (Paradip International Cargo Terminal Private Limited), it has not proposed any change in the existing performance Norm.

In this regard, it is relevant here to mention that the berthing policy is applicable only for dry bulk cargo. However, based on the proposal of the port earlier, performance norm based incentive/ penalty scheme was prescribed in respect of Break bulk cargo as well. Thus, even though no improvement in performance norms has been proposed by the port in respect of the break bulk cargo and project cargo, this Authority is inclined to rely upon the judgment of the port to continue with the existing performance norms as proposed by the Port.

(v). Similarly, the PPT has not proposed any increase in the performance norms for average loading rate of Panamax and Handymax/ Supramax vessels working at Mechanised Coal berths CB1 and CB2 on the ground that the average loading rate during the last three financial years are below the existing loading rate of Panamax, Handymax/ Supramax vessels. The PPT has furnished statistics in support of its reasoning. In view of the above, this Authority is inclined to rely upon the judgment of the port to continue with the existing loading rate of Panamax and Handymax/ Supramax vessels, as proposed by the Port.

(vi). Except for the changes in the performance norms for the various dry bulk cargo items, as discussed in the earlier preceding paragraphs, the PPT has proposed to retain all the other existing parameters and the conditionalities governing the levy of the performance norm based incentives and penalties.

(vii). The port has not quantified the financial impact of the proposed tariff arrangement. Given that the proposal of the port is in the nature of levy of penalties/ incentives on account of performance/ over stayl of vessel/ early evacuation of cargo from the berth and is dependent on the performance of the ship, it may not be possible for the port to ascertain the financial impact of the proposed tariff arrangement.

(viii). Order of this Authority generally come into effect prospectively after expiry of 30 days from the date of Gazette Notification unless otherwise different arrangement is specifically mentioned in the respective tariff Orders. Accordingly, in the instant case, the proposed provisions shall come into effect after expiry of 30 days from the date of Notification of the Order in the Gazette of India and shall remain valid for a period of one year thereafter. In the meanwhile, the validity of the existing Performance Norm based Incentive/ Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo is deemed to have been extended by this Authority with effect from 01 October 2020 till such time, the revised new provisions come into force.

10.1. In the result, and for the reasons given above, and based on the collective application of mind, this Authority approves the incorporation of the following provisions in the existing Scale of Rates of PPT:

"1. Performance norm based Incentive/ Penalty in respect of handling Dry bulk / Break Bulk cargo at Paradip Port Trust

1.2 Performance norms for Dry Bulk handling conventionally:-

Gearless (GL)/ Geared (G) vessels	**No. of HMC / Ship crane**	**Season (*)**	**Ship-day productivity (in MT) Norms**				
			Coal	**Flux**	**Coke**	**Iron Ore/ Pellet**	**Other Dry bulk**
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	25000	25000	18500	27000	22000
		Monsoon (*)	23000	23000	17000	27000	20000
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair (*)	17000	16500	13000	18500	15000
		Monsoon (*)	15500	15000	12000	18500	14000
Geared (G) vessels	4 Ship cranes	Fair (*)	15000	13000	11000	18500	13500
		Monsoon(*)	14000	12000	10000	18500	12000

(*) Fair Season: October to May and Monsoon Season: June to September

Methodology for calculation of Incentive and Penalty in respect of Gearless vessels operated with multiple HMC and Geared vessels having multiple consignment / multiple parties at conventional berths

(1). Gearless vessels with Multiple HMC:

(i). If simultaneous operation of 2 or more HMC is equal to or more than 50% of total operational hour of the vessel (*), then the norms as applicable to 2 HMC will be effected and accordingly incentive / penalty will be calculated.

(ii). If simultaneous operation of 2 HMC is less than 50% of total operational hour of the vessel, then the norms as applicable to 2 HMC will be effected for the duration in which 2 HMC's operated simultaneously and the norms as applicable to 1 HMC will be effected for the rest operational hour of the vessel. The potential volume of cargo that could be handled with the above norm will be calculated which will be compared with the actual volume of cargo handled during the entire operational hour. Incentive will be paid if the actual quantity handled is more than the normative quantity and penalty will be collected if the actual quantity handled is less than the normative quantity. The applicable for 1 HMC to calculate less stay / overstay period accordingly incentive / penalty will be calculated by multiplying the same with the rate of incentive/ penalty i.e. @ ₹ 3500 per hour or part thereof.

Proposed Method			
Parcel Size (in MT):	39972		
Commodity:	C. Coal		
Parcel Commencement:	08-12-18 02:15		
Parcel Completion:	10-12-18 17.00		
Stay at Berth(Hr):	62.75		
HMC used	2		
HMC Engagement (in nos)	Actual Duration of Engagement (Simultaneous opn. Hr)	Norm Applied	Projected Qty. to be handled
2	28.50	22000	26125
1	30.75	15000	19219
Total Projected Qty (MT):	45344		
Actual Qty Handled (MT):	39972		
Less Qty (MT):	-5371.75		
Penal Hr w.r.t 1 HMC Norm:	8.59		
Penalty Amount (₹.)*	**31500**		

N.B. Penalty/ incentive will be calculated considering 1 HMC Norm

(2). Geared vessel having multiple consignment / multiple parties' cargo operating with HMC:

In case of geared vessels having multiple consignment / multiple parties cargo use of HMC has been made compulsory under this policy. In such cases, norms applicable for 1 HMC will be considered for use of 1 HMC and norm applicable of 2 HMC will be considered for use of 2 HMC as the case may be. In case, the Port is unable to provide HMC for any reason, the norm applicable fore geared vessel will be considered. Incentive and Penalty will be calculated accordingly.

