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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 108

New Delhi

11 March 2020

NOTIFICATION

In exercise of the powers conferred by Sections 48 & 50 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 seeking extension of validity of the existing Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo with minor modification in the scheme, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/55/2019-PPT

Paradip Port Trust

Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 20th day of February 2020)

This case relates to the proposal received from Paradip Port Trust (PPT) seeking extension of validity of the existing Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo with minor modification in the schemes.

2. 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 was notified in the Gazette of India on 14 November 2018 vide Gazette No. 419. The said Order prescribed a tariff validity upto 31 March 2019. In this backdrop, the PPT has come up with the proposal in reference.

3.1. The main points made by PPT in its proposal dated 1 November 2019 are summarized below:

- (i). The statistics on productivity achieved during last 3 financial years is furnished by PPT, as given below:

- (a). Actual Ship-day productivity (in MT) during the year 2017-18 as furnished by the Port:

Gearless (GL)/ Geared (G) vessels	No. of HMC / Ship crane	Season (*)	Actual Ship-day productivity (in MT) as furnished by the Port during the year 2017-18				
			Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	19195	16569	16053	22259	18354
		Monsoon (*)	16897	17103	14075	16249	12751
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair (*)	14072	13135	11125	18002	10059
		Monsoon (*)	11620	11420	9780	16873	9471
Geared (G) vessels	4 Ship cranes	Fair (*)	12163	12933	7384	17542	7445
		Monsoon(*)	9430	12383	7405	11825	6151

- (b). Actual Ship-day productivity (in MT) during the year 2018-19 as furnished by the Port:

Gearless (GL)/ Geared (G) vessels	No. of HMC / Ship crane	Season (*)	Actual Ship-day productivity (in MT) as furnished by the Port during the year 2018-19				
			Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	20001	18690	16220	24694	26198
		Monsoon (*)	18404	17184	16465	29804	20885
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair (*)	15670	14997	11050	19420	15529
		Monsoon (*)	14362	13346	10302	13084	9588
Geared (G) vessels	4 Ship cranes	Fair (*)	12631	12438	7432	20987	8944
		Monsoon(*)	11852	11557	9316	13685	9055

- (ii). The existing performance norm based incentive /penalty in respect of handling of dry bulk cargo has helped the PPT in achieving the desired results. In view of this, it is proposed to continue with the same for F.Y. 2019-20 with certain minor modification emanating out of the advisory of TAMP and submission of Paradip Port Stevedores Association (PPSA) as mentioned in the succeeding paragraphs.
- (iii). The 4th Paragraph of Clause no. (xiii) of the above TAMP Order dated 03.10.2018 (Clearance and loading time) is as follows:

Quote

The Berthing Policy stipulates a maximum of 1 hour i.e. 60 minutes for pre-commencement activities. Since the proposal has already been implemented by the port, tinkering with the time at this stage retrospectively will cause avoidable confusion. Therefore, the timelines as proposed by PPT subsequently is approved. However, the port is advised to adhere to the timelines as stipulated in the Berthing Policy during next review.

Unquote

- (iv). In view of this, the Loading Clearance time from the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given in respect of all vessels handled at Coal Berth 1 and 2 (CB 1 & CB 2) and Iron Ore Berth (IOB) has been proposed for revision to 60 minutes, guided by above advisory of TAMP. Accordingly, the total time required for completing the activities has been revised to calculate the Incentive for Achievement of the Performance norms.
- (v). Further, Paradip Port Stevedores Association (PPSA) represented to PPT regarding calculation methodology of the incentive/penalty when 2nd HMC is engaged to supplement 1st HMC even for a few hours in respect of dry bulk cargo handled in conventional berths. As per the representation, Stevedores, in such cases, have been charged with norm applicable for usage of two HMCs for the entire operational period as per prevailing practice of calculation. As per the present practice, PPT is calculating the productivity norm applicable for 2 HMCs even for partial engagement of 2nd HMC and calculating the incentive/penalty accordingly. It is seen that the Stevedores are reluctant to use 2nd HMC citing the above reason when PPT insists to engage additional HMC for better productivity. Considering the request of PPSA, it is proposed to include certain minor changes in the calculation methodology. The methodology has been furnished by PPT, as given below:

“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:

- Shifting / warping of vessel on Port Account.
- Inclement weather
- Breakdown of Cranes
- 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.

“

- (vi). At present, all break bulk clean cargo are handled in the new Multipurpose Clean cargo Terminal of PICTPL. The liability for shortfall in performance of such cargo handled in PICTPL is governed by the Concession Agreement signed with them by PPT, which provides to recover the liquidated damage from PICTPL as prescribed in the concession agreement in case of shortfall in performance. In view of the above, the performance norm based incentive /penalty in respect of handling of break bulk has not been proposed for revision in this proposal of PPT.

- (vii). Similarly, only 7 nos. of parcels of project cargo of 11,047 metric tonnes were handled conventionally in the general cargo berths of the Port during FY 2018-19. The average productivity achieved by such vessels is 878 tonnes per day (TPD) during FY 2018-19 against the Norm of 1000 TPD. Therefore, it is proposed to retain the same performance norm based incentive /penalty in respect of handling of project cargo without any change.
- (viii). The Port was levying penalty w.e.f. 03.10.2017 for non-evacuation of cargo from wharf within 4 hours from the vessels' sailing time, at the rate equal to wharfage of the expected quantity of cargo that could have discharged had there been no obstruction of uncleared cargo. This was approved and notified by TAMP vide order dated 14.11.2018. However, the Stevedores have submitted its representations to the PPT to withdraw the decisions of imposition of penalty for non-clearance of cargo. Considering the request made by stevedores and representations of the PPSA and to encourage discharge of more cargo on wharf, it has been decided to moderate it and levy penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel at the rate of ₹ 3,500/- per tonnes (i.e., same rate at which incentive / penalty is levied / paid for dry bulk cargo handled conventionally).
- (ix). The performance norm based incentive / penalty in respect of handling of dry bulk / Break bulk / Project cargo with the above minor modifications has already been approved by the Board of Trustees of PPT in its meeting held on 27.05.2019 vide Agenda Item No. 38(01)/2019-20 and Resolution No.35/2019-20. The copy of Board Memorandum as well as Resolution is furnished by PPT.
- (x). Since the validity of the existing performance norm based incentive/penalty in respect of handling of dry bulk cargo at Paradip Port has expired on 31.03.2019, the PPT has requested to extend the existing proposal for another period of one year w.e.f. 01.04.2019 with the minor modifications, and has also requested to condone the delay in submission of the proposal.

