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Tariff Authority for Major Ports

G.No.446 **New Delhi,** **04 December 2019**

NOTIFICATION

This Authority, in exercise of the powers conferred on it under Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), had disposed of the proposal received from the Cochin Port Trust (COPT) for general revision of its Scale of Rates, on 10 October 2019. Considering the time involved for notifying (Speaking) Order along with the Scale of Rates, approved by this Authority, this Authority decided to notify only the revised Scale of Rates immediately. Accordingly, the Scale of Rates approved by this Authority on 10 October 2019 was notified in the Gazette of India on 30 October 2019 vide Gazette No.378. It was stated in the said Notification that this Authority will notify the Speaking Order, in due course of time. Accordingly, this Authority hereby notifies the Speaking Order connected with disposal of the proposal of the COPT 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/10/2019-COPT

Cochin Port Trust - - - **Applicant**

QUORUM:

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Rajat Sachar, Member (Economic)

O R D E R
(Passed on this 10th day of October 2019)

This case relates to the proposal received from Cochin Port Trust (COPT) for general revision of its Scale of Rates (SOR).

2. The existing SOR of the COPT was last approved by this Authority vide Order No.TAMP/58/2015-COPT dated 27 February 2016 which was notified in the Gazette of India on 04 May 2016 vide Gazette No.180. The validity of existing SOR of COPT expired on 31 March 2019 as prescribed in the said Order. The validity of said existing SOR of COPT is extended upto 30 September 2019 and communicated to all Major Port Trusts including COPT vide our letter No.TAMP/39/2005-Misc. dated 29 March 2019.

3.1. All the Major Port Trusts were governed by the Tariff Policy, 2015 for fixation of SOR for handling cargo, vessel and rendering miscellaneous services. The validity of the said Tariff Policy was till 12 January 2018.

3.2. The Ministry of Shipping (MOS), vide its letter No.IWT-II/28/2018-IWT dated 26 December 2018 has issued the new "Tariff Policy for determination of Tariff for Major Port Trusts, 2018" for determination of SOR which are due for revision in Major Port Trusts with effect from 01 April 2019 under Section 111 of the Major Port Trusts (MPT) Act, 1963. In compliance with the direction issued by the Government of India, this Authority has notified the Tariff Policy Guidelines, 2018 in the Gazette of India vide Gazette No.17 dated 16 January 2019. The Tariff Policy, 2018 has come into effect from 26 December 2018. Thereafter, as per Clause 1.5 of the Tariff Policy, 2018, Working Guidelines to operationalize the Tariff Policy is notified in the Gazette of India vide Gazette No.29 dated 30 January 2019. The said Working Guidelines, 2018 was forwarded to all Major Port Trusts including COPT vide our letter dated 04 February 2019.

4.1. The COPT has filed its proposal following Tariff Policy, 2018 vide its letter No.FD/Costing/Revision of SoR-2019-2022/2018 dated 11 January 2019 for general revision of its SOR. The submissions made by COPT in its general revision proposal are summarized below:

(i). The COPT has prepared the Tariff proposal considering the new Tariff Policy for Major Ports, 2018.

(ii). 1/3rd of the Contribution to Pension Fund and arrears of salary & wages while computing the Annual Revenue Requirement (ARR) has been considered in computation of average expenses. The ARR of COPT is arrived after considering average of expenses of the three years 2015-16, 2016-17 and 2017-18, 16% Return on Capital Employed and considering WPI indexation for the year 2018-19 at 3.45%. ARR works out to ₹405.16 crores.

(iii). Revenue Estimation has been arrived based on the actual traffic for the year 2017-18 and after considering proposed increase of 25% in the vessel related charges and 10% in cargo related charges (except ship store, where proposed increase is 20%) across all items in SOR. The revenue estimation figure is ₹397.54 crores. Hence, there is a deficit of ₹7.62 crores.

(iv). In case of Vessel Related Charges (VRC), even though MOS vide letter dated 17 September 2015 had previously stated that restatement of coastal vessels should take into account the exchange rate fluctuation of Indian Rupee vs US Dollar so that vessel related charges for all the coastal vessels shall not exceed 60% of corresponding charges for other vessels. Subsequently, the MOS vide its letter dated

11 May 2016 kept the above order in abeyance and directed the Ports not to consider the above policy of taking into account exchange rate fluctuation of Indian Rupee vs US Dollar for fixing of rates for coastal vessels. Due to this, coastal vessels are in effect enjoying concession of approximately 60% instead of default concession of 40% as directed by the MOS. It is important to note that efforts and costs involved in rendering of services to foreign and coastal vessels are the same as far as Port is concerned.

(v). Rates for VRC (Port dues & Pilotage) were increased in the year 2010 and subsequently no increase was proposed during the SOR revision in 2013. During the revision in 2016, Port proposed an increase of 5% only. Considering that the increase in operating expenditure such as fuel costs, salaries and wages etc., over the past 8 years have almost doubled, it is pertinent for the Port to increase the charges in order to sustain. Therefore, it is proposed to increase all the VRC by 25%.

(vi). In the case of Cargo Related Charges (CRC), COPT has proposed to increase all the rates by 10% other than wharfage of crude oil and waterfront royalty of LNG which are governed by a MOU between COPT and the party.

(vii). In the case of charges covered by Miscellaneous chapter, following tariff increase are proposed:

Sl. No.	Item	Proposed increase
1.	Ports' Fire Equipment	50%
2.	Wharf entry permit	20%
3.	Erection of Hoardings	Proposed to be removed
4.	Taking Photographs or shooting films in the Port premises*	100%
5.	Licence fee for the use of Port's bunks	2%
6.	License fee & Inspection fee (Jetty)	-
7.	Toll Charges (Incl. Vehicle Parking fee inside Port premises)	20%

* **A new classification has been introduced specifying charges as applicable to areas within and outside Willingdon Island as well as rates for half a day is also added.**

(viii). In addition to the above, Port has proposed to incorporate new rates for anchorage charges and for hire of reach stacker and skylift. Accordingly, rates have been proposed in the SOR under relevant chapters.

(ix). In this backdrop, a proposal is forwarded for consideration by the TAMP with a request to issue a favorable Order. The Port has also kindly requested to condone the delay in sending the proposal.

4.2. The COPT has furnished detailed computation of ARR in Form 1 and Revenue estimation at the proposed rate in Form-3. The ARR and revenue estimation at Form-3 are duly certified by the practicing Chartered Accountant and Financial Advisor and Chief Accounts Officer of COPT.

(i). A summary position of ARR computation furnished by COPT is tabulated below:

(**₹ in crores**)

Sl. No.	Description	Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	255.08	258.50	252.84
(ii).	Management & general Overheads	111.28	110.01	114.38
(iii).	Finance and Miscellaneous expenses (FME)	184.52	203.69	197.18
	Total Expenditure 1=(i)+(ii)+(iii)	**550.87**	**572.20**	**564.40**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	21.69	23.66	23.22
	(b). Allocated Management & Administrative Overheads	16.71	17.92	18.54
	(c). Allocated FME	27.71	33.18	31.97
	Subtotal 2 (i)=[(a)+(b)+(c)]	**66.12**	**74.75**	**73.73**
(ii).	**Interest on loans**	17.66	3.73	0.09

(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	Salary arrears payable to officers	0.00	2.27	18.12
	Subtotal 2 (iii) = [(a)+(b)+(c)]	0.00	2.27	18.12
(iv).	**2/3rd of the Contribution to the Pension Fund**	93.86	112.71	102.33
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	52.93	51.30	56.97
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**			
	(a). Operating Expenses	-	-	-
	(b). Depreciation	-	-	-
	(c). Allocated Management and Administrative Overheads	-	-	-
	(d). Allocated FME	-	-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	0	0	0
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	**230.58**	**244.76**	**251.24**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**320.30**	**327.44**	**313.16**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			320.30
(5).	**Capital Employed**			
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)			401.26
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)			24.58
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.			41.00
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.			
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10 of the Tariff Policy, 2015.			
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines			
	(a). Inventory			0.49
	(b). Sundry Debtors			17.58
	(c). Cash			43.06
	(d). Sum of (a)+(b)+(c)			61.12
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]			**445.96**
(6).	**Return @ 16%**			**71.35**
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**			**391.65**
(8).	**Indexation for 18-19 @ 3.45%**			**13.51**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**			**405.16**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.10 above**			**397.54**

(ii). The COPT has furnished in Form-3 detailed working of revenue estimation at the existing tariff as well as at the proposed tariff for the actual traffic of 2017-18. As per the said form, the total revenue estimated at the proposed tariff from Cargo, Vessel, Miscellaneous charges is ₹397.54 crores.

(iii). Proposal of COPT to meet the estimated ARR:

(a). The COPT has proposed to increase all CRC by 10% (except ship store wharfage for which proposed increase is 20%).

(b). The COPT has proposed to increase all VRC by 25%.

(c). Miscellaneous charges:

Sl. No.	Item	Proposed increase
1.	Ports' Fire Equipment	50%
2.	Wharf entry permit	20%
3.	Erection of Hoardings	Proposed to remove
4.	Taking Photographs or shooting films in the Port premises*	100%
5.	Licence fee for the use of Port's bunks	2%
6.	License fee & Inspection fee (Jetty)	-
7.	Toll Charges (Incl. Vehicle Parking fee inside Port premises)	20%

(iv). Concession to foreign container vessels are being given by the Port and these rebates are given since the year 2011. Concession figure amounts to ₹73.81 crores during 2017-18 and it has been in the range of ₹70-₹80 crores during past 2 years. For revenue estimation purpose, concession given during the year 2017-18 to the tune of ₹73.81 crores has been reduced during the year 2018-19 as well.

(v). GRT considered for estimation of Pilotage, Port dues and Berth Hire will not match. This is due to following reasons:

(a). Port dues-Reduced GRT is applicable in the case of tanker vessels.

(b). Berth hire - No berth hire charges are collected for SBM & LNG vessels.

(vi). Exchange rate considered for revenue estimation is ₹64.47 which was the average rate during year 2017-18.

(vii). Since the rates for cruise vessels are governed by a direction from the MOS, it has not been considered as part of SOR and has been excluded from revenue estimation.

(viii). No increase proposed in security charges.

(ix). The Performance Standards proposed by COPT in Form-6 are as follows:

Sl. No.	Performance Parameters	Actuals 2017-18
(1).	**Cargo Related Services**	
(a).	Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups	
	(i) Break Bulk	1079
	(ii) Containers	19151
	(iii) Dry Bulk	4923
	(iv) Liquid Bulk	30452
(b).	Average Moves per hour (in TEUs) in respect of Containers	30.43
(2).	**Vessel Related Services**	
(a).	Average Turnaround Time of Vessels (in days)	1.54
(b).	Average Pre-Berthing Time of Vessels (in days)	0.43
(3).	**Any other parameters found relevant by the Port**	---

5. Subsequently, in continuation to the letter dated 11 January 2019, the COPT vide its email dated 16 January 2019 has stated that it was decided to remove the hoarding charges (Clause 7.5. of the existing SOR) from the proposed SOR since it was decided to go for tender-cum-auction in the earmarked areas. The Port has made necessary changes in the proposed SOR. However, in Form no.5, Clause No.7.5, Charges for Erection Hoardings was not deleted in the Column of proposed SOR. Hence, COPT has furnished modified form 5 to that extent and requested schedule 7.5 to be read as "Deleted from SOR".

6. As per Clause No.4.4.2 of Tariff Policy for Major Ports, 2018 Port is mandated to host the draft SOR along with the proposed Performance Standards in its website and give the designated email address of Port as well as TAMP for comments of relevant stake holders/ users within 15 days' time. A list of users / users organization/ BOT operator to be consulted in this case was forwarded to COPT and the COPT was requested to confirm the hosting of its entire proposal (excluding Annual

Accounts) in its website duly providing the designated email address of Port as well as TAMP for comments of relevant stakeholder / users within 15 days' time. The COPT vide its e-mail dated 11 January 2019 has confirmed that the proposal forwarded to the TAMP for consideration was hosted in the COPT website and Port has also intimated to the concerned users/ user organisations as per list provided by TAMP and few additional users/ user associations.

7. The comments received from concerned users/ user organisations from time to time on the subject proposal were forwarded to COPT as feedback information. Cochin Steamer Agents Association (CSAA) and Cochin Shipyard Limited (CSL) have furnished their comments directly to COPT. The COPT has furnished its comments on the comments of users/ user organisations vide its letters dated 19 February 2019 and 05 April 2019.

