

STEVEDORING AND SHORE HANDLING POLICY FOR MAJOR PORTS

1. Definition

- Stevedoring includes loading and unloading and stowage of cargo in any form on board the vessels in Ports
- Shore Handling includes arranging and receiving the cargo to/from the hook point, inter modal transport from wharf to stackyard and vice-versa and also receiving and delivering of cargo from/to wagons/trucks

2. Scope

The policy shall cover the following activities:-

- (i) Stevedoring activities undertaken by the port and/or licensed Stevedore in a Major Port
- (ii) Shore handling activities undertaken by the port and/or licensed Shore Handling Agents or by agents under any other name.

The Stevedoring and Shore handling to cover the activities on board and on shore respectively. Combined Stevedoring and Shore Handling licences will be handled by Major Ports and any exceptions would need to be approved by the Board of the concerned Major Port or equivalent authority basis credible justification for it.

No Agency shall undertake to perform these activities in a Major Port unless and until they are issued a valid licence by the Port for the purpose.

The Stevedoring and Shore Handling policy does not apply to port operated Stevedoring & Shore handling; this exemption is only for operations entirely carried out by the port and not for operations carried out by agents partly or fully using port's labour. Stevedoring policy also does not apply to PPP & BoT berth operations.

3. Stevedoring and Shore Handling Charges

- (i) TAMP shall notify the normative tariff for Stevedoring and Shore Handling activities, separately for mechanized and manual operations for the Major Ports based on a set of Guidelines to be issued to TAMP. This tariff shall be

ceiling tariff. With regard to Kamarajar Port, the Board of Directors may fix the same. In case of any change in Role for TAMP in future, Boards of Major Ports will fix and notify the Rates based on the performance norms enforced in the Major Port as per Performance Norm Policy Guidelines. This will also apply to Mumbai Port and Haldia where stevedoring is carried out by the Ports.

- (ii) All port customers will be notified on the ceiling tariffs set for Stevedoring and Shore Handling activities. The tariff will be mandatorily displayed on the Port website.
- (iii) The port will appoint a nodal officer responsible for monitoring of Stevedoring and Shore Handling tariffs. The officer will be responsible for handling all complaints on violation of Stevedoring and Shore Handling ceiling tariff.
- (iv) The Port Trusts should be liberal in issuing licenses to Stevedoring and Shore Handling agents. All eligible agents would be issued licences for Stevedoring and Shore Handling operations. As competition increases, the cost of transaction to the trade and the quality of services will also improve.
- (v) The Port Trusts shall charge a royalty as the licence fee for the Stevedoring and Shore-handling licences. The Port Trust shall fix a per Metric Tonne royalty rate from all agents. No discrimination will be made among the Stevedoring and Shore-handling agents on the royalty licence fee.

4. License for Stevedores & Shore Handling Agents

Port Trusts shall frame & notify regulations for licensing of Stevedoring and Shore Handling Agents instead of only Stevedores as at present. The Major Port Trusts shall host the Stevedoring and Shore Handling regulations in their web site and any eligible firm which fulfils the eligibility criteria can apply for license at any time on-line along with requisite documents. The stevedoring and shore handling licenses shall be issued by the ports, in case the firm fulfils the following criteria:

- (i) It shall be a Company registered under the Companies Act or a partnership firm or any other legal entity.
- (ii) It shall deposit security amount of at least Rs. 5 lakhs to meet any contingency which shall be refunded without interest after adjusting the claims, if any, when the licensee ceases to operate.

- (iii) The Stevedoring and Shore Handling agent shall undertake to provide equipment/gear required for both the operations as specified by the Port Trust Board.
- (iv) The Stevedoring and Shore Handling agents shall undertake to employ at least 6 supervisory personnel with minimum two years of cargo handling/ stowage experience for undertaking both the functions. Their profiles have to be enclosed along with the application.
- (v) The fee for issue of license shall be on payment of a minimum application fee of Rs. 50,000, which may be revised from time to time by the Port Trust Board.

Major Port Trusts have to ensure that adequate competition prevails in Stevedoring and Shore Handling activities in their ports.

5. Validity / Renewal of licence

- (i) The license will be valid for a period of three years from the date of issuance of licence.
- (ii) The daily performance report capturing productivity achieved by the Stevedoring agent in the prescribed format shall be submitted by the Stevedoring & Shore Handling agent to the Traffic Department online. The Chairman of the Port Trust will review the performance of Stevedoring & Shore Handling agent every month.
- (iii) Compliance of terms and conditions of the licence issued to the agents, safety norms followed by the agents will be monitored by Traffic Manager and a report to be submitted to the Chairman.
- (iv) If the Traffic Manager finds any default on the part of Stevedoring & Shore Handling agent, he shall cause to issue warning in the event of first default and in the event of second default, the license of the Stevedoring & Shore Handling agent shall be liable to be cancelled, apart from levying penalties.
- (v) At the end of three years, the license shall be renewed strictly on the basis of above mentioned performance reports.
- (vi) Application as per the prescribed proforma of the port for renewal of Stevedoring & Shore Handling license shall be made at least three months before the expiry of the license.

- (vi) If the Stevedore & Shore Handling agent fulfils the required conditions and is eligible for renewal but awaiting safety clearance before expiry of the license period, Port may permit the Stevedoring operation by executing an Indemnity bond.

