

MUMBAI PORT AUTHORITY
TRAFFIC DEPARTMENT

POLICY / STANDARD OPERATING PROCEDURE

**Construction/Repairs of Ships/Barges/Crafts activity
at Lakri Bunder South/Powder Works Bunder**

PREFACE

Prior to December 2021, the plots of Lakri Bunder South and Powder Works Bunder were used for Ship Breaking activities. Over a period of time. Ship Breaking activity reduced considerably, thus most of the plots remained vacant, unused and prone to encroachment by hutment dwellers / others.

For gainful utilisation of these plots at Lakri Bunder South & Powder Works Bunder and to boost repair/construction activities of ships/barges/crafts/passenger vessels etc., a circular No.TM/B-10/86 dt.10/12/2021 was issued by the then Traffic Manager to promote ship repairing / construction activities of ships/barges/crafts etc. on recovery of charges as per Scale of Rates of MbPA.

Vide this circular, the concerned associations were requested to inform their members to avail this facility for repairing /constructions of their ships / barges / crafts/passenger vessels etc. at Lakri Bunder South and Powder Works Bunder on payment of charges as per Scale of Rates.

In response to this circular, shipping repairers / constructors / owners as listed in Annexures-I were allowed to use the plots on temporary basis for ship repair / construction from April 2022 onwards.

The above ship repairers / constructors / owners spend a lot of money for cleaning the land, removing encroachments, getting the gradient slope etc. to make these plots suitable for ship repairing / construction activities.

OBJECTIVES

As there is no ship repairing / construction facility in Mumbai district, the port users are facing lot of hardships to repair their barges / crafts / vessels etc. as they have to go out of Mumbai to the destinations like Goa, Gujrat, Cochin etc. Therefore, creating such facility of repair / construction in Mumbai Port definitely help directly / indirectly to all the Shipping Industry as well as Port.

Due to decline of ship breaking activities at Mumbai Port, most of the plots at Lakri Bunder South and Powder Works Bunder are lying vacant. For gainful utilisation of these vacant plots at Lakri Bunder South & Powder Works Bunder and to boost up repair / construction activities of ships, barges, crafts etc.,it is decided to promote ship repairing / construction activities ships, barges, crafts etc. on recovery of charges as per Scale of Rates,MbPA.

Ship repairing /construction is envisaged in Maritime India Vision 2030 as an important activity.

Therefore, these facilities for repairs / construction of ship / barges / crafts has been created and Systematic operating Procedure (SOP) has been prepared for regulating the repair / construction work.

DEFINITION OF KEY WORDS

1. **Repairing / Construction:** (i) Vessels including boats, tonies, hodies, rafts pontoons, tank barges, dump barges and other craft being constructed or fitted out in the Port Authority hard or anywhere on wharf will be charged as per the Scale Of Rates (SOR), from the date of occupation of the hard for the purpose of construction / repairing.

(ii) It will be also treated that when any part/piece of construction / repairing material kept on MbPA wharf/plot of bunder area are treated as under repairs / construction on that date.

2. **Barge** – Barge is flat bottomed vessel whether self-propelled or not.

3. **Craft** – shall means any vessel or craft or object made or intended to float on or in or travel or through water.

4. **Ship / Vessel** – includes anything made for the conveyance mainly by water of human being or of goods and a caisson.

5. **GRT** – means Gross Registered Tonnage of vessel as per the Ship's Registry or the International Tonnage Certificate issued by the competent authorities or a declaration from defense Authorities in respect of war ships / Naval ships.

6. **DWT** – Dead Weight Tonnage

7. **Advance Monthly Charges** – shall mean charges for 30 consecutive calendar days including holidays in advance on the first day of every month.

8. **Temporary Installation** – Not in permanent nature can be removed any time easily.

9. **Temporary Shelter / Porta Cabin** – shall means used for office space or for storage of machinery and keeping spares parts, equipment, etc.

10. **Temporary basis** – For limited / allotted period

11. **Day light working** – The period between sun rise to sun set.

12. **Hotwork** – shall means work involving electric or gas welding, cutting, brazing, or similar flame or spark-producing operation.