8. Based on the preliminary scrutiny of the proposal, the COPT was requested vide our letter dated 04 June 2019 to furnish additional information / clarifications. After a reminder, the COPT has furnished its reply on additional information/ clarification vide its letter dated 20 June 2019. A summary of additional information/ clarification sought by us and reply furnished by COPT thereon is tabulated below:

Sl. No.	Information/ Clarification sought by us	Reply furnished by COPT
1.	**General:**	
	The port is requested to furnish copy of the Board approval at the earliest.	Copy of the Board Resolution is furnished as Annexure-A.
2.	**Annual Revenue Requirement (FORM NO.1)**:	
(i).	As per Form-1, indexed Annual Revenue Requirement (ARR) is ₹405.16 crores; the total revenue realizable from the proposed tariff is ₹471.35 crores, higher than the indexed ARR. After adjusting the concession to container vessel in Vessel Related Charges to the extent of ₹73.81 crores, the COPT has shown a figure of ₹397.53 crores as estimated revenue at the proposed SOR. When the indexed ARR is only ₹405.16 crores this Authority may not be in position to approve SOR to realize a revenue of ₹471.35 crores which is more than the indexed ARR. Extension of concession in tariff is in the discretion of COPT and that concession cannot be facted in the calculation of revenue estimation in Form-3. Therefore, the COPT to redraft the Form-3 and draft SOR to realize the indexed ARR of ₹405.16 crores. In the absence of redrawn Form-3 and draft SOR, this Authority may be constrained to reduce the proposed increase to bring revenue estimation in Form-3 at par with indexed ARR of ₹405.16 crores.	Form 1 and Form 3 is re-drafted after considering all suggestions in the foregoing paragraphs like exchange rate (as on 31.12.2018), 1/3rd of Gratuity Fund, Salary & wages arrears as appearing in the Administration Report matching with Annual Accounts of COPT etc. It may be kindly noted that as against the ARR of ₹416.27 crore, the actual revenue earned in the year 2017-18 is ₹323.39 crore and Revenue Estimation shows ₹401.68 crore which shows that there is still a gap of ₹14.60 crores with reference to estimation and ₹92.88 crores as compared to actual 2017-18 with reference to ARR. Hence the proposal to increase the cargo related charges by 10%, VRC by 25% and Miscellaneous charges with the range of 2% to 100% is justifiable to take care of deficit in pension fund to the tune of ₹2,600 crores in the long run.
(ii).	Sl. No.2 (iii): <u>2/3 of one-time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of ex-gratia payment, etc.</u>:	
	As per Clause 2.2 of the Tariff Policy 2018, only 1/3rd of one-time expenses like arrears of wages, arrears of pension/ gratuity, arrears of ex-gratia payments arising out of wage revision etc. need to be considered in the ARR computation which means 2/3rd to be excluded. However, the excluded salary arrears payable to officers at 2/3rd of ₹3.40 crores i.e. ₹2.27 crores and 2/3rd of ₹27.18 crores i.e. ₹18.12 crores for the years 2016-17 and 2017-18 respectively do not match with the figures reported in the Administrative Report at Nil for the years 2015-16 and 2016-17 and ₹13.59 crores for the year 2017-18. The COPT to make necessary correction in Form-1 in the ARR computation so as to be in line with the Tariff Policy 2018. Even, Notes under Form-1 require the port to furnish a working reconciling the amount reported in the Audited Annual Accounts and the figures considered in the cost statement. The COPT has not furnished requisite reconciliation working. Kindly provide the same. The COPT to furnish modified ARR (Form-1) duly certified by	Figures are now corrected and matched with Administration Report. The Form-1 to 4 and 6 duly certified by practicing Chartered Accountant is furnished.

<table>
<tr><td></td><td>the Practicing Chartered Accountant / Cost and Management Accountant.</td><td></td></tr>
<tr><td>(iii).</td><td>Sl. No.2 (iv): 2/3 of the Contribution to the Superannuation funds like Pension Fund, Gratuity Fund and Leave Encashment Fund:</td><td></td></tr>
<tr><td></td><td>As per Clause 2.2 of the Tariff Policy 2018, 1/3rd of the Contribution to the Superannuation funds (Pension Fund, Gratuity Fund and Leave Encashment Fund) need to be considered in the ARR computation which means 2/3rd to be excluded. As against the above position, the COPT has excluded 2/3rd of ₹140.80 crores, ₹169.06 crores and ₹153.50 crores being contribution towards only Pension Fund for the years 2015-16, 2016-17 and 2017-18 respectively. However, the Audited Annual Accounts of the COPT for the years 2015-16 to 2017-18 has also reported contribution to the Gratuity Trust Fund, which is part of the Superannuation Fund are as given below: (In Lakhs)
<table>
<tr><th>Items</th><th>2015-16</th><th>2016-17</th><th>2017-18</th></tr>
<tr><td>Gratuity Fund</td><td>2232.80</td><td>1469.97</td><td>1571.00</td></tr>
</table>
The port has, however, not excluded 2/3rd of the above item in the ARR computation. The COPT is, therefore, requested to make necessary correction in Form -1 in the ARR computation so as to be in line with the Tariff Policy 2018. Even, Notes under Form-1 require the port to furnish a working reconciling the amount reported in the Audited Annual Accounts and the figures considered in the cost statement. The COPT has not furnished requisite reconciliation working. Kindly provide the same. The COPT to furnish modified ARR (Form-1) duly certified by the Practicing Chartered Accountant / Cost and Management Accountant.</td><td>Contribution to the Gratuity Fund has been corrected to the extent of 1/3rd of the total figure captured in ARR estimates.</td></tr>
<tr><td>3.</td><td>Revenue estimation (Form-3):</td><td></td></tr>
<tr><td>(i).</td><td>The COPT has stated that traffic figures based on 2017-18 actuals are considered for revenue estimation. In this regard, the COPT is requested to furnish the following information / clarification:
The COPT has furnished Annual Administrative report for the year 2017-18. The total GRT Vessels considered in Form-3 for estimating revenue from Port Dues, Pilotage and Berth Hire charges are as shown below:
<table>
<tr><th rowspan="2">Vessel type</th><th colspan="3">GRT considered in estimating the revenue from</th></tr>
<tr><th>Port Dues</th><th>Pilotage</th><th>Birth Hire Charges</th></tr>
<tr><td>Foreign Vessels</td><td>2,85,47,397</td><td>3,07,82,934</td><td>2,08,41,675</td></tr>
<tr><td>Coastal Vessels</td><td>1,13,02,873</td><td>1,29,64,456</td><td>1,21,64,664</td></tr>
<tr><td>Total</td><td>3,98,50,270</td><td>4,37,47,390</td><td>3,30,06,339</td></tr>
</table>
It can be seen from the above table that there is mismatch in GRT considered for estimating the various VRCs. Further, the GRT considered by the port do not match with GRT of vessels for the year 2017-18 (Page No.100 of administration report) at 4,30,63,756 GRT reported in the Annual Administrative Report of 2017-18.

The COPT to, therefore, explain the reasons for above mismatch and broadly reconcile the GRT considered in the revenue estimation with the GRT of vessels reported in the Administrative Report for the year 2017-18.</td><td>GRT considered for estimating revenue from Port dues, Pilotage & Berth Hire: GRT is matched with the Administration Report and Form 3, Annexure-B – Table A, B and C have been corrected accordingly.</td></tr>
<tr><td>(ii).</td><td>As per Annexure-A of Form-3, the total cargo traffic (in tonnes) considered for estimation of revenue from Cargo related services is 2,82,31,611 tonnes which do not match with the actual cargo volume of 2,91,38,258 tonnes (Page Nos.64 & 65 of administration report) reported in the Administrative Report for the year 2017-18. The COPT to reconcile the cargo volume considered in the revenue</td><td>Mismatch in cargo volumes:
Cargo volumes considered by COPT for revenue estimation was 28.23 MMT. While the cargo as per the Administration Report is 29.13 MMT. Figures corrected as appearing in the Administration Report.</td></tr>
</table>

<table>
<tr><td></td><td>estimation with the figures reported in the Annual Administrative Report of 2017-18.</td><td></td></tr>
<tr><td>(iii).</td><td>It is seen from the revenue estimation at the proposed Scale of Rates (Form-3) that the port has not captured any revenue impact in respect of the following tariff items proposed in the Scale of Rates:</td><td></td></tr>
<tr><td></td><td>(a). New tariff items proposed for which the port has not captured any revenue impact or estimated nil revenue in Form-3 is as follows:
<table>
<tr><th>Particulars</th><th>Respective Schedule under proposed SOR</th></tr>
<tr><td>Hire of Pilot Launch</td><td>2.2.7</td></tr>
<tr><td>Entry fee for tanker trucks supplying fresh water to ships</td><td>3.1. Sl. No.17 (ii)</td></tr>
<tr><td>Hire charges for port equipment: Charges for Oil skimmer - M. V. Venad,</td><td>Schedule 4.3</td></tr>
<tr><td>Customs document printout at CFS</td><td>6.4.2</td></tr>
</table>
(i). The port may furnish working for the proposed rates.
(ii). The port may consider to estimate probable revenue for all the new tariff items in Form-3 and ensure that the total revenue estimation is within the estimated ARR. </td><td>Revenue Estimation in respect of new tariff items:
<table>
<tr><th>Sr. No.</th><th>Item</th><th>Remarks</th><th>Basis for proposing the rate and considering the item in revenue estimation</th></tr>
<tr><td>1</td><td>Hire of Pilot Launch</td><td>Revenue impact has been captured. Please refer S. No.16 & 17 in Form 3</td><td>The rate was fixed by taking cost plus 16% return formula and implemented on adhoc basis w.e.f. 01.06.2017. The rate was approved by the Board and was introduced owing to an unforeseen situation of collision of a fishing boat with a vessel at Cochin Anchorage. The agenda and resolution approving the rates is furnished as Annexure-B. This proposal was left unsent inadvertently. Now included in SOR.</td></tr>
<tr><td>2</td><td>Entry fee or tanker trucks supplying fresh water to ships</td><td>This item was previously included in the SOR of COPT till 2013 and the rate that was being collected was ₹200/- per truck. During the revision in 2013, the item was removed stating reason that it would be difficult to ensure the quality of water supplied by the agencies to vessels. However it is once again proposed to be included in the SOR. The rate now proposed is ₹300/- per truck.</td><td>This income was accounted alongwith the charges for issue of wharf entry permits. Now it has been separated and estimated in Annexure A – Revenue Estimation for Cargo related charges to Form 3.</td></tr>
<tr><td>3</td><td>Hire charges for oil skimmer – MV Venad</td><td>This is not a new tariff item. This has been part of SOR of COPT and charges have been proposed to be increased by 10%</td><td>For the past two years, the equipment has not been hired out. Hence the revenue has not been estimated.</td></tr>
<tr><td>4</td><td>Customs documen t print out at CFS</td><td>These charges are being collected as a reimbursement of expenses incurred in printing the customs document at port CFS.</td><td>This item was left inadvertently while revenue estimation. Now it has been included in Annexure A – Revenue Estimation for Cargo related charges to Form 3.</td></tr>
</table></td></tr>
<tr><td></td><td>(b). Tariff items prescribed in existing SOR and also included in proposed SOR with revised tariff; but no revenue is estimated by the port in Form-3 which is as follows:</td><td>Revenue Estimation in respect of some existing items:</td></tr>
<tr><td></td><td>(i). Schedule 2.2.5.1 and 2.2.6 - Pilotage fee and Shifting fee for Barges.</td><td>(i). Schedule 2.2.5.1 and 2.2.6 – Pilotage fee and Shifting fee for Barges – In the case of barges which are registered under Section 17 of the Inland Vessel Act, Port is not deploying any pilot as they are not required. Pilotage and shifting charges are also not collected accordingly.</td></tr>
</table>

