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Tariff Authority for Major Ports

G.No.474

New Delhi,

18 October 2021

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from V. O. Chidambaranar Port Trust for revision of general productivity and fixing separate norms for bulk cargo handled through Harbour Mobile Crane (HMC) in 9th berth at V. O. Chidambaranar Port Trust as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No.TAMP/25/2021-VOCT

V. O. Chidambaranar Port Trust

Applicant

QUORUM

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

O R D E R

(Passed on this 15th day of September 2021)

This case relates to the proposal received from V. O. Chidambaranar Port Trust (VOCT) dated 19 March 2021 under cover of its letter No.TRA-OFTBL-VSL-BERTH-V1-15(423440)D.402 dated 19 March 2021 for revision of general productivity and fixing separate norms for bulk cargo handled through Harbour Mobile Crane (HMC) in 9th Berth at VOCT.

2.1. This Authority had passed an Order No.TAMP/53/2018-VOCT dated 18 January 2019, approving the amendments in productivity norms for dry bulk cargo earlier approved vide Order No.TAMP/82/2016-VOCT dated 29 March 2017 under the general revision of the SOR of the VOCT.

2.2. Subsequently, during the last general revision of SOR which culminated in to the Order No.TAMP/15/2019-VOCT dated 10 October 2019, originally the Port had proposed to delete the then existing provisions prescribed as regards performance norms and interlinked penalty / incentives and left to be fixed by the Board of Trustees. When sought clarification for the proposed deletion and requested by Port to relook, in the final revised proposal, the port had proposed for incorporation of modified Performance Norms by regrouping and rationalizing the Cargo items. Since the modified performance standards proposed by the port did not form part of the original proposal on which users and user association were consulted, this Authority felt appropriate to continue to prescribe the then prevailing performance norms and interlinked penalty / incentives as approved in the Order dated 18 January 2019. In the October 2019 Order. This Authority held the port may, if necessary, file separate proposal for modification in the performance norms and propose to delink this item from the general SOR as the Berthing Policy 2016 requires annual review of the berthing norms.

3. In this back drop, the VOCT has filed the current proposal for revision in the performance norms. The main submissions made by the VOCT for revision of productivity and fixing separate norms for bulk cargo handled through HMC in 9th berth are summarized below:

- (i). The Port while submitting the proposal for General Revision of Scale of Rates to TAMP vide its letter dated 27 February 2019, had proposed to de-link the existing productivity norms prescribed in the General SoR stating that the berthing norms shall be regulated as per the Berthing Policy approved by the Board of Trustees of the Port from time to time.
- (ii). The TAMP had, vide Order dated 10 October 2019 suggested that the Port may file separate proposal with justification and basis for the modification in the proposed norms which shall be dealt separately after consultation with stakeholders. It was also stated that Berthing Policy, 2016 requires annual review of the berthing norms and the Port may while filing the separate proposal to delink this item from the General SOR.
- (iii). The productivity at 9th berth for cargo handled through the HMCs is significantly varying in comparison to cargo handled through vessel cranes. Therefore, it is proposed to fix separate productivity norms for dry bulk cargoes handled through HMC at 9th berth based on the last 3 years average.
- (iv). The Board vide resolution No.78 dated 20 January 2021 has accorded approval for revising the productivity norms. The copy of the resolution No.78 along with relevant agenda is furnished. In the Board Meeting held on 20 January 2021 the Board has resolved the following:
 - (a). To fix separate productivity norms for dry bulk cargoes handled through HMC at 9th berth based on the last 3 years' average.

- (b). To revise of productivity norms for cargoes handled at other berths based on the last 3 years' average or current approved norms, whichever is higher, including for the cargoes to be handled at 9th berth through other than HMC.
- (c). To submit the proposal to TAMP for approval of revised productivity norms.
- (v). Accordingly, VOCPT has submitted a proposal for:
- (a). Fixing separate productivity norms for dry bulk cargoes handled through HMC at 9th berth based on the last 3 years average.
- (b). Revision of productivity norms for cargoes handled at other berths based on the last 3 years' average or current approved norms, whichever is higher, including for the cargoes to be handled at 9th berth through other than HMC.
- (c). It is, therefore, requested to consider the proposal of the port for revision of productivity norms under Section 48 and 49 of the MPT Act, 1963.

4. The VOCPT has also furnished the proposed norms for cargo handled at all the berth through HMC and through other than HMC at IX berth.