N.B:
(*) Total operation hour of the vessel = Date & Time of Completion of loading / discharge operation – Date & Time of commencement of loading / discharge operation – Stoppage times on Port Account (**)

(**) Stoppages on Port Account:
e. Shifting / warping of vessel on Port Account.
f. Inclement weather
g. Breakdown of Cranes
h. Stoppage of HMC due to operational reasons like passing of other HMC as per PPT requirement.

(*) In order to retrieve timestamp data on engagement and disengagement of multiple HMC's in a vessel, Statement of Facts (SOF) will be referred. In case of non-availability of required date from SOF, the data available in the HMC operational records will be reckoned for calculation of incentive / penalty.

1.2. Performance norms for Steel/ Break Bulk / Project Cargo handling conventionally:-

Cargo	Ship-day Productivity Norms (in MT)
HR Coil and other unit weight more than 5 T	6000
Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weight 5 T or less)	2000
Project Cargo	1000

1.3. The incentive or penalty for Dry and Break Bulk or Project cargo handled at conventional berths:

1.3.1 Steamer Agents to submit the 'Vessel Planning' prior to berthing of the vessel.

1.3.2. The stipulated time of stay of vessel shall be calculated based on the total cargo discharged/ loaded from the vessel during the stay at berth and the performance norm prescribed for the commodity. For example, a vessel carrying 59,830 tonnes of coking coal, the stipulated time of stay of vessel will be 103 hours i.e. 59830 tonnes ÷ 14000 tonnes per day x 24 hours = 102.56 hrs = 103 hours.

1.3.3 The penalty of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth higher than the stipulated time of stay of vessel at berth and incentive of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth lower than the stipulated time of stay of vessel at berth.

1.3.4. If the stayal of vessel at the berth 2 hours lower than the stipulated time, the Stevedores are eligible for incentive of ₹. 7000/- (₹.3500*2) and vice versa in case of penalty.
If the stayal of vessel on account of stevedores at the berth 2 hours lower than the stipulated time, the Stevedores are eligible for incentive of ₹. 7000/- (₹.3500*2) and vice versa in case of penalty.

1.3.5. Methodology for calculation of Incentive and Penalty in respect of Gearless vessels operated with multiple HMC and Geared vessels having multiple consignments / multiple parties at conventional berths.

1.3.5.1 Gearless vessels with Multiple HMC:

1.3.5.1.1. If simultaneous operation of 2 or more HMC is equal to or more than 50% of total operational hour of the vessel (*), then the norms as applicable to 2 HMC will be effected and accordingly incentive / penalty will be calculated.

1.3.5.1.2. If simultaneous operation of 2 HMC is less than 50% of total operational hour of the vessel, then the norms as applicable to 2 HMC will be effected for the duration in which 2 HMC's will be effected for the rest operational hour of the vessel. The potential volume of cargo that could be handled with the above norm will be calculated which will be compared with the actual volume of cargo handled during the entire operational hour. Incentive will be paid if the actual quantity handled is more that the normative quantity and penalty will be collected if the actual quantity handled will be divided by the norm applicable for 1 HMC to calculate less stay / overstay period accordingly incentive / penalty will be calculated by multiplying the same with the rate of incentive/ penalty i.e. @ ₹ 3500 per hour or part thereof.

1.3.5.2. Geared vessel having multiple consignment / multiple parties' cargo operating with HMC:

In case of geared vessels having consignment / multiple parties' cargo, use of HMC has been made compulsory under this policy. In such cases, norms applicable for 1 HMC will be considered for use of 1 HMC and norm applicable of 2 HMC will be considered for use of 2 HMC as the case may be. In case, the Port is unable to provide HMC for any reason, the norm applicable fore geared vessel will be considered. Incentive and Penalty will be calculated accordingly.

Note:
(*) Total operation hour of the vessel = Date & Time of Completion of loading / discharge operation – Date & Time of commencement of loading / discharge operation – Stoppage times on Port Account / weather as under 1.3.6.

1.3.5.3. In order to retrieve data on engagement and disengagement of multiple HMC's in a vessel, Statement of Facts ((SOF) of the vessel will be referred. In case of non-availability of required date from SOF, the date available in the HMC operational records will be reckoned for calculation of incentive / penalty.

1.3.6. The period for which the vessel operation is affected due to the following limited port-related or weather- related issues will be deducted from the actual time of stay of vessel at berth for arriving the incentive/ penalty scheme for handling Dry and Break Bulk cargo at conventional berths:

(a). Break down/ non-availability of cranes to be provided by Port at berth.
(b). Rain and inclement weather as indicated in the Statement of Facts (SOF)
(c). Foreign materials due to manual shifting of cargo to Mechanical Coal Handling Plant (MCHP)
(d). Shifting of vessel on account of Port.
(e). Any delays in sailing post vessel readiness to sail on account of Port. i.e. Pilot/ tug unavailability, and tidal conditions.
(f). The time lost due to stoppage of work for any reasons other than the above (a). to (e). to be excluded for calculation of performance norms, only with the approval of the Board.