13. **Certificate of Registration** - shall mean a document issued by the Authorised Department / Competent Authority to

implement registration and notification requirements of these Regulations.

14. **PPE** – Personal Protective Equipment is specialized clothing or equipment worn by an employee/workers for protection against high intense light, protection from falling object, electric shock, fire burns, smoke, weight impact, etc.

15. **Insurance Certificate** – A Certificate issued by an insurer to one insured.

16. **Survey Certificate** – shall mean a document prepared by a Registered Engineer or Registered Land Surveyor which precisely describes area, dimensions and location of a parcel or parcels of land.

17. **Wait List** – shall mean a list of vessel waiting for construction / repairing activity.

GENERAL

1. This Policy is framed for plots at Lakri Bunder South and Powder Works Bunder. There are 12 plots at Lakri Bunder South (LBS) of approx. size 1700 sq.mtrs. and 10 plots at Powder Works Bunder (PWB) approx. size 2300 sq.mtrs which are underutilized for Ship breaking will be gainfully utilized for repair/construction of ships/barges/crafts etc. on as is where is basis.
2. Barge Owners / Ship (repairers/constructor) shall be registered with Mumbai Port at Operation Service Center on submission of relevant documents (list annexed) alongwith Bank Guarantee for an amount of Rs.5,00,000/-. The period of Bank Guarantee shall be of 3 years and claim period is of one year and it should be renewed every 3 years before its expiry.
3. Plots shall be utilized only for activities related to repairs / constructions of ships/barges/crafts/passenger vessels etc. The plots are allowed to be used purely on temporary basis, on advance recovery of charges as per provisions of Scale of Rates, as applicable.
4. Once the ship/barge/craft completes repair/construction and it is removed from the plot, also removal of ship repairs/construction material from the plot, the plot shall be vacated immediately by proper handing over/taking over procedure (format enclosed) and upto date recovery of Port charges.
- 5.1 Temporary installations such as fencing/erecting gate/Security Gates/making temporary shelter for goods and machinery, installing CCTV system in the plot is permitted at the user's expense, provided all the installations are temporary in nature etc., and an undertaking be given by user to dismantle all the installations on vacation of the plot and it must be removed before vacating/handing over the plot. Further levelling of the plot, if done, should be at the user's expense and under the supervision of Civil Engineering department and on all statutory compliance.

- 5.2 User will be permitted to make temporary shelter / Porta cabin for storage of goods and machinery and office space on payment of necessary storage charges as per Section 3.3A(V)(iv). Shelter will be utilized only for the purpose for which it is allotted.
6. The user shall be liable for all the preliminary security verification of their workers or sub-contractors, who shall be utilized for the work at the plots. It has to be ensured by the user that present requirements such as NOC, background verification as implied by Mumbai Police/other Security agencies shall be complied and a declaration of the same to be provided to MbPA.
7. Night working – Working after sunset is not permitted. Port user should ensure safe working practices as per the applicable laws to be complied at all times. The duration of work shall be dependent on the work permits issued by the concerned departments. All the required permits from MbPA to be obtained prior to commencement of the job.
8. If a new ship/barge/craft etc. is prepared to be brought by the port user and if no ship/barge/craft is waiting for the plot, the plot will be allowed to be used by the user subject to fresh applications submitted and other conditions fulfilled. Further, the port user has to ensure advance payment of 1 month charges as per SOR section 6.2 as per the GRT of the new ship/barge/craft.
- 8.1 Should pay Water Conveyance / MLF charges on the date of arrival of Ships/Crafts/Barges etc.
9. The user shall have to make their own arrangements for temporary infrastructure required for repair/construction of ship/barge/craft etc.
10. Barge Owners / Ship (repairers/constructor) shall be responsible for the acts carried out on the plot and also for non-compliance, if any, of statutory requirements of Govt. of India or any other State Govt. or any other statutory authority, till the plot is peacefully and lawfully vacated and surrendered by the repairer/ constructor to the Mumbai Port Authority after completion of construction / repair activities or as per the requirement of MbPA. The user will absolve MbPA from all the liabilities that may arise.
11. Barge Owners / Ship (repairers/constructor) shall obtain hot work permission from Port Safety and Fire Officer for carrying out hot work and ensure compliance of fire safety precautions while carrying out hot work, so also installation of fire buckets, fire-extinguishers, kit etc. at the plot. Repairer / Constructor shall also ensure to provide required safety gears including Personal Protective Equipment (PPE) to their workers deployed at the plot for working and comply with the rules and regulations under the labour laws and safety.
12. In the event of ship/barge/craft spilling accidentally or otherwise oil, oily water or causing chemical pollution anywhere in the waters or throwing garbage or rubbish, repairer / constructor will have to pay the penalty / cleaning charges upto Rs. 75,000/- for oil / chemical pollution and upto Rs. 40,000/- for garbage / rubbish pollution per incident. The decision of Dy. Conservator in regard to payment of penalty / cleaning charges will be final and binding on the repairer / constructor.
13. Repairer / Constructor shall not burn any material on the plot.