- (i). Proposed Productivity Norms for Cargo Handled at IX Berth through HMC:

Sl. No.	Cargo	Proposed Norms
1.	Cattle Feed	7634
2.	Clinkers	24892
3.	Coal	33081
4.	Cu. Concentrate	9078
5.	Gypsum in Bulk	30352
6.	Iron Ore	34232
7.	Lime Stones	31255
8.	MOP	15476
9.	Peas (Yellow)	7108
10.	Petroleum Coke	26914
11.	Rock Phosphate	16234
12.	Sulphur	8829
13.	Urea	6348
14.	Wheat in Bulk	9162

- (ii). Proposed Norms for Cargo Handled at all the Berth including Cargo Handled through other than HMC at IX Berth:

Sl. No.	Cargo	Proposed Norms
1.	Garnet Sand (Bulk)	6000
2.	Cashew Nuts in Bags	1250
3.	Cattle Feed	6136
4.	Caustic Soda Lye	4093
5.	Cement in Bags	1500
6.	Clinkers	10125
7.	Coal at Coal Jetty II	15000
8.	Coal at Other Berth	11589
9.	Cu. Concentrate	7000
10.	Diesel Oil Jetty/Berth	5561
11.	Diammonium Phosphate	6000
12.	Furnace Oil – IOC	6800
13.	Furnace Oil – SPIC	3456
14.	General Cargo	1500
15.	Granite	2896

16.	Gypsum in Bulk	10000
17.	Ilmenite (Import)	7655
18.	Ilmenite (Export)	13736
19.	Iron And Steel Materials	2715
20.	Iron Ore	13000
21.	Lime Stones	10000
22.	Lime Stone (Small vessels)	3000
23.	Liquid Ammonia	7767
24.	Logs	3640
25.	LPG	4320
26.	Machineries	631
27.	MOP	9000
28.	Marble Lumps	3000
29.	Naptha – IOC	7500
30.	Maize (Bulk)	4000
31.	Naptha – SPIC	4901
32.	Oil Cake / Copra	2500
33.	Palm Oil	3740
34.	Peas (Yellow)	4000
35.	Petroleum Coke	9609
36.	Phosphoric Acid (Export)	2420
37.	Phosphoric Acid (Import)	7948
38.	Rock Phosphate	9799
39.	Salt in Bulk	7418
40.	Salt in Bags	2500
41.	Stone Aggregate	3537
42.	Stone Dust	2216
43.	Stone (Rough)	1571
44.	Sugar (Raw)	7000
45.	Sugar in Bags	1500
46.	Sulphur	8000
47.	Sulphuric Acid	5481
48.	Urea	6000
49.	Vinyl Chlorides	3148
50.	Wheat in Bulk	6300

5. In accordance with the consultation process prescribed, a copy of the VOCPT proposal dated 19 March 2021 was circulated to the users/ user organisations seeking their comments. A copy each of the comments received from the users/ user organisations were forwarded to the VOCPT as feedback information. The VOCPT vide its email dated 20 May 2021 has furnished its reply.

6. A joint hearing in this case was held on 21 May 2021 through Video Conferencing. The VOCPT made a brief Power Point presentation of its proposal. The VOCPT also presented a statement showing the existing productivity norms, average productivity achieved in the last three years viz. 2017-18, 2018-19 and 2019-20 and the proposed productivity norms. At the joint hearing, the VOCPT and the concerned users/ user organizations have made their submissions.

7.1 As decided at the joint hearing, the VOCPT was requested vide our letter dated 25 May 2021 to take action on the following points. This was followed by the reminders dated 01 June 2021, 28 June 2021 and 13 July 2021. With reference to point of action decided at the Joint Hearing, the VOCPT has responded vide its e-mail dated 15 July 2021. A summary of action point sought from VOCPT flowing from the joint hearing proceedings and reply furnished by VOCPT thereon is tabulated below:

