

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

**TARIFF AUTHORITY FOR MAJOR PORTS**

G.No. 255

New Delhi,

28 June 2017

**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 request made by Kolkata Port Trust (KOPT) for amending the Scale of Rates relating to prescription of Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Haldia Dock Complex at KOPT, as in the Order appended hereto.

**(T.S. Balasubramanian)**  
Member (Finance)

**Tariff Authority for Major Ports**  
**Case No. TAMP/59/2016-KOPT**

Kolkata Port Trust

---  
**QUORUM**

Applicant

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

**ORDER**

(Passed on this 24th day of May 2017)

This Order relates to a request made by Kolkata Port Trust (KOPT) for amending the Scale of Rates (SOR) relating to prescription of Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Haldia Dock Complex (HDC) at KOPT.

2. This Authority vide its Order no. TAMP/59/2016-KOPT dated 4 January 2017 has disposed of the proposal received from KOPT for Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC of KOPT. Accordingly, the Performance norms based Incentive and Penalty for cargo operations in respect of Dry Bulk Cargo at HDC of KOPT was notified in the Gazette of India on 31 January 2017 vide Gazette No. 38 and the detailed Order on the matter in reference was notified in the Gazette of India on 21 February 2017 vide Gazette No. 62.

3. In this backdrop, the KOPT vide its letter dated 11 April 2017 requested this Authority to delete Clause 2.3 from the SOR prescribing the Performance norms based Incentive and Penalty for cargo operations in respect of Dry Bulk Cargo at HDC of KOPT. The submissions made by KOPT are as follows:

- (i). Earlier, TAMP vide Notification No. TAMP/59/2016-KOPT dated 3 November 2016 had granted ad-hoc approval of performance & penalty or incentive norms as well as levy of anchorage or penal charges from 1 October 2016.
- (ii). Subsequently, in terms of approval of the KOPT's Board, KOPT vide its letters dated 20 December 2016 and 17 February 2017 has requested to pass an Order for withdrawing the penal charges for idling of vessels at the lighterage points.
- (iii). However, in the final Order dated 20 March 2017 of TAMP it is seen that the said penal charges for idling of vessels at the lighterage points as well as Saugar (which is also a lighterage point of KOPT) has been included.
- (iv). In the above context, it is stated that due to compulsory movement of HDC bound vessels through Eden Channel, the possibility of lighterage operation at Saugar for Haldia bound vessel has been minimized. Further, the primary reason for idling of ships at lighterage points (including Saugar) is non-availability of adequate barges over which vessel has no control. The barge operators are deploying barges commonly for Haldia, Diamond Harbour and Kolkata and due to very slow discharge operation from barges at Kolkata Dock Systems of KOPT, the Turn Round Time of the barges are very high which ultimately leads to idling of vessels at Saugar and other lighterage points. Thus, levy of penal charges at the lighterage points on the vessels will be detrimental to the growth of traffic through KOPT.
- (v). The aforesaid constraints were also discussed in the joint hearing of TAMP held at Kolkata on 24 November 2016 wherein it was submitted by KOPT that penal charges for idling of vessels at Saugar and other lighterage points will be withdrawn from the proposal of KOPT.
- (vi). Subsequently, the Board of Trustees in its meeting held on 29 March 2017 had approved deletion of the entire clause 2.3. (relating to levy of penal charges for idling

of ships at Saugar and other lighterage points of KOPT) from its earlier proposal. [The Board Resolution in this regard is furnished by KOPT.]

- (vii). In light of the above, TAMP is requested to pass appropriate Order for deletion of Clause 2.3. from the Order No. TAMP/59/2016-KOPT dated 9 February 2017 in respect of Norms for Performance, Incentive / Penalty, Anchorage Charges for handling dry bulk cargo at HDC.

4.1. With regard to the submissions made by KOPT, it is to state that when the KOPT had initially come up with a proposal for prescription of Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC at KOPT in September 2016, the KOPT in its proposal had proposed to impose penalty for idling of vessels at “Saugar” and “other lighterage points” where the vessels are scheduled to lighten their cargo for achieving Haldia draft, as given below:

- “2.3. In addition, penalty is also proposed to be imposed at the following rates for idling of vessels at Saugar and other lighterage points where the vessel(s) are scheduled to lighten their cargo for achieving Haldia draft.

<b>Idling Time</b>	<b>Applicable penal charges</b>
For first 48 hours	25% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof.
More than 48 hours	50% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof for the entire period.

“

4.2. However, subsequently, the port vide its letter dated 20 December 2016 had chosen to withdraw the levy of penal charges for idling of vessels on “lighterage points” for Haldia bound vessels, conceding to the points made by the users during the joint hearing and also due to the constraints of availability of barges and absence of dedicated barge handling facilities at HDC.

4.3. It is noteworthy that while requesting for withdrawal of the levy of penal charges for idling of vessels on “lighterage points”, the KOPT had neither furnished any draft Scale of Rates reflecting deletion of the provision of the levy of penal charges for idling of vessels on “lighterage points”, nor had it specifically requested for deletion of Clause 2.3, as now proposed by the Port.

4.4. Accordingly, based on the proposal of the KOPT, the portion of the note “and other lighterage points where the vessel(s) are scheduled to lighten their cargo for achieving Haldia draft”, as earlier proposed by the Port was deleted in the SOR vide Order dated 4 January 2017, as shown below:

- “2.3. In addition, penalty is also proposed to be imposed at the following rates for idling of vessels at Saugar.