14. (i) The Ship repairer / constructor shall dispose off the waste generated in the premises in accordance with the following legislation :
- (A) Solid Waste Management Rules, 2016
 - (B) Hazardous & Other Waste (Management & Transboundary Movement) Rules, 2016
 - (C) E-Waste Management Rules, 2016
- (ii) They have to furnish quarterly report of the generation of waste & its disposal to the Shed Supdt. who in turn forward the same to the Manager-Environment.
15. Repairer / Constructor shall report to Traffic Manager or his authorized officer and all concerned about any accident, if any, occurred during the repair / construction, immediately. Further, a detailed report of the incident/Accident alongwith preliminary inquiry, root-cause Analysis, Action taken shall be submitted to Traffic Manager and all concerned within 24 hrs. of its occurrence.
16. Non-compliance by the user in regards to safe working practices, labour laws, Security regulations, Safety requirements and other applicable regulatory norms shall be liable for punitive action against the offender upto cancellation of the permission followed by action for encashment of Bank Guarantee of the user. Any temporary structure erected with prior approval of Traffic Manager for storage of equipments / office only, it should not be utilised for staying of labour or any other purpose. If any structure at the ship repair / construction plot is erected other than permitted, then the permission granted for the plot will be cancelled by issuing 07 days notice.

INDEMNITY CLAUSE

- 17 The Port User has to give an undertaking to indemnify and shall keep Board of Mumbai Port Authority indemnified throughout the activity period for against any claim, demand, loss, costs, charges, damages or expenses whatsoever, which may be incurred or suffered by the said Board / Port due to any fault or deficiency during the Ship repairing / construction activity.

APPLICATION / PERMISSION

- 18 i) Application for repair of ship/barge/craft shall be made online and contain name of the ship/barge/craft, owners name, type of ship/barge/craft, length overall, breadth, depth, Light Displacement tonnage (LDT), Gross tonnage (GRT), Net tonnage (NT), Dead weight tonnage (DWT), details of Registration issued by Mercantile Marine Department /Directorate General, Shipping, Insurance Certificate, Survey Certificate, *undertaking regarding no outstanding against the subject ship/barge/craft* etc. **Annexure IA-Format of Application (Documents required at the time of application at Annexure IB)**
- ii) The application for construction of ship/barge/craft shall be made online and contain the details such as name of the ship/barge/craft, owners name, type of ships/barges/crafts, length overall, breadth, depth, Light Displacement tonnage (LDT), proposed / estimated Gross tonnage (GRT), Net tonnage (NT), Dead weight tonnage (DWT), approved General Arrangement Plan, prepared by an authorized Naval Architect, *undertaking regarding no outstanding against the subject ship/barge/craft.* **(Documents required at the time of application at Annexure IB)**