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

Performance norm based Incentive/ Penalty in respect of handling Dry bulk Cargo

“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:-

Gearless (GL)/ Geared (G) vessels	No. of HMC / Ship crane	Season (*)	Ship-day productivity (in MT) Norms for F.Y. 2018-19					Proposed Norms for F.Y. 2019-20
			Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk	No change proposed
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	22000	17400	15000	27000	22000	Same as F.Y. 2018-19 as approved and notified vide G no. 419 dt. 14.11.2018
		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	

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

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

Cargo	Ship-day Productivity Norms (in MT) Norms for F.Y. 2018-19	Proposed Norms for F.Y. 2019-20
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HR Coil and other unit weight more than 5 T	6000	No change proposed Same as approved and notified vide G no. 419 dt. 14.11.2018
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. $59830 \text{ tonnes} \div 14000 \text{ tonnes per day} \times 24 \text{ hours} = 102.56 \text{ hrs} = 103 \text{ hours}$.

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 stay 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 stay 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 **(proposed for addition in the Productivity Norms for FY 2019-20 considering requesting of PPSA)**

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 than 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 for 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 data from SOF, the data 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 reserves 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	Approved Norms F.Y. 18-19	Proposed Norms F.Y. 19-20	Remarks
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations			The timelines for pre-commencement activities (i.e. loading clearance time) as advised by

	etc. till the loading clearance given)			TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification no. TAMP/79/2017-PPT dt. 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB.
	(i).Existing coastal vessel (i.e. already converted)	45 minutes	60 minutes	No change
	(ii).Foreign vessels requiring coastal conversion	70 minutes	60 minutes	
(b)	Time allowed for de ballasting			
	(i). Panamax Vessel	Nil	Nil	
	(ii).Handymax/Supramax	1 hour	1 hour	
(c)	Number of Times to be taken for hatch changes			
	(i). Panamax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
(d)	Time allowed for draught check (2 times draught check)	1 hour	1 hour	
(e)	Time allowed for final clearance from the time of completion of loading	1 hour	1 hour	

1.4.2 Performance norms for Average Loading Rate

Sl. No.	Vessel Type	Approved Norm F.Y. 18-19 (Tonnes per hour) Total Qty. Loaded / Time Taken (Berthing to Completion)	Proposed Norm F.Y. 19-20 (Tonnes per hour) Total Qty. Loaded / Time Taken (Berthing to Completion)	Remarks
(a).	(i) Panamax vessel	3000	3000	No change
	(ii) Handymax/SupramaxVessel	2500	2500	

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

		Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other	₹ 5,000/- per hour or part thereof	₹ 5,000/- per hour or part thereof	No change

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

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

		Approved Norm F.Y. 18-19		Proposed Norm F.Y. 19-20		Remarks
		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)	2 hr. 45 min	₹5,000/- per hour or part thereof for less time taken for the above activities	3 hr.	₹5,000/- per hour or part thereof for less time taken for the above activities	The timelines for pre-commencement activities (i.e. loading clearance time) as advised by TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/20 17-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB
(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)	3 hr. 45 min		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	3 hr. 10 min		3 hr.		

	Final Clearance)					
(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. 10 min		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	Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)			The timelines for pre-commencement activities (i.e. loading clearance time) as advised by TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/2017-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB
	(i). Existing coastal vessel (i.e. already converted)	45 minutes	60 minutes	
	(ii). Foreign vessels requiring coastal conversion	70 minutes	60 minutes	
(b)	Time allowed for de-ballasting	Nil	Nil	No Change
(c)	Number of Times to be taken for hatch changes			
	(i). Panamax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
(d)	Time allowed for draught check (2 times draught check)	1 hour	1 hour	

(e)	Time allowed for final clearance from the time of completion of loading	1 hour	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	24000TPD	

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

		Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(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	₹ 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.	₹ 5,000/- for each additional hatch change.	
(c)	Levy of penalty for each additional draught check than the above Item 1.5.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	₹ 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

		Approved Norm F.Y. 18-19		Proposed Norm F.Y. 19-20		Remarks
		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. 45 min	Rs.5000/- per hour or part thereof for less time taken for the above activities	3 hr.	Rs.5,000/- per hour or part thereof for less time taken for the above activities	The timelines for pre-commencement activities (i.e. loading clearance time) as advised by TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/2017-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB
(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. 10 min		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	Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)			The timelines for pre-commencement activities (i.e. loading clearance time) as advised by TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/2017-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB.
	(i). Existing coastal vessel (i.e. already converted)	60 minutes	60 minutes	
	(ii). Foreign vessels requiring coastal conversion	90 minutes	60 minutes	
(b)	Time allowed for de-ballasting	Nil	Nil	
(c)	Number of Times to be taken for hatch changes			
	(i). Panamax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
(d)	Time allowed for draught check (2 times draught check)	1 hour	1 hour	
(e)	Time allowed for Trimming	4 hour	4 hour	
(f)	Time allowed for final clearance from the time of completion of loading	30 minutes (0.50 hr)	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	42000TPD	No Change

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

		Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(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	₹ 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.	₹ 5,000/- for each additional hatch change.	