Sl. No.	Action point sought from VOCPT flowing from the joint hearing proceedings	Reply furnished by VOCPT
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(i).	Furnish the actual penalty earned and incentive granted under the berthing norms for the last three years 2017-18, 2018-19 and 2019-20.	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Penalty in ₹</th> <th>Incentive in ₹</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td>4,91,52,882</td> <td>2,53,09,739</td> </tr> </tbody> </table>	Financial Year	Penalty in ₹	Incentive in ₹	2017-18	4,91,52,882	2,53,09,739
		Financial Year	Penalty in ₹	Incentive in ₹				
2017-18	4,91,52,882	2,53,09,739						
<p>Tuticorin Ship Agent Association (TSAA) has filed case against collection of Penal berth hire charges vide case No.WMP (MD) No.5012 of 2017 and WP(MD) No.6366 of 2017. Penalty and incentive had worked out but, the penalty not collected and incentive also not granted during 2017-18 since interim stay granted by Madurai Bench of Madras High Court.</p> <p>[During the processing of the Order dated 18 January 2019, while revising the productivity norms the VOCPT has confirmed that there is no order from the Hon'ble High Court of Madras, Madurai Bench in the Writ Petition filed by TSAA.]</p> <table border="1"> <tbody> <tr> <td>2018-19</td> <td>15,92,064</td> <td>8,54,350</td> </tr> <tr> <td>2019-20</td> <td>20,85,670</td> <td>6,60,398</td> </tr> </tbody> </table>	2018-19	15,92,064	8,54,350	2019-20	20,85,670	6,60,398		
2018-19	15,92,064	8,54,350						
2019-20	20,85,670	6,60,398						
(ii).	(a). At the joint hearing, DCW Ltd. has requested port to review the revised proposed norms for two cargo items viz. Vinyl Chlorides and Ilmenite (import).	<p>Vinyl Chlorides:</p> <p>(i). Productivity norms are proposed based on the average cargo handled per day, during the last 3 years. This has been achieved after giving all allowance towards Safety and the nature of the cargo viz. VCM.</p> <p>(ii). Further, additional infrastructure for handling VCM has been developed in the Coastal Cargo Berth.</p> <p>Ilmenite (Import)</p> <p>Port has installed 3 no's of HMCs which will facilitate to increase the productivity of Ilmenite (import) and the norms are proposed based on the average cargo handled per day during the last year.</p> <p>The above justifications were discussed with receiver and revised norms are accepted by the receiver.</p>						
	(b). Tuticorin Stevedores Association has requested port to consider incorporating a note about availability of 3 nos. of HMC at Berth No.9. The port to examine the concerns raised by the users / user association and respond.	<p>(i). Based on the requirement, Port has deployed the 3rd HMC in 9th Berth. Preference in deployment of the 3rd HMC is given to the vessels working at 9th Berth.</p> <p>(ii). Further, the proposed productivity norms for dry bulk cargoes handled through HMCs at 9th berth is based on the last three years average cargo handled per day through HMCs in 9th berth.</p> <p>The above justification was discussed with Tuticorin Stevedores Association and the revised norms are accepted by the TSA.</p>						

7.2. Subsequently, the VOCPT vide its email dated 29 July 2021 has confirmed that the conditionalities and penalty / incentive scheme will continue to be same as per the existing approved by this Authority.

8. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned

parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>.

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

- (i). The proposal of the V. O. Chidambaranar Port Trust (VOCPT) is for revision of existing productivity norms and fixing separate norms for bulk cargo handled through Harbour Mobile Crane (HMC) prescribed in the existing SOR of the VOCPT approved in the last general revision Order No.TAMP/15/2019-VOCPT dated 10 October 2019. The current proposal is filed under Berthing Policy, 2016 issued by the Ministry of Ports, Shipping and Waterways (MOPSW) [the then Ministry of Shipping]. The background for filing the current proposal is brought out in the earlier paragraphs and hence not reiterated for the sake of brevity.
- (ii). The Berthing Policy for Dry Bulk Cargo for Major Ports issued by the MOPSW in June 2016 directs all the Major Port Trusts to implement the norms with actual incentives and penalties. The policy lays down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. The parameters to be considered for calculating normative productivity level as per the Berthing Policy are Density of commodity, Size of gap available, Picking factor, Number of cycles per hour, Non-working time per shift, % of total cargo that is covered by full-load or partial load operation and Vessel profile.

The Policy also lays down penalties and incentive structures to be instituted by all major ports based on the performance norms calculated. The Policy requires all major ports to adapt these guidelines for their own specific ports and institute penalties and incentives tied to the performance norms as part of the overall berthing policy.

The port while processing its proposal for fixation of productivity norms which culminated into the Order No.TAMP/53/2018-VOCPT dated 18 January 2019 had cited the reasons for not being in a position to propose output norms based on the various parameters given by the MOPSW in the Berthing Policy, 2016 which is brought out in para 10 (iii) (a) of the said Order dated 18 January 2019. Hence, the port had then proposed productivity norms based on the productivity achieved by vessel during the specified period which was approved in the said Order. Similar approach has been followed at other ports as well like the New Mangalore Port Trust (NMPT), Cochin Port Trust (COPT), etc.

The revised productivity norms proposed by the port in the current proposal is broadly as per the approach followed by the port earlier. The port has reviewed the output norms based on the productivity achieved by vessels. The port has considered average productivity achieved by the port in the last three years 2017-18 to 2019-20 for arriving at the proposed revised norms.