- iii) An application fee of Rs.5,000/- per vessel will be recovered, which will be adjusted towards repairing charges due on successful completion of repair/ construction of the vessel.
19. Permission for usage of plot shall be vessel-wise subject to availability and suitability of plot for repair/construction on first come first serve basis. Vessel-wise waiting list will be maintained, if all the plots are occupied. To start with, the port user will be allowed to give list of three vessels to be repaired / constructed with required documents as per Annexure IB. Permission to use the plot will be given vesselwise and on occupation of all plots, a waitlist of all remaining vessels will be prepared and plots will be permitted to use as and when they are vacated as per the waiting list.
Time stamped waiting list will be prepared and updated on the website every week.
20. Mumbai Port Authority reserves the right to reject the application or otherwise as well as cancel the application and vacate the plots by assigning reasons.
21. Agencies/ Sister concerns/ Partners / Family members / Associates / Affiliate etc. of those agencies who have pending port dues, who have criminal cases pending against them in any court/ have been convicted for criminal offences/ blacklisted by any port, government agencies, will not be allowed to carry out ship repairing / construction activities at Powder Works Bunder and Lakri Bunder South

PAYMENT

22. Within 3 *working* days from the date of permission of Traffic Manager, the user shall pay 1 month repair *charges on actual GRT and construction charges on actual DWT* of ship/barge/craft as per Chapter VI Section 6.2 of SOR.
23. The repair/construction charges will be leviable as per Section 6.2 of Scale of Rates from the date of bringing the vessel at plot or bringing any type of ship repairs / construction material at plot, whichever is earlier to the date of removal of ship or last piece of ship repair / construction material from the plot whichever later.
Repairer / Constructor shall inform the Shed Superintendent immediately in writing regarding bringing of vessel or bringing of repair / construction material on the plot. Handing over / taking over procedure as mentioned at para 4 to be complied with.
- 23.1. Temporary installation as stated in para 5.1 will have to removed alongwith removal of ship or last piece of ship repair / construction material from the plot failing which charges as at unauthorised rate as per provision of SOR 3.3A(iv) will be levied till the date of removal.
24. Further, on docking of ship/barge/craft user shall regularly pay the ships/barge/craft repair/construction charges on monthly basis in advance before the 1st day of the month otherwise interest as per the provision in SOR will be recovered till the date of payment from the 1st date of the month. Balance advance charges shall be refunded after adjustment of outstanding dues, if any, on vacating the plot by the user.
25. Rate of Interest shall be payable by the ship/barge/craft repairer / constructor on delayed payments as per Scale of Rates.

26. Shed Superintendent, LBS/PWB and/or Asstt. Traffic Manager, Bunder North District shall issue regular notices to the repairer/constructor of the ship/barge/craft, in case of any defaults such as shortfall in payment, non-vacation of plot after completion of repair / construction, or any other deviation from laid down procedure/practices and forward a copy of the same alongwith report to Bunders Office and Traffic Manager Office for further action.
27. Charges for the ships/barges/crafts brought (for idle parking/beaching) at basin around the plot, MLF shall also be payable as per Section 5.1(A) of SOR.
28. All the charges are subject to revision from time to time and with a condition that additional charges, if any, shall be payable as per SOR. Also the charges as per SOR per GRT for ship repairs / construction will be increased by 10% every year (with effect from 1st May of every year) or as per Indexed SOR, whichever is higher.
29. GST or any other additional taxes, as applicable shall be payable by user.

COMPLETION

30. After completion of repairs/construction activity, if the user fails to remove all equipment and paraphernalia, vacate the plot, charges will be recovered as per SOR section 6.2 alongwith Interest accrued thereon and penal action will be initiated which may include action for encashment of Bank Guarantee of the user.
31. After completion of construction, the user will submit the Certificate of Registration of the ships/barges/crafts issued by Mercantile Marine Department and the charges shall be recovered from the advance charges as per the certified GRT and difference amount, if any, shall be refunded/recovered as the case may be.

CANCELLATION

32. If 1 month's advance charges, as mentioned at para 19, are not paid by the user within 3 working days of issuance of Permission letter, the permission shall stand cancelled.
33. User should bring ships/barge/crafts within 10 days from the date of issuance of permission letter. If the user does not bring the ship/barge/craft and not requested for cancellation, permission will stand cancelled with deduction of 50% of advance 1 month charges paid, towards Administrative Charges.
34. If the user makes a request for cancellation of permission within 10 days of permission, balance amount will be refunded after adjusting the charges, accrued till the date of request of cancellation from the date of issuance of permission letter OR the balance payment shall be considered for advance payment of any other ship/barge/craft etc., as per the discretion of Traffic Manager.
35. In all the above 3 cases at Para 32, 33 & 34 application fees will be forfeited.