1.3.7. Since licenses are issued by the Port to Stevedores for handling cargo and the Stevedores indent Port resources for handling cargo, the Stevedores would avail incentive and also bear the penalty.

1.3.8. The geared vessels are expected to operate all cranes till the completion of loading / unloading of cargo. Such geared vessels which are unable to engage all or any ship crane for cargo loading / unloading operations due to breakdown of ship cranes or any other reasons not attributable to port, the vessel agent/ importer/ exporter is liable to engage Harbour Mobile Crane (HMC) till the ship gears is / are made operational.

1.3.9. In case the geared vessels engage HMC in loading / unloading operation to supplement the vessel gears for any reason, the productivity norm applicable to geared vessels to be considered as the productivity norms of such vessels.

1.3.10. In case of vessels using multiple HMCs to achieve better efficiency, the incentive / Penalty to be calculated as per the method of calculation prescribed under 1.3.5.

1.3.11. Where the vessel is not achieving the prescribed productivity norms, PPT reserve the right to shift the vessel to anchorage at the risk and cost of the ship in addition to levy of penalty charges, if any, at the above prescribed rate.

1.3.12. The above incentive/ penalty will not be applicable in respect of vessels operating at CQ-3 and IOB manually with vessel crane considering less wharf space and constraint in movement of IPT dumpers due to existing mechanized facilities.

1.3.13. PPT is review the productivity norms on quarterly basis and revise the same, if required, based on local conditions and past performance etc. as stipulated in the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016, issued by Ministry.

1.3.14. The performance norms as specified at clause 1.1 in respect of Dry Bulk cargo handled conventionally during the Fair Season and performance norms as specified at clause 1.2 in respect of Break Bulk cargo handled conventionally will be effective from 15 January 2017.

1.3.15. The performance norms as specified at clause 1.1 in respect of Dry Bulk cargo handled conventionally during the Monsoon will be effective from 01 June 2017.

1.3.16. Stevedores are not engaged by Shippers/Exporters at mechanical berths i.e., CB 1, CB 2 and IOB for cargo loading operation, which are operated by PPT. As far as payments of charges are concerned, the Steamer Agents make payment towards vessel related charges and concerned Shippers / Exporters make payment towards cargo related charges. At these berths, the productivity mainly depends on the deballasting capacity of vessels, loading rate accepted by vessel, time taken for opening of hatches, number of hatch changes and draft checks etc. and therefore it is decided to pay / recover incentive / penalty from the Steamer Agents.

1.4. Performance, Incentive and Penalty norms for the vessels working at Mechanised Coal berths CB1 & CB2

1.4.1. Performance Norms for Clearance and Loading

Sl. No	Activity	Norms
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)	
	(i). Existing coastal vessel (i.e. already converted)	60 minutes
	(ii). Foreign vessels requiring coastal conversion	60 minutes
(b)	**Time allowed for de ballasting**	
	(i). Panamax Vessel	Nil
	(ii).Handymax/Supramax	1 hour
(c)	**Number of Times to be taken for hatch changes**	
	(i). Panamax vessel	No. of hatches X 2 + 1
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1
(d)	**Time allowed for draught check** **(**2 times draught check)	1 hour
(e)	**Time allowed for final clearance from the time of completion of loading**	1 hour

1.4.2 Performance norms for Average Loading Rate

Sl. No.	Vessel Type	**Performance Norm (Tonnes per hour)** Total Qty. Loaded / Time Taken (Berthing to Completion)
(a).	(i) Panamax vessel	3000
	(ii) Handymax/ Supramax Vessel	2500

1.4.3 Penalty for Non-Achievement of the above Performance norms at 1.4.1

		Norms
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.4.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item I.4.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.

1.4.4. Incentive for Achievement of the above Performance norms at 1.4.1

		Norms	
		Time	**Rate**
(a)	Total allowed Time for existing Coastal Panamax vessel = 45 min (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	3 hr.	₹5,000/- per hour or

(b)	Total allowed Time for existing Coastal Handymax / Supra vessel = 45 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	4 hr.	part thereof for less time taken for the above activities
(c)	Total allowed Time for existing Foreign going Panamax vessel = (Loading clearance time: 1 hr 10 min (Loading clearance time) + 1 hr(draft check) + 1 hr (Completion to Final Clearance)	3 hr.	
(d)	Total allowed Time for existing Foreign going Handymax / Supra vessel = (Loading clearance time: 1 hr 10 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	4 hr.	

Notes :

(i). A vessel is eligible for incentive, if average loading rate specified at 1.4.2 is achieved.

(ii). Incentive Scheme is not applicable for up- topping vessels.

