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Tariff Authority for Major Ports

G No.317 **New Delhi,** **5 December 2013**

NOTIFICATION

In exercise of the powers conferred by Sections 48 and 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the Cochin Port Trust for review of wharfage charges on the POL Products prescribed in its existing Scale of Rates approved vide Order No.TAMP/49/2011-COPT dated 1 April 2013 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/41/2013-COPT

Cochin Port Trust - - - **Applicant**

QUORUM:

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. C.B. Singh, Member (Economic)

O R D E R

(Passed on this 15th day of November 2013)

This case relates to the proposal received by the Cochin Port Trust (COPT) for review of wharfage charges on the POL products prescribed in its existing Scale of Rates.

2. The existing SOR of the COPT was approved vide Order No.TAMP/49/2011-COPT dated 1 April 2013 which was notified in the Gazette of India on 10 June 2013.

3.1. The COPT vide its letter dated 19 August 2013 has requested for review of the wharfage charges on the POL products. In this connection, the submissions made by COPT are summarised below:

(i). Cochin Oil Terminal (COT), North Tanker Berth (NTB) and South Tanker Berth (STB) handle POL products including crude oil by PSUs like BPCL-KR, HPCL and IOCL at the rate of ₹65 per ton since 1996-97 till date without any increase in the wharfage rates.

(ii). After commissioning of SPM by BPCL-KR in the year December 2007, the quantity handled at COT reduced substantially. The capacity utilisation of this dedicated facility reduced despite increase in the refining capacity of BPCL-KR from 7.5 to 9.5 MMT per annum.

(iii). As per MOU entered between COPT and BPCL-KR on 11 June 2003, the port needs to maintain a 9.14m draft at COT. However, as part of the contractual obligation with M/s.India Gateway Terminal Private Limited (IGTPL), the COPT has to maintain 12.5 m draft at berth Q8-Q9. As the COT is in the same area as Q8 and Q9, the draft of 12.5 m was available at COT also. Thus, the BPCL-KR and other oil PSUs enjoyed the deeper draft not only without incurring any additional cost but also benefited by scale of economies of freight by bringing deeper drafted vessels and increased parcel sizes.

(iv). The container handling operations at IGTPL shifted to ICTT, Vallarpadam in February 2011. Therefore, the obligation to maintain 12.5 draft at Q8 & Q9 came to an end. The port needs to maintain only 9.14m draft at COT and there was no justification for maintaining 12.5 draft as was done, especially in view of the decreasing volumes at COT.

(v). The port, therefore, decided to either scale down the draft to 9.14m or review the cost statement of Wharfage on POL Products. Since the overall vessel related income showed a deficit, a proportionate cost of maintenance dredging was apportioned to the POL products. However, in the estimates moderated by the Authority in the notification dated 10 June 2013, the apportioned dredging costs for POL products was not considered by the Authority. This resulted in surplus in the POL handling activity for the year 2012-13 to 2014-15.

(vi). A meeting was held with oil PSUs in June 2013 to inform the desire of the port to lower the draft. The oil PSUs desired that the 12.5m draft at COT should be maintained and agreed to bear the additional charges payable in this regard, provided such charges are approved by the Authority.

3.2. The other points made by the COPT are summarised below:

(i). The TAMP Guidelines allow review of orders to the limited extent of errors apparent on the face of records considered in the relevant proceedings, provided such an application is filed within 30 days of the notification in the Official Gazette vide Clause 3.3.1 of the 2005 Guidelines.

(ii). This submission before the Authority is for review of orders for POL handling activity on account of an extraordinary situation at the COPT as it is struggling with a serious deficit position in the activity due to recurring expenditure on maintenance dredging without commensurate income.

(iii). The financial performance of the port during the last seven years is tabulated below:

(₹ in crores)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Income	212.08	219.94	208.40	232.07	276.08	307.10	311.61
Operating Expenditure	147.57	181.20	195.46	232.95	274.49	282.14	367.39
Operating Surplus/ Deficit	**64.51**	**38.73**	**12.94**	**-0.88**	**1.59**	**24.96**	**-55.78**
F& M Income	21.28	27.62	21.38	19.23	35.69	35.10	134.43
F& M Expenditure	59.13	61.86	49.07	107.61	123.36	143.98	143.80
Net Surplus/ Deficit	**26.66**	**4.49**	**-14.75**	**-89.26**	**-86.08**	**-83.91**	**-65.15**
Operating ratio (%)	**70**	**82**	**94**	**100**	**99**	**92**	**118**

(iv). The accumulated loss of the port as on 31 March 2013 is ₹298.84 crores. It faces a revenue gap of ₹20 crores per month at present and has been utilizing its Pension Trust fund for payment of pension from April 2013 onwards. Even then the revenue gap is around ₹7 to ₹8 crores per month.

(v). Cochin Port is famed for its geo-strategically important location near the international shipping channels; it is the Major Port nearest to these channels. Proximity to these routes is important as the big ships plying these routes tend to touch only the ports requiring minimum deviation from the route.

(vi). Its geographical advantage comes with a geo-morphological disadvantage of heavy maintenance dredging. At an annual siltation load of 21 million cu.m., the COPT has acquired the dubious distinction of becoming the port with the maximum siltation load in India. Maintenance dredging has thus been a major problem at the port.

(vii). Most other ports in India have a hard rocky bottom, so that once the costly capital dredging is completed, there is almost no siltation to deal with, which implies that there is no need for maintenance dredging. But, Cochin Port has a muddy bottom, which is associated with siltation and maintenance dredging.

(viii). The method of pricing in the dredging contract in the COPT has been changed from 'per cu. m. of silt removed' to 'maintenance of draft of the channel throughout the period specified', with effect from 2000-01. While this is a more effective method of providing depths, it tends to be more expensive as it requires the contractor to maintain a dredger throughout the year unlike in other ports.

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Dredging Quantity (M cu.m)	12	12	15	15	22
Maintenance Dredging Cost (₹ in crores)	56.83	66.22	84.37	63.72	123.92
Operating Cost (₹ in crores)	195.46	232.95	274.49	282.14	367.39
% to operating cost	29%	28%	31%	23%	34%

(ix). Maintenance dredging expenditure as a percentage of operating cost is second only to Kolkata Port Trust (KOPT), as the figures for 2010-11 below shown:

Kolkata	Cochin	Mangalore	Kandla	Paradip	Mormugao	Vizag	JNPT	MbPT	Ennore	Chennai	Tuticorin
38	31	20	17	11	9	5	4	2	0	0	0

(x). The KOPT spends around ₹400 crores annually on maintenance dredging while the COPT has contracted for maintenance dredging for 3 years with Dredging Corporation of India for around ₹105 crores + Service Tax per year. In 2012-13 Cochin Port spent ₹123.92 crores on maintenance dredging. All other Major Ports spend less than ₹50-60 crores a year on maintenance dredging.

(xi). There is, however, a cardinal difference between the treatment of maintenance dredging expenditure in KOPT and COPT. Around 90% of the maintenance dredging expenditure of KOPT is funded by Government of India so it does not have to recover from the port users whereas COPT does not receive any subsidy for maintenance dredging and has therefore to recover it from Port Users.

(xii). Expenditure on maintenance dredging is recovered by ports through Vessel Related Charges (VRC). Hence the VRC at COPT is higher than that at other competing ports.

VRC for a Vessel with 14,036 GRT in various Ports for a 12 hour stay						
VRC in USD	**Cochin**	**Chennai**	**Tuticorin**	**JNPT**	**Mundra**	**Colombo**
	17162	8066	8361	5468	8379	2803

(xiii). The port has to offer concessions on VRC to remain competitive. There are limits to which the VRC can be further loaded with maintenance dredging expenditure. In the TAMP scheme of things, the subsidy gets added back to the port's revenue for assessment of the port's revenue stress. It is submitted that to this extent the port's revenue stress gets understated, as it is actually VRC revenue foregone or sacrificed.

(xiv). On the other hand, there is scope for enhancing wharfage for POL, with oil companies paying much higher rates at other ports as compared to COPT, as can be seen from the table below:

Port	Kochi	New Mangalore	Mundra	Paradip	Kolkata	Kakinada	Ennore
Wharfage (₹ per MT)	65	70	80	68	112.5	134	100

(xv). The wharfage of ₹65 per MT for POL at COPT was fixed in 1996 before TAMP came into existence, and is continuing unchanged even today. The rate should be ₹160 per MT even if it were adjusted for WPI increases. Even if it were indexed to WPI increases to the limited extent of 60% as envisaged in the 2008 Guidelines, it would have been ₹96 per MT today. But under the TAMP costing regime, wharfage is continued to be prescribed at ₹65 per MT since 1996 as this activity is in surplus.

COT, NTB & STB income in 2012-13 as per TAMP Guidelines:

(**₹ in crores**)

Details	**Income**	**Expenditure**	**Surplus/Deficit**
Port Dues	3.07	30.35	-27.28
Pilotage	11.19	34.99	-23.80
Berth Hire	4.31	29.66	-25.35
Total (A)	18.57	95.00	-76.43
Wharfage (B)	22.00	6.87	15.13
Total income (A) + (B)	40.57	101.86	-61.29

(xvi). Since the conventional approach adopted by the Authority would not permit an increase in wharfage, COPT had made a submission as part of the General Tariff Revision for the current tariff cycle that the tariffs need not be increased. However, the Authority is requested to consider an increase in POL wharfage considering our financial situation.

(xvii). There is nothing in the TAMP Guidelines, 2005 which require the maintenance dredging expenditure to be recovered only from VRC. It is the cost formats circulated by TAMP which indicate that the maintenance dredging expenditure shall be loaded only in the VRC and not in wharfage.

(xviii). Given its peculiar circumstances, the port had consistently tried to load the maintenance dredging expenditure in wharfage rather than in VRC in all its submissions to the Authority on SOR. The Authority has, however, seen it fit to reject it each time. [In this connection, the COPT has reproduced relevant extracts of 2007, 2010 and 2013 tariff order passed by the Authority on its general revision proposal.]

(xix). It is important to note the difference between impact and incidence in fixing tax rates as well as regulated tariffs.

(xx). Given that the ultimate incidence of the VRC and the wharfage for oil shipments vis-à-vis the port is on the oil companies, the loading of maintenance dredging expenditure through VRC should not be stressed too much. In fact, stressing for loading maintenance dredging expenditure only in VRC acts to the detriment of the port as the VRCs are already un-competitively high whereas there is still scope for increasing wharfage. It may be noted that the deviation from the general norm has already been made by the Authority in the case of New Mangalore Port Trust.

(xxi). The installation of the Single Point Mooring (SPM) by the BPCL in December 2007 impacted COPT's finances decisively. Wharfage at the SPM is ₹25 per MT while that at the inner berths (COT, NTB and STB) is ₹65 per MT. The SPM diverted all the crude throughput there. The Port's oil revenues took 4 years to cross the 2006-07 level of ₹90.95 crores again, and it was only in 2011-12 that the oil revenues, at ₹103.75 crores, exceeded the 2006-07 level. Even though crude and POL products constitute 70% of the Port's traffic, only one-third of the Port's revenues are now generated from this business as against 43% before, as the figures below show:

Oil Revenue of Cochin Port Trust

(₹ in crores)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
COT	65.68	58.39	19.21	26.07	24.9	31.39	23.5
NTB	17.67	12.37	10.89	12.68	16.48	14.37	13.58
STB	7.6	7.04	1.44	2.77	2.6	5.85	3.47
SPM	0	5.95	40.18	19.39	46.22	52.34	63.26
Total	**90.95**	**83.75**	**71.72**	**60.91**	**90.20**	**103.75**	**103.81**
Operating income	212.08	220.09	208.4	232.07	276.08	307.75	311.61
% of share	43%	38%	34%	26%	33%	34%	33%

(xxii). When crude throughput migrated from the COT to the SPM, capacity utilization at the COT plunged to 26%, with expenditure on the terminal grossly exceeding revenues when maintenance dredging is considered. But BPCL, which does 87% of the throughput at the COT even now, still wants 12.5m draft at COT. Hence the ground on which the Authority has allowed loading maintenance dredging expenditure in wharfage in the SOR of 2007, continues to be valid even today for the present tariff cycle.

Oil Throughput at COT Before and After SPM in COPT

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Throughput in MMT	7.52	6.57	2.2	2.2	2.22	2.7	1.93
Capacity Utilisation	100%	87%	29%	29%	30%	36%	26%
Income from COT (₹ in crores)	65.68	58.39	19.21	26.07	24.9	31.39	23.5

(xxiii). COPT kept maintaining 12.5m draft at COT even after the commissioning of the SPM since the Port was contractually obligated through a Licence Agreement with the container terminal operator, DP World, to maintain 12.5m draft at the container berths, Q8 and Q9 berths, which were in the same area as that of COT.

(xxiv). The draft of 12.5m at COT has been gainfully utilised by the oil companies, especially BPCL. Out of the combined throughput of 3.39 MMT of POL at the Tanker berths (COT, NTB & STB) in 2012-13, 1.31 MMT was taken in vessels with draft more than 9.14m. The corresponding figure in 2011-12 was 2.59 MMT out of 4.32 MMT. The gain to the oil companies on account of freight advantage, assuming a $3 freight advantage per MT, could be ₹19.65 crores (1.31*3*50/$) in 2012-13 and ₹38.85 crores (2.59*3*50/$) in 2011-12. That the oil companies, especially BPCL, require the draft of 12.5 m at COT is evident from the above. BPCL has been requesting the COPT to continue the draft of 12.5m. at the COT. The COPT has agreed to do so provided the oil companies pay additional wharfage for the deeper draft.

(xxv). It is submitted that COPT did not apportion any cost on such provision of higher draft at the COT, even though BPCL and other oil companies utilized the higher draft to bring larger parcel size vessels and availed the consequential scale economies till 2011. COPT's obligation to maintain 12.5 m draft at Q8 - Q9 berth ceased when the container terminal operations shifted to the ICTT, Vallarpadam in February, 2011. Any expenses on maintaining the higher draft at COT are now solely attributable to the POL operations at COT.

(xxvi). It may be noted that the present move of COPT is by no means an afterthought. Within 3 weeks of the container operations moving from RGCT on Q8 - Q9 berth to ICTT on Vallarpadam, COPT addressed BPCL to pay ₹15 crores towards maintenance dredging expenditure for 2011-12 required to keep the draft at COT at 12.5m; there was no reply at that time.

(xxvii). In 2012-13 the Port spent ₹46.33 crores of the total ₹123.92 crores on maintenance dredging, to maintain 12.5m draft at the COT. When maintenance dredging is considered in the cost, it is clear that the Port is making a loss on its operations at COT.

(xxviii). 87% of the throughput at COT is attributable to BPCL, but they do not want to take up responsibility of guaranteeing a minimum throughput there. However, there does seem to be acknowledgement by BPCL of the fact that utilisation of the COT has fallen to 26% of the 2006-07 levels, and that there is a revenue gap for the terminal which needs to be covered.

(xxix). But BPCL also wants the Port to use any surplus it is making in the SPM operations to cross-subsidise the COT. BPCL points to the condition in the MOU with COPT which provides that once throughput at the SPM reaches 9 MMT, there will be negotiations for a downward revision in the wharfage of ₹25 per MT there. The 9 MMT throughput point at the SPM was breached in 2012-13 for the first time. [With reference to the financial position of the COPT for the years 2007-08 to 2014-15, the COPT has furnished the extracts of the relevant pages of the 2007, 2010 and 2013 tariff order of its general revision proposal.]

(xxx). To compound matters, the revised traffic projections and the consequential income estimates relied upon in the General Revision Order for SOR in 2013 have turned out to be gross overestimates. Unrealistically high traffic projections lead to lower tariff and under-recovery of costs, leading to ultimate financial instability; hence it is urged to the Hon'ble Authority to re-work the tariffs based on realistic traffic data. The port has made the following submissions regarding traffic projection of POL:

(a). The Port initially projected (in June 2012) a steady crude and POL throughput of 14 MMT for the years 2012-13, 2013-14 and 2014-15, of which 9.5 MMT was estimated to be handled at the SPM and 4.5 MMT at the berths.

(b). Since the proportion of the throughput at the SPM and the Docks worked out to be 68% and 32% respectively, this ratio was applied by the TAMP on the revised POL traffic estimates furnished by Cochin Port (in Aug 2012) at 14.40, 16.00 and 17.23 MMT for the years 2012-13 to 2014-15 to ascertain the share of estimated POL traffic at the SPM and the berths for the purpose of estimation of income. Accordingly, the revised traffic estimates considered by the Authority to ascertain the income estimate is as below:

Year	**Traffic estimates (in MMT)**			**Income estimates (₹ in laths)**		
	SPM (68%)	**Other Berths (32%)**	**Total traffic estimates**	**SPM**	**Other berths**	**Total**
2012-13	9.79	4.61	14.40	2448.00	2995.20	5443.20
2013-14	10.88	5.12	16.00	2720.00	3328.00	6048.00
2014-15	11.72	5.51	17.23	2929.10	3583.84	6512.94

(xxxi). (a). Adoption of the ratio resulted in the throughput at the berths at 4.61, 5.12 and 5.51 MMT for the years 2012-13 to 2014-15. The corresponding traffic at the SPM became 9.79, 10.88 and 11.72 MMT respectively for the aforesaid years. It is submitted that the crude oil import at the SPM cannot exceed the present refining capacity of 9.5 MMTPA in any significant manner until the BPCL's Kochi Refinery expands its refining capacity, expected in 2016-17. The case is no different for the POL handling at the berths also, since POL is more or less captive, fully controlled by the oil companies, especially BPCL.

(b). The reason behind the revised traffic projections by Cochin Port Trust, however, was the expected commissioning of certain projects such as the Multi-User Liquid Terminal (MULT) and the LPG Terminal, both of which did not materialize as projected in the Five Year Plan. In fact, the MULT and the LPG Terminal are now being combined through a PPP project under nomination to the IOCL, and expected to be commissioned at the end of the current Tariff Cycle only.

(c). In fact, the realized throughput of POL at Cochin Port in 2012-13 has been only 13.90 MMT of which the SPM accounted for 10.06 MMT. For the current year 2013-14 (Apr-Jul), the POL throughput is 4.92 MMT of which the SPM share is 3.45 MMT. The combined income estimates at the SPM and the berths thus became ₹54.43, 60.48 and 65.13 crores for the years 2012-13, 2013-14 and 2014-15 against the initial estimate of ₹53 crores per year for all the aforesaid years. It is submitted that the POL wharfage income for 2012-13 turned out to be only ₹48.01 crores considering both the SPM and the Docks.

(xxxii). The ratio of POL cargo estimated by the COPT in its initial general revision proposal at SPM and other berths was in the ratio of 68% and 32%. TAMP applied the same ratio on the revised cargo estimates of POL furnished by port in August 2012 and bifurcated at the cargo estimate at SPM and other berths.

(xxxiii). It is submitted that an essential part of the above approach would be to allow the ports to price their services at the rate 'what the traffic can bear'. Only by extending the greatest latitude will a port such as COPT in its present state, weighed down by heavy maintenance dredging expenditure, and without the benefit of any subsidy or budgetary support from Government of India, be able to find some semblance of financial viability.

(xxxiv). While the COPT already has an extremely high VRC on account of bearing the brunt of recovery of maintenance dredging expenditure and that further increases in VRC are not feasible for recovery of the increasing maintenance dredging expenditure, we have also shown that the traffic is willing to bear a higher wharfage for POL should the Authority issue an award for the same, as ports like Ennore and Kakinada are charging ₹100 per MT and ₹134 per MT respectively, compared to the ₹65 per MT fixed in the case of COPT as far back as in 1996.

(xxxv). The Authority is requested to consider a wharfage for POL fully loading the maintenance dredging expenditure necessary for the 12.5m. draft at the COT which BPCL has desired. Such an approach has been taken by the Hon'ble Authority in respect of the New Mangalore Port, as it has observed in the Order of 2007.

(xxxvi). While it is clear that the charges are fixed on a cost plus return approach as required under the 2005 Guidelines, a uniform tariff for the cargo not availing significantly enhanced facilities through increased draft, i.e., at STB & NTB which continue to operate at 9.14m. draft, may seem unfair at first glance. But a uniform wharfage for POL at all the inner tanker berths is recommended because the oil companies frequently get a vessel to load at the lower draft terminal and then top up at the higher draft COT. The predominance of BPCL on account of its Kochi Refinery in the POL throughput of COPT, which imports crude oil through the SPM and arranges for the movement of refined products through the tanker berths, is another reason for proposing a uniform wharfage for POL at all inner tanker berths.

(xxxvii). The COPT has also prayed for retrospective fixation of this rate of wharfage with effect from 18-2-2011, being the date on which container handling activities migrated from Willingdon Island to Vallarpadam, thus ending the Port's need to maintain the draft at 12.5m. in that area. In doing so, it is reminded to the Authority that the BPCL would still be free-riding on the benefit of 12.5m. draft from 2006 to 2011 without paying a single rupee over and above the ₹65 per MT wharfage which imposed an obligation on the COPT of maintaining only a 9.14m. draft at COT.

(xxxviii). The COPT is mindful of the sensitivities of BPCL in the matter, that any surpluses made by the Port at the SPM must be used to cross-subsidise the maintenance of a deeper draft at the COT. Therefore, only the net revenue gap in the crude and POL operation after providing for the surpluses at the SPM has been taken in computing the additional wharfage warranted for the COT.

(xxxix). The computations show that despite the Port's request for payment of ₹15 crores in 2011-12 towards maintenance dredging expenditure for the deeper draft at COT, COPT is not entitled to additional wharfage for that year when the surplus from SPM is considered. However, no refund or adjustment of surplus revenue for that year by COPT is warranted as the throughput of 9 MMT at the SPM upto which the MOU stipulates a wharfage of ₹25 per MT, was not breached in the year.

(xL). Based on the above submission, it has requested to approve additional wharfage on POL retrospectively from 18 February 2011 i.e. from the date the container handling activities migrated from Willingdon Island to Vallarpadam of ₹45.90 PMT for 2012-13, ₹52.60 PMT for 2013-14 and ₹84.78 PMT for 2014-15 after adjusting the wharfage from the SPM. Thus, the total wharfage requested for approval for the years 2012-13 to 2014-15 is ₹110.90 PMT, ₹117.60 PMT and ₹149.78 PMT respectively. The gist of the cost statement furnished by the COPT for POL handling is tabulated below:

(**₹ in lakhs**)

Particulars	**Actuals**		**Estimates**	
	2011-12	**2012-13**	**2013-14**	**2014-15**
Cost	3979.09	5811.74	6224.49	7117.32
ROCE	222.51	319.41	266.34	500.02
Total cost	**4201.60**	**6131.156**	**6490.83**	**7617.34**
Rate per ton in ₹	97.26	180.86	185.45	217.64

Particulars	Actuals		Estimates	
	2011-12	**2012-13**	**2013-14**	**2014-15**
Less: Existing Wharfage in ₹	65.00	65.00	65.00	65.00
Additional Wharfage	32.26	115.86	120.45	152.64
Net Surplus / Deficit	-1399.60	-3931.15	-4215.83	-5342.34
SPM- Wharfage	2229.10	2375.00	2375.00	2375.00
Net Revenue Gap after considering SPM wharfage	829.50	-1556.15	-1840.83	-2967.34
Additional Wharfage (₹ per tonne)	**-19.20**	**45.90**	**52.60**	**84.78**

(xLi). Retrospective fixation of the wharfage will not lead to any confusion or insurmountable difficulties in recovery from the oil companies, as inner tanker berths are patronised almost wholly by the oil companies to the extent that they are almost captive facilities, albeit without the benefit of MGTs for the Port.