For dry bulk cargoes handled through HMC at 9th berth, the port has proposed norms based on the last three years viz. 2017-18 to 2019-20 average productivity norms achieved by the port. For cargoes handled at other berths including for the cargoes to be handled at 9th berth through other than HMC, the proposed productivity norms are reportedly based on the last 3 years' average or current approved norms, whichever is higher. The proposed revised productivity norms has been approved by the Board of Trustees of VOCPT. Since the current proposal of the port is for revision / improvement in the existing productivity norms, the same is taken up for consideration.

- (iii). The productivity norms are prescribed at Note 3 under 2.4.2.Schedule of Berth hire charges in the existing SOR. The existing productivity norms are prescribed for different cargo items under the head dry bulk cargo, dry bulk cargo (coal) and break bulk cargo.

In the current proposal, the port has proposed Cargo-wise productivity norms under the following two broad categories:

- (a). Productivity norms for cargo handled at berth No IX through HMC.

- (b). Productivity norms for cargo handled at all berths including cargo handled other than HMC at berth no. IX.

The port has during the joint hearing furnished the statement showing the productivity norms approved by this Authority in October 2019 Order, actual productivity achieved by the port for the years 2017-18 to 2019-20 (3 years) and proposed productivity norms.

It can be seen from the said statement that port has revised productivity norms broadly based on the average productivity achieved by the port for the last three years viz. 2017-18, 2018-19 and 2019-20. For a few cargoes, the port has proposed to maintain productivity norms at the existing level. The revised productivity norms proposed by the port is more than the existing approved norms for most of the cargo items and for a few cargo items, the existing productivity norms is proposed to be continued.

It is relevant to state that none of the users / user associations have raised any objection on proposed productivity norms except Darangdara Chemicals Works Limited (DCW). The DCW has objected the productivity norms proposed by the port for two cargo items viz. Vinyl Chlorides and Ilmenite (Import). The output norms proposed for Vinyl Chlorides and Ilmenite (Import) has been dealt with separately in subsequent paragraphs.

As per 4.1.3 of the Berthing Policy norms are to be calculated by taking into account the best infrastructure that is available at the berth to determine commodity-wise productivity norms. This is to ensure that ports are able to maximize berth productivity, reduce turnaround time for customers and improve RoCE for port's assets. As per para 8.1. of the said Policy, the objective of the performance linked incentive/ disincentive structure is to continuously drive productivity improvements across ports and reward the vessels/ customers that are exceeding the norms, thus creating value for the port in addition to allowing customers and trade to bring down the cost of logistics. None of the users have raised objection to the revised productivity norms proposed by the port except the DCW for two cargo items which has been dealt with the subsequent paragraphs. Hence the revised productivity norms proposed by the port is approved.

- (iv). With regard to the concern raised by Tuticorin Stevedores Association (TSA) regarding non availability of sufficient trucks during bunching of vessels, congestion at the gate, availability of space in warehouse, weigh bridge infrastructure facility, shortage of trucks, the port has clarified that Port is having 8 lane facility with 4 entry and 4 exit gates. There are adequate weigh bridges, sufficient godowns / warehouses as well in the port. Moreover, the proposal is based on the actual performance achieved with the existing infrastructure. Thus, VOCPT has clarified that it is for the Stevedores to plan the truck movement.

The port has confirmed that the proposed productivity can be achieved during rainy season also. The port has assured that major idling time, if any, is excluded for computation by the port, so that it will not have adverse impact on the trade. Thus, the port has addressed the concern raised by the user association.

- (v). M/s.DCW has pointed out that handling of Vinyl Chloride requires monitoring of liquid temperature and also, pumping rate is controlled depending upon atmospheric pressure. Considering safety norms, DCW has requested to retain existing productivity norm of 2982 tonnes per day instead of increased productivity norms proposed by the port at 3148 tonnes per day. In view of the point raised by the DCW, the port was requested to review the proposed productivity norm for Vinyl Chloride.

In this regard, the port has categorically stated that proposed productivity of 3148 tonnes is lower than what was actually achieved in earlier years 2018-19 and 2019-20. Productivity norms are proposed based on the average cargo handled per day, during the last 3 years. This has been achieved after giving all allowance towards safety and the nature of the cargo. Further, additional infrastructure for handling VCM has been developed in the Coastal Cargo Berth.

Therefore, the port has proposed to retain the revised productivity norm proposed by VOCPT for Vinyl Chlorides. Therefore, the revised productivity norm proposed by VOCPT for Vinyl Chlorides is approved as proposed by the port.