1.5. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Coal Loading

1.5.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Norms
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)	
	(i). Existing coastal vessel (i.e. already converted)	60 minutes
	(ii). Foreign vessels requiring coastal conversion	60 minutes
(b)	**Time allowed for de-ballasting**	Nil
(c)	**Number of Times to be taken for hatch changes**	
	(i). Panamax vessel	No. of hatches X 2 + 1
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1
(d)	**Time allowed for draught check** (2 times draught check)	1 hour
(e)	**Time allowed for final clearance from the time of completion of loading**	1 hour
(f)	**Gross Ship Day Output (Tonnes per day)** (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	24000 TPD

1.5.2 Penalty for Non-Achievement of the above Performance norms at 1.5.1

		Norms
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.5.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item I.5.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.

1.5.3 Incentive for Achievement of the above Performance norms at 1.5.1

		Norms	
		Time	**Rate**
(a)	Total allowed Time for existing Coastal vessel = 45 min (Loading clearance time) + 1 hour (draught check) + 1 hour (Completion to Final Clearance)	2 hr.	Rs.5000/- per hour or part thereof for less time taken for

(b)	Total allowed Time for existing Foreign going vessel = 1 hour 10 min (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr.	the above activities

Notes:

(i) A vessel is eligible for incentive, if average loading rate specified at 1.5.1(f) is achieved.

1.6. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Iron Ore Loading

1.6.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Norms
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)	
	(i). Existing coastal vessel (i.e. already converted)	60 minutes
	(ii). Foreign vessels requiring coastal conversion	60 minutes
(b)	**Time allowed for de-ballasting**	Nil
(c)	**Number of Times to be taken for hatch changes**	
	(i). Panamax vessel	No. of hatches X 2 + 1
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1
(d)	**Time allowed for draught check** (2 times draught check)	1 hour
(e)	**Time allowed for Trimming**	4 hour
(f)	**Time allowed for final clearance from the time of completion of loading**	30 minutes (0.50 hr)
(g)	**Gross Ship Day Output (Tonnes per day)** (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	42000TPD

1.6.2 Penalty for Non-Achievement of the above Performance norms at 1.6.1

		Norms
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.6.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item I.6.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.
(d)	Levy of penalty for additional time taken for trimming in excess of time norm stipulated at 1.6.1 (e)	₹ 5,000/- per hour or part thereof

1.6.3 Incentive for Achievement of the above Performance norms at 1.6.1

		Norms	
		Time	Rate
(a)	Total allowed Time for existing Coastal vessel = 1 hour (Loading clearance time) + 1 hour (draught check) + 4 hours (Trimming) + 30 minutes (Completion to Final Clearance)	6 hr. 30 min	Rs.5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 30 minutes (Loading clearance time + 1 hour (draft check) + 4 hours (Trimming) + 30 minutes (Completion to Final Clearance)	6 hr. 30 min	

Notes:

(i) A vessel is eligible for incentive, if average loading rate specified at 1.6.1 (g) is achieved.

1.7. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Iron Pellets Loading

1.7.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Norms
(a)	**Loading Clearance time** From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)	
	(i).Existing coastal vessel (i.e. already converted)	60 minutes
	(ii).Foreign vessels requiring coastal conversion	60 minutes
(b)	**Time allowed for de-ballasting**	Nil
(c)	**Number of Times to be taken for hatch changes**	
	(i). Panamax vessel	No. of hatches X 2 + 1
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1
(d)	**Time allowed for draft check (2 times draught check)**	1 hour
(e)	**Time allowed for final clearance from the time of completion of loading**	1 hour
(f)	**Gross Ship Day Output (Tonnes per day)** (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	42000 TPD

1.7.2 Penalty for Non-Achievement of the above Performance norms at 1.7.1

		Norms
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.7.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item I.7.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.

1.7.3 Incentive for Achievement of the above Performance norms at 1.7.1

		Norms	
		Time	**Rate**
(a)	Total allowed Time for existing Coastal vessel = 45 min (Loading clearance time) + 1 hour (draught check) + 1 hour (Completion to Final Clearance)	3 hr.	₹ 5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 10 min (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr.	

Notes :

(i). A vessel is eligible for incentive, if average loading rate specified at 1.7.1(f) is achieved.

1.8. Penalty scheme for non-evacuation of cargo from wharf 1.8.1.

		Norms
a.	The penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel.	Rs. 3500/- per hour or part thereof.

"

10.2. The above said provisions shall come into effect after expiry of 30 days from the date of Notification of the Order in the Gazette of India and shall remain valid for a period of one year thereafter.

10.3. The validity of the existing Performance Norm based Incentive/ Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo is deemed to have been extended by this Authority with effect from 01 October 2020 till such date, the revised new provisions come into force.