	(ii). Schedule 3.1.6(iii) and 3.1.21(i) - Wharfage from Urea and Timber logs. (Traffic – Nil)	(ii). Schedule 3.1.6(iii) and 3.1.21(i) – Wharfage from Urea and Timber logs. (Traffic – Nil). Port has not handled urea in the past 3 years and has also not handled timer logs in the past 2 years. Hence these items have not been included in the revenue estimation.
	(iii). Schedule 3.1.13(i) - Though traffic from cars is shown as 516, revenue estimated is nil.	(iii). Schedule 3.1.13(i) – During 2017-18, port handled 516 cars through RORO operations, however, the RORO operations have not taken place since 2018 till date. Hence revenue estimation has not been made in the proposed tariff.
	(iv). Schedule 3.2.3 – Charges for Storage of Cargo at the specified Transit Areas on Licence basis.	(iv). Schedule 3.2.3 – Charges for Storage of Cargo at the specified Transit Areas on License basis – removed from this schedule and shifted to Chapter VIII (Estate Rentals, which is governed by Policy Guidelines for Land Management for Major Ports) hence excluded from this proposed SOR revision.
	(v). Schedule 3.2.4 – Demmurage / Storage charges in respect of Finished Sugar & Pulses (Import).	(v). Schedule 3.2.4 – Demurrage / Storage charges in respect of Finished Sugar & Pulses (Import) – Port has not handled this commodity so far. Hence not considered for estimation.
	(vi). Schedule 3.2.5 - Embarkation / Disembarkation Charges for International Passengers.	(vi). Schedule 3.2.5 – Embarkation / Disembarkation Charges for International Passengers – Since the implementation of Composite rates for cruise vessels as directed by the MOS (letter No. sw-150 11t2t2016-MG dated 3 November 2017 valid for 3 years), the passenger embarkation & disembarkation charges are not being separately collected by the Port. The MOS order clearly states that port is not entitled to charge additional fee like port dues, pilotage, passenger fee etc. Hence it has been excluded from revenue estimation.
	(vii). Schedule 4.2. Requisition Cancellation Charges.	(vii). Schedule 4.2. Requisition Cancellation Charges – In the past 2 years, port has not rendered any services in this connection. Hence the revenue estimation has not been considered.
	(viii). Schedule 4.4. - Charges for use of Port's Fender Pontoons.	(viii). Schedule 4.4 – Charges for use of Port's Fender Pontoons – In the past 2 years, port has not rendered any services in this connection. Hence the revenue estimation has not been considered.
	(ix). Schedule 5.1. - Wharfage on containers.	(ix). Schedule 5.1- Wharfage on containers – As per clause 7.2(d) of the License Agreement between IGTPL and COPT, reproduced below: '*The Licensor shall not operate commission any existing / additional facility within Cochin Port limits for handling containers, either on its own or through any other Person, until the average annual Throughput handled at ICTT for a continuous period of Three (3) years reaches a level of Two Million Five Hundred Thousand (2,500,000) TEUs. Provided, nothing herein contained shall preclude the Licensor from handling Defence Cargo Vessels, Provided further that, the Licensor can handle Coastal Vessels, under conditions mutually agreed upon by the Licensee and the Licensor".* It is mandatory to have a rate for wharfage on containers. Since Port has not actually handled any container vessels, the revenue estimation is nil.
	(x). Schedule 6.11 - Storage charges on abandoned FCL container.	(x). Schedule 6.11 – Storage charges on abandoned FCL container – There are no such containers lying in port premises. Hence not considered for revenue estimation.
	(xi). Schedule 7.3. - Charges for removal of goods by Port.	(xi). Schedule 7.3 – Charges for removal of goods by port – (in case importer / exporter fails to remove the goods) – there are no such goods lying in the wharf at present for which these rates can be applied. Hence not considered for revenue estimation.
	(xii). Schedule 7.4 to 7.11 various miscellaneous charges.	(xii). Schedule 7.4 to 7.11 various miscellaneous charges – all the changes have been covered in the revenue estimation in Form 3A, B & C.
	The port to confirm that no traffic / services are rendered by the COPT for the above items in the year 2017-18 and	The port has furnished its response on each of the above tariff items.

<table>
<tr><td></td><td>no revenue earned during the year 2017-18. If the traffic was not handled by the COPT in the year 2017-18, the port may consider traffic of the years 2015-16 and / or 2016-17 as base for revenue estimation for the above items.</td><td></td></tr>
<tr><td></td><td>(c). It is seen from the revenue estimation at the proposed Scale of Rates (Form-3) that the port has not captured any revenue impact in respect of the cruise vessels and excluded composite charges from cruise vessel proposed in the Scale of Rates.

The port to furnish reason and basis for not capturing any revenue impact in respect of the cruise vessels / exclusion of composite charges from cruise vessel proposed in the Scale of Rates. The port may consider to estimate probable revenue from this said item in Form-3 and ensure that the total revenue estimation is within the estimated ARR.</td><td>Revenue Estimation in respect of Cruise Vessels:
Since the implementation of composite rates for cruise vessels as directed by the MOS (letter No.sw-15011t2t2016-MG dated 3 November 2017 valid for 3 years) a composite rate of 0.35$ per GRT is being collected which is not covered under the SOR. However, the revenue estimation has been modified to include the revenue earned from cruise vessels as it is a port related activity.</td></tr>
<tr><td>(iv).</td><td>The Annexures appended to Form No.3 in support of estimation of income from vessel related charges like Port Dues, Pilotage and Berth Hire charges and miscellaneous charges is not supported by detailed workings for arriving at the revenue estimation as required by Clause 2.9 of the working guidelines. Please furnish the workings indicating the rates considered to arrive at the proposed ARR. Please furnish excel working also with linkages for ease of understanding.</td><td>Soft copy of the detailed workings is being sent through email on the id tariff@tariffauthority.gov.in.</td></tr>
<tr><td>(v).</td><td>The current exchange rate is 1US$ = ₹69.84 as against 1US$ = ₹64.47 considered by COPT in the revenue estimation of vessel related charges. The COPT may consider to modify the revenue estimation of vessel related charges based on the prevailing exchange rate.</td><td>Exchange rate have been modified – The rate as on 31 December 2018 i.e. the date of submission of the proposal has been considered. i.e. 1 US$ = ₹69.79.</td></tr>
<tr><td>(vi).</td><td><u>Chapter-IV - Hire charges for port equipment: Schedule 4.6 - Charges for hire of reach stacker and Schedule 4.7 - Charges for hire of skylift</u>:</td><td></td></tr>
<tr><td></td><td>It is seen from working showing calculation for arriving at the charges for hire of reach stacker and skylift that while arriving at rate per hour Return of Investment (ROI) is considered at 16% of total cost which includes only operating cost and not actual equipment cost. Total revenue requirement from equipment should be 100% of operating cost plus ROI at 16% of Capital cost.

The COPT to, therefore, to make necessary correction so as to be in line with the Tariff Policy, 2018.</td><td>As directed by TAMP, ROI has been considered @ 16% of capital cost. Hence the rates have been re-fixed as below:

4.6. Charges for hire of Reach Stacker
<table>
<tr><th>Description</th><th>Unit</th><th>₹</th></tr>
<tr><td>Other than normal container handling</td><td>Per hour or part thereof</td><td>4000.00</td></tr>
</table>

4.7 Charges for hire of Skylift-
₹1275/- per hour or part thereof subject to a minimum of ₹2550/-.

Workings are furnished as Annexure C as given below:
Cost sheet for Reach stacker (Actuals)
<table>
<tr><th>Sr. No.</th><th>Description</th><th>Actuals</th><th>Amount (Gross Value)</th></tr>
<tr><td>1</td><td>R & M / Fuel / Insurance</td><td>Actual</td><td>7,05,603</td></tr>
<tr><td>2</td><td>Depreciation</td><td>As per Asset Register</td><td>26,28,398</td></tr>
<tr><td>3</td><td>Employee costs</td><td>2 employees - One Driver and one greaser</td><td>20,66,520</td></tr>
<tr><td>4</td><td>Other overheads (25% of direct costs)</td><td></td><td>13,50,130</td></tr>
<tr><td>5</td><td>Total 1 to 4</td><td></td><td>67,50,652</td></tr>
<tr><td>6</td><td>ROI @ 16% of capital cost</td><td></td><td>37,47,350</td></tr>
<tr><td>7</td><td>Total</td><td></td><td>1,04,98,002</td></tr>
<tr><td></td><td>Effective hours</td><td>24 hours X 365 days X 30%</td><td>2,628</td></tr>
<tr><td></td><td>Rate per hour</td><td></td><td>3,995</td></tr>
<tr><td></td><td>Round off</td><td></td><td>4,000</td></tr>
</table></td></tr>
</table>

Cost sheet for Sky lift (Actuals)

Sr. No.	Description	Actuals	Amount (Gross Value)
1	R & M	60% of total expenses attributed to cost centre 40,805	1,53,372
2	Insurance	Actuals	19,027
3	Depreciation	Provided for 10 years - (32,99,325/10)	3,29,933
4	Employee costs	2 employees - One Driver and one lineman	17,52,844
5	Other Overheads (@ 25%)		5,63,794
6	**Total 1 to 5**		**28,18,969**
7	ROI @ 16% of capital cost		5,27,892
8	**Total**		**33,46,861**
	Effective hours	24 hours X 365 days X 30%	2,628
	Rate per hour		1,274
	Round off	Rate per hour subject to minimum of 2 hours	1,275

Notes:

(i). Employee costs is taken based on the actual salary costs incurred for operating the equipment.

(ii). Overheads are charged @ 25% of total direct costs.

(iii). Current utilization is only about 30%.

4. **Scale of Rates:**

(i). The COPT has stated in its covering letter dated 11 January 2019 that the increase proposed by the port is of 25% in the Vessel Related Charges and 10% in Cargo Related Charges (except ship store, where proposed increase is 20%) across all items in SOR. In this context, it is to state that the port has proposed substantial increase in respect of some tariff items viz., Miscellaneous charges: 50% increase for use of Port's fire equipment and 100% increase for taking photography or shooting films in port premises.

The COPT is requested to justify the increase proposed in the above said tariff items.

Justification for increase in miscellaneous charges:

Sr. No.	Item	Proposed Increase	Justification for Increase
1	Ports Fire Equipment	50%	The rate for Port's fire equipment has not undergone any revision from 2010 to 2016 and the rate at that time was ₹490/- per hour or part thereof. During SOR revision in 2016, port proposed to remove the item from SOR as port was not in a position to hire out the equipment. However, TAMP decided to retain the tariff item recognizing a safety aspect of the port and allowed an increase of 36% and fixed the rate at ₹666.40/- per hour or part thereof. It is important to note that fuel costs have increased by 40% in the past 3 years and salary cost has increased due to wage revision. Considering the increase in fuel costs, maintenance costs and other operating costs which approx. comes to 50%, an increase by 50% was proposed.
2	Wharf entry permit	20%	Rates have not been increased during previous two SOR revisions i.e. the rates those were fixed way back in 2010 was only being collected. Hence increase of 20% is considered to be reasonable.
3	Erection of Hoardings	Proposed to remove	Port proposes to allot hoarding by following e-auction method and hence the

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<tr><td></td><td></td><td></td><td>rates are proposed to be removed.</td></tr>
<tr><td>4</td><td>Taking Photographs or shooting films in the port premises</td><td>50%-100%</td><td>Rates have not been increased during previous SOR. In the current proposal, a bifurcation based on the location was proposed to be inserted. Prime areas are proposed to be increased by 100% and other areas are proposed to be increased by 50%. These rates were fixed considering the market trends and demands. Hence the proposed increased is found to be reasonable.</td></tr>
<tr><td>5</td><td>License fee for the use of Port's bunks</td><td>2%</td><td>Nominal increase has been proposed</td></tr>
<tr><td>6</td><td>License fee & Inspection fee (Jetty)</td><td>-</td><td>No Change</td></tr>
<tr><td>7</td><td>Toll Charges (Incl. Vehicle Parking fee inside Port premises)</td><td>20%</td><td>Rate have not been increased during previous two SOR revisions i.e. the rates those were fixed way back in 2010 was only being collected. Hence increase of 20% is considered to be reasonable.</td></tr>
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<tr>
<td>(ii).</td>
<td>(a). The COPT has proposed a few new tariff items/ conditions and has proposed few rationalisation/ simplification of the existing SOR and has also proposed for deletion for few tariff items/ conditions. Clause 2.12 of the Working Guidelines 2018 stipulates that if a new condition is introduced or if existing condition is modified due to operational or any other contingency, the port may prescribe such modification with reasons thereof and capture the financial / revenue impact in the ARR. The basis adopted for new items is to be furnished and its financial effect is to be captured in the revenue estimations in Form-3. The port is requested to capture financial impact, if any, on account of the modifications proposed in the draft proposed SOR.</td>
<td rowspan="2">Annexure D is furnished giving justification and remarks for additions and deletions in the proposed SOR.</td>
</tr>
<tr>
<td></td>
<td>(b). Form-5 of the Working Guidelines, 2018 requires port to furnish comparative position of existing and proposed Scale of Rates. Form-5 requires the port to furnish reasons / justification for amendments in conditionalities proposed by the port. However, the Form-5 furnished by the COPT does not give any basis / justification / reasons for the amendments proposed in the conditionalities in the existing SOR.