<b>Idling Time</b>	<b>Applicable penal charges</b>
For first 48 hours	25% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof.
More than 48 hours	50% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof for the entire period.

“

4.5. It is in this backdrop that the KOPT has now proposed for deletion of entire Clause 2.3 from the Scale of Rates prescribing penal charges for idling of vessels at lighterage points, on the ground that levy of penal charges at the lighterage points on the vessels will be detrimental to the growth of traffic through KOPT.

4.6. From the submissions made by KOPT now, it is seen that Saugar is also a lighterage point and that the port wishes now to delete the entire provision regarding levy of penal charges on lighterage points including Saugar.

4.7. Considering that the request made by the port to delete Clause 2.3 is based on the request made by the users and noting that the proposed deletion has the approval of the Board of Trustees of KOPT, this Authority is inclined to accede to the request made by KOPT for deletion of Clause 2.3 from the notified Scale of Rates. Thus, for the reasons given above, Clause 2.3 is deleted from the SOR prescribing Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC at KOPT, notified vide Order no. TAMP/59/2016-KOPT on 31 January 2017. Accordingly, amended SOR after deletion of Clause 2.3 as proposed by KOPT prescribing Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC at KOPT is attached as **Annex**.

**(T.S. Balasubramanian)**  
Member (Finance)

**SCHEDULE OF PERFORMANCE NORMS FOR INCENTIVE/ PENALTY FOR HANDLING OF DRY BULK CARGO BY CONVENTIONAL METHOD AT RELEVANT BERTH(S) OF HALDIA DOCK COMPLEX (HDC) AND LEVY OF ANCHORAGE CHARGES AT THE REPORTING STATIONS/ LIGHTERAGE POINTS:**

**1. Performance norms for loading / unloading of various dry bulk cargo at HDC**

**1.1. Performance norms:-**

1.1.1. For fixation of performance norms for unloading of dry bulk cargo in conventional methods using ship's gears the average crane cycles per hour and average picking factor have been considered as 12 and 0.75 respectively as dry bulk cargo carrying vessels are always calling HDC with 35% to 40% of the full load quantity due to draft constraints.

1.1.2. In the above premises, the average ship day productivity of various dry bulk commodities handled through ship's cranes at relevant berth(s) of HDC, considering four working cranes per vessel and 22.5 hours working time per day, will be as given below:

					Performance Norms
Sr. No.	Commodity	Average crane cycles per hour	No. of cranes per vessel	Grab size in CBM	Ship-day productivity for the first year after the date of its introduction (in MT per vessel per Day)
1	Coal	12	4	12	6225
2	Met Coke	12	4	12	5850
3	Limestone	12	4	12	10275
4	Manganese Ore	12	4	10	7350
5	Iron Ore	12	4	8	9750
6	Fertilizer	12	4	12	6000
7	Cement linker	12	4	12	10950
8	Gypsum	12	4	12	10950

**1.2. Penalty/Incentive:-**

1.2.1 The stipulated time for a vessel's stay at berth will be calculated based on the stipulated performance norms as mention above.

1.2.2. For failure or success in achieving the stipulated time at berth, penalty / incentive will be applicable as per the provision given below:

- (i). If the actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) remains within 5% (higher or lower) of the stipulated time for that commodity, then no penalty / incentive will be levied / paid.
- (ii). In case where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) exceeds 5% of the stipulated time for that commodity, penalty will be levied 2 times of the normal berth hire charges for additional hours taken to complete the ship's cargo operation.
- (iii). In cases where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) is lower than the stipulated time by more than 5% of the same then incentive will be paid at the rate of berth hire charges for every additional hour saved.

**Note to provisions regarding Penalty/ Incentive Norms:**

- (i). For the purpose of calculation of time for computation of penalty / incentive, fraction of an hour will be considered as full hour.
- (ii). In computing actual performance achieved by each ship for the purpose of calculating penalty / incentive and stoppage of operation on account of port related or weather related issues will be discounted. Such exclusions are listed below:
  - (a). Breakdown / non-availability of port provided equipment at berth.
  - (b). Weather related stoppage.
  - (c). Shifting of ships between berth on account of port.
  - (d). Time consumed for each draft surveys upto a maximum period of 30 minutes.
  - (e). Time lost due to stoppage of work for any other reasons will be excluded for calculation of performance norms, only with the approval of the Board.

**2. Levy of Anchorage/ penal charges at the reporting stations / lighterage points:**

- 2.1. Even after calling the vessel and allocation of pilots by port, the vessel refuses to call at the port or lighterage point due to the reasons attributable to the vessel/ exporter, then Anchorage charges will be levied by port at the following rates:

<b>Idling Time</b>	<b>Applicable penal charges</b>
For first 48 hours after calling the vessel	10% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called
After 48 hours & upto 96 hours	25% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called
After 96 hours till boarding of pilot	50% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called

- 2.2. Idling period is to be considered from the time when the vessel is initially called till actual pilot boarding time.
  - 2.3. The record pertaining to idle time will be maintained by Harbour Master (River), KOPT, since the related bills are raised from KDS end.
  - 2.4. However, the port can exempt vessels from paying anchorage charges in exceptional circumstance and the same will require approval of the Chairman.
3. The performance and penalty/ incentive norms as specified above and levy of anchorage/ penal charge as specified above will be effective from 1 October 2016.

-----