(xLii). The COPT has prayed to the Authority to issue orders as above at the earliest, so that the Port is able to provide the oil companies the draft they require at the terminal, without suffering losses, and the national interest is subserved by both the Port and the Port Users bringing out the best in each other.

(xLiii). (a). The existing wharfage of ₹65 PMT for POL is proposed to increase as follows:

Year	2011-12	2012-13	2013-14	2014-15
Revised Wharfage proposed for POL handling activity (per MT)	45.80 *(Reduction proposed)*	110.90	117.60	149.78

(b). The COPT has proposed the increase with retrospective effect from 18 February 2011 i.e. the date on which container handling activities migrated to Vallarpadam.

4. While acknowledging the proposal, the COPT was requested vide our letter dated 4 September 2013 to furnish information on a few points latest by 13 September 2013, which emerged on a preliminary scrutiny of the proposal. The COPT vide its letter dated 9 September 2013 has furnished its reply. A summary of the information sought by us and reply furnished by COPT thereon are tabulated below:

Sl. No.	Information sought by us	Reply furnished by COPT
(i).	Maintenance dredging cost estimated by the COPT for POL activity in last Order was ₹1570.96 lakhs in 2012-13, ₹1629.46 lakhs in 2013-14 and ₹1722.24 lakhs in 2014-15. As against that COPT has now in the instant proposal estimated the maintenance dredging cost at ₹4633.00 lakhs in 2012-13, ₹4937.00 lakhs in 2013-14 and ₹5633.00 lakhs in the year 2014-15. The reasons / basis for modification in the estimation of maintenance dredging cost for POL may be furnished, with justification for the increased level of estimation.	As already mentioned in the proposal, the port has been incurring heavy expenditure on maintenance dredging when compared to other Major Ports. Port is not getting funded by Government of India. So, the amount has to be recovered through the tariff by the port. The Oil PSUs are insisting on maintenance of 12.5m draft at COT so that they can bring bigger vessels and take out bigger parcels for getting economies of scale in transportation. When the port submitted the proposal for the last general tariff revision in 2011, the port had allocated ₹1570.96 lakhs, ₹1629.46 lakhs and ₹1722.24 lakhs for the years 2012-13, 2013-14 and 2014-15 respectively, being the portion of dredging cost for maintaining 12.5m draft at COT. However, this cost was taken for only the quantity of 2 million cu.m. which was for the channel from Dufferin Point to COT. It was thereafter pointed out in internal discussions that the correct method of apportioning the maintenance dredging expenditure for ensuring 12.5m draft at COT would be to

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<td>consider the incremental quantity of silt to be removed from outer approach channel through the inner channel upto COT, and it is seen that the quantity of silt additionally removed in this regard comes to 6.9 million cu.m (3.8 million cu.m and 3.1 million cu.m for outer and inner channels). Based on the terms in the existing contract with the Dredging Corporation of India Ltd., the cost attributable is worked out as ₹46.33 crores for 2012-13, ₹49.37 crores for 2013-14 and similarly ₹56.33 crores for 2014-15.</td>
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<td>(ii).</td>
<td>The instant proposal of COPT will also have an impact on the overall cost position of the port as well as in the cost statements of cargo related activities and vessel related activities considered in the last tariff revision approved by the Authority vide Order No.TAMP/49/2011-COPT dated 1 April 2013. The COPT has furnished cost statement only for the POL activity. The COPT is, therefore, requested to furnish activity-wise cost statements for cargo related and vessel related as well as consolidated cost statement for the port as a whole in prescribed formats for the year 2012-13, 2013-14 and 2014-15.</td>
<td>The port has reworked and furnished activity-wise cost statements for cargo, vessel related, estate activity and also consolidated cost statement for the period from 2012-13 to 2013-14. The port has also furnished the sub-activity-wise cost statements under the cargo and vessel related activity.</td>
</tr>
<tr>
<td>(iii).</td>
<td>Please furnish additional revenue likely to accrue yearwise due to the proposed increase in the wharfage charges along with detailed working.</td>
<td>The estimated additional revenue likely to accrue to the port due to the proposed increase in the wharfage charges is furnished below:
<table>
<tr><th>Sl. No.</th><th>Description</th><th>2012-13 (Actual)</th><th>2013-14 (Projection)</th><th>2014-15 (Projection)</th></tr>
<tr><td>1.</td><td>POL cargo traffic (Million (MT)</td><td>3.39</td><td>3.50</td><td>3.50</td></tr>
<tr><td>2.</td><td>Additional wharfage rate (₹ per tonne)</td><td>45.90</td><td>52.60</td><td>84.78</td></tr>
<tr><td>3.</td><td>Additional revenue from wharfage (₹ in crores)</td><td>15.56</td><td>18.41</td><td>29.67</td></tr>
</table>
The COPT has furnished detailed cost statement. It may be noted that the additional wharfage proposed is arrived at after considering the wharfage revenue at SPM.
It may be noted that the <u>traffic projection for 2013-14 and 2014-15 are indicative and there have been fluctuations in the volume of POL handled at the port in the recent years</u> as shown in the table below:
<table>
<tr><th colspan="5">(in Million Metric Tons)</th></tr>
<tr><th>2008-09</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>2012-13</th></tr>
<tr><td>3.40</td><td>3.84</td><td>3.67</td><td>4.32</td><td>3.39</td></tr>
</table>
The Oil PSUs are not committing any assured volume to the port through tanker berths. Hence, the <u>incremental revenue projected through</u> additional wharfage <u>rate may not</u> be </td>
</tr>
</table>

		achieved in the event of further reduction in the volume of POL brought by the users. Considering this fact, TAMP may kindly issue appropriate direction to Oil PSUs to compensate the port adequately in the event of shortfall, if any, in handling of POL products vis-à-vis the projections. TAMP may consider the following points while finalising its decision on the proposal of the port: (a). Since the financial year 2012-13 has already completed and the port incurred ₹123.92 crores on maintenance dredging, the users (Oil PSUs) who have enjoyed the benefits of higher draft and economies of transport should defray the additional cost incurred by the port by paying lumpsum amount. (b). First half year of the financial year 2013-14 is nearing an end, the additional wharfage rate should be made effective from 1.4.2013 so that the port is compensated for the extra expenditure spent on maintenance dredging for maintaining 12.5m draft at COT.

5.1. In accordance with the consultative procedure prescribed, the COPT proposal dated 19 August 2013 was forwarded to the concerned users/ user organisations for their comments.

5.2. Since the consolidated cost statements as well as activity-wise/ sub-activity-wise cost statements filed by the COPT vide its letter dated 9 September 2013 are relevant for processing the subject proposal, a copy of the COPT's letter dated 9 September 2013 was also forwarded to the concerned users/ user organisations including BPCL. On the advice of the COPT, the proposal was also forwarded to the other oil PSUs i.e. HPCL and the IOCL seeking their comments.

5.3. The comments received from the Bharat Petroleum Corporation Limited (BPCL) were forwarded to the COPT as feedback information. The COPT vide its letter dated 30 September 2013 has responded to the comments of the BPCL.

5.4. The comments received from Indian National Shipowners' Association (INSA) were forwarded to COPT. We have not received the feedback from COPT on the comments of INSA till finalisation of this case.

6. The Ministry of Shipping (MOS) convened a meeting on 8 October 2013 at New Delhi vide its letter No.8(13)/2013-TAMP dated 4 October 2013 to discuss the pending tariff cases of the COPT. One of the tariff cases discussed was the proposal received from the COPT for review of wharfage charges on the POL products prescribed in its existing Scale of Rates. No minutes of the said meeting are received by us. The following points emerged during the meeting:

(i). Regarding the point made by COPT that the traffic considered in the last Order by this Authority is unrealistically high and will not materialise, it was clarified quoting the relevant paragraph of the tariff Order that this Authority has relied upon and considered the traffic estimates as furnished by the port for arriving at the cost position of the port for the years 2012-13 to 2014-15.

(ii). It was pointed out to the COPT that in the cost statements now furnished, the port has revised the traffic, income and most of the estimates with reference to the estimates considered by this Authority in the recent tariff Order dated 1 April 2013 and notified on 10 June 2013. Since the core issue in the current proposal highlighted by the port is that the maintenance dredging relating to POL activity should be considered in the cost statement of POL handling activity instead of allocation done to VRC in the TAMP Order, it was suggested to the port to retain the estimates as considered by this Authority in the April 2013 Order except the modification relating to allocation of maintenance dredging cost to POL activity. The COPT agreed to examine the suggestion made at the meeting.

(iii). As brought out above, the COPT has revised the estimates considered in the tariff Order of April 2013. Since processing of the revised cost statements filed by the COPT will involve considerable time and in view of the exigency expressed by the COPT and if the COPT does not agree to retain the estimates as considered by this Authority in April 2013 Order, a point emerged whether a rate to cover the maintenance dredging expenses can be approved on ad-hoc basis with the consent of the relevant users. However, the COPT expressed its inability to furnish consent of the relevant users to the proposed additional rate of wharfage for POL products.

7.1. Subsequent to the meeting held by the MOS on 8 October 2013, the COPT has vide its letter dated 8 October 2013 sought approval of increase proposed in the wharfage rate of POL on ad-hoc basis. The main submissions made by the COPT in this regard are given below:

(i). The COPT proposal dated 19 August 2013 was submitted based on protracted discussions with BPCL and other oil companies and in view of the urgency to recoup the heavy expenditure incurred by the port toward maintenance dredging at the COT without commensurate income for the port.

(ii). (a). The Authority had suggested the port to submit revised cost statements after including dredging costs under POL activity, keeping the figures of traffic, income and expenditure as moderated by the Authority in the tariff revision Order issued in 2013.

(b). However, the income as projected, which was based on figures of traffic projected for the Five Year Plan/ Annual Plan, will not materialize due to delay in commissioning of major projects like LNG terminal, MULT, Modern Coal Terminal and the bulk cement Terminals.

(c). In the case of Crude and POL, the delay in commissioning MULT especially has upset all calculations. Hence, income projections based on the figures will not be realizable.

(d). There are changes in expenditure figures due to imminent revision of salaries and wages as well as in depreciation due to installation of unloading equipments in COT.

(e). Considering all the relevant issues COPT prays for a wharfage rate for POL as under:

	2013-14	**2013-14**	**2014-15**
Existing Wharfage (₹ per MT)	65.00	65.00	65.00
Additional Wharfage (₹ per MT)	45.90	52.60	84.78
Total	**110.90**	**117.60**	**149.78**

(iii). Making changes in the income and expenses already approved by the TAMP in the SOR may require more time to examine the proposal. Considering the critical fund position of the port, a further delay to notify the revised rate of wharfage may harm the port trust.

(iv). The port has been undergoing tremendous financial crunch during the last couple of months. The port is not in a position to disburse salary and pension for the month of October 2013 and there are several other contractual payments, which are kept pending for want of funds.

(v). Since the review proposal on wharfage has been under consideration, the port has been continuing to accommodate deep drafted vessels at COT. Non-finalisation of the revised rate is resulting in loss to the port.

7.2. In view of the above position, the port has requested to issue appropriate orders to levy the proposed tariff of ₹117.60 (for 2013-14) with immediate effect on an ad-hoc basis so that the port can recover part of the expenditure incurred on maintenance dredging through the enhanced rate.

7.3. It is seen that the adhoc rate proposed by the port was the same as proposed by the port in its original proposal. COPT has retained the proposed wharfage rate as in its original proposal and sought for ad-hoc approval of ₹117.60/ tonne for the year 2013-14.

8. On preliminary examination of the proposal and the COPT's letter dated 9 September 2013, the COPT was requested vide our letter dated 15 October 2013 to furnish information on a few points. The COPT vide its letter dated 17 October 2013 has furnished its reply. A summary of the information sought by us and reply furnished by COPT thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Information sought by us</th><th>Reply furnished by COPT</th></tr>
<tr><td>(i).</td><td>The COPT has vide its letter dated 9 September 2013 while furnishing response to few points raised by us stated that dredging cost attributable to POL activity has increased from `1570.96 lakhs, `1629.46 lakhs and `1722.24 lakhs allocated by COPT in the recent general revision proposal for the years 2012-13 to 2014-15 respectively to `4633 lakhs, `4937 lakhs and `5633 lakhs respectively for the corresponding period in the current proposal. In this context, please furnish detailed working for revised estimates of maintenance dredging cost allocated to POL activity and support it with copies of contract entered with Dredging Corporation of India Ltd. for this purpose.</td><td>Detailed workings of revised maintenance dredging quantity allocated to various locations of the channels are furnished as under:-
<table>
<tr><th colspan="3">Maintenance Dredging attributable to COT at 12.5 m draft</th><th colspan="3">Maintenance Dredging attributable to ICTT at 14.5 m draft</th><th colspan="3">Maintenance Dredging attributable to inner channel Berths at 10.7 m draft</th><th rowspan="3">Total Quantity</th></tr>
<tr><th rowspan="2">Basin</th><th colspan="2">Approach Channel</th><th rowspan="2">Basin</th><th colspan="2">Approach Channel</th><th rowspan="2">Basin</th><th colspan="2">Approach Channel</th></tr>
<tr><th>Outer Channel</th><th>Inner Channel</th><th>Outer Channel</th><th>Inner Channel</th><th>Outer Channel</th><th>Inner Channel</th></tr>
<tr><td>0.0</td><td>3.8</td><td>3.1</td><td>1.5</td><td>3.0</td><td>1.5</td><td>0.0</td><td>2.2</td><td>2.9</td><td>18.0</td></tr>
</table>
Detailed working of revised estimates of maintenance dredging cost allocated to POL activity are furnished as under:-
<table>
<tr><th>At 12.5 m draft</th><th>3.8 million Cu. m at Outer Channel</th><th>3.1 million Cu. m at Inner Channel</th></tr>
<tr><td>Rate per Cu. M</td><td>`48.80</td><td>`73.20</td></tr>
<tr><td>Dredging cost</td><td>`18.54 crs.</td><td>`22.69 crs.</td></tr>
<tr><td>Service tax @ 12.36%</td><td>`02.29 crs.</td><td>`02.81 crs.</td></tr>
<tr><td>Total Dredging cost</td><td>`20.83 crs.</td><td>`25.50 crs.</td></tr>
<tr><td>Grand total</td><td colspan="2">`46.33 crs.</td></tr>
</table>
Copies of the documents confirming the contract between the Port and M/s.DCI Ltd., for carrying out maintenance dredging in the Port channels from April 2011 to March 2014 are furnished. As per the copy of the contract furnished, the dredging cost for maintenance is as follows:

2011-12 ₹104.40 crores
2012-13 ₹105.30 crores
2013-14 ₹109.80 crores</td></tr>
<tr><td></td><td>It is understood from the COPT proposal that North Tanker Berth (NTB), South Tanker Berth (STB) and Cochin Oil Terminal (COT) located at inner harbour of the port handle crude and POL products. The port has stated that the increased draft of 12.5 mtrs. is to be</td><td>A uniform wharfage for POL at all the inner tanker berths is proposed by the Port because the oil companies frequently get a vessel to load at the lower draft terminal ant then top up at the higher draft COT. There are also instances of bigger import parcels getting lightered at COT and subsequently being shifted to NTB/STB at their request. The predominance of BPCL on account of its Kochi Refinery in the POL throughput of Cochin Port, which imports crude oil through the SPM and arranges for the movement of refined products through the tanker berths.</td></tr>
</table>

	maintained at COT and benefit on the same will be available for cargo vessels handled at COT. The draft at NTB and STB is stated to be maintained at 9.14 mtrs. only. In this context, please justify the basis to levy the proposed increased wharfage uniformly for all POL cargo at inner harbour including POL handled STB and NTB in the light of the fact that the economies of increased draft is not available at these two berths viz. STB and NTB.	During the discussion with BPCL prior to submission of the proposal, they suggested to have a uniform rate of wharfage for all tanker berths in the inner harbour. In their letter dated 18-09-2013 addressed to TAMP, BPCL has suggested to include South Coal Berth also under the same wharfage regime. However, the Port is of the view that since facilities at South Coal Berth are much less than the facilities available at NTB and STB, the suggestion of the BPCL for inclusion of SCB along with other tanker berths is not justifiable.

9. The maintenance dredging cost estimated and allocated by COPT between various activities/ sub-activities in the last general revision Order, maintenance dredging cost estimates considered by this Authority in last general revision Order dated 1 April 2013 and the revised maintenance dredging cost furnished by the COPT in the cost statement filed by the port vide its letter dated 9 September 2013 on the current proposal is tabulated below:

Sl. No.	**Particulars**	**Considered by COPT in the last proposal for general revision of its SOR**			**Considered by TAMP in its Order dated 1 April 2013**			**Considered by COPT in its letter dated 9.9.2013 on the current proposal**		
		2012-13	**2013-14**	**2014-15**	**2012-13**	**2013-14**	**2014-15**	**2012-13**	**2013-14**	**2014-15**
A.	**Maintenance Dredging Cost**									
1.	Vessel Related Activity									
(i).	Port Dues	3504.45	3634.95	3841.92	4028.10	4178.10	4416.00	2586.41	2772.62	3163.49
(ii).	Pilotage	3504.45	3634.95	3841.92	4028.10	4178.10	4416.00	2586.41	2772.62	3163.49
(iii).	Berth Hire	3504.45	3634.95	3841.92	4028.10	4178.10	4416.00	2586.41	2772.62	3163.49
2.	Cargo Handling Activity									
(i).	POL	1570.96	1629.46	1722.24	----	----	-----	4633.00	4937.00	5633.00
TOTAL MAINTENANCE DREDGING COST (1) + (2)		**12084.31**	**12534.31**	**13248.00**	**12084.31**	**12534.31**	**13248.00**	**12392.23**	**13254.86**	**15123.47**
B.	**Part of Revenue Share considered to meet maintenance dredging cost ***									
1.	Vessel Related Activity									
(i).	Port Dues	708.60	856.00	1027.17	1417.19	1712.01	2054.33	890.52	856.00	1027.17
(ii).	Pilotage	708.60	856.00	1027.17	1417.19	1712.01	2054.33	890.52	856.00	1027.17
(iii).	Berth Hire	708.60	856.00	1027.17	1417.19	1712.01	2054.33	890.52	856.00	1027.17
Total (B)		**2158.8**	**2568.00**	**3081.51**	**4251.57**	**5136.03**	**6162.99**	**2671.56**	**2568.00**	**3081.51**
Balance of maintenance dredging cost (A-B)		**9925.51**	**9966.31**	**10166.49**	**7832.74**	**7398.28**	**7085.01**	**9720.67**	**10686.86**	**12041.96**

***** COPT had considered 25% of the Revenue share to meet part of the maintenance dredging whereas this Authority had considered 50% of the Revenue share to meet that expense.

10.1. A joint hearing in this case was held on 29 October 2013 at the COPT premises. The COPT made a power point presentation of its proposal. At the joint hearing, the COPT and the concerned users/ organisation bodies have made their submissions.

10.2. The Bharat Petroleum Corporation Limited (Kochi Refineries Limited) also made a brief power point presentation on the proposal of the COPT.

11.1. At the joint hearing, the COPT was requested to explain the reasons for mismatch in the estimates of maintenance dredging cost revised by COPT vide its letter dated 9 September 2013 vis-à-vis the cost indicated in the contract copy of the Dredging Corporation of India (DCI) for the years 2011-12 and 2012-13 forwarded by COPT vide its letter 8 October 2013.

11.2. In this regard, the COPT vide its letter dated 31 October 2013 has clarified the following:

(i). As per the contract, the price accepted by COPT for the work of maintenance dredging during 2012-13 is ₹105.30 crores. Apart from this amount, the Port has to compensate DCI for escalation in the fuel price as provided in Clause 9.1-“Price adjustment for subsequent price variations” (copy furnished). On both the payments, the Port has to pay Service Tax at the prescribed rates. In 2012-13, the Port incurred an expenditure of ₹110.29 crores, including fuel escalation. Thus, the total expenditure on maintenance dredging including Service Tax @12.36% amounts to ₹123.92 crores.

(ii). The amount contracted for 2013-14 is ₹109.80 crores. The Port expects that the expenditure would be to the tune of ₹118 crores during the year including fuel escalation. It may please be noted that this amount has been included in our Revised Estimates for 2013-14. Hence, the port projected an amount of ₹132.54 crores under this head, which is inclusive of Service Tax @ 12.36%.

(iii). The port has to tender the work of maintenance dredging of port channels for the year 2014-15. At the time of submitting the proposal, an expenditure of ₹151.23 crores was projected for the year 2014-15. However, based on our recent discussions with potential bidders including DCI, it is expected that the price will go up further. Hence, an amount of ₹150 crores (without Service Tax) is considered for providing in the Budget Estimates for 2014-15.

12. On our request, the COPT has subsequently vide its email dated 5 November 2013 furnished the break up of the Crude handled at SPM and POL traffic handled at the port berth for the period 1 April 2013 to 31 October 2013 which is given below:

Sl. No.	Berth Name	Cargo Type	Qty (in tons)
1	Boat Train Pier (BTP)	POL Products	26826
2	South Coal Berth (SCB)	POL Products	26065
3	South Tanker Berth (STB)	POL Products	134439
4	North Tanker Berth (NTB)	POL Products	978215
5	Cochin Oil Terminal (COT)	POL Products	1205286
	Sub Total		**2370831**
6	Single Point Mooring (SPM)	CRUDE	6374750
	Grand Total		**8745581**

13. 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.

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

(i). This Authority has passed an Order No.TAMP/49/2011- COPT dated 1 April 2013 disposing of the proposal of the Cochin Port Trust for general revision of its Scale of Rates which was notified in the Gazette on India on 10 June 2013. It is relevant to mention here that in the general revision proposal filed by the COPT which was disposed by this Authority on 1 April 2013, the COPT had proposed status quo in the rates of all the tariff items.

The cost statement drawn and appended to the tariff Order dated 1 April 2013 estimated the cost position for the years 2012-13 to 2014-15. The cost position at the (then) existing level of tariff for the port as a whole for the year 2012-13 showed a deficit of around 20% which in absolute term worked out to ₹75.17 crores. For the subsequent two years 2013-14 and 2014-15, the cost statement reflected a meagre surplus of 0.29%, which in absolute term worked out to ₹2.67 crores. Since the year 2012-13 would have been over by the time the Order came into effect, the cost position for the years 2013-14 and 2014-15 was finally considered.