The COPT to justify with reasons to all the modification proposed in the existing conditions, deletion of the existing conditions and introduction of new condition. The COPT to note that this Authority may not be able to accept the amendment / changes made in the conditions and new conditions in the absence of justification by the Port and this Authority may be constrained to retain the existing conditionalities without any change.</td>
</tr>
<tr>
<td></td>
<td>(c). The tariff in the proposed Section 7.8 (License fees and Inspection fees) has already been notified by State Government as per the Note given below Section 7.8. That being so, the need for this Authority to again notify the tariff may be explained by COPT.</td>
<td>TAMP in an earlier occasion had rejected the proposal for deletion of tariff item on License fee & inspection fee for jetties stating that under Sec.49(1) of the MPT Act, TAMP is mandated to frame a Scale of Rates and Statement of conditions for any property belonging to the port. Hence the same was included in the SOR even though it has been notified in the State Gazette and notification in the Central Gazette is awaited by the port.</td>
</tr>
<tr>
<td>(iii).</td>
<td><u>General Terms and Conditions</u>:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a). Clause 2.8 of the Tariff Policy, 2018 stipulates that the SOR will be indexed annually to inflation to the</td>
<td>Inserted as directed by the TAMP under Chapter 1, clause no. (xix).</td>
</tr>
</table>

	extent of 100% of the variation in Wholesale Price Index (WPI) announced by the Government of India. Such adjustment of SOR will be made every year and the adjusted SOR will come into force from 1st May of the relevant year to 30th April of the following year. The port may, therefore, prescribe a suitable note for indexation in tariff effective from 1st May.	
	(b). This Authority has passed the common adoption Orders for all Major Port Trusts from time to time and all the Major Port Trusts including COPT were requested to include suitable notes in the SOR. However, the COPT has not included suitable notes in the proposed SOR in line with following common adoption Orders:	Inserted suitable notes in line with common adoption orders:
	(i). (a). Amendment Order No.TAMP/53/2015-VOCPT dated 10 June 2016 in common adoption Order No.TAMP/53/2015-VOCPT dated 26 November 2015 relating to provision prescribed for System of classification of vessel for levy of Vessel Related Charges (VRC) and Criteria for levy of Vessel Related Charges and Concessional Coastal rate.	Suitable corrections made at Chapter I Clause 1.2(ii) (a) (b) & 1.2 (iii) (b).
	(b). Amendment Order No.TAMP/53/2015-VOCPT dated 25 September 2018 in common adoption Order No.TAMP/53/2015-VOCPT dated 26 November 2015 relating to provision prescribed for concessional coastal tariff for ships and cargo that move from one Indian Port to another Indian Port through the territorial waters of Sri Lanka or Bangladesh in terms of Notification No.38/2018-Customs (N.T.) dated 11 May 2018 issued by the Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance.	Already inserted as clause no. vii (a, b, c) under Chapter I, 1.2 – General Terms & Conditions.
	(ii). Order No.TAMP/4/2004-Genl. dated 25 October 2016 relating to provide 80% discount for two years with effect from 20 September 2016, on the vessel related charges & cargo related charges for coastal transportation of vehicles through Ro-Ro ships.	Inserted at Chapter I Clause (xx)
	(iii). Letter No.TAMP/35/2013-Misc. dated 7 August 2014 directing all Major Port Trusts to prescribe a suitable note in their respective SOR regarding applicability of wharfage rates for Defence Stores in such a way that there is no ambiguity in the mind of users on the application of the prescribed rates.	Inserted as a note under Chapter III, Clause 3.1.
	The port is requested to incorporate the provisions stipulated in these common Orders / letters.	
	(c). This Authority had passed the Order No.TAMP/46/2018-MUC dated 8 June 2018 as common Order incorporating a provision towards levy of Mandatory User Charge (MUC) on containers for the Logistics Data Bank Service to be rendered by Delhi-Mumbai Industrial Corridor Development Corporation (DMIDC) in the Scale of Rates of all the Major Port Trusts and BOT operators operating thereat. In this regard it is to state that the validity of the rate approved is till 31 March 2019. The DMIDC has recently filed a proposal for revision of mandatory user charges beyond its validity which is being processed separately. The rate as and when approved in DMIDC case shall be made applicable to COPT also. The port may kindly take note of this.	No action. As directed, rates regarding DMICDC case noted.
	(d). Chapter-II – Schedule 2.2.7 Hire of Pilot Launch: (i). In the proposed SOR, the port has proposed new tariff schedule 2.2.7 for Hire of Pilot Launch proposing rates and minimum lump sum rate on per hour basis. The reasons and basis for introduction of the proposed schedule may be explained. Also, explain the reasons for proposing minimum lump sum rate and rate per hour. (ii). As per Annexure-D of Form-3, it is understood that the port had already introduced separate rate on adhoc basis vide COPT circular No.FD/Costing/Pilot	As already explained in 3 (iii) (a), Sl. No. 1 as below: Hire of Pilot Launch – The rate was fixed by taking cost plus 16% return formula and implemented on ad-hoc basis 01.06.2017. The rate was approved by the Board and was introduced owing to an unforeseen situation of collision of a fishing boat with a vessel at Cochin Anchorage. The agenda and resolution approving the rates is attached as Annexure B. This proposal was left unsent inadvertently. Now included in SOR.

	Launch/2017 dated 02 August 2017. The port may clarify as to why the port did not approach this Authority earlier prior to levy of the rate on adhoc basis for approval.	
	(e). The port has proposed following new tariff items for which port has estimated revenue under Form-3: (i). Schedule 2.3.3 - Anchorage charges for vessels calling for berthing at Cochin Port. (ii). Schedule 2.3.4 - Anchorage charges for vessels not calling for berthing at Cochin Port. (iii). Schedule 3.1. Sl. No.17 (ii) - Entry fee for tanker trucks supplying fresh water to ships. (iv). Chapter – VI – Container Freight Station (CFS) related charges: (a). Schedule 6.4.1 - Charges for de-stuffing / cross stuffing facility for customs cleared containers. (b). Schedule 6.4.2 - Customs document printout at CFS. (v). Chapter-VII - Miscellaneous charges Schedule 7.2. Charges for issue of wharf entry permits to authorize visitors under Sl. Nos.11 to 15 - Issue of RFID cards/ tags, etc. The reasons and basis for proposing new tariff items under the above Schedules may please be explained as it is not explained in Form 5. As regards the new tariff items, port may clarify under which of the options prescribed in clause 7.6.1 of the Tariff Policy, 2018 for fixation of tariff for new cargo/ service/ facility the proposed new tariff fall.	As already explained in 4 (ii) (a) & (b) at Annexure D. The relevant pages covering the clauses as brought are modified in Form 5 also.
	(f). The port has proposed following deletions: (i). Chapter - III - Schedule 3.2.3 of existing SOR - Charges for storage of cargo at the specified transit area on Licence basis. (ii). Chapter - IV - Schedule 4.3 of existing SOR – Charges for floating crane and oil skimmer. (iii). Chapter - VII - Miscellaneous Charges - Schedule 7.5 of existing SOR – Charges for erecting hoardings. The reasons / justification for deletion of the above Schedules may please be explained.	
5.	**<u>Performance Standards</u>**:	
(i).	The port may furnish the basis of the proposed Performance Standards for cargo related service and vessel related services with reference to the actual performance parameters achieved in the year 2017-18. COPT may consider to propose the Performance Standards for the tariff cycle beginning from 2019-20 to 2021-22 at higher level than the actual performance achieved by the port in the last tariff cycle.	The revised Performance Standards are furnished which is brought out at the subsequent paragraph. Further, COPT had indexed its rates with effect from 01.05.2019 as allowed by the TAMP and the indexation shall be subsumed in the proposed increase in VRC and CRC.
(ii).	As per clause 3.1 of Tariff Policy, 2018, it is not necessary to commit cargo-wise ship berth day output. Instead, the Major Port Trusts may propose overall average ship berth day output. However, the COPT has proposed cargo-wise ship berth day output. The COPT is, therefore, requested to propose overall average ship berth day output instead of Major Cargo groups so as to be in line with the Tariff Policy 2018.	

9. A joint hearing in this case was held on 10 June 2019 at the COPT premises. The COPT made a brief Power Point presentation of its proposal. At the joint hearing, the COPT and the concerned users/ user organizations and representative bodies have made their submissions.

10.1. Subsequently, COPT vide its email dated 13 June 2019 has sought clarification regarding directions of TAMP vide letter dated 04 June 2019 at para no.4(iii)(b)(ii) to prescribe the provisions in the SOR of COPT, flowing from Order No.TAMP/4/2004-Genl. dated 25 October 2016 relating to providing 80% discount for two years with effect from 20 September 2016, on the vessel related charges and cargo related charges for coastal transportation of vehicles though Ro-Ro ships. The validity of the note prescribed in the said Order expired on 20 September 2018. Hence COPT requested to confirm whether the same needs to be included in the proposed SOR.

10.2. In pursuance of the MOS letter dated 06 October 2016, this Authority has passed an Order No.TAMP/4/2004-Genl. dated 25 October 2016 incorporating a provision in the SOR of all Major Port Trusts to provide 80% discount on vessels related charges and Cargo related charges for coastal transportation of vehicles through Ro-Ro ship will be granted for a period of two years with effect from 20 September 2016.

10.3. In this regard, since the validity of two years came to an end in September 2018, the MOS was vide our letter No.TAMP/4/2004-Genl. dated 21 December 2018 was requested to advise us as to the matter whether this provision needs to be continued to be prescribed in the SOR of the Major Port Trusts while revising the general SOR of all Major Port Trusts.

10.4. Further, we have vide our letter No.TAMP/4/2004-Genl. dated 13 August 2019 requested MOS to consider to issue necessary direction/ orders on the above matter to all the Major Port Trusts and to TAMP so that the revenue impact thereof can be captured in the revenue estimated by the Major Port Trusts. We did not receive the response of MOS till the proposal of COPT was taken up for disposal.

11.1. The COPT vide its letter No.FD/Costing/SoR 2019-2022/2018 dated 20 June 2019 has furnished the revision in the computation of ARR and Performance Standards which is summarized below:

(i). Revised Summary of ARR computation:

(**₹ in crores**)

Sl. No.	**Description**	**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**			
(i).	Operating expenses (including depreciation)	255.08	258.50	252.84
(ii).	Management & general Overheads	111.28	110.01	114.38
(iii).	Finance and Miscellaneous expenses (FME)	184.52	203.69	197.18
	Total Expenditure 1=(i)+(ii)+(iii)	**550.87**	**572.20**	**564.40**
(2).	**Less Adjustments:**			
(i).	Estate related expenses			
	(a). Operating expenses (including depreciation)	21.69	23.66	23.22
	(b). Allocated Management & Administrative Overheads	16.71	17.92	18.54
	(c). Allocated FME	27.71	33.18	31.97
	Subtotal 2 (i)=[(a)+(b)+(c)]	**66.12**	**74.75**	**73.73**
(ii).	**Interest on loans**	17.66	3.73	0.09
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**			
	Salary arrears payable to officers		0.00	7.59
	Subtotal 2 (iii) = [(a)+(b)+(c)]	0.00	0.00	7.59
(iv).	**2/3rd of the Contribution to the Pension Fund**	92.42	102.55	94.52
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	52.93	51.30	56.97
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**			
	(a). Operating Expenses	-	-	-
	(b). Depreciation	-	-	-
	(c). Allocated Management and Administrative Overheads	-	-	-
	(d). Allocated FME	-	-	-
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]	0	0	0
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)	**229.13**	**232.34**	**232.90**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**	**321.74**	**339.86**	**331.50**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3			331.03
(5).	**Capital Employed**			

	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)	401.26
	(ii). Add: Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)	24.58
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.	41.00
	(iv). Less: Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.	
	(v). Less: Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.	
	(vi). Add: Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	
	(a). Inventory	0.49
	(b). Sundry Debtors	17.58
	(c). Cash	43.06
	(d). Sum of (a)+(b)+(c)	61.12
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]	**445.96**
(6).	**Return @ 16%**	**71.35**
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+(6)]**	**402.39**
(8).	**Indexation for 18-19 @ 3.45%**	**13.88**
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**	**416.27**
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl. No.10 above**	**401.68**

(ii). Revised Performance Standards are as below:

Sr. No.	Description	Performance Standard
1.	Overall average ship berth day output for cargo-related services	22500 Tonnes
2.	Average turnaround time of vessels	36 Hours
3.	Average pre-berthing time of vessels	12.67 Hours

11.2. In continuation to the COPT letter dated 20 June 2019, the COPT vide its e-mail dated 14 August 2019 has furnished following enclosures to COPT letter dated 20 June 2019:

(i). Annexure A - Board Resolution No.168 (Agenda item No.D4).
[Board Resolution approving General Revision of SOR of COPT.]

(ii). Annexure B - Board Resolution No.128 and its and Agenda B-3.
[Board Resolution approving Charges for Hire of Pilot Launch.]

(iii). Annexure C - Workings of tariff for Reach Stacker and Skylift.

(iv). Annexure D - Inclusion, Deletions and Justification (The revenue impact has been captured in the Tariff Forms).

(v). Draft proposed SOR.

(vi). Revised Form No.5 (i.e. Comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionals).

11.3. Further, the COPT vide its email dated 20 August 2019 has made following submissions:

(i). Copies each of modified draft proposed SOR (Word file), Form No.5 (i.e. Comparison of existing SOR and Conditionalities vis-à-vis proposed SOR), Annexure-D [Inclusion, Deletions and Justification (The revenue impact has been captured in the Tariff Forms)] and Tariff Forms and related Annexes are furnished. The following changes have been made in the tariff forms:

(a). Exchange rate linkage to coastal rates have been removed.

(b). Reconciliation of Pilotage income with the annual accounts. (Tariff Forms - Sheet name "Annexure B - Table - B")

(c). It is noticed that in the Tariff Form-3 Income from Cruise vessels were included in Pilotage, Berth hire & Port dues, which were deleted in all the Tables A to C and it has been included as a separate item in Form-3.

(d). The Rate for Cruise vessels as per the direction of the Ministry has been incorporated as Clause No.2.7.

