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Tariff Authority for Major Ports

G No.165 **New Delhi,** **10 June 2013**

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 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 general revision of its Scale of Rates as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/49/2011-COPT

Cochin Port Trust **- - -** **Applicant**

QUORUM:

(i). Smt. Rani Jadhav, Chairperson
(ii). Shri. T.S. Balasubramanian, Member (Finance)
(iii). Shri. C.B. Singh, Member (Economic)

O R D E R
(Passed on this 1st day of April 2013)

This case relates to a proposal dated 30 September 2011 received from the Cochin Port Trust (COPT) for general revision of its Scale of Rates.

2. The existing Scale of Rates of COPT was approved vide Order No.TAMP/11/2009-COPT dated 23 February 2010. The Order prescribed validity of the existing Scale of Rates of COPT upto 31 March 2012.

3. The COPT has filed the proposal for general revision of its Scale of Rates in the prescribed format along with draft Scale of Rates.

4. The main highlights of the proposal filed by COPT are given below:

(A). **Cost statements**:

(i). The COPT has furnished actuals for 2009-10 and 2010-11 and estimates for the years 2011-12. For fixation of future tariff, it has furnished estimates for the years 2012-13, 2013-14 and 2014-15.

(ii). The actual/ projected traffic furnished by COPT is as follows:

Year	Traffic in Million Metric Tonnes (MMT)
2009-10 actual	13.50
2010-11 actual	13.45
2011-12 (Est)	14.04
2012-13 (Est)	17.03
2013-14 (Est)	17.44
2014-15 (Est)	17.86

(iii). The proposed additions estimated to the Gross Block is ₹6684.00 lakhs and ₹420.00 during the years 2011-12 and 2014-15 respectively. It has not proposed any additions to the Gross Block during the years 2012-13 and 2013-14.

(iv). It has furnished cost statement for the port as a whole and for different principal activities and sub-activities. The overall surplus/ deficit position of the main activities/ sub-activities and the tariff hike proposed is tabulated below:

(**₹ in lakhs**)

Sl. No.	Activities / sub-activities	Surplus/deficit 2011-12		Surplus/deficit 2012-13		Surplus/deficit 2013-14		Surplus/deficit 2014-15		Total surplus/ deficit for the years 2012-13 to 2014-15	Average %
		(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income
1.	Port as a whole	-28692.07	-116.09%	-28991.06	-105.36%	-29381.38	-98.85%	-30640.79	-95.22%	-89013.23	-100%
2.	Cargo handling income	-6720.78	-95.04%	-6028.78	-70.68%	-6376.22	-70.90%	-7164.88	-75.79%	-19569.88	-72%
	(i). Coal & others	-8077.71	-668.90%	-7255.66	-291.79%	-7311.14	-248.49%	-7697.07	-228.01%	-22263.87	-256%
	(ii). POL	-341.59	-10.94%	-713.28	-24.39%	-906.72	-31.00%	-1241.11	-42.43%	-2861.11	-33%
	(iii).Fertilisers	31.77	9.50%	256.80	44.44%	237.45	41.09%	235.94	39.53%	730.19	42%

Sl. No.	Activities / sub-activities	Surplus/deficit 2011-12		Surplus/deficit 2012-13		Surplus/deficit 2013-14		Surplus/deficit 2014-15		Total surplus/ deficit for the years 2012-13 to 2014-15	Average %
		(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income	(₹ in lakhs)	% of income
	(iv). Stuffing & Destuffing	-255.60	-168.92%	-270.22	-170.07%	-285.80	-171.31%	-302.38	-172.62%	-858.4	-171%
	(v). FC Periyar	-86.52	-1567.36%	-91.81	-1584.07%	-97.43	-1600.90%	-103.38	-1617.85%	-292.62	-1601%
3.	Vessel related income	-19491.31	-163.64%	-20108.90	-152.60%	-19751.35	-133.06%	-19793.04	-118.09%	-59653.29	-135%
	(i). Port dues	-3565.49	-151.99%	-3262.24	-120.93%	-2909.13	-93.77%	-2787.26	-78.12%	-8958.63	-98%
	(ii). Pilotage	-8583.99	-174.50%	-8636.04	-152.66%	-8686.56	-133.52%	-8512.24	-113.78%	-25834.84	-133%
	(iii). Berth hire	-6104.18	-333.45%	-5950.41	-282.66%	-5762.70	-238.03%	-5968.57	-214.38%	-17681.68	-245%
	(iv). Dry docking	-122.48	-1370.02%	-109.33	-364.44%	-117.12	-382.74%	-125.40	-401.75%	-351.85	-383%
	(v). Nehru Satabdhi	-1782.72	-254.67%	-2804.49	-487.74%	-2918.81	-441.41%	-3032.24	-398.75%	-8755.54	-443%
	(vi). Water supply through Barge	-51.95	-118.06%	-54.37	-115.68%	-53.07	-98.18%	-51.05	-82.13%	-158.49	-99%
	(vii). Water supply through Shore	-82.18	-399.12%	-85.30	-360.23%	-88.33	-324.37%	-91.22	-291.29%	-264.85	-325%
	(viii). SPM	801.68	39.26%	793.28	38.84%	784.38	38.41%	774.94	37.95%	2352.6	38%
4.	Estate	-2479.98	-43.26%	-2853.38	-49.12%	-3253.80	-55.27%	-3682.88	-61.75%	-9790.06	-55%

(v). The following abnormal items were not considered while preparing the income and cost statements:

Sl. No.	Income	Expenditure
1.	Royalty at ICTT & Petronet LNG Ltd. as per TAMP directives.	Sharing of maintenance dredging cost of Petronet LNG Ltd.
2.	Interest on bank deposits, interest on deferred royalty and interest on outstanding upfront premium.	Interest on borrowed funds.
3.	Item relating to previous years	Item relating to previous years
4.	-	One time lump sum payment for wage & pension arrears.

(vi). The following deviations from TAMP directives have been made in the cost statements:-

(a). Depreciation is computed as per the life norms prescribed by Government directions instead of depreciation rate prescribed in the Companies Act.

(b). Average proportionate maintenance dredging cost of ₹15 Crores per annum is apportioned to cargo related charges at tanker berths (COT, NTB & SCB) for the year 2012-13 to 2014-15.
Since, the MoU between COPT & BPCL-KR requires to maintain a minimum draft of 9.15 mtr. (30 feet) at the tanker berths, the Port has incurred maintenance dredging cost of ₹15 Crores to maintain the required draft at tanker berths. At present Tanker vessels having upto 12.5 m. draft are being berthed at the Tanker berths. Also, since the vessel related income of the tanker berths shows a deficit position, the proportionate cost of dredging has been apportioned to the cargo related charges.

(vii). The main cost elements like employee cost and pension cost are increased considerably every year due to the effect of wage & pension revision. Similarly maintenance dredging costs are also increased due to price escalations & increasing volume. Each main activity and sub activities, except wharfage on POL, fertilizers & VRC of SBM operation, are showing deficit due to increase in cost & reduction in the income.

(viii). Management & General Administration cost and net of Finance & Miscellaneous cost have been apportioned on the basis of direct cost to each activity.

(ix). Cost sheet for vessel related charges of SPM operations and GHD Nehru Shatabdi have been prepared and enclosed separately to justify the rates.

(x). As per the activity wise cost statement, the average percentage of hike required for the tariff setting period is furnished below:

Activity	Hike required (%)	Activity	Hike required (%)
Main activity		**Main activity**	
- Cargo related activity overall	72.45	- Vessel related activity overall	122.42
Sub activity		**Sub activity**	
- Coal & other cargo	256.00	- Port dues	39.28
- POL	32.61	- Pilotage	133.32
- Stuffing & de-stuffing	171.33	- Berth hire	245.02
- FC Periyar	601.00	- Dry docking	382.98
- Fertilizer	Nil	- GHD Nehru Shatabdi	442.63
		- Water supply through barge	98.67
		- Water supply through shore	325.29

(xi). Though each main and sub activities show huge deficit, it is not advisable to hike the existing tariff for covering the deficit mentioned above as the prevailing COPT's tariff of vessel related and cargo related charges itself are on higher side compared with the neighboring competitive Ports like V.O. Chidambaranar Port Trust at Tuticorin, New Mangalore and Chennai Port Trust. (The COPT has furnished a comparative statement showing vessel related charges and wharfage rates prevailing at the four major ports, viz. COPT, New Mangalore Port Trust, V.O. Chidambaranar Port Trust and Chennai Port Trust). It is anticipated that the existing vessel and cargo traffic may be diverted to neighboring Ports if the tariff is increased. Since the Port is already facing a severe financial problem, the impact of diversion of traffic to other Ports will also adversely affect the financial position severely. The Port has proposed to continue the existing tariff for the next 3 years subject to the approval of its Board of Trustees.

(B). **Scale of Rates**:

The main modifications proposed by the COPT in the Scale of Rates are as follows:

(i). **Vessel Related Charges**

(a). Competitive reduced Vessel Related Charges are proposed for mainline container vessel calling at ICTT Berth, Vallarpadam. (Subsequently, the Chairman (COPT) vide his d.o. letter dated 20 January 2012 has stated that the port is withdrawing its proposal for prescribing Special tariff for mainline container vessels visiting ICTT included in its original proposal for general revision of Scale of Rates COPT, reportedly based on the deliberations by the Board of Trustees of COPT in their meeting held on 23 December 2011).

(b). Hire charges for GHD Nehru Shatabdi has been increased to ₹46,000 per hour from the existing rate of ₹35,843 per hour due to the increasing operating cost, periodical R & M cost and dry docking expenses. (Subsequently, the port vide its letter dated 12 October 2011 informed that the port is withdrawing the proposal in respect of Nehru Shatabdi from its consolidated proposal citing that the dredger may be predominantly used for own purpose and there may not be any capacity to lease it out to other agencies).

(c). Separate berth hire charge proposed for inland waterways barges.

(d). Berth hire charges has been changed to single slab from the existing three slabs as per Clause No.6.10 of TAMP guidelines. Clubbing / re-grouping of berths of similar facilities and services have been done.

(e). Inclusion of security charges of ₹1,00,000/- for 24 hours for international cruise vessel and foreign naval vessels.
(A separate proposal filed by COPT for fixation of security charges @ ₹1,00,000/- per day has been registered as a separate tariff case and disposed off by the Authority vide Order No.TAMP/30/2010-COPT dated 8 August 2012.

(ii). **Cargo Related Charges**

(a). Schedule of wharfage for bulk and break bulk cargo
Few cargo items which are not being handled through the Port for last so many years are removed from the wharfage schedule and some of the items are regrouped.
Wharfage charge for Defence Cargo is increased from existing ₹217.55 to ₹300 per tonne (foreign) for providing additional security and safety measures.

(b). The storage charge on cargo stored at specified transit sheds prescribes slab wise rates for stay of cargo in days. The slabs are modified and proposed on week basis. Further the number of slabs are reduced from existing three to two slabs (first slab from upto 30 days is modified to upto 8 weeks, second slab is proposed at 9 weeks onwards).

(c). For containers availing storage facility for further clearance from port and for containers grounded for examination, it has proposed a separate schedule of ground rent charges. The slab wise storage charges per day proposed are matching with the storage charges prescribed in the existing SOR for loaded containers. However, the free period for this category of containers has been reduced to one day from the existing free period of 7 days for loaded containers.

(d). Storage charges on cargo stuffed / de-stuffed at CFS is proposed to be reduced by 16.67% to 46.67% over the existing charges.

(e). Storage charges on personal effects / un-accompanied baggage de-stuffed from containers is proposed to be increased by 50% to 100% for different slabs.

(f). It has proposed to introduce a separate schedule of storage charges for cars de-stuffed and stuffed at CFS. The free period allowed is 3 days which is at par with other import cargo. The existing schedule of storage charges for import cargo prescribes tonnage based rates. The unit of levy for storage charges in respect of cars has been proposed at per car per day. The rates proposed are ₹500/- per day upto 15 days, ₹700/- per day upto 30 days and ₹1,000/- per day thereafter.

(g). It has proposed to include charges for (i) Lift on / Lift off charges for containers, (ii) Reefer charges - Electricity supply and monitoring containers and (iii) Examination of containers for clearance, in the proposed Scale of Rates, based on the proposal already filed by it for approval of the above said charges on ad hoc basis. (A separate proposal filed by COPT in this regard has been registered as a separate tariff case and disposed off by the Authority vide Order No.TAMP/21/2011-COPT dated 18 June 2012.)

(h). Existing Charges for use of wharf Crane and for port's grab fitted to shore crane, charges for light duty mobile crane and weighing charges are proposed to be deleted.

(iii). **Miscellaneous charges**

(a). Charges for fire tender has been increased ₹3000/- per hour from the existing rate of ₹490/- per hour.

(b). 100% increase proposed in the charges for taking photographs or shooting films in the port premises.

(c). Toll charges have been modified and made user friendly. (The existing SoR prescribes unit of levy as 1 day, 3 months, 6 months, 9 months and 1 year. In the proposed SoR, it has been proposed to include the rates for 1 month and the existing rates for 9 months have been deleted. The toll charges in respect of tourist vehicles and lorries upto 6 wheels have been proposed to be increased by 25% to 67%.)

(d). Way leave charges for telephone cables is proposed at ₹5000/- per Km. or part thereof per annum. (The existing SOR prescribes way leave charges for TV cable lines at ₹3,500/- per Km. or part thereof per annum and does not prescribe rate for telephone cables. It is relevant to mention here that as recorded in paragraph 7 (iv) of Order dated 16 June 2010, in view of the strong objections raised by BSNL and Airtel for the levy of way leave charges for telephone cables proposed by the port at ₹5000/- per Km per annum citing the provisions of Indian Telegraph Act, the port was directed to examine the legal issues raised by BSNL and Airtel and then submit a separate proposal, if necessary).

(e). Penalty charges for dumping/ disposal of waste material in any kind by any person/ agent in Port area is proposed.

(iv). **Estate Rentals**

A new tariff item Way leave charges for oil pipe lines in the SEZ area has been proposed at ₹414/- per sq. m. per annum. The Authority vide Order dated 4 May 2010, approved way leave charges of ₹360/- per sq. m. per annum for pipelines passing through port lands. Now the port has proposed a separate rate for oil pipelines in the SEZ area at a higher rate of ₹414/- per sq. m. with 15% increase over the existing rate.

The COPT has modified the conditionality to the effect that the conditions prescribed in the Land policy guidelines of 2010 announced by the Government in 2011 would prevail over the existing conditionalities.

5.1. The port has furnished a copy of the Annual Accounts for the years 2009-10 and 2010-11, RE/BE for 2010-11 and 2011-12 along with Administration Report for the year 2009-10 and the proposed Scale of Rates. It has also furnished following statements along with its proposal:

(i). Commodity wise cargo handled during the years 2009-10 and 2010-11.

(ii). Actual / projections of container traffic at ICTT operated by IGTPL for the years 2011-12 to 2014-15.

(iii). Actual / projections of vessel traffic, average GRT, average berthing time at ICTT operated by IGTPL for the years 2011-12 to 2014-15.

5.2. In its proposal dated 30 September 2011 the COPT informed that its proposal for general revision of tariff is subject to approval of its Board of Trustees. Subsequently, at the joint hearing held on 28 March 2012, the COPT furnished a copy of the Board Resolution.

6. In accordance with the consultative procedure prescribed, the proposal dated 30 September 2011 was circulated to user organisations seeking their comments. At the request of the port, the proposal was also forwarded to another set of user organisations. The comments received from users/ user organisations were forwarded to COPT as feedback information. The COPT has also furnished its reply to comments of users/ user organisations.

7.1. A joint hearing in this case was held on 28 March 2012 at the COPT premises. The COPT made a brief power point presentation highlighting the salient points of its proposal. At the joint hearing, COPT and users/user organisations have made their submission.

7.2. At the joint hearing, COPT submitted a copy of the Resolution of its Board of Trustees dated 23 December 2011 approving the proposal filed by the port to maintain the status quo in tariff.

7.3. As decided at joint hearing, the COPT was requested to furnish additional information/ clarifications on various points vide our letter dated 16 April 2012. The COPT vide its letter dated 16 June 2012 has submitted its reply on the queries.

7.4. A summary of the queries raised by us to COPT and the corresponding replies furnished by the COPT is tabulated below:

Sl. No.	Queries raised by us	Reply furnished by COPT
A.	**GENERAL**	
1.	The cost statements furnished by COPT contain actuals for 2009-10 & 2010-11, the Revised Estimates/ Budget Estimates for 2011-12 and projections for the years 2012-13 to 2014-15. Since the year 2011-12 is already over, the COPT to update the cost statements for 2011-12 with provisional / unaudited actuals, followed with draft accounts as soon as the same is available. The estimates for the subsequent three years from 2012-13 to 2014-15 also to be updated based on the actuals of 2011-12, if necessary.	The Cost statements have been updated with the actual figures for 2011-12 and projections for the period from 2012-13 to 2014-15 based on the actual of 2011-12.
2.	(i). At the time of the comprehensive revision of the Scale of Rates in February 2010, review of tariff was based on the projections for 2009-10 to 2011-12. In Form-7, COPT has furnished an analysis of variations of actual physical and financial performance for the years 2009-10 and 2010-11 with reference to the projections relied upon at the time of deciding the prevailing tariff. The COPT to update Form-7 with an analysis for the year 2011-12 also.	Form No.7 has been updated with the actual figures for 2011-12.
	(ii). It is observed from Form-7 that the variation is more than + or – 20% in respect of the following:- (a). Cargo Handling/ Container Handling income of 2009-10 and 2010-11 (b). Vessel related income of 2010-11 (c). Estate Income of 2009-10 and 2010-11 (d). Cargo Handling & storage expenditure of 2009-10 & 2010-11 (e). Depreciation for 2009-10 and 2010-11 (f). Management & General Administration Overheads of 2009-10 & 2010-11 (g). Finance & Miscellaneous Income of 2009-10 and 2010-11	Detailed reasons for the variations over and above + / - 20% for the period from 2009-10 to 2011-12 is given in Form – 7 of the revised cost statements.

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<td>(h). Finance & Miscellaneous Expenses of 2010-11
(i). Capital Employed of 2009-10 and 2010-11

The COPT to furnish the reasons for such wide variations in all the items mentioned above. While furnishing detailed explanations in respect of all the items pertaining to 2009-10 and 2010-11, COPT is also requested to furnish a similar analytical statement for the year 2011-12.</td>
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<td>(iii). It is to be noted that in the analysis of actuals vis-à-vis the estimates, the estimated income considered by the Authority in the last tariff Order is required to be adjusted for tariff increase granted in the said Order for a like to like comparison with actuals for the years 2009-10 to 2011-12.</td>
<td>The estimates made by TAMP in the last Order has been analysed with the actuals for the year 2009-10 to 2011-12.</td>
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<td>(iv). In the last tariff revision, pension payments were considered on estimate basis. Since the Annual Accounts do not report the actual pension payment, the same may be indicated for the years 2009-10 to 2011-12 and considered in Form-7 while comparing with the estimates.</td>
<td>Even though the text shown in the F & M Exp. is “Contribution to Pension Fund Trust”, it is the actual amount of pension paid during the year. Since there was no sufficient balance in the Pension Fund Trust, the required amount is transferred from the Revenue Fund to the Pension Fund Trust for the purpose of pension payment.

The actual amount of pension paid to the pensioners during the last three years is as follows:-

<table>
<tr><th>Year</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>₹ in Crores</td><td>58.20</td><td>96.24</td><td>96.90</td></tr>
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<td>(v). The actuals furnished by COPT in Form-7 for the years 2009-10 and 2010-11 do not tally with the figures reported in the audited annual accounts of the respective years. The COPT to, therefore, furnish a statement reconciling the actuals considered in the cost statements with the actuals reported in the Annual Accounts for all the items viz. Operating income, Operating cost, Depreciation, Finance and Miscellaneous Expenditure, Finance and Miscellaneous Income, Management and General Administration facilities, Net fixed assets, etc. for the years 2009-10 to 2011-12.</td>
<td>Item-wise reconciliation between the figures in the Audited Annual Accounts and Form -7 is furnished.</td>
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<td>3.</td>
<td>The Guidelines provide flexibility to all the major port trusts to reduce the rates at their discretion on commercial consideration, if they so desire. Such reduction, if any, granted by COPT may be quantified and listed out for each the years 2009-10 to 2011-12 and the consequential effect of such concession granted on growth of traffic to be analyzed item wise.</td>
<td>The details of major concession granted are furnished below:-

<table>
<tr><th colspan="2">Particulars</th><th>Concession</th><th>Outcome / Remarks</th></tr>
<tr><td>I.</td><td colspan="3">2009-10</td></tr>
<tr><td>1</td><td><u>Mainline Container Vessel</u>
- Port Dues
- Pilotage
- Berth Hire</td><td>
50%
50%
50%</td><td rowspan="2">To attract more Mainline & foreign Feeder container vessels to the Port in the light of high rates existing in CoPT when compared to the neighbouring ports.</td></tr>
<tr><td>2</td><td><u>Feeder Container Vessel</u>
- Pilotage
- Berth Hire</td><td>
30%
30%</td></tr>
<tr><td>3</td><td>International Cruise Vessel</td><td>$33^{1/3}$% of VRC</td><td>To attract more vessels</td></tr>
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<tr><td></td><td></td><td>
<table>
<tr><td colspan="4">II. 2010 -11</td></tr>
<tr><td rowspan="4">1</td><td><u>Mainline Container Vessel</u></td><td></td><td rowspan="7">As a trade promotion measure to attract more Mainline & foreign Feeder container vessels to the Port</td></tr>
<tr><td>- Port Dues</td><td>50% – 60%</td></tr>
<tr><td>- Pilotage</td><td>50% – 60%</td></tr>
<tr><td>- Berth Hire</td><td>50% – 60%</td></tr>
<tr><td rowspan="3">2</td><td><u>Feeder Container Vessel</u></td><td></td></tr>
<tr><td>- Pilotage</td><td>30%</td></tr>
<tr><td>- Berth Hire</td><td>30%</td></tr>
<tr><td colspan="4">III. 2011 - 12</td></tr>
<tr><td rowspan="4">1</td><td><u>Mainline Container Vessel</u></td><td></td><td rowspan="4">As per Clause 4.2 of the License Agreement with IGTPL (rates on par with neighbouring ports).</td></tr>
<tr><td>- Port Dues (per GRT)</td><td>USD 0.0455</td></tr>
<tr><td>- Pilotage (per GRT)</td><td>USD 0.0865</td></tr>
<tr><td>- Berth Hire (per GRT per hr)</td><td>USD 0.0022</td></tr>
<tr><td rowspan="3">2</td><td><u>Feeder Container Vessel</u></td><td></td><td rowspan="3">As a trade promotion measure to attract more foreign Feeder container vessels to the Port</td></tr>
<tr><td>- Pilotage</td><td>30%</td></tr>
<tr><td>- Berth Hire</td><td>30%</td></tr>
<tr><td rowspan="3">3</td><td>International Cruise Vessel</td><td>(w.e.f. 30.5.2011)</td><td rowspan="3">To attract more vessels</td></tr>
<tr><td>- Upto 30000 GRT</td><td>20% on VRC</td></tr>
<tr><td>- Above 30000 GRT</td><td>30 % on VRC</td></tr>
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<tr><td>4.</td><td>IGTPL had shifted its operations from RGCT to ICTT on 18 February 2011. It may be informed whether concurrent operations at both RGCT and International Container Transshipment Terminal (ICTT) have been resorted to, as provided in the License Agreement. If operation at RGCT is not yet commenced by COPT, the proposed utilization of those facilities may be indicated. COPT to confirm that the traffic, income and expenditure estimation furnished in the cost statements reflect this position. If not, the estimates to be updated taking into consideration the traffic likely to be handled by the port at RGCT.</td><td>No concurrent operations were carried out at RGCT & ICTT since the commissioning of the ICTT, Vallarpadam.
Since the migration of container operations from RGCT to ICTT, Vallarpadam on 11.2.2011, the existing Q8 & Q9 berths and backup areas at RGCT are proposed to be developed as a General Cargo Terminal through PPP mode, for which RFQ has been invited and is under evaluation. Also a separate Upfront Tariff Proposal has already been submitted to TAMP Vide letter no. FD/Costing/ Upfront Tariff – Q8 & Q9 dated 29th May 2012. The Q 7 berth at RGCT is being used for servicing all general cargo as well as cruise ships. A part of the Q 7 back up area is utilized as ‘pre-processing facility to EXIM Containers’ from / to ICTT for which a separate tariff proposal has been submitted and included in the General Tariff Proposal. Only a nominal income is earned by the Port from this operation, which is included under the head Cargo Handling & Storage Charges (Other Income).</td></tr>
<tr><td>5.</td><td>In Form - 8, COPT has not furnished the details of activity wise manpower deployment and the costs thereof. It has only furnished the total man power deployed and the total cost thereof. The details pertaining to surplus manpower have not been furnished in this Form. A brief note on surplus manpower, if any, to be furnished and allocation of expenditure on such manpower explained keeping in mind clause 2.6.1 of the tariff guidelines of March 2005.</td><td>The details of total manpower employed in the Port and the total employee cost has been included in Form 8. There is no surplus manpower at present in the Port.</td></tr>
</table>

6.	Form-9 of the cost statement formats prescribed by this Authority requires the port to furnish the details of accumulation / withdrawals from the Escrow Account to be created from the Royalty / Revenue share receipts from the BOT operators. The Form-9 furnished by COPT do not contain the required details. The COPT to, therefore, furnish the requisite details in Form-9 for all the relevant years.	Form No.9 has been updated with the available data. Since there is no excess manpower in the Port, no separate Escrow A/c is being maintained by the Port and the total revenue share received from M/s.IGTPL is used for procuring capital infrastructure.
7.	As informed earlier by COPT, it is a Licensee of Kerala State Electricity Board and distributes power in the port area. Following the approach adopted during the last general revision of tariff at COPT in this regard, the revenue, expenditure, overhead charges and the relevant net block pertaining to electricity supplied to outsiders are to be excluded from the cost statements for tariff revision exercise. Please confirm that this approach is adopted by COPT in its current tariff proposal. The details of such revenue, expenses, etc. also to be furnished separately duly reconciling with actuals reported in the audited annual accounts for the years 2009-10 to 2011-12.	In the cost statements, both the income and expenditure relating to electricity distribution has been included. The Revenue & Cost statements submitted to the Kerala state Electricity Regulatory Commission (KSERC) for the years 2009-10 & 2010-11 (actual) and 2011-12 (estimates) is furnished for information.
8.	The COPT has filed separate proposals for (a) fixation of security charges for defence vessels and (b) fixation of charges for pre-processing facilities to EXIM containers at Q7 area. Please confirm and show that the expenditure / overheads and the net block of assets considered in the general revision proposal takes into consideration the estimates furnished in each of the above mentioned proposals for the years 2012-13 to 2014-15. Likewise, the income estimated from the proposed tariff to also be shown as a separate entry in the consolidated cost statement as well as relevant activity/ sub activity wise cost statements in line with the income estimated in the individual proposals	The income from (a) security charges for defense & cruise vessels and (b) charges for pre-processing facilities to EXIM containers are included as 'Other Income' under the head 'Vessel Related Activity' and Cargo Handling & Storage Charges' respectively and the expenses incurred for the above activities are included in the cost of sub activities.
9.	As per clauses 5.9 & 6.8 of the tariff guidelines of March 2005, the tariff should be linked to the benchmark levels of productivity. COPT's proposal, however, does not indicate anything about the productivity levels to be maintained for various operations/ services. The COPT to clarify.	The Port has licensed its container operations to M/s.IGTPL and benchmark levels of productivity are already incorporated in the License Agreement between Cochin Port Trust and IGTPL. Cochin Port does not handle general cargo in any significant volume and therefore benchmark levels of productivity have not yet been set for general cargo. However the general cargo handled and proposed under PPP format are already having benchmark levels of productivity fixed. Details of Port performance indicators like average turn around time, avg pre-berthing time, avg output per ship per berth day for the years 2009-10 and 2010-11 is furnished.
10.	As per clause 2.6.2 of the tariff guidelines of March 2005 it is necessary to conduct time and motion study of different operations and regularly adjust manning scales/ datum accordingly after due process of law. The action, if any, taken in this respect to be informed.	No time and motion study has been conducted for the various Port operations.
11.	The port to examine whether any of the services qualifying under Section 42(3) of the Major Port Trusts Act are offered by any service provider authorized by the port. If so, the action initiated by the COPT for fixation of tariff for such services as per the provisions of Chapter 7 of the tariff guidelines of 2005 to be intimated.	Port has not offered any services qualifying under Section 42 (3) of the Major Port Trusts Act to any service provider.

<table>
<tr><td>12.</td><td>The COPT to confirm that the traffic / financial implications of PPP projects to be commissioned in the port of Cochin within the three year period under review are captured in the cost statements filed by the port.</td><td>It is confirmed that no traffic/ financial implication of any of the PPP projects to be commissioned with in the three year tariff setting period from 2012-13 to 2014-15 is included in the cost statements.</td></tr>
<tr><td>13.</td><td>COPT to furnish a consolidated cost statement for port as a whole excluding the estate and railway activities.</td><td>A consolidated cost statement for Port as a whole excluding the estate and railway activities is furnished.</td></tr>
<tr><td>II.</td><td><u>CAPACITY UTILIZATION</u>:</td><td></td></tr>
<tr><td>1.</td><td>In Form 2 A, the COPT has shown the designed capacity of the port as 26.06 Million Tonnes (MT) for 2009-10, 28.48 MT each for 2010-11 and 2011-12, 33.48 MT for 2012-13 and 37.58 MT each for 2013-14 and 2014-15. The COPT to furnish the detailed workings for capacity of the port as a whole and of facilities for major commodity groups like, POL, Coal, Fertilizer and other port specific cargoes for the years 2009-10 to 2014-15 considering the capital investments made and proposed to be made during these years and the productivity improvements achieved/ expected to be achieved thereby.</td><td>The designed capacity of the Port excluding containerised cargo is furnished below:-

(in MMTPA)
<table>
<tr><th>Cargo</th><th>2009 -10</th><th>2010 -11</th><th>2011 -12</th><th>2012 -13</th><th>2013 -14</th><th>2014 -15</th></tr>
<tr><td>POL</td><td>18.70</td><td>18.70</td><td>18.70</td><td>23.70</td><td>27.80</td><td>27.80</td></tr>
<tr><td>General Cargo</td><td>7.36</td><td>9.78</td><td>9.78</td><td>9.78</td><td>9.78</td><td>9.78</td></tr>
<tr><td>Total</td><td>26.06</td><td>28.48</td><td>28.48</td><td>33.48</td><td>37.58</td><td>37.58</td></tr>
</table></td></tr>
<tr><td>2.</td><td>As per clause 2.9.10 of the tariff guidelines of March 2005, return allowed on capital employed has to be linked to the utilization factor of the capacity of the port. It is observed that the capacity utilization for all the years under consideration is below 60%. Detailed reasons for the same to be furnished as envisaged in Note No.3 of Form 2B.</td><td>Due to the fact that all the main and sub activities are showing a deficit and the fact that no hike has been proposed by the Port, the ROCE is considered as 16% in the cost statements.</td></tr>
<tr><td>III.</td><td><u>TRAFFIC</u>:</td><td></td></tr>
<tr><td>1.</td><td>The COPT has estimated the traffic for the years 2011-12 to 2014-15 at 14.04 MT, 17.03 MT, 17.44 MT and 17.86 MT respectively as against the actual traffic of 13.45 MT handled during the year 2010-11. The traffic reported for the year 2011-12 to be updated with actuals and estimated traffic for the years 2012-13 to 2014-15 may be reviewed, if necessary</td><td>The traffic details have been reviewed and actual and the forecasts have been updated with the actual traffic handled during the year 2011-12.</td></tr>
<tr><td>2.</td><td>COPT to confirm whether the traffic projections are in line with the projections in the five year / annual plan and the current / expected growth as stipulated in clause 2.5.1 of the tariff guidelines of March 2005. In this connection, the COPT to furnish the basis adopted by it in the estimation of traffic for the years 2012-13 to 2014-15 for the port as a whole as well as for each major commodity group and port specific cargoes, along with the reasons for deviation, if any.</td><td>The traffic projections are in line with the projections in the 12th five year plan and the major commodity wise cargo traffic for the years 2012-13 to 2014-15 is furnished.</td></tr>
<tr><td>3.</td><td>The COPT to also confirm that additional traffic on account of creation of additional capacity, if any, is considered in the estimation of traffic for the years 2012-13 to 2014-15.</td><td>It is confirmed that the additional traffic on account of creation of additional capacity has been accounted.</td></tr>
<tr><td>4.</td><td>The traffic estimates for these three years as per the Business Plan of the Port also to be furnished. The copies of MOUs entered into between COPT and Ministry for the years 2009-10 to 2011-12 to be provided for perusal. If there are any variations in the target set for these years vis-à-vis the throughput handled by the Port, the reasons for the variations to be explained. A copy of the MOU entered with the Ministry for the year 2012-13 also to be forwarded for perusal.</td><td>Copies of the MOU entered into between CoPT and the Ministry for the years 2009-10 to 2012-13 is furnished.</td></tr>
</table>

<table>
<tr><td>5.</td><td>COPT to furnish the actual traffic handled by IGTPL during the years 2009-10 to 2011-12 and also the estimated traffic to be handled by IGTPL in the subsequent three years 2012-13 to 2014-15.</td><td>The details of traffic handled by M/s. IGTPL from 2009-10 to 2011-12 is furnished below and for the years 2012-13 to 2014-15 is furnished:
<table>
<tr><th>Year</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>Container traffic in TEUs</td><td>289817</td><td>312189</td><td>337053</td></tr>
</table></td></tr>
<tr><td>6.</td><td>Additional traffic handled on commissioning of the reconstructed North Coal Berth wharf to be indicated.</td><td>The cargo traffic handled at the reconstructed NCB is insignificant as compared to the capital cost incurred for the reconstruction of the same. Moreover it is only an extension of the BTP berth and mainly cruises/ passenger vessels are being berthed there. Besides the multi purpose shed adjacent to NCB / BTP is being converted into a “Cruise Facilitation Centre’ through grant from Ministry of Tourism, GoI and Department of Tourism, Government of Kerala.</td></tr>
<tr><td>7.</td><td>COPT to inform whether the Mattancherry Wharf has been commissioned. The cargo handled/ the anticipated cargo to be handled in this berth to be furnished year wise.</td><td>The Q 4 berth of Mattancherry wharf was commissioned during June 2010. The berth is being converted into a Liquid Cargo Terminal for which firefighting facilities are being installed by the Port. The Terminal is expected to be operational in May 2013.</td></tr>
<tr><td>8.</td><td>The coal handled in 2009-10 and 2010-11 was 0.15 MT and 0.04 MT respectively. Reasons for the sudden drop in this cargo during 2010-11 to be furnished. The actual/ estimate of coal to be handled in 2011-12 is shown as 0.10 MT. Further, the projection for 2012-13 is at 0.39 MT, which is with an increase of 290%. The projections for 2013-14 and 2014-15 are placed at 0.42 MT and 0.44 MT. The basis of estimating coal traffic to be furnished.</td><td>Cochin Port does not have significant demand for coal in its immediate hinterland. The coal traffic therefore remained low and varying. However, with the vacation of the erstwhile Container Terminal, RGCT where 12.5 m draft is available, Cochin Port expects bigger coal ships to call the Port for serving the nearby states also. The full rake rail sidings previously used by the Container Terminal also adds to the prospect of attracting more coal as rail evacuation is presently feasible.</td></tr>
<tr><td>9.</td><td>The actual/ estimated POL traffic to be handled in 2011-12 is shown as 12.50 MT. This cargo traffic has been projected uniformly at 14.00 MT for 2012-13 to 2014-15, with an increase of 12% over that of 2011-12. The reasons for not considering any growth in POL traffic for the years 2013-14 and 2014-15 to be furnished.</td><td>The POL projections are furnished based on the details provided by M/s. BPCL-KR.</td></tr>
<tr><td>10.</td><td>The fertilizer handled both in 2009-10 and 2010-11 was 0.62 MT each as against the actual / estimated traffic to be handled in 2011-12 at 0.44 MT. which shows a drop of 29%. Further, the projections for 2012-13 to 2014-15 are at 0.76 MT, 0.76 MT and 0.79 MT respectively with an increase of around 72% over the actual / estimated traffic of 2011-12. COPT to furnish the basis of estimating the fertilizer traffic.</td><td>The Port has initiated automation in bagging of finished fertilizers which will ensure faster evacuation of cargo. This can facilitate servicing more vessels which is the basis of upgraded projections.</td></tr>
<tr><td>11.</td><td>The other port specific cargoes handled in 2009-10 and 2010-11 was 0.77 MT and 0.69 MT respectively. The estimate of this cargo group to be handled in 2011-12 is 1.00 MT. Further, the projection for 2012-13 to 2014-15 is at 1.88 MT, 2.27 MT and 2.64 MT. The basis of the estimates to be furnished. Also, furnish the commodity wise details of the traffic considered under this group in case it is equal to or more than 10% of the total traffic, as stipulated in Note 1 of Form-2A for the years 2011-12 to 2014-15.</td><td>The commissioning of the automated Cement Terminal by M/s.Ultra Tech in September 2012 where the MGT fixed is 0.3 MTPA has been the major reason for increasing the projection of other cargo.</td></tr>
<tr><td>12.</td><td>In the cost statement (Form 2A), the COPT has not reported the share of foreign cargo and coastal cargo in the total estimated cargo throughput for the years 2011-</td><td>Statement showing the details of coastal and foreign cargo handled during 2011-12 is furnished. Since it is not possible to forecast</td></tr>
</table>

	12 to 2014-15, although the actuals for the past two years indicate that the port has handled both foreign and coastal cargo. The same for each of the cargo groups reported in Form 2A to be furnished.	the break up of foreign and coastal cargo accurately due to the fluctuations in cargo traffic, the details are not furnished.
13.	COPT has furnished the number of vessels visited the port during 2009-10 to 2011-12 and expected to visit during 2012-13 to 2014-15. However, the COPT has not furnished the break-up of number of vessels estimated for the years 2011-12 to 2014-15 in terms of GRT wise slab indicated in Form-2A, even though such details have been reported for the past two years 2009-10 and 2010-11. COPT to furnish the same.	Statement showing the details of vessels GRT-wise for the year 2011-12 is furnished. Since it is not possible to forecast the break up of foreign and coastal vessels, the details are not furnished.
14.	The COPT to also furnish the commodity group wise aggregate GRT of the vessels visited /expected to be visited during the years 2009-10 to 2014-15.	Statement showing the details of commodity group wise aggregate GRT of the vessels visited during the years form 2009-10 to 2011-12 is furnished.
IV	**<u>INCOME ESTIMATES</u>:**	
1.	Note 3 under Form 2B of the format prescribed for tariff proposal adopted by this Authority requires Major Port Trusts to provide detailed computation of income with reference to the estimated traffic. However, no such computation has been furnished by port. COPT to furnish detailed computation of income with reference to the estimated traffic at the existing Scale of Rates and the proposed Scale of Rates for all the years under consideration for each of the tariff items prescribed in the SOR for the years 2012-13 to 2014-15. Also, furnish detailed income computation at the existing tariff level for the years 2009-10 to 2011-12 duly reconciling it with the income reported in the audited/ provisional annual accounts of the respective years.	The income for the years from 2009-10 to 2011-12 shown in Form 2 B is as per the audited annual accounts and the traffic handled during these years shown in Form 2A is the actual traffic handled by the Port. It is also mentioned here that the traffic handled during a year may be billed subsequently, as Port collects wharfage & handling charge only when the cargo is delivered. Hence a one to one comparison of the traffic handled and revenue generated during a year cannot be accurately made.
2.	The wharfage income from coal handling is reported at ₹43.20 lakhs in 2010-11 for the actual throughput of 0.04 MT. The actual / estimated wharfage income from coal handling for the year 2011-12 is also reported at the same amount of ₹43.20 lakhs, though the actual / estimated coal traffic for the year 2011-12 is considered at a higher level of 0.10 MT. COPT to clarify the position.	The wharfage income from coal & POL handling earned during the year 2011-12 and the projections for the years 2012-13 to 2014-15 has been updated in the cost statements.
3.	The actual / estimated POL handling charges for the year 2011-12 is considered at ₹2.75 lakhs as against the actual of ₹8.53 lakhs for the immediate previous year 2010-11. Further, the estimated income from POL handling charges for the years 2012-13 to 2014-15 is considered uniformly at ₹3.08 lakhs per year. The reasons for drop in the estimated POL handling income from the year 2011-12 onwards, despite increase in traffic, to be furnished.	
4.	The demurrage income from other cargo for 2010-11 was ₹3.54 crores. However, the port has estimated this income for the year 2011-12 at ₹1.57 crores with a drop of around 56%. Further, the estimated demurrage income for 2012-13 to 2014-15 is reported ₹2.95 crores, ₹3.55 crores and ₹4.13 crores respectively. The demurrage income for the year 2011-12 to be updated with actuals and the estimated demurrage income for the years 2012-13 to 2014-15 to be reviewed, if necessary.	The demurrage income earned during the year 2011-12 and the projections for the years 2012-13 to 2014-15 has been updated in the cost statements.

<table>
<tr><td>5.</td><td>At Sr. No. VII of Form 2-B income from dwell time/ storage charges has been furnished. COPT to state whether this income represents container storage charges. The basis for estimating this income for the future years to be explained.</td><td>The dwell time / storage charges shown in Form 2 – B includes container storage charges. The income for the future years has been estimated based on the actual performance for the year 2011-12.</td></tr>
<tr><td>6.</td><td>An analysis of average dwell time of different types of cargo for the three years 2009-10 to 2011-12 to be furnished. Average dwell time considered for estimating the demurrage and storage income for the years 2012-13 to 2014-15 at the existing tariff level as well the proposed tariff also to be indicated.</td><td>The demurrage and storage incomes for the future years has been estimated based on the actual performance for the year 2011-12 and not on the average dwell time as the dwell time cannot be accurately forecasted.</td></tr>
<tr><td>7.</td><td>The actual income from hiring of equipment for the year 2009-10 is reported at ₹267.92 lakhs, which is shown at reduced level of ₹40.23 lakhs in the year 2010-11. The reasons for such a sharp decline in this income to be furnished.</td><td>The actual income earned from hiring of equipment for the year 2009-10 is as follows:-
<table>
<tr><td>Amt shown in the accounts</td><td>-</td><td>₹267.92 lakhs</td></tr>
<tr><td><u>Less</u>: hiring of Nehru Shatabdi wrongly booked</td><td>-</td><td><u>₹230.00 lakhs</u></td></tr>
<tr><td>Actual income from hiring of equipment</td><td>-</td><td><u>₹37.92 lakhs</u></td></tr>
</table>
From the above it can be seen the actual hiring income during the year 2009-10 is only ₹37.92 lakhs. Hence there is no decline in the income for the year 2010-11.</td></tr>
<tr><td>8.</td><td>The basis of estimating income from hiring of equipment, stuffing & destuffing at CFS, etc. for the years 2012-13 to 2014-15 to be furnished with workings.</td><td>The income from hiring of equipment for the years 2012-13 to 2014-15 has been estimated based on the actual performance for the year 2011-12. The income from stuffing & destuffing at CFS for the years 2012-13 to 2014-15 has been estimated based on a 5 % hike on the previous year.</td></tr>
<tr><td>9.</td><td>Please furnish break up of “other income” reported under the head “Cargo handling income” in the cost statement for the years 2009-10 to 2014-15. Also, furnish the basis for estimation of this income for the years 2012-13 to 2014-15.</td><td>The break – up Of ‘Other Income’ is as follows:-
(₹ in lakhs)
<table>
<tr><th></th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>Ship stores</td><td>4079089</td><td>216380</td><td>237112</td></tr>
<tr><td>Auction sale proceeds</td><td></td><td>1502255</td><td>1381085</td></tr>
<tr><td>Rent on jetties</td><td></td><td>6305881</td><td>6282923</td></tr>
<tr><td>Sundry cargo charges</td><td>7536</td><td>3597</td><td>46250</td></tr>
<tr><td>Pre-stage charges</td><td></td><td>1073448</td><td>7541200</td></tr>
<tr><td>Lift on – Lift off charges</td><td></td><td>408363</td><td>5765012</td></tr>
<tr><td>Reefer Plug</td><td>0</td><td>93039</td><td>1741097</td></tr>
<tr><td>barge loading jetties</td><td>711200</td><td>0</td><td>0</td></tr>
<tr><td>TOTAL</td><td>4797825</td><td>9602963</td><td>22994679.3</td></tr>
</table></td></tr>
<tr><td>10.</td><td>The actual “other income” reported under “cargo handling income’ for the year 2010-11 is at ₹99.10 lakhs as against the actual/estimated income reported at ₹69.87 lakhs for the year 2011-12. The reasons for considering this income at a reduced level for the year 2011-12 to be furnished</td><td>The details for the year 2011-12 have been updated in the cost statements.</td></tr>
<tr><td>11.</td><td>The throughput of the year 2011-12 has been estimated at 14.04 MT and the vessel related income of that year at ₹119.21 crores. Although the throughput has been estimated for 2012-13 to 2014-15 at 17.03MT, 17.44 MT and 17.86 MT respectively the vessel related income projected is ₹131.78 crores, ₹148.44 crores, and ₹167.60 crores respectively. The vessel related income</td><td>The vessel related income and vessel traffic for the years 2012-13 to 2014-15 also includes the income and traffic of container vessels whereas the cargo related income from these containers are excluded as it is the revenue share (royalty) received by the Port. Hence a comparison between cargo income & traffic with vessel</td></tr>
</table>

<table>
<tr><td></td><td>estimation for these years does not correspond to the income and traffic estimation of 2011-12. The vessel related income for the year 2011-12 to be updated with actuals and the estimated vessel related income for the years 2012-13 to 2014-15 to be considered based on the actual aggregate GRT of vessels under each cargo group in the year 2011-12 and estimated aggregate GRT of vessels for the years 2012-13 to 2014-15.</td><td>related income and traffic cannot be accurately made.

It is also mentioned here that the Port is extending an overall concession of 86% in case of VRC for mainline container vessels and a 30% reduction in pilotage and berth hire rates in the case of foreign feeder container vessels. Thus, even though there is an increase of 250 vessels and 300 vessels each in vessel traffic during the years 2012-13, 2013-14 and 2014-15 respectively, there is no corresponding increase in the vessel related income. Hence only a 5% hike on the actual income of 2011-12 in the vessel related income is projected for the next 3 years.