DISPUTES

36. In the event of any disputes related to this policy for Construction/Repairs of Ships/Barges/Crafts activity at Lakri Bunder South/Powder Works Bunder, the matter will be referred to Dy. Chairperson, Mumbai Port Authority and his decision will be final.

REPORTING

37. Format 'A' - Shed Supdt., Lakri Bunder (S) / PWB shall prepare Format 'A' (**Annexure II**) on arrival of ships/barges/crafts for repairs on plot or on arrival of repair / construction material in case of construction or repair of ships/barges/crafts, as the case may be.
38. Format 'B' - After completion of repair / construction of ships/barges/crafts Shed Superintendent, Lakri Bunder South / Powder Works Bunder shall prepare completion of repair / construction report in the format 'B' (**Annexure III**) and forward copies to Asstt. Traffic Manager, Bunder North District and Dy. Traffic Manager, Bunder immediately.
39. Traffic Manager to send monthly e-office report to Chairperson / Deputy Chairperson on plot allotment / occupancy and revenue generated.
40. The entire activity to be updated on G I S.
41. This Policy / SOP will be valid till 31.03.2024. However, a review of the performance of this SOP will be done by LAC after six months to recommend the extension of Policy or such other action as deemed necessary.

(FORMAT OF APPLICATION)

No.

To,

Traffic Manager
Mumbai Port Authority

Sub: Application for construction / repair of
M.V. _____
at Plot No. _____

We, the undersigned, intend to construct / repair our ship / craft / barge
M.V. _____ at Plot No. _____ of Mumbai Port Authority.

The details of ship / craft / barge are as under :

- 1) Name of the Owner :
- 2) Type of ship/barge/craft :
- 3) Dimension of ship/barge/craft :
(i) Length
(ii) Breadth
(iii)Depth
- 4) Light Displacement Tonnage (LDT) :
- 5) Proposed/estimated GRT (GRT) :
- 6) Net Tonnage (NT) :
- 7) Dead weight Tonnage (DWT) :
- 8) Approved General Arrangement :
Plan prepared by an authorized
Naval Architect
- 9) Date of arrival of Construction :
Materials / M.V. _____

We, hereby, undertake to pay all the applicable advance Security deposits/dues and ensure that there will be no dues outstanding against the subject ship/barge/craft.

Kindly permit.

Yours sincerely,

(Seal and Signature)

DOCUMENTS TO BE REQUESTED FROM SHIP REPAIRER/CONSTRUCTION OF VESSELS AT PWB/LBS

- 1) Copy of Registration certificate issued by OSC. (One time)
- 2) Photocopy of Ship registry.
- 3) Work order/letter from owner of the vessel authorizing the user for construction/repair of the vessel.
- 4) Bank Guarantee details. (One time)
- 5) Undertaking to dismantle all the installation prior to vacation of the plot and absolve MbPA from all the liabilities that may arise, to handover the plot once the ship repairs/construction is completed and **pay upto date port dues.**
- 6) Photocopy of Receipt of Water conveyance charges or Pilotage and Anchorage fees paid (to be submitted at the time of docking of vessel.)
- 7) Undertaking to be given as specified in para 5.1

DOCUMENTS TO BE REQUESTED FROM SHIP REPAIRER/CONSTRUCTOR FOR PROCESSING REFUND.

- 1) Request letter for refund.
- 2) Registration certificate of ship/barge/craft., etc. from D.G. Shipping/Mercantile Marine Department.
- 3) In case of construction, layout plan/sketch of ship/barge/craft alongwith Dead Weight Tonnage certified by competent authority etc.
- 4) Receipts for payment of
 - a) 1 Month's Advance Monthly charges paid.
 - b) Advance Monthly charges for repair/construction till completion of repair/construction of ship/barge/crafts etc.
- 5) TDS Certificate in original with signature and stamp.
- 6) Challan Copy.
- 7) Copy of GST Registration Certificate.