(ii). After incorporating the above changes, the Revenue Estimation at the Proposed indexed SOR is ₹397.62 as against ₹401.68 submitted earlier.

(iii). The Tariff forms duly Certified by the Chartered Accountant is being submitted

(iv). In addition to the above, the following clarification is submitted in respect of Note to Clause No.6.4:
Charges for examination of import and export containers for clearance
These charges are collected for inspection of Security Seal in a Container before clearance by customs. If it is found necessary that the container have to be inspected, it is taken to the ramp for inspection and hence requires partial Stuffing and De-stuffing and hence, the Port collects 50% of Stuffing and De-stuffing charges for Cargo Containers at CFS and other Port Facilities as specified in Clause No.6.1.

11.4. In view of above para 11.3 (iii), the COPT vide its letter dated 27 August 2019 has furnished copies each of the final revised Form nos.1 to 4 and Form-6 furnished earlier vide email dated 20 August 2019 duly certified by the practicing Chartered Accountant.

12. To summarise, the COPT in its final revised proposal has proposed increase in Cargo related charges, Vessel related charges and miscellaneous charges as given below and has furnished justification for the proposed increase during the processing of the case:

A. Vessel Related Charges

Tariff Item	Tariff revision proposed	Justification / reason given by COPT
Port Dues Pilotage Charges Berth Hire Charges	25% increase over the tariff existing as on indexed rate as on 30.04.2019. The indexation factor of 4.26% from 1 May 2019 is subsumed in the proposed increase of 25%. The same is for increase sought in other tariff items.	VRC for foreign going vessels was not increased since 2013 revision. Ministry directed in September 2015 to restate the coastal rates with reference to fluctuation in foreign exchange rates to ensure that VRC for coastal vessels does not exceed 60% of corresponding rates for foreign going vessels. Therefore, the VRC for coastal vessels increased by 50% which the Port users paid for the period from November 2015 to May 2016. However, the Ministry kept the September 2015 direction in abeyance in May 2016 and directed the Ports to fix rates for coastal vessels without reference to fluctuation in foreign exchange rates. Accordingly, COPT in discussion with users decided to fix the rate at 40% increase over the 2010 rates but less than what was being paid by users during the period November 2015 to May 2016 and proposed to TAMP for approval. However, TAMP allowed only 5% increase in rates for coastal vessels which was allowed for foreign going vessels by its Order of September 2016 since TAMP is also bound by the Tariff Guidelines. Even when the coastal vessels are increasing over the past 3 years, there is no corresponding increase in revenue since the rates could not be increased due to limitations in the Tariff Policy.

B. <u>Cargo Related Charges:</u>

Tariff Item	Tariff revision proposed	Justification / reason given by COPT
Crude Oil	Status quo	-
Wharfage Charges:		
POL products	10% increase over the existing tariff	There is an increase of 65% in the total overheads of the Port during the period from 2010 to 2018. In this situation, Port should have increased the rates by 10% to 15% every 3 years during the revision of Scale of Rates. However, Port has increased the rates only by 8.60% (5% in 2016 and 3.45% in 2018 due to indexation during the last 9 years). Fuel cost has increased. Salary and Wages and Pension cost have increased. These are factors which are beyond the control of Port.
Other Cargo Handling Charges:		
Other Cargo Handling Charges except Ship Store Charges	10% increase over the existing tariff	
Ship Store Charges,	20% increase over the existing tariff	The Port is able to just break even from the operation. Our present ROCE is only 4.80% instead of 16% eligible ROCE. Port is not able to improve infrastructure and do major repairs and maintenance due to insufficient reserves. With the proposed increase, the Port is expecting 22% approximate increase in revenue.

C. <u>Miscellaneous Charges [Justification furnished by the port as given in para 11 (4) (i)]:</u>

Tariff Item	**Tariff revision proposed**
Charges for use of Port's Fire Equipment	50.00% increase over the existing tariff
Charges for issue of Wharf entry permits	20.00% increase over the existing tariff
Taking Photographs or shooting films in the Port premises	100.00% increase over the existing tariff
Licence fee for the use of Port's bunks	2.00% increase over the existing tariff
License fee & Inspection fee (Jetty)	Status quo.
Toll Charges (Incl. Vehicle Parking fee inside Port premises)	20.00% increase over the existing tariff

13. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website http://tariffauthority.gov.in.

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

(i). The Scale of Rates (SOR) of Cochin Port Trust (COPT) was last revised by this Authority vide Order No.TAMP/58/2015-COPT dated 10 October 2016. The validity of the SOR of COPT approved vide Order dated 10 October 2016 expired on 31 March 2019. The validity of said existing SOR of COPT was extended upto 30 September 2019 and communicated vide our letter No.TAMP/39/2005-Misc. dated 29 March 2019. The COPT, therefore, vide its letter dated 11 January 2019 has filed its proposal for general revision of its SOR under the Tariff Policy, 2018 and Working Guidelines to operationalize the Tariff Policy, 2018 notified in the Gazette of India on 03 February 2019. The port has furnished the information/ clarification sought by us along with revised Annual Revenue Requirement (ARR), draft SOR, modified estimates of revenue and modified Performance Standards vide its letter dated 20 June 2019 and subsequent emails dated 14 August 2019 and 20 August 2019. The final revised proposal filed by COPT vide its letter dated 20 June 2019 and subsequent emails dated 14 August 2019 and 20 August 2019 along with submissions made by the port during the processing of the case are considered in this analysis.

(ii). All Kerala Fishing Boat Operators Association (AKFBOA) has referred to an interim stay dated 26 February 2016 during the processing of the case obtained by them from the Hon'ble High Court of Kerala. The COPT was requested to confirm that any of the tariff item proposed by COPT in its proposal for revision of general SOR is not hit by any directions/ order from the High Court refraining this Authority to fix rate. The COPT has clarified that the petition filed by AKFBOA is pending before the Hon'ble High Court of Kerala and the interim stay granted has been extended on 24 June 2019 until further order. The COPT has also confirmed that the said matter before the Hon'ble High Court does not refrain this Authority from performing its statutory function of fixation of SOR. This Authority, therefore, proceeds with the proposal of the COPT.

(iii). (a). Clause 2.1 of the Tariff Policy, 2018 requires each Major Port Trust (MPT) to assess the ARR which is the average of the sum of Actual Expenditure as per the final Audited Annual Accounts of the three years (Y1), (Y2) and (Y3) subject to certain exclusions as prescribed in Clause 2.2 of the Tariff Policy, 2018 and the Working Guidelines issued by this Authority plus Return at 16% on Capital Employed including capital work-in-progress obtaining as on 31st March Y3, duly certified by a practicing Chartered Accountant/ Cost Accountant.

(b). The COPT has assessed the ARR based on Audited Annual Accounts for three years i.e. 2015-16 (Y1), 2016-17 (Y2) and 2017-18 (Y3) following clause 2.1 of the Tariff Policy, 2018 and the Working Guidelines notified by this Authority and the ARR has been duly certified by a practicing Chartered Accountant. The COPT has excluded the expenses not admissible in ARR computation for arriving at the Average annual expenses for the year 2015-16, 2016-17 and 2017-18. The ARR estimated by the COPT duly certified by the practicing Chartered Accountant is found to be order and hence considered except for one modification for the reasons explained in the following paragraph.

As per Clause 2.2 (iii) of Tariff Policy, 2018, 1/3rd of one-time expenses like arrears of wages, arrears of pension/ gratuity, arrears of ex-gratia payments arising out of wage revision, etc. are to be included in the ARR. This means 2/3rd of the above mentioned expenses are to be excluded in the ARR computation.

The Annual Accounts of the COPT for the year 2017-18 reports salary arrears of ₹13.59 crores. The port has, after excluding the component pertaining to estate activity of ₹2.20 crores excluded 2/3rd of the amount i.e. ₹7.59 crores in the year 2017-18 i.e. [₹13.59 crores – ₹2.20 crores = ₹11.39 crores*2/3= ₹7.59 crores]. As per note no.2 (ii) below the Form-1 attached to the Working Guidelines, 2018, if the figure for exclusion of 2/3rd of one-time expenses is related to only one particular year out of three years, then, for computing the average expenses it should not be considered for exclusion and finally 1/3rd of the arrears of one-time expense which is pertaining to only one particular year should be captured in the ARR computation. The treatment given by the COPT is not in line with the said note.

In the modified cost statement relating to ARR prepared by us, entire amount of Arrears of salary arrears of ₹11.39 crores in the year 2017-18 is excluded being one-time payment from the figures reported in the Annual Accounts of the corresponding years. In the calculation of average expenses, 1/3rd of ₹11.39 crores i.e. ₹3.80 crores is captured. This methodology ultimately results in exclusion of 2/3rd of one-time expenses which is found to be in line with Working Guidelines.

(iv). The tariff for port railway services is not fixed by this Authority; it is fixed by the Railway Board. In case of COPT there is no income/ expenditure on account of the Railway activity. Therefore, there is no case for any adjustment in this regard as done in case of other Major Port Trusts viz., MOPT, MBPT and NMPT.

(v). Subject to one modification as explained above, the modified average expenses for the years 2015-16, 2016-17 and 2017-18 works out to ₹333.57 crores as against ₹331.03 crores assessed by the COPT.

(vi). The COPT has arrived at capital employed in line with provision prescribed in Clause 2.4 of the Working Guidelines considering the net fixed assets plus capital work-in-progress as on 31 March 2018 reported in the Audited Annual Accounts. No expenditure is reported by port relating to captive berths. Working capital is computed as per norms prescribed in clause 2.5 of Working Guidelines. The total capital employed arrived by COPT is ₹445.96 crores. Return on Capital Employed at 16% is ₹71.35 crores which is considered in the ARR computation which is considered in the ARR computation. This position is relied upon and considered.

(vii). The ARR comprises of the average of the expenditure for the three financial years 2015-16 to 2017-18 plus 16% ROCE. Further, as per Clause 2.7 of Working Guidelines, the said ARR needs to be indexed @ 100% of the WPI applicable for the year 2018-19 at 3.45%. The ARR assessed by the COPT is ₹416.27 crores and modified ARR assessed by us is ₹418.89 crores for the year 2018-19.

The final detailed working of ARR calculation furnished by the COPT which has been duly certified by Chartered Accountant is relied upon. This is subject to minor modification as explained above. The detailed ARR calculation furnished by the port and modified ARR calculation by us are attached as **Annex-I (a) and (b)** respectively. A summary of the ceiling indexation ARR furnished by the COPT is given below:

(**₹ in crores**)

Sr. No.	**Particulars**	**ARR computation furnished by the COPT**	**ARR computatio n modified by us**
1	Average Expenses [Y1+Y2+Y3]/3	331.03	333.57
2	Capital employed as on 31.03.2018 including capital work in progress as on 31.03.2018 and working capital as per norms	445.96	445.96
3	Return on capital employed @ 16%	71.35	71.35
4	ARR as on 31 March 2018 (5=2+4)	402.39	404.92
5	Indexation in the ARR @ 100% of the WPI applicable for the year 2018-19 (3.45%)	416.27	418.89
6	Ceiling Indexed Annual Revenue Requirement (ARR)	416.27	418.89
7	Revenue estimated by the COPT at proposed rate	397.62	397.62

(viii). (a). As per Clause 2.5 of Tariff Policy 2018, for drawing the SOR, the COPT has reportedly considered the actual cargo traffic in tonnes and GRT of vessel handled by the port during the year 2017-18. The port has to draw the proposed SOR within the ceiling indexed ARR of ₹416.27 crores. As per our estimate as well, the revenue estimate of port is within the modified estimate of ARR at ₹419.92 crores.

(b). As per Clause 2.6 of Tariff Policy 2018, the Major Port Trusts have the flexibility to determine the rates to respond to the market forces based on commercial judgment and draw the Scale of Rates within the ceiling indexed ARR, duly certified by a practicing Chartered Accountant. The tariff increase proposed by the port and justification thereof are already brought out in the earlier paragraph of the Order and hence not repeated here.

For estimating vessel related income at the proposed rate, the port has given working. Apart from that, for estimating vessel related revenue from foreign vessels, the impact of foreign exchange variation has also been captured. While estimating the vessel related revenue, the revenue reported from the cruise vessel for the year 2017-18 has been excluded as the existing rate now proposed is as per the direction of the Ministry of Shipping direction to Major Port Trusts dated 3rd November, 2017 to charge composite rate. The vessel related revenue from cruise vessel is estimated and shown as a separate entry in Form 3.

For cargo related income, the port has given working of revenue estimation based on the actual cargo traffic exclusively handled by the COPT in the year 2017-18. For a few tariff items, mostly miscellaneous tariff items, the port has furnished justification and reasoning for not capturing revenue in the revenue estimation on the information sought by us which has already been brought out in the earlier part of the Order.

The total revenue estimated by COPT at the proposed tariff is ₹397.62 crores which is within the modified ceiling indexed ARR of ₹418.92 crores. The revenue estimates at the proposed rates as furnished by the Port is attached as **Annex-II**.