- (vi). As regards another cargo viz. Ilmenite (Import), the DCW has stated that the existing productivity at 6969 tonnes per day itself is on a higher side and hence the proposal of the port to revise it to 7655 tonnes/ day is very much high. DCW will be charged penalty and hence has requested port to maintain existing productivity norms. In view of the above, the port was requested to review the proposed productivity norm for this cargo as well.

The VOCPT has clarified that the Port has installed 3 numbers of HMCs which will facilitate to increase the productivity of Ilmenite (import) and the norms are proposed based on the average cargo handled per day during the last year. Further, the VOCPT has confirmed that the above justifications were discussed with receiver and revised norms are accepted by the receiver.

Therefore, the revised productivity norm proposed by VOCPT for Ilmenite (Import) which is improvement over the existing norm is approved as proposed by the port.

- (vii). With regard to specific point raised by the TSA to consider incorporating a note about availability of 3 nos. of HMC at Berth No.9, the VOCPT has clarified that based on the requirement, Port deploys the 3rd HMC in 9th Berth. Preference is given by the port for deployment of the 3rd HMC to the vessels working at 9th Berth. Further, the proposed productivity norms for dry bulk cargoes handled through HMCs at 9th berth is based on the last three years average cargo handled per day through HMCs in 9th berth. The VOCPT has confirmed that the above justification was discussed with TSA and the revised norms are accepted by the TSA. This Authority relies on the submissions of the port which is based on the existing practice followed at the port.

- (viii). The VOCPT has proposed the revised productivity norms based on the average productivity achieved by the port in the last three years 2017-18 to 2019-20. The port had confirmed that the conditionalities and penalty / incentive scheme will continue to be same as per the existing conditionalities of penalty / incentive. Since the said conditionalities relating to the penalty / incentive are forming part of the note no.3 under Schedule 2.4.2 (Berth Hire Charges for Other vessels) in the existing Scale of Rates of VOCPT approved by this Authority vide Order dated 10 October 2019, the same is prescribed while prescribing the revised productivity norms. Since the port has not proposed for delinking the productivity norms from the existing SOR, the revised productivity norms is replaced in the existing note no.3 under schedule 2.4.2 of the SOR of VOCPT.

- (ix). Ordinarily the rates approved by this Authority have prospective effect after expiry of 30 days from the date of notification of the Order in the Gazette of India. The proposal is for revised productivity norms. This Authority, therefore, approves the revised productivity norms prospectively after expiry of 30 days from the date of notification of the Order in the Gazette in line with the approval generally accorded by this Authority.

Clause 8.5 of the Berthing Policy stipulate that performance norms will be revised every quarter during the first year until target norms for commodity are reached. Subsequent revisions will be done yearly or upon upgradation of berth infrastructure. That being so, the validity of the revised norms approved in this Order is prescribed for a period of one year from the date it comes into effect.

- (x). **If there is any error apparent on the face of records considered or for any other justifiable reasons, the VOCPT may approach this Authority for review giving adequate justification/ reasoning within 30 days from the date of notification of the Order in the Gazette of India. If port users / user association have any issue they may approach the port.**

10.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the revised Performance Norms and replaces it under note no.3 under

Schedule 2.4.2 (Berth Hire Charges for Other vessels) in the existing Scale of Rates of VOCPT approved by this Authority vide Order No.TAMP/15/2019-VOCPT dated 10 October 2019 attached as **Annex.**

10.2. The revised productivity norms will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and will remain valid for a period of one year.

(T.S. Balasubramanian)
Member (Finance)

Annex

AMENDMENT TO NOTE NO.3 UNDER SCHEDULE 2.4.2. SCHEDULE OF BERTH HIRE CHARGES FOR OTHER VESSELS PRESCRIBED IN THE SCALE OF RATES APPROVED VIDE BY THE ORDER NO.TAMP/15/2019-VOCPT DATED 10 OCTOBER 2019, NOTIFIED IN THE GAZETTE OF INDIA EXTRAORDINARY (PART III SECTION 4) ON 22 OCTOBER 2019 VIDE GAZETTE NO.363.