(c)	Levy of penalty for each additional draught check than the above Item 1.6.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	₹ 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	₹ 5,000/- per hour or part thereof	

1.6.3 Incentive for Achievement of the above Performance norms at 1.6.1

		Approved Norm F.Y. 18-19		Proposed Norm F.Y. 19-20		Remarks
		Time	Rate	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	₹. 5000/- per hour or part thereof for less time taken for the above activities	6 hr. 30 min	₹.5,000/- per hour or part thereof for less time taken for the above activities	The timelines for pre-commencement activities (i.e. loading clearance time) as advised by TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/2017-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB
(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)	7 hr.		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	Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)			The timelines for pre-commencement activities (i.e. loading clearance time) as advised by

				TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/2017-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB
	(i).Existing coastal vessel (i.e. already converted)	45 minutes	60 minutes	
	(ii).Foreign vessels requiring coastal conversion	70 minutes	60 minutes	
(b)	Time allowed for de-ballasting	Nil	Nil	No changes
(c)	Number of Times to be taken for hatch changes			
	(i). Panamax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
	(ii).Handymax/Supramax vessel	No. of hatches X 2 + 1	No. of hatches X 2 + 1	
(d)	Time allowed for Trimming	1 hour	1 hour	
(e)	Time allowed for final clearance from the time of completion of loading	1 hour	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	42000TPD	

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

		Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20	Remarks
(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	₹ 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.	₹ 5,000/- for each additional hatch change.	
(c)	Levy of penalty for each additional draught check than the above Item 1.7.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.	₹ 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

		Approved Norm F.Y. 18-19		Proposed Norm F.Y. 19-20		Remarks
		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. 45 min	₹ 5,000/- per hour or part thereof for less time taken for the above activities	3 hr.	₹ 5,000/- per hour or part thereof for less time taken for the above activities	The timelines for pre-commencement activities (i.e. loading clearance time) as advised by TAMP shall be taken as 60 minutes as per Cl. no. 9(xiii) of TAMP notification No. TAMP/79/2017-PPT on 5.11.2018 irrespective of Coastal & Foreign Vessel berthed at MCHP & IOB
(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. 10 min		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.

Sr. no.	Approved Norm F.Y. 18-19	Proposed Norm F.Y. 19-20
1.8.1	The penalty for non-evacuation of cargo from wharf with 4 hours from the vessels will be levied at the rate equal to wharfage of the expected quantity of cargo that could have discharged had there been no obstruction of uncleared cargo.	The penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel will be levied at the rate of ₹. 3500/- per tonne.

3.3. The PPT has stated that it has started implementing the above provisions w.e.f. 01.04.2019 to avoid discontinuance of the Norms.

3.4. The modifications proposed by the PPT in the current proposal dated 1 November 2019 over the Scale of Rates (SOR) approved in October 2018 vide Order; dated 3 October 2018 are as follows:-

Sr. No.	Norms approved in Order dated 3 October 2018	Norms proposed by PPT
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1	<u>Loading Clearance time</u> (i). Mechanized Coal Berths 1 & 2 <table><tr><td>From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.4.1 (a)]</td><td>45 Minutes 70 Minutes</td></tr></table> (ii). Mechanized Iron Ore Berth for coal loading <table><tr><td>From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.5.1 (a)]</td><td>45 Minutes 70 Minutes</td></tr></table> (iii). Mechanized iron Ore Berth for Iron ore loading <table><tr><td>From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.6.1 (a)]</td><td>60 Minutes 90 Minutes</td></tr></table> (iv). Mechanized iron Ore Berth for Iron pellets loading <table><tr><td>From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.7.1 (a)]</td><td>45 Minutes 70 Minutes</td></tr></table>	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.4.1 (a)]	45 Minutes 70 Minutes	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.5.1 (a)]	45 Minutes 70 Minutes	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.6.1 (a)]	60 Minutes 90 Minutes	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion. [Refer Clause 1.7.1 (a)]	45 Minutes 70 Minutes	Loading clearance time (i). Mechanized Coal Berths 1 & 2 <table><tr><td>From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). 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Mechanized iron Ore Berth for Iron pellets loading <table><tr><td>From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion.</td><td>60 Minutes 60 Minutes</td></tr></table>	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion.	60 Minutes 60 Minutes	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion.	60 Minutes 60 Minutes	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion.	60 Minutes 60 Minutes	From the time of berthing (MADE FAST) including initial draught survey and other documentations etc., till the loading clearance given) (a). Existing coastal vessel (i.e., already converted) (b). Foreign vessel requiring coastal conversion.	60 Minutes 60 Minutes
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2.	Penalty scheme for non-evacuation of cargo from wharf.	Penalty scheme for non-evacuation of cargo from wharf.																

	The Penalty for on-evacuation of cargo from wharf with 4 hours from the vessels will be levied at the rate equal to <u>Wharfage</u> of the expected quantity of cargo that could have discharged had there been no obstruction of uncleared cargo. [Refer Clause 1.8.1]	The Penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessels will be levied at the rate of ₹3500/- per hour.
3.	Calculation methodology for the incentive / penalty when 2nd HMC is engaged to supplement 1st HMC PPT has reported that as per the present practice, PPT is calculating the productivity norm applicable for 2 HMCs even for partial engagement of 2nd HMC and the incentive / penalty is calculated accordingly.	Calculation methodology for calculation of incentive / penalty in respect of gearless vessels operate with multiple HMC and geared vessels having multiple consignments / multiple parties. <u>Gearless vessels with multiple HMC</u> 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. 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. <u>Geared Vessels having multiple consignment / multiple parties cargo operating with HMC</u> 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 for geared vessel will be considered. Incentive and Penalty will be calculated accordingly.

4. In accordance with consultative procedure prescribed, a copy of the PPT proposal dated 1 November 2019 was forwarded to the concerned users / user organizations vide letter dated 8 November 2019, seeking their comments. The said comments were forwarded to PPT as feedback

information. The PPT vide its letter dated 3 December 2019 and subsequent letter dated 2 January 2020 has responded.

5. A joint hearing in the case in reference was held on 5 December 2019 at the PPT premises. 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.