The revenue estimation by the COPT at the proposed tariff and traffic of 2017-18 has been duly certified by the Chartered Accountant and hence has been relied upon. At the proposed tariff and revenue estimation there is revenue gap of ₹21.27 crores which is not covered as per our estimate as against revenue gap of ₹18.66 crores estimated by the COPT.

Most of the Users/ User Associations have objected to the increase proposed by the COPT and in particular port dues, pilotage charges and berth hire charges. In this regard, COPT has clarified that though traffic is increasing over the past 3 years, number of vessels are not increasing proportionately since the parcel size of the vessels has improved. Trade is benefitted to that extent. Clause 2.6 of the Tariff Policy, 2018 gives flexibility to Major Port Trusts to fix the tariff within the ceiling ARR. The revenue estimated by the COPT at the proposed tariff is within the ceiling ARR and the revenue estimates at the proposed tariff are duly certified by the Chartered Accountant. Hence, this Authority is inclined to approve the increase in existing tariff as proposed by COPT.

(ix). (a). The BPCL has stated that COPT has committed to consider downward revision in wharfage, when the throughput via jetty crosses 4 Million. From this year onwards POL cargo handling is expected to be more than 4 Million. Hence, COPT proposal for increase in the wharfage by 11% from the existing rate is also not acceptable and has requested COPT to give rebate on the prevailing SOR for further operation.

Total POL cargo handled has been less than 4 MMTPA till 2016-17 which has gone up to 4.45 MMTPA in 2017-18 and 4.18 MMTPA in 2018-19 (till January 2019). In the view of the COPT, coastal vessels are already enjoying 63% concession due to tariff policy as against the default concession of 40%, thereby revenue from coastal vessels are 23% lower than what it should have been under Tariff Policy, 2018. The Port has argued that it has flexibility to fix the rates taking into confidence the stakeholders and also to earn a reasonable ROCE which will improve the reserves of the Port for further developments in the future. The COPT has categorically stated that it needs to balance the interest of trade and interest of Port without losing in the competitive environment. The Port has also admitted that the approved tariff is at ceiling level and COPT can consider to offer discounts based on commercial considerations

(b). The Cochin Steamer Agents Association (CSAA) has stated that the proposed general increase of 25% to 30% is very high. There is competition from nearby Ports and that VRC is lower at Tuticorin and New Mangalore Port Trusts than in COPT. The CSAA has viewed that any increase in existing tariff will result in diversion of vessel and cargo to other Ports.

In this regard, COPT has clarified that coastal vessels are given more than 40% concession. It is not viable. Fuel prices have gone up in the last 3 years and Port requires fuel to propel tugs and launches. Further, COPT has categorically stated that proposed tariff increase is reasonable and within the ceiling ARR.

(c). The IGTPL has requested for separate treatment for Container Vessels. It has requested not to increase VRC for Mainline vessels, rather reduce it to the level of Colombo. For feeder vessels, it has requested to retain VRC at the existing rates.

In this regard, COPT has clarified that the proposed increased in the VRC @ 25% is just to break even its operating cost and revenue generation. There is only 5% increase by port during last 9 years in the VRC. Further, the present ROCE is only 4.3% as against the 16% allowed by the TAMP. Port needs to cover its operational cost mainly Salary and wage and dredging. Though the increase in the coastal rates are proposed at 25%, it is still only 46% of the foreign rates. As per the Government Policy, only 40% concession is to be given for coastal vessel whereas at COPT, the concession works out to 54% to 63%. The COPT has reiterated that the rates proposed are ceiling rates and the port may, if it so desires, charge lower rates by way of discount.

With reference to the points made by BPCL, CSAA and IGTPL and clarification furnished by the COPT, it is relevant here to state that Clause 2.6 of the Tariff Policy, 2018 gives flexibility to Major Port Trusts to determine the tariff to respond to the market forces based on its commercial judgment and draw the SOR within the ceiling ARR. Even at the proposed rate, there is revenue gap of ₹21.27 crores left uncovered. In any case, as stipulated in Clause 7.1 of the Tariff Policy, 2018, the rates prescribed in the SOR are ceiling levels; the COPT may charge lower rates if it so desires.

(x). (a). CSAA has objected the proposal for levy of anchorage charges citing that if vessel is waiting beyond 48 hrs of free time at anchorage, then in all probability it would be waiting due to non-availability of berth which is not in the owner's or agent's control. Some vessels at Anchorage not intending to berth may call port for bunkering, repair etc. for which anchorage charges should not be charged by the port. The Container Shipping Lines Association (India) (CSLA) has sought clarity on levy of anchorage charges.

The port has proposed anchorage charges in line with the Berthing Policy, 2016 issued by the Ministry of Shipping (MOS). The Policy envisages levy of anchorage charges across all major ports for the purpose of reducing pre-berthing delay and hence reduce the overall turn-around time for vessels. This is to help streamline vessel scheduling for customers and lead to efficient usage of port anchorage.

It is noteworthy that while Berthing Policy has allowed Ports to charge anchorage fee upto 50% of normal berth hire charges, Port has proposed only upto 20% of normal berth hire charges for stay of vessel beyond 144 hours. Further, port intends to exempt vessels from paying anchorage charges in exceptional circumstances including but not limited to lapses on part of the Port.

Clarifying to CSLA, the COPT has stated that vessels can stay at anchorage free of cost for the first 48 hours. Anchorage charges is leviable after 48 hours. Further, if vessels wait at anchorage for want of berths, it will be treated as Port's account and no anchorage charges will be levied.

The proposal of port for introduction of anchorage charge is to comply with the Berthing Policy, 2016 issued by the MOS with the intention to improve the turnaround time of vessel. Further, port has proposed a note which addresses the concern raised by users for non-levy of anchorage charge in exceptional circumstances.

(b). The All Kerala Fishing Boat Operators Association (AKFBOA) has objected to the increase in the license fee for private fish jetties from ₹132 in the beginning in 1988-89 to ₹1,00,000. The license fee applicable as per the existing SOR is ₹1,00,000/- per annum for jetties for using water front area. The port has clarified that in the present proposal, COPT has in fact reduced the rate for jetties used by Fishing boats from existing ₹1 lakh per annum applicable as per the existing SOR to ₹35,000/- per annum. Thus, as per COPT there is reduction in the said item from the existing rate.

(c). The Cochin Shipyard Ltd. has stated that the increase proposed for Pilotage services other than berths, additional tug hire charge, cold move charges are 40% as against 25% increase proposed by the port in Pilotage fee and vessel related charges. The port has agreed to restrict the increase to 25% for these items as proposed for other pilot related services. It is, however, seen that the modified rate with 25% increase is not captured by the port in the revised proposed SOR. That being so, the tariff proposed in note nos.1, 2 and 4 under Schedule 2.2.2 in this regard are corrected applying 25% increase over the indexed rate as on 30 April 2019 in line with the submissions made by the COPT.

(xi). The comparative statement giving the existing conditionalities and proposed conditionalities wherever the port has proposed amendment/ deletion in the existing conditionalities along with remarks/ reasoning as furnished by the port during the analysis of the case is updated with our brief remarks/ analysis in the last column for accepting or rejecting each of the modifications/ deletions proposed by the port. The said comparative position is attached as **Annex-III**. The proposed modification/ deletion in the existing conditionalities is approved taking into consideration the remarks/ reasoning furnished by the COPT and remarks/ analysis thereon approved by this Authority as given in the said Annex.

(xii). This Authority has recently vide Order No.TAMP/12/2019-MUC dated 24 July 2019, approved revised Mandatory User Charges (MUC) for DMICDC's Logistics Data Bank (LDB) project across all the Major Port Trusts and BOT operators operating thereat. Therefore, the revised MUC on containers for the Logistics Data Bank Service rendered by DMICDC approved by this Authority for a period of two years for common adoption by all Major Port Trusts and BOT terminals thereat shall be applicable in case of COPT also. Hence a suitable note is prescribed in the revised SOR of COPT under Chapter III as schedule 3.2.5 in this regard.

(xiii). This Authority vide Order No.TAMP/73/2015-COPT dated 21 June 2016 has separately approved revised lease rent/ license fee for the port estate which was incorporated under Chapter VIII of the general SOR of the COPT. Since the period of validity of the lease rent/ license fee is different from the validity of the general SOR, it may be appropriate to delink the estate lease rent/ license fee from the general SOR. Hence, a note is prescribed in the general SOR that the lease rent/ license fee for the port land will be governed by the Order No.TAMP/73/2015-COPT dated 21 June 2016 and as revised by this Authority from time to time based on the proposal of the port.

(xiv). Clause 3.7 of the Working Guidelines issued by this Authority to operationalise the Tariff Policy, 2018 stipulates that ordinarily the Order approved by this Authority shall come into effect after expiry of 30 days from the date the Order is notified in the Gazette. Accordingly, the SOR notified separately on 30 October 2019 vide Gazette No.378 shall come into effect after expiry of 30 days from the date of that notification in the Gazette of India.

(xv). The users/ user associations have objected to the tariff increase proposed by the COPT. In this regard, it is relevant here to mention that as per clause 8.1 of the Tariff Policy, 2018, the rates prescribed in the Scale of Rates are ceiling levels. The port has also given an indication to change lower rates while responding to the objection of users for the proposed hike in tariff. The COPT may exercise the

flexibility to charge lower rates and/or allow higher rebates and discounts based on commercial considerations.

Further, as per Clause 2.7 the Tariff Policy, 2018, the COPT is requested to ensure that as a result of revision in the SOR there will not be loss of traffic to the port.

(xvi). As per Clause 3.1 of the Tariff Policy, 2018, the Major Port Trusts shall also commit Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. It is not necessary to commit cargo-wise ship berth day output. Instead, the Major Port Trusts may propose overall average ship berth day output. For vessel side services, the port shall prescribe Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and any other parameter which is found relevant by the Port.

The Tariff Policy, 2018 does not prescribe any method or basis for proposing performance standards. The COPT was requested to propose the Performance Standards for the tariff cycle beginning from 2019-20 to 2021-22 at higher level than the actual performance achieved by the port in the last tariff cycle. In the revised proposal, the COPT has committed overall Performance Standards for cargo related services in terms of average ship berth day output at 22,500 MT. The port has also proposed Performance Standards in terms of average turnaround time of vessels at 36 hours (i.e. 1.5 days) and average pre-berthing time of vessels at 10.31 hours (i.e. 0.43 day). The proposed performance norms are improvement over the existing performance norms notified in the last tariff revision Order. Hence, the performance standards as proposed by the COPT are prescribed along with SOR.

It is relevant here to mention that the Performance Standards committed by the Port are to be considered for the operations carried out exclusively by the Port within the port premises, with its own equipment and will not be applicable to the private service provider authorised by the port for rendering services with his equipment for whom separate benchmark performance standards prescribed in the relevant Order shall be applicable.

(xvii). As per Clause 2.8 of the Tariff Policy, 2018, SOR will be indexed annually to inflation to the extent of 100% of the variation in Wholesale Price Index (WPI) announced by the Government of India. Such adjustment of SOR will be made every year and the adjusted SOR will come into force from 1st May of the relevant year to 30th April of the following year. Further, as per clause 3.2 of the Tariff Policy, 2018 read with clause 2.8 of the Tariff Policy, 2018, annual indexation in SOR at 100% of the WPI is applicable subject to achievement of Performance Standards committed by Major Port Trusts. If a particular port does not fulfil the Performance Standard, no indexation would be allowed during the next year. It is relevant here to state that in the instant case indexation for the year 2018-19 is already considered in the ARR and for drawing the SOR. The next annual indexation in SOR will be applicable from 1 May 2020 subject to achievement of Performance Standards in the year 2019-20. That being so, a note is inserted in the SOR to the effect that the SOR approved by this Authority is subject to automatic annual indexation at 100% of the WPI to be announced by this Authority. The annual indexation will be from 1 May 2020 subject to the COPT achieving the Performance Standards notified alongwith the SOR. If Performance Standards prescribed in the SOR are not achieved, there will be no indexation in SOR for that particular year. The Tariff Policy, 2018 stipulates that annual indexation in the SOR will be automatic subject to achievement of Performance Standards. It does not require the Major Port Trusts to approach this Authority for the same. In order to have transparency, the port is advised to declare the Performance Standards achieved for the period 1 January to 31 December vis-à-vis the Performance Standards notified by this Authority at the level committed by the port within one month of end of the calendar year to this Authority. If the Performance Standards as notified by this Authority are achieved by the port, then the port can automatically index the rates prescribed in its SOR at 100% of WPI announced by this Authority and apply the indexed SOR w.e.f. 1 May of the relevant year. The indexed SOR by the COPT has to be intimated by the port to the concerned users and to this Authority.

(xviii). The validity of the existing SOR of the COPT was last extended till 30 September 2019 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier. By the time the revised SOR approved by this Authority and notified separately comes into effect, it may be around November 2019. That being so, the existing Scale of Rates is deemed to have been extended from the date of expiry till the revised SOR comes into effect.