The estimated cost position for the port as a whole excluding estate activity for the period of two years 2013-14 and 2014-15 showed a surplus of ₹71.63 crores i.e. an average net surplus of 8.59%. However, recognizing that there was a huge shortfall to the tune of ₹1273 crores in the pension fund as per actuarial valuation as on 31 March 2012 and that the port had not proposed to augment the fund considering the financial crunch faced by it and also recognizing the estimated cost position for the year 2012-13 reflected a deficit to the tune of ₹46.37 crores excluding estate activity, the proposal of COPT to continue with the (then) existing tariff for the next two years 2013-14 to 2014-15 was approved.

(ii). The current proposal filed by the COPT is to seek compensation for maintenance dredging cost incurred by the port to maintain the draft at Cochin Oil Terminal (COT) at 12.5 mtrs. which the port states is beyond the scope of the Memorandum of Understanding (MOU) entered by the port with the main oil user BPCL. The COPT has stated that as per the Agreement entered by the COPT with the BOT operator India Gateway Terminal Private Limited (IGTPL), the port had to maintain draft of 12.5 mtrs. for Container Terminal operated by IGTPL at Port's berth Q8 and Q9. Since the COT was also in the same area, the oil users got the benefit of increased draft of 12.5 and also availed the benefit of the economies of scale in freight by bringing deeper draft vessels without incurring any additional outgo. The port has submitted that the IGTPL has shifted its operations to ICTT at Vallarpadam in February 2011 and hence the COPT is not obliged to maintain the increased draft of 12.5 mtrs. at Q8 and Q9. Reportedly, as per the MOU entered by COPT with BPCL in June 2003, the port is obliged to maintain draft of 9.14 mtrs. only at COT. But, the oil PSUs mainly the BPCL, has requested the port to continue to maintain the increased draft of 12.5 mtrs. at COT even after the IGTPL has shifted its container operations to ICTT, Vallarpadam. The port agrees to provide the required draft of 12.5 mtrs. to POL users at the COT but seeks compensation to recover the maintenance dredging cost incurred/ estimated to be incurred by the port for the POL users at COT.

In this backdrop, the port has filed the current proposal seeking increase in the existing wharfage rate of ₹65/ tonne for POL handled at the port's berth at Cochin Oil Terminal (COT), North Berth Tanker (NTB) and South Berth Tanker (STB) to ₹110.90 per tonne in the year 2012-13, ₹117.60 per tonne in the year 2013-14 and ₹149.78 per tonne in the year 2014-15.

(iii). The main contentions of the COPT for filing the current proposal are summarised below:

(a). In the last general revision Order, the COPT had apportioned part of the maintenance dredging cost to the POL activity. However, this Authority in its Order of 1 April 2013 has not allowed the approach adopted by the port. This Authority in the modified cost statement has re-distributed the maintenance dredging cost apportioned by the port to POL activity to the vessel related sub-activities though there is no such mention in the tariff guidelines of 2005. The COPT has submitted that due to high siltation at its port, the maintenance dredging cost of COPT is second highest next to Kolkatta Port Trust. The approach of loading the entire maintenance dredging cost by this Authority to vessel related activity has led to steep rise in the vessel related charges in the past whereas the wharfage rate for POL has remained at the same level of ₹65/- per tonne since the year 1996-97. In view of the above position, and also since the port has to incur additional maintenance dredging cost at COT to provide the desired draft of 12.5 mtrs. at COT, at the request of POL users, and also recognising that the port users agree to compensate the port for the same, the port has requested to accept its approach of apportionment of the maintenance dredging cost to the POL activity.

(b). The revised traffic projections furnished by the COPT and relied upon by this Authority in the General Revision Order of the COPT SOR in 2013 are gross overestimates. The revised traffic projected by the COPT in the last tariff Order has not materialised. The port has, therefore, requested to consider the modified traffic estimates now furnished in the current proposal.

(iv). (a). As regards the point made by the COPT at (iii) (a) above relating to apportionment of maintenance dredging cost to the vessel related activity in the last tariff Order, it is relevant here to mention that 2005 guidelines prescribe broad guidelines for fixation of tariff. Subsequent to announcement of 2005 guidelines, this Authority has prescribed the format for filing of the tariff proposal by Major Port Trust. It is also relevant to mention here that the Major Port Trust follow the accounting formats devised by M/s.S.B. Billimoria & Co. and accepted by Ministry of Shipping in consultation with Comptroller and Auditor General of India. The format prescribed by this Authority for filing the tariff revision proposal by Major Port Trusts prescribes in detail the apportionment of various cost elements between various activities/ sub-activities in the cost statement and in general it is in conformity with the accounting formats of M/s.S.B. Billimoria & Co which are followed by the Major Port Trusts. As per the format prescribed for filing tariff revision proposal by Major Port Trusts, the maintenance dredging cost at the docks and the bunder is to be apportioned between berthing and port services based on the silt dredged and the maintenance dredging cost incurred for channel dredging is to be apportioned between the port dues and pilotage activity. It is noteworthy that the Annual Accounts of the Cochin Port Trust for the years 2010-11 and 2011-12 also report maintenance dredging cost under the vessel related activity and do not show any allocation of this cost to the cargo related activity for POL cargo. The approach adopted by this Authority in the last tariff revision Order of the COPT is in line with the format prescribed for filing tariff proposal and is uniformly followed at all the Major Port Trusts.

As regards the point referred by the COPT about the deviation made in the New Mangalore Port Trust, it is to be noted that this Authority in the general revision Order of the COPT dated 25 January 2007 has pointed out that in the case of the New Mangalore Port Trust while fixing the wharfage rate for crude and iron ore handled by the two major users at the New Mangalore Port, all the vessel related cost including the relevant portion of the dredging cost and the handling cost are considered together for arriving at the per tonne wharfage rate so that the cost of maintaining deeper draft for the larger size oil and ore vessels are not passed on to the small vessels which may not require such depth. In fact, borrowing the approach followed in the case of the New Mangalore Port Trust, this Authority in the said tariff Order of 25 January 2007, had allowed apportionment of maintenance dredging cost to the POL activity in view of the submissions made by the COPT at that time and had also advised the port to file a separate cost statement for crude oil for cargo and vessel together at the time of next tariff revision as done by few other Major Port Trusts like the Visakhapatnam Port Trust and New Mangalore Port Trust for major commodities handled by the port.

While processing the next general revision proposal of the COPT in the year 2010, the port was again advised to file a separate cost statement for crude oil for cargo and vessel related activity together for crude handled at SPM and at port berths in line with the advice rendered in the tariff Order of 2007 as recorded in para 7.2. Sr. No.I (10)(i). The COPT, however, did not file separate cost statement for POL as advised in the tariff Order of 2007. This Authority for reasons recorded in the para 12(viii) (c) of the tariff Order dated 23 February 2010 that major part of POL handling has shifted from the port's jetty to the SPM operated by the BPCL-KRL for which separate tariff structure is allowed did not find it necessary in that scenario to continue to allocate part of the maintenance dredging cost to the POL handling activity. The approach followed in the tariff Order of February 2010 was followed in the recent general revision Order of 1 April 2013 as regards apportionment of maintenance dredging cost to vessel related activities. The submission made by the port in the current proposal that it has to maintain draft of 12.5 mtrs. at COT at the request of POL users which is beyond the draft level the port is obliged to maintain is a new submission of the port in the current proposal. In view of the above, it is found that there is no apparent error as such pointed out by the COPT as regards apportionment of maintenance dredging cost done in its tariff revision Order of 1 April 2013.

(b). As regards the point made by the COPT at (iii) (b) on traffic projections, it is relevant to draw reference to para 11(iv)(c) of the tariff Order dated 1 April 2013 wherein it is recorded that the revised traffic estimated by the COPT are considered without any modification. As pointed out in para 11(v)(a)(i) of the said Order, in the absence of the port furnishing the break-up of the revised POL tariff between the SPM and the port's berth, the revised traffic of the POL furnished by the port for the years 2012-13 to 2014-15 was apportioned to the port's berth and the SPM at 32% and 68% respectively applying the cargo share applied by the port. Thus, this Authority has fully relied upon the revised traffic estimates furnished by the COPT while determining the cost position in the last tariff Order. Hence here also, the COPT has not pointed out any apparent error as such on the traffic projections considered in the Order of 1 April 2013.

(c). It is relevant here to state that during the entire proceedings of the general revision case which concluded only recently in April 2013, the COPT had never made known that the port incurs maintenance dredging cost for the POL users beyond the level required in the MOU and hence the cost should be apportioned to the POL activity. The submission made by the COPT in the current proposal to recover the maintenance dredging cost from the POL users for the reasons stated by it is a new submission.

As per Clause 3.3.1. of the tariff guidelines of March 2005, a review can be undertaken only with reference to errors apparent on the face of the records considered in the relevant proceedings. It is clear that the COPT has not established any error apparent on the face of the record warranting a review of the Order dated 1 April 2013.

However, in view of the extraordinary situation brought out by the COPT in the current proposal and keeping in view clause 3.1.8. of the tariff guidelines of March 2005 which enables Port Trusts to propose revision of tariff ahead of schedule for good and sufficient reasons and also recognizing that the POL users also agree to pay the increased wharfage rate if approved by this Authority to enable the port to meet the maintenance dredging cost to provide the increased draft of 12.5 mtrs. demanded by the POL users, this Authority is inclined to consider the proposal of the port. The entire analysis is, however, limited to the extent of determining the special dredging rate for POL in addition to the existing wharfage rate of ₹65 per tonne to enable the port to recover the maintenance dredging cost incurred by the port for maintaining the increased draft of 12.5 mtrs. at the COT berths at the request of POL users. In the current proceedings, the COPT has furnished cost statement for POL activity as well as consolidated cost statement for the port as a whole as well as activity-wise cost statement for cargo, vessel and estate related activities and cost statements for sub-activities within the cargo and vessel related activities. The port has updated the estimates of 2012-13 with actuals and has also furnished modified estimates of the traffic, income and other estimates for the years 2013-14 and 2014-15 as against the estimates considered by this Authority while approving the last tariff Order. However, for the reasons explained above that the exercise is limited to determine the per tonne special dredging levy for POL, the entire analysis is done retaining the estimates as considered by this Authority in the last tariff Order of 1 April 2013 for the years 2012-13 to 2014-15 subject to a few modifications which are required to arrive at the per tonne special dredging rate for POL as explained in the subsequent paragraphs.

(v). Before proceeding ahead it is relevant here to mention that the COPT subsequent to it filing the proposal in August 2013 for revision in the wharfage rate for POL for the years 2012-13 to 2013-14 has vide its letter dated 8 October 2013 filed a proposal seeking approval of ad-hoc wharfage charges on the POL products at ₹117.60 per MT for the year 2013-14. It is seen that the ad-hoc rate proposed by the COPT for the year 2013-14 is same as proposed in the original proposal for the year 2013-14. Clause 2.17.1. to 2.17.4. of the 2005 tariff guidelines prescribe provisions for filing a proposal for a new cargo/ service for which no tariff is prescribed in the existing Scale of Rates. The guidelines also allow the port to simultaneously levy the proposed tariff on ad-hoc basis for an interim period till the final rates are notified by this Authority. For this purpose, the rate has to be derived based on the existing notified tariff for comparable service / cargo and has to be with mutual consent of the concerned users. In the existing case the tariff proposed is for revision of existing wharfage rate and it is not for new cargo/ service. Moreover, the COPT has not furnished consent of the concerned users to the ad-hoc rate proposed by the port. The proposal dated 8 October 2013 filed by the COPT seeking ad-hoc approval of the rate is not found to be in compliance with the provisions of clause 2.17.1. to 2.17.4. of the tariff guidelines of 2005 and hence this Authority is not in a position to grant any ad-hoc approval. However, the COPT is not put into any disadvantageous position since this Authority has taken up this case and fixed final rate instead of approving rate for an interim period.

(vi). <u>Allocation of maintenance dredging cost to the POL activity</u>.

During the last tariff revision exercise, the COPT had proposed to apportion part of the maintenance dredging cost estimate to POL (cargo handling) activity apart from the vessel related sub-activities viz. port dues, pilotage and berth hire. For the reasons recorded in paragraph 11 (vi) (f) of tariff Order dated 1 April 2013, the maintenance dredging cost estimated by the COPT for the years 2012-13 to 2014-15 were apportioned to the sub-activities port dues, pilotage and berth hire under the vessel related activity in line with the approach followed in the earlier tariff revision Order of COPT in February 2010.

As stated earlier, the COPT has submitted that at the request made by the POL users the port is required to maintain draft of 12.5 mtrs. at the COT as against draft of 9.14 mtrs. required as per the MOU entered by the port with BPCL. The oil users also agree to compensate the port for the deficit arising in the POL activity on this account which is also attributable to shortfall in the POL traffic after the main Oil user – BPCL shifted its operations to SPM. In view of the above position, the request made by the COPT to apportion relevant part of the maintenance dredging cost to the POL activity is acceded to. It is relevant here to mention that this deviation from the prescribed method of apportioning the maintenance dredging cost to the vessel related activity is necessitated in view of extra-ordinary circumstances brought out by the COPT so as to arrive at the per tonne special dredging levy to be recovered from the POL users, in addition to the existing rate of ₹65 per tonne.

(vii). Revised Estimates of the Maintenance Dredging Cost:

The total maintenance dredging cost estimated by the COPT in the last tariff revision Order is to the tune of ₹120.84 crores, ₹125.34 crores and ₹132.48 crores for the years 2012-13 to 2014-15 respectively which was relied upon and considered without any modification as recorded in para 11(vi)(f) of the April 2013 Order. In the cost statements now filed by the port, it is seen that the port has revised the estimates of maintenance dredging cost to ₹123.92 crores, ₹132.55 crores and ₹151.23 crores for the corresponding period. The copy of the contract entered by the COPT with the Dredging Corporation of India (DCI) forwarded by the port shows that the cost for maintenance dredging for three years i.e. 2011-12 to 2013-14 is ₹104.40 crores, ₹105.30 crores and ₹109.80 crores respectively plus service taxes. The revised estimates of maintenance dredging cost could not be matched with the rates indicated in the contract copy entered with the DCI. The COPT has clarified that apart from the rate indicated in the contract copy, the port has to compensate DCI for escalation in the fuel price as provided in Clause 9.1 of the contract. The port has substantiated it with copy of the relevant extract of the document. The port has reported to have incurred an actual expenditure of ₹123.92 crores, including fuel escalation and service tax in the year 2012-13. The port has further clarified that though the amount contracted for the year 2013-14 is ₹109.80 crores, the expenditure is estimated to be ₹118 crores including fuel escalation which has also been considered in its Revised Estimates for the year 2013-14. The port has projected an expenditure of ₹132.54 crores for the year 2013-14 in the cost statement which is inclusive of service tax. It is relevant to state here that the annual escalation allowed in the estimation of cost items in the tariff Order dated 1 April 2013 of COPT is 6.5%. The revised estimates of maintenance dredging cost at ₹132.54 crores show escalation of 6.6% over the actual maintenance dredging cost reported in the year 2012-13 which is found to be higher than the level allowed in its case in 1 April 2013. The maintenance dredging cost for the year 2013-14 is considered by allowing 6.5% escalation over the actuals reported for the year 2012-13 in line with the overall approach followed in the last tariff Order. Accordingly, the revised maintenance dredging cost considered is ₹131.97 crores as against ₹132.54 crores estimated by COPT.

For the year 2014-15, the port has estimated the maintenance dredging cost at ₹151.23 crores which shows an increase of 14% over the revised estimates of the maintenance dredging cost by the COPT for the year 2013-14. The port has stated that it is yet to tender the work of maintenance dredging of port channels for the year 2014-15 and expenditure of ₹151.23 crores is projected for the year 2014-15 based on the discussions of the port with potential bidders including DCI and it expects that the price to escalate further. The port has stated that the maintenance dredging cost estimated in the Budget Estimates 2014-15 is ₹150 crores (without Service Tax).

Since the annual escalation allowed in the estimation of the operating cost during the recent general revision which concluded on 1 April 2013 is 6.5%, the revised maintenance dredging cost for the year 2014-15 is modified allowing 6.5% annual escalation over the revised estimates of the year 2013-14 in line with the annual escalation allowed in estimation of the operating cost in the tariff Order of 1 April 2013 Order. Accordingly, the revised estimates for maintenance dredging cost considered in this analysis are ₹131.97 crores and ₹140.55 crores for the years 2013-14 and 2014-15 as against ₹132.48 crores and ₹151.23 crores estimated by the COPT for the corresponding period. For the year 2012-13, the maintenance dredging cost is considered at ₹123.92 crores being the actual expenditure reportedly incurred by the COPT.

(viii). Revised share of apportionment of maintenance dredging cost to various activities:

(a). During the last tariff revision, the COPT had apportioned the maintenance dredging cost to the tune of ₹1570.96 lakhs, ₹1629.46 lakhs and ₹1722.24 lakhs for the years 2012-13, 2013-14 and 2014-15 respectively to the POL activity apart from apportionment of maintenance dredging cost to the port dues, pilotage and berth hire under the vessel related activity. It is seen from the cost statement that the percentage share of apportionment of maintenance dredging worked out to 29% to each of the three sub activities under vessel related activity (87%) and balance 13% towards POL activity.

In the cost statement filed by the port in the current proposal, it is seen that there is change in the share of apportionment of maintenance dredging cost between the sub-activities under the vessel related activity and the POL activity. In the cost statements filed in the current proposal, the port has apportioned 20.87% of the total maintenance dredging to each of the three sub activities under vessel related activity aggregating to 62.61% and balance 37.39% towards POL activity.

(b). When sought clarification for more allocation to POL activity, the COPT has clarified that in its earlier proposal the port had considered maintenance dredging cost for POL activity for only 2 million cu.m. which was for the channel from Dufferin Point to COT. It has now modified the quantum of apportionment of the maintenance dredging expenditure to POL activity considering the incremental quantity of silt to be removed from outer approach channel through the inner channel upto COT. The port has furnished detailed working as regards the maintenance dredging cost apportioned to POL activity at ₹4633.00 lakhs for the year 2012-13 and clarified that the quantity of silt additionally removed comes to 6.9 million cu.m for COT berth as against 2 million cu.m assumed in the last general revision proposal. The revised maintenance dredging cost apportioned to each of the three sub-activities viz. port service, pilotage and berth hire is ₹2586.41 lakhs for the year 2012-13 aggregating to ₹7759.23 lakhs. If the revised maintenance dredging cost apportioned to POL activity of ₹4633.00 lakhs for the year 2012-13 is added, the total maintenance dredging cost works out to ₹12392.23 lakhs, as furnished by COPT. This is reported to be on actual basis. For the subsequent two years as well, the revised estimated maintenance dredging cost is apportioned by the port applying the modified share of apportionment.

In view of the clarification furnished by the COPT explaining the reasons for modification in the share of apportionment of maintenance dredging cost between vessel related sub-activities and POL activity and also recognising that none of the users including the oil PSUs viz. BPCL, IOCL and HPCL to whom the cost statements filed by the port were forwarded for their comments have made any adverse remark on the apportionment of the revised maintenance dredging cost by the port, the revised share of apportionment of maintenance dredging cost on the one hand between port service, pilotage, berth hire and on the other hand to POL activity followed by the COPT is relied upon and considered in this analysis.

(c). Accordingly, the revised maintenance dredging cost of ₹123.92 crores reported to be based on actuals for the year 2012-13 and its apportionment to port dues, pilotage and berth hire under the vessel related activity and to POL activity by the COPT as explained in (b) above is considered in this analysis. For the years 2013-14 and 2014-15, in view of the moderation done in the estimates of maintenance dredging cost arising out of application of escalation factor of 6.5%, the maintenance dredging cost apportioned to each of three sub-activities under vessel related activity is ₹2754.53 lakhs for the year 2013-14 and ₹2933.57 lakhs for the year 2014-15 as against ₹2772.62 lakhs and ₹3163.49 lakhs considered by COPT for the corresponding period. The maintenance dredging cost apportioned to POL activity is ₹4934.15 lakhs in 2013-14 and ₹5254.86 lakhs in the year 2014-15 as against ₹4937.00 lakhs and ₹5633.00 lakhs considered by COPT for the corresponding period.

(d). During the last tariff revision Order, 50% of the estimated revenue share receipts from the BOT operator was considered to meet the maintenance dredging cost from port dues, pilotage and berth hire as against 25% considered by the port. The estimates of revenue share receipts to meet the maintenance dredging cost are retained as considered by this Authority in the last tariff Order. With reference to the POL handling activity, the port has not considered any part of revenue share receipts to meet the maintenance dredging cost of POL handling activity in the last tariff revision proposal as well as in the current proposal. It has to be recognised that the maintenance dredging cost allocated to the POL activity is in view of meeting the specific demand of POL users to maintain the increased draft of 12.5 mtrs. Therefore, the revenue share receipt need not cross subsidise the estimated maintenance dredging cost for POL handling activity. Hence, the approach adopted by the COPT of not apportioning any part of revenue share receipts to meet the maintenance dredging cost of the POL activity is maintained in our analysis also.

(ix). Revised traffic estimates for the Crude and POL:

(a). During the last tariff revision, the COPT had originally estimated the POL traffic at 14 Million Metric Tonnes (MMT) for each of the years 2012-13 to 2014-15 of which the port had estimated the traffic of SPM at 9.5 MTPA and 4.5 MTPA at the berths, as recorded in paragraph no.12(v)(a)(i) of the Order of April 2013.

Subsequently, the port had revised the traffic estimates in line with the 12th five year plan and the overall POL traffic was revised to 14.40 Million Tonnes Per Annum (MTPA), 16 MTPA and 17.23 MTPA for the year 2012-13 to 2014-15 respectively. As stated in para 11 (v) (a) of the April 2013 Order, in our analysis, the revised traffic of the POL furnished by the port for the years 2012-13 to 2014-15 was apportioned between the ports berth and the SPM in the ratio 32% and 68% respectively adopting the percentage share of cargo applied by the port. Consequently, the income estimates were also modified applying the wharfage rate of ₹25 per tonne for crude at SPM and ₹65 per tonne for POL handled at port berth.

The port has in the current proceeding stated that the traffic of the SPM cannot exceed 9.5 MMTPA and hence has restricted the estimation of income for crude at SPM at 9.5 MTPA for each of the years 2012-13 to 2014-15. In this context, it is relevant to state that during the current proceedings, the port has reported that the overall crude and POL traffic handled in the year 2012-13 is 13.90 MMTPA of which 10.06 MMTPA crude is handled at SPM and 3.84 MTPA of POL is handled at the port berths. Moreover, the actual POL and SPM traffic handled in the first seven months from 1 April 2013 to 31 October 2013 is reported at 8.75 million tonnes consisting of 2.37 million tonnes of POL at the port's berths and 6.37 million tonnes of Crude at the SPM. The actual POL traffic at port berths and crude at SPM reportedly handled for the first seven months of the year 2013-14 if prorated for the full year of 2013-14, it works out to 4.06 million tonnes of POL at port berths and 10.92 million tonnes of crude at the SPM. Since the actual traffic handled by the COPT shows that port has handled crude at SPM beyond 9.50 MTPA, there is no justification to restrict the crude traffic of SPM at 9.50 MTPA as considered by the COPT.