The vessel related income for the year 2011-12 and the projections for the future years have been updated in the cost statements.</td></tr>
<tr><td>12.</td><td>The COPT has not furnished break up of income from foreign going vessels and coastal vessel in the estimated vessel related income, in terms of port dues, berth hire, pilotage, etc. for the years 2011-12 to 2014-15, though the actuals for the years 2009-10 and 2010-11 give such break up. COPT to furnish the vessel related income from foreign going vessels and coastal vessels separately in the cost statements.</td><td>In the cost statements, the detailed break – up of income from foreign going and coastal vessels in respect of vessel related charges has been updated with the actual of 2011-12. Since it is not possible to accurately forecast the break up of foreign going and coastal vessels as well as the GRT of these vessels, for the future years, the projections have been made based on a 5% hike on the vessel related income of 2011-12.</td></tr>
<tr><td>13.</td><td>The workings for income from SPM Tug charges for pull back operations and SPM pilotage charges for the year 2011-12 based on actuals and for the years 2012-13 to 2014-15 based on estimates to be furnished separately.</td><td>The statement showing SPM operations has been updated with the actuals for the year 2011-12. The income from SPM operations has been maintained for the future years and has not been hiked, whereas a 6% hike is projected in case of operating expenditures other than tug hire charges.</td></tr>
<tr><td>14.</td><td>The income arising out of dollar denominated tariff to be updated with the current exchange rate. The exchange rate adopted for such estimation may be indicated. The average exchange rate for US$ for the year 2011-12 reflected in the actual income earned by the port in US$ terms in the year 2011-12 also to be furnished.</td><td>Since it is not possible to accurately forecast the break up of foreign going and coastal vessels as well as the GRT of the vessels calling at the Port during the year 2012-13 to 2014-15, the implication of the exchange rate has not been considered in the cost statements. The US dollar exchange rate for the year 2011-12 is furnished below:-

<table>
<tr><th>Month & year</th><th>1st</th><th>15th</th><th>30th</th></tr>
<tr><td>Apr-11</td><td>44.39</td><td>44.22</td><td>44.01</td></tr>
<tr><td>May-11</td><td>44.01</td><td>44.66</td><td>44.96</td></tr>
<tr><td>Jun-11</td><td>44.85</td><td>44.54</td><td>44.66</td></tr>
<tr><td>Jul-11</td><td>44.50</td><td>44.29</td><td>43.98</td></tr>
<tr><td>Aug-11</td><td>43.87</td><td>45.14</td><td>45.85</td></tr>
<tr><td>Sep-11</td><td>45.87</td><td>47.44</td><td>48.77</td></tr>
<tr><td>Oct-11</td><td>48.77</td><td>48.81</td><td>48.56</td></tr>
<tr><td>Nov-11</td><td>48.49</td><td>50.05</td><td>51.83</td></tr>
<tr><td>Dec-11</td><td>52.00</td><td>53.52</td><td>52.87</td></tr>
<tr><td>Jan-12</td><td>52.91</td><td>51.33</td><td>49.11</td></tr>
<tr><td>Feb-12</td><td>49.24</td><td>48.99</td><td>48.97</td></tr>
<tr><td>Mar-12</td><td>48.71</td><td>49.71</td><td>50.99</td></tr>
<tr><td>TOTAL</td><td>567.61</td><td>572.7</td><td>574.56</td></tr>
<tr><td>Average</td><td>47.30</td><td>47.73</td><td>47.88</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>15.</td><td>The COPT in its letter dated 12 October 2011 has, inter-alia, stated that the dredger “Nehru Shatabdi” would have to be used for the port's own purpose throughout the year and there would not be any spare capacity to lease it out to others. In view of this position, the port to review the estimated income from hire of dredger “Nehru Shatabdi” considered by it for the years 2012-13 to 2014-15.</td><td>The income for the year 2011-12 has been updated in the cost statements. Also no income has been projected for the years from 2012-13 to 2014-15.</td></tr>
<tr><td>16.</td><td>The basis of estimating income from dry docking and water supply considered under vessel related income for the years 2012-13 to 2014-15 to be furnished.</td><td>The income for the year 2011-12 has been updated in the cost statements. Since there was fluctuations in the income earned during the previous years in case of Dry Docking & water supply, the income projections for the future years has been made based on the average income for the years 2009-10 to 2011-12 + 2 % hike in the case of Dry Docking and 15% hike in case of water supply.. The expenditure of the same has been made based on 6% hike on the previous year.</td></tr>
<tr><td>17.</td><td>The break up of “other income” reported under the head “Vessel related income” in the cost statement for the years 2009-10 to 2014-15, to be furnished. Also, the basis for estimation of this income for the years 2012-13 to 2014-15, to be furnished.</td><td>The break-up of ‘Other Income’ under the head vessel related income is as follows:-

(₹ in crores)
<table>
<tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>Oil Pollution Cess</td><td>0.23</td><td>0.27</td><td>0.28</td></tr>
<tr><td>Pilotage fee for dredgers</td><td>0.12</td><td>0.78</td><td>0.11</td></tr>
<tr><td>Detention charges</td><td>0.01</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Cancellation charges</td><td>0.04</td><td>0.04</td><td>0.06</td></tr>
<tr><td>Boat Registration fees</td><td>0.00</td><td>0.01</td><td>0.01</td></tr>
<tr><td>Sundry vessel charges</td><td>0.13</td><td>1.52</td><td>1.87</td></tr>
<tr><td>TOTAL</td><td>0.53</td><td>2.62</td><td>2.33</td></tr>
</table>

5% hike based on the actual for the year 2011-12 is considered for the projections.</td></tr>
<tr><td>18.</td><td>The Estate income for 2010-11 as per Form 3A is shown as ₹66.64 crores. Form 5D shows it as ₹68.59 crores. The COPT to reconcile.</td><td>The Estate Income shown in Form 5 D includes an amount to the tune of ₹1.95 crores which is the ‘license fee received from M/s.Kinship (₹0.036 crores) & M/s.Oriential Exim Agencies (1.91 crores), whereas the same is included under Cargo Handling & Storage charges as (ii) Demurrage / storage charges / license fee / plot rentals in Form 3 A. Hence the difference.</td></tr>
<tr><td>19.</td><td>(a) The Estate income for 2011-12 has been estimated at ₹57.32 crores as against the actual income of ₹66.64 crores for the year 2010-11. Further, the estate income for 2012-13 to 2014-15 has been estimated at ₹58.05 crores, ₹58.87 crores and ₹59.64 crores respectively. The reason for estimating estate income for the years 2011-12 to 2014-15 at a lower level to be furnished.</td><td>The statements have been updated with the actual for the year 2011-12.</td></tr>
<tr><td></td><td>(b). The estate income for the year 2011-12 to be updated with actuals and estimated income for the next three years to be justified with reference to actuals of 2011-12. The detailed computation of the projected estate income for the different sub-activities, at the existing tariff for estate rentals, also to be furnished.</td><td>The revised lease rent tariff was implemented w.e.f. 11th July 2010 and next revision will be implemented only after a period of 5 years i.e. 2015. A 2% annual escalation is projected for the future years in case of all items except electricity and water where no increase in income is envisaged due to the migration of M/s. IGTPL to Vallarpadam.</td></tr>
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<table>
<tr><td>20.</td><td>The cost statement for estate activity shows an average deficit of 61.75% for the years 2012-13 to 2014-15. This Authority has always held that port estate should be optimally and commercially exploited so that estate revenue can supplement the port's core functioning. The tariff guidelines of 2005 also recognize this position. COPT to explain why this deficit should be subsidized by other activities.</td><td>The Estate Income earned during the year 2011-12 shows a decrease to the tune of ₹11.50 crores, when compared to 2010-11 due to the non-receipt of license fee from M/s.IGTPL due to their migration to Vallarpadam on 11.2.2011. Due to the wage revision implemented from the year 2010-11 and subsequent increase in the employee cost, the cost during the year 2011-12 has been increased substantially when compared to the previous years. It is also mentioned here that the Mgt & Genl. Overheads and the net F & M Expenditures are allocated to all the activities and sub activities on the basis on the respective direct costs. Hence there is a deficit in the next three years.</td></tr>
<tr><td>21.</td><td>The year-wise income by way of lease rent, if any, received from the Petronet LNG Ltd. at Puthuvypeen to be furnished.</td><td>The details of lease rent billed and received from M/s. LNG Petronet is furnished below:-
(₹ in crs)
<table><tr><th>Years</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>As per Bill raised</td><td>1.03</td><td>5.67</td><td>10.05</td></tr><tr><td>Actually received</td><td>1.03</td><td>1.07</td><td>1.10</td></tr><tr><td>Difference</td><td>0.00</td><td>4.60</td><td>8.95</td></tr></table>
M/s.LNG is paying the lease rent only as per the License Agreement entered with the Port and they are disputing the bill raised by the Port on the basis of the revised lease rental rates at Puthuvypeen as approved by TAMP. The lease rent billed is included in item 'Rent from Land" under the head "Estate Rentals" in Form 5 D and the future incomes are projected based on the actual of 2011-12. From the above statement it is clear that the Port has not received the total billed amount and the Estate Rentals have been showing an excess income to the tune of ₹4.60 crs and ₹8.95 crs. during the years 2010-11 & 2011-12 respectively.</td></tr>
<tr><td>22.</td><td>A statement showing the income realized from distribution of electricity to outsiders and expenditure incurred for procurement of power from Kerala State Electricity Board and other expenditure/ overhead incurred for offering such services to be furnished for the years 2009-10 to 2011-12 and estimates for the years 2012-13 to 2014-15.</td><td>Copies of the statement showing the details of the Income & Expenditure incurred for electricity distribution business submitted to the Kerala State Electricity Regulatory commission for the years 2009-10 & 2010-11 (Actuals) and estimates for the years 2011-12 & 2012-13 furnished. The actual income & expenditure from the activity for the year 2011-12 will be submitted as and when the annual accounts have been audited and the details are compiled.</td></tr>
<tr><td>23.</td><td>(i). A note mentioned below Form-2B states that the operating income excludes Royalty. Treatment of royalty receipts is governed by clause 2.8.3 of the tariff guidelines of 2005. As per the said guidelines the revenue share/royalty receivable by the landlord Port Trust should be applied first to meet cost of surplus labour, if any. At least 50% of the balance should be maintained in an Escrow Account for the purpose of creation and / or modernization of the port infrastructure facilities within a period of 5 years. The investment made out of this Escrow Account will not, however,</td><td>Since there is no excess manpower in the Port, and considering the fact that Port is incurring a huge net deficit even after considering the revenue share received from M/s.IGTPL since 2005-06, it has not been possible by the Port to create and maintain a separate Escrow A/c. and the total revenue share received from M/s.IGTPL is used for replacement and renovation of the existing old capital assets of the Port.</td></tr>
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<table>
<tr><td></td><td>qualify for ROCE when the facilities so funded by this Escrow Account are put into use and tariff thereof is fixed. The entire accrual will be taken as revenue of the port trust for tariff fixation if the funds in the Escrow Account are found to have been not utilized for the stated purpose within the stipulated time. COPT to show how the said guideline has been complied with by the port trust. Indicate how the royalty/ revenue share receipts in the past and estimated to be received in the future are treated in the cost statement.</td><td>During all these years, Port has been going through a period of severe financial crunch and in 2010-11 has availed an inter-port loan from Mumbai Port to the tune of ₹100 crores to fill up the gap in revenue deficit. Also Port has sought the approval of the Ministry to avail cash credit facilities from SBI to the tune of ₹150 crores. Port is taking sincere efforts to tide over the financial crunch by resorting to severe austerity measures for controlling the costs and by utilisation of the vast and till now unutilized Port land. Port is confident that it will be able to wipe out the financial crunch by the year 2016-17 and once the financial situation stabilizes, separate Escrow Account will be maintained and the respective clauses of the TAMP guidelines will be adhered to.</td></tr>
<tr><td></td><td>(ii). If the COPT anticipates royalty/ revenue share/ license fee from any other authorization granted by the port to the service provider, the same to be indicated along with detailed calculation of royalty/ revenue share receipts. COPT to confirm that the provision stipulated in clause 2.8.3. of the guidelines is complied with in the cost statement in these cases also.</td><td>Port has been receiving royalty from M/s. IGTPL for the operations at the RGCT & ICTT since 2005-06 and license fee for the facilities at RGCT till February] 2011. The details of royalty and license fee received for the last three years is furnished below:-
(₹ in crores)<table><tr><th>Years</th><th>Royalty</th><th>License Fee</th></tr><tr><td>2009-10</td><td>27.06</td><td>12.00</td></tr><tr><td>2010-11</td><td>29.60</td><td>11.44</td></tr><tr><td>2011-12</td><td>49.40</td><td>-</td></tr></table>As per the License Agreement with M/s.IGTPL, license fee is applicable only for the operations at RGCT.</td></tr>
<tr><td>24.</td><td>COPT to furnish break up of income considered under the head Finance and Miscellaneous Income in the cost statement for the years 2009-10 to 2014-15 and to reconcile the position with reference to the actuals of 2009-10 to 2011-12.</td><td>The details of F & M Income break up are as follows:-
(₹ in crores)<table><tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>Sundry Receipts</td><td>7.57</td><td>16.72</td><td>4.40</td></tr><tr><td>Profit on disposal of Capital Assets</td><td>0.38</td><td>1.71</td><td>0.18</td></tr><tr><td>Sale of unserviceable items</td><td>0.27</td><td>0</td><td>0.62</td></tr><tr><td>Hire of Motor Lorry</td><td>0</td><td>0.02</td><td>0.01</td></tr><tr><td>Medical Scheme for pensioners</td><td>0</td><td>0.01</td><td>0.01</td></tr><tr><td>Medical treatment for non-entitled persons</td><td>0.65</td><td>0.29</td><td>0.10</td></tr><tr><td>Premium for lease of land</td><td>0</td><td>6.19</td><td>14.65</td></tr><tr><td>TOTAL</td><td>8.87</td><td>24.94</td><td>19.97</td></tr></table></td></tr>
<tr><td>V</td><td><u>OPERATING EXPENDITURE</u>:</td><td></td></tr>
<tr><td>1.</td><td>The cost statement – Form 3 A furnished by COPT contains the actual operating expenditure of 2009-10 and 2010-11 and the estimated figures for 2011-12. Since 2011-12 is already over, COPT to update the statement with actuals of 2011-12 and review the estimates for 2012-13 to 2014-15 based on the 2011-12 actuals. It is to be noted that the WPI for the year 2011-12 as per clause 2.5.1 of the tariff guidelines declared by the Government will be adopted and applied for allowing annual escalation factor in cost estimates for the tariff revision exercise to be undertaken in the year 2012-13.</td><td>The statements have been updated with the actual for the year 2011-12 and the WPI of 6% over the previous year (2011-12) has been adopted for the future estimates.</td></tr>
</table>

2.	The total operating cost has increased by 21.94% in the year 2010-11 and is estimated to increase by 68.38% in the year 2011-12 over the actuals of the respective previous year. The estimated increase is 25.91%, 4.81% and 6.20% in the years 2012-13 to 2014-15 over the estimates of the respective previous years. The Management and General Overhead has increased by 8.41% in the year 2010-11 over that of 2009-10 and is estimated to increase 17.96% in the year 2011-12 over that of 2010-11. Further, this expenditure is estimated to decrease by 48.73% in 2012-13 over that of 2011-12. The reason for high increase in the Management and General Overheads during 2011-12 needs to be explained. COPT to justify the disproportionate increase estimated in the operating cost and Management and General Overheads.	The Operating Cost and the Mgt & Genl. Overheads have been updated with the actual for the year 2011-12 and the only a 6% hike is projected for the future.
3.	The average employee cost is estimated to increase by 31.09% in 2011-12, 12.82% in 2012-13, 13.44% in 2013-14 and 14.35% in the year 2014-15. This has resulted in increase in the total salary & wages cost by 23.44% in the year 2011-12 and by 5.04%, 5.39% and 5.73% in the years 2012-13 to 2014-15 respectively, despite reduction in number of employees from 3102 in the year 2010-11 to 2480 in the year 2014-15. The increase estimated in the average employee cost to be justified.	Due to the wage revision implemented from the year 2010-11 and subsequent increase in the employee cost including revised basic pay + an average 3% hike in Variable Dearness Allowance in every quarter, the average employee cost has been increased substantially yearly when compared to the previous years. Hence there is a hike in the employee cost inspite of reduction in employee strength due to retirements. It is mentioned here that on an average nearly 200 employees retire annually for the next three years and an amount of ₹9 crores has been deducted from the employee costs. Instead of the normal 6% hike in the employee cost, a nominal hike of 12% is considered for the next three years due to the fact that the wage revision for Class III & IV employees are due w.e.f. 1.1.2012 .
4.	It is not clear under which head the ex-gratia payment in lieu of bonus/ performance reward is considered in the cost statements. COPT to clarify.	The ex-gratia payment in lieu of bonus / performance reward has been included under employee cost in the cost statements.
5.	(a). At the tariff review of 2010 COPT had stated that the National Tribunal Award 2006 for revised manning scale for different operations/ functions implemented by the Port in February 2009 was withdrawn and an MOU was signed with the Unions for implementation of modified manning scales. Port had further stated that action was being taken to conduct time and motion study for different operations in the Port. COPT is requested to inform how the matter stands. Clause 2.6.2 of the tariff guidelines requires the port to regularly review and adjust the manning scales/ datum. COPT to clarify whether its present proposal is based on the revised manning scales. If not, the estimation of salary and wage cost to be modified based on the revised manning scales awarded by National Tribunal, Kolkata in 2006.	Even though efforts were made by the Port to implement the revised manning scale awarded by the National Tribunal Kolkata in 2006, it was not able to completely implement the same due to the strong resistance from the labour force. However certain reduction in the manning scale could be effected through a MoU with the Unions in June 2009. No time and motion study has been conducted for the various Port operations especially in view of the fact that the operations are increasingly getting mechanized/ automated.
	(b). COPT to furnish the existing manning scales for different services, the manning scale proposed to be followed by the COPT and cost thereon for the traffic estimation made during the years 2012-13 to 2014-15 and to also indicate the cost of surplus manpower, if any, for each of the years 2012-13 to 2014-15. COPT to fill the details sought in Form No.8 relating to adjustment of cost of surplus labour.	The details of total manpower employed in the Port and the total employee cost has been included in Form 8. There is no surplus manpower at present in Port.

<table>
<tr><td></td><td>(c). Cost of surplus labour, if any, on account of privatization of the container terminal and on account of implementation of revised manning scales to be adjusted from the revenue share received / receivable from the IGTPL as per the tariff guidelines.</td><td>There is no surplus manpower at present in the Port on account of the privatization of the Container Terminal.</td></tr>
<tr><td></td><td>(d). COPT to confirm that the estimation of incentive payments, if any, are made based on the revised datum, if any, announced in the National Tribunal Award of 2006.</td><td>No incentive payments have been made on account of the revised datum.</td></tr>
<tr><td></td><td>(e). As per Appendix 8 of the Licence Agreement entered between the COPT and the IGTPL, the employees of the COPT transferred to the IGTPL will repatriate to the COPT, when the RGCT terminal is reverted to the port. The RGCT terminal is already reverted to the port in February 2011. COPT to elucidate in this regard and to also confirm whether the wage cost estimated by the COPT takes into consideration this aspect.</td><td>The employees were repatriated to the Port once the RGCT was reverted to the Port on February 2011. The wage cost estimated by the Port for the future years includes the cost of the repatriated employees.</td></tr>
<tr><td></td><td>(f). COPT to confirm that it is not expected to pay any take over compensation to IGTPL when the RGCT reverted to the COPT.</td><td>COPT had paid an amount of ₹7.19 crores to M/s.IGTPL as taken over compensation as per Clause no. 5.1 (e) of the License Agreement as Port had taken over 2 Gantry cranes.</td></tr>
<tr><td>6.</td><td>(a). The fuel cost has increased by 39.05% in the year 2011-12 and is estimated to increase by 53.83%, 37.58% and 6.01% respectively in the years 2012-13 to 2014-15 over the estimates of the respective previous years. The COPT has not furnished the details of average unit cost of fuel and consumption of fuel in Form 3B for any of the years. The COPT to, therefore, furnish the requisite details in Form 3B.</td><td>The details of the total fuel costs have been provided in Form 3 B. The detail of fuel consumed by various equipments is not readily available.</td></tr>
<tr><td></td><td>(b). The actual expenditure incurred on fuel during the year 2011-12 to be updated based on actual unit cost of fuel and consumption of fuel, and the estimates for the subsequent years to be reviewed suitably.</td><td>The actual expenditure incurred on fuel during the year 2011-12 has been updated and a 6% hike over the previous year is envisaged for the future.</td></tr>
<tr><td>7.</td><td>(a). The actual maintenance dredging cost reported in Form 3B for all the years 2009-10 to 2014-15 is not supported with details of quantum of silt dredged and unit cost. The COPT to, therefore, furnish the requisite details in Form 3B.</td><td>The actual maintenance dredging cost and the quantity of silt dredged for the years 2009-10 to 2011-12 is furnished below:-
<table>
<tr><th>Year</th><th>Actual Maint. Dredging Cost (₹ in crores)</th><th>Qty of silt dredged (in Million Cu. M.)</th><th>Unit cost (in ₹)</th></tr>
<tr><td>2009-10</td><td>58.94</td><td>12.993</td><td>45.36</td></tr>
<tr><td>2010-11</td><td>75.09</td><td>15.583</td><td>57.79</td></tr>
<tr><td>2011-12</td><td>57.77</td><td>13.075</td><td>44.46</td></tr>
</table>
As per the Maintenance Dredging contract executed with the DCI, the contract amount for the period 2011-12 is ₹104.40 crores, whereas the actual cost incurred during the year was only ₹57.77 crores, since DCI was not able to provide sufficient number of dredgers to perform the contract. The balance quantity as well as the cost of the year 2011-12 has been considered during the year 2012-13 in cost statements.</td></tr>
<tr><td></td><td>(b). The quantum of silt estimated to be dredged during the years 2012-13 to 2014-15 to be justified with reference to the actual quantum of silt dredged in the past three years and additional maintenance dredging required to be carried out for specific berths and facilities, if any.</td><td>The Maintenance Dredging Contract executed with the DCI for the years 2012-13 & 2013-14 is as follows:-
<table>
<tr><th>Year</th><th>Maint. Dredging Cost (₹ in crores)</th><th>Qty of silt to be dredged (in Million Cu. M.)</th><th>Unit cost (in ₹)</th></tr>
<tr><td>2012-13</td><td>105.30</td><td>18</td><td>58.50</td></tr>
<tr><td>2013-14</td><td>109.80</td><td>18</td><td>61.00</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td>(c). The estimated unit cost of maintenance dredging for the years 2012-13 to 2014-15 also to be reviewed based on the actual unit cost of dredging incurred during the year 2011-12.</td><td>The actual expenditure incurred during the year 2011-12 has been updated and a 6% hike on the cost of year 2013-14 is envisaged for the year 2014-15.</td></tr>
<tr><td>8.</td><td>The port has not furnished any reasons for estimating the repairs and maintenance cost with an increase of 41.24% i.e. from ₹8.97 crores reported in the year 2011-12 to ₹12.67 crores in the year 2012-13. The repairs and maintenance cost for the year 2011-12 to be updated with actuals and the estimates for the next three years to be reviewed based on such actuals, if necessary.</td><td>The actual expenditure incurred during the year 2011-12 has been updated and a 6% hike over the previous year is envisaged for the future. The Repairs & Maintenance expenditure for the years from 2012-13 to 2014-15 also includes the anticipated Dry Docking expenditure which are as follows:-
(₹ in crore)
<table>
<tr><th>Particulars</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr>
<tr><td>Dry Docking exp</td><td>7.50</td><td>7.95</td><td>9.00</td></tr>
</table></td></tr>
<tr><td>9.</td><td>The port to justify the increase of 115% i.e. from ₹2.55 crores for 2011-12 to ₹5.46 crores in the year 2012-13 in estimating the expenditure on stores.</td><td>The actual expenditure incurred during the year 2011-12 has been updated and a 6% hike over the previous year is envisaged for the future.</td></tr>
<tr><td>10.</td><td>The operating cost reported in Form 3B based on nature of expenses is not tallying with the activity wise operating cost reported in Form 3A. Similarly, the management overheads reported in Form-3B is also not tallying with that reported in Form 3A. However, the total of operating cost and management overheads as per Form 3B is matching with the total of operating cost and management overheads in Form 3A. It appears that the compensating difference may be due to inclusion of a portion of salaries and wages under management overheads in Form 3A. COPT to reconcile the difference by indicating the amount of salaries and wages included in management overheads.</td><td>The reconciliation statement is furnished below:-
(₹ in lakhs)
OPERATING COST :
<table>
<tr><th>Particulars</th><th>y - 1</th><th>y</th><th>y+1</th><th>y+2</th><th>y+3</th></tr>
<tr><td>as per Form 3A</td><td>21693.81</td><td>21712.50</td><td>33250.69</td><td>30562.15</td><td>32336.77</td></tr>
<tr><td>as per Form 3B</td><td>22525.80</td><td>22540.91</td><td>34031.34</td><td>31358.17</td><td>33150.64</td></tr>
<tr><td>Difference</td><td>831.99</td><td>828.41</td><td>780.65</td><td>796.03</td><td>813.87</td></tr>
</table>
MGT & GENL. ADMN. :
<table>
<tr><th>Particulars</th><th>y - 1</th><th>y</th><th>y+1</th><th>y+2</th><th>y+3</th></tr>
<tr><td>as per Form 3A</td><td>4031.00</td><td>4550.97</td><td>4816.52</td><td>5105.51</td><td>5411.84</td></tr>
<tr><td>as per Form 3B</td><td>3199.01</td><td>3722.56</td><td>4035.87</td><td>4309.48</td><td>4597.97</td></tr>
<tr><td>Difference</td><td>831.99</td><td>828.41</td><td>780.65</td><td>796.03</td><td>813.87</td></tr>
</table>
The difference is the amount of the salaries and wages included in the Mgt & Genl. Overheads.</td></tr>
<tr><td>11.</td><td>(a). COPT to confirm whether the cost statements for main activities / sub-activities are prepared in line with the general instruction given in Form 5 of the cost format. The basis of allocation of Management and General Overhead, Finance and Miscellaneous Income and Finance and Miscellaneous Expenditure between various activities / sub-activities also to be indicated.</td><td>The Mgt & Genl. Overheads and the F & M Expenditures are allocated to all the activities and sub activities on the basis on the respective direct costs, whereas the F & M Income has been allocated on the basis of the direct income.</td></tr>
<tr><td></td><td>(b). The operating cost reported in activity wise cost statements for Cargo handling, Vessel related and Estate activities [Form 5 A (i), 5 B (i) and 5 D] are not matching with the operating cost reported in Form 3A for the respective activities. COPT to reconcile.</td><td>The Operating costs reported in the activity-wise cost statements (i.e. 5 A (i), 5 B (i) & 5 D) has been reconciled with operating cost reported in Form 3 A is furnished below:-
(Rs. In lakhs)
<table>
<tr><th colspan="2">Particulars</th><th>Y-2</th><th>Y-1</th><th>Y</th><th>Y +1</th><th>Y+2</th><th>Y+3</th></tr>
<tr><td>5 A</td><td>Cargo</td><td>5643.10</td><td>5824.44</td><td>6123.66</td><td>7645.66</td><td>7438.22</td><td>7884.51</td></tr>
<tr><td>5 B</td><td>Vessel</td><td>9757.36</td><td>12762.99</td><td>11973.15</td><td>21772.39</td><td>19061.34</td><td>20145.92</td></tr>
<tr><td>5 D</td><td>Estate</td><td>2913.46</td><td>3106.37</td><td>3615.69</td><td>3832.63</td><td>4062.59</td><td>4306.34</td></tr>
<tr><td colspan="2">TOTAL</td><td>18313.92</td><td>21693.81</td><td>21712.50</td><td>33250.69</td><td>30562.15</td><td>32336.77</td></tr>
<tr><td colspan="2">3 A</td><td>18313.92</td><td>21693.81</td><td>21712.50</td><td>33250.69</td><td>30562.15</td><td>32336.77</td></tr>
</table></td></tr>
<tr><td></td><td>(c). The COPT has not considered any expenses (including allocated management overheads) and capital employed under the sub-activity 'Wharfage on SPM' under cargo handling activity. COPT to clarify. In case the port is not incurring any cost towards this sub-activity, levy of wharfage on SPM cargo to be justified suitably.</td><td>All the capital investment at SPM is made by M/s. BPCL –KR. The wharfage of ₹25/- per ton at SPM is fixed on the basis of a MoU entered into between the Port and M/s.BPCL-KR on 11th June 2003. Hence no operating cost is shown in the cost statement relating to wharfage of SPM.</td></tr>
<tr><td></td><td>(d). The cargo handling income for the year 2010-11 reported in Form 3A (₹6462.79 lakhs) and Form 5A (i) (₹6268.03 lakhs) shows a difference. COPT to reconcile.</td><td>The cargo handling income (₹6462.79 lakhs) shown in Form 3 A includes an amount of ₹194.76 lakhs which is the ‘license fee received from M/s.Kinship (₹3.60 lakhs) & M/s.Oriential Exim Agencies (₹191.16 lakhs) whereas the</td></tr>
</table>

		same has been excluded from cargo handling income (₹6268.03 lakhs) and is included under Estate Rentals in Form 5 A. Hence the difference.
12.	(a). The port has proposed to allocate part of the maintenance dredging cost to POL (cargo handling) activity. As already stated in the 2007 tariff Order and as per instructions contained in Form 5 of the cost statement formats, the cost of maintenance dredging is to be allocated between the different sub activities of vessel related activity, viz. port dues, pilotage and berth hire based on the quantity of the silt dredged. The Authority while considering such treatment given by the COPT during the last tariff revision had specifically advised the port to file a separate cost statement for crude oil in respect of cargo and vessel related activity at the time of the next tariff revision so that the cost of maintaining deeper draft for larger size oil vessels are not passed on to the small vessels which may not require such depth. The port has, however, not complied with the advice rendered. The port is again advised to file a separate cost statement for crude oil in respect of cargo and vessel related activity for crude handled at SPM and at port berths. During the last tariff review for the reasons elaborated in the Order dated 23 February 2010, it was not found necessary to allocate part of the maintenance dredging cost to the POL handling activity. The activity-wise cost statement be, therefore, suitably modified considering the entire maintenance dredging cost under the vessel related activity.	Separate cost statements for crude oil in respect of cargo and vessel related activity for crude handled at SPM and at port berths have been prepared and incorporated in the cost statement. As per the MoU entered into with M/s.BPCL-KR, Port is required to maintain a draft of 30 ft (9.14 mt.) at COT throughout the year since it will be difficult to operate the vessels at SPM especially during the monsoon season. Also CoPT is maintaining a draft of 12.5 mt. at COT throughout the year on the request of M/s.BPCL-KR to accommodate the large parcel size tanker vessels. Since the total dredging cannot be recouped from the vessels calling at COT, and that the draft is maintained only for the oil tanker vessels, a portion of the maintenance dredging cost is allocated to POL cargo handling charges to recover the cost incurred.
	(b). From the sub-activity-wise cost statements, it is seen that the maintenance dredging cost (after allocating a portion to POL activity) is equally allocated to all the sub-activities i.e. port dues, berth hire and pilotage. The sub-activity wise cost statements to be modified suitably by allocating the maintenance dredging cost based on the quantum of silt dredged, as already mentioned.	The Port channels opens to the river mouth and there will be large amount of silt flow into the channels especially during the monsoon periods. Hence the quantity of silt dredged from the channels will be very high when compared to berth basin dredging. If the dredging cost is allocated on the basis of silt dredged, the major cost will have to be borne by pilotage, which will result in huge deficit for the activity and it will not be viable. Hence the costs have been equally allocated to all the vessel related activities.
13.	The Authority in para 10 (ii) (b)] of its Order dated 25 January 2007 had advised COPT to apportion expenditure relating to staff quarters to all the activities based on the number of employees deployed in the relevant activity while filing the next tariff review proposal. When the port was advised to adhere to this suggestion at the tariff review of February 2010 it informed that it was difficult to apportion the expenditure of staff quarters as suggested then, but once the ERP system introduced stabilizes the apportionment of cost on the basis of employees will be adhered to in the next tariff revision. COPT to clarify the treatment given to expenditure relating to staff quarters in the cost statements in its present tariff proposal.	The expenditure on staff quarters is included under the head Estate Rentals. It is mentioned here that many of the staff staying at the quarters belong to the ministerial category who are posted in different departments. In the event of a promotion / transfer, the change may be from one department to another department. Hence it is not possible to accurately determine and apportion the expenditure relating to staff quarters on the basis of number of employees. It is also mentioned here that the average annual expenses on staff quarters is only around ₹1 crore, of which nearly half of the cost is employee cost.

<table>
<tr>
<td>14.</td>
<td>COPT to furnish the pension fund position for the years 2009-10 to 2011-12 as per the Annual Accounts and the estimates for the years 2012-13 to 2014-15 in the following format:
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr>
<tr><td>(i).</td><td>Balance in the Pension Fund as of last date of previous year</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(ii).</td><td>Annual contribution made towards the pension fund</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(iii).</td><td>Pension payments made during the year</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(iv).</td><td>Interest accrued on the pension fund balance</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(v).</td><td>Balance in the pension fund as of last date of the year [(i) + (ii) - (iii) + (iv)]</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
</td>
<td>The details of pension fund position for the years 2010-11 to 2011-12 as per annual a/cs and the estimates for the years 2012-13 to 2014-15 is furnished below:-
(₹ in lakhs)
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>2010-11</th><th>2011-12</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr>
<tr><td>(i)</td><td>Balance in the pension fund as of last date of previous year</td><td>21744.00</td><td>23805.00</td><td>26305.00</td><td>28905.00</td><td>31805.00</td></tr>
<tr><td>(iii)</td><td>Fund required towards Corpus</td><td>43256.00</td><td>111195.00</td><td>113695.00</td><td>116095.00</td><td>118195.00</td></tr>
<tr><td>(iv)</td><td>Year-wise contribution to Pension fund</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>a. On account of specific year pension payments</td><td>7224.00</td><td>11193.00</td><td>11864.58</td><td>12576.45</td><td>13331.04</td></tr>
<tr><td>-</td><td>b. On account of past liabilities</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>-</td><td>c. On account of Pension arrears due to revision of pension</td><td>2400.00</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(v)</td><td>Interest earned</td><td>2061.00</td><td>2500.00</td><td>2600.00</td><td>2900.00</td><td>3200.00</td></tr>
<tr><td>(vi)</td><td>Balance in the pension fund as of last date of the year</td><td>23805.00</td><td>26305.00</td><td>28905.00</td><td>31805.00</td><td>35005.00</td></tr>
</table>
</td>
</tr>
<tr>
<td>15.</td>
<td>COPT to confirm that the annual pension payments made during the years 2009-10 to 2011-12 are met from the pension fund and not from revenue account.</td>
<td>Since there was no sufficient amount in the Pension Fund Trust maintained by LIC for the years 2009-10 to 2011-12, the total amount required for making the pension payments is transferred from the Revenue Fund to the Pension Fund Trust for the pension payment. The actual amount of pension paid during the years are as follows:-
<table>
<tr><th>Years</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>(₹ in crores)</td><td>58.20</td><td>96.24</td><td>96.90</td></tr>
</table>
</td>
</tr>
<tr>
<td>16.</td>
<td>Form 3A shows that the pension contribution accounted under F&M expenditure for the years 2009-10 and 2010-11 as ₹58.20 crores and ₹96.24 crores respectively and the contribution is estimated at ₹72.00 crores for the year 2011-12. However, as per Form 3C the contribution proposed for the year 2011-12 is ₹88.22 crores. COPT to clarify.</td>
<td>The statement have been updated with the actuals of 2011-12. The difference of ₹24 crores in the pension payment shown in Form 3 A & 3 C is the arrears of pension payment due to pension revision for the year 2010-11. This information is also given in 3 C, Item (iv) (c).</td>
</tr>
<tr>
<td>17.</td>
<td>The details furnished in Form 3C show that the pension liability as per the actuarial valuation is estimated at ₹1350 crores whereas the balance available in the pension fund is estimated to be ₹263.05 crores for the year ending 2011-12, indicating a shortfall of ₹1086.95 crores. For the next 3 years, the COPT's pension fund requirement as per actuarial valuation is ₹1137.00 crores, ₹1161.00 crores and ₹1182.00 crores respectively during 2012-13 to 2014-15 as against which contribution of ₹95.00 crores, ₹100.00 crores and ₹110.00 crores respectively is proposed by the port. COPT to indicate the steps taken by the port to strengthen the pension fund and to also, furnish the basis of estimating the year-wise contribution to pension fund.</td>
<td>Form 3 C has been updated with the actual of 2011-12. Since Port is going through a period of severe financial crunch, at present no year-wise contribution is being made to the Pension Fund.</td>
</tr>
<tr>
<td>18.</td>
<td>A copy of the actuarial valuation report as on 31 March 2012to be provided for perusal. Break up of actuarial valuation of Pension Fund in respect of existing employees and the pensioners as of 31 March 2012 also to be furnished.</td>
<td>Copy of the actuarial valuation report prepared by LIC as on 31st March 2012 is furnished.</td>
</tr>
<tr>
<td>19.</td>
<td>COPT to furnish break-up of the expenses considered under the head Finance and Miscellaneous Expenditure (FME) in the cost statement for the years 2009-10 to 2014-15.</td>
<td>The break up of F & M Exp is furnished below :-
(₹ in crores)
<table>
<tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>Refund of revenue</td><td>0.01</td><td>0.09</td><td>-</td></tr>
<tr><td>Pension payment</td><td>58.20</td><td>96.24</td><td>96.90</td></tr>
<tr><td>Employee Welfare Fund</td><td>0.06</td><td>0.06</td><td>0.06</td></tr>
<tr><td>Family Security fund</td><td>0.08</td><td>0.08</td><td>0.08</td></tr>
</table>
</td>
</tr>
</table>

		<table><tr><td>Contributory Provident fund</td><td>0.21</td><td>0.38</td><td>0.32</td></tr><tr><td>Contribution to HBA – FBF</td><td>0.02</td><td>0.02</td><td>0.01</td></tr><tr><td>Contribution to Gratuity Fund</td><td>3.61</td><td>10.12</td><td>15.03</td></tr><tr><td>Unserviceable stores</td><td>0.56</td><td></td><td>0.92</td></tr><tr><td>**TOTAL**</td><td>**62.75**</td><td>**106.99**</td><td>**113.32**</td></tr></table>
20.	As already stated, the tariff guidelines envisage that the revenue share receipts should be first utilized to meet the cost of surplus labour and utilization of at least 50% revenue share within five years period to meet the capital expenditure of the port for infrastructure and modernization. The port to inform whether it has maintained a separate Escrow Account as stipulated in clause 2.8.3 of the tariff guidelines. The port is also requested to state the existence of surplus labour, if any, and the cost of surplus manpower in the backdrop of IGTPL shifting its operations to ICTT.	Since there is no excess manpower in the Port, no separate Escrow A/c. is being maintained by the Port and the total revenue share received from M/s.IGTPL is used for investment in capital assets.
21.	The cost position reported in the statement pertaining to F C Periyar gives rise to a presumption that the floating crane is underutilized. COPT to furnish the capacity and utilization details of it for the last three years and the utilization plan for the next three years. The point at issue to be looked into is why other services should subsidize the underutilized equipment.	The Floating Crane Periyar was purchased in 1966 and since the life time is 25 years, it has already exceeded its life time by the year 1991. As it is an old and nearly obsolete asset, it is usually used for only Port purposes. It is hired out to private parties only in the case of emergencies and only when there is a demand for its usage.
VI.	**<u>CAPITAL EMPLOYED</u>:**	
1.	COPT to confirm that the additions proposed to the gross block of assets are in accordance with the planned expenditure stated in BE/RE 2011-12 and sanction of the Government, wherever necessary, is obtained in this regard. Also to confirm that the capital outlay in the form of additions to the gross block of assets proposed for the years 2012-13 to 2014-15 is in line with five year plan envisaged by the Port.	It is confirmed that the additions proposed to the gross block of assets are in accordance with the planned expenditure stated in BE / RE 2011-12 and sanction of the Government, wherever necessary is obtained. It is also confirmed that capital outlay in form of additions to the gross block of assets proposed for 2012-13 to 2014-15 is in line with the five year plan envisaged by the Port.
2.	COPT to confirm that only those assets which have been fully commissioned and in use have been included in the net block and the assets which have been disposed off or decommissioned have been excluded from the Net Block. It is to be noted that the work in progress should be excluded.	It is confirmed that only those assets which have been fully commissioned and in use have been included in the net block and the assets which have been disposed off or decommissioned have been excluded from the net block. The work in progress is also excluded.
3.	As per the details furnished in Form 4-A projects aggregating ₹66.84 crores and ₹4.20 crores are to be added to the Gross Block during 2011-12 and 2014-15 respectively. Since the F.Y. 2011-12 is already over, the cost statement to be updated with the actual additions to the gross block in the year 2011-12 with corresponding changes, if necessary, in the projections for the subsequent years.	The cost statements have been updated with the actual additions to the gross block in the year 2011-12 with corresponding changes.
4.	The COPT has only stated that the proposed capital investments are for handling additional and new bulk cargoes. As prescribed in the Form, the details such as nature and purpose of the investments, year of commissioning, cost of investment, capacity addition expected and the impact of additional investment on (i) reduction in unit operating cost, (ii) additional traffic and (iii) improvement in operational efficiency to be provided.	The addition is mainly the expenses incurred for the replacement / revamping of the old assets. Hence there is no addition to traffic or reduction in operating cost or improvement in operational efficiency.
5.	The purchase v/s hire decision, if any, taken before going in for the investments to be informed.	No such decision was needed to be taken before going in for the investments.

6.	Details of project/feasibility reports relied upon for taking the investment decisions referred to at sub-para 3 above along with the summary of the recommendations contained in those reports to be furnished for perusal. Also state whether these proposed additions will have the effect of addition to the traffic, reduction in unit cost and improvement in operational efficiency vide clause 2.6.3 of the tariff guidelines. Further, the scheme wise details of the projects to be furnished in the following format:	The assets due to be commissioned and capitalized only during the year 2014-15. The preliminary works relating to the procurement of the assets will be starting only by the year 2013-14.
7.	With reference to the estimated expenditure on fixed assets, COPT to furnish documentary evidence in respect of the capital value of various assets already commissioned. Similarly, documentary evidence indicating the value of works along with action taken to procure other assets to be added subsequently to be furnished.	The assets due to be commissioned and capitalized only during the year 2014-15. Hence at present no documentary evidences are readily available for submission to TAMP.
8.	COPT to confirm that the entire proposed expenditure in each of the years will be capitalized in the books of accounts of the same year and also the assets worth the equal amount will be physically available for operation in the very same year.	It is confirmed that the entire proposed expenditure in each of the years has been capitalized in the books of assets.
9.	Port to certify that the actuals for the years 2009-10 to 2011-12 do not include the assets handed over to IGTPL for its operation.	It is confirmed and certified that the actual for the years 2009-10 to 2011-12 do not include the assets handed over to IGTPL for its operations.
10.	COPT to furnish details of assets taken over by COPT when the RGCT operations reverted and the treatment of such assets in the capital employed estimates.	CoPT had taken over 2 Gantry cranes when the RGCT operations were reverted and the same has been disposed off in April 2012 for a total amount of ₹4.26 crs.
11.	The accounting treatment and the treatment given in the cost statement with reference to assets handed over to IGTPL for its operations at Vallarpadam to be indicated.	No assets except land have been handed over to M/s.IGTPL for its operations at Vallarpadam.
12.	Clause 2.7.1 of the revised tariff guidelines requires depreciation to be calculated on straight-line method following the life norms adopted as per the Companies Act. The depreciation on assets is calculated by the port on straight-line method following the life norms prescribed by the Ministry of Shipping. The advice rendered by the Authority twice in this respect, once during the tariff revision in January 2007 and again in the last tariff revision in February 2010 was not adhered by COPT. The port is once again reminded to comply, in the present tariff review / revision proposal, with the tariff guidelines for computing the depreciation.	The depreciation computed as per the Companies Act will be higher than that of the depreciation computed on straight line method based on life norms prescribed by the Ministry of Shipping. Since the Port is incurring deficit even with the lower depreciation computed on straight line method, the same is considered in the cost statements also.
13.	Since the Ministry of Shipping has sanctioned substantial fund through non-refundable grant-in-aid to meet the capital dredging expenditure for ICTT project, return on such part of investment is not permissible. The COPT to confirm that it has not claimed any return on that part of the capital dredging cost which is funded by the Government.	It is confirmed that Port has not claimed any return on the non-refundable grant-in-aid sanctioned by the MoS to meet the capital dredging expenditure for ICTT project.
14.	The capacity utilization with reference to the design capacity furnished by COPT works to 51.80%, 47.23%, 49.30%, 50.85%, 46.41% and 47.53% respectively during 2009-10 to 2014-15. The port to restrict its claim on return to the extent of the capacity utilization as per clause 2.9.10 of the tariff guidelines.	The Port is incurring huge deficit in the entire main as well as sub activities even before loading of the Return on Investment of 16%. Also even though a 16% ROCE is considered in the cost statements, Port is not seeking any hike in the tariffs.
15.	This Authority vide para 12 (xii) (b) of the Order dated 23 February 2010 had urged the COPT to take effective steps to curb expenditure, and to improve asset	Port has implemented severe austerity measures like freezing the VDA, leave salary, LTC, House Building Advance etc. for the next

<table>
<tr><td></td><td>utilization, especially with the vast estate under its jurisdiction which could be commercially exploited to full extent. The action taken in this direction to be explained.</td><td>two years w.e.f. 1st January 2012. Also steps are being taken for utilizing the vast Port land by tendering and allotment of land.</td></tr>
<tr><td>16.</td><td>As per Clause 3.8 (C) (b) of the License Agreement entered with the IGTPL, the COPT is required to undertake capital and maintenance dredging of the common user approach channel and basins in front of berths as required for 14.5 mtrs. draft vessel. With reference to the capital dredging for ICTT project of the IGTPL as per the LA terms, the following points need to be clarified:</td><td></td></tr>
<tr><td></td><td>(i). Indicate the actual amount of capital expenditure incurred year-wise towards deepening of channels/ berth.</td><td>Details of capital expenditure incurred for deepening of the channels / berth is as follows:-
(₹ in crores)<table><tr><th>Year</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>Capital Dredging Cost</td><td>79.28</td><td>153.18</td><td>34.33</td></tr></table></td></tr>
<tr><td></td><td>(ii). Since the investment on capital dredging is mainly for the container terminal at Vallarpadam, COPT to clarify whether the financial burden has been limited to the berths at Vallarpadam or it has been proposed to pass on to all vessels even those who may not be using Vallarpadam facilities.</td><td>The total capital dredging cost for the ICTT project at Vallarpadam is met from the grant-in-aid received from Government of India and the amount is not considered as capital employed in the cost statements for the purpose of depreciation and ROCE.</td></tr>
<tr><td></td><td>(iii). Clause 2.8.3 of the tariff guidelines requires the major ports to utilize the funds available in the escrow account (which is created from the receipt of revenue share from private operator) for the purpose of creation/ modernization of port infrastructure facilities within the stipulated time period. In this context, COPT to explain why expenditure on capital dredging can not be funded from the Escrow account in accordance with the provision prescribed in the tariff guidelines.</td><td rowspan="2">The net royalty received from M/s.IGTPL for the period from 2005-06 to 2011-12 is only ₹127 crores which has been utilized for meeting capital expenditures during the period. Since no separate Escrow Account has been maintained as well the Port is facing severe financial crunch over the years, it was a necessity to get grant-in-aid support from Government for the implementation of the ICTT project at Vallarpadam.</td></tr>
<tr><td></td><td>(iv). The details of the escrow account opened by COPT in this respect to be informed.</td></tr>
<tr><td>17.</td><td>COPT to indicate whether the LNG/ LPG terminal at Puthuvypeen with an initial capacity of 2.5 million tonnes per annum has been commissioned. COPT to also clarify whether the cost statement takes into consideration additional vessel/ cargo traffic and additional income thereon with reference to this project. Annual revenue share receivable from the LPG/ LNG terminal and the treatment given in the cost statement to be indicated.</td><td>LNG Project will be commissioned only by the middle of the year 2012-13. Also due to the non-availability of sufficient data / information relating to the vessel & cargo traffic and revenue generation at LNG, the same has not been considered in the cost statements.</td></tr>
<tr><td>18.</td><td>COPT to indicate the addition to the existing capacity and the additional traffic estimated to be generated due to the replacement of some of the equipment while reconstructing the North Cargo Berth and Mattancherry wharf.</td><td>Only the berths were revamped and no equipment was replaced or capacity addition was made on the reconstruction of NCB and Mattancherry Wharf.</td></tr>
<tr><td>19.</td><td>COPT to furnish details of assets classified as business assets, business related assets and social obligation assets for the years 2009-10 to 2014-15. It is seen that COPT has not listed any social obligation assets. The port to confirm this position. The basis on which the assets have been classified as business assets and business related assets to be explained. Also, clarify the basis on which some of the social obligation assets are treated as business related assets and confirm whether such categorization is in line with Clause 2.9.8. of the tariff guidelines.</td><td>Out of the total gross assets of ₹539.22 crores for the year 2011-12, only 3.52 crores i.e. less than 1% of the total belongs to business related assets which included old buildings, quarters etc.</td></tr>
</table>

20.	The basis of apportionment of capital employed between various main activities and sub-activities to be explained. List of assets (category-wise) identified with each activity/ sub-activity also to be furnished in support of the apportionment indicated.	In the new ERP computer system, all the capital assets are directly linked with the cost centers of the main as well the sub activities. Hence there is no apportionment of capital employed among the various main and sub activities.
21.	The COPT to furnish capital employed statements for the main activities and sub-activities as per Form 5 A (ii) & (iv), 5 B (ii) & (iv) and 5 D (ii) & (iv) of the formats prescribed by this Authority.	
22.	As stated earlier, Clause 2.8.3. of the tariff guidelines stipulate that 50% of royalty/ revenue share receivable by the landlord port from the private operators after meeting the cost of surplus labour is to be transferred to escrow account and should be utilized for creation/ modernization of port infrastructure facilities within a period of five years. The details furnished by the COPT in Form 4A and Form 9 do not show any investment funded or proposed to be funded from the escrow account. Although a copy of Form 9 is attached to the proposal, COPT has not filled in any details therein.	Form No.9 has been updated.
VII.	**<u>WORKING CAPITAL</u>:**	
	The working capital considered by COPT for all the years under consideration is on the negative since the current liabilities on all these years exceed the working capital arrived at by the port. While arriving at the capital employed for these years the Port has reduced the Net Block by the negative working capital. COPT is advised to rework the Form 4A treating the working capital as nil.	Since Port is not seeking any hike in tariff rates and that the since the CACP Auditors have also considered the effect of negative working capital for the computation of capital employed, the Port has retained the same method for the computation of capital employed in the cost statements.
VIII.	**<u>MISCELLANEOUS</u>:**	
1.	At the last tariff Order of February 2010 although the pilotage fee and pull back operations for SBM operations were revised, the port was also advised to come with a well analyzed proposal at its next tariff review addressing the several gaps as listed in para 12 (xii) (f) (iii) of the February 2010 Order. COPT's present tariff proposal, however, has not addressed to this direction of the Authority. COPT to explain.	A detailed statement showing the income (pilotage & pull back) and expenditure at SPM is furnished. The Port is continuously exploring various means to fully utilize the idle capacity of the hired tugs.
2.	The IGTPL had claimed that berth hire charges should form part of its tariff for the ICTT operations since the berth is constructed by IGTPL. The COPT, however, had contested this claim quoting clauses 4.1. (a) and (b) of the License Agreement. The Authority in an earlier Order had advised both COPT and IGTPL to resolve the issues between themselves in the manner provided in the license agreement. Although the berth hire for ICTT operations is prescribed by the Authority in the Scale of Rates of the COPT, it has been clarified that if the dispute between the port and the IGTPL in this regard is resolved and it is established that the berth hire charges is to be collected by the operator, then suitable modifications will be done in the Scale of Rates of both the IGTPL and the COPT. The COPT to update the Authority with the developments in this respect.	As per the relevant clauses (4.1.(b)) in the License Agreement, Port is collecting the Berth Hire charges since the approach channel and berth basin are being dredged and the maintained by the Port. At present there is no dispute relating to the issue.
3.	During the revision of tariff in January 2007, COPT was advised to take adequate insurance cover and include the insurance cost in the tariff fixation and propose suitable modification in the existing provision for claiming damage to port properties. Since the port did not adhere to this suggestion, stating that the insurance	Port is strictly adhering to the advice of the Authority as insurances are taken for the major assets and claims, if any as and when arises are adjusted.