(xix). As per Clause 3.8 of Working Guidelines, the SOR notified shall remain valid for 3 years after expiry of 30 days from the date of notification of the Order in the Gazette of India. Therefore, the validity of the revised SOR is prescribed for a period of 3 years from the date the revised SOR approved by this Authority and notified separately came into effect.

(xx). (a). As per clause 7.1 of the Tariff Policy, 2018, the rates prescribed in the Scale of Rates are ceiling levels. The ports may, if they so desire charge lower rates. The COPT may exercise the flexibility to charge lower rates and/ or allow higher rebates and discounts.

(b). As stated earlier, as per Clause 2.7 the Tariff Policy, 2018, it is for the COPT to ensure that as a result of revision in the SOR there will not be loss of traffic to the port.

(c). If there is any error apparent on the face of record considered, the COPT may approach this Authority for review of the tariff fixed within 30 days from the date of notification of the Order passed in the Gazette of India. The COPT may also, for any justifiable reasons, approach this Authority for review of the tariff fixed giving adequate justification/ reasoning within 30 days from the date of notification of the Order passed in the Gazette of India.

(d). The modifications proposed by COPT in the conditionalities governing the Scale of Rates are considered for approval based on justification/ clarification furnished by COPT. The COPT may, if necessary, come up with a proposal for amending any of the conditionalities approved, even before the expiry of the tariff validity period.

15.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the revised SOR and the Performance Standards of the COPT which have been notified separately. The effective date of the revised Scale of Rates and conditionalities governing the application of revised Scale of Rates will remain the same as already indicated in the separate Order dated 10 October 2019 and shall be in force for a period of 3 years from the date of effect of revised SOR. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

15.2. As stated in the said notification, the revised SOR shall come into effect after expiry of 30 days from the date of notification of the revised SOR in the Gazette of India and shall be in force for a period of 3 years from the date the Order comes into effect. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

15.3. The COPT has committed Performance Standards for cargo related services in terms of average ship berth day output, average moves per hour in case of container handling. For vessel side services, the port has committed Performance Standards in terms of average turnaround time of vessels and average pre-berthing time of vessels and idle time at berth Port.

15.4. The indexation of SOR as provided in Clause 2.8 of the Tariff Policy, 2018 is to be read with Clause 3.2 of Tariff Policy, 2018. If COPT does not meet the Performance Standard, the COPT is not eligible for indexation during the next year.

15.5. As per Clause 6 of the Tariff Policy 2018, the COPT shall furnish to this Authority annual reports on cargo traffic, ship berth day output, average turnaround time of ships, average pre-berthing waiting time. In addition, for the container berths, annual reports shall also be provided on average moves per crane hour and average dwell time for containers. The annual reports shall be submitted by the Port within 60 days following the end of each of the year. Any other information which is required by this Authority shall also be furnished to them from time to time

15.6. As per Clause 4 of the Working Guidelines, this Authority shall publish all the information received by it from COPT under clause 6 of the Tariff Policy, 2018 on its website. However, this Authority shall consider a request from COPT about not publishing certain data/ information furnished which is commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/ information in question and the likely adverse impact on their revenue/ operation upon such publication. This Authority's decision in this regard would be final.

(T.S. Balasubramanian)
Member (Finance)

Annex-I (a)
Form - 1

Computation of Annual Revenue Requirement under Tariff Policy, 2018 for Determination of Tariff for Major Port Trusts furnished by COPT and modified by TAMP					
					Rs. in Crores
Sl. No.	**Description**		**Y1 (2015-16)**	**Y2 (2016-17)**	**Y3 (2017-18)**
(1).	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**			
(i).	Operating expenses (including depreciation)		255.08	258.50	252.84
(ii).	Management & general Overheads		111.28	110.01	114.38
(iii).	Finance and Miscellanous expenses (FME)		184.52	203.69	197.18
	Total Expenditure 1=(i)+(ii)+(iii)		**550.87**	**572.20**	**564.40**
(2).	**Less Adjustments:**				
(i).	Estate related expenses				
	(a). Operating expenses (including depreciation)		21.69	23.66	23.22
	(b). Allocated Management & Administrative Overheads		16.71	17.92	18.54
	(c). Allocated FME		27.71	33.18	31.97
	Subtotal 2 (i)=[(a)+(b)+(c)]		**66.12**	**74.75**	**73.73**
(ii).	**Interest on loans**		17.66	3.73	0.09
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**	**Note 2**			
	Salary arrears payable to officers		0.00	0.00	11.39
	Subtotal 2 (iii) = [(a)+(b)+(c)]		0.00	0.00	11.39
(iv).	**2/3rd of the Contribution to the Pension Fund & Gratuity Fund**	**Note 3**	92.42	102.55	94.52
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	**Form 2**	52.93	51.30	56.97
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**				
	(a). Operating Expenses				
	(b). Depreciation				
	(c). Allocated Management and Administrative Overheads				
	(d). Allocated FME				
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]		0	0	0
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)		**229.13**	**232.34**	**236.69**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**		**321.74**	**339.86**	**327.70**
(4).	Average Expenses of Sl. No. 3 = [Y1 + Y2 + Y3] / 3		329.77		
	Add: 1/3rd of One time expenses (Salary arrears payable to officers)		3.80		
	Total Average Expenses		**333.57**		
(5).	**Capital Employed**				
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)		401.26		
	(ii). Add:Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		24.58		
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.		41.00		
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.				
	(v). Less : Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.				
	(vi). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	**Form 4**			
	(a). Inventory		0.49		
	(b). Sundry Debtors		17.58		
	(c). Cash		43.06		
	(d). Sum of (a)+(b)+(c)		61.12		
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]		**445.96**		
(6).	**Return @ 16%**		71.35		
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**		**404.92**		
(8).	**Indexation for 18-19 @ 3.45%**		**13.97**		
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**		**418.89**		
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 10 above**	**Form 3**	**397.62**		

Annex-I (b)
Form-1

Sl. No.	Description		Y1 (2015-16)	Y2 (2016-17)	Y3 (2017-18)
	Computation of Annual Revenue Requirement under Policy for Determination of Tariff for Major Port Trusts, 2018 furnished by COPT				**Rs. in Crores**
(1).	**Total Expenditure (As per Audited Annual Accounts)**	**Note 1**			
(i).	Operating expenses (including depreciation)		255.08	258.50	252.84
(ii).	Management & general Overheads		111.28	110.01	114.38
(iii).	Finance and Miscellanous expenses (FME)		184.52	203.69	197.18
	Total Expenditure 1=(i)+(ii)+(iii)		**550.87**	**572.20**	**564.40**
(2).	**Less Adjustments:**				
(i).	Estate related expenses				
	(a). Operating expenses (including depreciation)		21.69	23.66	23.22
	(b). Allocated Management & Administrative Overheads		16.71	17.92	18.54
	(c). Allocated FME		27.71	33.18	31.97
	Subtotal 2 (i)=[(a)+(b)+(c)]		**66.12**	**74.75**	**73.73**
(ii).	**Interest on loans**		17.66	3.73	0.09
(iii).	**2/3rd of One time expenses, if any like arrears of wages, arrears of pension / gratuity, arrears of exgratia payment, etc. (list out each of the items)**	**Note 2**			
	Salary arrears payable to officers			0.00	7.59
	Subtotal 2 (iii) = [(a)+(b)+(c)]		0.00	0.00	7.59
(iv).	**2/3rd of the Contribution to the Pension Fund & Gratuity Fund**	**Note 3**	92.42	102.55	94.52
(v).	**Management and General overheads over & above 25% of the aggregate of the operating expenditure and depreciation**	**Form 2**	52.93	51.30	56.97
(vi).	**Expenses relevant for tariff fixation of Captive Berth, if any governed under clause 2.10. of the Tariff Policy, 2015.**				
	(a). Operating Expenses				
	(b). Depreciation				
	(c). Allocated Management and Administrative Overheads				
	(d). Allocated FME				
	Subtotal 2 (vi) = [(a)+(b)+(c)+(d)]		0	0	0
	Total of 2 = 2 (i)+2 (ii)+2 (iii)+2 (iv)+2 (v)+ 2 (vi)		**229.13**	**232.34**	**232.90**
(3).	**Total Expenditure after Total Adjustments (3 = 1-2)**		**321.74**	**339.86**	**331.50**
(4).	Average Expenses of SI. No. 3 = [Y1 + Y2 + Y3] / 3		331.03		
(5).	**Capital Employed**				
	(i). Net Fixed Assets as on 31.03.2018 (As per Audited Annual Accounts)		401.26		
	(ii). Add:Work in Progress as on 31.03.2018 (As per Audited Annual Accounts)		24.58		
	(iii). Less: Net value of Fixed assets related to Estate activity as on 31.03.2018 as per Audited Annual Accounts.		41.00		
	(iv). Less : Net value of fixed assets, if any, transferred to BOT operator as on 31 March 2018 as per Audited Accounts.				
	(v). Less : Net value of fixed assets as on 31 March 2018 as per Audited Accounts relevant to be considered for captive berths, if any, under clause 2.10. of the Tariff Policy, 2015.				
	(vi). Add : Working Capital as per norms prescribed in clause 2.5. of the Working Guidelines	**Form 4**			
	(a). Inventory		0.49		
	(b). Sundry Debtors		17.58		
	(c). Cash		43.06		
	(d). Sum of (a)+(b)+(c)		61.12		
	(vii). Total Capital Employed [(i)+(ii)-(iii)-(iv)-(v)+(vi)(d)]		**445.96**		
(6).	**Return @ 16%**		71.35		
(7).	**Annual Revenue Requirement (ARR) as on 31 March 2018 [(4)+ (6)]**		**402.39**		
(8).	**Indexation for 18-19 @ 3.45%**		**13.88**		
(9).	**Ceiling Indexed Annual Revenue Requirement (ARR)**		**416.27**		
(10).	**Revenue Estimation at the Proposed indexed SOR within the Ceiling indexed ARR estimated at Sl No. 10 above**	**Form 3**	**397.62**		

Annex-II
Form-3

Revenue Estimation at the proposed Scale of Rates furnished by COPT

Sl. No.	Description	Reference to the schedule and Sl No in existing SOR	Unit of levy	Reference to the schedule and Sl No in proposed SOR	Actual Traffic exclusively handled by the port during the year 2017-18 (in million)	Actual Revenue during the year 2017-18	Revenue estimation at 25% increase (Rs. In lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	**Cargo / Container Handling Income**				29.14	10499.79	11171.60
B	**Vessel Related Income**						
1	Port Dues	2.1.1 & 2.1.2	GRT	2.1.1 & 2.1.2	43.06	5525.02	7295.96
2	Berth Hire	2.3.1 & 2.3.2	GRT	2.3.1 & 2.3.2	43.06	2440.51	2684.51
3	Pilotage	2.2.1 & 2.2.2	GRT	2.2.1 & 2.2.2	43.06	10978.10	14205.38
4	Shifting Charges - Foreign	2.2.3 & 2.2.3.1	GRT	2.2.3 & 2.2.3.1		160.62	200.77
	Shifting Charges - Coastal	2.2.3 & 2.2.3.1	GRT	2.2.3 & 2.2.3.1		512.33	640.42
5	Tug Charges - Foreign	2.2.4	TUG/HR	2.2.4		1688.92	2111.15
	Tug Charges - Coastal	2.2.4	TUG/HR	2.2.4		64.00	80.00
6	Pilotage fee for Barges - Foreign	2.2.5.1	Each way Per Vessel	2.2.5.1		0.00	0.00
	Pilotage fee for Barges - Coastal	2.2.5.1	Each way Per Vessel	2.2.5.1		0.00	0.00
7	Detention Charges - Foreign	2.2.5.2	Per Hour or Part thereof	2.2.5.2		0.88	1.10
	Detention Charges - Coastal	2.2.5.2	Per Hour or Part thereof	2.2.5.2		0.21	0.26
8	Cancellation Charges - Foreign	2.2.5.3	Unit	2.2.5.3		3.53	4.41
	Cancellation Charges - Coastal	2.2.5.3	Unit	2.2.5.3		1.33	1.66
9	Pilotage fees for Dredgers	2.2.5.4	8hour or part thereof	2.2.5.4		0.78	0.98
10	Shifting fee for Barges - Foreign	2.2.6	Each way Per Vessel	2.2.6		0.00	0.00
	Shifting fee for Barges - Coastal	2.2.6	Each way Per Vessel	2.2.6		0.00	0.00
11	Water Supply to Ships through Barge - Foreign	2.4.1	1000 Ltrs.	2.4.1		1.42	1.78
	Water Supply to Ships through Barge - Coastal	2.4.1	1000 Ltrs.	2.4.1		122.25	152.82
12	Water Supply to Ships through Shore - Foreign	2.4.2	1000 Ltrs.	2.4.2		4.75	5.94
	Water Supply to Ships through Shore - Coastal	2.4.2	1000 Ltrs.	2.4.2		0.27	0.34
13	Charges for use of Barge Jetties	2.5	Per Month	2.5		61.25	76.57
14	Ship Security Charges	2.6	24 Hrs. or part thereof	2.6		67.00	67.00
15	Penalty Charges For VCN Cancellation	7.6	Unit	7.6		0.10	0.12
16	Hire of pilot Launch - Foreign	-	Per Hour or Part thereof	-		16.28	20.36
	Hire of pilot Launch - Coastal	-	Per Hour or Part thereof	-		1.99	2.49
17	Others					1.04	1.30
18	Anchorage charges			2.3.3 & 2.3.4			10.00
19	Cruise Vessels	-	Per GRT	2.7		684.51	800.00
	Total (1 to 19)					**22337.12**	**28365.32**
C	**Miscellaneous Charges**					187.06	224.63
D	**Total Revenue (A+B+C)**					**33023.97**	**39761.55**