6.1. As decided at the joint hearing, the users were requested to furnish their additional submissions. In this regard, one of the users viz. Kalinga Steamship Agents Association (KSAA) vide its email dated 11 December 2019 has furnished its comments. The said comments were forwarded to PPT. The PPT has furnished its comments vide its letter dated 2 January 2020.

6.2. Also, as discussed during the joint hearing, the PPT was requested vide letter dated 13 December 2019 to indicate the tariff validity period for the subject proposal. In this regard, the PPT vide its letter dated 2 January 2020 has conveyed that the validity period for the subject proposal may be up to March 2020.

7. 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>.

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

- (i). The Ministry of Shipping (MOS) in June 2016 has issued the Berthing Policy for Dry Bulk Cargo for Major Ports, and has directed all the Major Port Trusts to implement the norms with actual incentives and penalties. Accordingly, based on a proposal filed by the Paradip Port Trust (PPT), in accordance to the stipulations contained in the Berthing Policy, this Authority vide its Order no. TAMP/79/2017-PPT dated 03 October 2018 had approved the Performance norm based Incentive/ Penalty, in respect of handling dry bulk cargo at PPT, with validity period upto 31 March 2019. In this backdrop, the PPT has now come up with a proposal seeking extension of validity of the existing performance norms based incentive/ penalty scheme for Dry Bulk/ Break Bulk/ Project cargo along with minor modification in the scheme. The proposal of the port has the approval of its Board of Trustees.
- (ii). The PPT has filed its proposal on 01 November 2019. This proposal alongwith the information furnished by the PPT has been considered in this analysis.
- (iii). As brought out in the earlier part of this Order, performance norm based incentive/ penalty in respect of handling of dry bulk cargo and break bulk cargo at PPT as approved in October 2018 is reported to have been continued to be applied by the PPT alongwith the proposed medication, beyond the original tariff validity period of 31 March 2019 by way of issue of a Trade Circular by PPT. Even though the said decision to continue has been ratified by the Board of Trustees of PPT in May 2019, as conveyed by the PPT, the PPT is seen to have filed its proposal before this Authority only in November 2019 i.e. after a lapse of 7 months from the date of expiry of the original validity period. In this context, it is not unreasonable to expect a port (which is inching closer to be the no. 1 Major Port in India) to take timely action of approaching this Authority in advance and seek approval for continuance of the provisions for the period beyond 31 March 2019, considering that the validity of the provisions was upto 31 March 2019 was in the knowledge of the Port in October 2018 itself. The PPT is advised to refrain from putting this Authority in fait accompli situation.
- (iv). (a). It is recalled that in the October 2018 Order, the performance parameters were prescribed in respect of 5 commodity groups for conventional handling of dry bulk cargo viz., Coal, Flux, Coke, Iron ore/ pellets and other Dry Bulk cargo. Additionally, the performance parameters were prescribed in respect of 3 commodity groups for conventional handling of break bulk cargo viz.,

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.

- (b). From the statistics furnished by the port for the years 2017-18 and 2018-19, it is seen that there is an increase in the productivity of dry bulk cargo items during the year 2018-19 as compared to the year 2017-18. On the ground that the performance based incentive / penalty as approved vide Order of October 2018 has helped the Port in achieving the desired results, the PPT, in the proposal under reference, has proposed to retain the same cargo groups in respect of both dry bulk and break bulk cargo as well as the same level of performance norms for both dry bulk and break bulk cargoes, for handling the cargo with 4 no. of Ship cranes, 1 no. of HMC and by 2 or more no. of HMC's during the Fair season and the Monsoon season, as approved vide Order dated 03 October 2018.
- (c). However, no statistics on the Productivity achieved during the Financial years 2017-18 and 2018-19 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 has been furnished by the PPT.
- (d). Even with respect to the dry bulk cargo, it is seen that the actual productivity is higher than the productivity norms as approved vide the Order of October 2018 in one year (2017-18) or both the years (2017-18 & 2018-19).
- (e). As already brought out earlier, the port has continued implementing the performance norms since 01 April 2019, immediately after the expiry of the original tariff validity period of 31 March 2019. More than 9 months are already over since 01 April 2019. The port has sought extension for continuance of the existing norms till 31 March 2020. By the time the Order approved is notified in the Gazette of India, it will be fast end of the financial year 2019-20. Tinkering with the performance standard at this stage retrospectively will cause avoidable confusion. Timely submission of proposal by PPT, would have avoided arising of such a fait accompli situation. Nevertheless, taking cognizance of the matter, this Authority is constrained to approve continuance of the performance norms in respect of dry bulk cargo items, beyond 31 March 2019 i.e. from 01 April 2019 to 31 March 2020.
- (f). As regards break bulk cargo, no statistics has been furnished by the port during the Financial years 2017-18 and 2018-19. Nevertheless, since more than 9 months are already over since 01 April 2019 and by the time the Order approved is notified in the Gazette of India, it will be fast end of the tariff validity period as sought by the port, this Authority is constrained to approve continuance of the performance norms in respect of break bulk cargo items also, beyond 31 March 2019 i.e. from 01 April 2019 to 31 March 2020.
- (g). However, the port is advised to refrain from putting this Authority in fait accompli situation and come up with a proposal on time, for prescription of performance norm based incentive/ penalty for both dry bulk cargo and break bulk cargo for the period beyond 31 March 2020. While doing so, the port is advised to ensure that the performance norm to be proposed by the port for the period 2020-21 and beyond, for the dry bulk cargo and the break bulk cargo, should not be less than the actual productivity achieved by the port during the years 2017-18 to 2019-20 for the various dry bulk cargo and the break bulk cargo items.
- (v). (a). According to PPT, as per the earlier practice, even for partial engagement of 2nd HMC by the Stevedores, the productivity norms as applicable for 2 HMCs was being considered by the port for the entire 24 hours period, for the purpose of calculating the incentive/ penalty. Owing to this, when the PPT insisted the Stevedores to engage additional HMC for better

productivity, the Stevedores are reported to be reluctant to use the 2nd HMC. Thus, based on the request made by the Paradip Port Stevedores Association (PPSA), the PPT at proposed note no. 1.3.5.1 and 1.3.5.2 has introduced a methodology for calculation of Incentive and Penalty in respect of Gearless vessels being operated with multiple HMCs and Geared vessels having multiple consignments / Multiple parties at conventional berths being operated by the HMC, as discussed in the subsequent paragraphs.