MUMBAI PORT AUTHORITY
TRAFFIC DEPARTMENT – BUNDERS

FORM "A"

No. TM/BND/

To,

Traffic Manager

Sub: Construction / Repair of M.V. _____
at Plot No. LBS / PWB _____

1. The construction / repairs materials of / craft M.V. _____
_____ arrived at Plot No. _____ on
_____ for construction / repair purpose.

2. Details are as under:

- i) DWT / GRT of craft :
- ii) Date of arrival of construction / repairs materials of m.v. _____
at the plot :
- iii) Date of arrival of m.v. _____
for repair at the plot :
- iv) Ref. No. & Date of Traffic Manager's permission :
- v) Date of commencement of construction / repairs :
- vi) Name of ship Constructor / Repairer :
- vii) Details of advance payment of construction / repairs charges. : i)
ii)

Shed Superintendent
LBS / PWB

c.c. Asstt. Traffic Manager, BND – for information and necessary action please.

c.c. Dy. Traffic Manager, Bunders – for information please.

MUMBAI PORT AUTHORITY
TRAFFIC DEPARTMENT – BUNDERS

FORM "B"
(COMPLETION REPORT)

No. TM/BND/

To,
Traffic Manager

Sub: Completion of construction / repair Report of
M.V. _____
at Plot No. LBS / PWB _____

The details of completion of construction / repairing report of
M.V. _____ at Plot No. _____ is as under :

- i) DWT/GRT of Ship :
- ii) GRT of the Vessel :
- iii) Date of arrival of Construction Materials / M.V. _____ :
- iv) Date of commencement of ship Construction / Repairing. :
- v) Date of completion of Construction Repairing of M.V. _____ :
- vi) Date of removal of last piece of Repair / Construction material or vessel from the plot. :
- vii) Name of ship Constructor / Repairer :
- viii) Date of vacation of plot :
- ix) Details of all charges paid :
 - i)
 - ii)
 - iii)

Shed Superintendent
LBS / PWB

- c.c. Asstt. Traffic Manager, BND – for information and necessary action please.
- c.c. Dy. Traffic Manager, Bunders – for information please.

UNDERTAKING / DECLARATION (On Company's Letterhead)

**Sub : Repairs / Construction of Ships/Barges/Crafts activity
at Lakri Bunder South/Powder Works Bunder**

.....

1. In connection with our application _____ for repairs / construction to our ship/barge/craft _____ at PWB / LBS, I / We hereby undertake to/that –
 - (i) dismantle all the installations on vacation of the plot and it's removal before vacating/handing over the plot.
 - (ii) We shall be liable for all the preliminary security verification of our workers or sub-contractors, who shall be utilized for the work at the plots. Also we will ensure that present requirements such as NOC, background verification as implied / required by Mumbai Police/other Security agencies shall be complied.
 - (iii) We or our Sister concerns / Partners / Family members / Associates / Affiliate etc. have no pending port dues, no criminal cases pending against us in any court or have been convicted for criminal offences / blacklisted by any port, government agencies.
 - (iv) We shall pay all the up to date port dues before handing over of the plot after completion of our ship repairing / construction activity.
2. I / We hereby declare that there are no outstanding dues against our subject barge / craft / ship.
3. We also hereby undertake to abide with the terms and conditions of MbPA policy /SOP for construction / repairs of ships / barges / crafts / activity at Lakri Bunder South / Powder Works Bunder issued under circular No. TM/B-10/07 dated 04.05.2023.

Signature & Seal of Authorised Signatory

**ADDITIONAL DOCUMENTS TO BE REQUESTED FROM
SHIP REPAIRER/CONSTRUCTION OF VESSELS AT PWB/LBS**

- 1) Copy of Insurance certificate and Survey certificate (for ship repairs).
- 2) GA Plan prepared by authorized Naval Architect (for ship construction).
- 3) Undertaking / Declaration in attached prescribed proforma which includes undertaking specified at Sr.No.5.1 of Policy - Annexure-A
(On furnishing abovesaid undertaking no separate undertaking as mentioned at Sr.No.7 of Annexure-IB to Policy is required).
- 4) Indemnity Bond absolving Mumbai Port Authority.