6. Migration to the new Stevedoring and Shore Handling Scheme

The new Stevedoring and Shore Handling Scheme will come into effect in all Major Ports not later than 31st July, 2016. The existing Stevedoring Agents will have to switch over to the new Stevedoring and Shore Handling Scheme from that date and charge the ceiling tariff rate fixed. If they do not switch over to the new scheme, the licence shall be terminated by the Port Trusts by giving due notice as envisaged in the Regulations. The Ports shall ensure that migration to the new Stevedores & Shore Handling Scheme is done by following the statutory provisions under the existing Regulations.

All existing contracts applicable to Stevedoring and Shore Handling operations would be allowed exemption till the date of expiry of the contract or 31st July, 2017 whichever date is earlier. As an example, Haldia Dock Complex had introduced Stevedoring licences for two years from April, 2015 and is valid till March, 2017 through an auction process. Therefore, the new Stevedoring and Shore Handling Scheme will be made applicable after expiry of the existing Scheme i.e. from April, 2017 for Haldia Dock Complex.

7. Duties & Responsibilities

Individual port may prescribe duties, responsibilities and performance parameters of Stevedores & Shore Handling agents to ensure the safe and efficient handling as per their Stevedoring & Shore Handling Licensing Rules, keeping in view the following basic criteria:

- (i) Stevedore & Shore Handling agents shall comply with applicable safety norms in relation to such operations and with the applicable statutes regarding labour.
- (ii) Stevedore & Shore Handling agent shall indemnify the Board against all third party claims arising out of such operations.

- (iii) Whenever casual workers are deployed, the Stevedore & Shore Handling agents should ensure that such workers are covered by the insurance policy.
- (iv) If any gear, plant or any other property of the Port is damaged in the course of stevedoring and shore handling operation the Stevedore and Shore Handling agent shall compensate the Port for such loss or damage.
- (v) Stevedore & Shore Handling agent shall deploy necessary equipment as indicated by the Port in the license.
- (vi) Stevedore & Shore Handling agent shall achieve the performance norms fixed by the Port's Berthing Policy.
- (vii) The Stevedore & Shore Handling agencies shall publish their tariff along with break up in their web sites and in the website of the Port.

8. Cancellation / Suspension of license

- A) The port may at any time suspend or cancel the license issued to a Stevedore & Shore Handling agent for violation of any of the terms of license or for any reasons listed below :
 - (i) The firm does not achieve the performance norms issued by the Port Authority as per the Berthing Policy for an average over a period of 3 months.
 - (ii) The firm is found to be charging higher than the ceiling tariff defined for Stevedore & Shore Handling activities in the Port
 - (iii) The CEO of the Stevedoring and Shore Handling firm has been convicted by the Court of any offence involving moral turpitude and sentenced in respect, thereof, to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence.
 - (iv) Violation of safety regulations and mandatory Dock Safety measures
 - (v) Adopting improper and unsafe handling methods.
 - (vi) Misrepresentation or misstatement of material facts
 - (vii) Firm adjudged insolvent or going into liquidations

- (viii) Transfer of the stevedoring operations or sublet of the license to any other individual or parties
 - (ix) Violation of security related rules & instructions like ISPS code compliance.
 - (x) Any misconduct which in the opinion of the Board warrant such cancellation or suspension
 - (xi) Indulging in illegal/corrupt practices.
- B) Provided that no such license shall be cancelled or suspended as the case may be until the holder of the license has been given a reasonable opportunity for showing cause why his license should not be cancelled or suspended as the case may be.

9. Appeal

Any person aggrieved by any order relating to cancellation/suspension/refusal to issue licenses, may prefer an appeal in writing to the Chairman of the concerned port or any other higher authority, as the case may be, within 30 days of the communication of the order appealed against.

10. Deployment of workers from Port / DLBs / License Holder or outside

Existing practice of deploying port labour by Stevedore and Shore Handling agents may continue. In case the port is unable to supply the requisite workers against the requisition placed by Stevedore and Shore Handling agent, the port may allow the Stevedore and the Shore Handling agent to make their own arrangement for this purpose. No notional booking or levying of charges should be made and agents shall not be levied any charges for labour, in case the Port Trust does not supply the labour.

9. Performance criteria

Productivity norms for the Stevedore and Shore Handling agents shall be calculated basis the Berthing Policy by all Ports. Performance based penalty & incentives shall be enforced in accordance with the Berthing Policy. All Port trusts shall re-assess the penalty bands and/or incentive bands in the frequency as prescribed by the Berthing Policy.

Daily performance Report in the prescribed format shall be submitted by the Stevedoring & Shore Handling agent to the Traffic Department online. Performance of the agent in terms of productivity achieved will be reviewed by the Port Chairman

every month. The monthly performance summary capturing productivity achieved by the respective agents will be published on the Port website to ensure transparency to the customers.

Licenses of agents failing to meet productivity norms for an average over a period of 3 months can be revoked by the Port Authority.

11. Training, Use of Modern Technology

The personnel deployed in Stevedoring & Shore Handling activities shall be trained in modern methods of cargo handling for improving the productivity, efficiency and safety.

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