- (b). As per note no. 1.3.5.1.1 proposed by the Port, if simultaneous operation of 2 or more HMCs is equal to or more than 50% of total operational hour of the vessel, then the norms as applicable to 2 HMCs will be effected and accordingly incentive / penalty will be calculated.

Further, as per note no. 1.3.5.1.2 proposed by the Port, if simultaneous operation of 2 HMC is less than 50% of total operational hours of the vessel, then the norms as applicable to 2 HMCs will be effected for the duration in which 2 HMC's will be deployed for the operational hours of the vessel. The note further states that the potential volume of cargo that could be handled with 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 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.

- (c). In other word, if the simultaneous operation of 2 HMCs is less than 50% of total operational hours of the vessel, then the norms as applicable to 2 HMCs would be considered prorata for the actual operational hours and if the simultaneous operation of 2 HMCs is more than 50% of total operational hours of the vessel, then the norms as applicable to deployment of 2 HMCs will be made applicable by the PPT.

- (d). Though the PPSA has suggested to consider proportionate hours of engagement of 1 HMC and 2 HMCs even when the simultaneous operation of 2 HMCs is more than 50%, the PPT has not accepted the suggestion of PPSA stating that the proposed clause will be beneficial to the stevedores as it is likely to encourage the stevedores to use multiple HMCs even for few hours in situation where another HMC is idle or and when there is a potential to deploy another HMC, so that the stevedore can continue with operation of 2 HMCs for the remaining period and achieve better efficiency. Nevertheless, the port has agreed to review this aspect during the next revision.

- (e). In view of the above submissions and since the proposed provision has the approval of the Board of Trustees of PPT, this Authority is inclined to approve the note nos. 1.3.5.1.1 and 1.3.5.1.2., in the proposed SOR.

- (vi). The existing note no. 1.3.4 provides for the Stevedores being eligible for incentive and liable for penalty, if the stayal of vessel at the berth is 2 hours lower than the stipulated time. In addition to the said note, the PPT in the proposed note 1.3.4 has explicitly indicated that the Stevedores are eligible for incentive and penalty, if the stayal of vessel on account of the stevedores at the berth is 2 hours lower than the stipulated time. Since the proposed additional provision gives clarity, the said proposed provision is approved.

- (vii). The PPT has proposed a note at Section 1.3.5.2 to the effect that in case of geared vessels having consignment / multiple parties cargo, use of HMC has been made compulsory and 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. The Note further states that incase, the Port is unable to provide HMC for any reason, the norm applicable for geared vessel will be considered and

that Incentive and Penalty will be calculated accordingly. The PPT has also indicated the methodology for determining the operational hours of the vessel. Since the proposed note gives clarity and also since there is no specific objection of the users, this Authority is inclined to approve to incorporate the clause 1.3.5.2 as proposed by Port.

- (viii). As per the proposed note 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 and in case of non-availability of required data from SOF, the data available in the HMC operational records will be reckoned for calculation of incentive / penalty. Since the proposed notes give clarity and also since there is no specific objection of the users, this Authority is inclined to approve to incorporate the clause 1.3.5.3 as proposed by Port.
- (ix). The PPT has proposed to modify the time norms considered for determination of Performance Norms for clearing and Loading in respect of Loading clearance Time and the time norms considered for calculation of Incentive for achievement of Performance Norms at the vessels working at Mechanized Coal Berth CB1 and CB2 (Section 1.4), Mechanized IOB for Coal Loading (Section 1.5), Mechanized IOB for Iron Ore Loading (Section 1.6) and Mechanized IOB for Iron Pellets Loading (Section 1.7). A comparative position showing existing provisions and the proposed provisions, already forms part of the proposal of PPT as well as Order and hence not reiterated for the sake of brevity.

With regard to the time norms for loading clearance, it may be recalled that in the Order dated 3 October 2018 while approving the performance Norm based Incentive / Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo at PPT, this Authority vide para no. 9(xiii) had though approved the time factors as proposed by port then, had advised the port to adhere to the timelines as stipulated in the Berthing Policy during next review. Accordingly, the port has proposed the revised time norms for loading clearance in line with the Berthing Policy at 60 Minutes. This has led to a situation where in some instances, the earlier loading clearance time of 45 minutes has been increased to 60 minutes and in some instances, the earlier time factor of 70 minutes has been reduced to 60 minutes. In the instances where the earlier time factor of 70 minutes has been reduced to 60 minutes, the Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) and Kalinga Steamship Agents Association (KSAA) have requested to retain the earlier prescribed time norms for loading clearance on the ground that the Foreign vessels require more than an hour's time for coastal conversion, initial draft survey, bunker survey, documentation etc. In this regard, the port, based on the statistics for the period from 01 April 2018 to 30 November 2019 has established that most of the vessels have achieved the loading clearance performance norms of 1 hour and hence has not acceded to the request made by TANGEDCO and KSAA. Since the time norms for loading clearance as proposed by Port is as per the Berthing Policy, the same is approved.

As regards the revised total allowable time norms proposed by the port to calculate the Incentive for achievement of the performance norms for the vessels working at Mechanized Coal Berth CB1 and CB2 (Section 1.4), Mechanized IOB for Coal Loading (Section 1.5), Mechanized IOB for Iron Ore Loading (Section 1.6) and Mechanized IOB for Iron Pellets Loading (Section 1.7), since there are no pointed objections from the users, this Authority is inclined to approve the revised total allowable time norms for each of the Berths as proposed by the port to calculate the Incentive, as proposed by Port.