<table>
<tr><td></td><td>cover is taken for some specific assets only, the existing provision was allowed to continue in the tariff Order of 2010 with an advice to the port to examine this issue in depth and take necessary steps at the earliest. It appears from the present proposal that no positive steps in this direction have been taken by COPT till date. Port to explain.</td><td></td></tr>
<tr><td>4.</td><td>At the time of rate revision carried out in 2010 COPT had proposed to modify the frequency of levy of port dues in respect of coastal vessel from existing unit of levy of once in 30 days to per entry basis. COPT, however, had not made any corresponding adjustment in the unit rate. Recognizing that the share of coastal vessels in the total vessels is almost 50%, it was not found appropriate to modify the frequency of levy of port dues for coastal vessel without analyzing the revenue impact thereof on the users. COPT was, however, advised vide para 12 (xxi) of the Order dated 23 February 2010 to propose suitable change in the frequency of levy of port dues for coastal vessel with corresponding adjustments in base rate. It appears that no steps in this direction have been taken by the port even in the present tariff review. Port to clarify.</td><td>Port is already providing a concession of 40% in VRC rates to coastal vessels when compared to VRC rates of foreign vessels. Since the efforts taken and the costs incurred by the Port is same for each and every entry of any vessel, whether it is foreign or coastal, Port proposes the same rate for Port Dues for Coastal Vessels, in case the frequency is changed to ‘per entry’ so that the rate is standardized and all the costal vessels irrespective of the number of visit by the vessels will pay the same rate. It is also mentioned here the current frequency of payment of ”once in 30 days” for coastal vessel is an extra benefit enjoyed by a coastal vessel which has multiple entry during a month over a coastal vessel which calls at the Port only once in 30 days.</td></tr>
<tr><td>5.</td><td>The COPT has been advised vide para 12 (xxiv) of the Order dated 23 February 2010 to prescribe the shifting charge from one berth to other or from berth to any other point based on the cost of services rendered at the time of formulating its next tariff proposal. As per the draft SOR submitted presently the shifting charge continues to be linked to the pilotage fee. Port to clarify.</td><td>The shifting activity is as similar as that of Pilotage activity, the man power, no. of tugs & launches, time etc. required are as same as for Pilotage activity. Hence, considering the lesser distance and effort between the berth to berth shifting and the fact that it is not possible to accurately compute the cost of shifting, the shifting rate is fixed as 25% of proposed pilotage fee.</td></tr>
<tr><td>IX.</td><td><u>SCALE OF RATES</u>:</td><td></td></tr>
<tr><td>1.</td><td>In the draft Scale of Rates, COPT has proposed many changes as detailed in Para 11 of its proposal dated 30 September 2011. COPT is requested to furnish a comparative statement of the existing and the proposed provisions with explanation for the changes proposed. The additional revenue likely to accrue from such amendments for the years 2012-13 to 2014-15 to be informed along with requisite working sheets.</td><td>The details are furnished below:
<table>
<tr><th>No.</th><th>As detailed in Para 11</th><th>Remarks</th></tr>
<tr><td>i</td><td>Inclusion of competitive Vessel Related Charges for mainline container vessel calling at ICTT Berth, Vallarpadam.</td><td>The VRC rates for mainline vessels excluded from proposed SoR as per CoPT’s D.O. letter no. D.O./ FD/Costing /Proposal for revision of SOR-2011/ 2012 dated 20.1.2012.</td></tr>
<tr><td>ii</td><td>Hire charges for GHD Nehru Shatabdi has been increased to ₹46,000 per hour from the existing rate of ₹35,843 per hour due to the increasing in operating cost, periodical R&M cost and dry docking expenses.</td><td>The hire charges for GHD Nehru Shatabdi Excluded from the proposed SoR as per CoPT’s D.O. letter dated 12th October 2011.</td></tr>
<tr><td>iii</td><td>Berth hire charges has been changed to single slab from the existing three slabs as per Clause No.6.10 of TAMP guidelines. Clubbing / re-grouping of berths of similar facilities and services have been done.</td><td>The revenue likely to accrue for the years 2012-13 to 2014-15 cannot be accurately computed.</td></tr>
</table></td></tr>
</table>

		<table><tr><td>iv</td><td>Proposal for inclusion of security charges of ₹1,00,000 for 24 hours for international cruise vessel and foreign naval vessels.</td><td>Around 40 vessels called at Port during 2012-13. Considering the same, the revenue likely to accrue is ₹40,00,000/- per annum (40 vessels x ₹1,00,000 per vessel per day).</td></tr></table>
2.	This Authority vide Corrigendum dated 3 September 2010, deleted the note under General terms & conditions relating to rounding off the bill amount to next higher rupee in view of the difficulty expressed by the Port in implementing this condition in its software. The COPT in its proposed SOR has reinstated this provision. COPT to clarify.	The condition has been deleted in the revised proposal.
3.	COPT in its letter dated 30 September 2011 had proposed special vessel related charges for mainline vessels visiting ICTT berth at Vallarpadam. By letter dated 20 January 2012 COPT has requested TAMP to withdraw the said proposal. The port has also stated that in this respect it has declared a special rate as early as in July 2010 based on the then prevailing rate at Colombo Port. In this connection COPT to furnish a copy of the order issued in July 2010 declaring the special rates. The revenue earned from July 2010 till date as per rates in vogue and as per special rates in this respect may also be furnished.	Copy of the Order issued in July 2010 is furnished.
4.	COPT in its letter dated 30 September 2011 had proposed hike in hire charges for GHD Nehru Shatabdi from ₹35,843/- to ₹46,000/- per hour to cover the increasing operating cost, R&M cost and dry docking expenses. By letter dated 12 October 2011, however, COPT has requested TAMP to withdraw the said proposal stating that it has to engage the dredger for its own purpose throughout the year and there will not be any capacity to hire it out to other agencies. Since the dredger may be no longer available for hiring, as reported by the port, the port to also consider deletion of the relevant section from its SOR.	The hire charges for GHD Nehru Shatabdi have been deleted from the proposed SoR.
5.	(a). In the existing SOR, the berths have been grouped as under for the purpose of levy of Berth hire charges:- (i). General Cargo berths Q-1 to Q-6 (ii). Container Berths Q-7, Q-8 and Q-9 (iii). Oil berths Cochin Oil Terminal, North Tanker Berth, South Tanker Berth and (iv). North and South Coal Berths Apart from the above, Fertilizer berth, Q10 and New BTP berth have been included under the schedule of berth hire charges for other vessels / floating crafts. In the proposed SOR, the COPT has regrouped the berths as under:- (i). Q1 to Q9 (ii). COT, NTB, STB & SCB (iii). Q10, BTP & NCB (iv). Container berth at ICTT	Earlier shore cranes were available at the general cargo berths i.e. Q1 to Q6 and containers were handled at the container berth i.e. Q 7 to Q9. Now all the shore cranes in the general cargo berths have been dismantled as well as the container berths have been reverted back to the Port on the migration of M/s.IGTPL to Vallarpadam. Hence all the berths i.e. from Q1 to Q 9 has been grouped together and a single berth hire rate is proposed. In the existing SoR, Q10 and BTP was having the same berth hire charge. (Item no. 2.3.3.1). Since the BTP Berth and the NCB have been renovated incurring heavy expenditure, they have been grouped together and a single rate is proposed. Container berth at ICTT is a new berth, hence a separate rate has been proposed for the same.

<table>
<tr><td></td><td>The rationale of and the basis on which the regrouping of the berths have been carried out to be elaborated. The additional revenue, if any that will be generated per year due to this regrouping to be informed. Two new Berths, Q10 and BTP have been added. Details thereof including the existing rates for their use to be informed.</td><td></td></tr>
<tr><td></td><td>(b). The above mentioned regrouping will result in levy of higher or lower berth hire charges as per the proposal of the port. On the regrouping it is pointed out that as per clause 6.5.1 of the tariff guidelines the berth hire charges should be prescribed by grouping berths having comparable services with rebate for major components of services/ facilities not provided. Port to confirm that the regrouping of berths proposed by COPT is in line with the above guideline provision.</td><td>It is confirmed that the regrouping of berths proposed by the Port is in line with the TAMP guidelines.</td></tr>
<tr><td>6.</td><td>COPT has proposed to change the berth hire charges to single slab from the existing three slabs. It is observed that the vessels having GRT up to 15000 and visiting general cargo berths Q1 to Q6 will pay less by 28.00% as per the new rates proposed by the port. Vessels having GRT up to 15000 and visiting general cargo berths Q7 to Q9, Oil Terminal berths, North Tanker berth and South Tanker berth will pay less by 23.69%. Vessels having GRT up to 15000 and visiting South Coal berth will pay less by 3.52% whereas similar vessels visiting North Coal berth will have to pay more by 35.90%. Similar differences are also observed in respect of vessels having GRT more than 15000. Reasons for proposing the highest rate for berths BTP, Q10 and North Coal berth has not been explained. COPT is requested to analyze the revenue impact on all the vessels visiting the various berths based on the GRT of the vessels that have called at different berths during the last three years and propose a single slab rate wherein revenue neutralization is achieved and no particular segment is forced to pay more. An analysis in this regard to be furnished with workings.</td><td>In the existing SoR, Q10 and BTP was having the same berth hire charge. (Item no. 2.3.3.1). Since the BTP Berth and the NCB have been renovated incurring heavy expenditure, they have been grouped together and a single rate is proposed.</td></tr>
<tr><td>7.</td><td>As per the existing SoR, the berth hire charge for inland water barges is prescribed separately at ₹0.07097 per GRT per hour. In the proposed SOR, the port has included this item under the heading “berth hire charges for other vessels/floating crafts” and also increased the rate to ₹0.1807 per GRT per hour. The increase works out to more than 150%. The COPT to justify such a steep increase proposed in this tariff item along with estimated additional revenue implications in this regard for the years 2012-13 to 2014-15.</td><td>The Port has received only very meager revenue from inland waterways barges during the previous years even though berth hire charges were fixed for the same in the existing SoR. Since no lash barges are calling at Cochin and also because the rate for Inland Waterways Barges was unacceptably low, the rates were unified for both Lash Barges and Inland Waterways Barges.</td></tr>
<tr><td>8.</td><td>COPT has proposed to delete the following cargo items from the wharfage schedule stating that they are not handled in the Port during the last so many years:-
(i). Animals, birds & reptiles.
(ii). Asbestos
(iii). Coir & coir products, jute & jute products and
(iv). Cotton and cotton waste

Perusal of the Administration Report of the Port of 2009-10 shows that Cotton and cotton waste have been handled through out the last decade including 2009-10. COPT to revisit its proposal.</td><td>The quantity of cargo handled during the years 2009-10 & 2010-11 is furnished below:

(Qty in tonnes)
<table>
<tr><th>No.</th><th>Cargo Description</th><th>2009-10</th><th>2010-11</th></tr>
<tr><td>1</td><td>Animals , Birds & Reptiles</td><td>-</td><td>-</td></tr>
<tr><td>2</td><td>Asbestos</td><td>-</td><td>-</td></tr>
<tr><td>3</td><td>Coir & Coir Products</td><td>176000</td><td>134000</td></tr>
<tr><td>4</td><td>Jute & Jute Products</td><td>-</td><td>8000</td></tr>
<tr><td>5</td><td>Cotton & Cotton Waste</td><td>33000</td><td>40000</td></tr>
<tr><td>6</td><td>Cashew</td><td>341000</td><td>384000</td></tr>
<tr><td>7</td><td>Fruits</td><td>-</td><td>-</td></tr>
<tr><td>8</td><td>Sand, stones, Granite, Marble</td><td>22000</td><td>-</td></tr>
</table></td></tr>
</table>

9.	In the wharfage schedule prescribed in the existing SOR, the port has proposed to re-group the following cargoes:- (i). Cashew, nuts & fruits (ii). Construction & building materials (iii). Clubbing of sand, stone, granite & marble The reasons for this regrouping to be furnished. The revenue impact thereon per year for 2012-13 to 2014-15 may be brought out with working sheets.	From the above statement it is clear that the Port has not handled any of these cargoes - Animals, Birds & Reptiles, Asbestos, Fruits etc - during the past years. Hence the same has been deleted form the SoR proposal. It is also mentioned here that cargoes like cashew, jute, cotton, building materials etc are handled in containers where the wharfage is applicable on box basis which is being handled and charges collected by M/s.IGTPL as approved by TAMP. With regard to clubbing of Sand, Stones, Granite, and Marble together, it can be seen from the table that the quantity of the items are very meager. Hence the items were grouped under ‘Construction and building materials’ and a uniform rate was fixed.
10.	COPT has proposed to increase the wharfage rate for defence cargo from ₹130.55 per MT and ₹217.55 per MT for coastal and foreign cargo respectively to ₹180/- per MT to ₹300 per MT for coastal and foreign respectively. The increase is stated to be towards providing additional security and safety measures. The increase proposed by COPT in this regard needs to be justified with details of additional security and safety measures to be provided to such cargo interest with cost details. The additional income estimated to be realised in this regard during the year 2012-13 to 2014-15 to be furnished.	The quantity of defense cargo handled during the year 2009-10, 2010-11 and 2011-12 is about 1000 tons, 2000 respectively. Even though the cargo handled is insignificant in terms of volume, Cochin Port accords priority in berthing and handling of such cargo with notified berth and enhanced security. A separate area has to be earmarked for the handling of the defense cargo and also separate security and safety measures like, fire fighting, round the clock security, special lighting etc. need to be provided for the same and hence a higher wharfage rate is proposed. Also it is not possible to correctly estimate the additional income estimated to be realized due to this hike.
11.	(a). The existing SOR of COPT prescribes charges for storage of cargo at transit sheds and warehouses on licence basis. The unit of levy is prescribed as 'per week per sq. m.' The COPT has proposed to amend the existing storage charges at transit sheds and warehouses by reducing the rates as well as modifying the slabs. Since the revision of licence fee for allotment of land on licence basis is governed by the Land Policy guidelines announced by the Government on 13 January 2011, the COPT to come up with a separate proposal for revision of the same following the procedure stipulated in the Land Policy guidelines.	The fixing of charges for storage of cargo at transit sheds and warehouses on licence basis is in lieu of demurrage and therefore was proposed in progressive slabs to discourage storage for longer durations. The allotment being an alternative to storage on demurrage basis may be considered outside the purview of the Land Policy Guidelines. How ever in view of the experience during the past two years, the slabs are proposed to be made flatter and the rates reduced. This is especially in view of the fact that the cargo which avails storage inside the wharf at Cochin Port today is finished fertilisers imported by PSUs meant for the farming sector.
	(b). The Port has proposed modifications in the notes prescribed under Storage charges at transit sheds and warehouses. COPT to furnish the necessity of such modifications with justification.	
12.	Port has proposed to delete the rates in the existing SOR for use of (i) wharf electric crane other than during the course of import / export operation and (ii) the charges for using the port’s grabs fitted to the shore cranes. The reasons for deleting the rates to be furnished along with the revenue earned during the last three years from this service. The loss in revenue, if any, during 2012-13 to 2014-15 due to the proposed deletion of these sections from the SOR to be quantified.	The wharf cranes have been dismantled and at present there are no wharf cranes in any of the wharves. Hence the rates were deleted.

13.	The COPT has proposed to include a new tariff item under Ground Rent on containers for containers availing storage for future clearance from the Port and containers grounded for examination. The existing schedule of Ground rent prescribes rates for various types of containers, viz. Empty, loaded, hazardous, transshipment, etc. The necessity of introducing one more tariff item under this schedule to be explained with additional income estimated to be realised during the year 2012-13 to 2014-15.	The proposal is exclusively for containers from / to ICTT arriving at Willingdon Island for on – wheel examination and clearance at the preprocessing facility at the Q 7 back yard. Such containers sometimes will have to be grounded for detailed examination or for delivery at a future date. Since such containers are a new item coming to Willingdon Island for a specialized service from the ICTT separate tariff schedule is proposed.
14.	The proposal to increase the charge from ₹490/- per hour to ₹3000/- per hour for use of the fire tender needs justification with cost details. The additional revenue expected to be generated from the proposed rate during 2012-13 to 2014-15 to be furnished. COPT to also submit a working sheet justifying the new rate proposed.	The Fire tender is maintained basically for port purposes only. In some emergency situations, it is also hired out. The hiring rate is fixed based on incremental cost incurred like employee cost, fuel cost, water / foam cost. maintenance of the equipment etc.
15.	Charges for taking photographs or shooting films in the port premises have been proposed to be increased by 100%. The yearly impact thereon on the revenue during 2012-13 to 2014-15 to be informed with workings.	Higher rates have been fixed for taking photographs / film shooting to prompt the users to give care and attention to the surroundings and to prevent them from destroying any of the port properties and disturbing the normal peace. Also Port has to incur costs to clear / clean the port area where the shooting has been done.
16.	The Port has proposed to rationalize the existing Toll charges for vehicles by including the rates for one month duration and deleting the rate for 9 months. It has also proposed increase in the toll charges for Tourist vehicles, Lorries including tankers and two wheelers. The rationale behind increasing the rates for selective type of vehicles to be furnished. The revenue impact per year on the proposed increase to be quantified for the years 2012-13 to 2014-15 and furnished.	The Port roads are upgraded incurring huge investment and maintained by the Port and general upkeep of the roads is the responsibility of the Port. The rates have been standardized for all the vehicles. Also the rates have been fixed considering the costs incurred for road maintenance, toll office staff salary, toll office maintenance etc.
17.	COPT has proposed introduction of way leave charges for telephone cables at ₹5000 per kilometer or part thereof per annum. In this context attention is drawn to the TAMP Order No.TAMP/11/2008-COPT dated 16 June 2010. At para 7(iv) ibid the port was directed to examine the points earlier raised by BSNL and the Bharati Airtel Limited and then submit a separate proposal, if found necessary. However, the port has simply proposed to include the rate for this tariff item in the proposed SOR without addressing the points raised in the Order dated 16 June 2010. COPT to clarify.	The Port is a "local authority" and hence reserves the right to give permission subject to reasonable conditions. The telephone lines are going through the Port lands which are owned and maintained by the Port. It is also mentioned here that a large number of private offices are working inside the Port land and M/s.BSNL & Bharti Airtel Limited are doing commercial business earning revenue from their operations and they are not extending any consideration or concessions to the Port. Hence, Port should have the legitimate right to get return from the services provided through its land.
18.	Port has proposed to levy penalty charges for dumping/ disposal of waste material in any kind by any person/ agent in Port area at the rate of ₹10000 per vehicle for the first time and at ₹50000/- for each repetition. The necessity for introduction of such a levy needs to be explained. How the port would implement such a penal levy in a transparent manner need to be explained. If additional man power deployment is contemplated the details thereof to be furnished. The additional revenue expected to be generated from the proposed levy during 2012-13 to 2014-15 to be furnished. Also submit a working sheet justifying the rates proposed.	Port is a restricted area and is a place where many residential houses, offices, schools etc. are situated. There have been instances of sewage / other kinds of waste being dumped in the Port areas. Hence the charges are levied as a penalty to discourage and stop such dumping and it is not considered as a source of revenue. Hence it is not possible to forecast the revenue estimated to generate on account of this charges.

19.	A new tariff item under Estate Rentals under the heading 'Way leave charges for oil pipe lines in the SEZ area' has been proposed at ₹414/- per square meter per annum for the area occupied by pipelines. Since fixation of way leave charges is governed by the Land Policy guidelines, the COPT to submit a separate proposal in this regard.	The commercial lease rent at the Vallarpadam and Puthuvypeen SEZ area is more than the lease rent at non SEZ area at both the places around 15%. Hence the way leave charges for laying oil pipelines at SEZ area have been proposed at 15% hike from the way leave charges for laying oil pipelines at Port land (i.e. ₹414/- (15 % hike over ₹360/-).
20.	The note prescribed under way leave charges in the proposed SOR is found to be varying with the note prescribed by this Authority in its Order dated 4 May 2010 relating to revision of estate rentals. COPT to clarify.	The note prescribed by CoPT under WLC in the proposed SOR for calculating the area for arriving WLC is the one, which is being followed in this Port for the last six decades without objection from any user agencies viz. lessees. Port Trust is permitting to lay the pipelines as per petroleum rules in which a side clearance of 30 cm is mandatory for carrying out inspections, repairs, maintenance etc. between two adjacent pipe lines. The area thus left cannot be made use of for any other purpose or pipe lines cannot be laid without complying with the said requirements in future. More over, implementation of revision of SoR results in a revenue reduction to the tune of around ₹12.15 lakh (i.e. 40% less than that based on pre revised rate) per annum from 1st year onwards since the mode of calculation of area for calculating WLC is resulting in reducing the area considerably. In Cochin Port all pipelines are laid as underground along various roads as Tank Terminals and their loading/ unloading jetties are located at different locations. i.e., in Cochin Port no Common User Manifold or Way Leave Corridor or Common User Corridor are existing as in JNPT where Common User Manifold and Way Leave Corridor facilities are available. Hence there is no justification / scope for adopting the same formula for Cochin Port Trust for area calculation for WLC in tune with JNPT's procedure.

8. While responding to the queries raised by us vide its letter dated 16 June 2012, the COPT has revised its initial proposal of September 2011.

9.1. On a preliminary scrutiny of the revised tariff proposal and cost statements, it was found that information/ clarifications from the COPT were required on various issues. Accordingly, COPT was requested to furnish the requisite information vide our letter dated 16 July 2012. The COPT has submitted its reply on the queries vide its letter dated 21 August 2012. A summary of the queries raised by us to COPT and the corresponding replies furnished by the COPT is tabulated below:

Sl. No.	Queries raised by us	Reply furnished by COPT
I.	**GENERAL:**	
1.	The last review of tariff in February 2010 was based on the projections for 2009-10 to 2011-12. In letter dated 16 April 2012 COPT was requested to update Form-7 with an analysis for the years 2009-10 to 2011-12 with reference to the projections relied upon at the time of deciding the prevailing tariff. For a like to like comparison with actuals for	The details of revenue impact of tariff increase approved in the last tariff Order dated 23 February 2010 (Para no.12(xii) (h) is furnished below:- (i). <u>Traffic and income from the cargo likely to be handled at the RGCT when the terminal is reverted to the Port</u>

	the years 2009-10 to 2011-12 COPT was advised that in the analysis of actuals vis-à-vis the estimates, the estimated income considered by the Authority in the last tariff Order is to be adjusted for tariff increase granted in the said Order. COPT has not complied with this requirement in the Form-7 of the revised cost statements. It is relevant here to mention that as recorded in paragraph 12 (xii) (h) of Order dated 23 February 2010, the revenue impact of increase approved in some of the tariff items in the ibid order could not be quantified in the absence of details. The COPT is again requested to quantify the revenue impact of tariff increases approved in the last tariff Order and adjust the income estimates for the years 2009-10 to 2011-12.	The details of traffic handled and income generated from RGCT (Q7, 8 & 9) at W.Island for the period from 11 February 2011 to 30 June 2012 is furnished below:

Particulars	**Vessel Related**	**Cargo Related**
No. of Vessels	250	
Total GRT	3986857	
	(₹ in crores)	
Port Dues	3.99	
Pilotage	10.92	
Berth Hire	3.87	
Shifting	0.13	
Wharfage		2.60
Ground Rent on containers		0.05
TOTAL	**18.91**	**2.65**

(ii). <u>Reduction in employee cost possible on account of implementation of the revised manning scale</u>
As per the last Bipartite Wage Negotiating Committee (BWNC) settlement, reduction of manning scale as decided by National Industrial Tribunal on 19 April 2006 was to be implemented, but was not able to implement due to the objections raised by the Unions.

Hence there is no reduction in employee cost due to the non-implementation of the revised manning scale.

(iii). <u>Impact of cost control measures to be taken by the port during the next 3 years</u>
Due to severe financial constraints being faced by the port over the years, port is taking extra care to implement only those projects which are essential for the day to day operations of the port. In the case of revenue expenditure, more than 95% of the same is uncontrollable cost like employee related cost and dredging cost. Still Port is taking sincere efforts to restrict the operating cost wherever possible and without affecting the day to day operations of the port like in the case of overtime payment. The details of overtime payment made during the years from 2009-10 to 2011-12 are given below:

(**₹ in crores**)

Year	**Overtime**
2007-08	5.04
2008-09	6.41
2009-10	3.47
2010-11	3.35
2011-12	4.34 *

* - due to wage revision effect

(iv). <u>Financial impact of withdrawal of concession in the vessel related charges to mainline container vessels</u>
It is mentioned here that Clause 4.2 of the License Agreement between COPT and IGTPL states the

following:

"The Parties agree that, subject to Applicable Laws including approval of the competent authority, the Tariff are competitive vis-à-vis international container transshipment hubs and major competing ports in the region. For this purpose, the Party shall prior to fixing / recommending the fixing of Tariff with regard to port charges / terminal charges, consult the other Party."

Accordingly the concessional vessel related charges on par with the rates at the Colombo Port was implemented to attract mainline container vessels to call at the Port. Also concessions were extended to foreign feeder container vessels for retaining the existing vessel traffic and for attracting new vessel traffic. Hence there is no financial impact to the Port.

(iv). <u>The exact impact of rationalization in berth hire</u>
Since the comparison of berth hire under the pre-revised six slabs and the revised three slabs is a time consuming process, a comparative statement showing the berth hire income earned and the reasons for the increase in berth hire income during 2009-10 to 2011-12 is furnished below:-

Particulars	**2009-10**	**2010-11**	**2011-12**
Berth Hire (₹ in crores)	15.16	18.54	21.19
Vessels entered (No.)	1278	1256	1382
Size of vessels (GRT)	21239949	21454330	24238401
Berthing hours	81995	110710	165784
US S rate variations	From $ 44.76 to $ 50.50	From $ 43.90 to $ 47.49	From $ 43.87 to $ 55.42

(vi). <u>Additional revenue due to revision of tariff introduced in Dry dock area</u>
There revenue generated from Drydock operations for the years from 2009-10 to 2011-12 is furnished below:-

(₹ in lakhs)

Particulars	**2009-10**	**2010-11**	**2011-12**
Dry Dock income	40.10	39.27	0.00 *

* since there was no spare capacity for outsourcing in the year 2011-12, no income was generated during the year 2011-12.

(vii). <u>Increase allowed in wharfage rate for defense goods, separate wharfage for motor cycles, specific wharfage rates instead of advalorem etc.</u>
The income generated out the standardization and simplification of the wharfage rates is meager.

(viii). <u>Revenue implication on account of land to be allotted on license basis for transit storage</u>
The revenue generated from allotment of land on license basis for the years from 2009-10 to 2011-

<table>
<tr>
<td></td>
<td></td>
<td>12 is furnished below:-
(₹ in crores)
<table>
<tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>License within wharf</td><td>2.36</td><td>2.80</td><td>3.11</td></tr>
</table>

(ix). <u>Nehru Shatabdi</u>
Since there is no spare capacity for hiring purposes, Port is not in a position to hire out the services of Nehru Shatabdi any more. It is used for Port purposes only. Hence Port has requested TAMP to withdraw the hiring rates from the Scale of Rates.

(x). <u>Miscellaneous charges like issue of wharf entry pass, toll charges etc.</u>
The income generated out the miscellaneous charges is only nominal and the details for the three years from 2009-10 to 2011-12 is furnished below:-
(₹ in crores)
<table>
<tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>Toll Charges</td><td>1.44</td><td>2.00</td><td>1.61</td></tr>
<tr><td>Wharf Entry Fee</td><td>0.10</td><td>0.34</td><td>0.44</td></tr>
</table>

The decrease in toll charges is due to the reduction in the number of heavy vehicles and offices due to the migration of the container operations from RGCT to ICTT Vallarpadam.

From the above it can be seen that there is no considerable revenue impact to the Port on account of the above.</td>
</tr>
<tr>
<td>2.</td>
<td>In our letter dated 16 April 2012 COPT was requested to furnish the details of the rebates/discounts granted during 2009-10 to 2011-12. In reply the Port has stated that it has given various concessions ranging from 20% to 60% in port dues, pilotage, berth hire, cruise vessels etc. COPT to quantify and furnish the revenue impact of year-wise rebates granted in absolute terms and in order to arrive at the actual income for the years 2009-10 to 2011-12 at the ceiling level of tariff approved by the Authority.</td>
<td>The financial impact of the various concessions granted is furnished below:-
(₹ in crores)
<table>
<tr><th>Year</th><th>Income receivable at ceiling level</th><th>Income received at concessional rate</th><th>Revenue impact</th></tr>
<tr><td><u>2009-10</u></td><td></td><td></td><td></td></tr>
<tr><td>Mainline</td><td>3.42</td><td>1.14</td><td>2.28</td></tr>
<tr><td>Feeder</td><td>41.63</td><td>29.14</td><td>12.49</td></tr>
<tr><td><u>2010-11</u></td><td></td><td></td><td></td></tr>
<tr><td>Mainline</td><td>8.06</td><td>3.22</td><td>4.83</td></tr>
<tr><td>Feeder</td><td>60.32</td><td>42.22</td><td>18.10</td></tr>
<tr><td><u>2011-12</u></td><td></td><td></td><td></td></tr>
<tr><td>Mainine</td><td>12.49</td><td>1.78</td><td>10.71</td></tr>
<tr><td>Feeder</td><td>53.08</td><td>37.15</td><td>15.92</td></tr>
<tr><td><u>Cruise</u> :</td><td></td><td></td><td></td></tr>
<tr><td>- Upto 30000 GRT</td><td>2.33</td><td>1.87</td><td>0.47</td></tr>
<tr><td>- Above 30000 GRT</td><td>16.09</td><td>11.26</td><td>4.83</td></tr>
</table></td>
</tr>
<tr>
<td>3.</td>
<td>COPT has stated that a part of the Q 7 back up area at RGCT is utilized as pre-processing facility to EXIM containers from / to ICTT. In a separate proposal filed by COPT for fixation of ad hoc rates for pre-processing facility, the COPT has stated that a cost based proposal would be filed along with the proposal for general revision of tariff. Now, COPT has stated that the nominal income earned by the Port from pre-processing facility to EXIM containers from / to ICTT operation at RGCT has been included under the head Cargo Handling & Storage Charges (Other Income). COPT to</td>
<td>The pre-stage area was commissioned on 21.2.2011, the area available for prestage operation is 10,000 sqm. The pre-processing facility at the back-up area of Q7 berth consist of 4 activities :
(i). On-wheel inspection and clearance of containers
(ii). Storage of containers coming to the facility for subsequent clearance after detailed examination.
(iii). Lift off and Lift on of containers availing storage.</td>
</tr>
</table>

	furnish a separate sub-activity cost statement for pre-processing facility giving details of income, cost and capital employed in order to justify the rates approved by the Authority vide Order dated 18 June 2012.	(iv). Reefer facility for containers till clearance for delivery or for export. The activity involves truck-entry processing, documentation, monitoring, accounting and billing of services. The income and expenditure statement for each activity for the year 2011-12 is furnished below:- I. <u>Lift off and Lift on charges</u> Income earned during 2011-12 - ₹ 57,65,012 <u>Expenditure</u> : Reach Stacker operation and maint. ₹1,50,00,000 (incl. employee cost, R & M, Fuel, stores etc) Depreciation (₹9940193 / 8 yrs) ₹<u>12,45,524</u> Total ₹1,62,45,524 Deficit ₹1,04,80,512 II. <u>Reefer</u> Income earned during 2011-12 ₹17,41,097 The expenditure incurred is mainly electricity charges and the salary and other employee related expenditure of the electrical operator of the Reefer points. III. <u>Ground Rent</u> Income earned during 2011-12 ₹68,07,115 The area is well maintained and the expenditure incurred is the cost incurred for the upkeep and maintenance of the storage area.
4.	Despite specific request, even in the latest Form–8, COPT has not furnished the details of activity wise manpower deployment and the costs thereof. It has only restated therein the total man power deployed and the total cost thereof. Further, the COPT has stated that there is no surplus manpower at the port. As recorded in paragraph 12 (vii) (g) of tariff Order dated 23 February 2010, the COPT anticipated that 318 employees will be surplus when the IGTPL shifts its operations to ICTT and accordingly estimated cost of surplus manpower at ₹1113 lakhs and ₹1312.5 lakhs for the years 2010-11 and 2011-12. Reportedly, the IGTPL shifted its operations to ICTT in February 2011. The details of manpower reverted to the port consequent to migration of container terminal operations by IGTPL to ICTT to be furnished. COPT to also clarify how the manpower cost relating to these employees are treated in the cost statements.	The activity-wise details of manpower are furnished in Form 8. There are direct employees which are directly associated with each activity / sub activity and indirect employees which are apportioned to various activities / sub activities. The number of employees reverted back to the Port in 31.03.2011 consequent to migration of Container Terminal operations to ICTT, Vallarpadam by IGTPL in 11.02.2011 is 302. It is stated that the manpower thus reverted back have been re-deployed in their parent departments as well as in other departments where there was shortage of manpower. Hence the employee cost of these employees has been included in the cost statements of the activities / sub activities in which they are deployed.
5.	Form-9 of the cost statement formats requires the port to furnish the details of accumulation / withdrawals from the Escrow Account to be created from the royalty / revenue share receipts from the BOT operators. The Form-9 furnished by COPT does not contain the estimated revenue share receivable from IGTPL in absolute terms for the	It is once again reiterated that due to the acute financial crunch faced by the Port over the years, it has not been possible to maintain a separate Escrow A/c by the Port. As per the guidelines issued by TAMP and the methodology adopted by TAMP for the treatment of

<table>
<tr><td></td><td>years 2012-13 to 2014-15. COPT has only stated that it would receive 33.3% as revenue share. COPT is once again requested to furnish the requisite details with workings.</td><td>revenue share in the Tariff Order dated 23 February 2010, 50% of the revenue share received/ receivable from M/s.IGTPL during the years from 2009-10 to 2014-15 has been treated as income in 'Cargo related activity' and the 25% of the total revenue share is equally divided among Port dues, Pilotage, and Berth Hire under 'Vessel related activity' and deducted from the 'Dredging Expenses'. The balance of the revenue share is retained in the General Reserve Fund of the Port. The estimated revenue share receivable from IGTPL for the years 2012-13 to 2014-15 is furnished as follows:-

(₹ in crores)
<table><tr><th>Particulars</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr><tr><td>Revenue Share</td><td>85.03</td><td>102.72</td><td>123.26</td></tr></table>
(The port has not furnished detailed workings for estimated revenue share computation).</td></tr>
<tr><td>6.</td><td>In the matter of COPT being a Licensee of Kerala State Electricity Board for distribution of power in the port area, the Port was requested to confirm that the revenue, expenditure, overhead charges and the relevant net block pertaining to electricity supplied to outsiders are excluded from the tariff revision proposal following the approach adopted during the last tariff revision. Port was also requested to furnish the details of such revenue, expenses, etc. separately duly reconciling with actuals reported in the audited annual accounts for the years 2009-10 to 2011-12. Instead of complying with the request COPT has now stated that income, expenditure and net block relating to electricity distribution are included in the cost statements. Since the approach adopted in this respect in the earlier tariff revisions has to be followed, COPT to rework the cost statements as per the requirements.</td><td>As directed by TAMP, the income, expenditure and the capital employed relating to electricity distribution business has been removed from the Cost Statement of Estate Activity.</td></tr>
<tr><td>7.</td><td>With reference to the copies of the consolidated summary of Revenue & Cost statements for electricity supply furnished by the port for the years 2009-10 to 2011-12, the following points to be clarified:</td><td>The Cost statement has been revised based on the directions of the TAMP.</td></tr>
<tr><td></td><td>(a). The income and expenses are not reconciled with the actuals of the relevant years. COPT to reconcile.</td><td></td></tr>
<tr><td></td><td>(b). The summary statement for the year 2011-12 is not updated with actuals. COPT to update.</td><td></td></tr>
<tr><td></td><td>(c). The statements do not contain the details of gross block and net block relevant for electricity supply, especially when depreciation is considered at ₹140.40 lakhs, ₹156.12 lakhs and ₹163.33 lakhs per year during 2009-10 to 2011-12. It is relevant here to mention that during the last tariff revision, the net block pertaining to electricity activity was excluded from capital employed based on the details furnished by the COPT. The COPT is again requested to furnish the requisite details.</td><td></td></tr>
</table>

<table>
<tr><td></td><td>(d). The activity/sub-activity under which the revenue and each item of expenses, depreciation and capital employed for the service of supply of power have been included in the cost statement to be indicated.</td><td></td></tr>
<tr><td>8.</td><td>COPT has replied that the income from security charges for defense & cruise vessels have been included as Other Income under the head Vessel Related Activity and the expenses incurred for the above activities are included in the cost of sub activities. Perusal of cost statement for Vessel Related Activity [Form 5 B (i)] does not reveal any other income. Further, no sub-activity statement is seen either for security charges for defense & cruise vessels. COPT is, therefore, once again requested to confirm and show that the income, expenditure / overheads and the net block of assets considered in the general revision proposal takes into consideration the estimates furnished in the proposal for security charges for defense & cruise vessels for the years 2012-13 to 2014-15.</td><td>The income from security charges for defense & cruise vessels has been shown separately under the head 'Vessel Related Activity'. The expenses per vessel per day incurred for the above activity in the year 2011-12 amounts to ₹101,168/- and has been allocated equally to the sub activity of Port dues, Pilotage and Berth Hire. The details of the expenses is given below:-

A. Employee Cost

<table>
<tr><th>CISF Personnel</th><th>Total No.</th><th>Daily Salary</th><th>Supervision Charges (9.47%)</th><th>Total daily salary</th><th>TOTAL</th></tr>
<tr><td>Asst Comndt.</td><td>1</td><td>1724</td><td>163</td><td>1887</td><td>1887</td></tr>
<tr><td>Inspector</td><td>2</td><td>1635</td><td>155</td><td>1790</td><td>3580</td></tr>
<tr><td>Sub Inspector</td><td>8</td><td>1568</td><td>148</td><td>1716</td><td>13730</td></tr>
<tr><td>Head Constable</td><td>1</td><td>947</td><td>90</td><td>1037</td><td>1037</td></tr>
<tr><td>Constable</td><td>44</td><td>930</td><td>88</td><td>1019</td><td>44814</td></tr>
<tr><td colspan="5">TOTAL</td><td>65048</td></tr>
</table>

B. Fuel Cost for boat for marine patrolling

Consumption (35 ltrs per hr X 24 hrs X ₹43 per litre) 36120
TOTAL 101168</td></tr>
<tr><td>9.</td><td>The consolidated cost statement for Port as a whole excluding the estate and railway activities vide Annexure–IV to COPT's letter dated 16 June 2012 is incomplete as it does not show the elements of capital employed, the permissible ROCE, Net surplus/deficit and the average % hike/ reduction required of existing tariff, etc.</td><td>The consolidated cost statements for the Port as a whole excluding estate and railway activities has been updated incorporating the details called for by the Authority and is furnished.</td></tr>
<tr><td>10.</td><td>The COPT was requested to confirm that traffic/ financial implication of PPP projects to be commissioned during the tariff cycle of 3 years has been taken into account in the cost statements. The COPT has, however, confirmed that the traffic/ financial implications have not been included in the cost statements. The COPT is again requested to consider the financial implications to the port on account of the commissioning of the PPP projects in the tariff cycle of 3 years from 2012-13 to 2014-15.</td><td>Major PPP Projects like MULT, General Cargo Berth at Q 8 and Q 9, Ship Repair Facility etc. has not been awarded till date and the construction period required is a minimum of two years from the date of award of the contract. Hence the physical and financial performance of these projects have not been considered during this tariff setting period. The only PPP Project that is expected to be commissioned during the years from 2012-13 to 2014-15 is the Petronet LNG Terminal at Puthuvypeen. The trial run of the Terminal is due during the year 2012-13 and the commissioning of the Terminal operation is expected to be held in April 2013. The details of vessel traffic expected to call at the terminal and cargo traffic expected to be handled will be available only after the commissioning of the LNG Terminal.</td></tr>
<tr><td>11.</td><td>The comments of the user organizations, as and when received, have been forwarded to the Port for remarks. The Port to ensure that it has furnished its remarks to this Authority to all the comments received from the user organizations.</td><td>It is ensured that the comments of the user organizations as and when received have been replied in detail and forwarded to TAMP.</td></tr>
<tr><td>II.</td><td>CAPACITY UTILIZATION:</td><td></td></tr>
<tr><td></td><td>COPT has confirmed the designed capacity of the port excluding containerized cargo at 26.06 Million Tonnes for 2009-10, 28.48 MT each for 2010-11</td><td>Port is taking all round efforts to attract vessels to call at the Port by providing various concessions and discounts. Regular Trade Meets are held in</td></tr>
</table>

<table>
<tr><td></td><td>and 2011-12, 33.48 MT for 2012-13 and 37.58 MT each for the two years of 2013-14 and 2014-15. However, the Port has not furnished the detailed reasons for under utilization of the capacity for all the years which is below 60%.</td><td>various places all along the country to advertise the facilities and services available at the Port and to familiarize the Port to various prospective customers. Round the clock security, safety, electricity and water are also provided at the Port. Inspite of all the efforts made by the Port, there is under utilization of the capacity due to the lack of hinterland demand and supply. The majority of the cargo usually handled at COPT is industrial cargo. Also COPT is an old generation Port with inherent cost like heavy employee and pensioners cost, maintenance dredging cost etc. whereas the new generation ports in near vicinity have a lower employee related cost and practically 'nil' maintenance dredging cost. The facts that there is dearth of industries in the hinterland, Port is depending on the hinterland of other regions where established Ports are already functioning, and that the tariff of COPT is higher when compared to that of the competing neighbouring ports due to the imbalance in income and expenditure have all contributed to the under utilization of the Port capacity.</td></tr>
<tr><td>III.</td><td>TRAFFIC:</td><td></td></tr>
<tr><td>1.</td><td>COPT has confirmed that the traffic projections are in line with the projections in the 12th five year plan. However, COPT has estimated the traffic for the years 2012-13 to 2014-15 (excluding container traffic) at 17.03 MT, 17.44 MT and 17.86 MT respectively as against the 12th Plan traffic projections of 17.42 MT, 19.44 MT and 21.09 MT respectively. The COPT to explain the reasons for wide variation between the traffic estimates of 12th five year plan and that of tariff proposal for the two years 2013-14 and 2014-15.</td><td>The difference was in the projection of POL cargo as M/s.BPCL - KR had projected 14 MMT as the cargo projection for the years from 2012-13 to 2014-15. The projections in Form 2A has been rectified as per the directions of TAMP in line with that shown in 12th five year Plan.</td></tr>
<tr><td>2.</td><td>The Port has not furnished the traffic estimates for the three years of 2012-13 to 2014-15 as per its business plan.</td><td>The traffic projections as per Business Plan of March 2007 as per the report submitted by M/s.Transcare for the years 2012-13 and 2014-15 are as follows:-
(in MMT)
<table>
<tr><th>Particulars</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr>
<tr><td>Liquid Bulk</td><td>12.59</td><td>12.66</td><td>12.73</td></tr>
<tr><td>Dry Bulk</td><td>2.20</td><td>2.49</td><td>2.73</td></tr>
<tr><td>Break Bulk</td><td>0.40</td><td>0.44</td><td>0.48</td></tr>
<tr><td>LNG</td><td>3.01</td><td>3.33</td><td>3.68</td></tr>
<tr><td>LPG</td><td>0.60</td><td>0.60</td><td>0.60</td></tr>
<tr><td>TOTAL</td><td>18.80</td><td>19.52</td><td>20.22</td></tr>
</table></td></tr>
<tr><td>3.</td><td>COPT has informed that the Q-4 berth of Mattancherry wharf was commissioned during June 2010 and the berth is being converted into a Liquid Cargo Terminal. COPT to inform whether any cargo is being handled thereat presently and if so the revenue realized and the expenditure incurred in this regard to be furnished.</td><td>The details of cargo handled at Q 4 berth of Mattancherry wharf and the revenue earned are furnished below:-
<table>
<tr><th>Particulars</th><th>2010-11</th><th>2011-12</th></tr>
<tr><td>Quantity handled (in tones)</td><td>32996</td><td>36020</td></tr>
<tr><td>Wharfage earned (₹ in lakhs)</td><td>29.04</td><td>22.64</td></tr>
</table>
The cost incurred for these years for handling the cargo has been included in the cost statement of cargo related charges.</td></tr>
<tr><td>4.</td><td>Though a statement showing the details of coastal and foreign cargo handled during 2011-12 is furnished, in the cost statement (Form 2A), the</td><td>As per TAMP direction, the details of coastal and foreign cargo during the years 2012-13 to 2014-15 has been updated in Form 2 A.</td></tr>
</table>

<table>
<tr><td></td><td>COPT has not reported the share of foreign cargo and coastal cargo in the total estimated cargo throughput for the years 2012-13 to 2014-15 stating that it is not possible to forecast the break up of foreign and coastal cargo accurately due to the fluctuations in cargo traffic. Based on the average share of coastal traffic to the total traffic during last three years, COPT is advised to furnish the requisite details for each of the cargo groups reported in Form 2A for the ensuing three years. This information is necessary to arrive at the estimated income duly taking into account the concessions available to coastal cargoes.</td><td></td></tr>
<tr><td>5.</td><td>Though a statement showing the details of vessels GRT-wise for the year 2011-12 is furnished in the cost statement (Form 2A), the COPT has not furnished the break-up of number of vessels estimated for the years 2012-13 to 2014-15 stating that it is not possible to make such forecast. Considering similar data pertaining to the years 2009-10 to 2011-12 COPT to estimate the break-up of vessels expected to visit during 2012-13 to 2014-15.</td><td>As per TAMP direction the details of coastal and foreign vessels GRT-wise during the years 2012-13 to 2014-15 has been updated in Form 2 A.</td></tr>
<tr><td>6.</td><td>Port was requested to furnish the commodity group-wise aggregate GRT of the vessels visited during 2009-10 to 2011-12 and expected to visit during 2012-13 to 2014-15. In Annex XI Port has furnished only the number of vessels and average berthing hours for 2011-12. Since the aggregate GRT of the vessels forms the basis for arriving at the vessel related income, COPT is once again requested to furnish the details called for.</td><td>Statements showing the details of commodity group wise aggregate GRT of the vessels visited during the year 2011-12 is updated and furnished.</td></tr>
<tr><td>IV.</td><td>INCOME ESTIMATES:</td><td></td></tr>
<tr><td>1.</td><td>COPT was requested to furnish detailed computation of income with reference to the estimated traffic at the existing Scale of Rates and the proposed Scale of Rates for each of the tariff items prescribed in the SOR for the years 2012-13 to 2014-15. COPT instead of complying with this request has stated that the traffic handled and revenue generated during a year cannot be matched since the billing is done at a later stage for some of the tariff items. This is not a satisfactory reply. Though one to one comparison of traffic handled and revenue earned may not be possible, it may be possible to estimate the income for the future years based on the average income realized during the last year, i.e. 2011-12 for each cargo group under major tariff items in order to prima-facie ensure the correctness of the income estimates. The Port is, therefore, once again requested to furnish the requisite computation.</td><td>As directed by TAMP, the cargo income projection for the years 2012-13 to 2014-15 has been made based on actual income earned and the actual quantity of cargo handled during the year 2011-12. Accordingly Form 2B has been modified.</td></tr>
<tr><td>2.</td><td>The wharfage income from coal handling is reported at ₹1.90 lakhs in 2011-12 for the actual throughput of 0.03 MT. The estimated wharfage income from coal handling for the years 2012-13 to 2014-15 is estimated at ₹21.56 lakhs, ₹23.24 lakhs and ₹24.64 lakhs respectively at the estimated throughput of 0.39 MT, 0.42 MT and 0.44 MT. The ratio of throughput to income does not compare</td><td>The quantity of Coal handled during the years 2012-13, 2013-14 to 2014-15 is 0.39, 0.42 and 0.44 MMT respectively which is based on the 12th five year plan. The income projected for the years is as follows:-

<table><tr><th>Particulars</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr><tr><td>Quantity handled (MMT)</td><td>0.39</td><td>0.42</td><td>0.44</td></tr></table></td></tr>
</table>

<table>
<tr>
<td></td>
<td>well with the figures for 2011-12 and those for the next three years. COPT to clarify the position with workings.</td>
<td>
<table>
<tr><td>Wharfage rate as per SoR (F) (₹)</td><td>56</td><td>56</td><td>56</td></tr>
<tr><td>Projected Income (₹ in lakhs)</td><td>21.56</td><td>23.24</td><td>24.64</td></tr>
</table>

The reason for the discrepancy between the quantity of Coal handled and the revenue generated for the year 2011-12 has already been furnished to TAMP vide our previous letter dated 16th June 2012.
</td>
</tr>
<tr>
<td>3.</td>
<td>The actual fertilizer handled in 2011-12 was 0.56 MT generating a wharfage of ₹4.27 crores. This commodity projected to be handled during 2012-13 to 2014-15 is placed at 0.76 MT, 0.76 MT and 0.79 MT with an income of ₹4.52 crores, ₹4.52 and ₹4.66 crores respectively. The ratio of throughput to income does not compare well with the figures for 2011-12 and those for the next three years. COPT to clarify the position with workings.</td>
<td>The cargo mix and the revenue earned from handling Fertilizer during the year 2011-12 is furnished below:-

<table>
<tr><th>Cargo Mix</th><th>Cargo Type</th><th>Tons</th><th>Rate</th><th>Wharfage (₹)</th></tr>
<tr><td><u>Foreign</u></td><td></td><td></td><td></td><td></td></tr>
<tr><td>MOP</td><td>F F</td><td>59000</td><td>57.00</td><td>3363000</td></tr>
<tr><td>Urea</td><td>F F</td><td>56396</td><td>57.00</td><td>3214572</td></tr>
<tr><td>Rock Phosphate</td><td>RM</td><td>144887</td><td>57.00</td><td>8258559</td></tr>
<tr><td>Sulphur</td><td>RM</td><td>170514</td><td>62.00</td><td>10571868</td></tr>
<tr><td>Liquid Ammonia</td><td>RM</td><td>22549</td><td>119.00</td><td>2683331</td></tr>
<tr><td>Phosphoric Acid</td><td>RM</td><td>99995</td><td>109.20</td><td>10919454</td></tr>
<tr><td>TOTAL</td><td></td><td>553341</td><td></td><td>39010784</td></tr>
<tr><td><u>Coastal</u></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Sulphuric Acid</td><td>RM</td><td>9000</td><td>54.60</td><td>491400</td></tr>
<tr><td colspan="2">TOTAL</td><td>562341</td><td></td><td>39502184</td></tr>
</table>

The cargo income projection for the years 2012-13 to 2014-15 has been made based on actual income earned and the actual quantity of cargo handled during the year 2011-12. The variations in revenue may be due the difference in the cargo mix as the rates of some of the cargo are high compared to the rates of other items of cargo. The reason for the discrepancy between the quantity of cargo handled and the revenue generated for the year 2011-12 has already been furnished to TAMP vide our previous letter dated 16th June 2012.
</td>
</tr>
<tr>
<td>4.</td>
<td>(a). The other port specific cargo handled in 2010-11 was 0.69 MT generating a wharfage of ₹653.16 lakhs and demurrage / storage charges / licence fee / plot rentals of ₹354.22 lakhs. In the year 2011-12 though the volume handled was 0.77 MT which more than 2010-11 traffic, the wharfage and demurrage income reported in the cost statement is as low as ₹3.88 crores and ₹1.44 crores respectively. The reasons for lower wharfage and demurrage income generated from other cargo in the year 2011-12 despite increase in volume to be explained.</td>
<td rowspan="2">(a) & (b) It can be seen that even when we compare the cargo handled and the revenue earned for the years from 2009-10 to 2011-12, there is variation in revenue earned when compared to the quantity of cargo handled. This is due to the variations in the cargo mix and the wharfage rates. When the cargo projections for the years 2012-13 to 2014-15 is compared with that of the year 2011-12, it can be seen that there is a balance in the revenue earned and cargo handled. Since the demurrage is a penalty charge, the income that can be earned out of this cannot be forecasted with accuracy.</td>
</tr>
<tr>
<td></td>
<td>(b). Further, other cargo projected to be handled during 2012-13 to 2014-15 is placed at 1.88 MT, 2.27 MT and 2.64 MT with a wharfage income of ₹17.03 crores, ₹20.34 and ₹23.48 crores respectively. Further, a demurrage income of ₹352 lakhs, ₹424 lakhs and ₹494 lakhs is estimated for the years 2012-13 to 2014-15 respectively from other cargo. The ratio of throughput to income does not compare well with the figures for 2011-12 and those for the next three years. Since the income estimated is at a much higher level, Port to clarify the position.</td>
</tr>
</table>

<table>
<tr><td>5.</td><td>The dwell time /storage charges for 2011-12 was ₹0.68 crore. However, the port has estimated this income for 2011-12 to 2014-15 at ₹1.66 crores, ₹2.00 crores and ₹2.33 crores respectively which reportedly includes the container storage charges. Port to furnish the income from container storage charges separately and also clarify the reasons for such a steep increase considered for the future years.</td><td>The dwell time / storage charges shown in Form 2 - B is only the sum total of the 'Ground rent on Containers - both Import & Export'. Due to increase in containers handled at ICTT, Vallarpadam, there is an overflow of containers from ICTT to RGCT for storage. Hence there is an increase in the storage charges.</td></tr>
<tr><td>6.</td><td>The actual income from hiring of equipment for the year 2011-12 is ₹45.61 lakhs. The estimated income for 2012-13 to 2014-15 is reported at ₹1.11 crores, ₹1.34 crores and ₹1.56 crores respectively. The reasons for such a sharp increase in this estimated income to be furnished. The basis of estimating income from hiring of equipment for the years 2012-13 to 2014-15 to be furnished with workings.</td><td>A new Reach Stacker has been commissioned in 2.11.2011. Since there is an overflow of containers from ICTT, Vallarpadam, it is expected that there will be an increase in the hire of the Reach Stacker. The details of income received from Lift on / Lift off operations during the years 2009-10 to 2011-12 is as follows:-

(Amt in ₹)<table><tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>Lift on / Lift off</td><td>Nil</td><td>408363</td><td>5765012</td></tr></table></td></tr>
<tr><td>7.</td><td>The estimated vessel related income for the years 2012-13 to 2014-15 to be justified based on the actual aggregate GRT of vessels under each cargo group in the year 2011-12 and estimated aggregate GRT of vessels for the years 2012-13 to 2014-15.</td><td>As directed by TAMP, the vessel related income for the year 2011-12 and the projections for the future years have been updated in the cost statements. (The COPT has not furnished workings in this regard)</td></tr>
<tr><td>8.</td><td>(a). The COPT has stated that it is not possible to accurately estimate the break up of income from coastal and foreign going vessels and the projections have been made based on a 5% hike over actual vessel related income of 2011-12. The basis for considering a 5% hike in the vessel related income to be furnished and justified with reference to the actual vessel traffic and aggregate GRT of 2011-12 and estimated vessel traffic and aggregate GRT of the next three years.</td><td rowspan="2">(a) & (b) As per TAMP's directions, the vessel related income projection for the years 2012-13 to 2014-15 has been revised based on the actual GRT, income and tonnage handled during 2011-12.</td></tr>
<tr><td></td><td>(b). COPT to furnish the details of estimated income from foreign vessels and coastal vessels separately based on the actual ratio of foreign vessels and coastal vessels visited during last three years and the income generated from such vessels.</td></tr>
<tr><td>9.</td><td>As per clause 2.5.1. of the tariff guidelines income projections should be made taking into account effect of foreign exchange fluctuations on income from dollar denominated tariff items. COPT is once again requested to estimate the income from foreign going vessels likely to be called during the years 2012-13 to 2014-15 and update the income arising out of dollar denominated tariff with the current exchange rate. The exchange rate adopted for such estimation also to be indicated.</td><td>Since there is huge fluctuation in the foreign exchange rate, it has not been possible to accurately forecast the incomes for the future yeas. Hence the vessel related income projection for the years 2012-13 to 2014-15 has been revised based on the actual GRT, income and tonnage handled during 2011-12. The US dollar exchange rate for the year 2011-12 is furnished below:-<table><tr><th>Month & Year</th><th>1st</th><th>15th</th><th>30th</th></tr><tr><td>Apr-11</td><td>44.39</td><td>44.22</td><td>44.01</td></tr><tr><td>May-11</td><td>44.01</td><td>44.66</td><td>44.96</td></tr><tr><td>Jun-11</td><td>44.85</td><td>44.54</td><td>44.66</td></tr><tr><td>July-11</td><td>44.50</td><td>44.29</td><td>43.98</td></tr><tr><td>Aug-11</td><td>43.87</td><td>45.14</td><td>45.85</td></tr><tr><td>Sept-11</td><td>45.87</td><td>47.44</td><td>48.77</td></tr><tr><td>Oct-11</td><td>48.77</td><td>48.81</td><td>48.56</td></tr><tr><td>Nov-11</td><td>48.49</td><td>50.05</td><td>51.83</td></tr></table></td></tr>
</table>

Dec-11	52.00	53.52	52.87
Jan-11	52.91	51.33	49.11
Feb-11	49.24	48.99	48.97
Mar-12	48.71	49.71	50.99
TOTAL	**567.61**	**572.7**	**574.56**
Average	**47.30**	**47.73**	**47.88**

10.	The actual income under the head drydock is reported as nil for the year 2011-12 as against the actual income of ₹39.27 lakhs during the last year 2010-11. Further, the port has estimated the drydock income for the next three years at around ₹30 lakhs for each year. COPT to confirm the position.	During the year 2011-12, the drydock was used only for the use of Port's tug. Also there was no demand for hiring the services at drydock. Hence no income was received during the year 2011-12. Also, it cannot be correctly forecasted how much of the services can be hired out. Hence an income projection for the future years has been made based on the average income for the years 2009-10 to 2011-12. Actions are being taken to privatise the drydock in future in PPP model and to increase facilities there for better utilization of the available recourses.
11.	The actual income from Nehru Shatabdi for the year 2011-12 is reported at ₹1089.25 lakhs which is almost double of the actual income of ₹593.64 of the previous year 2010-11. Whileso, the port has not estimated any income against ‘Nehru Shatabdi for the next three years stating that the dredger may not available for hiring to outside agencies. The COPT is once again requested to confirm that there will not be any income from Nehru Shatabdi during the next three years. If so, the tariff prescribed in the SOR of COPT for hiring of Nehru Shatabdi to be deleted.	At present there no spare capacity for hiring out the dredger, the hire charges for GHD Nehru Shatabdi have been deleted from the proposed SOR. Hence no income has been shown in cost statement for the future years.
12.	The actual income from water supply through barges for the year 2011-12 is reported at ₹71.05 lakhs. As against this, the estimated income under this head for the next three years is considered at ₹47.00 lakhs, ₹54.05 lakhs and ₹62.16 lakhs respectively. COPT to furnish the reasons for considering the estimated income for the future years at a lower level.	On an average the supply of water for domestic as well as shore supply to ships by the Kerala Water authority is very limited. Hence there is acute shortage of water supply from KWA. Also there is imbalance in the demand and supply of water. Hence an average for the last three years was considered for the income projection for the next three years. Now as per TAMP's directions, the income received during the year 2011-12 has been taken for the future years also.
13.	Although COPT has identified the difference in the estate income for 2010-11 at ₹1.95 crores, it appears that the Port has excluded this income from cargo handling activity and included to the estate activity for 2010-11. No adjustments seem to have been carried out for the next three years. COPT to clarify whether this income is considered under cargo handling activity or estate activity in the future years.	The Estate Income shown in Form 5 D includes an amount to the tune of ₹1.95 crores which is the 'license fee received from M/s. Kinship (₹0.036 crores) & M/s.Oriential Exim Agencies (1.91 crores), whereas the same which was included under Cargo Handling & Storage charges as (ii) Demurrage / storage charges / license fee / plot rentals in Form 3 A has been rectified.
14.	As per Form 3A the cargo handling income for 2010-11and 2011-12 has been reported at ₹64.63 crores and ₹66.48 crores respectively. Form 5A (i) shows this income at ₹62.68 crores and ₹66.04 crores. Similarly estate income for 2010-11 and 2011-12 has been reported at ₹66.64 crores and ₹63.80 crores respectively in Form 3A. Form 5(D) shows this income as ₹68.59 crores and ₹63.80 crores. The differences to be reconciled. If the position as per Form 5A (i) and 5(D) are correct, the Form 3A to be modified suitably.	As per TAMP directions, the statement 5A & 5D has been rectified and Form 3 A has been modified.