The wharfage income estimated by the COPT from the POL products for 3.39 million tonnes of POL at port berth and for crude at SPM at 9.5 million tonnes is not found to be in line with the actual traffic reportedly handled by the port for the year 2012-13 and prorated traffic estimated for the year 2013-14 based on first seven months of actual POL and crude handled by the port.

In view of the actual traffic data made available by the port for the year 2012-13, the traffic of the Crude at the SPM and POL at the port berths estimated in the last tariff revision Order for the year 2012-13 is updated to the actual traffic of 10.06 MMTPA crude at SPM and 3.84 MTPA of POL at port berths. Corresponding modification is also done in the estimation of the wharfage income from the crude at SPM and POL at port's berths for the year 2012-13.

(b). For the year 2013-14, it is seen that the traffic of Crude at SPM considered at 10.88 million tonnes in the last tariff revision Order is very much closer to the prorated crude traffic estimate of 10.92 million tonnes at SPM derived based on the seven months actuals for the year 2013-14. Hence, no modification is done with reference to the traffic and income estimates of Crude at SPM for the year 2013-14.

The traffic of the Crude at SPM considered at 10.88 million tonnes for the year 2013-14 shows 8.15% growth over the actual traffic of 10.06 million tonnes handled in the year 2012-13. As against that, the traffic of crude at the SPM estimated for the year 2014-15 in the April 2013 Order at 11.72 million tonnes shows a growth of 7.77% over the traffic estimates of the year 2013-14 which is in line with the growth level achieved in the crude traffic at the SPM in the immediate preceding year 2013-14. On this logic, the crude traffic of the SPM is retained at 11.72 million tonnes for the year 2014-15 as estimated in the last tariff Order. That being so, the income estimates from the SPM for the years 2013-14 and 2014-15 are also retained as estimated in the last tariff Order at ₹2720 lakhs and ₹2929.10 lakhs respectively.

(c). The port in its current proposal has submitted that the POL traffic estimated in the general revision proposal was on the higher side and has requested to scale it down. In the cost statement now filed, the COPT has estimated the POL traffic at port berth at 3.5 million tonnes per annum for estimation of wharfage income in the POL activity for the each of the year 2013-14 and 2014-15. The port on our request has furnished the actual POL traffic handled at the port's berths for the first seven months of the year 2013-14 from 1 April 2013 to 31 October 2013 at 2.37 million tonnes. The POL traffic at port berths are proportionately arrived for the full year of 2013-14 based on the actual POL traffic reportedly handled for the first seven months of 2013-14. Accordingly, the traffic of POL at port's berth for the year 2013-14 is considered at 4.06 million tonnes and income therefrom is estimated at ₹2639 lakhs applying the prevailing wharfage rate of ₹65 per tonne.

(d). The POL traffic estimated in the last tariff revision Order for the year 2014-15 at 5.51 million tonnes shows a growth rate of 7.6 % over the estimates of the immediate previous year 2013-14 estimated at 5.12 million tonnes. As against that, the prorated POL traffic estimated for the year 2013-14 based on seven months actual at 4.06 million tonnes shows a growth of 5.7% over the actual POL traffic of 3.84 million tonnes handled by the port in the year 2012-13. In view of the submissions made by the COPT in the current proposal that the POL traffic considered in the last tariff Order are on the higher side and based on the actual growth in the POL traffic derived for the full year 2012-13 and for seven months of 2013-14, the estimate of POL traffic for the year 2014-15 considered in the last tariff Order at 5.51 million tonnes is moderated and considered at 4.29 million tonnes applying 5.7% growth achieved in POL traffic in the year 2013-14. Consequently, the income estimates in the cost statement for the POL activity for the year 2014-15 is also modified applying the wharfage rate of ₹65 per tonne on the moderated POL traffic and is estimated at ₹2789.42 lakhs.

(e). It is seen that whilst the COPT has scaled down the estimate of POL traffic at port berths and crude at SPM it has not made corresponding reduction in the vessel related income. In the absence of any details made available by the port about reduction in the number of POL vessels, the GRT of POL vessel, etc., it is not possible to reasonably assess the reduction in the vessel related income on account of reduction in the estimated POL traffic. However, recognising that POL traffic at port berth is estimated to reduce by 17%, 21% and 22% for the years 2012-13 to 2014-15 respectively, in the current analysis over the estimates of POL traffic relied upon in the last tariff Order which ought to have an impact on reducing the vessel related income but at the same time in the absence of the COPT furnishing the requisite details for estimating reduction in the vessel related income, an ad-hoc reduction of 5% for the year 2012-13, and 7% in each of the years 2013-14 and 2014-15 is captured in the income estimation of port dues, pilotage and berth hire considered in the last tariff Order.

(x). In the light of the analysis given above, the cost statements for the port as a whole and for different main activities / sub-activities for the years 2012-13 to 2014-15 considered in the last tariff revision Order are modified. The modified cost statements are attached as **Annex - I (a) to (r)**. Summarised results of the modified cost statements are as follows:

Sr. No.	Particulars	Operating Income (₹ in crores)				Net Surplus / (deficit) (₹ in crores)				Net Surplus / (Deficit) as a % of operating income			Average Surplus/ Deficit %
		2012-13	2013-14	2014-15	Total	2012-13	2013-14	2014-15	Total	2012-13	2013-14	2014-15	
1	**COPT as a whole**	**367.10**	**417.07**	**467.88**	**1252.05**	**-91.14**	**-47.01**	**-10.28**	**-148.43**	**-24.83%**	**-11.27%**	**-2.20%**	**-11.86%**
2	Cargo related	124.81	141.97	160.61	**427.39**	-40.98	-32.47	-21.88	**-95.33**	-32.83%	-22.87%	-13.62%	**-22.31%**
3	Vessel related	195.43	227.33	258.61	**681.37**	-21.36	18.24	47.77	**44.65**	-10.93%	8.02%	18.47%	**6.55%**
4	Estate	46.86	47.76	48.67	**143.29**	-28.80	-32.78	-36.18	**-97.76**	-61.45%	-68.63%	-74.34%	**-68.22%**
5	COPT as a whole excl Estate	**320.24**	**369.31**	**419.21**	**1108.76**	**-62.34**	**-14.23**	**25.90**	**-50.68**	**-19.47%**	**-3.85%**	**6.18%**	**-4.57%**
A	**Cargo handling**												
1	General cargo	25.98	30.74	35.27	**91.98**	-65.45	-64.97	-64.00	**-194.42**	-251.95%	-211.39%	-181.48%	**-211.38%**
2	POL	24.96	26.39	27.89	**79.24**	-35.90	-38.12	-40.50	**-114.53**	-143.82%	-144.46%	-145.21%	**-144.52%**
3	Fertiliser	4.52	4.52	4.67	**13.71**	0.86	0.54	0.37	**1.77**	19.10%	11.85%	7.94%	**12.91%**
4	SPM - Wharfage	25.15	27.20	29.29	**81.64**	25.15	27.20	29.29	**81.64**	100.00%	100.00%	100.00%	**100.00%**
5	F.C. Periyar	0.12	0.12	0.13	**0.38**	-0.62	-0.65	-0.66	**-1.93**	-519.14%	-516.72%	-505.70%	**-513.63%**
6	Stuffing & Destuffing	1.56	1.64	1.72	**4.93**	-7.54	-7.83	-8.00	**-23.37**	-482.60%	-476.87%	-464.20%	**-474.26%**
7	50% of Revenue share	42.52	51.36	61.63	**155.51**	42.52	51.36	61.63	**155.51**	100.00%	100.00%	100.00%	**100.0%**
	Total	**124.81**	**141.97**	**160.61**	**427.39**	**-40.98**	**-32.47**	**-21.88**	**-95.33**	**-32.83%**	**-22.87%**	**-13.62%**	**-22.31%**
B	**Vessel related**												
1	Port Dues	43.68	50.71	57.75	152.14	21.49	29.28	37.35	88.13	49.20%	57.74%	64.68%	**57.92%**
2	Pilotage	77.23	89.66	102.11	269.00	-22.87	-12.29	-1.18	-36.34	-29.62%	-13.71%	-1.15%	**-13.51%**
3	Berth Hire	41.87	48.61	55.35	145.83	6.14	13.48	20.90	40.52	14.66%	27.73%	37.76%	**27.78%**
4	Dry docking	0.30	0.30	0.30	0.90	-0.32	-0.35	-0.37	-1.04	-106.90%	-115.66%	-122.44%	**-115.0%**
5	Nehru Satabdhi	0.00	0.00	0.00	0.00	-36.39	-25.88	-25.74	-88.02	--	--	--	**--**
6	Water supply - Barge	0.75	0.78	0.82	2.35	-0.11	-0.10	-0.09	-0.30	-14.35%	-13.25%	-11.10%	**-12.85%**
7	Water supply - Shore	0.16	0.16	0.17	0.49	-0.77	-0.81	-0.85	-2.43	-495.24%	-497.81%	-492.41%	**-495.11%**
8	SPM - Pilotage & Tug	30.38	36.03	41.03	107.45	10.40	13.85	16.67	40.92	34.24%	38.43%	40.62%	**38.09%**
9	Security Charges	1.07	1.07	1.07	3.21	1.07	1.07	1.07	**3.21**	100.00%	100.00%	100.00%	**100.00%**
	Total	**195.43**	**227.33**	**258.61**	**681.37**	**-21.36**	**18.24**	**47.77**	**44.65**	**-10.93%**	**8.02%**	**18.47%**	**6.55%**

(a). It can be seen from the above position that the estimated financial position at the existing level of tariff for the port as a whole for the year 2012-13 to 2014-15 shows a deficit of around -11.86%. In absolute terms, the deficit works out to ₹(-)148.43 crores as against total deficit of ₹(-)72.50 crores estimated in the tariff revision Order of 1 April 2013. While passing the tariff Order of 1 April 2013, it was decided to consider the estimated cost position for the two years 2013-14 and 2014-15 as the financial year 2012-13 was already over. The same approach is maintained now also while analysing the cost position in the current proposal. The position for the two years 2013-14 and 2014-15 shows an average deficit (-)6.47% as against surplus of 0.29% reflected in the last Order for the corresponding period. In absolute terms, the total deficit works out to ₹(-)57.30 crores as against surplus of ₹2.67 crores estimated in the tariff Order of 1 April 2013.

(b). In absolute terms, on a stand-alone basis, the vessel related activity shows a total net surplus of ₹66.02 crores for the said two years as against total net surplus of ₹9.26 crores estimated in the April 2013 Order. This works out to an average net surplus of 13.59% as against net surplus of 1.79% estimated earlier. The cargo handling activity shows a total deficit of ₹(-)54.35 crores as against total net surplus of ₹62.37 crores estimated in the April 2013 Order for the corresponding period. In terms of percentage, the average deficit works out to (-)17.96% as against average surplus of 19.65% estimated in the last tariff Order of 1 April 2013.

(c). The cost position relating to the estate activity does not undergo any change in this exercise.

(d). The estimated cost position for the port as a whole excluding estate activity for the period of two years shows a total surplus of ₹11.66 crores as against ₹71.63 crores surplus estimated in the April 2013 tariff Order and in terms of percentage of estimated operating income for the corresponding period, the net surplus works out to an average of 1.48% as against average net surplus of 8.59% estimated in the last tariff Order. The difference of ₹59.97 crores (₹71.63 crores less ₹11.66 crores) in the overall position for the two years 2013-14 and 2014-15 in the cost statement prepared in the current exercise vis-à-vis the cost position relied upon in the tariff Order of 1 April 2013 is on account the adjustments done in the cost statement considered in the last tariff Order for reasons explained in the above analysis and its impact for the years 2013-14 and 2014-15 is briefly tabulated below:

(**₹ in lakhs**)

Sl. No.	Particulars	2013-14	2014-15	Total
(i).	Effect of increase in the maintenance dredging cost vis-à-vis the estimates relied in the last tariff Order	663.41	807.58	1470.99
(ii).	Impact of reduction in wharfage income from POL on account of reduction estimated on POL traffic	689.00	794.42	1483.42
(iii).	Impact of ad-hoc reduction of 7% in vessel related income on account of reduction estimated in POL traffic	1422.46	1619.86	3042.32
(iv).	**Total (i + ii + iii)**	**2774.87**	**3221.86**	**5996.73**

(e). In the current exercise with the introduction of special dredging levy on per tonne basis for POL products and crude handled at port's berth viz. COT, NTB and STB approved as discussed in the subsequent paragraph, the port is likely to earn additional revenue of ₹22.14 crores for the two years 2013-14 (from 1 November 2013 onwards) to 31 March 2015 to meet the maintenance dredging cost at COT.

After considering the revenue likely to accrue from the special dredging levy approved in this Order, the total net surplus for the years 2013-14 and 2014-15 will rise from ₹11.66 crores excluding the estate activity estimated in the cost statement now prepared to ₹33.80 crores. This will be within the total revenue surplus of ₹71.63 cores considered in the last tariff Order of April 2013 wherein this Authority had decided to maintain status quo in the then existing SOR as proposed by the COPT in view of huge shortfall to the tune of ₹1273 crores in the pension fund as compared to the requirement as per actuarial valuation as on 31 March 2012 and also in view of net deficit of ₹46.37 crores estimated for the year 2012-13 excluding estate activity. The net deficit for the year 2012-13 excluding estate activity is estimated to increase to ₹62.34 crores in the cost statement prepared in current exercise.

As already brought out earlier, the reduction in the overall revenue surplus or increase in deficit for that matter reflected in the cost statement now prepared arises on account of increased maintenance dredging cost and reduction in the POL traffic and consequent reduction in the wharfage income and adhoc reduction estimated in the vessel related income vis-à-vis the estimates relied upon in the last tariff Order. It is relevant to reiterate here that the entire exercise is done with a limited purpose of determining the special per tonne dredging rate for POL products and crude handled at specific Port berths to recover the maintenance dredging cost. The COPT has also not sought modification in any other tariff item except for seeking upward revision in the existing wharfage rate for POL. That being so, status quo is maintained in the Scale of Rates approved in the tariff Order of 1 April 2013 except for determining the special per tonne dredging levy for POL products and crude handled at port berths viz. COT, NTB and STB.

(xi). The COPT had earlier sought increase in the wharfage rate from POL retrospectively from 18 February 2011 i.e. from the date the obligation of the port to maintain draft of 12.5 mts at Q8 and Q9 ceased with the IGTPL shifting its operations to Vallarpadam. It has subsequently sought retrospective revision in the wharfage rate of POL from the financial year 2012-13. Both the oil PSUs i.e. the BPCL as well IOCL have raised objection on the retrospective revision in the rate and have requested for prospective effect only. It is relevant to state here that the tariff guidelines of 2005 do not recommend granting approval of rates with retrospective effect. As stated earlier, since the year 2012-13 was already over, while passing the last tariff revision Order, the cost position for the years 2013-14 and 2014-15 was finally analysed. The same approach is followed in the instant case for arriving the special per tonne dredging levy. Accordingly, the cost position for the POL activity for the years 2013-14 and 2014-15 are considered. Therefore, according approval to the special dredging levy retrospectively from the year 2012-13 cannot be acceded to.

(xii). It is relevant to state here that the proposal of the COPT seeking upward revision in the wharfage rate for POL is to recover the deficit arising in the cost statement relating to the POL activity which arises mainly on account of the revised maintenance dredging cost estimated by the port and reduction in the POL traffic vis-à-vis the earlier estimates. For arriving at the revised wharfage rate for POL, the port has adjusted the entire net surplus estimated from the SPM activity against the net deficit estimated for the POL activity.

It is relevant to state here that the BPCL has contended that the MOU signed with COPT in 2003 for SPM envisages reduction in wharfage rate of crude at SPM if volume at SPM crosses 9.00 MTPA. They have argued that though the volume at SPM has exceeded 9 MTPA, the COPT has not proposed any reduction in the wharfage rate for crude at SPM. It is noteworthy that in this exercise the port has already set off the entire net surplus from SPM activity against the deficit in the POL for arriving at the proposed revised wharfage rate for POL, which is considered for the purpose of arriving at the special dredging levy for POL.

(xiii). From the information relating to actual traffic of POL and crude furnished by the port for the first seven month of 2013-14, it is seen that the COPT handles POL products at port berths at North Tanker Berth (NTB), South Tanker Berth (STB), Cochin Oil Terminal (COT), South Coal Berth (SCB) and Boat Train Pier and crude is mainly handled at SPM. Since the increased draft of 12.5 mtrs. is required to be maintained only at the COT, the port was requested to justify the basis to levy the proposed increase in the wharfage uniformly for all POL cargo at COT as well as at STB and NTB.

The port has clarified that POL vessels lighten or top up cargo at NTB and STB and then shift to COT and get the advantage of the increased draft of 12.5 mtrs. The COPT has, therefore, requested that berths - NTB, STB and COT should be treated at par as one separate class and the proposed wharfage rate should be applied commonly to POL handled at NTB, STB and COT. The BPCL has also endorsed this position and agrees that the revised wharfage rate should apply for POL handled at NTB, STB and COT.

The BPCL has, however, stated that certain private players are using SCB for POL inputs hence proposed revised wharfage rate should be extended and applied to POL handled at SCB as well to have a level playing field for Oil PSUs. The COPT has in this context clarified that at SCB, port provides 9.14 mtrs. draft with maximum DWT of 12,000 and displacement of 16,000, which is much less than the facility available at NTB and STB. The port has also further clarified that SCB is on the other side of the wharf at Mattancherry Channel. It has also confirmed that POL vessels handled at SCB do not get the benefit of increased draft of 12.5 mtrs. at the COT. Tariff leviable should be commensurate with the facilities provided, as stipulated in clause 2.11.1 of the tariff guidelines of March 2005. In view of the clarification furnished by the port and keeping in view the tariff guideline position, it is not found appropriate and justified to require the POL handled at SCB berth to pay the increased tariff when they are not getting the benefit of the increased draft at the COT. Moreover, the suggestion of BPCL will result in flow of cross subsidy from POL handled at SCB to COT/ NTB / STB. That being so, the POL and crude handled at SCB as well as Boat Train Pier are kept outside the purview for arriving at the special per tonne dredging levy from POL handled at port's berth.

(xiv). The COPT has considered POL traffic of 3.50 million tonnes for each of the years 2013-14 and 2014-15 for arriving at the increase warranted in the wharfage rate of POL. The BPCL has indicated the POL traffic at COT, NTB and STB at 3.70 million tonnes for the year 2013-14 and 3.90 for the year 2014-15. However, no basis for the estimated traffic is given by BPCL. For the purpose of this analysis, the actual POL traffic for the year 2013-14 for the first seven months (i.e. from 1 April 2013 to 31 October 2013) furnished by the port for COT, NTB and STB at 2.317 million tonnes is prorated for the full year and the traffic so arrived at 3.97 million tonnes is considered. The POL traffic of these three port berths for the year 2014-15 is arrived taking the 2013-14 POL traffic estimate as the base and applying 5.7% growth achieved in the POL traffic in the year 2013-14 over the actuals of 2012-13 as already explained earlier. It is relevant to mention here that income estimation from POL activity is done with reference to overall POL traffic handled at the port's berth. Whereas, for determining the special dredging rate for

POL, the relevant POL traffic of COT, STB and NTB are considered in line with the proposal of COPT. In the light of the above analysis, the POL traffic of COT, NTB and STB considered to arrive at the special per tonne dredging levy is 3.97 million tonnes for the year 2013-14 and 4.20 million tonnes for the year 2014-15. Considering that the special dredging levy approved is made effective from 1 November 2013 for the reasons explained in the subsequent paragraph, the POL traffic for COT, NTB and STB for the year 2013-14 is considered proportionately for five months of 2013-14 i.e. from November 2013 to March 2014.

(xv). (a). The COPT has computed increment in the wharfage rate for POL year-wise i.e. by ₹45.90 per tonne for the year 2012-13, ₹52.60 per tonne for the year 2013-14 and ₹84.78 per tonne for the year 2014-15. Accordingly, the revised wharfage rate for POL proposed by the COPT is ₹110.91 per tonne for the year 2012-13, ₹117.60 per tonne for the year 2013-14 and ₹149.78 per tonne for the year 2014-15. As already stated earlier, the special per tonne dredging levy for POL is arrived based on the cost position for the years 2013-14 and 2014-15. In our exercise, consolidated net deficit position in the POL activity for the years 2013-14 and 2014-15 is considered instead of computing year-wise differential rate. As stated earlier, the total net surplus from the SPM activity estimated at ₹5649.10 lakhs for the two years 2013-14 and 2014-15 is adjusted against the total net deficit estimated in the POL activity for the two years 2013-14 and 2014-15 in line with the approach followed by the port.

In short, the net deficit of ₹2213.81 lakhs in the POL activity for the two years 2013-14 and 2014-15 after setting off of the surplus in the SPM is spread over traffic of 5.85 million tonnes of POL product from 1 November 2013 to 31 March 2015 and the per tonne rate so derived comes to ₹37.84 per tonne, which is rounded off to ₹38/- per tonne.

(b). The existing SOR of the port prescribes wharfage rate of ₹65 per tonne for Crude handled at port berths as well as for POL Products handled at the port berths. The port has proposed to revise the existing wharfage rate of ₹65 per tonne for POL. It is ascertained from the port that the revision proposed for POL pertains to POL products as well as crude handled at COT, NTB and STB. That being so, the special dredging rate approved will apply to both Crude and POL products handled at port berths viz. COT, NTB and STB.

(c). As stated earlier, the port has proposed to revise the existing wharfage rate of POL from ₹65 per tonne to ₹110.91 per tonne, ₹117.60 per tonne and ₹149.78 per tonne for the years 2012-13 to 2014-15. Recognising that the incremental rate is to be applied to the POL handled at specific berths viz. COT, NTB and STB and not extended to POL handled at SCB and other berths and also recognizing that the approval accorded is for specific purpose to enable the port to recover the deficit in the POL activity arising mainly on account of increased maintenance dredging cost and also recognizing that both BPCL and COPT admit that it is an interim tariff arrangement till the POL traffic at COT will reach the break even point in the year 2015-16, it is found appropriate to approve the special per tonne dredging levy on POL handled at COT, NTB and STB instead of merging it with the existing POL wharfage rate of ₹65 per tonne. The existing wharfage rate of ₹65 per tonne for POL products and crude handled at port berths will continue as prescribed in the existing Scale of Rates.