The existing note no.3 under schedule 2.4.2 Schedule of berth hire charges for other vessels – note (3) is replaced with the following schedule:

- (3). The berth occupancy for each vessel will be determined based on the output norms as given below for levy of penal berth hire charges

“(i). **Productivity Norms for Cargo Handled at IX Berth through HMC:**

Sl. No.	Cargo	Proposed Norms
1.	Cattle Feed	7634
2.	Clinkers	24892
3.	Coal	33081
4.	Copper Concentrate	9078
5.	Gypsum in Bulk	30352
6.	Iron Ore	34232
7.	Lime Stones	31255
8.	MOP	15476
9.	Peas (Yellow)	7108
10.	Petroleum Coke	26914
11.	Rock Phosphate	16234
12.	Sulphur	8829
13.	Urea	6348
14.	Wheat in Bulk	9162

(ii). **Norms for Cargo Handled at all the Berth including Cargo Handled through other than HMC at IX Berth:**

Sl. No.	Cargo	Proposed Norms
1.	Garnet Sand (Bulk)	6000
2.	Cashew Nuts in Bags	1250
3.	Cattle Feed	6136
4.	Caustic Soda Lye	4093
5.	Cement in Bags	1500
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16.	Gypsum in Bulk	10000
17.	Ilmenite (Import)	7655
18.	Ilmenite (Export)	13736
19.	Iron And Steel Materials	2715
20.	Iron Ore	13000
21.	Lime Stones	10000
22.	Lime Stone (Small vessels)	3000
23.	Liquid Ammonia	7767
24.	Logs	3640
25.	LPG	4320
26.	Machineries	631

27.	MOP	9000
28.	Marble Lumps	3000
29.	Naptha – IOC	7500
30.	Maize (Bulk)	4000
31.	Naptha – SPIC	4901
32.	Oil Cake / Copra	2500
33.	Palm Oil	3740
34.	Peas (Yellow)	4000
35.	Petroleum Coke	9609
36.	Phosphoric Acid (Export)	2420
37.	Phosphoric Acid (Import)	7948
38.	Rock Phosphate	9799
39.	Salt in Bulk	7418
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41.	Stone Aggregate	3537
42.	Stone Dust	2216
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44.	Sugar (Raw)	7000
45.	Sugar in Bags	1500
46.	Sulphur	8000
47.	Sulphuric Acid	5481
48.	Urea	6000
49.	Vinyl Chlorides (VCM)	3148
50.	Wheat in Bulk	6300

(iii). The penalty/ incentive for performance is as given hereunder:

Sr. No.	Situation	Penalty / Incentive
1	If the ship stays upto 5% (higher or lower) of the stipulated time for that commodity as specified in productivity norms.	Nil
2	Berth stay is more than 5% beyond the stipulated time for that commodity as specified in productivity norms.	Penalty at ₹500/- per hour or part thereof for every additional hour.
3	Berth stay is 5% lower than the stipulated time for that commodity as specified in productivity norms.	Incentive at ₹50/- per hour or part thereof for every hour of saving in berth time beyond 5%.

Note:

- (i). The penalty provisions will be levied on Stevedores, with the provision that the amount can be claimed by the Stevedores from the cargo interests (Importer/ Exporter) or vessel owners through their agents, depending on the reasons thereof. Same way, incentive will be paid to Stevedores. In the case of liquid cargo, the penal berth hire charges / incentive will be levied on the importer/ exporter.
- (ii). While calculating the performance of the vessel, factors beyond the control of the cargo handler like cyclone, heavy rain, labour unrest, etc. will be treated as “dies-non”.

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/25/2021-VOCPT- Proposal from V. O. Chidambaranar Port Trust for revision of general productivity and fixing separate norms for bulk cargo handled through Harbour Mobile Crane (HMC) in 9th berth at VOCPT.

A summary of comments received from users / user organisations and reply furnished by the VOCPT thereon are furnished below:

Sl. No.	Comments of the users/ user organisations	Reply furnished by VOCPT
1.	Tuticorin Stevedores Association (TSA)	
(i).	May be acceptable only for cargo handling by HMC directly discharging through conveyor, dumping in the Transit yard and after moving to the Parties yard by trucks which is having no hindrance.	No comments furnished by the port.
(ii).	Not acceptable for cargo handling by HMC directly discharging through shore hopper after placing trucks due to non-availability of sufficient trucks at the time of bunch of vessels arrival, congestion in the Port gate, weighbridge and availability of space in the godown.	<p>The productivity norms for cargo handled through HMCs at 9th berth were proposed based on the last 3 years average cargo handled, which includes cargo handled through the hopper also.</p> <p>The Green Gate complex of the port has 8 lanes with 4 for entry and 4 for exit of laden and empty trucks. Separate lanes are earmarked for entry / exit of cargo laden and empty trucks. Hence, adequate facilities are available for seamless cargo movements. Accordingly, stevedores can plan cargo movements to increase the productivity.</p> <p>Weighbridges are installed on lane no.4 and 5 for weighment of export and import cargo respectively. In addition to that, one more weighbridge is available in the Port Coal Yard I and 2 more weighbridges are available inside the port premises.</p> <p>Port has 3 warehouses and 2 Transit sheds admeasuring 25,380 sqm covered area inside the Customs area and 15 nos. of godowns with an area admeasuring 25,760 sqm available outside the Customs area. Indian Potash Limited, Rashtriya Chemicals & Fertilizers and KRIBHCO have their own godowns in the Port area. Further, sufficient numbers of godowns are available in the port vicinity for storage of cargo.</p> <p>With sufficient infrastructure for movement of trucks, weighment and storage space, stevedores can handle the proposed productivity norms.</p> <p>It is the prime duty of the stevedores to plan storage space and arrange trucks for movement of cargo before arrival of vessels. Therefore, the proposed norms may be fixed.</p>