<table>
<tr><td>15.</td><td>The port has stated that the income reported under hiring of equipment for the year 2009-10 includes wrong booking to the tune of ₹230 lakhs relating to Nehru Shadabti which should be classified as vessel related income. Though reported as wrong booking, the port has not rectified the wrong booking in the cost statement. COPT to carry out necessary adjustment in the cost statement for the year 2009-10.</td><td>Necessary adjustments have been carried out in the statement relating to Nehru Shatabdi and hiring of equipment.</td></tr>
<tr><td>V.</td><td>OPERATING EXPENDITURE:</td><td></td></tr>
<tr><td>1.</td><td>With regard to the escalation factor to be applied for estimation of operating costs, it may be noted that as already communicated by us vide our letter No.TAMP/27/2005-Misc. dated 11 May 2012, an escalation factor of 6.50% per annum will be considered for the expenditure projections in the cost statement. The COPT to, therefore, update the escalation factor considered by it for expenditure projections in the cost statements.</td><td>The operating cost in the cost statements for the years 2012-13 to 2014-15 has been projected with an escalation factor of 6.50% p.a. as per TAMP Notification.

(The COPT has considered an escalation factor of 6% only in respect of a number of items of expenditure.)</td></tr>
<tr><td>2.</td><td>The ex-gratia payment in lieu of bonus / performance reward made during 2009-10 to 2011-12 and estimates considered for 2012-13 to 2014-15 to be furnished.</td><td>The ex-gratia payment in lieu of bonus/ performance reward (PLR) made during 2009-10 to 2011-12 is furnished below and an escalation factor of 6.5% has been considered for the projections of the future years.
(₹ in crores)<table><tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>Productivity linked reward</td><td>1.92</td><td>1.22</td><td>1.84</td></tr></table></td></tr>
<tr><td>3.</td><td>(a). COPT has stated that the National Tribunal Award 2006 for revised manning scales for different operations/ functions could not be implemented in full but certain reduction in the manning scales could be effected in June 2009. The details of reduction in the scales achieved since June 2009 to be elaborated.</td><td>Only a nominal reduction in manning could be implemented in the cargo handling operations. Further reduction was not possible due to the strong resistance from the labour force. Considering the fact that the Break Bulk Cargo volume in COPT is very low, the reduced manning has a little impact.</td></tr>
<tr><td></td><td>(b). Port was requested to furnish the existing manning scales for different services, the manning scale proposed to be followed and the cost thereon for the traffic estimation made during the years 2012-13 to 2014-15 and also to indicate the cost of surplus manpower, if any, for each of the years 2012-13 to 2014-15. It was also requested to fill the details sought in Form No.8 relating to adjustment of cost of surplus labour. Although COPT has replied that all the details have been furnished in the latest Form No. 8, this Form only contains the total man power and the total cost therefor. Port is once again requested to furnish the specific details sought from it.</td><td>The existing manning scale for the different services for the year 2011-12 and the manning scale proposed to be followed considering the existing manning scale and anticipated retirements are furnished in Form 8.</td></tr>
<tr><td>4.</td><td>COPT has again considered the expenditure on staff quarters under estate rentals despite repeated advice given to it to apportion this expenditure to all the activities based on the number of employees deployed in the relevant activity. Earlier COPT had assured that once its ERP system stabilizes the apportionment of cost on the basis of employees will be adhered to. COPT to confirm that its ERP system is unable to capture the requisite data to apportion the expenditure to all the activities.</td><td>The expenditure relating to Port quarters for the years 2009-10 to 2011-12 is furnished below:-
(₹ in crores)<table><tr><th>Particulars</th><th>2009-10</th><th>2010-11</th><th>2011-12</th></tr><tr><td>Expenditure relating to Port quarters</td><td>0.82</td><td>0.95</td><td>1.54</td></tr></table>
It is once again informed that many of the staff staying at the quarters belong to the ministerial category who are posted in different departments. In the event of a promotion / transfer, the change</td></tr>
</table>

		may be from one department to another department. Hence it is not possible to accurately determine and apportion the expenditure relating to staff quarters on the basis of number of employees. It is also mentioned here that the average annual expenses on staff quarters is only around ₹1 crore, of which nearly half of the cost is employee cost.
5.	Towards wage revision the Port has provided a 12% increase in salary expenditure for the year 2012-13. Justification for providing same percentage of increase for the next two years also needs to be furnished.	As per TAMP's directions, the annual escalation factor of 6.5% has been considered for the projection of employee cost for the years 2012-13 to 2014-15. **(The port has considered escalation on total wage cost and not on the average employee cost per annum)**
6.	Fuel consumption of the floating craft is reported at ₹10.29 crores for 2011-12. For 2012-13 in addition to 6% increase in this item, a lump sum of ₹4.93 crores has been provided. Likewise for next year 2013-14, a lump sum of ₹5 crores has been provided over and above 6% increase on previous year estimate. Justification for these provisions to be furnished with documentary evidence.	As per TAMP's directions, the annual escalation factor of 6.5% has been considered for the projection of fuel cost for the years 2012-13 to 2014-15. **(Cost statements not modified by COPT as reported by it.)**
7.	As reported by COPT there is a shortfall in dredging to the extent of ₹46.63 crores in 2011-12, which is included in the estimated dredging expenses for the year 2012-13 over and above the estimated dredging expenses pertaining to the year 2012-13. At the unit rate of ₹44.46 per cubic meter reported by the port for the year 2011-12, the shortfall in the dredging quantity during the year 2011-12 works out approximately to 10.48 million cubic meters. Further, the port envisages to dredge quantity of 18 million cubic meters of silt during the year 2012-13 in addition to the short fall during the year 2011-12. Accordingly the total quantity to be dredged in 2012-13 would be 28.48 million cubic meters at a total cost of ₹151.92 crores vide Form 3B. Considering that the average of actual quantity dredged per annum during the last 3 years 2009-10 to 2011-12 works out to only 13.89 million cubic meters, the COPT to review the quantity of silt estimated to be dredged during the year 2012-13 and the estimated cost of maintenance dredging considered for the year 2012-13. It may be reasonable that the short fall of maintenance dredging expenses of 2011-12 to be spread over the next three or five years.	As directed by TAMP, the shortfall of ₹46.63 crores during the year 2011-12 in case of maintenance dredging cost, has been equally distributed among the years 2012-13 to 2014-15. The maintenance Dredging Contract executed with the DCI is for the years 2011-12, 2012-13 & 2013-14. Hence a new contract will have to be entered into for the year 2014-15 which will be of a higher value. So an escalation of 6.5% over the dredging cost of 2013-14 has been considered for the year 2014-15 along with the spread over cost. **(The port has not furnished response in respect of the query to review the quantity of silt estimated to be dredged during the years 2012-13 to 2014-15 based on past actual).**
8.	Dry docking expenses have been estimated at ₹7.50 crores, ₹7.95 crores and ₹9.00 crores respectively for 2012-13 to 2014-15 in addition to the regular repairs and maintenance expenditure. The details of the estimated expenditure to be provided with documentary evidence.	The floating crafts including Nehru Shatabdi are expected to be dry docked once in every 2.5 years. This is a mandatory requirement of the class (IRS) and D.G. Shipping. The amounts are maintained as estimates earmarked for the dry docking expenses. The estimates have been prepared based on the anticipated repair works and from previous experience. **(The port has not furnished details of floating crafts and copies of estimates / documentary evidence for the proposed expenditure).**

9.	Other expenses under Management Overheads are reported at ₹9.38 crores for 2011-12. For 2012-13, in addition to 6% increase in this item, a lump sum of ₹89.95 lakhs has been provided. For the next two years also, ₹31.46 lakhs and ₹29.92 lakhs respectively has been provided over and above 6% increase considered over the previous year estimate. Justification for these provisions to be furnished with documentary evidence.	As per TAMP's directions, the annual escalation factor of 6.5% has been considered for the projection of Other cost in Management & General Administration overheads for the years 2012-13 to 2014-15.
10.	(a). In Form 5A (i) for 2011-12 an expenditure of ₹23.03 lakhs has been reported towards operating expenditure of reach stacker. However, there is no expenditure envisaged in the next three years in this regard. COPT to explain.	The Reach Stacker was commissioned only 02.11.2011. Hence the cost of ₹23.03 lakhs does not include the full cost of operations of the Reach Stacker. The full cost of the operations of the Reach stacker will be available only during the year 2012-13. Hence an amount of ₹1.50 crores (including salary, terminal benefits, R & M, fuel etc) has been estimated as the cost of the Reach Stacker for the year 2012-13. An escalation factor of 6.5% has been considered for the ensuing years.
	(b). Further, the port has not indicated the sub-activity under which the reach stacker expenses have been considered in the year 2011-12.	The expenses for Reach Stacker have been included under Cargo related activity.
11.	(a). A difference of ₹7.08 lakhs is noticed in the aggregate of actual operating expenses and management overheads for the year 2011-12 reported in Form 3A (₹26256.39 lakhs) and Form 3 B (₹26263.47 lakhs). COPT to reconcile.	**Form 3 A** and **Form 3 B** has been reconciled.
	(b). Likewise, the total of FMI and FME reported in individual cargo handling sub-activity wise cost statements for the year 2011-12 to 2014-15 do not tally with the FMI and FME reported in the main cargo handling activity statement. COPT to reconcile.	The F & M Income & Expenditure has been reconciled.
VI.	**CAPITAL EMPLOYED:**	
1.	Port has stated that the LNG terminal at Puthuvypeen with an initial capacity of 2.5 million tonnes per annum will be commissioned by the middle of 2012-13. Port has also confirmed that the cost statements do not take into consideration additional vessel/cargo traffic and additional income relating to the LNG terminal. COPT to estimate the annual revenue share likely to be received from the LNG terminal during 2012-13 to 2014-15.	The trial run of the Petronet LNG Terminal at Puthuvypeen is due during the year 2012-13 and the commissioning of the Terminal operation is expected to be held in April 2013. The details of vessel traffic expected to call at the terminal and cargo traffic expected to be handled is not available at present as it will be available only after the commissioning of the LNG Terminal. Hence due to the non-availability of sufficient data/ information relating to the vessel & cargo traffic and revenue generation at LNG, the same has not been considered in the cost statements.
2.	Port was requested to explain the basis of apportionment of capital employed between various main activities and sub-activities. In reply it has stated that in the ERP system all the capital assets are directly linked with the cost centers of the main and sub activities and hence there is no apportionment of the capital employed among the main and sub activities. Port to confirm that instead of apportioning the capital assets it could now identify all the capital assets directly to the main and sub activities. A list of assets (category-wise) linked with each activity/ sub-activity to be furnished.	The list of category of assets linked with the each activity / sub activity is furnished.

3.	Despite specific request, COPT has not furnished capital employed statements for the main activities and sub-activities as per Form 5 A (ii) & (iv), 5 B (ii) & (iv) and 5 D (ii) & (iv) of the formats prescribed by this Authority.	
4.	The sub-activity cost statements furnished by the port in respect of the following sub-activities shows negative capital employed: (i). FC Periyar (for all the years) (ii). Fertilisers (for all the years except 2010-11) (iii). Coal and others (for the year 2009-10) (iv). Water supply - shore (for all the years) (v). Water supply - barge (for all years except 2009-10 & 2010-11) (vi). Nehru Shadabti (for all the years except 2010-11) (vii). Dry docking (for the years 2009-10 and 2010-11) The COPT to revise the cost statements.	The cost statements have been revised by deleting the working capital as directed by TAMP.
5.	The sub-activity cost statement in respect of vessel related charges for SPM operation shows capital employed figure as 'Nil'. The COPT to apportion the common assets pertaining to vessel related activity to this sub-activity also since vessel related charges for SPM operation include pilotage services also.	No common costs except that of VTMS are is incurred for the SPM operations. The 1/3rd share of cost for VTMS has already been furnished in the cost statements.
6.	Clause 2.8.3. of the tariff guidelines stipulate that 50% of royalty/ revenue share receivable by the landlord port from the private operators after meeting the cost of surplus labour is to be transferred to escrow account and should be utilized for creation/ modernization of port infrastructure facilities within a period of five years. The details furnished by the COPT in Form 4A and Form 9 do not show any investment funded or proposed to be funded from the escrow account. Although a copy of Form 9 is attached to the proposal, COPT has not filled in any details therein except the revenue share received during 2009-10 to 2011-12.	As directed by TAMP, Form No.9 is updated with the requisite data for the years 2009-10 to 2014-15.
7.	The actual / estimated capital employed mentioned in Form 4A, after adjustment of negative working capital, for the years 2011-12 to 2013-14 are at ₹149.91 crores, ₹121.42 crores, ₹101.24 crores and ₹190.07 crores respectively. The capital employed for the said four years, excluding negative working capital, is mentioned at ₹372.81 crores, ₹352.13 crores, ₹231.46 crores and ₹419.79 crores respectively in Form 4A. However, in Form-3A, the capital employed for the corresponding years is reported at ₹204.95 crores, ₹166.00 crores, ₹138.42 crores and ₹259.87 crores respectively. COPT to reconcile and revise the cost statements for the ensuing three years.	The difference in capital employed is the difference of the 'Business Related Assets'.
8.	COPT has maintained its position taken during the last tariff revision that no Escrow A/c has been maintained and the total revenue share received from IGTPL is used for procuring capital infrastructure. As recorded in paragraph 12 (vii) (e)	As per the guidelines issued by TAMP and the methodology adopted by TAMP for the treatment of revenue share in the Tariff Order dated 23rd February 2010, 50% of the revenue share received/ receivable from M/s.IGTPL during the

	of tariff order of February 2010, the port did not furnish the details of capex to be funded from revenue share receipts and nor made suitable adjustments in allowing the return on capital employed. In this proposal also, despite specific request, the port has not furnished details of year-wise capital infrastructure procured / to be procure with the actual / estimated revenue share receipts. The COPT is again requested to furnish the details of capital assets procured during the years 2009-10 to 2011-12 and the capital assets that are proposed to be procured during the years 2012-13 to 2014-15 utilising revenue share receipts and make suitable adjustments in the return on capital employed.	years from 2009-10 to 2014-15 has been treated as income in 'Cargo related activity' and the 25% of the total revenue share is equally divided among Port dues, Pilotage, and Berth Hire under 'Vessel related activity' and deducted from the 'Dredging Expenses'. The major repatriation of employees is in cargo related activity, hence 50% of the revenue share has been considered in the cargo related activity. The balance of the revenue share is retained in the General Reserve Fund of the Port. Considering the fact that Port is going through a period of acute shortage of funds, all capital and revenue expenditure is being met out of the available General Reserve Fund.
9.	Capital investments of ₹6 crores, ₹50 crores and ₹53 crores towards (i) flotilla, (ii) Dock Sea walls etc. and (iii) crane and vehicles have been envisaged in 2014-15. COPT to furnish the item-wise details of these projects along with documentary evidence for the estimated cost of the projects.	The capital investment envisaged in 2014-15 is as per the 12th five year plan.
VII.	**WORKING CAPITAL:**	
	The working capital considered by COPT for all the years under consideration is on the negative since the current liabilities on all these years exceed the working capital arrived at by the port. Despite the specific advice to the Port to rework Form 4A treating the working capital as nil, COPT has again arrived at the capital employed for the relevant years after reducing the negative working capital from the Net Block. The method adopted by the port results in a distorted position of the aggregate capital employed.	As directed by TAMP, the working capital has been removed from capital employed and the 16% ROCE has been worked out on the revised capital employed.
VIII.	**MISCELLANEOUS:**	
1.	The port was advised to come with a well analyzed proposal addressing the several gaps as listed in para 12 (xii) (f) (iii) of the February 2010 Order about the pilotage fee and pull back operations for SBM operations. COPT's reply dated 16 June 2012 has not addressed the advice of the Authority.	Even though there is only a limited scope for hiring out the tugs, the Port is continuously exploring various means to fully utilize the idle capacity by hiring out the tugs as when there is a demand for its services and also for emergency purposes. Also talks are on with M/s.BPCL KR for starting an STS operation for utilizing the idle capacity of the tugs.
2.	COPT was advised to take adequate insurance cover and include the insurance cost in the tariff fixation and propose suitable modification in the existing provision for claiming damage to port properties. COPT has replied that it is strictly adhering to the advice of this Authority. Since this reply lacks clarity, COPT to confirm that in its opinion no modification in the existing provision for claiming damage to port properties is warranted.	Port is strictly adhering to the advice of the Authority and an insurance is taken for the major assets and claims, if any as and when arises are adjusted. No major claims have arisen during the years and whatever claims received from the insurance companies are adjusted in the cost of insurance. The reduced insurance cost is shown in the cost statements for the year 2009-10 to 2011-12.
3.	In 2010 COPT had proposed to modify the frequency of levy of port dues in respect of coastal vessel from unit of levy of once in 30 days to per entry basis. Since COPT had not made any corresponding adjustment in the unit rate, it was not found appropriate to modify the frequency of levy of port dues for coastal vessel without analyzing the revenue impact thereof on the users.	Port is already providing a concession of 40% in VRC to coastal vessels when compared to VRC of foreign vessels. Since the efforts taken and the costs incurred by the Port is same for each and every entry of any vessel, whether it is foreign or coastal, Port proposes the same rate for Port Dues for Coastal Vessels, in case the frequency is changed to 'per entry' so that the rate is

<table>
<tr><td></td><td>COPT was, however, advised vide para 12 (xxi) of the Order dated 23 February 2010 to propose suitable change in the frequency of levy of port dues with corresponding adjustments in base rate. Since no steps in this direction have been taken by the port in the present tariff review, it was requested to clarify. In reply COPT has stated that the coastal vessels enjoy concession of 40% in vessel related charges and it would be only in order if the frequency of levy of port dues in their case is changed to per entry basis. Despite so saying, in the proposed SOR furnished under cover of its letter dated 16 June 2012, COPT has maintained the existing unit of levy of port dues once in 30 days in respect of coastal vessels. COPT to clarify.</td><td>standardized and all the costal vessels irrespective of the number of visit by the vessels will pay the same rate. It is also mentioned here that the current frequency of payment of "once in 30 days" for coastal vessel is an extra benefit enjoyed by a coastal vessel which has multiple entry during a month over a coastal vessel which calls at the Port only once in 30 days.

In spite of all the above concessions given for promoting coastal traffic, there is no considerable growth in coastal traffic. Also, the sub-activity of Port dues showing a deficit and if the frequency of payment is changed to "every entry" in case of coastal vessels, there is possibility that the activity may break-even or the deficit can be reduced to some extend. Hence it requested to TAMP that the frequency of payment in case of coastal vessels may be changed to "every entry" in place of "once in 30 days" without reducing the base rate.</td></tr>
<tr><td>IX.</td><td>SCALE OF RATES:</td><td></td></tr>
<tr><td>1.</td><td>The request to furnish a comparative statement of the existing and the proposed provisions with reasons for modification in the SOR has not been complied with by COPT.</td><td>The comparative statement showing the modifications in the rates and conditions between existing and proposed SOR is furnished.</td></tr>
<tr><td>2.</td><td>In July 2010 COPT has declared a special vessel related charges for mainline vessels visiting ICTT berth at Vallarpadam based on the then prevailing rate at Colombo Port. The port was requested to furnish the revenue earned/foregone from July 2010 till date as per rates in vogue and as per special rates in this respect vide our letter dated 16 April 2012. Port is once again requested to furnish these derails.</td><td>The ICTT, Vallarpadam was commissioned in 11th February 2011. Hence the concessions in vessel related charges for mainline container vessels are applicable from that date onwards. The details of revenue foregone (approx.) from the VRC of mainline container vessels for the year 2011-12 is furnished below:-
<table><tr><th>Year</th><th>Income receivable at ceiling level</th><th>Income received at concessional rate</th><th>Revenue foregone</th></tr><tr><td>Mainline</td><td>12.49</td><td>1.78</td><td>10.71</td></tr></table></td></tr>
<tr><td>3.</td><td>The basis on which the rate of US$ 0.00617 (for foreign going vessels) and Re.0.1743 (for coastal vessels) per GRT per hour has been proposed for the container berth at ICTT to be furnished.</td><td rowspan="2">The steps followed for the re-grouping purpose of Berth Hire from 3 slabs to single slab is as follows:-

• The analysis was done for the year 2011-12 because the container operations were migrated to ICTT, Vallarpadam on 11th February 2011.
• Only cargo, container and cruise vessels were considered for the analysis.
• The abnormal vessels like - Barges, Repairs, Tugs, Dredgers, Pleasure yachts, Foreign Navy vessels etc were removed for the analysis for correctly assessing the impact of regrouping the slabs on cargo vessels.
• A detailed statement showing the analysis for revising the rates from 3 slab to single slab is attached as 'Annexure - V'.</td></tr>
<tr><td>4.</td><td>COPT has proposed to change the berth hire charges to single slab from the existing three slabs. It was pointed out to the Port in our letter dated 16 April 2012 that the vessels having GRT up to 15000 and visiting general cargo berths Q1 to Q6 will pay less by 28.00% as per the new rates proposed by the port. Vessels having GRT up to 15000 and visiting general cargo berths Q7 to Q9, Oil Terminal berths, North Tanker berth and South Tanker berth will pay less by 23.69%. Vessels having GRT up to 15000 and visiting South Coal berth will pay less by 3.52% whereas similar vessels visiting North Coal berth will have to pay more by 35.90%. Similar differences are also observed in respect of vessels having GRT more than 15000. COPT was, therefore, requested to analyze the revenue impact on all the vessels visiting the various berths based on the GRT of the vessels that have called at different berths during the last three years and propose a single slab rate</td></tr>
</table>

	wherein revenue neutralization is achieved and no particular segment is forced to pay more. In its reply COPT has not addressed the specific issues raised above. Port is once again requested to carry out the requisite analysis and furnish the relevant working sheets in this regard. In this connection it is recalled that at the last general revision COPT vide its Addl. FA's e-mail dated 17 December 2009 had forwarded working sheets for conversion from 6 slabs to 3 slabs.	
5.	As per the existing SOR, the berth hire charge for inland water barges is prescribed separately at ₹0.07097 per GRT per hour. In the proposed SOR, the port has included this item under the heading "berth hire charges for other vessels/floating crafts" and also increased the rate to Re.0.1807 per GRT per hour. Since the increase works out to more than 150%, the Port was requested to justify such a steep increase along with estimated additional revenue implications for the years 2012-13 to 2014-15. In reply COPT has stated that since lash barges are not calling at the port and the rates for inland waterways barges are low, the rates were unified. A separate cost sheet justifying the rate of Re.0.1807 per GRT per hour for the inland waterways barges to be submitted.	The Port has received only very meager revenue from inland waterways barges during the previous years even though berth hire charges were fixed for the same in the existing SOR. Since no lash barges are calling at Cochin and also because the rate for Inland Waterways Barges was unacceptably low, the rates were unified for both Lash Barges and Inland Waterways Barges. There is no separate cost sheet for the same. Since huge amounts are being spend on maintenance of the channels and considering the fact that the barges are using the channels, a hike was proposed in the rates for Inland Water Barges. Since the number of Inland Water Barges plying are very low, there is no much impact on the hike of the rates.
6.	The existing wharfage rate (Foreign) for cashew kernel and granite are ₹63 and ₹67 per tonne. Port has proposed to reduce these rates to ₹50 and ₹52 respectively. The existing rates for raw cashew (₹49) and fruit (₹48) are proposed to be increased to ₹50 per tonne. The basis on which the new rates have been arrived at to be explained with working sheets. The revenue impact thereon per year for 2012-13 to 2014-15 to be brought out with working sheets.	It mentioned here that cargoes like cashew and cashew kernels, fruits are handled in very low volume, they are grouped into a common category of "Cashew, nuts and fruits" and a uniform rate is fixed. Likewise with regard to the rate of Granite, it was grouped under 'Construction and building materials' and a uniform rate was fixed.
7.	Though about 40,000 tonnes of cotton and cotton waste are handled per annum COPT has proposed to delete these items from the wharfage schedule. Port to review its proposal.	Since only a meager quantity of cotton and cotton waste is handled, it was deleted as a party of the standardization of the wharfage rates. Also considering the fact that the frequency of the cargo handled is very limited, it was deleted from the Schedule of wharfage rates.
8.	The quantity of defense cargo handled during the years 2009-10, 2010-11 and 2011-12 is 1386 tons, 2424 tons and 38 tons respectively. To substantiate its proposal to increase wharfage from ₹217.55 to ₹300 per MT, COPT has stated that apart from giving priority in berthing port provides separate security and safety measures like fire fighting, round the clock security, special lighting etc to this cargo. COPT is requested to provide a working sheet enlisting the additional expenditure being incurred on handling the defence cargo of about 1616 MT per annum.	The quantity of defense cargo handled during the year 2009-10, 2010-11 and 2011-12 is about 1000 tons, 2000 respectively. Even though the cargo handled is insignificant in terms of volume, Cochin Port accords priority in berthing and handling of such cargo with notified berth and enhanced security. A separate area has to be earmarked for the handling of the defense cargo and also separate security and safety measures like, fire fighting, round the clock security, special lighting etc. need to be provided for the same and hence a higher wharfage rate is proposed. Also it is not possible to correctly estimate the cost incurred for the operation as the costs are clubbed in the total cost. It is also mentioned here that the additional income earned due to the hike is also very meager.

9.	Since the revision of licence fee for allotment of land on licence basis is governed by the Land Policy guidelines announced by the Government on 13 January 2011, the COPT is once again requested to come up with a separate proposal for revision of the storage charge of cargo at transit sheds and warehouses following the procedure stipulated in the Land Policy guidelines.	The rates and conditions under the head 3.2.3 in the existing SOR has already been approved by TAMP, which was not considered under the purview of the Land Policy Guidelines. The rates and conditions were modified in the proposed SOR for the smooth flow of cargo operations.
10.	The port has proposal to increase the charge from ₹490/- per hour to ₹3000/- per hour for use of the fire tender. When justification therefor was sought with cost details the port has replied that the hiring rate is fixed based on incremental cost incurred like employee cost, fuel cost, water / foam cost, maintenance of the equipment etc. Port is once again requested to submit a working sheet justifying the new rate proposed.	Fire tender is maintained basically for port purposes only. In some emergency situations, it is also hired out. The hiring rate is fixed based on incremental cost incurred like employee cost, fuel cost, water/ foam cost. maintenance of the equipment etc.
11.	It is not clear how the higher rates proposed for taking photographs and films would prompt the users to give more care and attention to the surroundings and prevent them from destroying the port properties and disturbing the normal peace. Since COPT has also stated that it incurs expenditure to clean the port area where the shooting takes place, the details of such expenditure to be furnished in absolute terms.	Taking photographs/ film shooting etc are not port related activity. The users are using the Port properties for commercial purposes. Also it is mentioned here the expenses incurred to clear/ clean Port area after the completion of the shooting depends on the quantity of wastages left behind and the volume of destruction to the Port area. Hence the amount of expenditure incurred for the cleaning cannot be forecasted accurately. Moreover the income generated from this activity is very meager as it is not a regular business. Hence there is no separate cost statement for the same.
12.	When the rationale behind increasing the rates for selective type of vehicles was sought, COPT has replied that the rates have been fixed considering the costs incurred for road maintenance, toll office staff salary, toll office maintenance etc. The rates proposed to be substantiated with working sheets containing the abovementioned cost elements.	The Port is maintaining 2 toll gates in the Port area, one at Ernakulam road and one at Mattancherry road. For the smooth functioning of the same there are at present 38 watch & ward security staff working in both the toll gates in 3 shifts. The employee related cost comes to more that ₹1.5 crores p.a. Also considering the costs incurred for road maintenance, toll office maintenance, electricity & water charges, computer and stationery charges etc., a slight hike is proposed in the toll charges. Also the toll charges have been restructured.
13.	COPT was advised to refer to the TAMP Order No.TAMP/11/2008-COPT dated 16 June 2010 wherein at para 7(iv) the port was directed to examine the points earlier raised by BSNL and the Bharati Airtel Limited and then submit a separate proposal, if found necessary, for levying way leave charges for TV/Telephone lines. COPT has not taken note of this advice of this Authority.	The Port is a "local authority" and hence reserves the right to give permission subject to reasonable conditions. The telephone lines are going through the Port lands which are owned and maintained by the Port. It is also mentioned here that a large number of private offices are working inside the Port land and M/s.BSNL & Bharti Airtel Limited are doing commercial business earning revenue from their operations and they are not extending any consideration or concessions to the Port.. Hence, Port should have the legitimate right to get return from the services provided through its land.
14.	COPT is yet to inform how it would implement the penalty charges for dumping/ disposal of waste material in Port area in a transparent manner. If additional man power deployment is contemplated the details thereof may also be furnished. A working sheet justifying the proposed rates to be furnished.	Port is a restricted area and is a place where many residential houses, hospital, offices, schools etc. are situated. There have been instances of septic/ sewage/ other kinds of waste being dumped in the Port areas during night time by private parties. This is an illegal activity which pollutes the environment, which affects the health of the Port

		community. Hence the charges are levied as a penalty to discourage and stop such dumping and it is not considered as a source of revenue. The charges are incurred only when a person dumps the waste in Port area. Hence it is not possible to forecast the revenue estimated to generate on account of this charges. The CISF mobile squad is making round all over the Port area to control the activity of waste dumping and the charges will be collected by them.
15.	A separate proposal to be mooted to amend the existing note under way leave charges in the SOR, if the amendment is found necessary.	The method followed by COPT for calculating the area for arriving at the Way Leave Charges is the one, which is being followed in the Port for the last six decades without objection from any user agencies viz. lessees. Port Trust is permitting to lay the pipelines as per petroleum rules in which a side clearance of 30 cms. is mandatory for carrying out inspections, repairs, maintenance etc. between two adjacent pipe lines. The area thus left cannot be made use of for any other purpose or pipe lines cannot be laid without complying with the said requirements in future, also in COPT, all pipelines are laid as underground along various roads as Tank Terminals and their loading/ unloading jetties are located at different locations.

9.2. Further, the COPT has also submitted its additional submissions which are summarised below:

(i). While migrating the accounts to the SAP system from manual system in 2009-10, the assets were reclassified and regrouped into business and business related assets. Hence it would be difficult to have a one-one comparison with the figures of the previous years. So Port has furnished the asset details for the year 2011-12. It is also mentioned here that Port has not proposed any hike from the existing rates and the current proposal is only an extension of the existing SOR.

(ii). Earlier assets relating to quarters, hospitals, roads leading to quarters had been treated as Business related assets. Since considering the fact these assets are sensitive assets and that they are directly/ indirectly linked to Port operations, these assets were grouped under business assets while migrating to the SAP system. It is also mentioned here that the activities/ sub activities are showing a deficit even before considering the permissible ROCE on the capital employed.

(iii). The details of the Grant-in-Aid received from GoI for the Capital Dredging Project for ICTT, Vallarpadam is given in 'Schedule - C' of the Audited Annual A/cs of the years 2009-10 to 2011-12 (copies furnished). It is also mentioned here that the asset have not been capitalized since the work is still in progress.

10. As stated earlier, the original validity of the Scale of Rates (SOR) approved vide tariff Order dated 23 February 2010 was upto 31 March 2012. Given that the proposal filed by COPT was under process and keeping in view that it would take some more time for the case to mature for final consideration, the Authority vide its Order dated 9 April 2012 extended the validity of the SOR of the COPT till 30 September 2012.

11. 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.

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

(i). The validity of the existing Scale of Rates of Cochin Port Trust (COPT) approved by this Authority vide its Order No.TAMP/11/2009-COPT dated 23 February 2010 was till 31 March 2012 which has been extended up to 30 September 2012. The COPT has proposed to continue the existing tariff for the next tariff cycle covering three years period from 2012-13 to 2014-15, despite deficit assessed by the port, on the ground that its existing tariff itself are on the higher side as compared to the tariff prevailing in the neighboring ports like New Mangalore Port Trust (NMPT), Chennai Port Trust (ChPT) and V.O. Chidambaranar Port Trust (VOCPT). In any case, it is essential to analyse the financial/ cost position of the COPT and examine whether the financial/ cost position permits to allow the COPT to continue with the existing tariff.

(ii). As brought out earlier, the original proposal filed by the port vide its letter dated 30 September 2011 had to be updated with actual for the year 2011-12. The port filed its revised proposal with unaudited actual financials of 2011-12 vide its letter dated 16 June 2012 along with information / clarification sought by us vide our letter dated 16 April 2012. Even the information / clarifications furnished by the port vide its letter dated 16 June 2012 did not comprehensively address all the points necessitating issue of one more questionnaire, vide our letter dated 16 July 2012, to furnish the required information / clarification. The COPT has furnished final revised cost statements vide its letter dated 21 August 2012. The port has subsequently on different occasions, the last being on 17 October 2012, furnished additional information/ clarification in piecemeal to various points. The revised cost statement filed by the COPT dated 21 August 2012 along with the information/ clarifications submitted by the port during the processing of the case is taken into consideration for the analysis.

(iii). (a). The last review of Scale of Rates of COPT was done in February 2010 relying on the estimated cost position for the years 2009-10 to 2011-12. The cost statement as per the last tariff Order reflected a total deficit of ₹202.43 crores for the years 2009-10 (one month), 2010-11 and 2011-12 for the port as whole (excluding estate activity), which worked out to 49.7% average deficit for the corresponding period. In the last tariff Order, 40% increase in wharfage rate of defence cargo, 40% in vessel related charges (except berth hire), 30% increase in berth hire charges with conversion of 6 slab structure into 3 slab structure, some miscellaneous charges like wharf entry permit, embarkation/ disembarkation charges, etc. were approved.

(b). Clause 2.13 of the tariff guidelines of 2005 mandates this Authority to review the actual physical and financial performance of the major ports at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing the prevailing tariff.

(c). The COPT has furnished an analysis comparing the actuals for the past period 2009-10 to 2011-12 with the estimates considered in the last tariff review. The analysis for the past period furnished by the COPT is modified with reference to the following:

(i). The income estimates for the years 2009-10 to 2011-12 considered by the COPT are adjusted with reference to increase in the tariff approved in the last tariff order of February 2010, based on the revenue implications quantified in para 12 (xii) (h) of the ibid order as well as considering the additional income details furnished by the port during the processing of this case. The increase considered in estimated income in this regard works out to ₹1.94 crores, ₹25.72 crores and ₹41.70 crores for the years 2009-10 (one month), 2010-11 and 2011-12 respectively.

(ii). The actuals relating to operating income, operating cost, allocated management and general overheads and depreciation have been considered as reflected in the Annual Accounts of the respective years subject to the adjustments explained in the subsequent paragraphs.

(iii). The general approach followed during the last tariff Order is considered for the purpose of assessing the actual net surplus / deficit for the years 2009-10 to 2011-12 also.

(iv). The discount on vessel related charges granted during the years 2009-10 to 2011-12 amounting to ₹14.77 crores, ₹22.93 crores and ₹31.93 crores respectively, as furnished by COPT, is added to the actual income reported in the Annual Accounts for the corresponding years.

(v). During last revision, as recorded in paragraph 12 (vii) (c) & (e) of tariff order of February 2010, 50% of the estimated revenue share receipts for the years 2009-10 to 2011-12 was considered as income under cargo handling activity and the balance 50% was utilized to meet the estimated maintenance dredging cost under the vessel related activity for the years 2009-10 to 2011-12. In the revised cost statements furnished by COPT in August 2012, though the port has considered 50% of the actual revenue share received from IGTPL during the years 2009-10 to 2011-12 as income under cargo handling activity, it has adjusted only 25% of revenue share receipts against maintenance dredging cost of respective years and has stated that the balance 25% will be transferred to General Reserve to meet the revenue and capital expenses. As there is no provision in the guidelines to transfer the revenue share receipts to General Reserve Fund, the proposal of the port in this regard cannot be accepted. Therefore, the treatment of actual revenue share received from IGTPL during the years 2009-10 to 2011-12 is considered following the approach adopted in the last tariff order of February 2010. Accordingly, 50% of the revenue share received by the COPT during the years 2009-10 to 2011-12 is considered as income under cargo handling activity and the balance revenue share is adjusted against the actual maintenance dredging expenses incurred by the port during the years 2009-10 to 2011-12.

(d). The income, expenditure and net fixed assets pertaining to electricity distribution, as reported by the port, are excluded from the actuals for assessment of actual performance for the years 2009-10 to 2011-12 in line with the treatment given in the last tariff Order. In respect of depreciation, the difference between the figures reported in the annual accounts of respective years and the figures considered by COPT in the cost statements are presumably considered as depreciation on assets relating to electricity distribution.

(e). In case of finance and miscellaneous income, the COPT has excluded the interest on investments for all the years under consideration. In respect of finance and miscellaneous expenditure, interest on loans, ex-gratia VRS, fringe benefit tax have been excluded by the port. As regards the contribution to Pension Fund, the COPT has considered actual pension payments during the years 2009-10 to 2011-12 in the cost statements. The position reported by the port is considered for the analysis of past period. However, some minor difference noticed between the finance and miscellaneous income and finance and miscellaneous expenses figures considered in the cost statements and annual accounts are adjusted based on the figures reported in the annual accounts.

(f). The value of net block of fixed assets, excluding assets pertaining to electricity distribution, as reported in the Annual Accounts, has been considered by the port for the years 2009-10 and 2010-11 which is considered for analysis of past performance. In respect of year 2011-12, in addition to the electricity related assets, the port has excluded assets with net block to the tune of ₹18.99 crores from the net block reported in the annual accounts, as per details given below:

		(**₹ in lakhs**)
Assets apportioned to Revenue share	-	989.21
Assets apportioned to SPM activities	-	889.80
Assets apportioned to Ship security	-	20.63

Total	-	1899.64
		========

The port has not given any reasons for exclusion of the above assets from the net block. Further, the port has not excluded any of these assets in the years 2009-10 and 2010-11. Therefore, and taking into consideration that the income and expenditure relating to these services / activities are considered for analysis of past performance, the net block of the assets as mentioned above is added to the net block considered by COPT for the year 2011-12. The assets pertaining to revenue share is apportioned in the ratio of 50: 50 between cargo handling activity and vessel related activity to be in line with the treatment given to revenue share receipts. The assets relating to SPM activities and ship security are apportioned to vessel related activity.

(g). As recorded in paragraph 12 (x) (g) of last tariff Order of February 2010, the classification of net fixed assets as business assets, business related assets and social obligation assets was considered as furnished by the COPT. Accordingly, the net block of business related assets was considered at ₹2040.42 lakhs, ₹1996.60 lakhs and ₹1952.78 lakhs for the years 2009-10 to 2011-12 respectively. Likewise, the net block of social obligation assets was considered at ₹11.81 lakhs, ₹11.61 lakhs and ₹11.41 lakhs respectively for the corresponding years. In the present proposal, the COPT has not considered anything towards business related assets and social obligation assets for the years 2009-10 to 2014-15. Though the port has indicated the net block of business related assets as ₹243.07 lakhs, ₹233.87 lakhs, ₹224.67 lakhs and ₹215.47 lakhs for the years 2011-12 to 2014-15 respectively in Form 4A of the cost statements, the return on capital employed calculated by the port for the port as a whole as well as different activities / sub-activities does not reflect this position.

The reason furnished by the port for the difference is the regrouping of certain assets, viz. quarters, hospitals, roads leading to quarters under business assets, which were earlier treated as business related assets, while migrating the accounts to the SAP system. There does not appear to be any merit in the submission of the port in this regard since the migrating to a new accounting system may not influence utilization of assets like quarters, roads. Further, as per the tariff guidelines of 2005, these assets are to be classified as business related assets / social obligation assets only. In view of the above, the net block of business related assets and social obligation assets considered in the tariff Order of February 2012 for the years 2009-10 to 2011-12 at the estimate level are maintained for analysis of past performance.

(h). The tariff guidelines stipulate the norms for the various items of working capital, like inventory, sundry debtors, cash balances, etc. The COPT has furnished value of current assets pertaining to sundry debtors, stores inventory and cash balances constituting the current assets for all the years 2009-10 to 2014-15. It has also furnished values of current liabilities and estimated negative working capital for all the years 2009-10 to 2014-15. The working capital is, therefore, taken as nil for assessment of capital base of the port for all the years under consideration.

(i). The return on capital employed relating to business assets excluding estate activity, for the years 2009-10 to 2011-12 was allowed on proportionate basis linking it to estimated capacity utilization for the respective years, as the capacity utilization was less than 60% for all the years at the estimate level. The return on business related assets was allowed at the then prevailing risk free rate of 7.40%. Based on the design capacity now furnished by the port for the years 2009-10 to 2011-12 and actual traffic achieved in the said three years, the actual capacity utilization worked out to 51.81%, 47.24% and 53.99% for the respective years. The port has claimed full return for the years 2009-10 to 2011-12 even though the capacity utilization is less than 60%. Following the approach adopted during last tariff revision in February 2010, the return on capital employed is allowed on proportionate basis on business assets (excluding assets under estate activity) linked to actual capacity utilisation, full return of 16% on business assets under estate activity and @ 7.40% on business related assets.

(j). The port has continued to levy the tariff approved in last Order for the period subsequent to 2011-12 also. By the time this Order is implemented, the year 2012-13 would be over. Hence, it is appropriate to consider the cost position reflected in the cost statement for the year 2012-13 as part of the past period. The cost position as assessed by the COPT subject to the modification done for reasons explained in the above analysis is considered.

(k). A summary of net surplus / deficit after allowable return on capital employed for the past period 2009-10 to 2012-13 subject to the above discussions is as follows:

(**₹ in lakhs**)

Year	**Estimates as per last tariff Order after considering impact of increase granted in tariff**	**Actuals after the above adjustments**
2009-10	(-) 9691	(-) 8052
2010-11	(-) 10124	(-) 10075
2011-12	(-) 8445	(-) 8171
Total	**(-) 28620**	**(-) 26298**
2012-13	--	(-) 7517
Total		**(-) 33815**

It is observed that the aggregate variation in actual physical performance in terms of traffic handled is 6% lower than the estimated position for the years 2009-10 to 2011-12. The variation in the actual income vis-à-vis the estimated position for the three years is found to be 13% higher, which is mainly on account of increase in estate rental income on account of revision of estate rentals with effect from July 2010. In any case, the variation is found to be less than (+) / (-) 20%. The operating cost and the management general overheads for the three years are found to be around 10% higher than the estimated position. The port has explained that variation in the estimated expenses considered in the last tariff Order vis-à-vis the actual position for the years 2009-10 to 2011-12 is mainly because of increase in salaries and wage cost on account of implementation of wage revision to port employees and officers.

It is observed that the actuals of the years 2009-10 to 2011-12 and estimates for the year 2012-13 reflect an operating loss to the tune of ₹226.03 crores even before allowing return on capital employed. It is notable that the port has not made any claim for adjustment of the deficit during the past period in the current tariff cycle since it has proposed to continue to levy the existing tariff for the next three years also. In view of the clarifications furnished by the port explaining the main reasons for variation in the actuals vis-à-vis the estimates and recognising that the port capacity is under utilised during this period (i.e. around 47% to 54%), it is not found necessary to adjust the past period loss assessed, in the future period and unduly burden the users with the effect of under utilised capacity.

The deficit for the year 2012-13 has been assessed taking into account the estimates. The estimates for the year 2012-13 should, therefore, be replaced with actuals, in the next review of tariff of COPT, so as to determine the actual quantum of past period deficit for the year 2012-13.

(iv). (a). The actual traffic handled by the port in the year 2011-12 (excluding the containerized traffic handled by India Gateway Terminal Private Limited) is reported at 15.38 Metric Million Tonnes (MMT). The COPT in its revised proposal of June 2012 projected the traffic for the next three years 2012-13 to 2014-15 at 17.03 MMT, 17.44 MMT and 17.86 MMT respectively. Though the port confirmed that its traffic projections are in line with the projections in the 12th Five Year Plan, the estimated traffic for all the said three years were found to be at a lower level than the estimates considered under 12th Five Year Plan. Subsequently, at our request, the port has reconciled the difference in the POL traffic and revised the traffic projections to 17.42 MMT, 19.44 MMT and 21.09 MMT to match the projections in the 12th Five Year Plan. The annual growth considered by the port over the previous year actual / estimate is seen to be 13.32% for 2012-13, 11.56% for 2013-14 and 8.49% for 2014-15.

(b). Though the port has stated that the Petronet LNG Terminal is expected to be commissioned in April 2013, it has not considered the impact of vessel traffic and cargo traffic in the traffic estimates for the years 2013-14 and 2014-15 in spite of our request on the ground that such details will be available only after commissioning of the project. There does not appear to be any merit in the position reported by the port as the traffic estimates are generally drawn before implementing the project itself. However, in the absence of details, the position reported by the port is relied upon in this analysis.