In addition to the existing wharfage rate of ₹65 per tonne, a special dredging levy for POL and crude handled at port berth viz. COT, NTB and STB is approved at ₹38/- per tonne. The working for arriving at the special per tonne dredging levy from POL and crude at Port berth is furnished as part of Annex - I(f). A summary of the working as furnished by the COPT and modified working considered in our analysis is tabulated below:

Sr. No.	Particulars	Revised Estimates furnished by Port vide its letter dated 09.09.2013			Estimates considered for the current proposal		
		2012-13	**2013-14**	**2014-15**	**2012-13**	**2013-14**	**2014-15**
1	POL Traffic (MMT) considered to arrive at the rate	**3.39**	**3.50**	**3.50**	**3.39**	**3.97**	**4.20**
2	Net Deficit in the POL activity	**-3931.34**	**-4215.83**	**-5342.34**	**-3589.65**	**-3812.43**	**-4050.48**
3	Net Surplus in the SPM Activity	2375.00	2375.00	2375.00	2515.00	2720.00	2929.10
4	Net Revenue Deficit in POL after setting off Net Surplus in SPM activity (2-3)	-1556.34	-1840.83	-2967.34	-1074.65	-1092.43	-1121.38
5	POL traffic (In our analysis, POL traffic for the 2013-14 is considered from November 2013 onwards on pro-rata basis plus traffic for the year 2014-15)	3.39	3.50	3.50		5.85	
6	Additional Wharfage (₹ per tonne) arrived by the COPT. (In our analysis separate rate in the nomenclature of special per tonne dredging levy from POL products and crude handled at port berths viz. COT, NTB and STB is prescribed instead of merging it with the existing Wharfage rate)	45.91	52.60	84.78		**37.84 (Rounded off to ₹38.00 per tonne)**	
7	Revised Wharfage for POL proposed by COPT after adding the additional wharfage rate at Sr. No.6 above	**110.91**	**117.60**	**149.78**		Existing wharfage for POL to continue as per SOR. In addition to that ₹38.00 per tonne is prescribed as special dredging levy at COT, NTB and STB	

(xvi). The cost incurred by the port towards maintaining draft at the berth is a vessel related service and is captured in vessel related activities as per the format prescribed as stated earlier. In the instant case, however, in view of the submission made by the port that the increased draft at the berth is maintained at the request of the POL users and the oil PSUs agree to bear the burden on this account except for the dispute on the quantum of the tariff, the maintenance dredging cost is identified with cargo handling activity (POL) for limited purpose of enabling the COPT to realize the maintenance dredging cost from the cargo interest since the cargo interest is also agreeable to this arrangement. As a measure of abundant precaution, it is clarified that this should not be quoted as a precedence by any other Major Port Trust for apportioning the maintenance dredging cost to the cargo handling activity. The COPT has proposed to recover the incremental tariff from POL cargo users availing the benefit of increased draft at COT. In view of this and recognising that the oil users also agree to the same, this Authority is inclined to concur with the proposal of the COPT for recovery from POL users handling POL products and crude at port berths viz. COT, NTB and STB.

During the processing of the case, some of the oil users had requested the COPT to restore the draft of 12.5 mtrs. at COT immediately and ensure to maintain the draft at 12.5 mtrs. The COPT has agreed to restore the draft at 12.5 mtrs. immediately and to maintain it at that level. The approval accorded to the special per tonne dredging levy of ₹38/- per tone is subject to the condition that the COPT immediately restores the draft at 12.5 mtrs. at COT and maintains it at that level.

(xvii). The COPT has stated that the Oil PSUs are not committing any assured volume to the port through tanker berths. Hence, the incremental revenue projected through additional wharfage rate may not be achieved in the event of further reduction in the volume of POL brought by the users. Considering this position, the COPT has requested this Authority to issue appropriate direction to Oil PSUs to compensate the port adequately in the event of shortfall, if any, in handling of POL products vis-à-vis the projections. In this context, it is clarified that the mandate of this Authority is to determine the tariff for services provided by Major Port Trust and Private Terminal operating thereat following cost plus approach as per the 2005 tariff guidelines in the case of Major Port Trusts. This Authority does not have mandate to issue direction to users to compensate the port adequately in the event of shortfall in the revenue of the port.

(xviii). (a). As per clause 3.2.8. the rates approved by this Authority come into effect 30 days after the date of notification of the Order in the Gazette of India. In exceptional cases, retrospective revision of rates can be allowed for reasons to be recorded.

Lead time is given to enable the port trusts to update their billing system to implement the revised tariff and to give advance intimation to all the stakeholders. In the instant case, the purpose of levy is to enable the COPT to recover the maintenance dredging cost being incurred at the request of oil users. The concerned users are also in agreement to bear the cost of maintenance dredging. In view of this and considering the deficit position of the year 2012-13, it is appropriate that the rate comes into force with immediate effect i.e. from 1 November 2013. As stated earlier, for the purpose of arriving at the special rate, the POL traffic of the year 2013-14 is considered from 1 November 2013. It is relevant to mention here that though the approval is accorded from 1 November 2013, the entire net deficit in the POL activity from 1 April 2013 to 31 October 2013 is captured while arriving at the special rate of ₹38/- per tonne.

(b). The tariff guidelines stipulate a tariff validity cycle of 3 years. The cost position considered in this analysis is till March 2015. Further, it is appropriate to review this tariff item along with the review of other tariff items prescribed in its Scale of Rates. That being so, the validity of the special dredging levy for POL charge is prescribed till 31 March 2015 to make it co-terminus with the validity of its Scale of Rates of the COPT approved by this Authority in the tariff Order of 1 April 2013.

15.1. In the result and for the reasons given above, and based on collective application of mind, this Authority approves special per tonne dredging levy of ₹38 per tonne for POL products and Crude handled at port berths viz. COT, NTB and STB subject to the condition that the COPT immediately restores the draft at 12.5 mtrs. at COT and maintains it at that level and this Authority approves insertion of the following Schedule 3.2.5. under Chapter – III Cargo Related Charges:

"**3.2.5. Special per tonne dredging levy for POL products and Crude handled at COT, NTB and STB**

(in ₹)

Sr. No.	Particulars	Unit	Coastal	Foreign
1.	Special per tonne dredging levy for POL products and Crude handled at port berths viz. COT, NTB and STB	Per tonne	38.00	38.00

"

15.2. The rate approved will come into effect from 1 November 2013 and will remain valid till 31 March 2015 co-terminus with the validity of its Scale of Rates of the COPT approved by this Authority in the tariff Order of 1 April 2013.

(T.S. Balasubramanian)
Member (Finance)

Annex-I (a)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Consolidated Income & Cost statement for the port as a whole

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Traffic (in Million Tonnes) *	**17.43**	**19.44**	**21.09**	**15.23**	**18.94**	**20.59**	**17.43**	**19.44**	**21.09**
I	**Operating Income**									
	(i) Cargo Handling / Container Handling income	12912.77	14886.38	16855.01	9246.70	13488.38	14992.07	12480.57	14197.38	16060.60
	(ii) Vessel related income	20399.69	24155.87	27480.74	12425.59	16863.48	18899.44	19542.98	22733.42	25860.88
	(iii) Estate Income	4686.01	4776.32	4866.64	4743.63	4776.32	4866.64	4686.01	4776.32	4866.64
	Total	**37998.47**	**43818.58**	**49202.39**	**26415.91**	**35128.19**	**38758.15**	**36709.56**	**41707.12**	**46788.11**
II	**Operating cost (excl depn)**									
	(i) Cargo Handling & storage	5898.42	5921.21	5933.17	10716.39	10965.78	12056.85	10531.42	10855.36	11188.04
	(ii) Port and dock facilities	16170.48	15126.98	14951.80	12643.19	14666.77	15871.86	11845.41	10856.26	10504.51
	(iii) Estate Activity	3695.11	3808.35	3924.63	4168.28	3862.71	4113.79	3695.11	3808.35	3924.63
	Total	**25764.02**	**24856.55**	**24809.60**	**27527.86**	**29495.26**	**32042.50**	**26071.95**	**25519.97**	**25617.18**
III	Depreciation	1905.34	1905.02	1773.01	1983.06	2192.52	2706.24	1905.34	1905.02	1773.01
IV	Management & General Administration Overheads	4846.79	5161.83	5497.35	4556.50	5139.30	5474.30	4846.79	5161.83	5497.35
V	**Operating Surplus / (Deficit) (I)-(II)-(III)-(IV)**	**5482.32**	**11895.18**	**17122.43**	**-7651.51**	**-1698.89**	**-1464.89**	**3885.49**	**9120.30**	**13900.57**
VI	**Finance & Misc Income (FMI)**									
	(i) Profit on sale of assets	0.00	0.00	0.00	1061.87	0.00	0.00	0.00	0.00	0.00
	(ii) Others with details	2117.00	2244.02	2378.66	1042.29	2262.61	2409.68	2117.00	2244.02	2378.66
	Total	**2117.00**	**2244.02**	**2378.66**	**2104.16**	**2262.61**	**2409.68**	**2117.00**	**2244.02**	**2378.66**
VII	**Finance & Misc Expenses (FME)**									
	(i) Pension payment / contribution	12248.26	13382.48	14601.96	11619.99	12576.45	13331.04	12248.26	13382.48	14601.96
	(ii) Loss on sale of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Others with details	148.89	158.57	168.88	807.52	264.43	346.38	148.89	158.57	168.88
	Total	**12397.15**	**13541.05**	**14770.84**	**12427.52**	**12840.89**	**13677.42**	**12397.15**	**13541.05**	**14770.84**
VIII	**FMI Less FME (VI) - (VII)**	-10280.16	-11297.03	-12392.18	-10323.36	-10578.28	-11267.74	-10280.16	-11297.03	-12392.18
IX	**Surplus / (deficit) (V) + (VIII)**	**-4797.83**	**598.15**	**4730.25**	**-17974.87**	**-12277.17**	**-12732.63**	**-6394.67**	**-2176.73**	**1508.39**
X	**Capital Employed**									
	(i). Business Assets	30022.69	28161.69	26432.70	25876.75	21577.51	40508.80	30022.69	28161.69	26432.70
	(ii). Business Related Assets	1908.96	1865.13	1821.31	0.00	0.00	0.00	1908.96	1865.13	1821.31
	(iii). Social Obligation Assets	11.22	11.02	10.82	0.00	0.00	0.00	11.22	11.02	10.82
	Total	**31942.86**	**30037.84**	**28264.83**	**25876.75**	**21577.51**	**40508.80**	**31942.86**	**30037.84**	**28264.83**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	4803.63	4505.87	4229.23	4140.35	3452.40	6481.41	4803.63	4505.87	4229.23
	(ii). Business Related Assets (6.50%)	124.08	121.23	118.39	0.00	0.00	0.00	124.08	121.23	118.39
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**4927.71**	**4627.10**	**4347.62**	**4140.35**	**3452.40**	**6481.41**	**4927.71**	**4627.10**	**4347.62**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for capacity utilization**	**2718.92**	**2524.54**	**2536.84**	**4140.35**	**3452.50**	**6481.27**	**2718.92**	**2524.54**	**2536.84**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-7516.76**	**-1926.39**	**2193.41**	**-22115.22**	**-15729.67**	**-19213.90**	**-9113.60**	**-4701.27**	**-1028.45**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I in %)**	**-19.78%**	**-4.40%**	**4.46%**	**-83.72%**	**-44.78%**	**-49.57%**	**-24.83%**	**-11.27%**	**-2.20%**

Annex-I (b)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
I	**Operating Income**									
	(i) General Cargo & coal	2597.66	3073.61	3526.62	1149.24	3073.61	3526.62	2597.66	3073.61	3526.62
	(ii) POL at Docks	2995.20	3328.00	3583.84	2200.00	2275.00	2275.00	2496.00	2639.00	2789.42
	(iii) Port specific cargo (Fertiliser)	452.12	452.12	466.99	452.12	452.12	466.99	452.12	452.12	466.99
	(iv) Others									
	i. Wharfage on POL - SPM	2448.00	2720.00	2929.10	2375.00	2375.00	2375.00	2515.00	2720.00	2929.10
	ii. Stuffing & De-stuffing	156.32	164.14	172.34	396.83	164.14	172.34	156.32	164.14	172.34
	iii. F C Periyar - Floating Crane	11.90	12.49	13.12	1.93	12.49	13.12	11.90	12.49	13.12
	(v) 50% of Revenue Share from IGTPL	4251.58	5136.03	6163.00	2671.57	5136.03	6163.00	4251.58	5136.03	6163.00
	Total - I	**12912.77**	**14886.38**	**16855.01**	**9246.70**	**13488.38**	**14992.07**	**12480.57**	**14197.38**	**16060.60**
II	**Operating Expenses**									
	(i) Handling and Storage of general cargo	4564.31	4575.45	4577.57	4703.65	4671.61	4975.26	4564.31	4575.45	4577.57
	(ii) Handling of POL at Docks	640.06	645.96	651.02	5231.61	5577.52	6318.36	5273.06	5580.10	5905.88
	(iii) Port Specific Cargo - Fertiliser	188.38	197.80	207.73	264.61	199.01	211.93	188.38	197.80	207.73
	(iv) Others									
	i. Wharfage on POL - SPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	ii. Stuffing & De-stuffing	466.61	463.07	458.16	479.49	477.57	508.61	466.61	463.07	458.16
	iii. F C Periyar - Floating Crane	39.07	38.94	38.70	37.03	40.07	42.69	39.07	38.94	38.70
	Total - II	**5898.42**	**5921.21**	**5933.17**	**10716.39**	**10965.78**	**12056.85**	**10531.42**	**10855.36**	**11188.04**
III	Depreciation	226.64	226.64	226.64	637.66	288.49	678.45	226.64	226.64	226.64
IV	Allocated share of Mgt. & Genl. Admn. overheads	1760.98	1875.44	1997.34	1638.97	1852.91	1974.30	1760.98	1875.44	1997.34
V	**Operating Surplus/(deficit) (I)-(II)-(III)-(IV)**	**5026.74**	**6863.09**	**8697.86**	**-3746.33**	**381.20**	**282.47**	**-38.46**	**1239.95**	**2648.57**
VI	Allocated share of FMI	696.38	761.09	796.24	755.39	760.67	810.11	696.38	761.09	796.24
VII	Allocated share of FME	4077.99	4592.63	4944.43	4461.44	4302.85	4584.41	4077.99	4592.63	4944.43
VIII	**FMI Less FME (VI) - (VII)**	-3381.61	-3831.54	-4148.19	-3706.06	-3542.18	-3774.30	-3381.61	-3831.54	-4148.19
IX	**Surplus / (deficit) (V) + (VIII)**	**1645.12**	**3031.55**	**4549.67**	**-7452.38**	**-3160.98**	**-3491.83**	**-3420.08**	**-2591.59**	**-1499.61**
X	**Capital Employed for the activity**									
	(i). Business Assets	7517.35	7334.73	7152.11	6523.79	5439.91	10212.68	7517.35	7334.73	7152.11
	(ii). Business Related Assets	793.96	750.14	706.32	0.00	0.00	0.00	793.96	750.14	706.32
	(iii). Social Obligation Assets	11.22	11.02	10.82	0.00	0.00	0.00	11.22	11.02	10.82
	Total	**8322.53**	**8095.89**	**7869.25**	**6523.79**	**5439.91**	**10212.68**	**8322.53**	**8095.89**	**7869.25**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	1202.78	1173.56	1144.34	1043.88	870.49	1633.89	1202.78	1173.56	1144.34
	(ii). Business Related Assets (6.50%)	51.61	48.76	45.91	0.00	0.00	0.00	51.61	48.76	45.91
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**1254.38**	**1222.32**	**1190.25**	**1043.88**	**870.49**	**1633.89**	**1254.38**	**1222.32**	**1190.25**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	677.60	655.84	688.12	1043.88	870.49	1633.89	677.60	655.84	688.12
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**967.52**	**2375.71**	**3861.55**	**-8496.26**	**-4031.46**	**-5125.72**	**-4097.68**	**-3247.43**	**-2187.73**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**7.49%**	**15.96%**	**22.91%**	**-91.88%**	**-29.89%**	**-34.19%**	**-32.83%**	**-22.87%**	**-13.62%**

Annex-I(c)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for vessel related activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
I	**Operating Income**									
	(i). Port Dues	4597.81	5452.91	6209.65	2565.74	3706.91	4221.99	4367.92	5071.21	5774.98
	(ii). Pilotage	8129.25	9641.13	10979.10	4819.67	7879.43	8974.30	7722.79	8966.25	10210.56
	(iii). Berth Hire	4407.15	5226.79	5952.15	1948.81	2840.04	3266.04	4186.79	4860.91	5535.50
	(iv). Dry Docking	30.00	30.00	30.00	10.58	30.00	30.00	30.00	30.00	30.00
	(v). Nehru Sathabdi	0.00	0.00	0.00	431.42	0.00	0.00	0.00	0.00	0.00
	(vi). Water Supply To Ships Through Barges	74.60	78.33	82.25	21.11	71.05	71.05	74.60	78.33	82.25
	(vii). Water Supply To Ships Through Shore	15.57	16.35	17.16	13.08	14.83	14.83	15.57	16.35	17.16
	(viii).SPM - Pilotage & Tug Charges for pull back ops.	3038.31	3603.37	4103.43	2615.18	2214.23	2214.23	3038.31	3603.37	4103.43
	(ix). Security Charges for Cruise & Defense Vessels	107.00	107.00	107.00		107.00	107.00	107.00	107.00	107.00
	Total - I	**20399.69**	**24155.87**	**27480.74**	**12425.59**	**16863.48**	**18899.44**	**19542.98**	**22733.42**	**25860.88**
II	**Operating Expenses**									
	(i). Port Dues	3043.89	2908.00	2812.42	2219.71	2366.75	2615.72	1602.20	1484.43	1329.99
	(ii). Pilotage	6362.24	6244.53	6161.58	4472.67	6162.70	6692.78	4920.55	4820.96	4679.15
	(iii). Berth Hire	3480.17	3338.78	3236.18	2584.82	2812.03	3089.94	2038.48	1915.20	1753.75
	(iv). Dry Docking	32.95	32.89	32.75	56.13	33.83	36.03	32.95	32.89	32.75
	(v). Nehru Sathabdi	1938.46	1210.19	1231.44	1879.76	2028.71	2156.60	1938.46	1210.19	1231.44
	(vi). Water Supply To Ships Through Barges	40.92	40.95	40.89	69.03	42.07	44.81	40.92	40.95	40.89
	(vii). Water Supply To Ships Through Shore	49.10	49.42	49.66	43.62	50.65	53.94	49.10	49.42	49.66
	(viii).SPM - Pilotage & Tug Charges for pull back operation	1222.76	1302.24	1386.88	1317.46	1170.02	1182.04	1222.76	1302.24	1386.88
	Total - II	**16170.48**	**15126.98**	**14951.80**	**12643.19**	**14666.77**	**15871.86**	**11845.41**	**10856.26**	**10504.51**
III	Depreciation	1381.71	1381.39	1249.38	766.38	1567.18	1669.04	1381.71	1381.39	1249.38
IV	Allocated share of Mgt. & Genl. Admn. overheads	1900.71	2024.25	2155.83	1797.24	2024.25	2155.83	1900.71	2024.25	2155.83
V	**Operating Surplus/(deficit) (I)-(II)-(III)-(IV)**	**946.79**	**5623.25**	**9123.73**	**-2781.22**	**-1394.71**	**-797.29**	**4415.15**	**8471.51**	**11951.15**
VI	Allocated share of FMI	984.37	993.42	1055.73	830.86	987.82	1052.03	984.37	993.42	1055.73
VII	Allocated share of FME	5764.47	5994.57	6555.82	4907.22	5603.49	5967.72	5764.47	5994.57	6555.82
VIII	**FMI Less FME (VI) - (VII)**	-4780.10	-5001.15	-5500.09	-4076.36	-4615.67	-4915.69	-4780.10	-5001.15	-5500.09
IX	**Surplus / (deficit) (V) + (VIII)**	**-3833.32**	**622.10**	**3623.64**	**-6857.58**	**-6010.38**	**-5712.97**	**-364.96**	**3470.36**	**6451.07**
X	**Capital Employed for the activity**									
	(i). Business Assets	21270.50	19889.11	18639.73	17209.16	14349.98	26940.10	21270.50	19889.11	18639.73
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**21270.50**	**19889.11**	**18639.73**	**17209.16**	**14349.98**	**26940.10**	**21270.50**	**19889.11**	**18639.73**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	3403.28	3182.26	2982.36	2753.46	2296.00	4310.42	3403.28	3182.26	2982.36
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**3403.28**	**3182.26**	**2982.36**	**2753.46**	**2296.00**	**4310.42**	**3403.28**	**3182.26**	**2982.36**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	1771.27	1646.17	1673.71	2753.46	2296.00	4310.42	1771.27	1646.17	1673.71
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-5604.59**	**-1024.07**	**1949.93**	**-9611.04**	**-8306.38**	**-10023.39**	**-2136.23**	**1824.19**	**4777.36**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-27.47%**	**-4.24%**	**7.10%**	**-77.35%**	**-49.26%**	**-53.04%**	**-10.93%**	**8.02%**	**18.47%**