(iii).	Regarding General cargo - loading / discharging norms to be calculated based on MTS / CBM which is on the higher side.	Metric Tonne (MT) is used as a uniform unit for measuring the productivity norms of cargo to avoid ambiguity. Hence, the same will be continued for the productivity norms for general cargo. Further, the unit used for wharfage / demurrage is adopted and the average productivity norms are worked based on it.
2.	Darangdara Chemicals Works Limited (DCW)	
(i).	The revised norms related to the cargo handled by DCW may be fixed without any change as DCW are finding it very difficult to reach the existing norms and in some cases we are charged with penalty too.	
	(a). <u>ILMENITE (Import) ORE</u> : the existing norms of 6969 MT itself is on a higher side for DCW and with great difficulty and higher expenses DCW are achieving the same. The increase to 7655 MT (by 9.84%) is very much on the higher side where DCW will be charged with penalty. However DCW are committed to maintain the norms (without revision).	Port has installed 3 no's of higher capacity HMCs and 3 no's of 20T wharf cranes which will facilitate to improve the productivity.
	(b). <u>CAUSTIC SODE LYE</u> : DCW shall maintain the norms (without revision).	
	(c). <u>VCM (Vinyl Chloride Monomer)</u> : DCW would like to mention that VCM is in liquid form under pressure with VCM vapour available above the liquid surface. The discharge is being carried out monitoring the Liquid Temperature, Level in vessel tanks, Vapour pressure & temperature. Also that the pumping rate is controlled depends upon atmospheric temperature for safety reasons. Hence considering safety norms, the revision to 3148 MT (increase of 5.57%) from 2982 MT may be dropped to maintain old rate without revision.	The productivity norms are proposed based on the last 3 years average. Further, additional infrastructure for handling of VCM has been developed in the Coastal Cargo Berth, with a permissible LOA of 150m and 9.0m draught. Thus, the proposed norms are well achievable.
(ii)	As a long term Port user and considering the market trends leading to struggle for existence in competing global market, it may not be economical for additional expenditure. Hence, DCW Ltd would request to consider to continue the existing norms.	No separate comments furnished by the port.
3.	Seaport Logistics Private Limited (SLPL)	
(i).	Productivity at 9th berth, especially for those cargo which are mandated to use conveyor system like Coal and its variants, and Limestone and its variants, to be seen not only as the performance of the HMC but also of the conveyor system.	No comments furnished by the port.
(ii).	Although HMC's performance has been predominantly satisfactory, the same cannot be said in case of conveyor system for the following reasons: (a). Conveyor unloading area is limited. It is extremely difficult to evacuate the cargo at the rate of HMC discharge and this causes a problem when there are vessels in a row.	No comments furnished by the port.

	(b). In addition, the conveyor unloading area is extremely undulated due to unpaved condition and is causing accidents, frequent breakdowns of the Trucks and other equipment, making it not only riskier to operate but also inefficient and slow. (c). Things are much worse during Rainy seasons as there would be water stagnation for over 4 feet. (d). And the common conveyor system for Coal and Limestone leads to frequent contamination of the cargoes affecting the trade badly.	
(iii).	In spite of taking the above issues with the Port umpteen number of times, there has been no solution till date. With the above backdrop, SLPL strongly object for the Port's proposal to increase the productivity without addressing the above issues.	No comments furnished by the port.
(iv).	SLPL are optimistic that TAMP esteemed office would look into the issues seriously before proceeding with the Port's proposal and would pave a way for a permanent solution for the greater good of Port and its community.	No comments furnished by the port.