(T.S. Balasubramanian)
Member (Finance)

SUMMARY OF THE COMMENTS RECEIVED FROM THE USERS/ USER ORGANISATIONS AND THE ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F.No.TAMP/49/2020 - PPT	**:**	**Proposal received from Paradip Port Trust for revision of Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk and Project Cargo.**

The summary of comments received from the user associations and the reply of PPT thereon is tabulated below:

<table>
<tr><th>Sr. No.</th><th>Comments of PPSA</th><th>Response of PPT</th></tr>
<tr><td></td><td>Vide letter dated 15 November 2020</td><td>Vide its email dated 17 December 2020</td></tr>
<tr><td>(i).</td><td>While analyzing the ground reality with the Proposal from Port, it is to state that the same is quite high and not achievable in majority of the cases. A few instance in support of same is brought out.</td><td></td></tr>
<tr><td>(ii).</td><td>Many a time, we find the engaged HMCs are not working to optimum capacity, which hampers the performance. Similarly, the Cranes which are running too are found to have mechanical problem/ operational problem, resulting in a slow discharge for which the Stevedores are penalised by both i.e. Port as well as Importers / Exporters.</td><td>The performances of all the HMCs are above the desired performance output fixed by TAMP @ 12,500 MT per day. The average productivity of all HMCs during previous three financial years is furnished below:
(Productivity in MT)
<table>
<tr><th rowspan="2">Fin Year</th><th colspan="7">100 MT</th><th>80MT</th></tr>
<tr><th>ABC1</th><th>ABC1</th><th>ACEC 1</th><th>BOTHR A1</th><th>BOTHRA2</th><th>CREW 3</th><th>OSL3</th><th>CREW 1</th></tr>
<tr><td>2017-18</td><td>19.072</td><td>17.059</td><td>15.540</td><td>16,801</td><td>16,329</td><td>15,815</td><td>18,785</td><td>13,841</td></tr>
<tr><td>2018-19</td><td>16,655</td><td>16,569</td><td>14,754</td><td>15,758</td><td>16,259</td><td>16,755</td><td>18,560</td><td>14,735</td></tr>
<tr><td>2019-20</td><td>17,162</td><td>16,324</td><td>15,885</td><td>15,641</td><td>15,771</td><td>15,037</td><td>16,777</td><td>15,778</td></tr>
<tr><td>Average</td><td>17,630</td><td>16,651</td><td>15,393</td><td>16,067</td><td>16,120</td><td>15,869</td><td>18,041</td><td>14,785</td></tr>
</table></td></tr>
<tr><td>(iii).</td><td>Incase of Importers having Multi grade cargo, several stoppages during operation are required to handle the same with utmost care to avoid any mixture of Cargo.</td><td>Any stoppage prior to commencement i.e. delay due to customs clearance, cargo survey, commencement delay due to previous cargo is not considered on multi cargo for calculating incentive/ penalty. However, the performance of vessels carrying multi-grade cargo handled during previous two financial years is shown below:
<table>
<tr><th colspan="5">PERFORMANCE OF MULTI-GRADE CARGO</th></tr>
<tr><th>Fin Year</th><th>Total No. of vessels</th><th>Total No. of parcel</th><th>Incentivized Parcel</th><th>Penalized parcel</th></tr>
<tr><td>2018-19</td><td>33</td><td>67</td><td>43(64%)</td><td>24(36%)</td></tr>
<tr><td>2019-20</td><td>12</td><td>30</td><td>24(80%)</td><td>6(20%)</td></tr>
</table>
From the above table, It can be seen that 64% to 80% vessels carrying multi-cargo were incentivized during last two financial years due to achievement of higher productivity as compared to approved norms</td></tr>
<tr><td>(iv).</td><td>In several of shipments, we also find in case of multiple importers operations are seized, which results in delay.</td><td>Any stoppage prior to commencement of operation i.e. delay due lo customs clearance, cargo survey, commencement delay due to previous cargo Is not considered on multiple Importers, for calculating Incentive/ penalty. However, the performance of vessels carrying cargo of multiple importers during previous two financial years are shown below:
<table>
<tr><th>PERFOFRMANCE OF MULTI-PARTY CARGO</th></tr>
</table></td></tr>
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<table>
<tr>
<td></td>
<td></td>
<td>
<table>
<tr><th>Financial Year</th><th>Total No of vessels</th><th>Total No of parcel</th><th>incentivized Parcel</th><th>Penalized parcel</th></tr>
<tr><td>2018-19</td><td>113</td><td>261</td><td>145(55%)</td><td>116(45%)</td></tr>
<tr><td>2019-20</td><td>72</td><td>164</td><td>114(70%)</td><td>50(30%)</td></tr>
</table>

However from the above table, it can be seen that for the subject case 55% parcels have received incentive and 70% parcels have received incentive during the F.Y. 2018-19 & 2019-20 respectively which is more than the penalty imposed.
</td>
</tr>
<tr>
<td>(v).</td>
<td>When vessels are fixed for two Port discharge, in the process to achieve such draft or cargo quantity, the vessel requires several interim survey to ascertain the exact quantities. Also, hatch trimming & ribs cleaning, restriction of hooks & so on, takes huge time.</td>
<td>
<table>
<tr><th colspan="5">PERFORMANCE OF MULTI-PORT DISCHARGE CARGO</th></tr>
<tr><th>Fin Year</th><th>Total No of vessels</th><th>Total No of parcel</th><th>incentivized Parcel</th><th>Penalized parcel</th></tr>
<tr><td>2018-19</td><td>251</td><td>320</td><td>218(68%)</td><td>102(32%)</td></tr>
<tr><td>2019-20</td><td>140</td><td>180</td><td>143(79%)</td><td>37(21%)</td></tr>
</table>
It was observed that during multiport consignment the performance of vessels earned incentive ranging from 68% to 79% so the approach of statement is not correct.
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<tr>
<td>(vi)</td>
<td>Due to Paucity of Plots for all vessel, we have to do high stacking which is not only a herculean job but takes a lot of time and restricts the operations too.</td>
<td>PPT permits berthing of vessel subject to availability of storage area for the discharge quantity declared by the importer. The stevedore raises the issue of storage space constraint before berthing of any import vessel. If insufficient storage space is reported by the concerned stevedore then PPT refuses to berth the vessel. Hence it is evident that all vessels are berthed on having adequate storage space for the consignment.