Annex-I(d)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for Estate Activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
I	**Operating Income**									
i	Rent From Land	2999.35	3058.16	3116.97	3336.76	3058.16	3116.97	2999.35	3058.16	3116.97
ii	License Fee Within Wharf Area	317.40	323.63	329.85	236.82	323.63	329.85	317.40	323.63	329.85
iii	License fee from Bldg, Sheds, Others	1053.42	1074.07	1094.73	838.17	1074.07	1094.73	1053.42	1074.07	1094.73
iv	License fee from unks, Hawkings, Hoardings, Qrtrs etc.	26.40	26.92	27.44	60.66	26.92	27.44	26.40	26.92	27.44
v	Electricity Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
vi	Water Charges	80.10	80.10	80.10	73.63	80.10	80.10	80.10	80.10	80.10
vii	Toll Collection	209.34	213.45	217.55	197.60	213.45	217.55	209.34	213.45	217.55
viii	Licence Fee From IGTPL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - I	**4686.01**	**4776.32**	**4866.64**	**4743.63**	**4776.32**	**4866.64**	**4686.01**	**4776.32**	**4866.64**
II	**Direct Expenses**									
	(i) Salary & wages	1662.94	1644.09	1619.68	1806.15	1698.45	1808.85	1662.94	1644.09	1619.68
	(ii) Power	1475.77	1571.69	1673.85	1922.98	1571.69	1673.85	1475.77	1571.69	1673.85
	(iii) Fuel	6.42	6.84	7.28	5.84	6.84	7.28	6.42	6.84	7.28
	(iv) Repairs and maintenance	28.19	30.02	31.97	64.36	30.02	31.97	28.19	30.02	31.97
	(v) Others	521.80	555.72	591.84	368.94	555.72	591.84	521.80	555.72	591.84
	Total - II	**3695.11**	**3808.35**	**3924.63**	**4168.28**	**3862.71**	**4113.79**	**3695.11**	**3808.35**	**3924.63**
III	Depreciation	296.99	296.99	296.99	579.02	336.86	358.75	296.99	296.99	296.99
IV	Allocated share of Mgt. & Genl. Admn. overheads	1185.10	1262.14	1344.17	1120.29	1262.14	1344.17	1185.10	1262.14	1344.17
V	**Operating Surplus/(deficit) (I)-(II)-(III)-(IV)**	**-491.20**	**-591.16**	**-699.16**	**-1123.96**	**-685.38**	**-950.08**	**-491.20**	**-591.16**	**-699.16**
VI	Allocated share of FMI	436.25	489.51	526.69	517.91	514.12	547.54	436.25	489.51	526.69
VII	Allocated share of FME	2554.69	2953.85	3270.60	3058.85	2934.55	3125.29	2554.69	2953.85	3270.60
VIII	**FMI Less FME (VI) - (VII)**	-2118.44	-2464.34	-2743.91	-2540.95	-2420.43	-2577.75	-2118.44	-2464.34	-2743.91
IX	**Surplus / (deficit) (V) + (VIII)**	**-2609.63**	**-3055.50**	**-3443.06**	**-3664.91**	**-3105.81**	**-3527.83**	**-2609.63**	**-3055.50**	**-3443.06**
X	**Capital Employed for the activity**									
	(i). Business Assets	1234.84	937.85	640.86	2143.80	1787.62	3356.01	1234.84	937.85	640.86
	(ii). Business Related Assets (6.50%)	1114.99	1114.99	1114.99	0.00	0.00	0.00	1114.99	1114.99	1114.99
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**2349.84**	**2052.84**	**1755.85**	**2143.80**	**1787.62**	**3356.01**	**2349.84**	**2052.84**	**1755.85**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	197.57	150.06	102.54	343.01	286.02	536.96	197.57	150.06	102.54
	(ii). Business Related Assets (7.40%)	72.47	72.47	72.47	0.00	0.00	0.00	72.47	72.47	72.47
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**270.05**	**222.53**	**175.01**	**343.01**	**286.02**	**536.96**	**270.05**	**222.53**	**175.01**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for capacity utilization**	270.05	222.53	175.01	343.01	286.02	536.96	270.05	222.53	175.01
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-2879.68**	**-3278.03**	**-3618.08**	**-4007.91**	**-3391.83**	**-4064.80**	**-2879.68**	**-3278.03**	**-3618.08**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-61.45%**	**-68.63%**	**-74.34%**	**-84.49%**	**-71.01%**	**-83.52%**	**-61.45%**	**-68.63%**	**-74.34%**

Annex-I (e)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Coal & other cargo' under cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	COAL & OTHER CARGO									
I	Operating Income	**2597.66**	**3073.61**	**3526.62**	**1149.24**	**3073.61**	**3526.62**	**2597.66**	**3073.61**	**3526.62**
II	**Operating Expenses**									
	(i) Salary & wages	3740.66	3698.26	3643.36	3427.58	3820.54	4068.87	3740.66	3698.26	3643.36
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	13.67	14.55	15.50	11.24	14.55	15.50	13.67	14.55	15.50
	(iv) Repairs and maintenance	35.16	37.45	39.88	13.25	11.33	12.06	35.16	37.45	39.88
	(v) Others	774.82	825.19	878.83	1251.57	825.19	878.83	774.82	825.19	878.83
	Total	**4564.31**	**4575.45**	**4577.57**	**4703.65**	**4671.61**	**4975.26**	**4564.31**	**4575.45**	**4577.57**
III	Depreciation	160.29	160.29	160.29	489.44	181.81	457.72	160.29	160.29	160.29
IV	Allocated share of Mgt. & Genl. Admn. overheads	1362.79	1451.37	1545.71	1244.80	1443.33	1537.15	1362.79	1451.37	1545.71
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-3489.74**	**-3113.51**	**-2756.95**	**-5288.65**	**-3223.14**	**-3443.51**	**-3489.74**	**-3113.51**	**-2756.95**
VI	Allocated share of FMI	538.87	588.11	614.31	572.76	587.93	626.15	538.87	588.11	614.31
VII	Allocated share of FME	3155.63	3548.83	3814.73	3452.40	3335.09	3551.87	3155.63	3548.83	3814.73
VIII	FMI Less FME (VI) - (VII)	-2616.76	-2960.72	-3200.41	-2879.64	-2747.16	-2925.72	-2616.76	-2960.72	-3200.41
IX	**Surplus / (deficit) (V) + (VIII)**	**-6106.50**	**-6074.23**	**-5957.36**	**-8168.29**	**-5970.30**	**-6369.23**	**-6106.50**	**-6074.23**	**-5957.36**
X	**Capital Employed for the activity**									
	(i). Business Assets	4862.66	4732.13	4601.52	4230.42	3527.57	6622.52	4862.66	4732.13	4601.52
	(ii). Business Related Assets	513.58	483.97	454.43	0.00	0.00	0.00	513.58	483.97	454.43
	(iii). Social Obligation Assets	7.25	7.11	6.96	0.00	0.00	0.00	7.25	7.11	6.96
	Total	**5383.50**	**5223.21**	**5062.91**	**4230.42**	**3527.57**	**6622.52**	**5383.50**	**5223.21**	**5062.91**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	778.03	757.14	736.24	676.87	564.41	1059.60	778.03	757.14	736.24
	(ii). Business Related Assets (6.50%)	33.38	31.46	29.54	0.00	0.00	0.00	33.38	31.46	29.54
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**811.41**	**788.60**	**765.78**	**676.87**	**564.41**	**1059.60**	**811.41**	**788.60**	**765.78**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	438.31	423.12	442.72	676.87	564.41	1059.60	438.31	423.12	442.72
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-6544.81**	**-6497.35**	**-6400.08**	**-8845.16**	**-6534.71**	**-7428.84**	**-6544.81**	**-6497.35**	**-6400.08**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-251.95%	-211.39%	-181.48%	-769.65%	-212.61%	-210.65%	-251.95%	-211.39%	-181.48%

Annex-I(f)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for sub-activity 'POL' under cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	POL Traffic	4.61	5.12	5.51	3.39	3.50	3.50	3.84	4.06	4.29
I	Operating Income	**2995.20**	**3328.00**	**3583.84**	**2200.00**	**2275.00**	**2275.00**	**2496.00**	**2639.00**	**2789.42**
II	**Operating Expenses**									
	(i) Salary & wages	467.80	462.49	455.63	443.56	477.78	508.84	467.80	462.49	455.63
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	1.28	1.36	1.45	1.21	1.36	1.45	1.28	1.36	1.45
	(iv) Repairs and maintenance	6.70	7.13	7.59	1.42	7.13	7.59	6.70	7.13	7.59
	(v) Dredging	0.00	0.00	0.00	4633.00	4937.00	5633.00	4633.00	4934.15	5254.86
	(vi) Others	164.29	174.97	186.34	152.43	154.25	167.48	164.29	174.97	186.34
	Total	**640.06**	**645.96**	**651.02**	**5231.61**	**5577.52**	**6318.36**	**5273.06**	**5580.10**	**5905.88**
III	Depreciation	45.24	45.24	45.24	45.23	82.73	195.23	45.24	45.24	45.24
IV	Allocated share of Mgt. & Genl. Admn. overheads	191.09	203.51	216.74	184.42	189.02	202.25	191.09	203.51	216.74
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**2118.81**	**2433.30**	**2670.85**	**-3261.26**	**-3574.27**	**-4440.84**	**-3013.39**	**-3189.85**	**-3378.43**
VI	Allocated share of FMI	75.57	83.03	87.37	85.66	82.90	88.29	75.57	83.03	87.37
VII	Allocated share of FME	442.52	501.02	542.53	436.33	458.12	489.77	442.52	501.02	542.53
VIII	FMI Less FME (VI) - (VII)	-366.95	-417.99	-455.16	-350.67	-375.22	-401.48	-366.95	-417.99	-455.16
IX	**Surplus / (deficit) (V) + (VIII)**	**1751.86**	**2015.31**	**2215.69**	**-3611.93**	**-3949.49**	**-4842.32**	**-3380.34**	**-3607.84**	**-3833.59**
X	**Capital Employed for the activity**									
	(i). Business Assets	2322.11	2288.14	2254.31	1996.29	1664.62	3125.10	2322.11	2288.14	2254.31
	(ii). Business Related Assets	245.25	234.01	222.63	0.00	0.00	0.00	245.25	234.01	222.63
	(iii). Social Obligation Assets	3.46	3.44	3.41	0.00	0.00	0.00	3.46	3.44	3.41
	Total	**2570.83**	**2525.59**	**2480.35**	**1996.29**	**1664.62**	**3125.10**	**2570.83**	**2525.59**	**2480.35**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	371.54	366.10	360.69	319.41	266.34	500.02	371.54	366.10	360.69
	(ii). Business Related Assets (6.50%)	15.94	15.21	14.47	0.00	0.00	0.00	15.94	15.21	14.47
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**387.48**	**381.31**	**375.16**	**319.41**	**266.34**	**500.02**	**387.48**	**381.31**	**375.16**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	209.31	204.59	216.89	319.41	266.34	500.02	209.31	204.59	216.89
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**1542.55**	**1810.71**	**1998.80**	**-3931.34**	**-4215.83**	**-5342.34**	**-3589.65**	**-3812.43**	**-4050.48**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	51.50%	54.41%	55.77%	-178.70%	-185.31%	-234.83%	-143.82%	-144.46%	-145.21%

	Summary - Calculation of additional wharfage for POL	**Rs. in lakhs**					
Sr. No.	**Particulars**	**Revised Estimates furnished by Port vide letter dtd 09.09.2013**			**Modified Estimates considered by TAMP**		
		2012-13	**2013-14**	**2014-15**	**2012-13**	**2013-14**	**2014-15**
1	**Cargo Traffic (MMT) considered to arrive at the rate**	**3.39**	**3.50**	**3.50**	**3.39**	**3.97**	**4.20**
2	**Net Deficit in the POL activity**	**-3931.34**	**-4215.83**	**-5342.34**	**-3589.65**	**-3812.43**	**-4050.48**
3	**Net Surplus in the SPM Activity**	2375.00	2375.00	2375.00	2515.00	2720.00	2929.10
4	**Net Revenue Deficit in POL after setting off net Surlplus in SPM activity (2-3)**	-1556.34	-1840.83	-2967.34	-1074.65	-1092.43	-1121.38
5	**POL traffic (In our analysis considered traffic for the 2013-14 from November 2013 Onwards on prorata basis and for the year 2014-15)**	3.39	3.50	3.50		5.85	
6	**Additional Wharfage (Rs. per tonne) proposed by the COPT . (In our analysis seperate rate in the nomenclature of special per tonne dredging levy from POL products and Curde handled at port berths viz. COT, NTB and STB is prescribed instead of merging with the existing Wharfage rate)**	45.91	52.60	84.78		**37.84**	
7	**Revised Wharfage for POL proposed by COPT after adding the additional wharfage rate arrived at sr. no 6 abvoe**	**110.91**	**117.60**	**149.78**			

Annex-I(g)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Fertilisers' under cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	FERTILISERS									
I	Operating Income	**452.12**	**452.12**	**466.99**	**452.12**	**452.12**	**466.99**	**452.12**	**452.12**	**466.99**
II	**Operating Expenses**									
	(i) Salary & wages	37.01	36.59	36.04	34.54	37.80	40.25	37.01	36.59	36.04
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	1.05	1.12	1.19	1.21	1.12	1.19	1.05	1.12	1.19
	(iv) Repairs and maintenance	0.47	0.50	0.53	1.42	0.50	0.53	0.47	0.50	0.53
	(v) Others	149.85	159.59	169.96	227.44	159.59	169.96	149.85	159.59	169.96
	Total	**188.38**	**197.80**	**207.73**	**264.61**	**199.01**	**211.93**	**188.38**	**197.80**	**207.73**
III	Depreciation	4.17	4.17	4.17	27.66	4.73	5.04	4.17	4.17	4.17
IV	Allocated share of Mgt. & Genl. Admn. overheads	57.51	61.25	65.23	70.65	61.25	65.23	57.51	61.25	65.23
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**202.07**	**188.91**	**189.87**	**89.21**	**187.13**	**184.79**	**202.07**	**188.91**	**189.87**
VI	Allocated share of FMI	22.24	25.42	27.88	32.66	24.95	26.57	22.24	25.42	27.88
VII	Allocated share of FME	130.24	153.41	173.11	192.90	141.52	150.72	130.24	153.41	173.11
VIII	FMI Less FME (VI) - (VII)	-108.00	-127.99	-145.24	-160.24	-116.57	-124.15	-108.00	-127.99	-145.24
IX	**Surplus / (deficit) (V) + (VIII)**	**94.07**	**60.92**	**44.63**	**-71.03**	**70.56**	**60.64**	**94.07**	**60.92**	**44.63**
X	**Capital Employed for the activity**									
	(i). Business Assets	85.44	81.92	78.39	75.36	62.84	117.98	85.44	81.92	78.39
	(ii). Business Related Assets	9.02	8.38	7.74	0.00	0.00	0.00	9.02	8.38	7.74
	(iii). Social Obligation Assets	0.13	0.12	0.12	0.00	0.00	0.00	0.13	0.12	0.12
	Total	**94.59**	**90.42**	**86.25**	**75.36**	**62.84**	**117.98**	**94.59**	**90.42**	**86.25**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	13.67	13.11	12.54	12.06	10.05	18.88	13.67	13.11	12.54
	(ii). Business Related Assets (6.50%)	0.59	0.54	0.50	0.00	0.00	0.00	0.59	0.54	0.50
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**14.26**	**13.65**	**13.05**	**12.06**	**10.05**	**18.88**	**14.26**	**13.65**	**13.05**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	7.70	7.33	7.54	12.06	10.05	18.88	7.70	7.33	7.54
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**86.37**	**53.59**	**37.09**	**-83.09**	**60.51**	**41.77**	**86.37**	**53.59**	**37.09**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	19.10%	11.85%	7.94%	-18.38%	13.38%	8.94%	19.10%	11.85%	7.94%

Annex-I (h)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Wharfage at SPM' under cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	WHARFAGE ON SPM	9.79	10.88	11.72				10.06	10.88	11.72
I	Operating Income	**2448.00**	**2720.00**	**2929.10**	**2375.00**	**2375.00**	**2375.00**	**2515.00**	**2720.00**	**2929.10**
II	**Operating Expenses**									
	(i) Salary & wages	0.00	0.00	0.00				0.00	0.00	0.00
	(ii) Power									
	(iii) Fuel									
	(iv) Repairs and maintenance									
	(v) Others									
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
III	Depreciation									
IV	Allocated share of Mgt. & Genl. Admn. overheads									
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**2448.00**	**2720.00**	**2929.10**	**2375.00**	**2375.00**	**2375.00**	**2515.00**	**2720.00**	**2929.10**
VI	Allocated share of FMI									
VII	Allocated share of FME									
VIII	FMI Less FME (VI) - (VII)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IX	**Surplus / (deficit) (V) + (VIII)**	**2448.00**	**2720.00**	**2929.10**	**2375.00**	**2375.00**	**2375.00**	**2515.00**	**2720.00**	**2929.10**
X	**Capital Employed for the activity**									
	(i). Business Assets									
	(ii). Business Related Assets									
	(iii). Social Obligation Assets									
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)									
	(ii). Business Related Assets (6.50%)									
	(iii). Social Obligation Assets (No Return)									
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
XII	Capacity Utilization									
XIII	**RoCE adjusted for Capacity utilization**									
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**2448.00**	**2720.00**	**2929.10**	**2375.00**	**2375.00**	**2375.00**	**2515.00**	**2720.00**	**2929.10**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Annex-I (i)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for sub-activity 'F.C. Periyar' under cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	F C PERIYAR									
I	Operating Income	**11.90**	**12.49**	**13.12**	**1.93**	**12.49**	**13.12**	**11.90**	**12.49**	**13.12**
II	**Operating Expenses**									
	(i) Salary & wages	34.99	34.59	34.08	29.21	35.73	38.06	34.99	34.59	34.08
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	2.59	2.75	2.93	1.16	2.75	2.93	2.59	2.75	2.93
	(iv) Repairs and maintenance	0.00	0.00	0.00	6.66	0.00	0.00	0.00	0.00	0.00
	(v) Others	1.49	1.59	1.70	0.00	1.59	1.70	1.49	1.59	1.70
	Total	**39.07**	**38.94**	**38.70**	**37.03**	**40.07**	**42.69**	**39.07**	**38.94**	**38.70**
III	Depreciation	0.46	0.46	0.46	0.78	0.52	0.55	0.46	0.46	0.46
IV	Allocated share of Mgt. & Genl. Admn. overheads	11.58	12.33	13.14	9.97	12.33	13.14	11.58	12.33	13.14
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-39.21**	**-39.23**	**-39.18**	**-45.85**	**-40.43**	**-43.26**	**-39.21**	**-39.23**	**-39.18**
VI	Allocated share of FMI	4.61	5.00	5.19	4.61	5.02	5.35	4.61	5.00	5.19
VII	Allocated share of FME	27.01	30.20	32.25	27.23	28.50	30.35	27.01	30.20	32.25
VIII	FMI Less FME (VI) - (VII)	-22.40	-25.19	-27.06	-22.62	-23.48	-25.00	-22.40	-25.19	-27.06
IX	**Surplus / (deficit) (V) + (VIII)**	**-61.60**	**-64.43**	**-66.24**	**-68.47**	**-63.91**	**-68.26**	**-61.60**	**-64.43**	**-66.24**
X	**Capital Employed for the activity**									
	(i). Business Assets	1.76	1.36	0.95	2.28	2.16	2.03	1.76	1.36	0.95
	(ii). Business Related Assets	0.19	0.14	0.09	0.00	0.00	0.00	0.19	0.14	0.09
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**1.95**	**1.50**	**1.04**	**2.28**	**2.16**	**2.03**	**1.95**	**1.50**	**1.04**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	0.28	0.22	0.15	0.37	0.35	0.32	0.28	0.22	0.15
	(ii). Business Related Assets (6.50%)	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.01
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**0.29**	**0.23**	**0.16**	**0.37**	**0.35**	**0.32**	**0.29**	**0.23**	**0.16**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	0.16	0.12	0.09	0.37	0.35	0.32	0.16	0.12	0.09
XIV	**Net surplus / (Deficit) (X) - (XIII)**	**-61.76**	**-64.55**	**-66.33**	**-68.84**	**-64.25**	**-68.59**	**-61.76**	**-64.55**	**-66.33**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-519.14%	-516.72%	-505.70%	-3563.39%	-514.35%	-522.91%	-519.14%	-516.72%	-505.70%

Annex-I (j)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Stuffing & Destuffing' under cargo handling activity

(Rs. in lakhs)

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	STUFFING & DESTUFFING									
I	Operating Income	**156.32**	**164.14**	**172.34**	**396.83**	**164.14**	**172.34**	**156.32**	**164.14**	**172.34**
II	**Operating Expenses**									
	(i) Salary & wages	443.59	438.56	432.05	428.30	453.06	482.51	443.59	438.56	432.05
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	9.54	10.16	10.82	18.03	10.16	10.82	9.54	10.16	10.82
	(iv) Repairs and maintenance	1.47	1.57	1.67	28.17	1.57	1.67	1.47	1.57	1.67
	(v) Others	12.00	12.78	13.61	4.99	12.78	13.61	12.00	12.78	13.61
	Total	**466.61**	**463.07**	**458.16**	**479.49**	**477.57**	**508.61**	**466.61**	**463.07**	**458.16**
III	Depreciation	16.48	16.48	16.48	74.55	18.70	19.91	16.48	16.48	16.48
IV	Allocated share of Mgt. & Genl. Admn. overheads	138.01	146.98	156.53	129.13	146.98	156.53	138.01	146.98	156.53
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-464.78**	**-462.40**	**-458.83**	**-286.34**	**-479.11**	**-512.71**	**-464.78**	**-462.40**	**-458.83**
VI	Allocated share of FMI	55.09	59.52	61.49	59.70	59.87	63.76	55.09	59.52	61.49
VII	Allocated share of FME	322.60	359.17	381.81	352.58	339.62	361.70	322.60	359.17	381.81
VIII	FMI Less FME (VI) - (VII)	-267.51	-299.65	-320.32	-292.88	-279.75	-297.94	-267.51	-299.65	-320.32
IX	**Surplus / (deficit) (V) + (VIII)**	**-732.29**	**-762.05**	**-779.15**	**-579.22**	**-758.86**	**-810.65**	**-732.29**	**-762.05**	**-779.15**
X	**Capital Employed for the activity**									
	(i). Business Assets	245.37	231.18	216.94	219.87	183.34	344.20	245.37	231.18	216.94
	(ii). Business Related Assets	25.92	23.64	21.42	0.00	0.00	0.00	25.92	23.64	21.42
	(iii). Social Obligation Assets	0.37	0.35	0.33	0.00	0.00	0.00	0.37	0.35	0.33
	Total	**271.65**	**255.17**	**238.69**	**219.87**	**183.34**	**344.20**	**271.65**	**255.17**	**238.69**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	39.26	36.99	34.71	35.18	29.33	55.07	39.26	36.99	34.71
	(ii). Business Related Assets (6.50%)	1.68	1.54	1.39	0.00	0.00	0.00	1.68	1.54	1.39
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**40.94**	**38.53**	**36.10**	**35.18**	**29.33**	**55.07**	**40.94**	**38.53**	**36.10**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	22.12	20.67	20.87	35.18	29.33	55.07	22.12	20.67	20.87
XIV	**Net surplus / (Deficit) (X) - (XIII)**	**-754.40**	**-782.72**	**-800.02**	**-614.40**	**-788.20**	**-865.72**	**-754.40**	**-782.72**	**-800.02**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-482.60%	-476.87%	-464.20%	-154.83%	-480.21%	-502.32%	-482.60%	-476.87%	-464.20%