- (x). As against the existing provision for levy of penalty for non-evacuation of cargo from wharf at the rate equal to wharfage of the expected quantity of cargo that could have discharged had there been no obstruction of uncleared cargo, the PPT has proposed levy of penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel at the rate of ₹. 3500/- per hour.

In this connection, the port has stated that as against the request made by the Stevedores to fully withdraw the imposition of penalty for non-clearance of cargo,

the port has decided to prescribe the proposed provision, which is reported to be moderate on the users and at the same time, it would encourage evacuation of cargo from wharf. The judgment of the port in this regard, is relied upon. Thus, the proposed penal provision is approved.

- (xi). 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 stay of vessel / early evacuation of cargo from the berth and is dependent on the performance of the ship, it is not possible for the port to ascertain the financial impact of the proposed tariff arrangement. The PPT is advised to refrain from issuing Circulars to Trade intimating about change in the SOR and conditions, prior to this Authority according approval to the proposed changes.
- (xii). Orders 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. In exceptional cases, retrospective effect is given for reason to be recorded. In the case in reference, the port has already been implementing the provisions with effect from 01 April 2019. Considering that the proposal of the Port has the approval of its Board of Trustees, this Authority, is constrained to grant retrospective approval with effect from 01 April 2019.
- (xiii). The validity of the Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo with modification in the scheme as proposed by the PPT is made applicable for a period of one year from 01 April 2019 to 31 March 2020, as requested by PPT.

8.1. In the result, and for the reasons given above, and based on collective application of mind, incorporation of the following provision in the existing SOR of PPT is approved:

“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:-

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

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

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

Cargo	Ship-day Productivity Norms (in MT) Norms for F.Y. 2018-19
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. $59830 \text{ tonnes} \div 14000 \text{ tonnes per day} \times 24 \text{ hours} = 102.56 \text{ hrs} = 103 \text{ hours}$.

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 stay 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 stay 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 than 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 for 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 data from SOF, the data 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	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) $\frac{\text{Total Qty. Loaded}}{\text{Time Taken}}$ (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

(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 1.4.1 (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

		Time	Rate
(a)	Total allowed Time for existing Coastal Panamax vessel = 1 hr (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
(b)	Total allowed Time for existing Coastal Handymax / Supra vessel = 1 hr (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 (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 (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	Norm
(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)	24000TPD

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

(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 1.5.1 (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

		Time	Rate
(a)	Total allowed Time for existing Coastal vessel = 1 hr (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
(b)	Total allowed Time for existing Foreign going vessel = 1 hour (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr.	for 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	Norm
(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

(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 1.6.1 (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

		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	₹.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 (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	Norm
(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 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

(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 1.7.1 (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**

		Time	Rate
(a)	Total allowed Time for existing Coastal vessel = 1 hr (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 (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.** The penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel will be levied at the rate of ₹. 3500/- per hour."

8.2. The notified provisions may be deemed to have come into effect from 01 April 2019 and shall remain valid upto 31 March 2020.

8.3. The approval accorded shall automatically lapse unless specifically approved by this Authority.

8.4. The PPT is advised to file its proposal on time, for review of the performance norm based Incentive/ Penalty Scheme for Dry Bulk/ Break Bulk/ Project Cargo, for the period 2020-21 and beyond.

(T.S. Balasubramanian)
Member (Finance)

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

F. No. TAMP/55/2019-PPT	Proposal received from Paradip Port Trust (PPT) for extension of existing Performance Norm based Incentive/Penalty Scheme for Dry Bulk / Break Bulk / Project Cargo with minor modification in the schemes.
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A summary of comments received from users / user organisations and reply of PPT thereon is tabulated below:

Sr. no	Comments of users / user organisations	Reply of PPT
1.	Paradip Port Stevedores Association (PPSA)	
(i).	Port Proposal Cl.1.3.5.1.1/2	
	It relates to productivity norms on penalty / incentive while working with single & two / more than 2 HMC. It is suggested to go with pro-rata, depending upon the engagement of HMC at all time.	As per the Guidelines circulated by the Ministry of Shipping for calculation of Performance Norms stipulated under the Berthing Policy for Dry Bulk Cargo for Major Ports, PPT formulated the Performance Norms for various cargo under different crane combination. PPSA requested PPT to revise the calculation methodology of the incentive/ penalty when 2nd HMC is engaged to supplement 1st HMC even for a few hours in respect of dry bulk cargo handled in conventional berths. The same was examined further and it was observed that as per the previous practice, PPT used to calculate the productivity norms applicable for 2 HMCs for partial engagement of 2nd HMC and calculating the incentive/ penalty accordingly. It is seen that the Stevedores are reluctant to use 2nd HMC citing the above reason when PPT insists to engage additional HMC for better productivity. Considering the request of PPSA and after several round of discussion with the Stevedores in DTR Meetings, the changes in the calculation methodology were made for calculation of incentive/ penalty to encourage the stevedores to engage 2nd HMC. As per the revised methodology, in case of simultaneous operation of 2 or more HMC for equal to or more than 50% of total operational hour of the vessel, the norms as applicable to 2 HMC is effected and accordingly incentive/ penalty is calculated. 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 is being effected for the duration in which 2 HMCs operated simultaneously and the norms as applicable to 1 HMC is effected for the rest operational hour of the vessel. The above method of calculation is likely to encourage the Stevedores to use multiple HMCs even for few hours in the situation when another HMC is idle and there is a potential to supplement another HMC. However, in case simultaneous operation reaches/ exceeds 50% of total operation