2. A joint hearing in this case was held on 21 May 2021 through Video Conferencing. The VOCPT also present a statement showing the existing productivity norms, average productivity achieved in the last three years viz. 2017-18, 2018-19 and 2019-20 and the proposed productivity norms. The VOCPT made a brief Power Point presentation of its proposal. At the joint hearing, the VOCPT and the concerned users/ user organizations have made the following submissions:

V.O. Chidambaranar Port Trust (VOCPT)

- (i). Makes a power point presentation of its proposal.
- (ii). TAMP approved amended norms vide Order dated 21 February 2019.
- (iii). Berthing Policy, 2016 mandates ports to revise the productivity norms on annual basis or upon up gradation of berth infrastructure.
- (iv). Port proposes for revision of existing productivity norms based on last 3 years productivity achieved. Separate norms are proposed for bulk cargo handled through HMC and other than HMC at Berth no.9 on the same basis.
- (v). We have considered average productivity achieved by the port in the last three years 2017-18 to 2019-20 for arriving at the proposed revised norms.

Southern Petrochemicals Industries Corporation (SPIC)

- (i). Productivity depends on infrastructure. We are not getting hopper for all batches. We could not discharge due to shortage of hopper.
- (ii). Further, truck availability is also an issue.
- (iii). Infrastructure availability is must to achieve the proposed productivity.

Darangdara Chemicals Works (DCW) Ltd.

- (i). We can more or less achieve the proposed productivity. However, we have comment on two cargo items Vinyl Chlorides and Ilmenite (import).

- (ii). Handling of Vinyl Chlorides requires monitoring of liquid temperature. Also, pumping rate is controlled depending upon atmospheric pressure. Considering safety norms, the proposed revision from existing 2982 tonnes to 3148 tonnes per day may be dropped. The existing productivity norm may be retained.
- (iii). The existing productivity norm for Ilmenite (import) at 6969 tonnes itself is on a higher side. The proposal to revise it to 7655 tonnes/ day is very much high. We will be charged penalty. We request to maintain existing productivity norms.

Tuticorin Stevedores Association

- (i). Three years average productivity achieved is considered by the port for arriving at the revised proposed productivity norms. In the existing scenario, the underlying condition is availability of 3 HMC cranes at Berth No.9. The said existing condition should be included when productivity is proposed on historic data.
- (ii). For fertilizer, conveyor facility is available. However, evacuation of cargo through trucks is an issue. This impacts the productivity. Port should consider realistic approach as regards cargo not going through conveyor at Berth No.IX i.e. those handled through HMC.

GAC Shipping

- (i). We understand HMC can only discharge cargo at Berth No.IX. Penalty is to HMC crane operator if productivity is not achieved.

V.O. Chidambaranar Port Trust (VOCPT)

- (i). Port has mentioned in trade notice that at Berth No.IX - 2 HMCs are deployed. Only when at Berth No.3, the HMC is idle, it is shifted to Berth No.IX.
- (ii). The data considered for arriving at the revised proposed productivity norms is based on what stevedores have already achieved in the last three years under the existing conditions in the port. Average of three years is considered.
- (iii). We have not fixed common norm. For those cargo aided by conveyor, the productivity norm proposed is in the range of 25,000 to 30,000 tonnes/ day. For cargo not handled by conveyor, it is proposed on the lower side. It is realistic based on the achievement of Stevedores.
- (iv). As regards Vinyl Chlorides, proposed productivity of 3148 tonnes is lower than what was actually achieved in earlier years 2018-19 and 2019-20.
- (v). As regards support infrastructure, truck etc., Port is having 8 lane facility with 4 entry and 4 exit. Truck movement should be planned by Stevedores. The proposal is based on their performance with the existing infrastructure.
- (vi). Sufficient godowns, warehouses are available in the port. Port is ready to give warehouse.
- (vii). There are adequate weigh bridges as well.
- (viii). The proposed productivity can be achieved during rainy season also. Major Idling time, if any, is excluded for computation, so that it will not have adverse on the trade.

Tuticorin Stevedores Association

- (i). Fact is if you go by weighted average, 3 HMCs were used. That condition should remain. We request to include a note in this regard.

- (ii). Port may see the practical aspect as well.
[VOCPT, TM: Berth No.IX has already been given preference as regards HMC deployment for handling dry bulk cargo. We will ensure all necessary facility are extended as done in past.]
- (iii). Where there is steep increase in productivity, even if 3 years average is considered it becomes high. Port may consider to review.

V.O. Chidambaranar Port Trust (VOCPT)

- (i). This is a fair proposal. We will take note of comments of Trade and see if any changes are required.