It is mentioned that the Port has total storage space of 16,72,100 Sq. Meter for import cargo. Further the average quantity of cargo churned out by importer/ exporter w.r.t. area available in PPT in the last two financial years work out to be 1.13 MT/Sq. Meter per month only, which implies that there is no shortage of space.</td>
</tr>
<tr>
<td>(vii).</td>
<td>Plots which are not developed have water logging and this also comes as an impediment on the performance of a vessel. Also, due to lack of proper water drainage, it takes lot of time to release or receive the cargo with a lot of exercise and to deploy equipment. Over & above, the performance during monsoon period consumes lot of time.</td>
<td>PPT has considered 8% reduction on Performance norm in monsoon as compared to fair season.
(Fair Season: October to May, Monsoon Season: June to September)

It is observed that during monsoon period the number of incentivized parcel ranges between 63% to 71%.
<table>
<tr><th colspan="5">PERFORMANCE DURING MONSOON SEASON</th></tr>
<tr><th>Fin Year</th><th>Total No of vessels</th><th>Total No of parcel</th><th>incentivized Parcel</th><th>Penalized parcel</th></tr>
<tr><td>2018-19</td><td>649</td><td>822</td><td>518(63%)</td><td>304(37%)</td></tr>
<tr><td>2019-20</td><td>382</td><td>478</td><td>338(71%)</td><td>140(29%)</td></tr>
</table>
</td>
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</table>

(viii).	Railway movements have gone up at Port. [More than 20 Rakes moving in/ out with shifting movements are delaying/ stopping the tipper movements for a long time]. Barring a few plots all other plots lead to cross the label crossing which affects the IPT movement, thereby invariably affecting performance of the coming vessel or the norms.	Most of the incoming rakes per day i.e. around 60-70% are intended to MCHP Hoppers for mechanical unloading which does not foul the movement of trucks. Similarly about 50% of rakes back loaded in the Port moves in the tracks which do not infringe with the dumper movements. Further the present rail network of PPT is existing from many years and no new additional sidings were developed in the recent times to hamper the movement of trucks. Therefore even in such constraints which existed long back at PPT, it is observed that the productivity has only gone up. Further, a new siding has been developed in proximity to non-siding plots to reduce intra-port shifting for loading activities, which has further reduced crisscross movement of dumpers.
(ix).	Due to high Iron Ore traffic inside the Port, the IPT movements are also affected	No specific comments furnished by PPT.
(x).	Importers/ Exporters are fixing the contract on the basis of Port norms. Due to many reasons, stevedores fail to achieve the Port norms. That time stevedore has to pay double penalties to Port as well as to the Importer/ Exporter calculating in dollars which is unbearable by the stevedore with this stiff target.	No comment, since it relates to contract conditions between stevedores and Exporters/ Importers. However, it is to state that the Port has been encouraging better performance by paying incentive. The Port, during last 3 financial years has paid incentive amounting to Rs 7.16 Crore.
(xi).	In this competitive market, stevedoring business is bleeding with numerous problems by Importers/ Exporters, Railways and various agencies, although we are paying incentive & incurring extra cost to achieve the stiff target already fixed by the Port.	No specific comments furnished by PPT.
(xii).	Taking the above into consideration, it is requested to continue with the existing norms further for a period, till such issues are addressed.	It may be mentioned here that, the Performance Scheme was framed taking into consideration the infrastructural bottlenecks of PPT. In the meantime, there have been considerable improvements in the infrastructure like construction of concrete roads, wider drains, installation of more high mast towers etc. Hence, it was felt necessary to revise the Performance Scheme in respect of handling dry bulk cargo conventionally. The average productivity of best 70% parcels in different groups (i.e. crane combinations) was taken as reference for proposing revision in the performance norm.
	Vide email dated 15 December 2020	
(i)	Paradip Port is continuously having high traffic, with waiting period of 20 days or more for the last one year or so. NQ-2 berth all through was serving cargo vessels as well as lesser LOA. Vessels with 75-100 m LOA was initial experiment which subsequently went in recent past to max 150 M	Keeping in view of the operational constraints as represented by Paradip Port Stevedores Association, PPT proposes to exclude the NQ-2 from the policy.

	LOA or max Draft 7.5 M with several conditions. In this regard with reference to Nq-2 berth, the following is submitted: (i) This is not a conventional berth in the general terms. (ii) The backup area is highly restricted. (iii) Usage of HMC is not permitted. (iv) Resultant, the productivity will be restricted. As such, it is prayed to consider this berth as a conventional berth and the penalty incentive scheme should not be applied to this berth.	