(c). Subject to the above discussion and recognizing that the traffic estimates of COPT are as per projections in the 12th Five Year Plan, the traffic projections as furnished by COPT for the years 2012-13 to 2014-15 are considered without any modification. However, if any undue advantage is found to have accrued to the COPT due to wrong estimation, adjustment will be made in the tariff at the time of next review of tariff in line with the tariff guidelines of 2005.

(v). In spite of our request, the port has not furnished detailed item-wise computation of income with reference to the prevailing tariff citing difficulty in compilation of data. It has, however, furnished break-up of income from cargo handling activity, vessel related activity and estate activity and has also confirmed that the income projections for the years 2012-13 to 2014-15 are based on the actual cargo handled and actual income earned during the year 2011-12. It is relevant here to mention that the COPT has reported the actual income for the year 2011-12 net of discounts granted by it. As discussed in an earlier paragraph, the actual reported by the port for the year 2011-12 is modified by us by adding the discounts to reflect the income at ceiling tariff level. The modified income considered for the year 2011-12 is at ₹296.49 crores. The port has estimated an income of ₹321.19 crores, ₹357.78 crores and ₹394.08 crores for the subsequent years 2012-13 to 2014-15. The income estimates as furnished by the COPT are discussed below:

(a). <u>Cargo handling income</u>:

(i). As stated earlier, the COPT in the revised cost statements furnished by the port in August 2012 has revised upwards the traffic estimates in respect of POL cargo. However, the port has not updated the estimated wharfage income from handling POL cargo for the years 2012-13 to 2014-15 in line with the increased traffic volume, warranting adjustment of estimated income in this regard. In the revised traffic estimates for POL cargo, the port did not furnish the break-up between estimated traffic at SPM and at berths. Considering that there is vast difference in the wharfage rate applicable at berth (₹65/- per MT) and at SPM (₹25/- per MT), it is found necessary to ascertain the share of revised POL traffic volume at berth and SPM.

In the traffic estimates furnished in June 2012, the port has estimated the POL volume at 14 MMT for each of the years 2012-13 to 2014-15, out of which 9.5 MMT was estimated to be handled at SPM and 4.5 MMT at the berths. The share between SPM and berth works out to 32% and 68% respectively. This ratio is applied on the revised POL traffic estimates furnished by COPT in August 2012 for the years 2012-13 to 2014-15 to ascertain share of estimated POL traffic at SPM and berths for the purpose of estimation of income. Accordingly, the estimated wharfage income from POL cargo at SPM and berths are modified taking into account the revised traffic estimates at SPM and berth and wharfage rate applicable as per existing SoR. The modified income estimates for POL cargo at berth, thus arrived works out to ₹29.95 crores, ₹33.28 crores and ₹35.84 crores respectively for the years 2012-13 to 2014-15 as against ₹29.25 crores estimated by COPT uniformly for all the said three years. Likewise, modified income estimates for POL cargo at SPM, thus arrived works out to ₹24.48 crores, ₹27.20 crores and ₹29.29 crores respectively for the years 2012-13 to 2014-15 as against ₹23.75 crores estimated by COPT uniformly for all the said three years.

(ii). The estimates of cargo handling income furnished by COPT in respect of other cargo groups, viz. coal & general cargo and fertilizers are found to be in tandem with the traffic estimates for the years 2012-13 to 2014-15 and hence considered without any modification.

(iii). The COPT has estimated cargo handling income under sub-activities FC Periyar and Stuffing and destuffing for the years 2012-13 to 2014-15 by applying an annual escalation of 5% over the previous year actual / estimates. Since the income from these activities cannot be directly linked to traffic, the approach adopted by the port is relied upon and the income estimates furnished by the port are considered without any modification.

(b). <u>Vessel related income</u>:

(i). As stated earlier, the port did not furnish detailed computation for estimation of vessel related income for the years 2012-13 to 2014-15. Hence, the approach / basis adopted by the port in this regard could not be verified. At our request, the port has furnished the actual number of vessels called upon during the year 2011-12 and the aggregate GRT of all these vessels. The port has also furnished estimated no. of vessels estimated to be called upon during the years 2012-13 to 2014-15. The aggregate GRT hours for the year 2011-12 is calculated based on the number of vessels and aggregate GRT of vessels furnished by the port. Taking into consideration the actual no. of vessels and actual aggregate GRT hours of vessels for the year 2011-12 the estimated aggregate GRT hours of vessels for the years 2012-13 to 2014-15 are arrived at for the estimated no. of vessels furnished by the port for the years 2012-13 to 2014-15.

The income estimated by COPT from major vessel related services, viz. Port dues, Pilotage, Berth hire, SPM – Pilotage & Tug hire for the years 2012-13 to 2014-15 are modified by taking into account the actual aggregate GRT hours of vessels and actual income earned by the port from the respective service during the year 2011-12 and based on the estimated aggregate GRT hours of vessels for the years 2012-13 to 2014-15 on pro-rata basis.

(ii). The port has not indicated the exchange rate adopted for estimation of the income from vessel related charges denominated in dollar terms despite specific request. The general approach adopted is to update the dollar denominated vessel related income with reference to the exchange rate prevailing at the time of finalization of tariff cases. However, for the year 2012-13, since the average exchange rate is available at ₹54.397 the same is considered in estimation of dollar denominated vessel related income. For the years 2013-14 and 2014-15, the exchange rate prevailing at the time of analysis of the case, which is at ₹54.268, is considered in the estimation of dollar denominated vessel related income.

For this purpose, the share of estimated income from foreign vessels in the total estimated income is considered based on the share of actual aggregate GRT hours of foreign vessels in the actual aggregate GRT hours of total vessels in the year 2011-12, which worked out to 54.25%.

(iii). The COPT has not considered any income from hiring its dredger Nehru Satabdhi for the years 2012-13 to 2014-15 stating that the dredger would be fully utilised for port's own dredging requirements. Accordingly, the port has also proposed to delete the rates prescribed in the existing SOR in this regard.

It is relevant here to mention that hitherto the port has shown the income from hiring Nehru Satabdhi and expenditure relating to the dredger as a separate sub-activity under vessel related activity. Though the port has not considered any income under this sub-activity, it has considered the expenses, allocated overheads, depreciation and return on capital employed separately under this sub-activity. When the dredger is proposed to be fully utilized for port purpose, it would be appropriate to charge the expenses pertaining to the dredger to the relevant services like Port Dues, Pilotage, Berth hire, etc. on some rationale. The reason for continuing to show Nehru Satabdhi as a separate sub-activity with 100% loss remains unexplained. In any case, the position reported by the port in this regard is relied upon in this analysis. However, the port is advised to apportion the expenses relating to the dredger to the relevant services on some sound basis during next review of its tariff.

(iv). The actual income from dry docking service for the year 2011-12 is reported as Nil. However, the port has estimated an income of ₹30 lakhs per year uniformly for all the years 2012-13 to 2014-15 reportedly based on the average income earned during the years 2009-10 to 2010-11. The position reported by the port is relied upon and the income estimated by the port is considered without any modification.

(v). The port has estimated the income from supply of water through barges and at shore for the years 2012-13 to 2014-15 at par with the actual income earned from these activities during the year 2011-12 without considering any escalation on the ground that there is a limitation of water supply from the Kerala Water Authority on account of acute shortage of water. Though the position reported by the port appears to be reasonable, it is observed that the actual income earned during the years 2009-10 to 2011-12 shows an increasing trend. Following the approach adopted by the port in the estimation of income for FC Periyar and Stuffing & destuffing activities under cargo handling, wherein an escalation of 5% per annum is considered in the estimation of income from these activities, the estimated income furnished from supply of water through barges and at shore by the port for the years 2012-13 to 2014-15 is modified by applying escalation of 5% over the income of the respective previous year taking the actual income for the year 2011-12 as base.

(vi). In view of the above modifications, the total estimated vessel related income for the years 2012-13 to 2014-15 is considered at ₹204 crores, ₹241.56 crores and ₹274.81 crores respectively as against the estimated income furnished by the port at ₹146.64 crores, ₹168.63 crores and ₹188.99 crores for the corresponding years. It is relevant here to reiterate that the income estimates furnished by port is reportedly based on the actual income of 2011-12 at the discounted level whereas the income estimated by us is based on the modified income of 2011-12 at ceiling tariff level.

(c). Estate Activity:
The port has estimated the income from estate activity for the years 2012-13 to 2014-15 by applying 2% annual escalation taking the actual income of 2011-12 as the base. The approach adopted by the port is found to be in order and the income estimated by the port is considered without any modification. In line with the approach adopted for past analysis, the income from electricity distribution is excluded by the port for the purpose of estimation of income from estate activity for the future years, which is found to be in order.

(d). Revenue share:
(i). The COPT has estimated the revenue share receipts from IGTPL for the years 2012-13 to 2014-15 at ₹85.03 crores, ₹102.72 crores and ₹123.26 crores respectively. It is observed that the COPT has computed the estimated revenue share receipts by applying

revenue share of 33.3% on the estimated revenue of IGTPL for the said 3 years. Despite specific request, the port has not furnished the detailed computation for estimated revenue of IGTPL for the years 2012-13 to 2014-15 in terms of estimated traffic of IGTPL and the existing tariff of IGTPL approved by this Authority. The port has indicated in the cost statement that the revenue share figures for the year 2012-13 are as per the information furnished to a Parliament question in August 2012. Relying on the position reported by the port for the year 2012-13 and considering that the port has estimated revenue share receipts for the next two years 2013-14 and 2014-15 with an annual escalation of around 20% over the estimated revenue share receipts of respective previous years, the estimated revenue share receipts furnished by the port for the years 2012-13 to 2014-15 are considered without any modification.

It is relevant to mention here that the existing tariff at IGTPL approved vide Order No.TAMP/25/2008-IGTPL dated 5 August 2009 is valid upto 31 December 2015. Hence, the revenue share estimates calculated based on the existing tariff of IGTPL may not undergo a revision in the years 2012-13 to 2014-15.

(ii). During the last revision of tariff the port had reported estimated surplus manpower cost from the year 2010-11 onwards consequent to the reversion of employees from IGTPL on account of handing over of RGCT by IGTPL. However, during the proceedings of this case, the port has stated that it has no surplus manpower and that all the employees reverted from RGCT have been redeployed at the port. The reason for shift in the stand taken by the port remains unexplained. In any case, the position reported by the port that there is no surplus manpower cost during the years 2012-13 to 2014-15 is relied upon.

(iii). As discussed in an earlier paragraph, 50% of the revenue share receipts are considered as income under cargo handling activity and the balance 50% are adjusted against the actual maintenance dredging expenses incurred by the port during the respective years, following the approach adopted during the last revision of tariff in February 2010. The reasons for the approach adopted by this Authority have been elaborated in paragraphs 12 (vii) of the tariff Order of 23 February 2010.

(iv). During the proceedings of this tariff case also, the COPT has made a submission that it is not in a position to maintain a separate Escrow A/c and transfer the revenue share receipts as the port is facing financial crunch and all the revenue share receipts are utilized to meet revenue and capital expenses of the port. Recognising the position reported by the port and also considering that the port has estimated huge maintenance dredging expenses for the next three years, the approach adopted during the last tariff Order of February 2010 may be continued for the next tariff cycle also. Accordingly, 50% of the estimated revenue share receipts for the years 2012-13 to 2014-15 are considered as income under cargo handling activity and the balance 50% is adjusted against the estimated maintenance dredging expenses for the above said three years.

(e). Subject to the above modifications, the income estimations including 50% of revenue share are considered at ₹378.18 crores, ₹436.37 crores and ₹489.95 crores for the years 2012-13 to 2014-15 respectively as against the estimates furnished by the COPT for the corresponding years at ₹321.20 crores, ₹357.78 crores and ₹394.08 crores respectively.

(vi). (a). As per clause 2.5.1 of the tariff guidelines of 2005, expenditure is to be projected in line with traffic adjusted for price fluctuation with reference to the current movement of Wholesale Price Index (WPI) for all commodities announced by the Government of India. The WPI considered for the tariff revision cases in the year 2012-13 is 6.50%. Accordingly, the port was requested to revise its expenditure projections adopting the escalation factor of 6.50%. The port also in its response of 21 August 2012 confirmed that it has projected the operating expenses for the years 2012-13 to 2014-15 with an escalation factor of 6.50%. However, it is observed from the cost statements (Form 3B) furnished by the COPT that it has applied an escalation factor of 6% for many of the items of expenses, viz. fuel cost, repairs & maintenance, stores & spares, insurance, other expenses, management & general overheads. The operating expenses and overheads estimated by the port with 6% annual escalation are modified by applying an escalation factor of 6.50% p.a.

(b). The COPT has estimated the total operating expenditure (excluding depreciation and electricity charges under estate activity) for the years 2012-13 to 2014-15 at ₹27848 lakhs, ₹29445 lakhs and ₹30836 lakhs respectively as against the actual operating expenditure of ₹19017 reported in the previous financial year 2011-12. The cost estimates furnished by the COPT for the years 2012-13 to 2014-15 are to be analysed taking the actual operating expenditure for the year 2011-12 as the base. The estimates of operating expenses furnished by the COPT for the years 2012-13 to 2014-15 are analysed in the subsequent paragraphs.

(c). The actual salaries and wages cost for the year 2011-12 is reported at 9906.74 lakhs. The COPT initially applied a higher escalation factor of 12% per annum in the estimation of salaries and wages cost for the years 2012-13 to 2014-15 taking the actual of 2011-12 as the base, on the ground that wage revision for class III and IV employees are due from 1 January 2012. When requested to justify the higher escalation factor considered for the years 2013-14 and 2014-15, the port has modified the estimates in the revised cost statements furnished in August 2012 by applying 6.50% annual escalation taking the actual salaries and wages cost of 2011-12 as the base. As per the normal practice, an additional escalation of 15% is allowed by this Authority to provide for wage revision of port officers and employees. Considering that wage revision due from 1 January 2012 is applicable only for class III and IV employees and not for officers and recognizing that the port initially claimed an escalation factor of 12% for wage revision increase, the actual salaries and wages for the year 2011-12 are escalated by 12% to provide for wage revision increase. Thereafter, normal escalation of 6.50% is applied to arrive at the estimated salaries and wages expenses for the year 2012-13. For the next two years, the salaries and wage cost is estimated by applying annual escalation of 6.50% taking the modified estimates of 2012-13 as the base.

The actual number of employees reported by the COPT for the year 2011-12 is at 3102 and the average annual employee cost is worked out to ₹3.19 lakhs. The number of employees for the next three years 2012-13 to 2014-15 is reported at a lower level of 2888, 2681 and 2480. However, the port has not adjusted the estimated salaries and wages cost for the years 2012-13 to 2014-15 considering the reduction in the number of employees. In other words, the port has applied the escalation factor on the total salaries and wages cost instead of applying it on the average employee cost. Therefore, the estimates of salaries and wages for the years 2012-13 to 2014-15 are moderated by applying the escalation factor, as explained in the preceding paragraph, on the average annual employee cost and taking into account the number of employees furnished by the port for the respective years. The modified estimated salaries and wages cost for the years 2012-13 to 2014-15 is at ₹11001.55 lakhs, ₹10876.85 lakhs and ₹10715.38 lakhs respectively as against the estimates of the port at ₹10550.68 lakhs, ₹11236.48 lakhs and ₹11966.85 lakhs for the corresponding years.

(d). The port has estimated the power cost for the years 2012-13 to 2014-15 with an escalation of 6.50% per annum taking the actual power cost of 2011-12 as the base. The power cost estimated by the port for the above said three years are considered without any modification.

(e). In the revised proposal of June 2012 the port had considered a lumpsum increase of ₹4.93 crores for the year 2012-13, ₹5 crores for the year 2013-14 over and above the escalation of 6%, in the estimation of fuel cost. When sought to justify the increase, the port had stated that it has revised the estimates for the years 2012-13 to 2014-15 with the annual escalation of 6.50% per annum taking the actual of 2011-12 as the base. However, it is seen from the revised cost statements furnished by the port in August 2012 that the port has not revised the fuel cost estimates. Therefore, the fuel cost estimates furnished by the port for the years 2012-13 to 2014-15 are moderated by applying an annual escalation factor of 6.50% per annum on compounding basis taking the actual fuel cost of 2011-12 as the base.

(f). The port has reportedly executed a maintenance dredging contract with DCI for the years 2011-12 to 2013-14 at a cost of ₹10440 lakhs, ₹10530 lakhs and ₹10980 lakhs respectively. Since there is no contract for the year 2014-15, the maintenance dredging expenses for this year is estimated with an annual escalation of 6.50% over the estimates of previous year 2013-14. Though the port has not furnished documentary evidence/ copies of contract for the amount estimated, the position reported by the port is relied upon.

The actual expenditure incurred during the year 2011-12 is reported at ₹5777.01 lakhs as against the estimate of ₹10440 lakhs due to shortfall in the quantity actually dredged during the year. The port initially included the shortfall in the maintenance dredging expenditure during the year 2011-12 to the tune of ₹4662.91 lakhs in the year 2012-13 in addition to the ₹10530 lakhs proposed to be incurred for the year 2012-13. At our request, the port has distributed the shortfall in actual expenditure during the year 2011-12 equally to the next three years 2012-13 to 2014-15, which is considered.

In view of the above, the maintenance dredging expenses estimated by the port for the years 2012-13 to 2014-15 at ₹12084.30 lakhs, ₹12534.30 lakhs and ₹13428.00 lakhs are considered without any modification. It is relevant here to mention that in addition to the maintenance dredging expenses estimated for the above said three years, the port has proposed to deploy the dredger Nehru Satabdhi also for port's own dredging requirements. It may be possible that in view of the proposed utilization of Nehru Satabdhi fully for port's own use, there may be savings in the estimated maintenance dredging expenses for the next three years. However, since the port has stated that it has already executed the contract with DCI for maintenance dredging upto 2013-14, the estimated maintenance dredging expenses are not moderated in this regard.

As stated earlier, 50% of estimated revenue share receipts during the years 2012-13 to 2014-15 are adjusted against the estimated maintenance dredging expenses for the respective years and the balance is considered as operating expenditure.

The port has allocated part of the actual maintenance dredging cost to POL (cargo handling) activity in the years 2009-10 to 2011-12. Likewise, the port has allocated a part of the estimated maintenance dredging cost for the years 2012-13 to 2014-15 also to POL (cargo handling) activity.

During the last tariff review at COPT in February 2010 also the port proposed allocation of maintenance dredging cost to POL (cargo handling) activity. For the reasons explained in paragraph 12 (viii) (c) of tariff Order dated 23 February 2010, the approach adopted by the port was not considered and the entire maintenance dredging expenses was considered under the vessel related activity. Maintaining the approach adopted in the last tariff Order of February 2010, the entire actual / estimated maintenance dredging expenses are considered under vessel related activity in this analysis.

(g). The port has considered an estimate of ₹7.50 crores for the year 2012-13, ₹7.95 crores for the year 2013-14 and ₹8.43 crores for the year 2014-15 towards dry docking expenses of floating crafts under the repairs and maintenance expenses stating that the floating crafts are to be dry docked once in 2½ years. Despite specific request, the port has not furnished the details of floating crafts to be dry docked and the basis for the estimates. It is observed from the cost statements that the port has considered a lump sum estimate of ₹7.50 crores for 2012-13 which is escalated by 6% p.a. for next two years. Further, it is seen from the annual accounts of past years that (i.e. 2009-10 to 2011-12), the port has incurred an amount of ₹6.41 crores in the year 2010-11 towards dry docking of floating crafts and no substantial expenses have been incurred in the rest of the two years. In view of the above, incurring dry docking expenses of around ₹7.50 crores in all the 3 years may not be a reality. Considering this expenses incurred in 2010-11, ₹7.50 crores is allowed for 2012-13. Since the dry docking expenses are to be incurred only once in 2.5 years and the actual expenditure incurred during the last 3 years also confirms this position, the expenses estimated by the port for the next two years at ₹7.95 crores and ₹8.43 crores are not considered.

The other repairs and maintenance expenses considered by the port for the years 2012-13 to 2014-15 are considered subject to modification of the escalation factor adopted by the port at 6% to the applicable escalation factor of 6.50%.

(h). The expenses estimated by the port for the years 2012-13 to 2014-15 towards stores & spares, insurance, other expenses management and general overheads are considered subject to modification of the escalation factor adopted by the port at 6% to the applicable escalation factor of 6.50%.

(i). The port has reported an actual expense of ₹23.03 lakhs in the year 2011-12 for Reachstacker reportedly deployed for pre-stage services rendered at Q-7 area. It has shown this expenditure as a separate item in the cargo handling activity statement. The reasons for showing the expenditure alone as a separate item without showing the relevant income, capital employed, etc. remains unexplained by the port. Therefore, this amount of ₹23.03 lakhs is included in the operating expenses under general cargo sub-activity under the head ‘repairs and maintenance’.

For the year 2012-13, the port has estimated an expenditure of ₹1.50 crores on the ground that the actual expenditure of ₹23.03 lakhs of 2011-12 relates to part of the year only. For the next two years, this expenditure has been considered with 6.50% annual escalation on compounding basis taking the estimate for the year 2012-13 as the base. Despite specific request, the port has not furnished any basis for this item of estimated expenditure. It has only stated that this item of expenses comprises of salaries, terminal benefits, R&M, Fuel, etc. for Reachstacker. Further, it is seen from the cost statements [Form 3A and 5A (i)] that though the port has shown this expenditure separately, it is not reflected in the consolidated cost statement (Form 3A). Since the consolidated cost statement (Form 3A) is in agreement with the Details of expenditure furnished in Form 3B, the position reported in the cost statement is considered.

(j). Subject to the above modifications, the total estimated operating expenses and management general overheads considered for the years 2012-13 to 2014-15 are considered at ₹306.11 crores, ₹300.18 crores and ₹303.07 crores respectively as against the estimates of port at ₹326.87 crores, ₹345.99 crores and ₹363.25 crores for the corresponding years.

(vii). Clause 2.7.1 of the tariff guidelines of 2005 requires depreciation to be calculated on straight-line method following the life norms adopted as per the Companies Act. The depreciation on assets is calculated by the port on straight-line method following the life norms prescribed by the Ministry of Shipping as reported by the port. The port has not adhered to the advice rendered during the last tariff revision to comply with the tariff guidelines for computing the depreciation while formulating its next tariff review / revision proposal. The COPT is again advised to comply with the tariff guidelines for computing the depreciation while formulating its next tariff review / revision proposal.

The depreciation estimated by the port in the current tariff cycle is relied upon and considered subject to modification in respect of additions proposed to the gross block in the year 2014-15 which are not considered by us for the reasons explained in a subsequent paragraph. Further, based on the sub-activity wise capital employed statement furnished by the port for the year 2011-12, it is observed that the net block of assets under sub-activities “dry docking” and “Nehru Satabdhi” under vessel related activities reflect negative figures in the years 2013-14 and 2014-15. Accordingly, the depreciation under these sub-activities for the years 2013-14 and 2014-15 are moderated with the available net block. The depreciation for the port as a whole for these two years also stand moderated to that extent.

The estimated depreciation for the years 2012-13 to 2014-15 are considered at ₹1905.34 lakhs, ₹1905.02 lakhs and ₹1773.01 lakhs respectively as against the port’s estimates of ₹2029.19 lakhs, ₹2161.09 lakhs and ₹2690.39 lakhs for the corresponding years.

(viii). (a). The port has estimated Finance and Miscellaneous Income (FMI) for the years 2012-13 to 2014-15 by applying 6.00% annual escalation on compounding basis taking the actual FMI considered for the year 2011-12 as the base. As discussed earlier, the FMI considered by the port for the year 2011-12 is modified slightly to reflect the position reported in the annual accounts. Therefore, the FMI estimated by the port for the above said three years are modified based on the modified FMI considered for the year 2011-12.

(b). The port has estimated Finance and Miscellaneous Expenses (FME) for the years 2012-13 to 2014-15 by applying 6.50% annual escalation on compounding basis taking the actual FME considered for the year 2011-12 as the base. As discussed earlier, the FME reported by the port for the year 2011-12 is modified slightly to reflect the position reported in the annual accounts. The FME estimated by the port for the respective years are modified based on the modified FME considered for the year 2011-12. Further, since the number of employees retiring in the years 2012-13 to 2014-15 would turn into pensioners, the pension fund contribution estimated by the port for the said three years is increased proportionately based on the actual pension payments for the year 2011-12 and the actual number of pensioners as on 31 March 2012.

It may be relevant here to mention that the port has considered the estimated contribution to pension fund during the years 2012-13 to 2014-15 based on the estimated pension payments for the respective years. The actual Pension Fund balance as on 31 March 2012 is reported at ₹263.05 crores. As per copy of actuarial valuation report furnished by the port, the balance required as on 31 March 2012 to meet the pension liability of existing pensioners and existing employees is ₹1536 crores. Though there is a shortfall to the tune of ₹1273 crores in the Pension Fund as on 31 March 2012, the port has not proposed to bridge the gap in the future years by enhancing the contribution to the Pension Fund, presumably based on the financial crunch faced by the port. The position reported by the port is relied upon in this analysis. However, the COPT is advised to initiate action to augment the pension fund in a phased manner in order to bridge the gap mentioned above.

(c). The modified net FME after adjusting modified FMI for the years 2012-13 to 2014-15 are ₹10280.16 lakhs, ₹11297.03 lakhs and ₹12392.18 lakhs respectively as against the net FME estimated by the port the corresponding years at ₹9944.03 lakhs, ₹10590.40 lakhs and ₹11278.77 lakhs respectively.

(ix). The COPT has reportedly apportioned the management and general overheads, FMI and FME to various main activities and sub-activities based on the direct operating expenditure (excluding depreciation and maintenance dredging cost) of various activities / sub-activities. Since the management and general overheads estimated by the port for the years 2012-13 to 2014-15 is considered without any modification, the position reported by the port is relied upon with reference to management and general overheads. However, since the FMI and FME estimated by the port for the said three years are modified, as discussed in the earlier paragraphs, the modified FMI and FME considered in this analysis are apportioned to various activities/ sub-activities following the approach adopted by the port.

As directed by this Authority in the previous tariff Order of 23 February 2010, the port has furnished a separate cost statement for SPM activity on standalone basis in order to justify the existing pilotage and tug hire charges at SPM. The cost statement furnished by the port in this regard reflects an estimated surplus of ₹6.15 crores, ₹5.86 crores and ₹5.56 crores for the years 2012-13 to 2014-15. The port has also furnished a sub-activity cost statement [5 A (iii] for SPM – vessel related charges under vessel related activity, which shows a surplus of ₹10.56 crores, ₹10.44 crores and ₹10.32 crores for the three years 2012-13 to 2014-15 respectively. The income and operating expenses reported in the standalone cost statement for SPM and sub-activity cost statement (Form 5A iii) are not in agreement. Further, while depreciation, overheads and capital employed are considered in the standalone cost statement, the sub-activity cost statement of the port does not consider these items at all. The reason for following a different approach in these two statements remains unexplained by the port. In any case, since the basis for figures reported in the standalone cost statement are not adequately explained and also recognizing that a decision on tariff revision is taken mainly based on the overall financial / cost position of the port, the sub-activity cost statement furnished by the port for SPM under vessel related activity is considered in this analysis, however, subject to the modifications discussed in the previous paragraphs.

(x). (a). The port has not estimated any additions to the gross block in the years 2012-13 and 2013-14. It has projected addition to the gross block to the extent of ₹109 crores (₹6 crores under Floating Crafts, ₹50 crores under Docks, seawalls, etc. and ₹53 crores under cranes and vehicles) in the year 2014-15 alone. Despite specific request, the port has not furnished details of schemes, basis for the estimated cost of additions and the likely date of commissioning of the projects. The port has only stated that the proposed additions to the gross block are as per 12th Five year plan. Further, though the port has indicated in Form 4B that the investment is envisaged to handle additional and new bulk cargo, the additional traffic and income details are not furnished by the port. Keeping in view that the port has not furnished requisite details regarding the estimated cost and time schedule for completion of the projects and recognising that considering investment alone without considering the additional traffic and income would result in unnecessary burdening of the port users, the investment proposed by the port in the year 2014-15 is not considered in this analysis. However, if the COPT is in a position to complete and commission the projects for which investments are not considered in this analysis, it may come up with a suitable tariff proposal with cost details, six months before the scheduled date of commissioning of the facility for consideration of this Authority.

(b). Following the approach adopted in the last tariff Order of February 2010 and based on the activity wise actual net block of assets furnished by the port for the year 2011-12, the net fixed assets pertaining to electricity distribution activity is excluded in the estimated net block for the years 2012-13 to 2014-15.

(c). As already discussed in an earlier paragraph relating to past period analysis, the net block to the tune of ₹18.99 crores, being the value of common assets apportioned to SPM activities, Revenue share and ship security charges, excluded by COPT from the capital employed for the year 2011-12 is added to the capital employed considered by COPT for the said year. The cumulative effect of this modification is considered in the estimated capital employed for the years 2012-13 to 2014-15 also.

(d). As already discussed in an earlier paragraph relating to past period analysis, the estimated working capital is taken as Nil for the years 2012-13 to 2014-15.

(e). The modified capital employed for the port as a whole for the years 2012-13 to 2014-15 works out to ₹319.43 crores, ₹300.38 crores and ₹282.65 crores respectively as compared to the estimates of COPT at ₹258.77 crores, ₹215.78 crores and ₹405.09 crores respectively for the corresponding years.

(f). The classification of assets into business related assets and social obligation assets furnished by COPT is discussed elaborately in an earlier paragraph on past performance analysis. Following the approach adopted for the years 2009-10 to 2011-12, the net block of business related assets and social obligation assets for the next three years 2012-13 to 2014-15 are also estimated based on the net block of business related assets and social obligation assets considered for the year 2011-12, after allowing annual depreciation.

(xi). The COPT has assessed the designed capacity of the port excluding containerized cargo at 33.48 million tonnes for the year 2012-13 and at 37.48 million tonnes each for next two years 2013-14 and 2014-15. Though the port has not furnished detailed computation for the designed capacity, the position reported by the port is relied upon.

The port has assessed the capacity utilisation for the years 2012-13 to 2014-15 at 52.05%, 51.73% and 56.12% respectively which is found to be based on the assessed design capacity and estimated traffic for the corresponding years.

The port has in its estimates claimed maximum return of 16% per annum on capital employed. The tariff guidelines stipulate that return on capital employed allowed should be linked to the capacity utilisation of the port. Accordingly and as discussed in an earlier paragraph, the return claimed by the port for the years 2009-10 to 2011-12 is moderated by linking it to the actual capacity utilization achieved by the port during the respective years. Following the same approach, the estimated return on capital employed for the years 2012-13 to 2014-15 is also moderated by linking it to the estimated capacity utilization. The capacity utilisation does not have a bearing on the assets under estate activity and Business related assets. Hence, the return on this category of assets is not linked to capacity utilisation. While the return on estimated capital employed of estate activity for the above said three years is allowed at the maximum return of 16%, the return on business related assets is allowed at the risk free rate of 6.50% per annum. No return is allowed on social obligation assets as per the tariff guidelines.

(xii). 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 are modified. The modified cost statements are attached as **Annex - I (a) to (r)**. Summarised results of the cost statements are as follows:

Sr. No.	Particulars	Operating Income				Net Surplus / (deficit)				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**	**379.98**	**438.19**	**492.02**	**1310.19**	**-75.17**	**-19.26**	**21.93**	**-72.50**	**-19.78%**	**-4.40%**	**4.46%**	**-5.53%**
2	Cargo related	129.13	148.86	168.55	446.54	9.68	23.76	38.62	72.05	7.49%	15.96%	22.91%	16.13%
3	Vessel related	204.00	241.56	274.81	720.36	-56.05	-10.24	19.50	-46.79	-27.47%	-4.24%	7.10%	-6.49%
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	333.12	390.42	443.36	1166.90	-46.37	13.52	58.11	25.26	-13.92%	3.46%	13.11%	2.16%
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	29.95	33.28	35.84	99.07	15.43	18.11	19.99	53.52	51.50%	54.41%	55.77%	54.02%
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	24.48	27.20	29.29	80.97	24.48	27.20	29.29	80.97	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%	100.00%
	Total	**129.13**	**148.86**	**168.55**	**446.54**	**9.68**	**23.76**	**38.62**	**72.05**	**7.49%**	**15.96%**	**22.91%**	**16.13%**
B	**Vessel related**												
5	Port Dues	45.98	54.53	62.10	162.60	9.37	18.86	26.88	55.11	20.38%	34.60%	43.28%	33.89%
6	Pilotage	81.29	96.41	109.79	287.49	-33.22	-19.78	-8.32	-61.32	-40.87%	-20.51%	-7.58%	-21.33%
7	Berth Hire	44.07	52.27	59.52	155.86	-6.08	2.90	10.24	7.07	-13.79%	5.55%	17.21%	4.54%
8	Dry docking	0.30	0.30	0.30	0.90	-0.32	-0.35	-0.37	-1.04	-106.90%	-115.66%	-122.44%	-115.00%
9	Nehru Satabdhi	0.00	0.00	0.00	0.00	-36.39	-25.88	-25.74	-88.02	-	-	-	-
10	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%
11	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%
12	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%
13	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	**204.00**	**241.56**	**274.81**	**720.36**	**-56.05**	**-10.24**	**19.50**	**-46.79**	**-27.47%**	**-4.24%**	**7.10%**	**-6.49%**

(a). The estimated financial position at the existing level of tariff for the port as a whole for the year 2012-13 shows a deficit of around 20%. In absolute term, the deficit works out to ₹75.17 crores as stated earlier. The position for the subsequent two years 2013-14 and 2014-15 reflects a meagre surplus of 0.29%, which in absolute term works out to ₹2.67 crores. Since the financial year 2012-13 will be over by the time the Order passed in this case is implemented, the estimated cost position for the two years 2013-14 and 2014-15 are analysed in the subsequent paragraphs.

(b). In absolute terms, on a stand alone basis, the vessel related activity shows a total net surplus of ₹9.26 crores for the said two years. This works out to an average net surplus of 1.79%. The cargo handling activity shows a total surplus of ₹62.37 crores for the corresponding period which works out to a surplus of 19.65%.

(c). The estate activity shows a total deficit of ₹68.96 crores for the said period of two years which is cross subsidised by vessel and cargo activities leaving a meagre surplus of ₹2.67 crores. The cost statement for estate activity discloses a deficit position despite the revised lease rentals approved vide Order No.TAMP/33/2007-COPT dated 4 May 2010 which came into force with effect from 10 July 2010 and valid for a period of 5 years. This Authority has always held that port estate should be optimally and commercially exploited so that estate revenue can supplement the port's core functioning. However, in this case, the estate is being cross subsidised by the port's core functioning.

(d). The estimated cost position for the port as a whole excluding estate activity for the period of two years shows a surplus of ₹71.63 crores. The estimated surplus as a percentage of estimated operating income for the corresponding period works out to an average of 8.59%. It may appear from the cost position that there is a case for downward revision of existing tariff of COPT. However, it has to be recognized that, as brought out earlier, there is a 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 the port has not proposed to augment the fund considering the financial crunch faced by it. It is also noteworthy that the estimated cost position for the year 2012-13 reflects a deficit to the tune of ₹46.37 crores excluding estate activity. In view of the above, the COPT is allowed to continue with the existing tariff for the next two years 2013-14 to 2014-15.

(e). Since the proposal of the port is to continue with the existing tariff based on the overall financial / cost position of the port, the surplus / deficit position depicted under various sub-activities under cargo related activity and vessel related activity are not analysed in detail as adjustment of tariff for a particular sub-activity may result in cross-subsidisation to some other sub-activity.

(f). The cost position and the estimated additional revenue generation are based on the estimates of COPT which contain gaps particularly in the income estimation. Notably, the COPT has not captured the additional traffic and revenue impact on account of commissioning of the LNG Petronet project. Further, the port has not made any provisions for significant productivity improvements. The port is advised to improve the financial position by improving productivity / efficiency of operation and initiating cost reduction drive seriously so as to utilize a portion of the revenue share receipts for future development of the port and to augment the pension fund to make it self-sustainable. The COPT is also advised to optimally and commercially exploit its estate so that the estate activity becomes self-sufficient.

(xiii). A conditionality to the effect that all charges worked out shall be rounded off to the next higher rupee on the grand total of each bill was incorporated in the SOR approved vide Order dated 23 February 2010. After the Gazette notification, COPT informed this Authority that the rounding off to the next higher rupee involves higher amount of tax which does not tally with the tax amount shown as per the port's SAP system of accounting, where tax is computed on the basis of the actual bill amount before the rounding off. COPT took the view that due to the aforesaid difficulty, the charges worked out cannot be rounded off to the next higher rupee on the grand total of each bill. This Authority favorably considered the issue and under Corrigendum dated 3 September 2010, deleted the note under General terms & conditions relating to rounding off the bill amount to next higher rupee. The COPT, however, in its draft SOR accompanying its proposal dated 30 September 2011 reinstated this provision. When pointed out, the port informed that the inclusion of the said conditionality was due to oversight and the proposed note has been deleted by the COPT from the resubmitted draft SOR.

(xiv). COPT in its letter dated 30 September 2011 had proposed inclusion of special rates for feeder and mainline vessels visiting ICTT berth at Vallarpadam at US$ 0.00617 and US$ 0.0022 respectively. By letter dated 20 January 2012, COPT requested this Authority to withdraw the said proposal stating that in this respect it has declared a special rate as early as in July 2010, based on the then prevailing rate at Colombo Port. COPT also informed that a sub-committee of its Board would monitor the related rates prevailing at Colombo on a regular basis to fix the port tariff on par with Colombo. The port, on request, has informed that since commissioning of the ICTT, Vallarpadam on 11 February 2011 till 31 March 2012 it has foregone from the VRC of mainline container vessels a revenue of ₹10.71 crores (i.e. Income receivable at ceiling level minus Income received at concessional rate). Since the Port's line of action is within the provisions of clause 4.2 of the license agreement it has entered into with IGTPL, COPT's request to withdraw its initial proposal for inclusion of special rates for feeder and mainline vessels visiting ICTT berth at Vallarpadam at US$ 0.00617 and US$ 0.0022 respectively is agreed to.

(xv). COPT in its letter dated 30 September 2011 had proposed hike in hire charges for GHD Nehru Shatabdi from ₹35,843/- to ₹46,000/- per hour to cover the increasing operating cost, R&M cost and dry docking expenses. By letter dated 12 October 2011, however, COPT requested this Authority to withdraw the said proposal stating that it has to engage the dredger for its own purpose throughout the year and there will not be any spare capacity to hire it out to other agencies. If the dredger is no longer available for hiring, COPT was advised to consider deletion of the relevant section from its SOR. The port has accordingly proposed to delete the section pertaining to the hire charges for GHD Nehru Shatabdi from its SOR. For the stated reason, the proposal of the port is approved.

(xvi). (a). In the existing SOR, the berths have been grouped for the purpose of levy of Berth hire charges as (i) General Cargo berths Q-1 to Q-6, (ii) Container Berths Q-7, Q-8 and Q-9, (iii) Oil berths Cochin Oil Terminal (COT), North Tanker Berth (NTB), South Tanker Berth (STB) and (iv) North and South Coal Berths (NCB / SCB). Apart from the above, Fertilizer berth, Q10 and New BTP berth have been included under the schedule of berth hire charges for other vessels / floating crafts. In the proposed SOR, the COPT has regrouped the berths as (i) Q-1 to Q-9, (ii) COT, NTB, STB & SCB, (iii) Q-10, BTP & NCB and (iv) Container berth at ICTT. On request the port has explained that earlier shore cranes were available at the general cargo berths Q-1 to Q-6 and containers were handled at the container berths Q-7 to Q-9. Since presently all the shore cranes in the general cargo berths have been dismantled and the container berths have been reverted back to the Port on the migration of IGTPL to Vallarpadam, all the berths from Q-1 to Q-9 have been grouped together and a single berth hire rate has been proposed. Presently berths Q-10 and BTP have a common berth hire charge. Since the BTP Berth and the NCB have been renovated with heavy expenditure, Q10, BTP & NCB have been grouped together and a single rate has been proposed. Container berth at ICTT is a new berth for which a rate on par with those of Q10, BTP & NCB has also been proposed .The regrouping will result in levy of higher or lower berth hire charges as per the proposal of the port. The Port has, however, confirmed that the regrouping of berths proposed by it is in line with clause 6.5.1 of the tariff guidelines, which stipulates that the berth hire charges should be prescribed by grouping berths having comparable services with rebate for major components of services/ facilities not provided. Considering the detailed explanation furnished by COPT, the proposal to regroup the berths as (i) Q-1 to Q-9, (ii) COT, NTB, STB & SCB, (iii) Q10, BTP & NCB and (iv) Container berth at ICTT is agreed to.

(b). Clause 6.10 of the tariff guidelines of 2005 requires prescription of berth hire in single slab. For arriving at the single slab from the existing three slabs, COPT was advised to analyze the revenue impact on all the vessels visiting the various berths based on the GRT of the vessels that have called at different berths during the last three years and propose a single slab rate wherein revenue neutralization is achieved and no particular segment is forced to pay more. Accordingly, COPT furnished a working sheet where the income from berth hire charges of 2011-12 has been taken excluding abnormal vessels like – barges, repairs, tugs, dredgers, pleasure yachts, foreign navy vessels etc. In short, only cargo, container and cruise vessels are considered for the analysis as was done during the general tariff revision in the year 2010. COPT also clarified that the vessels (which are not trade vessels and their visit is based on requirement basis) like dredgers, research, repairs etc. have been excluded since some of them may stay at the berths for longer periods and if they are considered for the analysis, it may result in drawing misleading conclusions. Further, as per COPT the berth hire rates are fixed for particular berths and the same rate is charged for any type of vessel berthed. Thus the berth hire rates applied for cargo, container and cruise vessels are also applicable to abnormal vessels like barges, repair, tugs, dredgers, pleasure yachts, foreign navy vessels etc.

(c). For arriving at the rationalized tariff structure, the port has considered the foreign going vessels (only cargo, container and cruise vessels) visited the port during 2011-12 under four groups of berths viz., (i) Q-1 to Q-9, (ii) Q-10, BTP and NCB, (iii) COT, NTB, STB and SCB and (iv) ICT Vallarpadam. In each group it has considered the number of vessels having GRT up to 15000, GRT between 15001 to 60000 and GRT above 60000, the aggregate GRT of vessels in each GRT group, the aggregate number of hours stay at berth in each GRT group and the berth hire collected during 2011-12 from each GRT group. The aggregate of vessels visited (only cargo, container and cruise vessels) under the four groups of berths stood at 525, their aggregate GRT at 10712714 and the aggregate berth hours at 19880. The total berth hire from the cargo, container and cruise vessels during the year amounted to ₹10.79 crores, as furnished by the port. Considering the number of vessels, their aggregate GRT group-wise, the aggregate hours of stay at berth group-wise and the berth hire collected, the port has arrived at the per GRT per hour rates of US $ 0.00545, US $ 0.00617, US$ 0.00438 and US $ 0.00617 for the groups of berths viz. (i) Q-1 to Q-9, (ii) Q-10, BTP and NCB, (iii) COT, NTB, STB and SCB and (iv) ICT Vallarpadam respectively. The single slab rates thus arrived at by the port result in an estimated berth hire revenue of ₹11.09 crores per annum, marginally higher by around 3% over the existing 3 slab rates. The port has arrived at the above singe slab rates with an exchange rate of 1US$=₹48.26, stating it was the average of the US $ rates for the year 2011-12. It has been reworked with the current exchange rate of1US$=₹54.268. The per GRT per hour rates so arrived at are US $ 0.00485, US $ 0.00549, US $ 0.00390 and US $ 0.00549 for the groups of berths viz. (i) Q-1 to Q-9, (ii) Q-10, BTP and NCB, (iii) COT, NTB, STB and SCB and (iv) ICT Vallarpadam respectively and this would enable the COPT to fetch a berth hire revenue of ₹11.09 crores, as estimated by the port.

(d). The analysis done by the port for arriving at the single slab rate under four groups of berths is with data pertaining to only cargo, container and cruise vessels and does not capture the details of vessels like – barges, repairs, tugs, dredgers, pleasure yachts, foreign navy vessels etc. Notwithstanding the above gap, recognizing that this exercise is only to arrive at the single slab rate on a logical basis, the calculation furnished by the port is considered in this analysis subject to the modification in the exchange rate explained in the preceding paragraph. The group-wise berth hire rates would not only be applicable for cargo, container and cruise vessels but would be applicable to abnormal vessels like barges, repair, tugs, dredgers, pleasure yachts, foreign navy vessels etc. The rates for coastal vessel are determined at 60% of the rates applicable for foreign going vessels.

(xvii). As per the existing SOR, the berth hire charge for inland water barges is prescribed separately at ₹0.07097 per GRT per hour. In the proposed SOR, the port has included this item under the heading "berth hire charges for other vessels/floating crafts" with an increased rate of ₹0.1807 per GRT per hour. Since the increase works out to more than 150%, COPT was requested to justify with a separate cost sheet along with estimated additional revenue implications for the years 2012-13 to 2014-15. The port replied that since the number of Inland Water Barges plying are very low it has received only very meager revenue from those barges during the previous years. COPT further stated that since no lash barges are calling at Cochin and the rate for Inland Waterways Barges is unacceptably low, the rates are proposed to be unified for both Lash Barges and Inland Waterways Barges. According to the port, since heavy expenditure is incurred on maintenance of the channels which these barges use, a hike in rate has been proposed. The port has also reported that no lash barges call at Cochin and, therefore, the rate for lash Barges can be clubbed with the rate for Inland Waterways Barges for levy of charges with a rate increase of more than 150%. However, despite repeated requests, no separate cost sheet has been furnished by the port to consider the rate increase. Since calling of Lash Barges at COPT is rare and since there is no objection from the users and also since the overall vessel related activity is in deficit, this Authority accords approval to the proposal of the port.

(xviii). COPT has proposed to delete the existing note "Port dues are chargeable for sea going vessels of 15 tons and above" appearing below Section 2.1.1 as this provision has been included as item 3 (viii) under section 2.1.2 "Concession in port dues". The Port's proposal is in order.

(xix). COPT has included a new levy of ₹1 lakh per 24 hours or part thereof on international cruise vessels and foreign naval vessels towards security charges in the proposed SOR. The port has filed a separate proposal in this regard and has been reportedly collecting this levy from 24 February 2010 onwards on an adhoc basis. As brought out in the factual position of this note, the proposal filed by COPT in this regard was registered as a separate tariff case and disposed of by this Authority vide Order No.TAMP/30/2010-COPT dated 8 August 2012. In the said tariff Order dated 8 August 2012, this Authority has approved the proposal of COPT to collect the above mentioned levy with retrospective effect. During the proceedings of this case, the port was requested to justify the rates on cost basis. The port has not furnished a separate cost sheet justifying the rates on standalone basis. The port has, however, considered the estimated income as well as expenses from this levy for the years under consideration. Considering the overall financial / cost position of the port for the years 2012-13 to 2014-15, the rate approved by this Authority in ibid Order is allowed to continue.

(xx). COPT has proposed to reposition the existing note “In cases where GRT of barge is not available, the rate prescribed above will be applicable (on per tonne per hour basis) with reference to the capacity of the Barge in tonnes” below Section 2.3.2. - Schedule of Berth Hire Charges for other vessels/floating crafts/bodies in the proposed Scale of Rates. The port’s proposal is in order.

(xxi). As per the note below Section 3.2.1 of existing SOR, free period for import cargo will be reckoned from the day following the date of last cargo discharged / landed from the vessel. COPT has proposed to replace this note with “Free period for import cargo shall be reckoned from the day following the Vessel Completion Date (VCD)”. According to COPT this amendment is needed to be in conformity with the definition of VCD given in Chapter I – Definitions - as Vessel Completion Date means the date on which import operation of the vessel is fully completed. The port’s proposal is in order.

(xxii). COPT has proposed to delete the cargo items (i) Animals, birds & reptiles, (ii) Asbestos, (iii) Coir & coir products, (iv) Jute & jute products and (v) Cotton and cotton waste from the wharfage schedule stating that they are not handled in the Port during the last so many years. Since the Administration Report of the Port of 2009-10 shows that Cotton and cotton waste have been handled throughout the last decade including 2009-10 the port was requested to revisit its proposal. COPT thereupon informed that the cargo items, animals, birds & reptiles and asbestos were not handled during 2009-10 and 2010-11. Port has also confirmed that some quantities of (i) coir & coir products, (ii) jute & jute products and (iii) cotton and cotton waste continue to be handled. This Authority accords approval to the deletion of cargo items, (i) animals, birds & reptiles and (ii) asbestos from the wharfage schedule. As handling of cargo items (i) coir & coir products, (ii) jute & jute products and (iii) cotton and cotton waste continue it will only be in order to retain those items in the wharfage schedule. In view of the proposed deletion of cargo items animals, birds & reptiles from the wharfage schedule the existing note 6 (g) and note 9 (a) below the wharfage schedule are suitably modified.

(xxiii). Presently separate wharfage rates are provided for (i) raw cashew nut (₹49.00) (ii) cashew kernels (₹63.00) and (iii) fruits, tamarind seeds, tapioca coconut and copra (₹48.00). The port has proposed to re-group them as ‘cashew, nuts & fruits’ with the wharfage rate of ₹50.00 per M.T. Port was requested to furnish the reasons for this regrouping along with the revenue impact with working sheets. COPT replied that cargoes like cashew, jute, cotton, building materials etc. are handled in containers where the wharfage is applicable on box basis which is being handled and charges collected by the IGTPL. By the proposed regrouping, item like raw cashew nut will pay Re.1.00 more per MT, items like fruits, tamarind seeds, tapioca coconut and copra will pay ₹2.00 more per MT and item like cashew kernels will pay ₹13.00 less per MT. Clause 2.16.2 of the tariff guidelines of 2005 permits ports for rationalization of the Scale of Rates. Further, keeping in view that there is no pointed objection from the users, the re-grouping of the cargo items as mentioned above into a single entry as ‘cashew, nuts & fruits’ as proposed by the port at ₹50 per MT is approved.

(xxiv). Presently separate wharfage rates are provided for (i) sand and stones (₹52.00) and (ii) granite and marble (₹67.00). The port has proposed to re-group them as ‘sand, stone, granite & marble’ with the wharfage rate of ₹52.00 per M.T. Port was requested to furnish the reasons for this regrouping along with the revenue impact with working sheets. As per COPT the quantity of these items handled are very meager and hence they have been grouped under ‘construction and building materials’ with a uniform rate. By the proposed regrouping, item ‘granite and marble’ will pay ₹15.00 less per MT (a reduction of 22.39%). Clause 2.16.2 of the tariff guidelines of 2005 permits ports for rationalization of the Scale of Rates. Further, keeping in view that there is no pointed objection from the users, the re-grouping of the cargo items as mentioned above into a single entry as ‘sand, stone, granite & marble’ as proposed by the port at ₹52 per MT is approved.