Annex-I (k)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Port Dues' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	PORT DUES									
I	Operating Income	**4597.81**	**5452.91**	**6209.65**	**2565.74**	**3706.91**	**4221.99**	**4367.92**	**5071.21**	**5774.98**
II	**Operating Expenses**									
	(i) Salary & wages	251.79	248.94	245.24	238.87	257.17	273.88	251.79	248.94	245.24
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	2.42	2.58	2.75	2.77	2.58	2.75	2.42	2.58	2.75
	(iv) Repairs and maintenance	13.98	14.89	15.86	41.66	14.89	15.86	13.98	14.89	15.86
	(v) Dredging	4028.10	4178.10	4416.00	2586.41	2772.62	3163.49	2586.41	2754.53	2933.57
	Less: 1/3 of 50% of Revenue share (COPT 25%)	-1417.19	-1712.01	-2054.33	-890.52	-856.00	-1027.17	-1417.19	-1712.01	-2054.33
	(vi) Others	164.78	175.49	186.90	240.52	175.49	186.90	164.78	175.49	186.90
	Total	**3043.89**	**2908.00**	**2812.42**	**2219.71**	**2366.75**	**2615.72**	**1602.20**	**1484.43**	**1329.99**
III	Depreciation	39.44	39.44	39.44	83.65	44.74	47.64	39.44	39.44	39.44
IV	Allocated share of Mgt. & Genl. Admn. overheads	130.08	138.54	147.54	448.83	138.54	147.54	130.08	138.54	147.54
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**1384.40**	**2366.94**	**3210.25**	**-186.44**	**1156.88**	**1411.09**	**2596.20**	**3408.81**	**4258.00**
VI	Allocated share of FMI	51.12	56.80	60.49	207.49	67.60	72.00	51.12	56.80	60.49
VII	Allocated share of FME	299.35	342.75	375.64	1225.49	383.49	408.42	299.35	342.75	375.64
VIII	**FMI Less FME (VI) - (VII)**	-248.23	-285.95	-315.15	-1018.00	-315.89	-336.42	-248.23	-285.95	-315.15
IX	**Surplus / (deficit) (V) + (VIII)**	1136.17	2080.98	2895.10	-1204.43	841.00	1074.67	2347.97	3122.85	3942.86
X	**Capital Employed for the activity**									
	(i). Business Assets	2389.56	2350.12	2310.68	1828.27	1524.52	2862.07	2389.56	2350.12	2310.68
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**2389.56**	**2350.12**	**2310.68**	**1828.27**	**1524.52**	**2862.07**	**2389.56**	**2350.12**	**2310.68**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	382.33	376.02	369.71	292.52	243.92	457.93	382.33	376.02	369.71
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**382.33**	**376.02**	**369.71**	**292.52**	**243.92**	**457.93**	**382.33**	**376.02**	**369.71**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	198.99	194.51	207.48	292.52	243.92	457.93	198.99	194.51	207.48
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**937.18**	**1886.47**	**2687.62**	**-1496.96**	**597.07**	**616.74**	**2148.98**	**2928.34**	**3735.37**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	20.38%	34.60%	43.28%	-58.34%	16.11%	14.61%	49.20%	57.74%	64.68%

Annex-I (I)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for sub-activity 'Pilotage' within vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	PILOTAGE									
I	Operating Income	**8129.25**	**9641.13**	**10979.10**	**4819.67**	**7879.43**	**8974.30**	**7722.79**	**8966.25**	**10210.56**
II	**Operating Expenses**									
	(i) Salary & wages	2839.17	2806.98	2765.31	1819.40	2249.79	2438.28	2839.17	2806.98	2765.31
	(ii) Power	1.72	1.83	1.95	1.59	1.83	1.95	1.72	1.83	1.95
	(iii) Fuel	517.51	551.15	586.97	473.17	1575.99	1670.55	517.51	551.15	586.97
	(iv) Repairs and maintenance	35.00	37.27	39.69	213.16	37.27	39.69	35.00	37.27	39.69
	(v) Dredging	4028.10	4178.10	4416.00	2586.41	2772.62	3163.49	2586.41	2754.53	2933.57
	Less: 1/3 of 50% of Revenue Share (CoPT 25%)	-1417.19	-1712.01	-2054.33	-890.52	-856.00	-1027.17	-1417.19	-1712.01	-2054.33
	(vi) Others	357.94	381.21	405.99	269.46	381.21	405.99	357.94	381.21	405.99
	Total	**6362.24**	**6244.53**	**6161.58**	**4472.67**	**6162.70**	**6692.78**	**4920.55**	**4820.96**	**4679.15**
III	Depreciation	926.58	926.58	926.58	307.32	1050.95	1119.27	926.58	926.58	926.58
IV	Allocated share of Mgt. & Genl. Admn. overheads	1118.71	1191.43	1268.87	613.40	1191.43	1268.87	1118.71	1191.43	1268.87
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-278.28**	**1278.59**	**2622.06**	**-573.72**	**-525.66**	**-106.61**	**756.95**	**2027.28**	**3335.96**
VI	Allocated share of FMI	442.89	485.67	509.95	283.57	581.41	619.20	442.89	485.67	509.95
VII	Allocated share of FME	2593.56	2930.65	3166.67	1674.83	3298.08	3512.45	2593.56	2930.65	3166.67
VIII	**FMI Less FME (VI) - (VII)**	-2150.67	-2444.98	-2656.72	-1391.25	-2716.67	-2893.25	-2150.67	-2444.98	-2656.72
IX	**Surplus / (deficit) (V) + (VIII)**	**-2428.95**	**-1166.40**	**-34.65**	**-1964.97**	**-3242.33**	**-2999.87**	**-1393.72**	**-417.70**	**679.24**
X	**Capital Employed for the activity**									
	(i). Business Assets	10729.35	9802.77	8876.18	9301.62	7756.22	14561.24	10729.35	9802.77	8876.18
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**10729.35**	**9802.77**	**8876.18**	**9301.62**	**7756.22**	**14561.24**	**10729.35**	**9802.77**	**8876.18**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	1716.70	1568.44	1420.19	1488.26	1241.00	2329.80	1716.70	1568.44	1420.19
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**1716.70**	**1568.44**	**1420.19**	**1488.26**	**1241.00**	**2329.80**	**1716.70**	**1568.44**	**1420.19**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	893.47	811.35	797.01	1488.26	1241.00	2329.80	893.47	811.35	797.01
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-3322.42**	**-1977.75**	**-831.67**	**-3453.23**	**-4483.32**	**-5329.67**	**-2287.19**	**-1229.05**	**-117.78**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-40.87%	-20.51%	-7.58%	-71.65%	-56.90%	-59.39%	-29.62%	-13.71%	-1.15%

Annex-I (m)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Berth Hire' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	BERTH HIRE									
I	Operating Income	**4407.15**	**5226.79**	**5952.15**	**1948.81**	**2840.04**	**3266.04**	**4186.79**	**4860.91**	**5535.50**
II	**Operating Expenses**									
	(i) Salary & wages	695.38	687.50	677.29	629.18	710.23	756.39	695.38	687.50	677.29
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	4.04	4.31	4.59	2.76	4.31	4.59	4.04	4.31	4.59
	(iv) Repairs and maintenance	4.39	4.68	4.98	16.45	4.68	4.98	4.39	4.68	4.98
	(v) Dredging	4028.10	4178.10	4416.00	2586.41	2772.62	3163.49	2586.41	2754.53	2933.57
	Less: 1/3 of 50% of Revenue Share (COPT 25%)	-1417.19	-1712.01	-2054.33	-890.52	-856.00	-1027.17	-1417.19	-1712.01	-2054.33
	(vi) Others	165.45	176.20	187.66	240.54	176.20	187.66	165.45	176.20	187.66
	Total	**3480.17**	**3338.78**	**3236.18**	**2584.82**	**2812.03**	**3089.94**	**2038.48**	**1915.20**	**1753.75**
III	Depreciation	200.40	200.40	200.40	314.14	227.30	242.07	200.40	200.40	200.40
IV	Allocated share of Mgt. & Genl. Admn. overheads	258.76	275.58	293.49	239.40	275.58	293.49	258.76	275.58	293.49
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**467.83**	**1412.04**	**2222.08**	**-1189.54**	**-474.86**	**-359.45**	**1689.16**	**2469.74**	**3287.86**
VI	Allocated share of FMI	102.63	112.17	117.36	110.67	134.48	143.22	102.63	112.17	117.36
VII	Allocated share of FME	600.98	676.87	728.78	653.65	762.84	812.43	600.98	676.87	728.78
VIII	**FMI Less FME (VI) - (VII)**	-498.36	-564.70	-611.42	-542.98	-628.36	-669.21	-498.36	-564.70	-611.42
IX	**Surplus / (deficit) (V) + (VIII)**	**-30.53**	**847.34**	**1610.66**	**-1732.52**	**-1103.22**	**-1028.66**	**1190.80**	**1905.04**	**2676.44**
X	**Capital Employed for the activity**									
	(i). Business Assets	6930.77	6730.37	6529.97	5636.78	4700.27	8824.11	6930.77	6730.37	6529.97
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**6930.77**	**6730.37**	**6529.97**	**5636.78**	**4700.27**	**8824.11**	**6930.77**	**6730.37**	**6529.97**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	1108.92	1076.86	1044.80	901.89	752.04	1411.86	1108.92	1076.86	1044.80
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**1108.92**	**1076.86**	**1044.80**	**901.89**	**752.04**	**1411.86**	**1108.92**	**1076.86**	**1044.80**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	577.15	557.06	586.34	901.89	752.04	1411.86	577.15	557.06	586.34
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-607.68**	**290.28**	**1024.32**	**-2634.41**	**-1855.27**	**-2440.52**	**613.65**	**1347.98**	**2090.10**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-13.79%	5.55%	17.21%	-135.18%	-65.33%	-74.72%	14.66%	27.73%	37.76%

Annex-I (n)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'SPM - Vessel Related Charges' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	SPM - VESSEL RELATED CHARGES									
I	**Operating Income**									
	i. Pilotage	1733.92	2056.40	2341.78	1641.52	1263.64	1263.64	1733.92	2056.40	2341.78
	ii. Tug charges for pull back operations	1304.38	1546.97	1761.66	973.66	950.60	950.60	1304.38	1546.97	1761.66
	Total	**3038.31**	**3603.37**	**4103.43**	**2615.18**	**2214.23**	**2214.23**	**3038.31**	**3603.37**	**4103.43**
II	**Operating Expenses**									
	(i) Salary & wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	173.68	184.97	196.99	286.18	184.97	196.99	173.68	184.97	196.99
	(iv) Repairs and maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	1049.08	1117.27	1189.89	1031.28	985.05	985.05	1049.08	1117.27	1189.89
	Total	**1222.76**	**1302.24**	**1386.88**	**1317.46**	**1170.02**	**1182.04**	**1222.76**	**1302.24**	**1386.88**
III	Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV	Allocated share of Mgt. & Genl. Admn. overheads	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**1815.55**	**2301.13**	**2716.55**	**1297.73**	**1044.22**	**1032.19**	**1815.55**	**2301.13**	**2716.55**
VI	Allocated share of FMI	144.36	167.38	186.12	0.00	0.00	0.00	144.36	167.38	186.12
VII	Allocated share of FME	845.38	1010.04	1155.76	0.00	0.00	0.00	845.38	1010.04	1155.76
VIII	**FMI Less FME (VI) - (VII)**	-701.02	-842.66	-969.64	0.00	0.00	0.00	-701.02	-842.66	-969.64
IX	**Surplus / (deficit) (V) + (VIII)**	**1114.53**	**1458.47**	**1746.91**	**1297.73**	**1044.22**	**1032.19**	**1114.53**	**1458.47**	**1746.91**
X	**Capital Employed for the activity**									
	(i). Business Assets	889.80	889.80	889.80	0.00	0.00	0.00	889.80	889.80	889.80
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**889.80**	**889.80**	**889.80**	**0.00**	**0.00**	**0.00**	**889.80**	**889.80**	**889.80**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	142.37	142.37	142.37	0.00	0.00	0.00	142.37	142.37	142.37
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**142.37**	**142.37**	**142.37**	**0.00**	**0.00**	**0.00**	**142.37**	**142.37**	**142.37**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	74.10	73.65	79.90	0.00	0.00	0.00	74.10	73.65	79.90
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**1040.44**	**1384.83**	**1667.02**	**1297.73**	**1044.22**	**1032.19**	**1040.44**	**1384.83**	**1667.02**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	34.24%	38.43%	40.62%	49.62%	47.16%	46.62%	34.24%	38.43%	40.62%

Annex-I (o)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST
Cost statement for sub-activity 'Dry Docking' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Dry Docking									
I	Operating Income	**30.00**	**30.00**	**30.00**	**10.58**	**30.00**	**30.00**	**30.00**	**30.00**	**30.00**
II	**Operating Expenses**									
	(i) Salary & wages	28.86	28.53	28.11	23.92	29.47	31.39	28.86	28.53	28.11
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.24	0.25	0.27	0.64	0.25	0.27	0.24	0.25	0.27
	(iv) Repairs and maintenance	0.00	0.00	0.00	31.56	0.00	0.00	0.00	0.00	0.00
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	3.86	4.11	4.37	0.00	4.11	4.37	3.86	4.11	4.37
	Total	**32.95**	**32.89**	**32.75**	**56.13**	**33.83**	**36.03**	**32.95**	**32.89**	**32.75**
III	Depreciation	0.44	0.12	0.00	1.23	0.50	0.54	0.44	0.12	0.00
IV	Allocated share of Mgt. & Genl. Admn. overheads	9.78	10.41	11.09	15.12	10.41	11.09	9.78	10.41	11.09
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-13.17**	**-13.42**	**-13.84**	**-61.89**	**-14.75**	**-17.66**	**-13.17**	**-13.42**	**-13.84**
VI	Allocated share of FMI	3.89	4.23	4.39	6.99	5.08	5.41	3.89	4.23	4.39
VII	Allocated share of FME	22.78	25.51	27.29	41.27	28.82	30.70	22.78	25.51	27.29
VIII	**FMI Less FME (VI) - (VII)**	-18.89	-21.28	-22.90	-34.28	-23.74	-25.28	-18.89	-21.28	-22.90
IX	**Surplus / (deficit) (V) + (VIII)**	**-32.06**	**-34.70**	**-36.73**	**-96.17**	**-38.49**	**-42.94**	**-32.06**	**-34.70**	**-36.73**
X	**Capital Employed for the activity**									
	(i). Business Assets	0.12	0.00	0.00	0.46	0.38	0.71	0.12	0.00	0.00
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**0.12**	**0.00**	**0.00**	**0.46**	**0.38**	**0.71**	**0.12**	**0.00**	**0.00**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	0.02	0.00	0.00	0.07	0.06	0.11	0.02	0.00	0.00
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**0.02**	**0.00**	**0.00**	**0.07**	**0.06**	**0.11**	**0.02**	**0.00**	**0.00**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	0.01	0.00	0.00	0.07	0.06	0.11	0.01	0.00	0.00
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-32.07**	**-34.70**	**-36.73**	**-96.25**	**-38.55**	**-43.05**	**-32.07**	**-34.70**	**-36.73**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-106.90%	-115.66%	-122.44%	-909.64%	-128.50%	-143.52%	-106.90%	-115.66%	-122.44%

Annex-I (p)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Nehru Satabdhi' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	NEHRU SATABDHI									
I	Operating Income	**0.00**	**0.00**	**0.00**	**431.42**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
II	**Operating Expenses**									
	(i) Salary & wages	727.30	719.06	708.38	634.63	742.83	791.12	727.30	719.06	708.38
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	397.47	423.31	450.82	233.93	423.31	450.82	397.47	423.31	450.82
	(iv) Repairs and maintenance	750.24	0.25	0.27	804.62	795.00	842.70	750.24	0.25	0.27
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	63.44	67.57	71.96	206.57	67.57	71.96	63.44	67.57	71.96
	Total	**1938.46**	**1210.19**	**1231.44**	**1879.76**	**2028.71**	**2156.60**	**1938.46**	**1210.19**	**1231.44**
III	Depreciation	209.03	209.03	77.14	57.79	237.08	252.49	209.03	209.03	77.14
IV	Allocated share of Mgt. & Genl. Admn. overheads	356.59	379.77	404.45	451.45	379.77	404.45	356.59	379.77	404.45
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-2504.07**	**-1798.98**	**-1713.03**	**-1957.58**	**-2645.56**	**-2813.55**	**-2504.07**	**-1798.98**	**-1713.03**
VI	Allocated share of FMI	228.86	155.55	165.26	208.71	185.32	197.37	228.86	155.55	165.26
VII	Allocated share of FME	1340.19	938.65	1026.22	1232.65	1051.26	1119.59	1340.19	938.65	1026.22
VIII	**FMI Less FME (VI) - (VII)**	-1111.33	-783.10	-860.96	-1023.95	-865.94	-922.22	-1111.33	-783.10	-860.96
IX	**Surplus / (deficit) (V) + (VIII)**	**-3615.40**	**-2582.08**	**-2573.99**	**-2981.53**	**-3511.50**	**-3735.77**	**-3615.40**	**-2582.08**	**-2573.99**
X	**Capital Employed for the activity**									
	(i). Business Assets	286.17	77.14	0.00	401.08	334.45	627.88	286.17	77.14	0.00
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**286.17**	**77.14**	**0.00**	**401.08**	**334.45**	**627.88**	**286.17**	**77.14**	**0.00**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	45.79	12.34	0.00	64.17	53.51	100.46	45.79	12.34	0.00
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**45.79**	**12.34**	**0.00**	**64.17**	**53.51**	**100.46**	**45.79**	**12.34**	**0.00**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	23.83	6.38	0.00	64.17	53.51	100.46	23.83	6.38	0.00
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-3639.23**	**-2588.46**	**-2573.99**	**-3045.70**	**-3565.01**	**-3836.23**	**-3639.23**	**-2588.46**	**-2573.99**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-	-	-	-705.98%	-	-	-	-	-

Annex-I (q)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Water Supply through Barges' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Water supply through Barge									
I	Operating Income	**74.60**	**78.33**	**82.25**	**21.11**	**71.05**	**71.05**	**74.60**	**78.33**	**82.25**
II	**Operating Expenses**									
	(i) Salary & wages	34.46	34.07	33.56	32.12	35.19	37.48	34.46	34.07	33.56
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	4.18	4.45	4.74	3.27	4.45	4.74	4.18	4.45	4.74
	(iv) Repairs and maintenance	0.00	0.00	0.00	28.87	0.00	0.00	0.00	0.00	0.00
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	2.28	2.43	2.59	4.77	2.43	2.59	2.28	2.43	2.59
	Total	**40.92**	**40.95**	**40.89**	**69.03**	**42.07**	**44.81**	**40.92**	**40.95**	**40.89**
III	Depreciation	5.24	5.24	5.24	1.35	5.95	6.33	5.24	5.24	5.24
IV	Allocated share of Mgt. & Genl. Admn. overheads	12.16	12.95	13.79	17.31	12.95	13.79	12.16	12.95	13.79
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**16.28**	**19.19**	**22.32**	**-66.58**	**10.08**	**6.11**	**16.28**	**19.19**	**22.32**
VI	Allocated share of FMI	4.83	5.26	5.49	8.00	6.32	6.73	4.83	5.26	5.49
VII	Allocated share of FME	28.29	31.76	34.08	47.25	35.85	38.18	28.29	31.76	34.08
VIII	**FMI Less FME (VI) - (VII)**	-23.46	-26.50	-28.59	-39.25	-29.53	-31.45	-23.46	-26.50	-28.59
IX	**Surplus / (deficit) (V) + (VIII)**	**-7.18**	**-7.31**	**-6.27**	**-105.83**	**-19.45**	**-25.33**	**-7.18**	**-7.31**	**-6.27**
X	**Capital Employed for the activity**									
	(i). Business Assets	42.34	37.10	31.86	38.54	32.14	60.34	42.34	37.10	31.86
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**42.34**	**37.10**	**31.86**	**38.54**	**32.14**	**60.34**	**42.34**	**37.10**	**31.86**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	6.77	5.94	5.10	6.17	5.14	9.65	6.77	5.94	5.10
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**6.77**	**5.94**	**5.10**	**6.17**	**5.14**	**9.65**	**6.77**	**5.94**	**5.10**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	3.53	3.07	2.86	6.17	5.14	9.65	3.53	3.07	2.86
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-10.71**	**-10.38**	**-9.13**	**-112.00**	**-24.59**	**-34.99**	**-10.71**	**-10.38**	**-9.13**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-14.35%	-13.25%	-11.10%	-530.56%	-34.61%	-49.24%	-14.35%	-13.25%	-11.10%

Annex-I (r)

GENERAL REVISION OF SCALE OF RATES OF COCHIN PORT TRUST

Cost statement for sub-activity 'Water Supply through Shore' under vessel related activity

Sr. No.	Particulars	Estimates considered by TAMP as per Order no. TAMP/49/2011-COPT			Revised Estimates furnished by Port vide letter dtd 09.09.2013			Estimates considered by TAMP in the current proposal		
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Water supply through Shore									
I	Operating Income	**15.57**	**16.35**	**17.16**	**13.08**	**14.83**	**14.83**	**15.57**	**16.35**	**17.16**
II	**Operating Expenses**									
	(i) Salary & wages	37.62	37.19	36.64	33.44	38.42	40.92	37.62	37.19	36.64
	(ii) Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Repairs and maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(v) Dredging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Others	11.48	12.23	13.02	10.18	12.23	13.02	11.48	12.23	13.02
	Total	**49.10**	**49.42**	**49.66**	**43.62**	**50.65**	**53.94**	**49.10**	**49.42**	**49.66**
III	Depreciation	0.58	0.58	0.58	0.92	0.65	0.70	0.58	0.58	0.58
IV	Allocated share of Mgt. & Genl. Admn. overheads	14.64	15.59	16.60	11.75	15.59	16.60	14.64	15.59	16.60
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-48.74**	**-49.24**	**-49.68**	**-43.20**	**-52.06**	**-56.41**	**-48.74**	**-49.24**	**-49.68**
VI	Allocated share of FMI	5.80	6.35	6.66	5.43	7.61	8.10	5.80	6.35	6.66
VII	Allocated share of FME	33.95	38.33	41.39	32.07	43.15	45.95	33.95	38.33	41.39
VIII	**FMI Less FME (VI) - (VII)**	-28.15	-31.98	-34.72	-26.64	-35.54	-37.85	-28.15	-31.98	-34.72
IX	**Surplus / (deficit) (V) + (VIII)**	**-76.89**	**-81.22**	**-84.40**	**-69.84**	**-87.61**	**-94.27**	**-76.89**	**-81.22**	**-84.40**
X	**Capital Employed for the activity**									
	(i). Business Assets	2.39	1.82	1.24	2.40	2.01	3.76	2.39	1.82	1.24
	(ii). Business Related Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**2.39**	**1.82**	**1.24**	**2.40**	**2.01**	**3.76**	**2.39**	**1.82**	**1.24**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	0.38	0.29	0.20	0.38	0.32	0.60	0.38	0.29	0.20
	(ii). Business Related Assets (6.50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii). Social Obligation Assets (No Return)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**0.38**	**0.29**	**0.20**	**0.38**	**0.32**	**0.60**	**0.38**	**0.29**	**0.20**
XII	Capacity Utilization	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	0.20	0.15	0.11	0.38	0.32	0.60	0.20	0.15	0.11
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-77.09**	**-81.37**	**-84.51**	**-70.22**	**-87.93**	**-94.87**	**-77.09**	**-81.37**	**-84.51**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-495.24%	-497.81%	-492.41%	-536.73%	-593.09%	-639.90%	-495.24%	-497.81%	-492.41%

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

F. No.TAMP/41/2013 - COPT - Proposal from the Cochin Port Trust for review of wharfage charges on the POL products prescribed in its existing Scale of Rates.