2. In view of the outbreak of COVID – 19 and in pursuance of the then Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 22 December 2020 through Video Conferencing. A summary of the arguments made by the JNPT and the users/ user organisations during the joint hearing held on 23 December 2020 is given below:

<u>PPT</u>

(i). The proposal of revision incentive /penalty scheme is basically to revise the existing performance norm at the conventional berths. The PPT is one of the largest ports with a capacity around 227 MMTPA. PPT is also largest bulk, handling port, handling largest quantity of Coal, Iron ore and Coastal cargo. The Port handles maximum rail borne cargo. The ship day output at the port is higher, maximum productivity is achieved in handling Dry Buk cargo. The PPT is the second largest in Major Port, handled 112 million tonnes in the last year 2019-20. The marine charges at PPT are lowest in the country. The PPT gave an overview on the layout of the Port.

(ii). Coal berths CB-I & II at PPT had handled 25 MT in 2018-19 and 24MT in 2019-20 as against the capacity of 28.80 MMTPA. This year, it is much less, as some of South Indian Plants require less coal for power generation due to Covid-19 pandemic. During 2018-19, about 6.6 MT of Iron ore was handled at our own berth IOB. In 2019-20, another Iron ore berth was added on PPT basis, enhancing Iron ore handling capacity from 10.90 MMTPA in 2018-19 to 20.90 MMTPA in 2019-20. This year handling of Iron-ore has also increased. There are 5 semi mechanized berths having HMC installed for handling conventional Dry Bulk cargo, with a capacity of 26.50 MMTPA. Last year we have handled 26 MT of dry bulk cargo conventionally. In addition, the Port has additional facilities like SPM, Oil Jetties, Captive Jetties, Fertilizer berths. One PPP berth (PICTPL) is operational at the Port for handling clean cargo.

(iii). The Port is handing railway rakes quite efficiently. There is no dearth of rake availability and dispatch. The PPT handled about 25 rakes per day in 2019. 28 rakes in a day have been in handled in the recent past.

(iv). The PPT has highlighted the performance of Port in terms of traffic handled at Port in the last five years, Operational efficiency achieved by different group of berths like mechanized berths, conventional berths etc., vessel performance etc.

(v). The ship day output at the port has gone down from 26000 TPD in 2018-19 to 25000 TPD tonnes 2019-20. This has further gone down to 22000 TPD in 2020-21. As such there is a decrease of 3000 tonnes in ship day output during the year, due to efficiency of some of the stevedores are not good.

(vi). To improve the productivity level at the port, the existing incentive /penalty scheme is proposed to be revised by considering productive achieved by the best 70% of the vessel during the years 2017-18 to 2018-19. The performance norm of vessels with 2 HMCs or more has been increased in case of Coal, flux, coke. Incentive paid is more than penalty received. It shows that most of the users are crossing the performance norms. Incase of Iron ore/ pellets and other dry bulk, the proposed norms are retained as they have not crossed the 70% vessel best performance. For vessels handled by 1 HMC, performance norm for all the cargo groups has been revised upwards based on the 70% vessel best performance. In number of cases of performance of ship gear, geared vessels works with HMC. Therefore, average productivity is more than norms. Therefore, proposed norms are lower than the achievement. The performance norms for Monsoon period is kept at 8% less than the fair season for the all the groups.

In case of Break Bulk cargo, handling of Steel cargo has been given to PPP operator (PICTPL) on exclusivity basis for 3 years. The PPT at its own berth will not be handling any steel cargo. Hence, proposed norms are retained.

(vii). In the proposed SOR at Clause 1.7.1 (d), time allowed for trimming has been given as 1 hr. inadvertently. The same should be time allowed for draft check.

[Dy. Chairman, PPT, has given clarification raised by PPSA. Primarily, it was stated that the actual achievement of the performance is higher than the performance norms approved by the TAMP. The productivity norm is also being achieved in the case of multi grade cargo and multiple shipments and two port discharge. In all the cases, the percentage of incentives paid is more than the penalties. He stressed that there must be better coordination between Master of the vessel and Agents. (The argument was backed with the statistical data provided by PPT). With regard to plot availability, it was stated that Port has taken care by adding the additional hard stand area and also some railway sidings. Also port is developing a new facility of Connecting of IOHP & MCHP. BOXN wagons carrying thermal coal which are being unloaded at manual siding shall be tippled in the Wagon Tippler of Iron Ore Handling Plant (IOHP) and will be conveyed to the Stockyards of Mechanized Coal Handling Plant (MCHP) through connectivity conveying system; with this more empty rakes will be available.

PPSA

(i). PPT has suggested upward revision of norms to TAMP without consulting the trade. During the past three years 2017-2020, total 2293 vessels handled conventionally, of which 57% vessels qualified for incentives and the balance 43% vessels paid penalty. The average productivity of the best 70% parcel in different crane combinations were taken as reference for proposing revision of performance norms.
[PPSA had made a reference to the clause 9 (xxv) of the Order dated 3 October 2018 approving the performance norm based incentive/ penalty in respect of handling dry bulk cargo at PPT]

(ii). After 3 years, now the post has given the proposal on the basis of last 3 years performance. The position of 70% of vessels got incentive is not correct. Our submission to TAMP is to re-examine the proposal prior to giving acceptance.