(xxv). COPT has proposed to increase the wharfage rate for defence cargo from ₹217.55 per MT to ₹300 per MT stating that it provides additional security and safety measures to this cargo. Port was requested to justify with details of additional security and safety measures to be provided with cost details. It was also informed to furnish the additional income estimated to be realized in this regard. The port in reply stated that the quantity of defense cargo handled during the years 2009-10, 2010-11 and 2011-12 was 1386 tons, 2424 tons and 38 tons respectively .Port further averred that though the cargo handled is insignificant in terms of volume, it accords priority in berthing and handles such cargo with notified berth and enhanced security earmarking a separate area with separate security and safety measures like, fire fighting, round the clock security, special lighting etc. According to COPT it is not possible to correctly estimate the additional income estimated to be realized due to this hike. When COPT was requested to provide a working sheet enlisting the additional expenditure being incurred on handling the defence cargo of about 1616 MT per annum, it informed that the additional income earned due to the proposed hike is meager and it is not possible to correctly estimate the cost incurred for the operation as the costs are clubbed in the total cost. The port has not furnished the working sheet justifying the proposed higher rate. The revenue impact per annum as per the proposed rate increase has not been provided by the port. Further, the Southern Naval Command has vehemently opposed the proposal stating that the Port being ISPS compliant, the charges must be uniform and no separate charges should be levied on defence cargo. For the stated reasons, this Authority is not in a position to accord approval to the port's proposal.

(xxvi).(a). The existing SOR of COPT prescribes charges for storage of cargo at transit sheds and warehouses on licence basis with the unit of levy prescribed as 'per week per sq. m.' COPT has proposed to amend the storage charges by reducing the rates as well as by modifying the slabs. The Port has also proposed modifications in the notes prescribed under this section. Since the revision of licence fee for allotment of land on licence basis is governed by the Land Policy guidelines announced by the Government on 13 January 2011, COPT was advised to come up with a separate proposal for revision of the same following the procedure stipulated in the Land Policy guidelines. COPT, however, has stated that fixing charges for storage of cargo at transit sheds and warehouses on licence basis is in lieu of demurrage and its present proposal is to discourage storage for longer durations. Port is of the view that allotment of areas has to be considered as an alternative to storage on demurrage basis outside the purview of the Land Policy Guidelines. The port further stated that the rates are proposed to be reduced as the cargo which avails storage is finished fertilizers imported by PSUs meant for the farming sector. Since the revision of licence fee for allotment of land on licence basis is governed by the Land Policy guidelines announced by the Government on 13 January 2011, the COPT was once again requested to come up with a separate proposal for revision of the storage charge of cargo at transit sheds and warehouses following the procedure stipulated in the Land Policy guidelines. Despite this advice, the port again requested that its proposal be approved since the existing rates and conditions in this regard has already been approved by TAMP without considering them under the purview of the Land Policy Guidelines.

(b). The land policy guidelines announced by the MOS earlier vide its communication dated 8 March 2004 was being followed by this Authority for determining the lease rental of estate of Major Port Trusts including COPT since March 2004. In view of announcement of the revised land policy guidelines for Major Ports 2010 by the MOS, it will have to be followed by this Authority for determining the tariff cases relating to revision of estate rentals of Port Trusts land. Since the method of allotment of space is on license basis, this Authority advised COPT to come up with a separate proposal for revision of the storage charge of cargo at transit sheds and warehouses following the procedure stipulated in the Land Policy guidelines. In any case, the existing rates prescribed by this Authority are ceiling rates and the port has the flexibility to charge lower rate if it so desires.

(xxvii). COPT has proposed to delete the charges for use of wharf electric crane, (existing Section 4.1.1) the charges for using the port's grabs fitted to the shore cranes (existing Section 4.1.2), charges for light duty mobile crane upto 10T capacity (existing Section 4.1.4) and weighing charges (existing Section 4.4) from the SOR as all the wharf cranes have been dismantled and at present the port is not having any shore cranes or mobile cranes or weighing scale. The proposal is in order.

(xxviii). COPT has proposed to include charges for (i) Lift on / Lift off charges for containers, (ii) Reefer charges - Electricity supply and monitoring containers and (iii) Examination of containers for clearance, in the proposed Scale of Rates, based on a proposal already filed by it for approval of the above said charges on ad hoc basis. As brought out in the factual position of this note, the proposal filed by COPT in this regard was registered as a separate tariff case and the same was disposed off by this Authority vide Order No.TAMP/21/2011-COPT dated 18 June 2012. In the said Order of 18 June 2012, this Authority has approved the above mentioned new tariff items proposed by COPT for the reasons recorded therein. During the proceedings of this case, the port was requested to justify the rates on cost basis. Though the port has not justified the rates on standalone basis, it has considered the estimated income and expenses from these services for all the years under consideration. In view of the above and considering that the overall financial / cost position of the port is in deficit, the rates approved by this Authority in ibid Order is allowed to continue.

(xxix). (a). The existing storage charges on import cargo de-stuffed from containers and export cargo admitted for stuffing into containers at CFS and other port facilities are as under:-

Sl. No.	Period of occupation	Rate per ton or part thereof per day or part thereof	
		Covered space (₹)	Open space (₹)
1	First 3 days	Free	Free
2	4th to 15th day	20	12
3	16th to 30th day	40	24
4	Thereafter	75	45

(b). Port has proposed to reduce the existing storage charges on import cargo de-stuffed from containers as under:-

Sl. No.	Period of occupation	Rate per ton or part thereof per day or part thereof	
		Covered space (₹)	Open space (₹)
1	First 3 days	Free	Free
2	4th to 15th day	12	10
3	16th to 30th day	20	14
4	Thereafter	40	24

(c). Port has also proposed to reduce the existing storage charges on export cargo admitted for stuffing into containers at CFS and other port facilities as under:-

Sl. No.	Period of occupation	Rate per ton or part thereof per day or part thereof	
		Covered space (₹)	Open space (₹)
1	First 5 days	Free	Free
2	4th to 15th day	12	10
3	16th to 30th day	20	14
4	Thereafter	40	24

(d). When sought the reasons for the reduction in the rates the port has stated that the rates have been rationalized to ensure the maximum utilization of the storage space (both open and covered) in the event of the migration of the container operations from RGCT to Vallarpadam which took away the proximity advantage of the Port CFS. The additional 2 days free period has been proposed to export cargo to promote export trade. It may appear that the proposed reduction in the existing unit rate will bring down the income of the COPT. However, the attempt made by the COPT is to ensure maximum utilisation of storage space. By the maximum utilisation of storage space the COPT is in a position to improve its income position. The increase in free dwell time for export cargo from the existing level of 3 days to 5 days is in the interest of promoting export trade which may also add to the income of the COPT. Therefore, the proposal of the port is approved.

(xxx). COPT has proposed to introduce a new Section for storage charges for cars destuffed and stuffed at CFS and other port facilities as under:

Sl. No.	Period of occupation	Unit	Rate (₹)
1	First 3 days	per car per day or part thereof	Free
2	4th to 15th day		500
3	16th to 30th day		700
4	Thereafter		1000

The port was requested to inform the basis with which the above rates have been arrived at. In reply, the port informed that cars are imported in containers as a part of personal effects and they are given storage facility inside the baggage shed. Since the cars require more space for maneuverability the port has proposed the lump sum rate on unit basis. According to COPT in some cases the cars tend to stay for longer periods and for discouraging such longer stay progressive rates are proposed. According to COPT the proposal is a rationalization of the storage charges applicable for the baggage shed operated by COPT. Though the COPT has brought out the rationale for prescribing a unit levy for storage of cars instead of the existing tonnage levy, it has not justified the proposed unit rates. Further, whether the switch over from the tonnage based levy to the unit based levy for storage of car would result in an increase or decrease in income is not brought out. Therefore, this Authority is not in a position to approve the proposal of the port in this regard. The COPT is advised to come up with a well analysed proposal in this regard giving justification for the rates so proposed.

(xxxi). (a). The existing storage charges on personal effects/ unaccompanied baggage de-stuffed from containers are as under:-

Sl. No.	Period of occupation	Rate per cubic metre or part thereof per day or part thereof (₹)
1	First 3 days	Free
2	4th to 15th day	25
3	16th to 30th day	50
4	Thereafter	100

(b). Port has proposed to amend the unit of levy of the storage charges on personal effects/ unaccompanied baggage de-stuffed from containers as under:-

Sl. No.	Period of occupation	Unit	(Rate in ₹)
1	First 3 days	per MT or part thereof per day or part thereof	Free
2	4th to 15th day		50
3	16th to 30th day		80
4	Thereafter		150

(c). The reason for amending the unit of levy and the basis with which the proposed rates have been arrived was sought from the port. The port has replied that the rates have been amended to MT instead of cubic metre primarily due to the non-availability of the unit of cubic metre in customs documents for personal effects. As per port, since the personal effects are voluminous with less weight compared to cargo, the rate in MT is proposed at a higher rate. The port has further clarified that the storage charges for both cargo and personal effects at the port CFS and the baggage shed are proposed in MT on a progressive basis as the storage charges have been proposed in lieu *of demurrage.* Based on the justification furnished by the port and given that the users have not made any pointed objection with regard to prescription of rates on per tonne basis, the proposal of the port is approved.

(xxxiv). The port has proposed to increase the charge from ₹490/- per hour to ₹3000/- per hour for use of the fire tender. It was requested to justify the proposal with working sheet and cost details. The additional revenue expected to be generated was also sought. In reply the port informed that the fire tender is maintained basically for port purposes and only in some emergency it is hired out. The port has also stated that the hiring rate is fixed based on incremental cost incurred like employee cost, fuel cost, water / foam cost, maintenance of the equipment, etc. Since no working sheet was submitted, the port was once again requested to submit a working sheet justifying the new rate proposed. Instead of furnishing the working sheet COPT has just reiterated its earlier submission. Though the COPT has identified various cost elements, it has not quantified them in monetary terms. In the absence of a working sheet justifying the proposed rate (which works out to 512% over the existing rate) and considering the fact that the fire tender is hardly hired out, this Authority is not in a position to accord approval to the proposal.

(xxxv). Charges for taking photographs or shooting films in the port premises have been proposed to be increased by 100%. The port was requested to furnish the yearly revenue impact with workings. Port replied that higher rates have been proposed to prompt the users to give attention to the surroundings and to prevent them from destroying the port properties and disturbing the normal peace. Port has also stated that it has to incur costs to clean the port area where the shooting takes place. The port was requested to clarify how higher rates would prompt users to give more care to the surroundings and prevent them from destroying the port properties and disturbing the normal peace. It was also requested to furnish the details of expenditure incurred in cleaning the areas where shooting takes place. To this the port stated that taking photographs and film shooting are not port related activities and the users avail the facilities for commercial purposes. According to COPT the expenses incurred to clean port area after the completion of the shooting depends on the quantity of wastages left behind and the volume of destruction to the port area and hence the amount of expenditure incurred for the cleaning cannot be forecasted accurately. Further, the income generated from this activity is very meager as it is not a regular business and hence the port has no separate cost statement for the same. Based on the submissions made by the port, this Authority accords approval to increase the charges by 100% as taking photographs and film shooting are not related to port operations.

(xxxvi).(a). The Port has proposed to rationalize the existing Toll charges for vehicles by including the rates for one month duration and deleting the rate for 9 months. It has also proposed to increase the toll charges for tourist vehicles, lorries including tankers and two wheelers. The port was requested to explain the rationale behind increasing the rates for selective type of vehicles. The revenue impact per year on the proposed increase was also sought from the port. In reply COPT has stated that the port roads are upgraded incurring huge investment and maintained by the Port. The rates have been standardized considering the costs incurred for road maintenance, toll office staff salary, toll office maintenance etc. Since the reply from the port was on a general nature it was requested to substantiate the rates proposed with working sheets containing all the cost elements. On this request COPT informed that it maintains 2 toll gates, one at Ernakulam road and one at Mattancherry road and for the smooth functioning of the gates 38 watch & ward staff are deployed in 3 shifts at a cost of more than ₹1.5 crores p.a. Also considering the costs incurred for road maintenance, toll office maintenance, electricity & water charges, computer and stationery charges etc., the port is of the view that a slight hike proposed is in order.

(b). The revision in toll charges proposed is summarized below-

(i). Presently the unit of levy is for 1 day, for 3 months, for 6 months, for 9 months and for 12 months.

(ii). Port has proposed to introduce rates for one month duration and deleting the rate for 9 months

(iii). The monthly rates proposed are as under:-

Sl. No.	Type of Vehicle	Monthly ₹
1.	Two wheelers	50
2.	Three wheelers	75
3.	Four wheelers	250
4.	Buses (both public / private)	300
5.	Lorries including tankers	
	- Up to 6 wheels	300
	- More than 6 wheels	400
6.	Prime Movers & Chassis	
	- 20 ‘	400
	- 40 ‘	500
7.	Cranes, Pay loaders Bull dozers, Excavators etc.	500

(iv). Existing daily rates of Tourist Vans and Tourist Buses are proposed to be increased from ₹40 and ₹60 to ₹50 and ₹100 respectively.

(v). Existing daily rate of lorries including tankers upto 6 wheels is proposed to be increased from ₹15 to ₹20/-.

(vi). Existing 3 monthly rates of Two wheelers, Four wheelers, lorries including tankers of more than 6 wheels and prime movers and chassis up to 20’ are proposed to be increased from ₹90, ₹300, ₹500 and ₹500 to ₹100, ₹600, ₹600 and ₹600 respectively.

(vii). Existing 6 monthly rates of Two wheelers, lorries including tankers of more than 6 wheels, prime movers and chassis up to 20’, prime movers and chassis up to 40’ and Cranes, Pay loaders Bull dozers, Excavators etc. are proposed to be increased from ₹180, ₹1000, ₹1000, ₹1250 and ₹1250 to ₹200, ₹1200, ₹1200 ₹1500 and ₹1500 respectively.

(viii). Existing yearly rate of four wheelers is proposed to be decreased from ₹1000 to ₹900.

(c). Based on the clarifications furnished by the port, this Authority accords approval to the revision in toll charges as detailed above.

(xxxvii). COPT has proposed to delete the existing Section 6.1 titled ‘charges for issue of entry / clearance certificate for vessels not entering the port limits’ as such operations are not being carried out in the port for the last several years. The proposal of the port is agreed to.

(xxxviii). COPT has proposed to delete the existing Section 6 relating to supply of water to the vessels by licensed agencies through tankers stating that it is difficult to ensure the quality of the water supplied by the licensed agencies to the vessels. For the stated reason the port's proposal is agreed to.

(xxxix). (a). COPT has proposed introduction of way leave charges for telephone cables at ₹5000 per kilometer or part thereof per annum. Attention of the port was drawn to the Order No.TAMP/11/2008-COPT dated 16 June 2010 wherein at para 7(iv) ibid the port has been directed to examine the points earlier raised by BSNL and the Bharati Airtel Limited and then submit a separate proposal, if found necessary. In reply COPT argued that it is a "local authority" and hence it reserves the right to give permission subject to reasonable conditions. According to the port the telephone lines are going through the Port lands which are owned and maintained by the Port and a large number of private offices are working inside the Port land and BSNL & Bharti Airtel Limited are doing commercial business earning revenue from their operations and they are not extending any consideration or concessions to the Port. The Port is, therefore, of the view that it should have the legitimate right to get return from the services provided through its land.

(b). As early as in February 2008, COPT had proposed the introduction of way leave charges for telephone cables. Bharat Sanchar Nigam Limited (BSNL) and Bharati Airtel Limited raised strong objections stating that they are governed by the India Telegraph Act, 1985 and have license to lay such lines. They had further submitted that license granted to them permits to lay underground cables and that the Government of Kerala has exempted them from payment of way leave charge for the next fifteen years. They also stated that they do not pay such a rental charge anywhere else in the country. BSNL had also refuted the claim made by the port in its proposal about imposition of such levy by Cochin Municipal Corporation. In 2008 COPT could neither clarify nor contradict the submissions made by the BSNL and Bharati Airtel Limited. This Authority then took the view that it had no doubt about the port's entitlement to levy way leave charge for cables drawn within the port area. However, since BSNL and Bharati Airtel Limited had claimed that they are governed by Indian Telegraphs Act and about existence of separate license Agreement with the Government and also that they do not pay such rental any where else in the country, COPT was advised to address frontally the legal issues and submit a separate proposal, if found necessary. Since even now COPT has not addressed the legal issues raised, its proposal is not agreed to.

(xL). Port has proposed to levy penalty charges for dumping/ disposal of waste material in any kind by any person/ agent in Port area at the rate of ₹10000 per vehicle for the first time and at ₹50000/- for each repetition. Port was requested to explain the necessity for introduction of such a levy. The port was also requested to explain how such a penal levy will be implemented in a transparent manner. The port was also requested to furnish the details of additional man power, if any, proposed to be deployed and the additional revenue expected to be generated from the proposed levy per annum. Further, a working sheet justifying the rates proposed was also sought .COPT has replied that port is a restricted area where many residential houses, offices, schools, etc. are situated and there have been instances of sewage / other kinds of waste being dumped in the Port areas. Since the charges are proposed to be levied as a penalty to discourage and stop dumping, COPT does not consider it as a source of revenue and hence it cannot forecast the revenue. The port's reply was silent as to how it would implement the penalty charges in a transparent manner and whether additional man power has to be deployed. It was, therefore, addressed to furnish clarification along with a working sheet justifying the proposed rates. Port has informed that since the charges will be recovered only when someone dumps the waste in Port area, it is not possible to forecast the revenue. Port also informed that the CISF mobile squad making round all over the Port area would control the activity of waste dumping and would collect the charges. The port's concern on keeping the environment tidy and clean and free from waste material is highly laudable. However, granting permission to the CISF mobile squad to levy penalty for dumping waste material in port area at the rate of ₹10000 per vehicle for the first time and at ₹50000/- for each repetition would lead to misuse of power and legal disputes. This Authority is, therefore, advised COPT to first lay down procedures for imposition and collection of the proposed penal levy in a transparent manner and thereafter submit a separate proposal, if found necessary.

(xLi). (a). Presently Section 7.5 under Chapter-VII Estate Rentals specifies 'Way leave charges for laying pipe lines through ports land at ₹360/- per square meter per annum for the area occupied by pipeline. COPT has proposed to introduce under Section 7.5 ibid a new levy of "Way leave charges for laying pipe lines through ports land at SEZ areas at ₹414/- per square meter per annum.

(b). Port has also proposed to replace the note below Section 7.5 under Chapter-VII Estate Rentals on way leave charges for laying pipe lines through ports land. The existing note prescribed under Section 7.5 ibid reads as "For the purpose of way leave charges, the area occupied by single pipelines should be calculated based on the diameter and length of those pipelines. In case of multi-layer pipeline stacks, the physical area occupied by the multilayer pipeline stacks should be considered and the respective users should be billed for pro-rata area on the basis of the diameter and length of their pipelines passing through that area. With respect to the area shared with road, rails, jetties, etc., the respective users should be billed pro-rata for 50% of concerned area assuming that they do not have exclusive possession of land and what they have is only 'Right of Way'. As far as underground pipes are concerned if the users establish that the possession of surface area above the underground cross-country pipelines is not physically with them, the area occupied by such pipelines should be counted 50% of the product of diameter and length, for the purpose of levy of way leave charges." The note proposed by the port to replace the existing note reads as "For the purpose of way leave charges, the area occupied by single pipelines should be calculated based on the diameter and length of those pipelines. The area occupied will be calculated by multiplying the actual length of the pipeline with the width, which will be taken as (a) For pipelines of 80 mm. or less: 0.3 metre and (b) for other pipelines, the actual width occupied by the line plus 0.3 metre. In case of multi-layer pipeline stacks, the physical area occupied by the multilayer pipeline stacks should be considered and the respective users should be billed for pro-rata basis of the area calculated as above." Since the note proposed varies drastically with the existing note, COPT was requested to clarify.

(c). Since fixation of way leave charges is governed by the Land Policy guidelines, COPT was requested to submit a separate proposal for introduction of the new levy of way leave charges for laying pipe lines through ports land at SEZ areas at ₹414/- per square meter per annum. In reply the port has stated that the commercial lease rent at the Vallarpadam and Puthuvypeen SEZ area is 15% more than the lease rent at non SEZ areas of these places and hence the way leave charges for laying oil pipelines at SEZ area have been proposed at 15% hike from the way leave charges for laying oil pipelines at Port land (i.e. ₹414.00 (15% hike over ₹360.00)

(d). On the proposal of replacement of the existing note under Section 7.5 the port has replied that the proposed note is being followed by it for the last six decades without any objection from the lessees and as per petroleum rules, a side clearance of 30 cm. is mandatory for carrying out inspections, repairs, maintenance etc. between two adjacent pipe lines and the area thus left cannot be made use of for any other purpose. According to COPT implementation of the existing note would result in a revenue reduction to the tune of about ₹12.15 lakhs per annum from 1st year onwards. Since all pipelines are laid at Cochin port as underground along various roads (as Tank Terminals and their loading/unloading jetties are located at different locations) and in Cochin Port no Common User Manifold or Way Leave Corridor or Common User Corridor exist as in JNPT, COPT is of the view that there is no justification for adopting the same formula for Cochin Port Trust for area calculation for WLC in tune with JNPT's procedure. On hearing the above views, COPT was advised to moot a separate proposal to amend the existing note under way leave charges. Instead of adhering to this suggestion, the port has reiterated its earlier stand and requested TAMP to accord approval to the replacement of the existing note.

(e). In view of announcement of the revised land policy guidelines for Major Ports 2010 by the MOS, it will have to be followed by this Authority for determining the tariff cases relating to revision of estate rentals of Port Trusts land. This Authority advised COPT to come up with a separate proposal for introduction of the levy of way leave charges for laying pipe lines through ports land at SEZ areas and to amend the existing note below Section 7.5 under Chapter-VII dealing with Estate Rentals.

(xLii). In line with clause 2.18.2 of the tariff guidelines, the proposed note at Section 1.2(vi)(a) and (b) has been modified to reflect the prevailing Prime Lending Rate of State Bank of India at 14.45 %.

13.1. In the result, and for the reasons given above, and based on collective application of mind, this Authority approves the revised Scale of Rates of COPT attached as **Annex - II**.

13.2. The revised Scale of Rates and conditionalities governing the rates of the COPT will come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and will be in force till 31 March 2015. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

13.3. The validity of the existing SOR of COPT is deemed to have been extended beyond 30 September 2012 till the effective date of implementation of the Order passed.

13.4. The tariff of the COPT has been fixed relying on the information furnished by the port and based on the assumptions made as explained in the analysis.

13.5. In this regard, the COPT is requested to furnish a report of the actual physical and financial performance within 15 days of completion of each quarter of a year i.e. for the period ending on 30 June, 30 September, 31 December and 31 March of each of the years in the same format in which the cost statement for the tariff proposals are filed. The report should also be accompanied with the reasons for variation from the estimates relied upon for fixing the tariff in force. If a variation of (+)/(-)20% is observed between the actual and the estimates for two consecutive quarterly period, this Authority will call upon the COPT to submit its proposal for an ahead of schedule review. If the COPT fails to file a tariff proposal within the time limit to be stipulated by this Authority, this Authority will proceed suo-motu to review the tariff. This apart, analysis of variations may also be made at the time of the next general review to be done at the end of the usual tariff validity period and adjustment of additional surplus, if any, will be made as per the tariff guidelines of March 2005.

(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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Traffic (in Million Tonnes) *	**13.50**	**13.45**	**15.38**	**17.43**	**19.44**	**21.09**	**17.43**	**19.44**	**21.09**
I	**Operating Income**									
	(i) Cargo Handling / Container Handling income	7234.95	7747.86	9074.01	12769.57	14138.38	15642.07	12912.77	14886.38	16855.01
	(ii) Vessel related income	10775.29	13814.02	15979.31	14664.28	16863.48	18899.44	20399.69	24155.87	27480.74
	(iii) Estate Income	3736.66	5103.98	4595.70	4686.01	4776.32	4866.64	4686.01	4776.32	4866.64
	Total	**21746.90**	**26665.85**	**29649.01**	**32119.86**	**35778.19**	**39408.15**	**37998.47**	**43818.58**	**49202.39**
II	**Operating cost (excl depn)**									
	(i) Cargo Handling & storage	4169.71	4397.78	5356.64	7251.25	7678.97	8164.97	5898.42	5921.21	5933.17
	(ii) Port and dock facilities	9877.77	12709.83	10254.30	16969.50	17903.75	18557.15	16170.48	15126.98	14951.80
	(iii) Estate Activity	2742.43	2918.29	3405.60	3626.96	3862.71	4113.79	3695.11	3808.35	3924.63
	Total	**16789.92**	**20025.90**	**19016.53**	**27847.71**	**29445.43**	**30835.91**	**25764.02**	**24856.55**	**24809.60**
III	Depreciation	1288.63	1680.77	1905.34	2029.19	2161.09	2690.39	1905.34	1905.02	1773.01
IV	Management & General Administration Overheads	3648.87	4031.00	4550.98	4839.24	5153.79	5488.78	4846.79	5161.83	5497.35
V	**Operating Surplus / (Deficit) (I)-(II)-(III)-(IV)**	**19.49**	**928.18**	**4176.16**	**-2596.28**	**-982.12**	**393.06**	**5482.32**	**11895.18**	**17122.43**
VI	**Finance & Misc Income (FMI)**									
	(i) Profit on sale of assets	37.92	171.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Others with details	849.04	2322.66	1997.17	2124.52	2262.61	2409.68	2117.00	2244.02	2378.66
	Total	**886.96**	**2493.66**	**1997.17**	**2124.52**	**2262.61**	**2409.68**	**2117.00**	**2244.02**	**2378.66**
VII	**Finance & Misc Expenses (FME)**									
	(i) Pension payment / contribution	6180.91	10636.00	11192.56	11864.58	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	94.10	63.39	139.81	203.97	276.56	357.41	148.89	158.57	168.88
	Total	**6275.01**	**10699.39**	**11332.37**	**12068.55**	**12853.01**	**13688.46**	**12397.15**	**13541.05**	**14770.84**
VIII	**FMI Less FME (VI) - (VII)**	-5388.05	-8205.73	-9335.20	-9944.03	-10590.40	-11278.77	-10280.16	-11297.03	-12392.18
IX	**Surplus / (deficit) (V) + (VIII)**	**-5368.56**	**-7277.55**	**-5159.04**	**-12540.32**	**-11572.52**	**-10885.71**	**-4797.83**	**598.15**	**4730.25**
X	**Capital Employed**									
	(i). Business Assets	29089.21	33046.65	31884.02	25876.74	21577.51	40508.80	30022.69	28161.69	26432.70
	(ii). Business Related Assets	2040.42	1996.60	1952.78	0.00	0.00	0.00	1908.96	1865.13	1821.31
	(iii). Social Obligation Assets	11.81	11.61	11.41	0.00	0.00	0.00	11.22	11.02	10.82
	Total	**31141.44**	**35054.86**	**33848.21**	**25876.74**	**21577.51**	**40508.80**	**31942.86**	**30037.84**	**28264.83**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	4654.27	5287.46	5101.44	4140.28	3452.40	6481.41	4803.63	4505.87	4229.23
	(ii). Business Related Assets (6.50%)	150.99	147.75	144.51	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	**4805.26**	**5435.21**	**5245.95**	**4140.28**	**3452.40**	**6481.41**	**4927.71**	**4627.10**	**4347.62**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for capacity utilization**	**2683.63**	**2797.24**	**3011.51**	**4140.35**	**3452.50**	**6481.27**	**2718.92**	**2524.54**	**2536.84**
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-8052.19**	**-10074.79**	**-8170.55**	**-16680.67**	**-15025.02**	**-17366.98**	**-7516.76**	**-1926.39**	**2193.41**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I in %)**	**-37.03%**	**-37.78%**	**-27.56%**	**-51.93%**	**-41.99%**	**-44.07%**	**-19.78%**	**-4.40%**	**4.46%**

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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
I	**Operating Income**									
	(i) General Cargo & coal	885.00	963.53	921.80	2597.66	3073.61	3526.62	2597.66	3073.61	3526.62
	(ii) POL at Docks	2738.72	2637.70	2958.47	2925.00	2925.00	2925.00	2995.20	3328.00	3583.84
	(iii) Port specific cargo (Fertiliser)	472.62	471.20	334.53	452.12	452.12	466.99	452.12	452.12	466.99
	(iv) Others									
	i. Wharfage on POL - SPM	1660.75	2055.83	2229.10	2375.00	2375.00	2375.00	2448.00	2720.00	2929.10
	ii. Stuffing & De-stuffing	123.33	132.55	148.88	156.32	164.14	172.34	156.32	164.14	172.34
	iii. F C Periyar - Floating Crane	1.56	7.23	11.33	11.90	12.49	13.12	11.90	12.49	13.12
	(v) 50% of Revenue Share from IGTPL	1352.98	1479.82	2469.88	4251.58	5136.03	6163.00	4251.58	5136.03	6163.00
	Total - I	**7234.95**	**7747.85**	**9074.00**	**12769.57**	**14138.38**	**15642.07**	**12912.77**	**14886.38**	**16855.01**
II	**Operating Expenses**									
	(i) Handling and Storage of general cargo	3286.18	3417.03	4141.79	4386.48	4671.61	4975.26	4564.31	4575.45	4577.57
	(ii) Handling of POL at Docks	537.48	581.86	583.00	2191.85	2290.71	2426.47	640.06	645.96	651.02
	(iii) Port Specific Cargo - Fertiliser	144.05	156.21	175.45	186.86	199.01	211.94	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	156.93	195.03	421.06	448.43	477.57	508.62	466.61	463.07	458.16
	iii. F C Periyar - Floating Crane	45.06	47.65	35.34	37.63	40.08	42.68	39.07	38.94	38.70
	Total - II	**4169.71**	**4397.78**	**5356.64**	**7251.25**	**7678.97**	**8164.97**	**5898.42**	**5921.21**	**5933.17**
III	Depreciation	150.85	187.94	226.64	241.37	257.06	662.60	226.64	226.64	226.64
IV	Allocated share of Mgt. & Genl. Admn. overheads	1339.68	1362.20	1653.50	1753.43	1867.40	1988.78	1760.98	1875.44	1997.34
V	**Operating Surplus/(deficit) (I)-(II)-(III)-(IV)**	**1574.71**	**1799.93**	**1837.22**	**3523.53**	**4334.95**	**4825.72**	**5026.74**	**6863.09**	**8697.86**
VI	Allocated share of FMI	301.92	783.49	681.00	714.25	760.67	810.12	696.38	761.09	796.24
VII	Allocated share of FME	2136.03	3361.69	3864.16	4051.62	4314.97	4595.45	4077.99	4592.63	4944.43
VIII	**FMI Less FME (VI) - (VII)**	-1834.11	-2578.20	-3183.16	-3337.37	-3554.30	-3785.33	-3381.61	-3831.54	-4148.19
IX	**Surplus / (deficit) (V) + (VIII)**	**-259.40**	**-778.27**	**-1345.94**	**186.15**	**780.65**	**1040.39**	**1645.12**	**3031.55**	**4549.67**
X	**Capital Employed for the activity**									
	(i). Business Assets	4515.30	8215.29	7699.97	6523.79	5439.91	10212.68	7517.35	7334.73	7152.11
	(ii). Business Related Assets	925.43	881.61	837.79	0.00	0.00	0.00	793.96	750.14	706.32
	(iii). Social Obligation Assets	11.81	11.61	11.41	0.00	0.00	0.00	11.22	11.02	10.82
	Total	**5452.54**	**9108.50**	**8549.16**	**6523.79**	**5439.91**	**10212.68**	**8322.53**	**8095.89**	**7869.25**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	722.45	1314.45	1231.99	1043.88	870.49	1633.89	1202.78	1173.56	1144.34
	(ii). Business Related Assets (6.50%)	68.48	65.24	62.00	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	**790.93**	**1379.68**	**1293.99**	**1043.88**	**870.49**	**1633.89**	**1254.38**	**1222.32**	**1190.25**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	442.76	686.17	727.14	1043.88	870.49	1633.89	677.60	655.84	688.12
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-702.16**	**-1464.44**	**-2073.08**	**-857.72**	**-89.83**	**-593.50**	**967.52**	**2375.71**	**3861.55**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-9.71%**	**-18.90%**	**-22.85%**	**-6.72%**	**-0.64%**	**-3.79%**	**7.49%**	**15.96%**	**22.91%**

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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
I	**Operating Income**									
	(i). Port Dues	2151.49	2970.67	3350.76	3121.82	3706.91	4221.99	4597.81	5452.91	6209.65
	(ii). Pilotage	4299.70	5433.45	5924.38	6635.75	7879.43	8974.30	8129.25	9641.13	10979.10
	(iii). Berth Hire	2031.34	2644.58	3211.81	2469.60	2840.04	3266.04	4407.15	5226.79	5952.15
	(iv). Dry Docking	40.11	39.27	0.00	30.00	30.00	30.00	30.00	30.00	30.00
	(v). Nehru Sathabdi	636.48	593.64	1089.25	0.00	0.00	0.00	0.00	0.00	0.00
	(vi). Water Supply To Ships Through Barges	31.09	64.76	71.05	71.05	71.05	71.05	74.60	78.33	82.25
	(vii). Water Supply To Ships Through Shore	13.29	13.49	14.83	14.83	14.83	14.83	15.57	16.35	17.16
	(viii).SPM - Pilotage & Tug Charges for pull back ops.	1559.00	1943.15	2214.23	2214.23	2214.23	2214.23	3038.31	3603.37	4103.43
	(ix). Security Charges for Cruise & Defense Vessels	12.80	111.00	103.00	107.00	107.00	107.00	107.00	107.00	107.00
	Total - I	**10775.29**	**13814.02**	**15979.31**	**14664.28**	**16863.48**	**18899.44**	**20399.69**	**24155.87**	**27480.74**
II	**Operating Expenses**									
	(i). Port Dues	1826.22	2370.61	1499.27	3218.52	3229.08	3294.15	3043.89	2908.00	2812.42
	(ii). Pilotage	4029.55	4970.28	4515.53	6928.40	7675.03	8021.21	6362.24	6244.53	6161.58
	(iii). Berth Hire	2123.23	2767.66	1891.86	3636.62	3674.36	3768.37	3480.17	3338.78	3236.18
	(iv). Dry Docking	44.93	32.22	29.83	31.77	33.83	36.03	32.95	32.89	32.75
	(v). Nehru Sathabdi	701.87	1325.08	1087.93	1908.41	2028.71	2156.60	1938.46	1210.19	1231.44
	(vi). Water Supply To Ships Through Barges	36.06	31.78	37.10	39.51	42.07	44.81	40.92	40.95	40.89
	(vii). Water Supply To Ships Through Shore	52.52	40.96	44.66	47.56	50.65	53.94	49.10	49.42	49.66
	(viii).SPM - Pilotage & Tug Charges for pull back operation	1063.39	1171.23	1148.13	1158.73	1170.02	1182.04	1222.76	1302.24	1386.88
	Total - II	**9877.77**	**12709.83**	**10254.30**	**16969.50**	**17903.75**	**18557.15**	**16170.48**	**15126.98**	**14951.80**
III	Depreciation	947.38	1257.21	1381.71	1471.53	1567.18	1669.04	1381.71	1381.39	1249.38
IV	Allocated share of Mgt. & Genl. Admn. overheads	1373.13	1706.61	1784.70	1900.71	2024.25	2155.83	1900.71	2024.25	2155.83
V	**Operating Surplus/(deficit) (I)-(II)-(III)-(IV)**	**-1422.98**	**-1859.63**	**2558.60**	**-5677.46**	**-4631.70**	**-3482.58**	**946.79**	**5623.25**	**9123.73**
VI	Allocated share of FMI	386.46	1190.25	883.20	927.53	987.82	1052.03	984.37	993.42	1055.73
VII	Allocated share of FME	2734.10	5106.95	5011.48	5261.49	5603.49	5967.72	5764.47	5994.57	6555.82
VIII	**FMI Less FME (VI) - (VII)**	-2347.64	-3916.69	-4128.28	-4333.96	-4615.67	-4915.69	-4780.10	-5001.15	-5500.09
IX	**Surplus / (deficit) (V) + (VIII)**	**-3770.63**	**-5776.32**	**-1569.68**	**-10011.42**	**-9247.36**	**-8398.27**	**-3833.32**	**622.10**	**3623.64**
X	**Capital Employed for the activity**									
	(i). Business Assets	22999.76	23034.00	22652.21	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	**22999.76**	**23034.00**	**22652.21**	**17209.16**	**14349.98**	**26940.10**	**21270.50**	**19889.11**	**18639.73**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	3679.96	3685.44	3624.35	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	**3679.96**	**3685.44**	**3624.35**	**2753.46**	**2296.00**	**4310.42**	**3403.28**	**3182.26**	**2982.36**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	1906.49	1740.98	1956.76	2753.46	2296.00	4310.42	1771.27	1646.17	1673.71
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-5677.12**	**-7517.30**	**-3526.44**	**-12764.88**	**-11543.36**	**-12708.68**	**-5604.59**	**-1024.07**	**1949.93**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-52.69%**	**-54.42%**	**-22.07%**	**-87.05%**	**-68.45%**	**-67.24%**	**-27.47%**	**-4.24%**	**7.10%**

Annex-I (d)

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

(Rs. in lakhs)

Sr. No.	Particulars	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
I	**Operating Income**									
i	Rent From Land	1254.83	2269.85	2940.53	2999.35	3058.16	3116.97	2999.35	3058.16	3116.97
ii	License Fee Within Wharf Area	236.22	280.91	311.18	317.40	323.63	329.85	317.40	323.63	329.85
iii	License fee from Bldg, Sheds, Others	432.87	964.97	1032.76	1053.42	1074.07	1094.73	1053.42	1074.07	1094.73
iv	License fee from unks, Hawkings, Hoardings, Qrtrs etc.	384.17	139.58	25.88	26.40	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	73.91	70.13	80.10	80.10	80.10	80.10	80.10	80.10	80.10
vii	Toll Collection	154.65	234.53	205.24	209.34	213.45	217.55	209.34	213.45	217.55
viii	Licence Fee From IGTPL	1200.00	1144.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - I	**3736.66**	**5103.98**	**4595.70**	**4686.01**	**4776.32**	**4866.64**	**4686.01**	**4776.32**	**4866.64**
II	**Direct Expenses**									
	(i) Salary & wages	1151.12	1246.91	1497.45	1594.79	1698.45	1808.85	1662.94	1644.09	1619.68
	(ii) Power	1049.73	1189.70	1385.70	1475.77	1571.69	1673.85	1475.77	1571.69	1673.85
	(iii) Fuel	4.64	4.86	6.03	6.42	6.84	7.28	6.42	6.84	7.28
	(iv) Repairs and maintenance	6.85	18.13	26.47	28.19	30.02	31.97	28.19	30.02	31.97
	(v) Others	530.09	458.69	489.96	521.80	555.72	591.84	521.80	555.72	591.84
	Total - II	**2742.43**	**2918.29**	**3405.60**	**3626.96**	**3862.71**	**4113.79**	**3695.11**	**3808.35**	**3924.63**
III	Depreciation	190.40	235.62	296.99	316.30	336.86	358.75	296.99	296.99	296.99
IV	Allocated share of Mgt. & Genl. Admn. overheads	936.06	962.19	1112.77	1185.10	1262.14	1344.17	1185.10	1262.14	1344.17
V	**Operating Surplus/(deficit) (I)-(II)-(III)-(IV)**	**-132.24**	**987.88**	**-219.66**	**-442.35**	**-685.38**	**-950.08**	**-491.20**	**-591.16**	**-699.16**
VI	Allocated share of FMI	198.58	519.91	432.96	482.74	514.12	547.54	436.25	489.51	526.69
VII	Allocated share of FME	1404.88	2230.76	2456.73	2755.44	2934.55	3125.29	2554.69	2953.85	3270.60
VIII	**FMI Less FME (VI) - (VII)**	-1206.30	-1710.84	-2023.76	-2272.70	-2420.43	-2577.75	-2118.44	-2464.34	-2743.91
IX	**Surplus / (deficit) (V) + (VIII)**	**-1338.54**	**-722.96**	**-2243.43**	**-2715.05**	**-3105.81**	**-3527.83**	**-2609.63**	**-3055.50**	**-3443.06**
X	**Capital Employed for the activity**									
	(i). Business Assets	1574.15	1797.36	1531.84	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	**2689.14**	**2912.36**	**2646.83**	**2143.80**	**1787.62**	**3356.01**	**2349.84**	**2052.84**	**1755.85**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	251.86	287.58	245.09	343.01	286.02	536.96	197.57	150.06	102.54
	(ii). Business Related Assets (7.40%)	82.51	82.51	82.51	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	**334.37**	**370.09**	**327.60**	**343.01**	**286.02**	**536.96**	**270.05**	**222.53**	**175.01**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for capacity utilization**	334.37	370.09	327.60	343.01	286.02	536.96	270.05	222.53	175.01
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-1672.91**	**-1093.05**	**-2571.03**	**-3058.06**	**-3391.83**	**-4064.80**	**-2879.68**	**-3278.03**	**-3618.08**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-44.77%**	**-21.42%**	**-55.94%**	**-65.26%**	**-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	2009-10	2010-11	2011-12	Estimates furnished by CoPT			Estimates moderated by us		
					2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	COAL & OTHER CARGO									
I	Operating Income	**885.00**	**963.53**	**921.80**	**2597.66**	**3073.61**	**3526.62**	**2597.66**	**3073.61**	**3526.62**
II	**Operating Expenses**									
	(i) Salary & wages	2668.71	2770.76	3368.41	3587.36	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	8.50	8.42	12.83	13.67	14.55	15.50	13.67	14.55	15.50
	(iv) Repairs and maintenance	10.75	8.74	33.02	10.63	11.33	12.06	35.16	37.45	39.88
	(v) Others	598.23	629.11	727.54	774.82	825.19	878.83	774.82	825.19	878.83
	Total	**3286.18**	**3417.03**	**4141.79**	**4386.48**	**4671.61**	**4975.26**	**4564.31**	**4575.45**	**4577.57**
III	Depreciation	84.54	121.98	160.29	170.71	181.81	457.72	160.29	160.29	160.29
IV	Allocated share of Mgt. & Genl. Admn. overheads	1055.81	1058.41	1279.62	1355.24	1443.33	1537.15	1362.79	1451.37	1545.71
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-3541.54**	**-3633.90**	**-4659.90**	**-3314.78**	**-3223.14**	**-3443.50**	**-3489.74**	**-3113.51**	**-2756.95**
VI	Allocated share of FMI	237.95	608.77	526.56	552.05	587.93	626.15	538.87	588.11	614.31
VII	Allocated share of FME	1683.42	2612.00	2987.80	3131.54	3335.09	3551.87	3155.63	3548.83	3814.73
VIII	FMI Less FME (VI) - (VII)	-1445.47	-2003.23	-2461.24	-2579.49	-2747.15	-2925.72	-2616.76	-2960.72	-3200.41
IX	**Surplus / (deficit) (V) + (VIII)**	**-4987.01**	**-5637.13**	**-7121.15**	**-5894.27**	**-5970.29**	**-6369.22**	**-6106.50**	**-6074.23**	**-5957.36**
X	**Capital Employed for the activity**									
	(i). Business Assets	2243.17	6048.94	4993.12	4230.42	3527.57	6622.52	4862.66	4732.13	4601.52
	(ii). Business Related Assets	459.75	649.13	543.27	0.00	0.00	0.00	513.58	483.97	454.43
	(iii). Social Obligation Assets	5.87	8.55	7.40	0.00	0.00	0.00	7.25	7.11	6.96
	Total	**2708.78**	**6706.62**	**5543.80**	**4230.42**	**3527.57**	**6622.52**	**5383.50**	**5223.21**	**5062.91**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	358.91	967.83	798.90	676.87	564.41	1059.60	778.03	757.14	736.24
	(ii). Business Related Assets (6.50%)	34.02	48.04	40.20	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	**392.93**	**1015.87**	**839.10**	**676.87**	**564.41**	**1059.60**	**811.41**	**788.60**	**765.78**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	219.96	505.23	471.52	676.87	564.41	1059.60	438.31	423.12	442.72
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-5206.97**	**-6142.37**	**-7592.67**	**-6571.14**	**-6534.70**	**-7428.83**	**-6544.81**	**-6497.35**	**-6400.08**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-588.36%	-637.49%	-823.68%	-252.96%	-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	2009-10	2010-11	2011-12	Estimates furnished by CoPT			Estimates moderated by us		
					2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	POL									
I	Operating Income	**2738.72**	**2637.70**	**2958.47**	**2925.00**	**2925.00**	**2925.00**	**2995.20**	**3328.00**	**3583.84**
II	**Operating Expenses**									
	(i) Salary & wages	397.64	440.78	421.24	448.62	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	1.58	1.76	1.20	1.28	1.36	1.45	1.28	1.36	1.45
	(iv) Repairs and maintenance	0.00	3.07	6.29	6.70	7.13	7.59	6.70	7.13	7.59
	(v) Dredging	0.00	0.00	0.00	1570.96	1629.46	1722.24	0.00	0.00	0.00
	(vi) Others	138.26	136.25	154.26	164.29	174.97	186.34	164.29	174.97	186.34
	Total	**537.48**	**581.86**	**583.00**	**2191.85**	**2290.71**	**2426.47**	**640.06**	**645.96**	**651.02**
III	Depreciation	49.44	46.19	45.24	48.18	51.31	179.39	45.24	45.24	45.24
IV	Allocated share of Mgt. & Genl. Admn. overheads	172.69	180.23	179.42	191.09	203.51	216.74	191.09	203.51	216.74
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**1979.11**	**1829.41**	**2150.82**	**493.89**	**379.48**	**102.41**	**2118.81**	**2433.30**	**2670.85**
VI	Allocated share of FMI	38.92	103.66	74.12	77.84	82.90	88.29	75.57	83.03	87.37
VII	Allocated share of FME	275.34	444.78	420.56	441.54	470.24	500.81	442.52	501.02	542.53
VIII	FMI Less FME (VI) - (VII)	-236.42	-341.12	-346.44	-363.70	-387.34	-412.52	-366.95	-417.99	-455.16
IX	**Surplus / (deficit) (V) + (VIII)**	**1742.69**	**1488.30**	**1804.38**	**130.18**	**-7.87**	**-310.11**	**1751.86**	**2015.31**	**2215.69**
X	**Capital Employed for the activity**									
	(i). Business Assets	1895.65	1737.37	2356.21	1996.29	1664.62	3125.10	2322.11	2288.14	2254.31
	(ii). Business Related Assets	388.52	186.44	256.36	0.00	0.00	0.00	245.25	234.01	222.63
	(iii). Social Obligation Assets	4.96	2.46	3.49	0.00	0.00	0.00	3.46	3.44	3.41
	Total	**2289.13**	**1926.27**	**2616.06**	**1996.29**	**1664.62**	**3125.10**	**2570.83**	**2525.59**	**2480.35**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	303.30	277.98	376.99	319.41	266.34	500.02	371.54	366.10	360.69
	(ii). Business Related Assets (6.50%)	28.75	13.80	18.97	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	**332.05**	**291.78**	**395.96**	**319.41**	**266.34**	**500.02**	**387.48**	**381.31**	**375.16**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	185.88	145.11	222.51	319.41	266.34	500.02	209.31	204.59	216.89
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**1556.81**	**1343.18**	**1581.87**	**-189.22**	**-274.21**	**-810.13**	**1542.55**	**1810.71**	**1998.80**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	56.84%	50.92%	53.47%	-6.47%	-9.37%	-27.70%	51.50%	54.41%	55.77%