		hours, the Port is levying norms as applicable to 2 HMC so that the Stevedores can continue with operation of 2 HMCs for the remaining period to achieve better efficiency.												
(ii).	Port proposal Cl.1.8													
	It is requested for waiving out the penalty levied by port for non clearance of the cargo from wharves after 4 hours free time, on completion of cargo discharge / loading operations due to various operational constraints / inadequate Port infrastructure. At present, port is collecting @ ₹.3500/- per hour [after 4hrs of duration] and it is wrongly mentioned in PPT propose as ₹.3500/- per Tonne which needs to be amended on per hour.	Considering the request / representations of the PPSA, it was decided to moderate and levy penalty for non-evacuation of cargo from wharf after 4 hours from sailing of the vessel at the rate of ₹.3500/- per hour (i.e same rate at which incentive/ penalty is levied / paid for dry bulk cargo handled conventionally). It is mentioned that faster wharf clearance results in better productivity of next vessel and vice versa. Port is not inclined to waive out the penalty for wharf clearance since it has a direct impact on port productivity.												
(iii).	Thus, it requested to review the situation and formulate the policy guidelines for the Port to implement in a rationale manner, giving justice to its Port users.	However, due to typographical error, the penalty amount was mentioned as ₹.3500/- per tonne which may be read as ₹.3500/- per hour.												
2.	Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO)													
(i).	<u>1.4.1. Performance Norms for clearance and loading:</u> Sl. No. a. Loading Clearance time: (ii). Foreign vessels requiring costal conversion: Time for loading clearance for Coastal conversion of Foreign vessels by PPT has been proposed to be decreased from 70 minutes to 60 minutes for the vessels working at Mechanised coal Berths CB I CD II. It is to be stated that Foreign vessels require more than an hour time for coastal conversion, initial draft survey, bunker survey, documentation etc. Hence, it is requested to retain the same time of 70 minutes for loading clearance for Foreign vessels berth at CB I, CB II at PPT.	PPT has handled 615 vessels at Mechanized Coal Handling Plant (MCHP), out of which 139 vessels are coastal conversion vessels. Out of the 139 coastal conversion vessels, 96% vessels have achieved the proposed loading clearance norm i.e., 1 hour. Out of 476 non-conversion vessels at MCHP, 89% vessels have achieved the loading clearance norm. The detailed statistics is placed as under: Period : 01.04.2018 to 30.11.2019. <table><tr><th>Type</th><th>No. of Vessel</th><th>Achieved loading clearance Norm</th><th>Not Achieved loading clearance Norm</th></tr><tr><td>Coastal conversion vessel</td><td>139</td><td>96% (133 vsls)</td><td>4% (6 vsls)</td></tr><tr><td>Non-conversion vessel</td><td>476</td><td>89% (424 vsls)</td><td>11% (52 vsls)</td></tr></table> Since most of the vessels have achieved the loading clearance performance norm, PPT feels that there is no need to change the proposed time line as raised by TANGEDCO.	Type	No. of Vessel	Achieved loading clearance Norm	Not Achieved loading clearance Norm	Coastal conversion vessel	139	96% (133 vsls)	4% (6 vsls)	Non-conversion vessel	476	89% (424 vsls)	11% (52 vsls)
Type	No. of Vessel	Achieved loading clearance Norm	Not Achieved loading clearance Norm											
Coastal conversion vessel	139	96% (133 vsls)	4% (6 vsls)											
Non-conversion vessel	476	89% (424 vsls)	11% (52 vsls)											

(ii).	<u>1.4.2. Performance norms for Average Loading rate:</u> Sl. No. a. (i) Panamax vessels (ii) Supermax vessels The approved norms and proposed norms for average loading rate for Panamax vessels is 3000 MT/Hr and for Handymax/ Supermax vessels is 2500 MT/Hr. It is requested to revise the approved / proposed loading rate as 2000 MT/Hr for both Panamax vessels and Supermax vessels, since the average loading rate of TANGEDCO/PSC vessels is about 2000 MT/Hr or 40000 MT/day.	The handling capacity of MCHP is 28.80 MMT against which MCHP has achieved all time highest throughput of 25.18 MMT during FY 2018-19 with a berth occupancy of nearly 66%. Further reducing the loading rate will increase in berth occupancy of coal berths (as against the standard norm of 70%) resulting in non achievement the handling capacity of the berth. Hence, the request of TANGEDCO to revise the loading rate as 2,000 MT/Hr. Or 40,000 MT /day for both Panamax Vessels and Supramax vessels working at Mechanized Coal Berths CB-I & CB-II at Paradip Port is not agreed to.
(iii).	In view of the above, it is requested (i). To maintain the present loading clearance time for Foreign vessels as 70 minutes. [para 1.4.1, Sl no. a.(ii)] (ii).To revise loading rate as 2000MT/HR or 40000 MT/day for both Panamax vessels and Supermax vessels working at Mechanized coal Berth CB I & CB II at PPT. [para 1.4.2., Sl no. a.(i) & (ii)]	

2. A joint hearing in the case in reference was held on 5 December 2019 at the PPT premises. The PPT has made a brief power point presentation of its proposal. At the joint hearing, the PPT and the users have made the following submissions:

PPT

- (i). The existing performance norm based incentive /penalty in respect of handling of dry bulk cargo has helped the PPT in increasing the berth wise traffic and has improved the efficiency of the port. The ship day productivity of the port has also increased. The port is inching closer to be ranked the number 1 port in terms of the traffic handled.
- (ii). Since the existing Performance Norm based Incentive/ Penalty Scheme has given the desired results, it is proposed to continue with the same for another period of one year, except for minor modifications.
- (iii). The 1st modification is that the Loading Clearance time from the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given in respect of all vessels handled at Coal Berth 1 and 2 (CB 1 & CB 2) and Iron Ore Berth (IOB) has been proposed for revision to 60 minutes, as suggested by TAMP in the last TAMP Order. Accordingly, the total time required for completing the activities has been revised to calculate the Incentive for Achievement of the Performance norms.