(iii). Secondly, Berth no. NQ 2 should not be considered as a conventional berth; the berth is used for berthing vessels to reduce the congestion and this berth is basically for some vessels like survey vessels etc. Our representation dated 15.12.2020 along with attachments may be examined.

(iv). Our request, is therefore to extend the existing penalty/ incentive scheme for a further period of one year i.e. 31 March 2022. During the Covid-19 pandemic, we have faced lot of problems, in spite of that, we have tried to achieve the targets fixed by the Port.

Orrisa Stevedoring

(i). Our request to extend the existing norms for one more year upto 31 March 2022 and then may review.

<u>NTPL & TANGEDO</u>

(i). The existing norm may be extended for one more year, it will help our association and can be reviewed after one year.

<u>PPT</u>

(i). We have already responded to the user comments. EQ,1,2,3 given to PPP. We have only 2 berths for conventional handling. We have to improve the performance. Coal is main cargo. We have to improve drastically. Due to higher turn around time of vessels, coal is shifting to other ports. Iron ore is handled by PPP also. So we are retaining the existing norms. As regard to additional query on NQ-II berth, we agree and NQ-II berth will be excluded for penalty / incentive scheme.

<u>Member (F), TAMP</u>

(i). PPT may convey the validity period for its said proposal.
[PPT : Generally, we will review the performance every year and submit a proposal for revision. This time we have sent it after three years]

<u>PPSA</u>

(i). Can we give our additional suggestion in writing.

[Member (F), TAMP: Yes, you can give your suggestions to PPT with a copy to TAMP.]

3. The additional comments of PPSA and response of PPT thereon is tabulated below:

<table>
<tr><th>Additional comments of PPSA</th><th>Response of PPT</th></tr>
<tr><td>In the TAMP Order dated 14 November 2018, at Clause 9(xxv), it has been stated that the policy provides for upward revision of productivity upon achievement of 70% of the ships. It was also agreed to examine for fixing productivity norms for future period.

In this regard. It is submitted that out of 2293 parcels handled during last 3 F.Ys (15.01.2017 to 22.03.2020), 57% parcels qualified for Incentive whereas 43% parcels were penalized. PPT has taken 70% best performing parcels from the 57% selected for Incentive, which is a clear deviation from the accepted principle in the TAMP order.

TAMP is, therefore, requested to review the case on the grounds stated above and give effect of the proposed scheme, only upon port's achievement of 70% of ships/ parcels qualified for incentive and same may be implemented from FY 2022-23.</td><td>The statistics on performance of vessels carrying dry bulk cargo, handled in PPT during current FY and previous 3 FY is furnished below:
<table>
<tr><th>Fin Year</th><th>Total No of Parcel</th><th>Parcels Crossed Performance Norm (Incentivized)</th><th>Parcels Not Crossed Performance Norm (Penalized)</th></tr>
<tr><td>2017-18 *</td><td>993</td><td>46 %</td><td>54 %</td></tr>
<tr><td>2018-19</td><td>822</td><td>63 %</td><td>37 %</td></tr>
<tr><td>2019-20</td><td>478</td><td>71 %</td><td>29 %</td></tr>
<tr><td>2020-21 (Jul-Sep) Provisional</td><td>145</td><td>73 %</td><td>29 %</td></tr>
</table>
* Date of Inception of the Policy was 15.01.2017

As may be seen from the above table, more than 70% parcels have qualified for incentive during current FY and FY 2019-20. A growth trend in performance mainly due to Infrastructural developments is noticed.

Also MoS vide letter no. PD-25021/14/2016-PD-II dtd. 21.04.2016 endorsing the policy paper of BCG (Project Unnati) wherein it is suggested at Cl.5.3 that "if more than 60%-70% of ships are achieving the set-norms then the port should increase the Norm". Also Cl 6.1 suggests "The performance norms calculated by each port will be used to create a</td></tr>
</table>

	productivity linked incentive/ dis-incentive structure for end customers. The objective of the performance linked incentive/dis-incentive structure is to continuously drive productivity improvements across Ports and reward the vessels/customers that are exceeding the norms, thus creating value for the port in addition to allowing customers and trade to bring down the cost of logistics". In this connection as during the F.Y 2018-19 & 2019-20 ,the incentivized Parcels already clocked the framed Norm i.e. >60% ,PPT proposes the escalated Norm by considering average of best 70% parcels handled during last 3 F.Y at PPT. Also detailed progress of the infrastructural works viz. (i). Widening of roads from Berth to Gate 3, CD & WD area and siding plots, (ii). Illumination inside Port (Road, Plot, Railway siding, berth area), (iii). Upgradation of Railway track lines, (iv). Upgradation of Mobile Canteen, Vehicle Repairing workshops, diesel dispensing unit, part yard etc., (v). Extended back up area for CQ-1/CQ-2 levelling parallel to berth, removal of high mast tower etc. (vi). Modification/ development of drainage system (vii). Traffic control and improvement to remove congestion of trucks at approach roads (viii). Dust control-water sprinkling (ix). Evacuation of cargo from wharf with round the clock operation of dumpers and pay loaders etc. from inception of the scheme taken up by PPT and different interactions with Trade is furnished by PPT.