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	2009-10	2010-11	2011-12	Estimates furnished by CoPT			Estimates moderated by us		
					2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	FERTILISERS									
I	Operating Income	**472.62**	**471.20**	**334.53**	**452.12**	**452.12**	**466.99**	**452.12**	**452.12**	**466.99**
II	**Operating Expenses**									
	(i) Salary & wages	28.09	33.31	33.32	35.49	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	1.03	1.25	0.99	1.05	1.12	1.19	1.05	1.12	1.19
	(iv) Repairs and maintenance	0.00	0.12	0.44	0.47	0.50	0.53	0.47	0.50	0.53
	(v) Others	114.94	121.53	140.70	149.85	159.59	169.96	149.85	159.59	169.96
	Total	**144.05**	**156.21**	**175.45**	**186.86**	**199.01**	**211.94**	**188.38**	**197.80**	**207.73**
III	Depreciation	3.63	4.57	4.17	4.44	4.73	5.04	4.17	4.17	4.17
IV	Allocated share of Mgt. & Genl. Admn. overheads	46.28	48.39	54.00	57.51	61.25	65.23	57.51	61.25	65.23
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**278.65**	**262.03**	**100.91**	**203.31**	**187.14**	**184.79**	**202.07**	**188.91**	**189.87**
VI	Allocated share of FMI	10.43	27.83	22.31	23.43	24.95	26.57	22.24	25.42	27.88
VII	Allocated share of FME	73.80	119.41	126.57	132.88	141.52	150.72	130.24	153.41	173.11
VIII	FMI Less FME (VI) - (VII)	-63.36	-91.58	-104.26	-109.46	-116.57	-124.15	-108.00	-127.99	-145.24
IX	**Surplus / (deficit) (V) + (VIII)**	**215.28**	**170.45**	**-3.35**	**93.86**	**70.57**	**60.64**	**94.07**	**60.92**	**44.63**
X	**Capital Employed for the activity**									
	(i). Business Assets	79.43	93.16	88.95	75.36	62.84	117.98	85.44	81.92	78.39
	(ii). Business Related Assets	16.28	10.00	9.68	0.00	0.00	0.00	9.02	8.38	7.74
	(iii). Social Obligation Assets	0.21	0.13	0.13	0.00	0.00	0.00	0.13	0.12	0.12
	Total	**95.91**	**103.29**	**98.76**	**75.36**	**62.84**	**117.98**	**94.59**	**90.42**	**86.25**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	12.71	14.91	14.23	12.06	10.05	18.88	13.67	13.11	12.54
	(ii). Business Related Assets (6.50%)	1.20	0.74	0.72	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	**13.91**	**15.65**	**14.95**	**12.06**	**10.05**	**18.88**	**14.26**	**13.65**	**13.05**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	7.79	7.78	8.40	12.06	10.05	18.88	7.70	7.33	7.54
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**207.50**	**162.67**	**-11.75**	**81.80**	**60.51**	**41.76**	**86.37**	**53.59**	**37.09**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	43.90%	34.52%	-3.51%	18.09%	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	2009-10	2010-11	2011-12	Estimates furnished by CoPT			Estimates moderated by us		
					2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	WHARFAGE ON SPM									
I	Operating Income	**1660.75**	**2055.83**	**2229.10**	**2375.00**	**2375.00**	**2375.00**	**2448.00**	**2720.00**	**2929.10**
II	**Operating Expenses**									
	(i) Salary & wages							0.00	0.00	0.00
	(ii) Power									
	(iii) Fuel									
	(iv) Repairs and maintenance									
	(v) Others									
	Total									
III	Depreciation									
IV	Allocated share of Mgt. & Genl. Admn. overheads			0.00						
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**1660.75**	**2055.83**	**2229.10**	**2375.00**	**2375.00**	**2375.00**	**2448.00**	**2720.00**	**2929.10**
VI	Allocated share of FMI									
VII	Allocated share of FME									
VIII	FMI Less FME (VI) - (VII)									
IX	**Surplus / (deficit) (V) + (VIII)**	**1660.75**	**2055.83**	**2229.10**	**2375.00**	**2375.00**	**2375.00**	**2448.00**	**2720.00**	**2929.10**
X	**Capital Employed for the activity**									
	(i). Business Assets									
	(ii). Business Related Assets									
	(iii). Social Obligation Assets									
	Total									
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)									
	(ii). Business Related Assets (6.50%)									
	(iii). Social Obligation Assets (No Return)									
	Total									
XII	Capacity Utilization									
XIII	**RoCE adjusted for Capacity utilization**									
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**1660.75**	**2055.83**	**2229.10**	**2375.00**	**2375.00**	**2375.00**	**2448.00**	**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	2009-10	2010-11	2011-12	Estimates furnished by CoPT			Estimates moderated by us		
					2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	F C PERIYAR									
I	Operating Income	**1.56**	**7.23**	**11.33**	**11.90**	**12.49**	**13.12**	**11.90**	**12.49**	**13.12**
II	**Operating Expenses**									
	(i) Salary & wages	40.86	31.07	31.50	33.55	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	1.71	2.00	2.43	2.59	2.75	2.93	2.59	2.75	2.93
	(iv) Repairs and maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(v) Others	2.49	14.58	1.40	1.49	1.59	1.70	1.49	1.59	1.70
	Total	**45.06**	**47.65**	**35.34**	**37.63**	**40.08**	**42.68**	**39.07**	**38.94**	**38.70**
III	Depreciation	0.49	0.81	0.46	0.48	0.52	0.55	0.46	0.46	0.46
IV	Allocated share of Mgt. & Genl. Admn. overheads	14.48	14.76	10.88	11.58	12.33	13.14	11.58	12.33	13.14
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-58.46**	**-55.99**	**-35.34**	**-37.80**	**-40.44**	**-43.25**	**-39.21**	**-39.23**	**-39.18**
VI	Allocated share of FMI	3.26	8.49	4.49	4.72	5.02	5.35	4.61	5.00	5.19
VII	Allocated share of FME	23.08	36.42	25.49	26.76	28.50	30.35	27.01	30.20	32.25
VIII	FMI Less FME (VI) - (VII)	-19.82	-27.93	-21.00	-22.04	-23.48	-25.00	-22.40	-25.19	-27.06
X	**Surplus / (deficit) (V) + (VIII)**	**-78.28**	**-83.92**	**-56.33**	**-59.85**	**-63.92**	**-68.26**	**-61.60**	**-64.43**	**-66.24**
X	**Capital Employed for the activity**									
	(i). Business Assets	17.54	21.18	2.17	2.28	2.16	2.03	1.76	1.36	0.95
	(ii). Business Related Assets	3.59	2.27	0.24	0.00	0.00	0.00	0.19	0.14	0.09
	(iii). Social Obligation Assets	0.05	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**21.18**	**23.49**	**2.41**	**2.28**	**2.16**	**2.03**	**1.95**	**1.50**	**1.04**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	2.81	3.39	0.35	0.37	0.35	0.32	0.28	0.22	0.15
	(ii). Business Related Assets (6.50%)	0.27	0.17	0.02	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	**3.07**	**3.56**	**0.36**	**0.37**	**0.35**	**0.32**	**0.29**	**0.23**	**0.16**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	1.72	1.77	0.20	0.37	0.35	0.32	0.16	0.12	0.09
XIV	**Net surplus / (Deficit) (X) - (XIII)**	**-80.00**	**-85.69**	**-56.54**	**-60.21**	**-64.26**	**-68.58**	**-61.76**	**-64.55**	**-66.33**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-5114.79%	-1184.65%	-498.99%	-506.10%	-514.41%	-522.86%	-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	2009-10	2010-11	2011-12	Estimates furnished by CoPT			Estimates moderated by us		
					2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	STUFFING & DESTUFFING									
I	Operating Income	**123.33**	**132.55**	**148.88**	**156.32**	**164.14**	**172.34**	**156.32**	**164.14**	**172.34**
II	**Operating Expenses**									
	(i) Salary & wages	146.93	183.11	399.45	425.41	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	3.81	3.17	8.96	9.54	10.16	10.82	9.54	10.16	10.82
	(iv) Repairs and maintenance	1.22	1.61	1.38	1.47	1.57	1.67	1.47	1.57	1.67
	(v) Others	4.98	7.15	11.27	12.00	12.78	13.61	12.00	12.78	13.61
	Total	**156.93**	**195.03**	**421.06**	**448.43**	**477.57**	**508.62**	**466.61**	**463.07**	**458.16**
III	Depreciation	12.75	14.38	16.48	17.55	18.70	19.91	16.48	16.48	16.48
IV	Allocated share of Mgt. & Genl. Admn. overheads	50.42	60.41	129.59	138.01	146.98	156.53	138.01	146.98	156.53
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-96.78**	**-137.28**	**-418.25**	**-447.67**	**-479.11**	**-512.72**	**-464.78**	**-462.40**	**-458.83**
VI	Allocated share of FMI	11.36	34.75	53.53	56.22	59.87	63.76	55.09	59.52	61.49
VII	Allocated share of FME	80.39	149.08	303.74	318.90	339.62	361.70	322.60	359.17	381.81
VIII	FMI Less FME (VI) - (VII)	-69.03	-114.34	-250.21	-262.68	-279.75	-297.94	-267.51	-299.65	-320.32
IX	**Surplus / (deficit) (V) + (VIII)**	**-165.81**	**-251.62**	**-668.46**	**-710.35**	**-758.87**	**-810.65**	**-732.29**	**-762.05**	**-779.15**
X	**Capital Employed for the activity**									
	(i). Business Assets	279.52	314.63	259.52	219.87	183.34	344.20	245.37	231.18	216.94
	(ii). Business Related Assets	57.29	33.76	28.24	0.00	0.00	0.00	25.92	23.64	21.42
	(iii). Social Obligation Assets	0.73	0.44	0.38	0.00	0.00	0.00	0.37	0.35	0.33
	Total	**337.54**	**348.84**	**288.14**	**219.87**	**183.34**	**344.20**	**271.65**	**255.17**	**238.69**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	44.72	50.34	41.52	35.18	29.33	55.07	39.26	36.99	34.71
	(ii). Business Related Assets (6.50%)	4.24	2.50	2.09	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	**48.96**	**52.84**	**43.61**	**35.18**	**29.33**	**55.07**	**40.94**	**38.53**	**36.10**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	27.41	26.28	24.51	35.18	29.33	55.07	22.12	20.67	20.87
XIV	**Net surplus / (Deficit) (X) - (XIII)**	**-193.22**	**-277.90**	**-692.97**	**-745.53**	**-788.20**	**-865.73**	**-754.40**	**-782.72**	**-800.02**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-156.67%	-209.66%	-465.46%	-476.92%	-480.21%	-502.33%	-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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	PORT DUES									
I	Operating Income	**2151.49**	**2970.67**	**3350.76**	**3121.82**	**3706.91**	**4221.99**	**4597.81**	**5452.91**	**6209.65**
II	**Operating Expenses**									
	(i) Salary & wages	176.73	211.37	226.74	241.47	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	2.94	1.96	2.28	2.42	2.58	2.75	2.42	2.58	2.75
	(iv) Repairs and maintenance	0.00	14.48	13.13	13.98	14.89	15.86	13.98	14.89	15.86
	(v) Dredging	1964.52	2502.91	1925.70	3504.45	3634.95	3841.92	4028.10	4178.10	4416.00
	Less: 1/3 of 50% of Revenue share (COPT 25%)	-450.99	-493.27	-823.29	-708.60	-856.00	-1027.17	-1417.19	-1712.01	-2054.33
	(vi) Others	133.03	133.18	154.73	164.78	175.49	186.90	164.78	175.49	186.90
	Total	**1826.22**	**2370.61**	**1499.27**	**3218.52**	**3229.08**	**3294.15**	**3043.89**	**2908.00**	**2812.42**
III	Depreciation	33.75	38.88	39.44	42.00	44.74	47.64	39.44	39.44	39.44
IV	Allocated share of Mgt. & Genl. Admn. overheads	100.47	111.81	122.14	130.08	138.54	147.54	130.08	138.54	147.54
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**191.05**	**449.36**	**1689.90**	**-268.79**	**294.56**	**732.66**	**1384.40**	**2366.94**	**3210.25**
VI	Allocated share of FMI	22.64	64.31	50.45	63.48	67.60	72.00	51.12	56.80	60.49
VII	Allocated share of FME	160.19	275.94	286.29	360.09	383.49	408.42	299.35	342.75	375.64
VIII	**FMI Less FME (VI) - (VII)**	-137.54	-211.63	-235.84	-296.61	-315.89	-336.42	-248.23	-285.95	-315.15
IX	**Surplus / (deficit) (V) + (VIII)**	53.51	237.73	1454.07	-565.39	-21.33	396.24	1136.17	2080.98	2895.10
X	**Capital Employed for the activity**									
	(i). Business Assets	1861.30	2008.54	2429.01	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	**1861.30**	**2008.54**	**2429.01**	**1828.27**	**1524.52**	**2862.07**	**2389.56**	**2350.12**	**2310.68**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	297.81	321.37	388.64	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	**297.81**	**321.37**	**388.64**	**292.52**	**243.92**	**457.93**	**382.33**	**376.02**	**369.71**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	154.29	151.81	209.82	292.52	243.92	457.93	198.99	194.51	207.48
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-100.78**	**85.92**	**1244.24**	**-857.92**	**-265.25**	**-61.69**	**937.18**	**1886.47**	**2687.62**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-4.68%	2.89%	37.13%	-27.48%	-7.16%	-1.46%	20.38%	34.60%	43.28%

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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	PILOTAGE									
I	Operating Income	**4299.70**	**5433.45**	**5924.38**	**6635.75**	**7879.43**	**8974.30**	**8129.25**	**9641.13**	**10979.10**
II	**Operating Expenses**									
	(i) Salary & wages	1981.91	2270.42	2556.63	2722.81	2899.79	3088.28	2839.17	2806.98	2765.31
	(ii) Power	0.87	1.81	1.61	1.72	1.83	1.95	1.72	1.83	1.95
	(iii) Fuel	339.08	385.10	485.93	1015.08	1575.99	1670.55	517.51	551.15	586.97
	(iv) Repairs and maintenance	2.51	17.94	32.86	35.00	37.27	39.69	35.00	37.27	39.69
	(v) Dredging	1964.52	2502.91	1925.70	3504.45	3634.95	3841.92	4028.10	4178.10	4416.00
	Less: 1/3 of 50% of Revenue Share (CoPT 25%)	-450.99	-493.27	-823.29	-708.60	-856.00	-1027.17	-1417.19	-1712.01	-2054.33
	(vi) Others	191.66	285.38	336.10	357.94	381.21	405.99	357.94	381.21	405.99
	Total	**4029.55**	**4970.28**	**4515.53**	**6928.40**	**7675.03**	**8021.21**	**6362.24**	**6244.53**	**6161.58**
III	Depreciation	501.59	785.00	926.58	986.81	1050.95	1119.27	926.58	926.58	926.58
IV	Allocated share of Mgt. & Genl. Admn. overheads	808.37	917.05	1050.43	1118.71	1191.43	1268.87	1118.71	1191.43	1268.87
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-1039.81**	**-1238.88**	**-568.17**	**-2398.17**	**-2037.98**	**-1435.04**	**-278.28**	**1278.59**	**2622.06**
VI	Allocated share of FMI	182.18	527.46	433.92	545.92	581.41	619.20	442.89	485.67	509.95
VII	Allocated share of FME	1288.89	2263.14	2462.15	3096.79	3298.08	3512.45	2593.56	2930.65	3166.67
VIII	**FMI Less FME (VI) - (VII)**	-1106.71	-1735.68	-2028.23	-2550.86	-2716.67	-2893.25	-2150.67	-2444.98	-2656.72
IX	**Surplus / (deficit) (V) + (VIII)**	**-2146.52**	**-2974.57**	**-2596.40**	**-4949.03**	**-4754.65**	**-4328.30**	**-2428.95**	**-1166.40**	**-34.65**
X	**Capital Employed for the activity**									
	(i). Business Assets	12867.03	12541.32	11655.93	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	**12867.03**	**12541.32**	**11655.93**	**9301.62**	**7756.22**	**14561.24**	**10729.35**	**9802.77**	**8876.18**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	2058.72	2006.61	1864.95	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	**2058.72**	**2006.61**	**1864.95**	**1488.26**	**1241.00**	**2329.80**	**1716.70**	**1568.44**	**1420.19**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	1066.57	947.91	1006.87	1488.26	1241.00	2329.80	893.47	811.35	797.01
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-3213.09**	**-3922.47**	**-3603.27**	**-6437.29**	**-5995.65**	**-6658.10**	**-3322.42**	**-1977.75**	**-831.67**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-74.73%	-72.19%	-60.82%	-97.01%	-76.09%	-74.19%	-40.87%	-20.51%	-7.58%

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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	BERTH HIRE									
I	Operating Income	**2031.34**	**2644.58**	**3211.81**	**2469.60**	**2840.04**	**3266.04**	**4407.15**	**5226.79**	**5952.15**
II	**Operating Expenses**									
	(i) Salary & wages	474.98	603.02	626.18	666.88	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	2.96	3.51	3.80	4.04	4.31	4.59	4.04	4.31	4.59
	(iv) Repairs and maintenance	2.90	3.96	4.13	4.39	4.68	4.98	4.39	4.68	4.98
	(v) Dredging	1964.52	2502.91	1925.70	3504.45	3634.95	3841.92	4028.10	4178.10	4416.00
	Less: 1/3 of 50% of Revenue Share (COPT 25%)	-450.99	-493.27	-823.29	-708.60	-856.00	-1027.17	-1417.19	-1712.01	-2054.33
	(vi) Others	128.86	147.53	155.35	165.45	176.20	187.66	165.45	176.20	187.66
	Total	**2123.23**	**2767.66**	**1891.86**	**3636.62**	**3674.36**	**3768.37**	**3480.17**	**3338.78**	**3236.18**
III	Depreciation	215.68	221.60	200.40	213.42	227.30	242.07	200.40	200.40	200.40
IV	Allocated share of Mgt. & Genl. Admn. overheads	195.89	234.80	242.96	258.76	275.58	293.49	258.76	275.58	293.49
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-503.46**	**-579.47**	**876.59**	**-1639.20**	**-1337.19**	**-1037.88**	**467.83**	**1412.04**	**2222.08**
VI	Allocated share of FMI	44.15	135.05	100.36	126.27	134.48	143.22	102.63	112.17	117.36
VII	Allocated share of FME	312.33	579.44	569.49	716.28	762.84	812.43	600.98	676.87	728.78
VIII	**FMI Less FME (VI) - (VII)**	-268.18	-444.39	-469.13	-590.01	-628.36	-669.21	-498.36	-564.70	-611.42
IX	**Surplus / (deficit) (V) + (VIII)**	**-771.64**	**-1023.87**	**407.47**	**-2229.21**	**-1965.55**	**-1707.09**	**-30.53**	**847.34**	**1610.66**
X	**Capital Employed for the activity**									
	(i). Business Assets	7284.97	7372.83	7131.16	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	**7284.97**	**7372.83**	**7131.16**	**5636.78**	**4700.27**	**8824.11**	**6930.77**	**6730.37**	**6529.97**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	1165.59	1179.65	1140.99	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	**1165.59**	**1179.65**	**1140.99**	**901.89**	**752.04**	**1411.86**	**1108.92**	**1076.86**	**1044.80**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	603.86	557.26	616.01	901.89	752.04	1411.86	577.15	557.06	586.34
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-1375.51**	**-1581.13**	**-208.54**	**-3131.09**	**-2717.60**	**-3118.95**	**-607.68**	**290.28**	**1024.32**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-67.71%	-59.79%	-6.49%	-126.79%	-95.69%	-95.50%	-13.79%	5.55%	17.21%

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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	SPM - VESSEL RELATED CHARGES									
I	**Operating Income**									
	i. Pilotage	872.43	1121.93	1263.64	1263.64	1263.64	1263.64	1733.92	2056.40	2341.78
	ii. Tug charges for pull back operations	686.56	821.22	950.60	950.60	950.60	950.60	1304.38	1546.97	1761.66
	Total	**1559.00**	**1943.15**	**2214.23**	**2214.23**	**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	119.31	138.97	163.08	173.68	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	944.09	1032.25	985.05	985.05	985.05	985.05	1049.08	1117.27	1189.89
	Total	**1063.39**	**1171.23**	**1148.13**	**1158.73**	**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)**	**495.60**	**771.93**	**1066.11**	**1055.51**	**1044.22**	**1032.19**	**1815.55**	**2301.13**	**2716.55**
VI	Allocated share of FMI	77.00	208.66	145.96	0.00	0.00	0.00	144.36	167.38	186.12
VII	Allocated share of FME	544.75	895.29	828.23	0.00	0.00	0.00	845.38	1010.04	1155.76
VIII	**FMI Less FME (VI) - (VII)**	-467.75	-686.63	-682.27	0.00	0.00	0.00	-701.02	-842.66	-969.64
IX	**Surplus / (deficit) (V) + (VIII)**	**27.85**	**85.30**	**383.84**	**1055.51**	**1044.22**	**1032.19**	**1114.53**	**1458.47**	**1746.91**
X	**Capital Employed for the activity**									
	(i). Business Assets	0.00	0.00	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	**0.00**	**0.00**	**889.80**	**0.00**	**0.00**	**0.00**	**889.80**	**889.80**	**889.80**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	0.00	0.00	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	**0.00**	**0.00**	**142.37**	**0.00**	**0.00**	**0.00**	**142.37**	**142.37**	**142.37**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	0.00	0.00	76.86	0.00	0.00	0.00	74.10	73.65	79.90
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**27.85**	**85.30**	**306.97**	**1055.51**	**1044.22**	**1032.19**	**1040.44**	**1384.83**	**1667.02**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	1.79%	4.39%	13.86%	47.67%	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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Dry Docking									
I	Operating Income	**40.11**	**39.27**	**0.00**	**30.00**	**30.00**	**30.00**	**30.00**	**30.00**	**30.00**
II	**Operating Expenses**									
	(i) Salary & wages	39.84	29.99	25.99	27.67	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	0.06	0.00	0.22	0.24	0.25	0.27	0.24	0.25	0.27
	(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	5.03	2.23	3.62	3.86	4.11	4.37	3.86	4.11	4.37
	Total	**44.93**	**32.22**	**29.83**	**31.77**	**33.83**	**36.03**	**32.95**	**32.89**	**32.75**
III	Depreciation	0.55	0.61	0.44	0.47	0.50	0.54	0.44	0.12	0.00
IV	Allocated share of Mgt. & Genl. Admn. overheads	14.44	9.98	9.18	9.78	10.41	11.09	9.78	10.41	11.09
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-19.81**	**-3.54**	**-39.45**	**-12.02**	**-14.75**	**-17.66**	**-13.17**	**-13.42**	**-13.84**
VI	Allocated share of FMI	3.25	5.74	3.79	4.77	5.08	5.41	3.89	4.23	4.39
VII	Allocated share of FME	23.02	24.63	21.52	27.06	28.82	30.70	22.78	25.51	27.29
VIII	**FMI Less FME (VI) - (VII)**	-19.76	-18.89	-17.72	-22.29	-23.74	-25.28	-18.89	-21.28	-22.90
IX	**Surplus / (deficit) (V) + (VIII)**	**-39.57**	**-22.42**	**-57.18**	**-34.31**	**-38.49**	**-42.94**	**-32.06**	**-34.70**	**-36.73**
X	**Capital Employed for the activity**									
	(i). Business Assets	21.80	16.50	0.56	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	**21.80**	**16.50**	**0.56**	**0.46**	**0.38**	**0.71**	**0.12**	**0.00**	**0.00**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	3.49	2.64	0.09	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	**3.49**	**2.64**	**0.09**	**0.07**	**0.06**	**0.11**	**0.02**	**0.00**	**0.00**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	1.81	1.25	0.05	0.07	0.06	0.11	0.01	0.00	0.00
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-41.38**	**-23.67**	**-57.23**	**-34.38**	**-38.55**	**-43.05**	**-32.07**	**-34.70**	**-36.73**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-103.18%	-60.28%	-	-114.61%	-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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	NEHRU SATABDHI									
I	Operating Income	**636.48**	**593.64**	**1089.25**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
II	**Operating Expenses**									
	(i) Salary & wages	457.50	494.25	654.93	697.50	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	204.00	177.52	373.21	397.47	423.31	450.82	397.47	423.31	450.82
	(iv) Repairs and maintenance	0.00	0.00	0.22	750.00	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	40.37	653.31	59.57	63.44	67.57	71.96	63.44	67.57	71.96
	Total	**701.87**	**1325.08**	**1087.93**	**1908.41**	**2028.71**	**2156.60**	**1938.46**	**1210.19**	**1231.44**
III	Depreciation	190.09	205.11	209.03	222.61	237.08	252.49	209.03	209.03	77.14
IV	Allocated share of Mgt. & Genl. Admn. overheads	225.50	410.44	334.83	356.59	379.77	404.45	356.59	379.77	404.45
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-480.99**	**-1346.99**	**-542.54**	**-2487.62**	**-2645.56**	**-2813.55**	**-2504.07**	**-1798.98**	**-1713.03**
VI	Allocated share of FMI	50.82	236.07	138.31	174.01	185.32	197.37	228.86	155.55	165.26
VII	Allocated share of FME	359.55	1012.90	784.81	987.10	1051.26	1119.59	1340.19	938.65	1026.22
VIII	**FMI Less FME (VI) - (VII)**	-308.73	-776.83	-646.50	-813.09	-865.94	-922.22	-1111.33	-783.10	-860.96
IX	**Surplus / (deficit) (V) + (VIII)**	**-789.72**	**-2123.81**	**-1189.04**	**-3300.70**	**-3511.50**	**-3735.77**	**-3615.40**	**-2582.08**	**-2573.99**
X	**Capital Employed for the activity**									
	(i). Business Assets	880.14	1020.82	495.20	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	**880.14**	**1020.82**	**495.20**	**401.08**	**334.45**	**627.88**	**286.17**	**77.14**	**0.00**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	140.82	163.33	79.23	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	**140.82**	**163.33**	**79.23**	**64.17**	**53.51**	**100.46**	**45.79**	**12.34**	**0.00**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	72.96	77.16	42.78	64.17	53.51	100.46	23.83	6.38	0.00
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-862.67**	**-2200.97**	**-1231.81**	**-3364.88**	**-3565.01**	**-3836.23**	**-3639.23**	**-2588.46**	**-2573.99**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-135.54%	-370.76%	-113.09%	-	-	-	-	-	-

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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Water supply through Barge									
I	Operating Income	**31.09**	**64.76**	**71.05**	**71.05**	**71.05**	**71.05**	**74.60**	**78.33**	**82.25**
II	**Operating Expenses**									
	(i) Salary & wages	27.45	24.71	31.03	33.05	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	2.99	5.49	3.92	4.18	4.45	4.74	4.18	4.45	4.74
	(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	5.61	1.59	2.15	2.28	2.43	2.59	2.28	2.43	2.59
	Total	**36.06**	**31.78**	**37.10**	**39.51**	**42.07**	**44.81**	**40.92**	**40.95**	**40.89**
III	Depreciation	5.15	5.31	5.24	5.58	5.95	6.33	5.24	5.24	5.24
IV	Allocated share of Mgt. & Genl. Admn. overheads	11.59	9.85	11.42	12.16	12.95	13.79	12.16	12.95	13.79
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-21.71**	**17.83**	**17.29**	**13.80**	**10.08**	**6.11**	**16.28**	**19.19**	**22.32**
VI	Allocated share of FMI	2.61	5.66	4.72	5.93	6.32	6.73	4.83	5.26	5.49
VII	Allocated share of FME	18.47	24.30	26.76	33.66	35.85	38.18	28.29	31.76	34.08
VIII	**FMI Less FME (VI) - (VII)**	-15.86	-18.63	-22.04	-27.72	-29.53	-31.45	-23.46	-26.50	-28.59
IX	**Surplus / (deficit) (V) + (VIII)**	**-37.57**	**-0.81**	**-4.75**	**-13.93**	**-19.45**	**-25.33**	**-7.18**	**-7.31**	**-6.27**
X	**Capital Employed for the activity**									
	(i). Business Assets	59.84	53.79	47.59	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	**59.84**	**53.79**	**47.59**	**38.54**	**32.14**	**60.34**	**42.34**	**37.10**	**31.86**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	9.57	8.61	7.61	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	**9.57**	**8.61**	**7.61**	**6.17**	**5.14**	**9.65**	**6.77**	**5.94**	**5.10**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	4.96	4.07	4.11	6.17	5.14	9.65	3.53	3.07	2.86
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-42.53**	**-4.87**	**-8.86**	**-20.09**	**-24.59**	**-34.99**	**-10.71**	**-10.38**	**-9.13**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-136.79%	-7.52%	-12.48%	-28.28%	-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	Actuals			Estimates furnished by COPT			Estimates moderated by us		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
	Water supply through Shore									
I	Operating Income	**13.29**	**13.49**	**14.83**	**14.83**	**14.83**	**14.83**	**15.57**	**16.35**	**17.16**
II	**Operating Expenses**									
	(i) Salary & wages	44.36	31.27	33.88	36.08	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	8.17	9.69	10.78	11.48	12.23	13.02	11.48	12.23	13.02
	Total	**52.52**	**40.96**	**44.66**	**47.56**	**50.65**	**53.94**	**49.10**	**49.42**	**49.66**
III	Depreciation	0.57	0.70	0.58	0.61	0.65	0.70	0.58	0.58	0.58
IV	Allocated share of Mgt. & Genl. Admn. overheads	16.87	12.69	13.74	14.64	15.59	16.60	14.64	15.59	16.60
V	**Operating Surplus/ (Deficit) (I)-(II)-(III)-(IV)**	**-56.67**	**-40.86**	**-44.15**	**-47.98**	**-52.06**	**-56.41**	**-48.74**	**-49.24**	**-49.68**
VI	Allocated share of FMI	3.80	7.30	5.68	7.14	7.61	8.10	5.80	6.35	6.66
VII	Allocated share of FME	26.90	31.31	32.21	40.52	43.15	45.95	33.95	38.33	41.39
VIII	**FMI Less FME (VI) - (VII)**	-23.10	-24.01	-26.54	-33.37	-35.54	-37.85	-28.15	-31.98	-34.72
IX	**Surplus / (deficit) (V) + (VIII)**	**-79.77**	**-64.87**	**-70.68**	**-81.36**	**-87.61**	**-94.27**	**-76.89**	**-81.22**	**-84.40**
X	**Capital Employed for the activity**									
	(i). Business Assets	24.69	20.19	2.97	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	**24.69**	**20.19**	**2.97**	**2.40**	**2.01**	**3.76**	**2.39**	**1.82**	**1.24**
XI	**RoCE - Maximum permissible**									
	(i). Business Assets (16%)	3.95	3.23	0.48	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	**3.95**	**3.23**	**0.48**	**0.38**	**0.32**	**0.60**	**0.38**	**0.29**	**0.20**
XII	Capacity Utilization	51.81%	47.24%	53.99%	52.05%	51.73%	56.12%	52.05%	51.73%	56.12%
XIII	**RoCE adjusted for Capacity utilization**	2.05	1.53	0.26	0.38	0.32	0.60	0.20	0.15	0.11
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-81.82**	**-66.40**	**-70.94**	**-81.74**	**-87.93**	**-94.87**	**-77.09**	**-81.37**	**-84.51**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	-615.55%	-492.07%	-478.51%	-551.35%	-593.09%	-639.90%	-495.24%	-497.81%	-492.41%

Annex - II

Cochin Port Trust
Scale of Rates

CHAPTER - I

1.1. Definitions - General

In this Scale of Rates, unless the context otherwise requires, the following definitions shall apply:

(i). **"Coastal vessel"** shall mean any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal license issued by the competent authority.

(ii). **"Cold move"** shall mean movement of vessel without power of the engine of the vessel.

(iii). **"Day"** shall mean the period of 24 hours starting from 06.00 hrs. of a day and ending at 06.00 hrs. on the following day.

(iv). "**Demurrage**" shall mean charges payable for storage of cargo in transit area within port premises beyond free period, as specified in the scale of rates, and shall not apply for cargo stored at areas licensed to Port users for such purpose.

(v). "**Full Container Load**" (FCL) shall mean a container containing cargo belonging to one importer / exporter.

(vi). "**Foreign-going vessel**" shall mean any vessel other than coastal vessel.

(vii). "**Free period**" shall mean the period during which cargo/container shall be allowed storage free of demurrage charges/ground rent and this period shall be exclusive of Customs notified holidays and Port's non-operating days.

(viii). **"Hazardous Container"** shall mean a container containing hazardous goods as classified under International Maritime Organization (IMO).

(ix). **"Hazardous cargo"** shall mean cargo classified as hazardous goods under International Maritime Organization (IMO).

(x). **"Inland water barge"** shall mean barge, which plies only in inland waterways.

(xi). **"Inner Harbour"** shall mean dredged area and deep-water channels navigated by sea going vessels between eastern end of outer approach channel buoys to Mattancherry Bridge in the Mattancherry channel and to Venduruthy Bridge in the Ernakulam Channel.

(xii). **"Less than a Container Load" (LCL)** shall mean a container containing cargo belonging to more than one importer / exporter.

(xiii). **"Month"** shall mean 30 consecutive calendar days including holidays.

(xiv). **"Outer Anchorage"** shall mean area west of Vypin and Fort Kochi not within the navigational outer channel but within Cochin Port limits.

(xv). **"Over dimensional container"** shall mean a container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam etc. They also include damaged containers and other types which require special devices.

(xvi). **"Power driven vessel"** shall mean any vessel other than a sailing vessel.

(xvii). **“Reefer Container”** shall mean a refrigerated container used for carriage of perishable goods with provision for receiving electrical supply to maintain the desired temperature.

(xviii). **“Single buoy mooring (SBM**) or **Single point mooring** (**SPM)”** are loading buoys anchored offshore and serve as a mooring point for tankers to (off) load gas and/or fluid products.

(xix). **“Sailing vessel”** shall mean a vessel propelled solely by wind power.

(xx). **“Shifting”** shall mean the movement of a vessel from one berth to another berth or from one berth to anchorage / mooring or vice versa within the port limits.

(xxi). **“Ship to Ship (STS)”** operation shall mean transfer of bulk liquid / gas cargo from one vessel to another vessel(s) at a designated place within the notified jurisdiction of Cochin Port for destination to other port(s).

(xxii). **“Shut out cargo / container”** shall mean any cargo / container brought into the port for shipment but not shipped by the designated vessel and is lying in the port premises.

(xxiii). **“Transhipment”** of cargo / container shall mean any cargo / container landed at Cochin and subsequently shipped through another vessel to other ports.

(xxiv). **“Vessel Completion Date (VCD)”** means the date on which import operation of the vessel is fully completed.

1.2. General Terms & Conditions

(i). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as ‘coastal’ or ‘foreign-going’ for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). (a). A foreign going vessel of Indian Flag having a General Trading Licence can convert to Coastal run on the basis of a Customs Conversion Order.

(b). A foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.

(c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

(d). In cases of such conversion, coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign-going rates shall be chargeable by the discharge ports.

(e). For dedicated Indian coastal vessels having a Coastal Licence from the Director General of Shipping, no other document will be required to be entitled to Coastal rates.

(iii). (a). Port dues shall be applicable as coastal or foreign going as per the status of the vessel at the time of entry into the port.

(b). If the status of the vessel is changed during its stay in the port, then 50% of the pilotage fee for inward and outward leg of the vessel depending upon the status of the vessel at each leg will be levied.

(c). Berth hire for the period in which the vessel changes its status will be charged on the basis of the status of the vessel at the beginning of the relevant block.

(iv). (a). Vessel related charges shall be levied on ship owners / steamer agents. Wherever rates have been denominated in US dollar terms the charges shall be recovered in Indian Rupees after conversion of US currency to its equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its associates or any other Public Sector Banks as may be specified from time to time. The date of entry of the vessel into the port limit shall be reckoned with as the day for such conversion.

(b). Container related charges denominated in US dollar terms shall be collected in equivalent Indian Rupees based on the market buying rate prevalent on the date of entry of the vessel in case of import containers; and on the date of arrival of the containers into the port in case of export containers.

(v). A regular review of exchange rate shall be made once in thirty days from the date of arrival of the vessels into the Port limit in cases of vessels staying in the port for more than thirty days. The basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

(vi). **Penal interest on delayed payments / refunds:**

(a). The user shall pay penal interest on delayed payments of any charge under this Scale of Rates. The rate of interest per annum will be 16.45% from the day on which the penal interest starts accruing.

(b). Like wise, the port shall pay penal interest on delayed refunds. The rate of interest per annum will be 16.45% from the day on which the penal interest starts accruing.

(c). The delay in payments by the users will be counted beyond 10 days after the date of raising the bills by the Port Trust. This provision shall, however, not apply to the cases where payment is to be made before availing the services / use of Port Trust's properties as stipulated in the MPT Act 1963 and / or where payment of charges in advance is prescribed as a condition in the Scale of Rates.

(d). The delay in refunds by the port will be counted beyond 20 days from the date of completion of services or on production of all documents required from the user, whichever is later.

(vii). The minimum charge recovered in any one application / bill shall be ₹100/- (Rupees One Hundred only).

(viii). No claim for refund shall be entertained unless the amount refundable is ₹100/- or more. Likewise, port shall not raise any supplementary or under charge bills, if the amount due to the port is less than ₹100/-.

(ix). Vessels carrying simultaneously break-bulk cargo and containers entering the port for simultaneous loading / unloading of containers as well as break bulk cargo, shall be treated as break bulk vessels for the purpose of levy of Port Dues, Pilotage and Berth Hire Charges. The status of the vessel will be determined based on the first visit of the vessel on a particular month for the purpose of levy of port dues.

(x). A ship will be considered as a scrap vessel from the date it is sold to breakers. Provided that the ship actually undergoes scrap in Cochin Port itself, dues shall be leviable at rates specified.

(a). When such a vessel occupies any berth, charges at coastal rates will be levied.

(b). The hire charges for bed of backwaters away from the dredged channels used by ships undergoing scrapping in Cochin shall be 25% of the normal berth hire applicable for coastal vessel provided they utilise their own mooring.

(xi). (a). A sailing vessel shifting from any jetty / berth at Willingdon Island / Fort Cochin Wharf to a stream or berth or vice versa shall be liable to pay the fees chargeable for the stream or wharf berth as the case may be.

(b). Sailing vessels will be allowed to be shifted in the inner harbour only undertow, which should be arranged by the owners at their cost, and with the prior written permission of the Deputy Conservator.

(xii). (a). The cost of damage caused to the equipment or any other property shall be recovered from the user in addition to the penalty.

(b). Cochin Port Trust shall not be responsible to the user or any person for any loss or damage or injury to life arising directly or indirectly from use of the equipment during the period of requisition. The user shall indemnify the port trust administration against all loss or damage or injury to life arising directly or indirectly from use of the equipment during the period of requisition, to any property belonging to the port including the equipment, or to any other persons or property. The liability of the user shall not be affected by the fact that such loss or damage or injury to life may have arisen due to any act or default of any employee of the port. The user shall also indemnify the port for all liabilities under the Workmen's Compensation Act.

(xiii). (a). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. Cochin Port Trust may, if it so desires, charge lower rates and / or allow higher rebates and discounts.

(b). Cochin Port Trust may also, if it so desires, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels.

(c). Provided that Cochin Port Trust should notify the public such lower rates and / or rationalisation of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and / or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

(xiv). (a). The vessel related charges for all coastal vessels should not exceed 60% of the corresponding charges for other foreign vessels.

(b). The cargo / container related charges for all coastal cargo / containers, other than Thermal Coal, POL (including crude oil), iron ore and iron ore pellets should not exceed 60% of the normal cargo / container related charges.

(c). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship-shore transfer and transfer from / to quay to / from storage yard including wharfage.

(d). In case cargo from foreign port lands at Cochin Port for subsequent transhipment to an Indian port on coastal voyages, 50% of the transhipment rate prescribed for foreign-going and 50% of that prescribed for coastal leg shall be levied.

(e). The charges for coastal cargo / containers / vessels shall be denominated and collected in Indian Rupees.

(xv). User will not be required to pay charges for delays beyond a reasonable level attributable to the COPT.

CHAPTER - II
VESSEL RELATED CHARGES

2.1.1. Schedule of Port Dues.

Sl. No.	Type of vessel	Rate per GRT		Frequency of payment in respect of same vessel	
		Coastal vessel (in ₹)	Foreign-going vessel (in US $)	Coastal Vessel	Foreign-going vessel
1.	Tanker (Crude oil & POL Vessels calling at Port Oil Berths)	10.08	0.377	The due is payable once in 30 days	The due is payable on each entry into the port.
2.	Crude Oil Tanker at SBM & STS	10.08	0.377		
3.	Container Vessels	9.59	0.358		
4.	Other Bulk, Break Bulk & Passengers	7.69	0.287		

2.1.2. Concession in port dues shall be extended to the following vessels:

Sl. No.	Description	Concession/ Exemption
1.	Vessels entering the port in ballast and not carrying passengers	25%
2.	Vessels entering the port but does not discharge or take in any cargo or passengers therein (with the exception of such un-shipment and reshipment as may be necessary for purpose of repairs)	50%
3.	(i). Any pleasure yacht	100%
	(ii). Any vessel of war belonging to any Foreign Prince or State but not running for commercial purpose	
	(iii). Any vessel, which having left the Port, is compelled to re-enter by stress of weather or in consequence of having sustained any damage	
	(iv). Vessels of war flying the white ensign belonging to or in the service of the Republic of India but not running on commercial purpose	
	(v). Any non-commercial vessel belonging to or in the service of Central Government, State Government or Union Territories	
	(vi). Defence vessels	
	(vii). Inland Water Barges carrying cargo to and from the Port.	
	(viii). Sea going vessels below 15 tons	

Notes:

1. For oil tankers with segregated ballast, the reduced gross tonnage that is indicated in the "Remarks" column of its International Tonnage Certificate will be taken to be its gross tonnage for the purpose of levying Port Dues.

2. (i). Whenever mother vessels carrying lash barges, discharge the barges at the outer anchorage and sail out from there without entering the inner harbour will not attract port dues. In such cases, port dues will be collected from the lash barges entering the inner harbour based on their GRT.

   (ii). In cases where the mother vessels enter the inner harbour and attract port dues, then the port dues will not be leviable on the lash barges.

3. A LASH vessel making a 'second call' to pick up empty and / or laden fleeting LASH barges shall be treated as vessel entering a Port, but not discharging or taking any cargo or passenger therein, and shall not be charged any Port Dues.

2.2. Pilotage Fees

2.2.1. Schedule of Pilotage fees

<table>
<tr><th rowspan="3">Sl. No.</th><th rowspan="3">Vessel Size (GRT)</th><th colspan="6">Rate per GRT</th></tr>
<tr><th colspan="2">Vessels at SBM & STS</th><th colspan="2">Container Vessels</th><th colspan="2">Other vessels</th></tr>
<tr><th>Coastal vessel (in ₹)</th><th>Foreign - going vessel (in US $)</th><th>Coastal vessel (in ₹)</th><th>Foreign - going vessel (in US $)</th><th>Coastal vessel (in ₹)</th><th>Foreign - going vessel (in US $)</th></tr>
<tr><td>(i).</td><td>Upto 30000</td><td rowspan="3">11.69</td><td rowspan="3">0.4259</td><td>20.85</td><td>0.7790</td><td>21.49</td><td>0.8033</td></tr>
<tr><td>(ii).</td><td>30001 to 60000</td><td>₹625500 plus ₹16.67 per GRT over 30000 GRT</td><td>US $ 23370 plus US $ 0.6231 per GRT over 30000 GRT</td><td>₹644700 plus ₹17.19 per GRT over 30000 GRT</td><td>US $ 24099 plus US $ 0.6426 per GRT over 30000 GRT</td></tr>
<tr><td>(iii).</td><td>60001 and above</td><td>₹1125600 plus ₹14.59 per GRT over 60000 GRT</td><td>US $ 42063 plus US $ 0.5453 per GRT over 60000 GRT</td><td>₹1160400 plus ₹15.05 per GRT over 60000 GRT</td><td>US $ 43377 plus US $ 0.5622 per GRT over 60000 GRT</td></tr>
</table>

2.2.2. Schedule of Miscellaneous Pilotage fees

1. Pilotage fee for sailing vessels / Barges

Sl. No.	Particulars	Unit	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
(i).	Below 200 GRT	Each way per vessel	640.64	23.94
(ii).	200 GRT and above	Each way per vessel	949.70	35.49

2. Detention Charges

Sl. No.	Particulars	Unit	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
(i).	For detention of a pilot for more than 30 minutes beyond the time for which the requisition is made	Per hour or part thereof	3746.40	140

3. Cancellation Charges

Sl. No.	Particulars	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
(i).	For the cancellation of the requisition for a service of a pilot with less than 2 hrs. notice to the Dy. Conservator.	5619.60	210

4. Pilotage fees for dredgers

Sl. No.	Particulars	Per 8 hour or part thereof (₹)
(i).	Dredgers other than for port dredging	11200

2.2.3. Schedule of Shifting Charges

Sl. No.	Vessel Size (GRT)	Rate per GRT					
		Vessels at SBM & STS		Container Vessels		Other vessels	
		Coastal vessel (in ₹)	Foreign - going vessel (in US $)	Coastal vessel (in ₹)	Foreign - going vessel (in US $)	Coastal vessel (in ₹)	Foreign - going vessel (in US $)
(i).	Upto 30000			5.21	0.19474	5.38	0.2008
(ii).	30001 to 60000	2.9225	0.10647	₹156300 plus ₹4.17 per GRT over 30000 GRT	US $ 5842.5 plus US $ 0.1558 per GRT over 30000 GRT	₹161400 plus ₹4.30 per GRT over 30000 GRT	US $ 6024 plus US $ 0.1606 per GRT over 30000 GRT
(iii).	60001 and above			₹281400 plus ₹3.65 per GRT over 60000 GRT	US $ 10516.5 plus US $ 0.1363 per GRT over 60000 GRT	₹290400 plus ₹3.77 per GRT over 60000 GRT	US $ 10842 plus US $ 0.1406 per GRT over 60000 GRT

2.2.3. (i). Shifting fee for Sailing Vessels / Barges

Sl. No.	Particulars	Unit	Coastal vessel (in ₹)	Foreign-going vessel (in US $)
(i).	Below 200 GRT	Each way per vessel	350	12.75
(ii).	200 GRT and above	Each way per vessel	420	15.31

Notes:

1. Pilotage fee is a composite fee and shall include one inward and one outward movement with services of port's pilot, with required number of tugs / launches of adequate capacity and shifting(s) of vessels for 'port convenience'. Shifting at the request of vessels will attract separate shifting charges.

2. In case of requisition for the cancellation of the services of the pilot due to power failure or due to break down of port's equipment, within 2 hours before the scheduled time of sailing of the vessel, no cancellation charges will be levied based on a certificate issued to this effect by the concerned officer duly authorised by the port. Likewise, charges for detention of pilot will also not be levied in case the delay is for reasons directly attributable to Port.

3. Every vessel, not under own power, including dumb barges will be charged 50% extra pilotage fee.

4. No charges shall be levied for shifting of a vessel for port convenience.

    (a). "Port convenience" is defined to mean the following:

    (i). If a working cargo vessel at berth or any vessel at mooring is shifted / in-berthed for undertaking dredging work / hydrographic survey work or for allotting a berth for the dredger or for attending to repairs to berths, maintenance and such other similar works whereby shifting is necessitated, such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE". The shifting made to reposition such shifted vessel shall also be considered as "SHIFTING FOR PORT CONVENIENCE".

    (ii). If a working cargo vessel is shifted from berth to accommodate on ousting priority vessels, which are exempted from bearing shifting charges, such shifting shall be treated "SHIFTING FOR PORT CONVENIENCE".

(iii). Whenever a vessel is shifted to accommodate another vessel which can not be berthed at other berths due to draft and LOA restrictions such shifting shall be considered as "SHIFTING FOR PORT CONVENIENCE".

(iv). Whenever a vessel is shifted to accommodate another vessel having priority at the adjacent berth and unless that vessel shifts, another vessel can not be berthed at the adjacent-berth due to length restrictions, such shifting shall also be considered as "SHIFTING FOR PORT CONVENIENCE".

(v). Whenever a vessel is shifted from berths to accommodate classified defence cargo vessel or any vessel carrying hazardous cargo, which needs adjacent-berth to be kept vacant for safety reasons, such shifting and the shifting made to reposition such shifted vessel shall be considered as "SHIFTING FOR PORT CONVENIENCE”.

(vi). Container vessels shifted from Container Berths in order to accommodate classified defence cargo in containers and shifted back to container berth after sailing of the defence classified container vessel shall be considered as “SHIFTING FOR PORT CONVENIENCE”.

(vii). Bulk / break bulk cargo vessel shifted from one berth to another berth in order to accommodate storage of cargo or shifted due to break down of Port’s equipment engaged by the vessel, stacking of cargo at berth frontage due to limitations in load bearing capacity and also due to space constraints shall also be considered as “SHIFTING FOR PORT CONVENIENCE”.

(b). Whenever a vessel is shifted from berth to accommodate another vessel on ousting priority, the vessel shifted is exempted from the payment of shifting charges since the same is paid by the vessel enjoying the ousting priority or the shifting is treated as for PORT CONVENIENCE when the priority vessel is exempted from payment of such charges. This benefit will, however, not be applicable in the following cases:

(i). Non-cargo vessel which in any case have to vacate the berth when cargo vessels arrive.
(ii). Vessels using the berth exclusively for over side loading / discharge.
(iii). Vessels which are idling at berth without doing any cargo handling operations.

5. In case the vessel is moved to Cochin Oil Terminal (COT) or any other berth of the Port and from there it sails out, it should be treated as a fresh entry / exit and the Pilotage as per the existing Scale of Rates of the COPT shall be charged.

2.2.4 Charges for hire of Floating craft

Sl. No.	Category	Unit	Rate (₹)
1.	Pilot Launch and other launches	Per hour or part thereof	490
2.	Mooring Tug	Per tug per hour or part thereof	18620
3.	L & T Poclain & Barge Vijaya	Per hour or part thereof	2100
4.	Speed Boat - twin screw	Per hour or part thereof	13500
5.	Speed Boat - single screw	Per hour or part thereof	6000

2.2.5 Charges for the use of Port’s Dry Dock

Sl. No.	Particulars	Rate per day or part thereof	
		Coastal vessel (in ₹)	Foreign -going vessel (in US $)
1.	Docking & undocking the vessel including 1st day hire, assisting docking & undocking excluding Tugs, Mooring boats, Pilotage	90000	3279.76

	etc. and cleaning of dry dock.		
2.	Dry dock hire from 2nd day to 10th day (both days inclusive) per day or part thereof.	45000	1639.88
3.	Dry dock hire from 11th day to 20th day (both days inclusive) per day or part thereof.	90000	3279.76
4.	Dry dock hire from 21st day or part thereof.	112500	4099.70
5.	Arranging blocks.	45000	1639.88
6.	Slipway per day or part thereof.	3000	-

Notes:

1. An amount of ₹1500/- per day or part thereof will be charged for providing fire line.

2. For connecting & disconnecting shore supply, ₹5000/- will be charged per vessel. Electricity and fresh water shall be supplied as per availability and will be charged as per the scheduled rates applicable.

3. ₹2000/- per day or part thereof will be charged for tying the vessel at Dolphin.

4. Removing & refitting blocks in way of repairs will be charged @ ₹2000/- per set of block.

5. The hirer should do the cleaning of dry dock at his cost except for the first day.

6. Facilities available at dry dock viz. staging, sea water, toilet-bathrooms, etc. will be provided free of charges only during the vessels stay inside the dry dock subject to availability of the same. The Dry Dock cranes will be charged on hourly basis subject to their availability. For provision of dry dock cranes during the day shift, a hire charge @ ₹1750/- per hour or part thereof shall be levied. If used beyond day shift, i.e. after 1600 hours, then the charges shall be double the day shift charges.

7. Hire period shall be counted from 0000 hours of the calendar date on which flooding operation starts and for docking till 2400 hours of the calendar date on which dewatering of the dock after undocking ceases.

8. Removing of garbage from dry dock will be done by the hirer.

9. The minimum charges payable shall be for a period of 2 calendar days and fraction of subsequent day shall be counted as one day.

10. Any damages to the dry dock during the docking/undocking operation and also during its stay inside/alongside dry dock will be responsibility of the hirer and the cost of damage/loss will be recovered from the hirer. The COPT shall not accept any responsibility/liability whatsoever for any detention of the vessel using the dry dock on account of any reasons.

11. The port will not be responsible for any damage/loss to the craft/crew of the craft that dry docked/berthed alongside.

12. For docking/undocking of vessel on Sunday/Holidays, an additional charge equivalent to 50% of the rates prescribed at Sl.No.1 of this Schedule shall be levied.

13. 50% of the prescribed charges at Sl.No.1 this Schedule shall be levied in case the requisition for docking or undocking operations is cancelled by the hirer.
These extra charges for cancellation of operation will not be levied if prior notice in writing is furnished to the dock-in-charge not later than 1400 hours on 2 days previous to the day fixed for operation.

14. If services of tug, launch, etc. are utilized as a requirement of the dry dock during docking/undocking operation, the same will be charged as per Scale of rates.

15. While submitting the requisition for the dry dock, the hirer must furnish all the required details of the vessel, along with the expected period of stay in the dry dock indicating dates.