1.1. The summary of comments received from the Bharat Petroleum Corporation Limited (BPCL) and the comments of Cochin Port Trust (COPT) thereon are tabulated below:

Sl. No.	Comments of BPCL	Comments of COPT
(i).	BPCL Kochi Refinery was commissioned in the year 1966 with a capacity of 2.5 MMTPA and expanded in stages to reach 9.5 MMTPA as on date. The association with COPT has started right from inception. Initially NTB and STB were used for crude oil/ POL inputs/ loading and later in the year 1983 COT was also set up to cope up with the expanded crude oil refining capacity of BPCL KR. As the Refinery was expanding, it was necessary to bring in crude oil with larger parcel size. Accordingly, BPCL KR had set up the Single Point Mooring (SPM) system within port limits to bring in tankers of 250 TMT capacity. The SPM facility was set up with a cost of `850 crores funded exclusively by BPCL without any contribution from COPT. SPM is operated and maintained by BPCL KR incurring huge revenue expenditure annually. BPCL KR is now further expanding its refining capacity to 15.5 MMTPA through its ongoing Integrated Refinery Expansion Project (IREP), which is expected to be completed by end 2015. COPT also will be benefitted as all the tanker berths mentioned above including SPM will generate more revenue to COPT. We are in receipt of the proposal 4 September, 2013 from the Authority. The following are our major comments on the proposal from COPT.	The port has not commented on this point.
(ii).	Fixation of wharfage is to be carried out considering the normal level of actual expenditure.	
(iii).	The Authority has reviewed the wharfage fixation at inner harbour (NTB/STB/COT) in June, 2013 and has concurred that wharfage rate of `65 per MT will generate surplus for COPT, at a draft of 9.14m at NTB/ STB and 12.5m draft at COT (TAMP notification No.G165 dated 10 June 2013).	
(iv).	BPCL KR has installed SBM within port limits by investing `850 Crores. This helped COPT revenues. This is in spite of the option BPCL (KR) has to set up the SPM outside Port limits. It may also be pointed out that COPT is not incurring any expenditure from its side in SPM. COPT has also submitted that the income from Crude / POL handling has crossed 2006-07 levels from 2011-12 onwards.	
(v).	BPCL KR is bringing crude oil to its SBM and not to	

	COT generally and hence KR is not gaining any freight advantage. However, KR is exporting its products through COT in addition to the product brought by BPCL / OMC's and the freight advantage derived through such operations are not at all quantifiable / significant. This is also not to be considered either in VRC or wharfage fixation. BPCL-KR has asked COPT to maintain the draft at COT, which was developed after spending a huge capital cost, considering the national interest and the future advantage COPT would derive once BPCL-KR capacity expands beyond the year 2015. Expansion plans at BPCL (KR) is going on currently and expected to be completed by end 2015. <u>BPCL has also agreed to support COPT by offering to bear additional wharfage at COT/NB/STB/SCB @ `20 per MT till the year 2015-16, once it is approved through TAMP route as a special case. (The calculations for `20/ MT wharfage increase is explained.)</u>	
(vi).	COPT's stand that they have informed in February, 2011 to pay `15 crores towards maintenance dredging expenses and there was no reply from BPCL side, is not correct. BPCL is in constant dialogue with Port on the advantages of maintaining 12.5m draft for mutual benefit and that the operations have continued till date is a fact. BPCL KR has also extended interest free advance to COPT considering the financial crisis faced by them during the period.	It is reiterated that BPCL-KR has not responded to COPT letter demanding `15 crores per annum towards maintenance dredging expenditure for 2011-12 to maintain a draft of 12.5 metre at COT. It is a fact that BPCL-KR has extended interest free advance to COPT for revamping the fire fighting facilities and cathodic protection system at COT due to the poor financial position of the port, since they are the major user of the terminal.
(vii).	It is true that BPCL is the major user at COT. BPCL has been in constant touch with COPT on the need to maintain 12.5 mtr. draft at COT for mutual benefit as higher draft will lead to higher parcel size by which COPT also is benefitted. BPCL also informed COPT that once the ongoing IREP is commissioned in 2015-16, it would be possible to achieve 4 MMTPA at COT, as desired by COPT. In the meantime, COPT was requested not to wilfully reduce the draft at COT as regaining the draft will be much more difficult and expensive, in the National interest. Besides this reduction in income from COT is made up by additional income generated at SPM without any expenditure to COPT.	The wharfage income from SPM has already been factored in the proposed additional wharfage, and even then a hike in the rate of wharfage is justified as shown in the Annexure-II – cost statement attached to the proposal. BPCL-KR may contribute 4 MMTPA at COT after the commissioning of IREP in 2015-16, but till that time COPT is not in a position to bear the additional burden of maintenance dredging for providing 12.5m draft at COT without any compensation from BPCL-KR. Further, providing 12.5m or higher draft at COT after 2015-16 is not a very difficult proposition if sufficient volume is assured through the facility after the expansion of BPCL-KR.
(viii).	BPCL has been always pointing out to COPT that the POL operation has to be considered keeping the revenue from SPM also in mind rather than viewing COT in isolation. As mentioned above, the entire cost of setting up of SPM including its recurring operation / maintenance expenditure is borne by BPCL and port	BPCL-KR has installed SPM and connected facilities at their cost which is the practice prevailing in all Major Ports. BPCL-KR has benefited immensely by availing the economies of scales of transportation of higher

	is adequately compensated for the loss, if any at COT through the revenue generated from SPM without any extra cost to COPT. While COPT is pointing out the 9.14 mtr. draft requirement at COT in the MoU, BPCL would like to point out that the same MoU requires a downward revision of wharfage charges at SPM once the throughput reaches above 9 MMTPA. COPT has submitted that the revenue from SPM for the year 2012-13 is at ₹63.26 Crores.	parcels handled at SPM. The maintenance dredging cost of COPT has increased from `50 crores to `100 crores from 2008-09 to 2012-13. As already mentioned in the proposal, the maintenance dredging cost for COT for the current year is `49.37 crores and for 2014-15 is expected to be `56.33 crores. However, the POL volume including at SPM will be only 13.72 MT to 14.66 MT for 2012-13 and 2013-14 respectively, which is not enough to compensate the increase in expenditure. The throughput at SPM has touched 9 million only in the year 2012-13. BPCL-KR has not demanded any reduction in wharfage at SPM till COPT raised its claim for additional wharfage for maintaining 12.5m draft at COT.
(ix).	While COPT has included STB and NTB along with COT for fixation of wharfage, BPCL has pointed out that the South Coal Berth (SCB) also to be included in the wharfage fixation on the same lines as certain private players are using the SCB for POL handling. The private players should not enjoy any additional advantage in POL handling and should be placed at par with Oil PSUs.	At South Coal Berth, the Port is providing 9.14m with maximum DWT of 12,000 and displacement of 16,000, which is much less than the facility available at NTB and STB. Hence, suggestion of BPCL-KR for inclusion of SCB in the purview of the present proposal is not correct.
(x).	BPCL KR also submits to the Authority that any increase in wharfage, even though not justified, BPCL KR has suggested an increase of wharfage at COT/NTB/STB/SCB @ ₹20 per MT till the year 2015-16 when 4 MMT throughput will be expected to be achieved at COT, once it is approved through TAMP route as a special case. However, any retrospective effect for the increase is not justifiable or acceptable to BPCL KR. The increase is suggested as a special case and to extend our support to COPT and to retain the 12.5 mtr. draft at COT considering national interest. TAMP notification No.G 165 dated 10 June 2013 also confirms ₹65/ mt. wharfage with 12.5m draft at COT.	BPCL-KR has not offered any remarks on the cost workings of the proposal. They have in fact agreed that the Port has to spend a substantial amount for providing 12.5m draft at COT. Since they have agreed to the cost workings, there is no logic in restricting the increase by `20/- as against the additional wharfage of `45.90, `52.60 and `84.78 for the period 2012-13 to 2014-15. The offer of `20 per tonne is not covering even 50% of the proposed increase. Since COPT has been maintaining 12.5 m draft at COT even after BPCL-KR not responding to our claim for additional compensation demanded from 2011, implementation of the enhanced rate with retrospective effect is fully justified.
(xi).	Additional wharfage of ₹20 per MT can be considered in inner harbour (COT/NTB/STB/SCB) and can be given prospectively till the year 2015-16.	The offer of ₹20 per tonne is not covering even 50% of the proposed increase in wharfage which is arrived at as detailed in Annexure-II in the proposal.
(xii).	Additional wharfage of ₹20 per MT can be considered in inner harbour (COT/NTB/STB/SCB) and can be given prospectively till the year 2015-16. BPCL KR has also requested COPT to consider	SPM wharfage has already been factored for the calculation of proposed additional wharfage at inner berths. Hence the demand of BPCL for a downward revision of wharfage

	downward revision of wharfage at SPM as 9 MMTPA traffic has exceeded in the last 2 years. However, COPT is silent on this.	at SPM on exceeding 9 MMTPA has been indirectly taken into consideration.
(xiii).	**BPCL KR submits the following to the Authority:** (a). BPCL is not in a position to pay any retrospective charges under any circumstances. (b). COPT has already indicated to BPCL that the breakeven throughput at COT is 4 MMTPA. BPCL urges that any wharfage increase should cover all the berths in the inner harbour viz. COT/NTB/STB/SCB. COPT in their submissions has not included SCB in any of their calculations. It is hereby submitted to TAMP that certain private players are using SCB for POL inputs and excluding SCB will not be a level playing field for Oil PSU's. (c). In line with the MoU dated 11/6/2003 by COPT and BPCL KR, the wharfage at SPM required to be reduced once the throughput at SPM crosses 9 MMT. The throughput has crossed 9 MMT from the year 2011-12 onwards and hence require a downward revision in SPM wharfage.	(a). The Port has been maintaining 12.5 m draft at COT from 2006-07 onwards and BPCL-KR has been taking advantage of the same without incurring any additional cost. (b). The Port has raised the claim only for the period from 2011-12 onwards, subsequently to shifting of container operations from RGCT to ICTT at Vallarpadam. (c). Even after considering the SPM wharfage, levy of additional wharfage as proposed by the Port is justified. (d). There is no case for downward revision in SPM wharfage.
(xiv).	**Wharfage increase proposed by BPCL (KR):** COPT has indicated in various communications that the minimum guaranteed throughput (MGT) required for COT for justifying the 12.5 m draft is 4 MMTPA. The last three average throughput at COT is 2 MMTPA. At the existing wharfage rate of ₹65/MT, the viability gap is ₹13 crores. Hence ₹38/MT wharfage increase at all POL jetties, including SCB which cumulatively handled 3.4 MMT during the last year as well as projected till 2015-16 would meet COPT's dredging expenditure gap. However considering the fact that BPCL has invested ₹850 crores for installation of SPM and COPT getting a revenue of ₹63.26 crores for the year 2012-13 from SPM without any expenses, it will be prudent for COPT to bear the additional dredging expenses at COT. In spite of the above, the TAMP may notify an amount of ₹20 per ton wharfage increase at all POL handling jetties (COT, NTB, STB, South Coal Berth) till 2015-16 on the condition that 12.5 mtrs. draft at COT will be continuously available.	-

1.2. The comments received from Indian National Shipowners' Association (INSA) were forwarded to COPT. We have not received the feedback from COPT till finalisation of this case. The comments of INSA are summarised below:

(i). Cochin Port being a very important Major port in South India West Coast should have sound financials to meet National objectives and trade requirements. Need of adequate minimum returns is appreciated.

(ii). Looking at average increases in vessel related charges sought by the Cochin Port during it's last three revisions, it's strange that POL wharfage remained untouched for 17 years (i.e. since 1996).

Below table give approx. increase in three individual heads of vessel related charges:

Rate revision/ year	2010	2007	2004
Port dues	40% (over 2007)	7% (over 2004)	
Pilotage	40% (over 2007)	50% (over 2004)	
Berth hire	121% (over 2007)	Nil	
Change in percentage from 2004 to 2010 in three main revenue heads of Cochin Port			
Port dues	50%		
Pilotage	110%		
Berth hire	121%		

Although the present proposal is for Wharfage of POL, INSA urges for getting confirmation that vessel related charges will not be touched later date to compensate port for its intentional short recovery, which it ought to have made under different account.

(iii). Port Management's admit and accepting the fact that the VRC at Cochin Port is far more than other Indian Major or Private ports and almost five times its main neighbouring competitor i.e. COLOMBO port. Following chart from the port proposal is reproduced:

VRC for a Vessel with 14,036 GRT in Various ports for a 12 hour stay						
VRC in USD	**Cochin**	**Chennai**	**Tuticorin**	**JNPT**	**Mundra**	**Colombo**
	17162	8066	8361	5468	8379	2803

(iv). INSA also opines that it is necessary for seeking from port a definite business plan for maintaining its Net revenue. Because unless port is able to improve on it's per unit productivity/ efficiency, mere increasing tariff will not help port sustain even its current status and accomplishing any growth. Following extracts of figures of the year 2012-13 from port submission is provided for better understanding and highlighting the issue:
All figures are taken for the year provided under year 2012-13.

Head	Amount (Cr.)	Reference
Whole Port Operating cost (excl. dep.)	275.2786	Annex-I(a)
This cost has following cost towards -		
Management and Gen. Admin Overheads	45.56	Annex-I(a)
Pension payment/ contribution	116.20	Annex-I(a)
Salary & Wages – Estate Activity	18.06	Annex-I(d)
Salary & Wages – Coal & Other cargo handling	34.28	Annex-I(e)
Salary & Wages – 'POL' Cargo handling	4.43	Annex-I(f)
Salary & Wages – 'Fertilizers' Cargo handling	0.35	Annex-I(g)
Salary & Wages – FC Periyar	0.29	Annex-I(i)
Salary & Wages – 'Stuffing & destuffing' Cargo handling	4.28	Annex-I(j)
Salary & Wages – 'Port dues' vessel related activity	2.39	Annex-I(k)
Salary & Wages – 'Pilotage' vessel related activity	18.19	Annex-I(l)
Salary & Wages – 'Pilotage' vessel related activity	6.29	Annex-I(m)
Salary & Wages – 'Dry docking' vessel related activity	0.24	Annex-I(o)
Salary & Wages – 'Nehru satabdhi' vessel related activity	6.35	Annex-I(p)
Salary & Wages – 'Water supply thru barges' vessel related activity	0.32	Annex-I(q)
Salary & Wages – 'Water supply thru shore' vessel related activity	0.33	Annex-I(r)
GRAND TOTAL OF SALARY + PENSION	**257.56**	

Percentage of (Salary + Pension) the total Operating Cost of the port	**93.56%**	
Percentage of Pension & Retirement benefit from the total Operating cost of the port	**42.2%**	

Thus leaving aside the merit of proposal for increasing revenue by increasing wharfage, it is believed that having 93.56% of its operating cost towards payment of salary and pension benefits is underutilization of Human resources. It's paramount that port should explore revenue resources using same human resources. Otherwise, restoring to raise in tariff will yield little value in achieving objective.

(v). Considering the exceptional good location of port area, it is felt that obligation towards social cost could be better manage using port's existing valuable asset which may have to be leveraged with proper strategy. Burdening Tariff to make more recovery may actually be counterproductive measure in long term.

2. A joint hearing in this case was held on 29 October 2013 at the COPT premises. The COPT made a power point presentation of its proposal. At the joint hearing, the COPT and the concerned users/ organisation bodies have made the following submissions:

<u>Cochin Port Trust (COPT)</u>

(i). Makes a brief power point presentation of its proposal. Hard copy is given.

(ii). There is no increase in POL wharfage of ₹65/ tonne since 1996-97.

(iii). We did not propose any increase in wharfage rate till date in view of the Authority's stand to recover entire maintenance dredging cost from vessel related charges.

(iv). POL traffic of COT was 7.52 MMT and 6.57 MMT in 2006-07 and 2007-08 respectively. With commissioning of SPM in December 2007, POL handled at COT has reduced drastically to 2.2 MMT for each of the years 2008-09 to 2010-11, 2.7 MMT in 2011-12 and in the year 2012-13 it was 1.93 MMT. This is despite increase in the refining capacity of BPCL from 7.5 to 9.5 MMTPA.

(v). Maintenance dredging contract is entered with DCI at ₹319.50 crores for 3 years i.e. ₹104.40 crores for the year 2011-12, ₹105.30 crores for the year 2012-13 and ₹109.80 crores for the year 2013-14.

(vi). Dredging cost estimated in Budget estimates are ₹118 crores and ₹150 crores for the years 2013-14 and 2014-15 respectively excluding service tax.

(vii). As per the MOU with the BOT operator India Gateway Terminal Private Limited (IGTPL), the port had to maintain 12.5 mtrs. for Container Terminal operated by IGTPL at Port's berth Q8 and Q9. Though the MOU entered by COPT with BPCL in June 2003 required the port to maintain draft of 9.14 mtrs. at COT, the BPCL derived the advantage of increase draft of 12.5 mtrs. at COT as it is in the same area as Q8 and Q9 without paying any additional outgo.

(viii). With the IGTPL shifting its operations to ICTT at Vallarpadam, the COPT is not obliged to maintain draft at 12.5 mtrs.

(ix). Oil-PSU's are, however, requesting the port to continue to maintain 12.5 mtrs. draft at COT though as per MOU port is required to maintain draft of 9.14 mtrs. only at COT.

(x). In March 2011 when IGTPL moved to ICTT at Vallarpadam, we demanded ₹15 crores per annum from BPCL to meet the cost of increased draft at COPT. But, BPCL did not respond positively.

(xi). We demanded Minimum Guaranteed Throughput (MGT) from BPCL when the traffic at COT reduced down drastically to 1.93 MTPA in the year 2012-13.

(xii). Oil PSU's agree to bear additional charges provided charges are approved by TAMP.

(xiii). We have considered revenue from SBM in calculation of proposed additional wharfage rate for POL.

(xiv). Port proposes additional wharfage on POL at ₹52.60 per tonne for the year 2013-14, ₹84.78 per tonne in the year 2014-15.

(xv). We are suffering loss every day. We should be permitted to levy the proposed rates on ad-hoc basis.

(xvi). Wharfage rate for POL should be ₹160/- per tonne even if ₹65/ tonne is indexed at WPI level since the year 1996-97.

(xvii). Users pay ₹100 at Ennore Port and ₹134 at Kakinada for handling POL.

(xviii). Port has liability to pay Pension, Salaries and Wages to employees, etc.

(xix). As per MOU entered with BPCL, when POL traffic at SPM crosses 9 MTPA, the wharfage rate should be reduced.

(xx). COPT has already set off entire surplus from SPM and adjusted it while arriving at the additional wharfage rate for POL in the current proposal. Hence, the question of seeking further reduction in SPM rate does not arise.

Bharat Petroleum Corporation Limited

(i). Makes a brief power point presentation of the proposal. Hard copy is given.

(ii). POL anticipated to be handled is 3.7 MMTPA, 3.9 MMTPA and 4.1 MMTPA in the years 2013-14 to 2015-16 respectively.

(iii). COPT has included all dredging cost including the cost to maintain 12.5 mtrs. draft at COT in the general tariff revision proposal. Entire dredging cost is considered in the vessel related charges in the TAMP notification.

(iv). Entire capital cost of ₹850 crores for installing SPM is borne by BPCL.

(v). Wharfage at SPM at ₹25/ tonne is fixed after negotiation.

(vi). MOU signed with COPT in 2003 envisages reduction in wharfage rate if volume of SPM crosses 9 MTPA. Volume at SPM has exceeded 9 MTPA. Port has, however, not proposed any reduction in the SPM wharfage rate.

(vii). As per the MOU, port agrees to maintain draft of 9.5 mtrs. at COT. We require 12.5 mtrs. draft due to our export requirement.

(viii). Dynamic of oil industry has changed. For bringing down cost, 12.5 mtrs. draft is essential. It is in the nation's interest.
[Chairman, COPT: Port cannot be made to cross-subsidise BPCL for nation's interest.]

(ix). We cannot give lumpsum payment as sought by the port for the increased draft at COT. This is possible only through an increase in the wharfage rate approved by TAMP.

(x). Proposed increase in the wharfage rate for POL should apply uniformly to all berth handling POL viz. NTB/ STB/ COT and South Coal Berth.

(xi). Private users handle POL at South Coal Berth (SCB). Proposed rate should apply to POL handled at SCB also so that in long run wharfage rate is at par for all users handling POL through the port. It may be desirable to have common rate for POL. Hence, it is suggested to extend the proposed increase in wharfage rate of POL handled at SCB as well.

(xii). There are two options. Either we share the increased cost for maintenance dredging at COT by paying additional wharfage or agree to maintain Minimum Guaranteed Throughput (MGT).

(xiii). Port should restore 12.5 mtrs. draft at COT immediately and ensure to maintain at 12.5 mtrs. draft at COT.
[Chairman, COPT: We agree to restore 12.5 mtrs. draft at COT immediately and agree to maintain at that level.]

(xiv). Wharfage revision to be given effect prospective only.

(xv). We agree for additional wharfage of ₹20/ MT in all POL berths till the year 2015-16.

(xvi). This is an interim arrangement sought till expansion of refining capacity of BPCL is commissioned in the year 2015-16.

(xvii). We will restore 4 MTPA after 2015-16 once the refining capacity is increased.

(xviii). The incremental wharfage should be reverted once 4 MMTPA is achieved and throughput of 4 MMT. Actual throughput at COT is 2 MMT in the year 2012-13.

(xix). Break even at COT is ₹26 crores at existing wharfage rate of ₹65. There is a deficit of ₹13 crores at COT.

(xx). Incremental wharfage comes to ₹40/ tonne considering throughput of 3.2 MTPA at COT/ NTB/ STB.

(xxi). Port should bear 50% incremental wharfage. Oil companies will bear 50% i.e. ₹20/- per tonne.

<u>Indian Oil Corporation Ltd.</u>

(i). Rate should be made effective prospectively.

(ii). The proposal relates to COT where vessels get benefit of increased draft of 12.5 mtrs. Increase should not be applied at other berths where draft is 9.14 mtrs.

[TAMP: COPT to clarify whether benefit of increased draft is available to POL vessels handled at SCB.

Chairman, COPT: Major user of POL is BPCL. POL vessels lighten or top up at NTB and STB. Then the vessel shift to COT. NTB, STB and COT should, therefore, be treated at par as one separate class. Proposed additional wharfage rate should apply to POL handled at NTB, STB and COT. It should not be extended to POL handled at SCB. SCB is on other side of the wharf at

Mattancherry Channel. They do not get the benefit of increased draft of 12.5 mtrs. and hence the proposal cannot be applied to SCB.]

Cochin Steamer Agents Association

(i). Port should maintain increased draft of 12.5 mtrs. at COT.

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