- (iv). The 2nd modification is that as per the present practice, PPT is calculating the productivity norm applicable for 2 HMCs only for partial engagement of 2nd HMC and calculating the incentive/ penalty accordingly. Paradip Port Stevedores Association (PPSA) had represented to PPT on this aspect and had expressed their reluctance to use 2nd HMC, even when the PPT insisted to engage additional HMC for better productivity. Thus, based on the request made by PPSA, it is proposed to incorporate minor changes in the calculation methodology, in such a manner that it is likely to encourage the stevedores to use multiple HMCs even for few hours in the situation when another HMC is idle and there is potential to supplement another HMC.
- (v). It is also proposed that incase simultaneous operation reaches/ exceeds 50% of the of total operational hour of the vessel, then the norms as applicable to 2 HMC is proposed so that the Stevedore can continue with the operation of 2 HMCs for the remaining period to achieve better efficiency.
- (vi). Due to typographical error, the penalty for non-evacuation of cargo from wharf after 4 hours free time was wrongly indicated as ₹ 3500/- per tonnes. The same may be read as ₹ 3500/- per hour.
- (vii). The proposed norms are in force since April 2019. Till date, on 70% of the occasions, the port has paid incentives to the stakeholders. It is only in 30% of the cases, that there is an element of penalty.

PPSA

- (i). It is suggested that the productivity norms on penalty / incentive while working with single & two / more than 2 HMC may be calculated on pro-rata basis, depending upon the engagement of HMC at all time.

(PPT: Earlier, even for partial engagement of 2nd HMC, the productivity norm as applicable for 2 HMCs was being considered by the port for the entire 24 hours period. For smaller period say less than 50%, we are OK for pro-rate. For more than 50%, we are not agreeing pro-rata, we have proposed pro-rata when simultaneous operation with 2 HMCs is below 50% of total operational hours of the vessel. This will be beneficial to the stevedores. This aspect can be further reviewed during the next revision.)

- (ii). It is requested for waiving out the penalty of ₹ 3500/- per hour being levied by port for non-clearance of the cargo from wharves after 4 hours free time, on completion of cargo discharge / loading operations due to various operational constraints / inadequate Port infrastructure.

(PPT: Wharf clearance does not depend on the HMCs. It depends on the dumpers. The rate of ₹ 3500/- per hour was proposed in consultation with the users. The port may not be in a position to reduce it further.)

TNEB

- (i). The time for loading clearance for coastal conversion of foreign vessels by PPT has been proposed to be reduced from 70 minutes to 60 minutes for

the Mechanised Coal Berths. Foreign vessels need more than an hour's time for coastal conversion and other ancillary functions. It is, therefore, proposed to retain 70 minutes at Coal Berths.

- (ii). Since the average loading rate of TANGEDCO vessels is about 2000 tonnes/ hour, the proposed loading rate for Panamax at 3000 tonnes/ hour and for Supramax at 2500 tonnes/ hour, may be revised to 2000 tonnes/ hour.

Member (F), TAMP: PPT may convey the validity period for its said proposal.

3. After the joint hearing, one of the user viz. Kalinga Steamship Agents Association (KSAA) vide its email dated 11 December 2019 has furnished its comments. The comments of KSAA and comments of PPT thereon are tabulated below:

Sr. no.	Kalinga Steamship Agents Association	Reply of PPT												
(i).	Loading clearance time at IOB (CL no. 1.5.1, 1.6.1 and 1.7.1): Where a vessel needs to go for coastal conversion various formalities to be complied with i.e draft survey, bunker survey and calculation of inventories by Customs. Since sounding of all the fuel tanks of the vessels to be taken by surveyors in presence of customs and inventories of all consumables to be taken by Customs, it is quite difficult to complete all such formalities in 60 minutes time after made fast. Hence, it is requested to retain 90 minutes time as was prevalent during FY 2018-19.	During the period from 01.04.2018 to 30.11.2019, PPT has handled 213 vessels at Iron Ore berth, out of which 29 vessels are coastal conversion vessels. Out of 29 such vessels, 83% vessels have achieved the proposed loading clearance norm i.e 1 hour. Out of 184 non-conversion vessels at IOHP, 71% vessels have achieved the loading clearance norm. The detailed statistics is summarized as under: <u>Period : 01.04.2018 to 30.11.2019.</u> <table><tr><th>Type</th><th>No. of Vessel</th><th>Vessels achieved Loading clearance Norm</th><th>Vessels not achieved Loading clearance Norm</th></tr><tr><td>Coastal conversion vessel</td><td>29</td><td>83% (24 vsls)</td><td>17% (5 vsls)</td></tr><tr><td>Non-conversion vessel</td><td>184</td><td>71% (131 vsls.)</td><td>29% (53 vsls)</td></tr></table> Since most of the vessels have achieved the loading clearance performance norm, PPT feels that there is no need to change the proposed time line for loading clearance norm.	Type	No. of Vessel	Vessels achieved Loading clearance Norm	Vessels not achieved Loading clearance Norm	Coastal conversion vessel	29	83% (24 vsls)	17% (5 vsls)	Non-conversion vessel	184	71% (131 vsls.)	29% (53 vsls)
Type	No. of Vessel	Vessels achieved Loading clearance Norm	Vessels not achieved Loading clearance Norm											
Coastal conversion vessel	29	83% (24 vsls)	17% (5 vsls)											
Non-conversion vessel	184	71% (131 vsls.)	29% (53 vsls)											
(ii).	Eligibility for incentive at IOB (CL No. 1.6.1. g & 1.7.1.f): A vessel is eligible for incentive if average loading rate specified is achieved i.e 42000 MT Gross ship day output. The submission in this is as follows:													
(a).	There are two SCRs (Stacker cum Raclaimer) available at IOHP which are used for stacking the cargo at pots or reclaiming the cargo for loading to the vessel. When there are rakes for tipping, PPT engages the SCRs for stacking the cargo on priority though vessel is at iron ore berth. During that time, vessel stays	PPT has been considering the Port Account stoppages while calculating the gross ship day output. The submission of KSAA as at Sl. No.(a) and (b) is devoid of merit.												

	at berth idle without the fault of the vessel & shippers.	
(b).	Due to age old of the IOHP Plant, there is frequent breakdown of plant/ belt line. While calculating the ship day output, the PPT is not deducting the breakdown time of the plant and reclaimer non availability time. Hence, it is requested to suggest the PPT for deduction of the above mentioned times while assessing the ship day output.	