2.3. Berth Hire Charges

2.3.1. Schedule of berth hire charges.

Sl. No.	Name of berths	Rate per GRT per hour	
		Coastal Vessel (in ₹)	Foreign- going Vessel (in US$)
1	Q1 to Q9	0.1538	0.00485
2	COT, NTB, STB & SCB	0.1237	0.00389
3	Q10, BTP & NCB	0.1743	0.00549
4	Container berth at ICTT	0.1743	0.00549

2.3.2 Schedule of Berth Hire Charges for other vessels/floating crafts/bodies

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Classification</th><th colspan="4">Rate per GRT per hour or part thereof</th></tr>
<tr><th colspan="2">Coastal vessel (in ₹)</th><th colspan="2">Foreign -going vessel (in US $)</th></tr>
<tr><td>1.</td><td>Inland Waterways Barges</td><td colspan="2">0.1807</td><td colspan="2">-</td></tr>
<tr><td>2.</td><td>Lash Barges:
(i). Berth hire for occupying any berth
(ii). Fleeting charges when barges wait at fleeting areas</td><td colspan="2">
0.1807
0.0585</td><td colspan="2">
0.00676
0.00221</td></tr>
<tr><td>3.</td><td>Floating Crafts/ bodies:
(i). If occupies port berths
(ii). If does not occupy port berths but remain in port water area</td><td colspan="2">
0.1807
0.0585</td><td colspan="2">
0.00676
0.00221</td></tr>
<tr><td colspan="2"></td><th colspan="4">Rate per vessel per hour or part thereof</th></tr>
<tr><td rowspan="2">4.</td><td rowspan="2">Any other vessels:</td><th colspan="2">Sailing vessel / Pleasure yachts</th><th colspan="2">Fishing vessels and trawlers</th></tr>
<tr><th>Coastal (in ₹)</th><th>Foreign - going (in US $)</th><th>Coastal (in ₹)</th><th>Foreign - going (in US$)</th></tr>
<tr><td></td><td>(i). Occupying any berth</td><td>23.50</td><td>0.8784</td><td>37.64</td><td>1.4053</td></tr>
<tr><td></td><td>(ii). Occupying a low Wharf Berth / Fort Cochin wharf berth / jetty at Willingdon Island or other shallow water area for anchoring with their own gear anywhere within port limits.</td><td>11.77</td><td>0.4394</td><td>18.78</td><td>0.70213</td></tr>
<tr><td></td><td>(iii). Pleasure yachts:
For occupying Pathemari anchorage at Fort Cochin wharf or anchorage in the stream under its own moorings.</td><td>11.77</td><td>0.4394</td><td>-</td><td>-</td></tr>
<tr><td>5.</td><td>Any vessel anchoring with their own gear anywhere in the dredged area and deep-water channels navigated by sea going vessels.</td><td>23.50</td><td>0.8784</td><td>23.50</td><td>0.8784</td></tr>
</table>

Note:

In case GRT of floating crafts / bodies / barges is not available, the rate prescribed will be applicable (at per tonne per hour basis) with reference to their capacity in tonnes.

2.3.3. Charges for Hired Tugs

Particulars	Rate per tug hour or part thereof	
	Coastal Vessel	Foreign- going Vessel (in US $)

	(in ₹)	
Tug charges for SPM, STS or any other operations	16645	606.56

Notes:

1. (i). Berth Hire Charges shall be collected for the period from berthing to un-berthing of the vessels.

   (ii). In respect of container vessels availing the window facility, berth hire charges shall be collected for the period of window allocated to the vessels or the actual period of occupation whichever is higher.

2. Berth hire charge includes the charges for wharf cranes, for first operation (subject to availability) and part of cost of Cochin Port Trust labour supply wherever necessary.

3. No berth hire will be charged on the vessel after expiry of four hours from the time the vessel signals its readiness to sail. There shall be a penalty equal to one day's berth hire charge for a false signal.

4. The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting period for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

5. (i). Any vessel occupying a berth or berths and requesting any other adjacent berth or berths to be kept vacant for their convenience or due to the nature of the cargo to be handled at that particular berth or for any other reasons, shall be charged with additional Berth Hire for each such berth or berths kept vacant for the actual duration. The GRT of the vessel actually berthed shall be reckoned with for computation of the dues to the Port.

   (ii). The requisition for keeping the adjacent berth vacant may be given either by the vessels' agent or by the consignee / consigner, or the berth(s) may be kept vacant by the Port considering the nature of the cargo handled, provided advance notice of such action is given by the Port to the vessel-agent. In all such cases, the additional Berth Hire shall be collected from the vessel agent / steamer agent, along with the normal charges, since they are vessel related charges.

6. If the port is not in a position to utilise the berth / berths because of the presence of the classified cargo in the shed / sheds, the consignee of the classified cargo will pay to the port an amount equal to the normal berth hire charges recoverable from the ship which has landed such cargo till the last packet from the shed / sheds is cleared.

7. Berth hire charges will not be recovered when fishing vessels / trawlers are anchored at private jetties paying licence fees under the Cochin Port Trust Licensing of Jetties, Slipway and Boat pen Regulations 1968, as amended from time to time.

8. No berth hire shall be levied for the period the vessel is compelled to idle at berth operated by the Cochin Port for continuous one hour or more due to non-availability / breakdown of port equipment or power failure or any other reasons attributable to the port. This provision will, however, not apply in the case of vessels idling at berths operated by the India Gateway Terminal Private Limited (IGTPL).

9. Low wharf, Muraf Jetty and Fort Cochin Jetty are declared as fleeting areas for lash barges.

2.4. Supply of fresh water to vessels

Sl. No.	Description	Coastal vessel (in ₹)		Foreign-going vessel (in US $)	
		Rate (per 1000 Lts.)	Minimum charge	Rate (per 1000 Lts.)	Minimum charge
1.	Supply through Barges:				
	(i). At inner harbour	262.22	6556.20	9.80	245.00
	(ii). At outer harbour	1049.02	26224.80	39.20	980.00
2.	Water supply through shore	149.87	3746.40	5.60	140.00

2.5. Charges for use of Barge Jetties.

Sl. No.	Description	Unit	Rate in ₹
1.	At Q 10 Area	Per jetty per month or part thereof	167020
2.	Near SCB	- do -	176400

2.6. Security Charges for vessels

Description	Unit	Rate (in ₹)
International Cruise / Foreign Naval Vessels	Per 24 hours or part thereof	1,00,000/-

CHAPTER - III
CARGO RELATED CHARGES

3.1. Schedule of wharfage for bulk and break bulk cargo

Rate in ₹

Sl. No.	Description of commodity	Unit	Coastal	Foreign
1.	Cashew, nuts and fruits	MT	30.00	50.00
2.	(i). Thermal Coal	MT	56.00	56.00
	(ii). Coal other than Thermal Coal, coke, wood charcoal, firewood	"	33.60	56.00
3.	Coir, coir products, jute, jute products	MT	40.30	67.20
4.	Construction and building materials			
	(i). Sand, stones, Granite, Marble	MT	31.20	52.00
	(ii). Cement, Clinker, Clay, Chalk	"	43.70	72.80
5.	Cotton, cotton waste, twist yarn, wool, clothes & Cotton piece goods	CUM	29.40	49.00
6.	Defence goods	MT	130.55	217.55
7.	Fertiliser - raw material & finished - at Q10 Berth			
	(i). Sulphur	MT	37.20	62.00
	(ii). Rock phosphate	"	34.20	57.00
	(iii). Finished fertilisers	"	34.20	57.00
	Fertiliser - raw material & finished at other Berths			
	(i). Sulphur	MT	52.10	86.80
	(ii). Rock phosphate	"	47.90	79.80
	(iii). Finished fertilisers	"	47.90	79.80
8.	Food grains, oilseeds, cereals, pulses, bran of all kinds	MT	36.95	61.60
9.	Fuel for Ship's bunkers	MT	24.00	40.00
10.	Liquid cargo, acids			
	(i). Crude oil - at Port Berth	MT	65.00	65.00
	(ii). Crude oil - SBM	MT	25.00	25.00

Sl. No.	Description of commodity	Unit	Coastal	Foreign
	(iii). POL products - at Port Berth	MT	65.00	65.00
	(iv). POL products and other liquids - STS	MT	25.00	25.00
	(v). Liquid ammonia	MT	71.40	119.00
	(vi). Phosphoric acid	MT	65.50	109.20
	(vii). Molasses, edible oils & other liquids	MT	54.60	91.00
11.	Metals and Metal products	MT	67.20	112.00
12.	Metal Scrap	MT	54.00	90.00
13.	Minerals and ores	MT	43.70	72.80
14.	Motor vehicles except Motorcycles			
	(i). By RO-RO system	Per vehicle	900.00	1500.00
	(ii). Other than by RO-RO system	Per vehicle	1800.00	3000.00
15.	Motor Cycles	Per vehicle	300.00	500.00
16.	Oil cakes & fodder	MT	47.05	78.40
17.	Paper, paper products and newsprint	CuM	31.20	52.00
18.	Salt	MT	8.40	14.00
19.	Ship stores, provisions	MT	30.00	50.00
20.	Soda Ash	MT	15.00	25.00
21.	Sugar, Raw Sugar	MT	37.20	62.00
22.	Sludge, Oily waste	MT	54.00	90.00
23.	Unaccompanied personal baggage	CuM	47.05	78.40
24.	Wood, timber and products			
	(i). Timber logs	Cu M	20.40	34.00
	(ii). Wood, bamboo, wood products	MT	47.05	78.40
	(iii). Wood Pulp	MT	34.45	57.40
25.	Any item other than those specified above.	MT	60.00	100.00

Notes:

1. “Wharfage” shall mean the basic dues recoverable on all cargo/ container landed or shipped or transshipped within the port limits or passing through the declared landing stage of the port, whether porterage was provided by the port or not.

2. Assessment of cargo shall be done on the basis of the description of the cargo as given in the bill of entry / coastal bill of lading in case of import cargo and shipping bill in the case of export cargo, that best fits the item description covered under the schedule.

3. (a). For the purpose of calculating the dues the unit by weight shall be 1 tonne or 1,000 kilograms, the unit by volume measurement shall be 1 cubic metre and the unit by capacity measurement for liquids in bulk shall be 1,000 litres.
   (b). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.5 shall be taken as 0.5 unit and fractions of 0.5 and above shall be treated as one unit, except where otherwise specified.

4. Before classifying any cargo under unspecified category in the wharfage schedule, the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in those schedules.

5. Wharfage dues shall be collected at the rates specified in the schedule on the basis of:

   (a). Vessel’s draft survey certificate / Vessel’s Manifested Quantity in case of dry bulk cargo;
   (b). Vessel’s ullage certificate quantity / Vessel’s Manifested Quantity in case of liquid bulk;
   (c). Bill of Entry / shipping bill quantity in all other cases.

(d). In case of coastal cargo, if Bill of Entry or Shipping Bill is not available, Cochin Port Trust shall decide the documents to be relied upon.

6. Goods free of wharfage:
   (a). Cargo consigned to or by the Cochin Port Trust.
   (b). Import cargo delivered through Inland Water Barges.
   (c). Motor vehicles such as chassis / trailers with or without prime movers, trucks etc. used for transportation of cargo / containers through Inland Water Barges handled by RORO system or other than by RORO system.
   (d). Bonafide passengers' and seamen's baggage and personal effects accompanying them.
   (e). Bonafide ship's fittings of the same vessel.
   (f). Sweepings collected on shore.
   (g). Pallets used for the export of palletised cargo from the wharves.
   (h). Half wharfage is payable in respect of the above items from 6 (b) to 6 (h) provided their handling is undertaken by Cochin Port Trust.

7. Cargo transshipped alongside berths, reshipment or shut out cargo shall be assessed for each handling @ 75% of the wharfage applicable to that cargo.

8. Cargo transshipped other than at alongside berths shall be considered as single handling and shall be assessed at 50% of the wharfage for the cargo handled in such manner. However this condition shall not apply to STS operations.

9. Port shall not arrange for the porterage at wharf for the following cargo and the owners shall make their own arrangements for handling them at their expense and risk:

   (a). Fertiliser and fertiliser raw material handled at Q 10 berth.
   (b). Goods free of wharfage except 6 (a).
   (c). Any cargo handled through pipelines.

3.2. Demurrage Charges

3.2.1. Free Period

Sl. No.	Description	Free Period
1.	Import Cargo	7 days
2.	Salvaged Goods	3 days
3.	Export, transhipment and shut out cargo subsequently shipped in another vessel	12 days
4.	Shut out cargo removed without being shipped	3 days

Notes:

1. **Free Period**
   (a). Free period shall be exclusive of Customs notified holidays and port's non-operating days.
   (b). Free period for import cargo shall be reckoned from the day following the Vessel Completion Date (VCD).
   (c). Free period for export, transshipment and shut out cargo shall commence from the actual date of admission of the cargo into the port premises.
   (d). In case of salvaged goods, free period shall commence from the date on which the goods are salvaged.

2. If operational area is licensed to users, storage charges on containers / demurrage on cargo stored therein shall not be levied again.

3.2.2. Schedule of Demurrage charges

On expiry of free days as prescribed in Schedule 3.2.1, demurrage will be charged for period of storage of all goods till they are cleared at the rates prescribed below:

Sl. No.	Description	Rate per wharfage unit per day or part thereof (in ₹)
I.	Import cargo & Salvaged goods 1. For the first 5 days 2. For the next 10 days 3. Thereafter,	 3.00 5.00 7.00
II.	Export, Transhipment & Shut out cargo 1. From the day following the date of expiry of free period	 5.00

Notes:

1. Demurrage on both import and export cargo shall not accrue for the period when the port is not in a position to deliver / ship cargo when requested by the user.

2. Demurrage leviable on other consignments lying at the particular berth or adjacent berth / berths which cannot be cleared during the period when the adjacent berth / berths is / are kept vacant on account of the nature of cargo to be handled at a particular berth or for any other reason, shall be borne by the respective consignee of the cargo requiring such safeguard.

3.2.3. Charges for Storage of Cargo at the specified Transit Areas on Licence Basis

Transit area, both covered and open at the wharves, and the warehouses outside the wharves will be specified by the Board for allotment for storage of cargo to the owners or their agents on licence basis in lieu of demurrage. The COPT shall allot such area subject to availability and on payment of wharfage on the entire cargo at the time of allotment of storage area. Such allotment shall be vessel wise and license fees shall be recovered at the rates specified below:-

Particulars	₹ per sq. m. per week or part thereof from the date of allotment	
	Covered Storage	**Open Storage**
Up to 4 weeks	12.50	10.00
5th to 8th Weeks	18.75	15.00
9th Week onwards	25.00	20.00

Transit area for recovery of the afore said charges shall include the entire open and covered area inside the security wall at Ernakulam Wharf and the entire open and covered area inside the security wall at Mattancherry Wharf including the extension north of Q 4, unless otherwise specified. The warehouses Nos. 1,2,3,4 & 6, outside the wharves shall also be Transit area for recovery of the aforesaid charges. The cargo thus stored shall remain at the sole risk and responsibility of the owners or their agents and they will be responsible for any claims arising in respect thereof during the period of storage.

The aforesaid shall not preclude the COPT from allotting the transit area for purposes related to cargo/ vessel operations such as storage of equipment, ship's spares etc.

The Port shall also permit the owners or their agents to move the cargo directly from the wharf and stack the same in the Port area in Willingdon Island other than the Transit area under customs bond on licence basis at the rates specified for license under Estate Rentals. The cargo availing such storage shall pay wharfage on the entire quantity before being moved out of the wharf. The cargo thus stored shall remain at the sole risk and responsibility of the owners or their agents and they will be responsible for any claims arising in respect thereof during the period of storage.

Note:

Minimum charge recovered for each allotment shall be ₹250 per week.

3.2.4. Demurrage charge / Storage charge in respect of Finished Sugar and Pulses (import)

Sl. No.	Description		Charges
1.	Finished Sugar and Pulses (import)		
	(i).	Free period	As applicable in the Port
	(ii).	After free period upto 21 days (including free period)	As applicable in the Port
	(iii).	Beyond 21 days	Four times the rate applicable in the port.

Notes:

1. Free period excludes Customs Holiday and ports non-working days.

2. Free period shall commence from the day of completion of unloading.

3. These rates shall not apply to Yellow Peas and Raw Sugar, which will be regulated as per the applicable rates in ports prior to 25 August 2009.

4. The schedule for demurrage charge / storage charges (license fee) for pulses and sugar prescribed above will not apply to Nepal bound cargo. The Nepal bound cargo will be regulated as per the rates otherwise applicable in the Scale of Rates.

CHAPTER – IV

HIRE CHARGES FOR PORT EQUIPMENT

4.1. Charges for light duty forklift trucks.

(in ₹)

Sl. No.	For subsequent Operations	Unit	Coastal	Foreign
1.	For cargo handling or any other operations inside the wharf premises	Per forklift truck per hour or part thereof	352.80	588

4.2. Requisition cancellation charges.

Sl. No.	Particulars	Unit	Rate (₹)
1.	On working days	Per equipment per requisition	490
2.	On Sundays and Holidays	“ “ “	2940

4.3. Charges for Floating crane & Oil Skimmer.

Sl. No.	Category	Unit	Rate (₹)
1.	Floating Crane F.C. Periyar :		
	Fixed charges	Per hour or part thereof	2000
	Lifting charges : Up to 30 ton 30 - 60 60 - 90 Above 90	Per tonne or part thereof	 600 800 1200 1500
2.	Oil Skimmer M.V. Venad :		
	Fixed charges	Per hour or part thereof	1000
	Lifting charges	Per ton or part thereof	300

4.4. Charges for use of Port's Fender Pontoons

Sl. No.	Description	Unit	Rate per equipment (in ₹)
1.	Fender pontoons	Per day or part thereof	6860

Notes:

1. Equipment shall be spared for use subject to availability during the working hours notified by the Cochin Port Trust from time to time, based on the priority of requisition determined by the Cochin Port Trust.

2. The charges will commence from the time equipment is moved (unless otherwise specified in the schedule) till the time they are discharged.

3. When the equipment requisitioned is required for a longer period than initially required, fresh requisition shall be filed one hour before the expiry of the initial requisition period.

4. Cancellation of requisition:

   (i). Cancellation of requisition shall be made at least 2 hours before the commencement of period for which the service is requisitioned.

   (ii). Cancellation charges shall not be refunded. However, if the port, in order to suit its convenience, does not supply the equipment as per the requisition or if the cancellation arises out of Port's decision, requisition cancellation charge shall not be collected.

5. If the equipment is intended to be used for any purpose outside the port limits, the rates for such use shall be 200% of the respective rates for the equipment, unless otherwise specified.

CHAPTER – V

CONTAINER RELATED CHARGES

5.1.1. Wharfage for Containers

Sl. No.	Type of containers	Unit	Rate in ₹			
			20'		40'	
			Coastal	Foreign	Coastal	Foreign
1.	Empty	Per Container	123.48	205.80	185.22	308.70
2.	Laden	"	588.00	980.00	882.00	1470.00
3.	Hazardous/explosives	"	Rate 25% more than normal containers			

5.1.2. Lift on / Lift off charges for containers

(**Rate in ₹**)

Sl. No.	Type	Coastal			Foreign		
		20'	40'	Above 40'	20'	40'	Above 40'
1.	Laden	342.14	513.22	684.29	570.24	855.36	1140.48
2.	Empty	106.92	160.38	213.84	178.20	267.30	356.40

5.1.3. Reefer charges for containers:

Particulars	Rate	Coastal (₹)			Foreign (US $)		
		20'	40'	Above 40'	20'	40'	Above 40'
Electricity supply & monitoring charges	per 4 hours or part thereof	138.40	207.58	276.80	3.18	4.76	6.35

5.1.4. Charges for examination of import and export containers for clearance.

Rate per container for 20', 40' and above 40'	₹400

Note:
Ground Rent will be levied for containers availing storage from the day following the date of grounding, at the rates prescribed at schedule 5.1.5 without allowing the free period prescribed therein."

5.1.5. Ground Rent on Containers

Sl. No.	Period of occupation	Rate per container per day or part thereof					
		20'		40'		Above 40'	
		Coastal (in ₹)	Foreign going (in US $)	Coastal (in ₹)	Foreign going (in US $)	Coastal (in ₹)	Foreign going (in US $)
1.	**Empty Containers**						
	(i). First 3 days	Free	Free	Free	Free	Free	Free
	(ii). 4th day to 10th day	133.80	3.00	267.60	6.00	401.40	9.00
	(iii). 11th day to 15th day	267.60	6.00	535.20	12.00	802.80	18.00
	(iv). Thereafter	535.20	12.00	1070.40	24.00	1605.60	36.00
2.	**Loaded Containers**						
	(i). First 7 days	Free	Free	Free	Free	Free	Free
	(ii). 8th day to 15th day	133.80	3.00	267.60	6.00	401.40	9.00
	(iii). 16th day to 30th day	267.60	6.00	535.20	12.00	802.80	18.00
	(iv). Thereafter	535.20	12.00	1070.40	24.00	1605.60	36.00
3.	**Hazardous Containers**						
	(i). First 7 days	Free	Free	Free	Free	Free	Free
	(ii). 8th day to 15th day	167.25	3.75	334.50	7.50	501.75	11.25
	(iii). 16th day to 30th day	334.50	7.50	669.00	15.00	1003.50	22.50
	(iv). Thereafter	669.00	15.00	1338.00	30.00	2007.00	45.00
4.	**Transhipment**						
	Empty Container						
	(i). First 15 days	Free	Free	Free	Free	Free	Free
	(ii). 16th day to 30th day	267.60	6	535.20	12	802.80	18
	(iii). Thereafter	401.40	9	802.80	18	1204.20	27
	Laden Container						
	(i). First 30 days	Free	Free	Free	Free	Free	Free
	(ii). 31st day to 45th day	267.60	6	535.20	12	802.80	18
	(iii). Thereafter	401.40	9	802.80	18	1204.20	27

Notes:

1. **Free Period.**
   (i). For the purpose of calculation of free period Customs holidays and port non-working days shall be excluded.

   (ii). The free period for import containers will commence from the day after the day of landing of the last container from the vessel.

   (iii). The free period for export containers will commence from the time the container enters the port.

2. In case of export container, the levy of ground rent shall cease when the nominated vessel commences loading.

5.2. Container / Cargo Related Charges at the CFS and other Stuffing/ De-stuffing Facilities at the port

5.2.1. Stuffing and De-stuffing charges at CFS and other Port Facilities

Sl. No.	Description	Rate per container (₹)	
		20’	40’ and above
1	For half a container load	1380	2250
2	For full container load	2760	4500

Notes:

1. A container, which is stuffed or de-stuffed, 50% or less of its normal capacity, is treated as half a container.

2 In the event of stuffing/de-stuffing of cargo necessitated for topping up of the container, examination, accounting or proper stacking, and such stuffing/de-stuffing results in 50% or less than 50% of the cargo being stuffed/de-stuffed, only 50% of the stuffing/de-stuffing charges will be collected in such cases.

5.2.2. Storage Charges on Containers (FCL/LCL, Loaded or Empty) at CFS and other Stuffing / De-stuffing facilities at the port

Sl. No.	Period of occupation	Rate per container per day or part thereof					
		20’		40’		Above 40’	
		Coastal (in ₹)	Foreign going (in US $)	Coastal (in ₹)	Foreign going (in US $)	Coastal (in ₹)	Foreign going (in US $)
1	First 3 days	Free	Free	Free	Free	Free	Free
2	4th to 15th day	138	3.00	276	6.00	414	9.00
3	16th to 30th day	276	6.00	552	12.00	828	18.00
4	Thereafter	552	12.00	1104	24.00	1656	36.00

5.2.3. Storage Charges on Import Cargo De-stuffed from Containers

Sl. No.	Period of occupation	Rate per ton or part thereof per day or part thereof	
		Covered space (₹)	Open space (₹)
1	First 3 days	Free	Free
2	4th to 15th day	12	10
3	16th to 30th day	20	14
4	Thereafter	40	24

5.2.4. Storage Charges on Export Cargo Admitted for Stuffing into Containers at CFS and other Port Facilities

Sl. No.	Period of occupation	Rate per ton or part thereof per day or part thereof	
		Covered space (₹)	Open space (₹)
1	First 5 days	Free	Free
2	6th to 15th day	12	10
3	16th to 30th day	20	14
4	Thereafter	40	24

5.2.5. Storage Charges on Personal Effects/ Unaccompanied Baggage De-stuffed from Containers

Sl. No.	Period of occupation	Unit	(Rate in ₹)
1	First 3 days	per MT or part thereof per day or part thereof	Free
2	4^{th} to 15^{th} day		50
3	16^{th} to 30^{th} day		80
4	Thereafter		150

Notes:

1. Free period shall exclude Customs notified holidays and Port non-operating days.

2. The free days for containers shall be counted from the date of placement of the container for stuffing or de-stuffing in the CFS.

3. The free days for import cargo and personal effects de-stuffed from the containers shall commence from the day following the date of de-stuffing, and for export cargo the free period shall commence from the date of admittance of cargo into the CFS for stuffing.

4. Free period shall exclude any delay on the part of the port to stuff or de-stuff the container, as certified by the concerned officer authorised by the COPT.

5.2.6. Removal Charges for export cargo admitted for stuffing at the CFS and other stuffing / de-stuffing facilities of the port, and shut out without stuffing into containers

₹100/- per ton or part thereof at the time of removal

Note:

The removal charges shall be in addition to the storage charges wherever applicable.

5.3. The storage charges on abandoned FCL containers/ shipper owned containers shall be levied up to the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following conditions:

(i). The consignee can issue a letter of abandonment at any time.

(ii). If the consignee chooses not to issue such letter of abandonment, the container Agent / MLO can also issue abandonment letter subject to the condition that,
  (a). the line shall resume custody of container along with cargo and either take back it or remove it from the Port premises; and
  (b). the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.

(iii). The container Agent / MLO shall observe the necessary formalities and bear the cost of transportation and de-stuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for de-stuffing the cargo.

(iv). Where the container is seized / confiscated by the Custom Authorities and the same cannot be de-stuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Custom order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing. Otherwise, seized / confiscated containers should be removed by the line / consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day of such removal.

Note:

The existing conditions prescribed in Schedule 5.3. relating to levy of storage charge on abandoned FCL container will apply to containers handled at the CFS and other Stuffing/ De-stuffing facilities at the port.

CHAPTER - VI

MISCELLANEOUS CHARGES

6.1. Charges for use of Port's Fire equipment

Sl. No.	Description	Unit	Rate per equipment (₹)
1.	Fire tender or fire pump	Per hour or part thereof	490

6.2. Charges for issue of wharf entry permits to authorised visitors

Sl. No.	Type of Pass	Category of people	Validity	Fee
1.	Daily Wharf Entry Permit	Any one time customer	One day	₹10 per person for one day
2.	Weekly wharf entry permit	All category of port users	Two to seven days	₹20 per person
3.	Temporary Dock Entry Permit - I (Laminated Photo Card)	All category of port users	Seven days to one month	₹50 per person
4.	Temporary Dock Entry Permit - II (Laminated Photo Card)	CHA, SA, EXIM, Surveyors, Ship Chandlers, Govt. Agencies, C&F agents, Ship repairers, fumigators, palletizing agents etc.	More than one month up to three months	₹100 per person
5.	Dock Entry Permit for wharf entry alone. (Bio-metric card)	CHA, SA, Stevedores, EXIM, Surveyors, Ship Chandlers, truck/ equipment operators, Govt Agencies, C&F agents, Ship repairers, fumigators, palletizing agents, workers from KHWWB etc.	More than three months upto one year	₹300 per year + ₹200 one time cost for biometric card
6.	Dock Entry Permit with Transaction Permission* (Bio-metric card with hollogram)	Authorized signatories of CHA	Three years	₹900 for wharf entry + ₹100 for transaction license + ₹200 one time cost for biometric card
7.	School/College students group upto 50 members (plain paper pass)	Institutional students	One visit	₹100 per group
8.	Boat crew (Laminated Photo Card)	Boat crew of Govt/ private boats and barges	One year	₹100 per person
9.	Duplicate biometric card in the event of loss			₹1000
10.	Duplicate biometric card in the event of damage			₹200

Note: A biometric card will be issued separately @ ₹200 per card irrespective of the valid period.

6.3. Embarkation and disembarkation charges for international passengers in cruise vessels

Sl. No.	Description	Unit	Rate in ₹
1.	Embarkation / disembarkation	per person	100

6.4. Charges for removal of goods by the port in case importer / exporter fails to remove the goods.

(Rate in ₹)

Sl. No.	Description	Within transit shed or open	From transit shed or open transit accommodation to

		transit accommodation	other sheds or warehouses or to open storage area
	In the case of goods on which Wharfage is charged on the basis of:		
1.	Per ton / Per cum:	196	588
2.	Per each item:		
	Motor car	147	294
	Motor cycle with or without side car, cycle & other carriages	98	147

Notes:

1. After the expiry of the free storage period, the goods are liable to be removed at the discretion of the port, which shall attract the charges as per the schedule.

2. Baggage or personal effects not accompanying passengers or seamen if landed at Ernakulam wharf shall be removed direct to overflow shed or baggage hall at Ernakulam wharf and removal charge at ₹200 (Rupees two hundred only) per cubic metre shall be recovered.

3. Removal charges leviable on other consignments lying at the particular berth or adjacent berth / berths which cannot be cleared during the period when the adjacent berth / berths is / are kept vacant on account of the nature of cargo to be handled at the particular berth, or any other reason shall be borne by the respective consignee of the cargo requiring such a safeguard.

6.5. Charges for Use of de-ballast tank, transfer / inter-transfer of POL products

Sl. No.	Description	Unit	Rate (in ₹)
1.	For use of port's berth, jetties, pipelines, pumping facilities for operation of transferring P.O.L products (other than landing and shipping).	Rate per ton or part thereof	19.60
2.	Exchange PIT facilities for transferring POL products from one installation to another through pipelines at Tanker Berths.	-do-	9.80

6.6. Charges for Erecting Hoardings.

Sl. No.	Description	Unit	Rate in ₹
1.	Single sided hoardings per sq. mtr.	per year or part thereof	5000
2.	Double sided hoardings	“	10000
3.	Neon boards	“	2500

Notes:

1. The charges for one year should be paid in advance as security deposit over and above the normal charges, irrespective of the location of hoardings within the port limits.

2. The permission for the hoardings will be renewable annually and the rent will be payable in advance. The Port may, however, require at any time, on three months notice that the hoardings should be removed if the land is required for other purposes. In such cases proportionate charges will be refunded.

3. The grant of permission for putting up hoarding will not confer on the applicant / user any title or right in respect of the land.

4. If the hoarding is not removed on the expiry of the period of permission, the Port shall be entitled to remove such hoardings and sell them by public auction. The Port shall also have the right to recover the cost of such removal and other incidental expenses from the deposit amount or the sale proceeds of such materials used for the hoarding.

6.7. Passenger launches

Sl. No.	Description	Unit	Rate in ₹
1.	Passenger launches	Per launch per day or part thereof	2000

6.8. Penalty charges for VCN cancellation

Sl. No.	Description	Unit	Rate in ₹
1.	VCN cancellation	Per cancellation	500

6.9. Taking photographs or shooting films in the port premises

Sl. No.	Description	Unit	Rate in ₹
1.	Making cinema / documentary by movie camera	Per day or part thereof	40000
2.	Videography by video camera		20000
3.	Photography by Still Camera		1000

6.10. License fee for the use of port's bunks

Sl. No.	Description	Rate per month or part thereof (in ₹)
	Old Bunks	
1.	Measuring 2.5 M x 2.5 M	525.00
2.	Measuring 2.5 M x 1.5 M	420.00
3.	Measuring 3.0 M x 2.5 M	1157.80
	New Bunks	
4.	T - Bunks 3 M x 1.5 M	1030.40
5.	C - Bunks 2.5 M x 1.5 M	858.20

Note:

New bunks are those bunks existing between the EDC building and Ernakulam Wharf gate, Western Side of Rubber Board building & southern side of Porterage Office.

6.11. License fees for jetties, piers etc.

Sl. No.	Description	Unit	Rate in ₹
1.	Jetties & piers	Rate per unit per annum	1120
2.	Slipway	-do-	980
3.	Boatpen	-do-	469
4.	Inspection fees	Each Jetty / slipway from Each applicant	546

6.12. Vehicle parking fee inside Port premises

(Rate in ₹)

Sl. No.	Duration	Up to eight (8) hours	For every hour thereafter
1.	20 ft container Trailer / Commercial Trucks including Tippers, Tankers and pick up vans	Free	10
2.	Tourist vans and buses	Free	10
3.	40 ft container Trailer	Free	15

6.13. Toll Charges

(Rate in ₹)

Sl. No.	Type of Vehicle	Daily	Monthly	Quarterly	Half yearly	Yearly
1.	Two wheelers	3	50	100	200	300
2.	Three wheelers	5	75	150	300	600
3.	Four wheelers	10	250	500	600	900

4.	Tourist Vehicles - Vans - Buses	 50 100	 - -	 - -	 - -	 - -
5.	Buses (both public / private)	15	300	450	900	1500
6.	Lorries including tankers					
	Up to 6 wheels	20	300	450	900	1500
	More than 6 wheels	50	400	600	1200	2000
7.	Prime Movers & Chassis					
	20'	50	400	600	1200	2000
	40 '	60	500	750	1500	2250
8.	Cranes, Pay loaders Bull dozers, Excavators etc.	60	500	750	1500	2250

CHAPTER - VII

ESTATE RENTALS

7.1. Lease of Port land at various locations

Sl. No.	Location	Land with water frontage for berth & back up	Commercial/ office (other than warehouse) purposes	Warehouse purposes	Special Residential Purpose
		Rate in ₹ per hectare per annum			
1	**Willingdon Island**	2667600	2223000	1778400	1667250
	" - Landing cone of Naval airport	-	1444950	-	-
2	**Vallarpadam**	3734640	3112200	2489760	2334150
	" " - SEZ Area	4294836	3579030	2863224	-
3	**Puthuvypeen**	2578680	2148900	1719120	-
	" " - SEZ Area	2965482	2471235	1976988	-
4	**Palluruthy - DLD**	-	-	-	1733940
	" - Water front	-	-	-	2098863
5	**Fort Kochi** - Hotel	-	2371200	-	1896960
	" " - Laurel Club	-	1185600	-	-
	" " - Customs	2845440	-	-	-
	" " - Wharf	2845440	-	-	-
6	**Bolghatty**	-	3112200	2489760	2334150
7	**Ernakulam**				
	" " - GIDA Land	-	3408600	2726880	2556450
	" " - Pachalam	-	3408600	-	2726880
	" " - Thevara	-	2667600	2134080	2000700

Note: To arrive at the rate per Acre per annum, the rate per hectare per annum may be divided by 2.47.

7.2. The License fee for the covered & open area licensed for a period up to 11 months at areas other than that specified under transit area vide Section 3.2.3 of the SOR.

Particulars	₹ per sq. metre. or part thereof per month or part thereof from the date of allotment

Covered Space	45
Open Storage	35

7.3. Charges for Office Accommodation

Particulars	₹ per sq. metre per month or part thereof
Covered Space – Office Accommodation	150

7.4. Rent for fumigatorium for storage of export cargo : ₹3 per sq. meter per day or part thereof

7.5. Way leave charges for laying pipelines: through ports land ₹360 per sq. meter per annum for the area occupied by pipeline.

Note to Section 7.5 above: For the purpose of way leave charges, the area occupied by single pipelines should be calculated based on the diameter and length of those pipelines. In case of multi-layer pipeline stacks, the physical area occupied by the multilayer pipeline stacks should be considered and the respective users should be billed for pro-rata area on the basis of the diameter and length of their pipelines passing through that area. With respect to the area shared with road, rails, jetties, etc., the respective users should be billed pro-rata for 50% of concerned area assuming that they do not have exclusive possession of land and what they have is only 'Right of Way'. As far as underground pipes are concerned if the users establish that the possession of surface area above the underground cross-country pipelines is not physically with them, the area occupied by such pipelines should be counted 50% of the product of diameter and length, for the purpose of levy of way leave charges.

General Notes to Chapter VII Estate Rentals:

(1) All the base rates mentioned above are subject to an automatic annual escalation of 2%.

(2) All the conditions governing lease rentals shall be in line with the government guidelines.

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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/49/2011 - COPT - Proposal from the Cochin Port Trust for general revision of its Scale of Rates.

The summary of comments received from users/ user organisations and comments of Cochin Port Trust (COPT) thereon are summarised below:

Sl. No.	Comments of users / user organisation	Comments of COPT
1.	**Coir Board**	
(i).	THC collected by the Steamer Lines after the new terminal is opened is substantially higher than the rate collected at the old port. To resolve this, the exporters have approached the Hon'ble High court of Kerala and the Court directed the Chairman of the Port Trust to intervene and find a solution. In spite of three months having lapsed, no solution is found.	The magnitude of THC & Cabotage law are outside the purview of the general revision of the Scale of Rates. However, the aforesaid issues are under the active consideration of COPT/ Government of India for a solution that is beneficial to the trade.
(ii).	Since the distance by the road to the new Port is higher by almost 40kms, exporters have to incur an additional expense of ₹5,000/- per container.	
(iii).	Since there is no EDI facility at the ICTT, after unloading the containers, the exporters are forced to go back to the Custom House at Willingdon Island which is 40 kms away, to collect the documents from the Customs. It is learnt that no EDI can be installed at ICTT as it is under the jurisdiction of Cochin Special Economic Zone.	
(iv).	Shippers are also facing a problem with the Cabotage law which is a deterrent to the main line vessels calling Vallarpadpm, since foreign flag carriers are not allowed to ply between Indian Ports for pick and discharge of containers. If this law is not amended the purpose of ICTT may get defeated.	
(v).	If there is any further revision of tariff by way of THC or charges to ship calling in the Port, there will be major diversion of cargo from Cochin Port to Tuticorin and less vessels call at Cochin Port. Therefore, alternate solutions may be found to rising cost and not increase of charges.	
2.	**Cochin Steamer Agent's Association (CSAA) and Shipping Corporation of India (SCI)**	
(i).	The Royalty from ICTT and Petronet LNG have not been taken as income in the costing. It is important to closely monitor the Royalty due from ICTT and others. COPT must get their share properly from ICTT whose handling charges are much higher than neighboring ports and unlike COPT, the ICTT has not made any efforts to equalize or be competitive.	The comments are general in nature. No specific comments are offered. However, specific discounts can be offered in Port charges against committed volumes.
(ii).	It is presumed that interest earned as income is being offset by interest to be paid on borrowed funds.	
(iii).	One time payment for wage and pension arrears - Major ports should convey to the policy makers at the centre that long periods of pension payouts and delayed enhanced payment of wages, with retrospective effect after Wage Board recommendations are one of the major cost burdens and not viable in the present	

	business scenario.	
(iv).	COPT has given concession of about 13.5% for General Cargo and feeder Container Vessels of 15000 GRT. However, in the case of General Cargo and Feeders having 15001 GRT, they have proposed a hike of about 58%. In this connection we feel that with COPT currently giving more focus to attract General Cargo commodities like Cement/Coal/Metal Scrap and the vessel with these cargo will be over 15000 GRT and with ICTT anticipated in connecting Vallarpaddam with many nearby ports, feeders which have Gross tonnage of more than 15000 GRT and with capability of multiple ports of call will be delayed. Hence the increase of 58% in 15001-60000 slabs is not justified and should be dropped to existing rate.	
(v).	The hike in toll charges may be restricted only to commercial vehicles and with no increase in the yearly toll charges for Two wheelers/Cars etc. entering Willingdon Island area for official purpose.	
3.	**Bharat Petroleum Corporation Limited (BPCL)**	
(i).	Existing oil berths STB, NTB and COT are being utilized by oil companies to evacuate/ import of products. The present drafts of STB and NTB jetties at 9.15m and COT at 12.5m were developed over a period of time spending huge capital investments. COT being a new jetty compared to other oil jetties it is beneficial for CoPT also to maintain the present draft of 12.5 m. CoPT is getting ₹94.77 crores surplus amount from BPCL Kochi Refinery SBM operations alone during the 3 years i.e. 2012-15. Hence it is a fair approach to utilize a part of the above surplus accrued even if any deficit is arising due to dredging at COT, NTB & STB. Further, it is a national waste, to abandon the developed draft after spending the huge amount as capitalized cost of dredging. Maintaining the present draft at COT is advantageous for CoPT to retain its business with other customers like Indian Oil Corporation, Hindustan Petroleum Corporation etc.	The suggestion of BPCL has been noted.
(ii).	Wharfage of crude oil through SBM was agreed as per a separate MoU between CoPT and BPCL for a period of 10 years. From 2011-12 onwards the capacity of BPCL refinery has been enhanced from 7.5 to 9.5 MMTPA, thereby the quantity through SBM also will increase. In line with the agreement CoPT shall consider a downward revision in the rate of ₹25/- per metric tonne upon the annual throughput through SBM exceeding 9.0 MMT. Hence necessary downward revision shall be incorporated before finalizing the SOR.	The Wharfage rate of ₹25 per tonne at SBM incorporated in the proposed Scale of Rates is based on the MoU between CoPT and KRI. Revision of Wharfage rate will be taken up at the appropriate time as per the clauses of MoU.
(iii).	It was the practice followed earlier by CoPT that to charge wharfage based on quantity as per Intake Certificate (shore receipt tanks) which has been changed by taking quantity as per Vessel Ullage Report prepared by the surveyor. It is also understood that as wharfage is cargo related activity, actual quantity received/unloaded only needs to be considered for levying wharfage. The practice may be re-instated in line with the practice followed earlier.	The referred point is dealt in the Section 58 of the MPT Act, which reads as follows: "Time for payment of rates on goods – Rates in respect of goods to be landed shall be payable immediately on the landing of the goods and rates in respect of goods to be removed from the premises of a Board, or to be shipped for export, or to be transshipped, shall be payable before

		the goods are so removed or shipped or transshipped." The earlier practice followed by the COPT in levying wharfage was based on the quantity as per Intake Certificate. It was practically difficult to assess the actual quantity landed as the SBM unloading point is almost 19 nautical miles away from the shore tank and also the pipeline distance from the shore tank to Cochin Refinery is another 30 kms. The Intake certificate is showing only the quantity received at the tanks of the Refinery. It does not show the correct quantity landed, which should undergo levy of wharfage, as per the provision of the Act mentioned above, as the quantity in the pipelines is not reckoned. Hence, the practice was changed by taking quantity as per Ullage Report, which is submitted by third party Surveyor.
(iv).	In order to load / unload specific grade of products it is required to unload certain quantity of cargo from the tanker into shore tanks/ loading of line content of different grades from the product pipeline. The same quantity will be reloaded /unloaded after completion of loading the specific parcel. This activity is necessitated as different grades are being loaded through the same pipeline connected to the jetty. As wharfage is levied based on the cargo landed / shipped or transshipped the above activity shall be exempted from payment of wharfage to avoid duplication of charges for the same cargo at the same port.	Temporary charges and reloading of cargo into/from shore tanks for facilitating import and export operations are charged at the rates applicable for transshipment along side berth. The same practice needs to be continued.
(v).	The lease of port land in SEZ area at Puthu Vypeen where BPCL established the shore tank farm is governed by a separate agreement between CoPT and BPCL for a period of 30 years. Hence the lease rates in the SOR shall not be considered.	Lease rent for land allotted to M/s. BPCL-KR in SEZ area at Puthuvypeen for STF facilities shall be levied only on the basis of MoU signed between the two parties and hence the rates as per SOR shall not be considered.
4.	**Cashew Export Promotion Council of India**	
	The prevailing rates at the Cochin Port is very high compared to the existing rates in other ports in India. Due to these higher rates they are incurring high transaction cost which makes them uncompetitive in the international markets. Hence, it is requested not to allow any hike in the existing rates and to bring down the scale of rates of Cochin Port to make it on par with the existing rates of other ports.	The comments are general in nature. No specific comments are offered. However, specific discounts can be offered in Port charges against committed volumes.
5.	**Indian National Shipowners' Association (INSA)**	
	INSA has stated that it has no comments to offer on this proposal.	
6.	**The Fertilisers and Chemicals Travancore Limited**	
	The berth hire / port dues at Cochin Port is already higher than neighbouring ports like Tuticorin. As suggested by Cochin Port it will be better to continue with the existing charges for atleast 3 more years.	

<table>
<tr><td>7.</td><td>Kin-Ship Services (India) Pvt. Ltd.</td><td></td></tr>
<tr><td>(i)</td><td>We have handled import consignment of coal, gypsum, Shredded Scrap, Cement Clinkers and Iron Ore Pellets in COPT. The most of the adjacent ports like NMPT, TPT and CHPT are much more competitive in rates than the COPT. It has furnished a comparative statement of wharfage for the various commodities at four ports, as given below:
<table>
<tr><td></td><td></td><td>Coal</td><td>Gypsum</td><td>S.Scrap</td><td>Clinker</td></tr>
<tr><td>1</td><td>Mangalore</td><td>25.00</td><td>30.00</td><td>40.00</td><td>30.00</td></tr>
<tr><td>2</td><td>Tuticorin</td><td>38.00</td><td>7.00</td><td>35.00</td><td>7.00</td></tr>
<tr><td>3</td><td>Chennai</td><td>23.00</td><td>28.00</td><td>42.90</td><td>28.60</td></tr>
<tr><td>4</td><td>Cochin</td><td>56.00</td><td>72.80</td><td>90.00</td><td>72.80</td></tr>
</table>

Moreover, these ports achieve discharge rate which are much higher than what has been achieved by COPT. Therefore, the importers find that there is a definite cost reduction for them if they use the neighboring port for their import consignment. COPT should match the wharfage prevailing in the neighboring ports thus enabling them to use the COPT for their import consignment.</td><td>Cochin Port with the revision of its Scale of Rates w.e.f. 30.12.1998 that took care of the expenditure on account of Dock Labour Board (DLB), coinciding with the complete merger of DLB with Cochin Port Trust in 1998, discontinued with recovering wages plus levy and piece-rate incentives from the stevedores. Cochin Port has chosen not to prescribe any separate Scale of Rates of levy or incentives in its Scale of Rates for supplying port labour as per the TAMP direction in 2005 for the reason that it does not have the levy system. Therefore, comparison of Cochin Port's Wharfage with that of other ports, without taking into account the components is unrealistic (Even with levy, other ports are cheaper than Cochin in terms of CRC as well as overall cost, primarily due to other reasons). The applicant stevedoring firm Kinship operating in Cochin and other ports, is well aware of the high rate of Wharfage at Cochin vis-à-vis other ports.</td></tr>
<tr><td>(ii).</td><td>The proposal from COPT for reduction of storage charges from the current telescopic increase from month on month to a single rate for the 1st 8 weeks and a 20% increase thereafter is as welcome step to induce the exim trade to use the COPT.</td><td>No comments furnished.</td></tr>
<tr><td>(iii).</td><td>The vessel related tariff of COPT is the highest prevailing in the Country. The berth hire charges include an incident equivalent to 30% as cargo related charges i.e. the berth hire charges is 70% berth hire and 30% cargo related charges. The said 30% cargo related charges include cost of shore crane, over time charge and so on. At present, the Port has no shore cranes at all. Moreover the Port function on a 3 shift basis and as such there is no Overtime. Therefore, there is room for reduction in berth hire charges which may be considered.</td><td>The cost statement for sub activity of berth hire charges submitted by COPT to TAMP reveals that a hike of 245% is required on existing berth hire charge to cover the expenditure gap, but the port has not proposed any such hike/ changes on berth hire charges except restructuring the multiple berth hire rate slabs to single slab.</td></tr>
<tr><td>(iv).</td><td>In these times of recession a reduction in cost results in reducing losses only and not towards making profit. As such more competitive the port is by way of cost reduction more cargo will be attracted to COPT.</td><td>The COPT has not commented.</td></tr>
<tr><td>8.</td><td>Parisons Infrastructure Pvt. Ltd.</td><td></td></tr>
<tr><td>(i).</td><td>We have erected storage tank farms for storing edible oil and petroleum Class B products by taking on lease 1.429 hectares of land at the back up of BTP paying a lease premium and yearly rent with a cumulative increase of 30% in the lease rent after every 5 years. The way leave charges with the base rent of ₹100/M2 is paid by us every year.</td><td rowspan="3">COPT has not furnished its comments.</td></tr>
<tr><td>(ii).</td><td>When compared to the other ports, especially Mangalore Port, the charges for the vessel related activities and estate rentals of the Cochin Port are on the higher side.</td></tr>
<tr><td>(iii).</td><td>There is a ban on the import of palm oil through Cochin</td></tr>
</table>

	Port, and the facilities of the port cannot be utilized for the purpose for which it was acquired. Any increase in the existing rates will have an adverse effect on the business.	
9.	**Southern Naval Command, Operations Division, Kochi.**	
(i)	It has been proposed to levy ₹1,00,000 for 24 hours on foreign naval vessels as security charges. No details have been provided regarding additional measures towards arranging security being provided against the hefty amount. Some of the additional security arrangements provided at overseas ports are as follows: (i). Container cordon to restrict approach to gangway. (ii). 24x7 armed boat petrol in vicinity of ship. (iii). Roving security guards on jetty. (iv). Check on personnel at access point. (v). Floating barrier around ship to prevent attack by under water divers. (vi). Additional lighting on jetty. The above list is not conclusive but is dynamic depending on threats faced by the respective ship. It is, therefore, recommended that rates of each of the services as listed in para (i) to (vi) be listed and the choice be left to the visiting ship to opt for them. The charges for services opted for could then be levied upon the ship instead of a lump sum amount of ₹1 lakh.	COPT has not furnished its comments.
(ii).	The proposal for enhancement of wharfage charges (for providing additional security and safety measures) for defence cargo is not recommended. The Port being ISPS compliant, the charges must be standard and no separate charges must be incurred for defence cargo. In addition, requirement of seeking additional security from Navy for merchant vessel carrying defence cargo be discontinued and the Port should meet the same. The charges towards this end are already catered for by COPT.	

2. A joint hearing in this case was held on 28 March 2012 at the COPT premises. The COPT made a brief power point presentation highlighting the salient points of its proposal. At the joint hearing, COPT and users/user organisations have made the following submissions:

Cochin Port Trust

(i). Board of Trustees approved the proposal in their meeting of December 2011.

(ii). Under cost plus method, all rates require upward revision. On an average VRC will need revision by 122% and CRC by 72%. But we propose to maintain status quo, as any increase in tariff may result in diversion of traffic which may aggravate our financial problems.

(iii). Our charges are already on the higher side compared to neighbouring ports.

(iv). We will consider granting reduction in the ceiling level of tariff approved by TAMP, wherever necessary.

(v). Dredging expenses is a huge burden. We don't get any budgetary assistance.

(vi). ICTT is not returning desired/ expected revenues because of various other issues like cabotage law, customs/ SEZ procedure, etc. We expect our financial position to improve in the next 5 to 6 years with expansion of Refineries, ICTT achieving higher volumes and Petronet jetties' commissioning.

(viii). We withdraw our proposal for Nehru Shatabdi as the dredger cannot be spared for use of any other organisation.

(ix). Our contractual obligation is to maintain depth of 9.1 m. at COT. But we give 12.5 m. For this, we have asked BPL-KRL to pay ₹15 crores.

India Gateway Terminal Private Limited

(i). We fully endorse the proposal of the port.

Bharat Petroleum Corporation Limited (Kochi Refineries Limited)

(i). POL activity is in surplus. Further, crude and product volumes will go up in future. Though major operations have shifted to SBM, the COPT should maintain the already created COT facilities.

(ii). The method of levying wharfage based on ullage certificate needs to be reviewed.

(iii). In some cases, double handling of product is done. Port should not levy twice.

Cochin Steamer Agents Association

(i). We endorse the proposal of COPT.

Shipping Corporation of India Limited

(i). We also endorse the proposal.

Container Shipping Lines Association (India)

(i). We agree with the proposal.

Cochin Shipyard Limited

(i). The proposed increase of rates for Nehru Shatabdi is very high.

The Fertilisers and Chemicals Travancore Limited

(i). We welcome the proposal of COPT.

Parison Infrastructure Ltd.

(i). Any increase in tariff will affect the business.

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