Annex-III

Form No.5

Comparison of existing SOR and conditionalities vis-à-vis proposed tariff and conditionalities furnished by COPT and modified by TAMP

Existing SOR	Proposed by COPT	Remarks by COPT	Analysis by TAMP
1.2. General Terms & Conditions	**1.2. General Terms & Conditions**		
—	(xx) In the case of coastal transportation of vehicles through Ro-Ro ship, 80% discount on vessels related charges and Cargo related charges will be granted for a period of two years with effect from 20 September 2016.	Inserted as per TAMP direction.	In pursuance of Ministry of Shipping (MOS) communication vide letter No.16/(88)2016-PD-VII dated 20 September 2016, the Authority has passed a common adoption Order No.TAMP/4/2004-Genl. dated 25 October 2016 relating to provide 80% discount for two years with effect from 20 September 2016, on the vessel related charges & cargo related charges for coastal transportation of vehicles through Ro-Ro ships by the Major Port Trusts. The port has proposed to incorporate this provision in its proposed SOR. In this regard, it is to state that the validity of the said provision was for a period of 2 years with effect from 20 September 2016 i.e. upto 20 September 2018. We have vide our letter No.TAMP/4/2004-Genl. dated 13 August 2019. Further, communication from the MOS in this regard is awaited. That being so, in the absence of any specific direction from the MOS for continuation of the said provision, <u>the said provision whose validity has already expired need not be prescribed in the revised SOR of COPT. On receipt of further communication from the MOS in this regard, this Authority shall be inclined to pass a common adoption</u>

<table>
<tr><td></td><td></td><td></td><td><u>Order for incorporation in the SOR of all the Major Port Trusts on the said matter.</u></td></tr>
<tr><td>CHAPTER – II
<u>VESSEL RELATED CHARGES</u></td><td>CHAPTER – II
<u>VESSEL RELATED CHARGES</u></td><td></td><td></td></tr>
<tr><td>---</td><td>2.2.7 – Hire of Pilot Launch
<table>
<tr><th>Description</th><th>Unit</th><th>Coastal (in ₹)</th><th></th><th>Foreign (in US$)</th><th></th></tr>
<tr><td></td><td></td><td>Rate</td><td>Minimum charge</td><td>Rate</td><td>Minimum charge</td></tr>
<tr><td>Hire of Pilot Launch / Boat</td><td>Per hour or part thereof</td><td>9212.50</td><td>276375.00</td><td>238.2338</td><td>714.7013</td></tr>
</table></td><td>The rate was fixed by taking cost plus 16% return formula and implemented on adhoc basis w.e.f. 01.06.2017. The rate was approved by the Board and was introduced owing to an unforeseen situation of collision of a fishing boat with a vessel at Cochin Anchorage. The agenda and resolution approving the rates is furnished. This proposal was left unsent inadvertently. Now included in SOR.</td><td>The port has furnished the agenda item wherein the detailed justification for following cost plus 16% return alongwith the working is furnished by the port. The port has also furnished a copy of the Board approval in this regard approving the rates on ad hoc basis with effect from 01 June 2017.
The rates proposed by the port in the current proposal is after applying 25% increase over the rates applied by the port from 01 June 2017.
<u>Since there has been no objection from any users / user associations to the proposed rate and rate has been approved by the Board in the current proposal and also recognising that the port has estimated revenue from this item in the revenue estimation, the tariff for the hiring of pilot launch is approved as proposed by the port from the date the revised SOR comes into effect.</u></td></tr>
<tr><td>2.3. Berth Hire Charges</td><td>2.3. Berth Hire Charges</td><td></td><td></td></tr>
<tr><td>---</td><td>2.3.2 Anchorage Charges for vessels calling for berthing at Cochin Port (Per GRT per hour)
<table>
<tr><th>Sl. No</th><th>Description</th><th>Rate</th></tr>
<tr><td>1</td><td>Up to 48 hours at anchorage</td><td>Free</td></tr>
<tr><td>2</td><td>48 hours – 96 hours</td><td>10% of berth hire charges *</td></tr>
<tr><td>3</td><td>96 hours – 144 hours</td><td>15% of berth hire charges *</td></tr>
<tr><td>4</td><td>Beyond 144 hours</td><td>20% of berth hire charges *</td></tr>
</table></td><td>New schedules for levy of anchorage charge for vessels calling at berth and not calling at berth is proposed to be included as per the Berthing Policy issued by the GOI.</td><td>The existing SOR of the COPT do not prescribe anchorage charges. The MOS in June 2016 has issued the Berthing Policy for Dry Bulk Cargo for Major Ports, and has directed all the Major Port Trusts to implement the Berthing norms with actual incentives and penalties. The said Policy also prescribes Guidelines for levy of anchorage charges by all Major Port Trusts and, inter alia, require all the Major Port Trusts to adhere to it.

The proposed anchorage charge is found</td></tr>
</table>

<table>
<tr>
<td></td>
<td>*Berth hire charges shall be the rate applicable to that berth where the vessel is waiting to be berthed.
Note: Port can exempt vessels from paying anchorage charges in exceptional circumstances including but not limited to lapses on part of the Port. Any waiver of anchorage charges will require approval from Chairman of the Port or an equivalent authority.

2.3.3 (b) Anchorage Charges for vessels not calling for berthing at Cochin Port
(Per GRT per hour)
<table>
<tr><th>Sl. No</th><th>Description</th><th>Coastal vessel (in ₹)</th><th>Foreign vessel (in US$)</th></tr>
<tr><td>1</td><td>Up to 48 hours at anchorage</td><td>Free</td><td>Free</td></tr>
<tr><td>2</td><td>48 hours – 96 hours</td><td>0.0233</td><td>0.000733</td></tr>
<tr><td>3</td><td>96 hours – 144 hours</td><td>0.0349</td><td>0.001099</td></tr>
<tr><td>4</td><td>Beyond 144 hours</td><td>0.0466</td><td>0.001466</td></tr>
</table>
The above charges are subject to a ceiling limit of 5 months anchorage charges.

Note: Any waiver of anchorage charges will require approval from Chairman of the Port or an equivalent authority.</td>
<td>Additional clause inserted for vessels not calling for berthing at COPT in line with the anchorage charges for vessels calling for berthing at COPT.</td>
<td>to be in line with the percentage parameters prescribed in the Berthing Policy and hence same is approved.

The port has proposed separate anchorage charge for vessels not calling for berthing at the port. Since, the vessels do not call at berth, it may not be possible to link it as a percentage of the prescribed berth hire charges and hence the port has proposed specific anchorage charge. The anchorage charges for vessels which do not call berth is found to be higher than vessels which call berth. The proposed rates are approved.</td>
</tr>
<tr>
<td>[As per Ministry of Shipping letter No.SW-15011/2/2016-MG dated 03 November 2017.]</td>
<td>2.7. Composite Port Charges for Cruise Vessels (As per MOS Order No.SW-15011/2/2016-MG dated 03 November 2017.)
The vessels will be charged at $0.35 per GRT for the first 12 hours. The Port will not charge any other rate like berth hire, Port dues, Pilotage, and Passenger fee for the first 12 hours. Beyond 12 hours, Port will collect a</td>
<td>The Ministry of Shipping to promote the Cruise Shipping in India have rationalised the tariff for Cruise Vessels vide its letter No.SW-15011/2/2016-MG dated 03 November, 2017.</td>
<td>Schedule is prescribed as proposed by the port. Revenue estimate is captured in Form-3 by the port.

The Note-1 is slightly modified to state that it shall be applicable for a period of 3 years from the MOS letter dated 03 November 2017 i.e. 02 November 2020.</td>
</tr>
</table>

<table>
<tr>
<td></td>
<td>Berth hire of $0.0292 per GRT per hour.
Note:
1. The above rates for Cruise Vessels shall be applicable until further orders from the Govt. of India.
2. The levy of the Security Charges will be continued as per the Scale of Rate of Cochin Port Trust.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2.5. Embarkation and disembarkation charges for international passengers in cruise vessels
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Unit</th><th>Rate (in ₹)</th></tr>
<tr><td>1</td><td>Embarkation / disembarkation</td><td>per person</td><td>100.00</td></tr>
</table></td>
<td>3.2.5. Embarkation and disembarkation charges for international passengers in cruise vessels
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Unit</th><th>Rate (in ₹)</th></tr>
<tr><td>1</td><td>Embarkation / disembarkation</td><td>per person</td><td>144.83</td></tr>
</table></td>
<td>Since the implementation of Composite rates for cruise vessels as directed by the MOS (letter No.SW-15011/2/2016-MG dated 03 November 2017 valid for 3 years), the passenger embarkation & disembarkation charges are not being separately collected by the Port. The MOS order clearly states that port is not entitled to charge additional fee like port dues, pilotage, passenger fee etc. Hence it has been excluded from revenue estimation.</td>
<td>Though port has stated that it is not entitled to collect this item and has not estimated revenue therefrom, the port has not deleted the schedule from the SOR. Based on the clarification given by the port, the proposed schedule 3.2.5 is deleted.</td>
</tr>
<tr>
<td>CHAPTER – III
<u>CARGO RELATED CHARGES</u></td>
<td>CHAPTER – III
<u>CARGO RELATED CHARGES</u></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>3.1. Schedule of wharfage for bulk and break bulk cargo (Rate in ₹)
<table>
<tr><th>Sl. No</th><th>Description of commodity</th><th>Unit</th><th>Coastal</th><th>Foreign</th></tr>
<tr><td>17.</td><td>(ii) Entry Fee for Tanker Trucks supplying fresh water to ships</td><td>Per Truck</td><td>300.00</td><td>300.00</td></tr>
</table></td>
<td>This item was previously included in the SOR of COPT till 2013 and the rate that was being collected was ₹200/- per truck. During the revision in 2013, the item was removed stating reason that it would be difficult to ensure the quality of water supplied by the agencies to vessels. However, it is once again proposed to be included in the SOR. The rate now proposed is ₹300/- per truck.</td>
<td>The proposal of COPT for re-introduction of this tariff item may be approved. However, the proposed rate is prescribed as a separate schedule under Chapter - VII - Miscellaneous charges as schedule 7.3 and subsequent schedules are renumbered.</td>
</tr>
</table>

<table>
<tr><td>----</td><td>@ The Wharfage specified per vehicle in Sl. No.13 is for Cars & smaller vehicles. The Wharfage will be 1.5 times the said rate for Light Commercial Vehicles and 3 times the said rate for Trucks and Buses.</td><td>Looking to the likely movement of commercial light vehicles and trucks through RORO operation, the note has been included now specifically stating that the rates at 13(i) & (ii) are for cars and smaller vehicles</td><td>Based on the reason furnished by the port, the note proposed by the port is approved.</td></tr>
<tr><td>3.2. Demurrage Charges</td><td>3.2. Demurrage Charges</td><td></td><td></td></tr>
<tr><td>3.2.3. Charges for Storage of Cargo at the specified Transit Areas on Licence Basis</td><td>Deleted</td><td>Shifted to Chapter VIII Clause 8.2.1</td><td>The port had while seeking revision of lease rent for port land had proposed to delink the prescription of Licence fee for storage of cargo at the transit area from the general SOR and prescribe it in the estate schedule.
The said proposal of COPT was approved by the Authority vide Order No.TAMP/73/2016-COPT dated 21 June 2016.
Hence, proposed deletion of schedule 3.2.3. Charges for license fee Storage of Cargo at the specified Transit Areas on Licence Basis is in order.</td></tr>
<tr><td><u>CHAPTER – IV
HIRE CHARGES FOR PORT EQUIPMENT</u></td><td><u>CHAPTER – IV
HIRE CHARGES FOR PORT EQUIPMENT</u></td><td></td><td></td></tr>
<tr><td>4.3. Charges for Floating crane & Oil Skimmer.
<table>
<tr><th>Sl No</th><th>Category</th><th>Unit</th><th>Rate in ₹</th></tr>
<tr><td>1</td><td colspan="3">Floating Crane F.C. Periyar :</td></tr>
<tr><td></td><td>Fixed charges</td><td>Per hour or part thereof</td><td>10345.00</td></tr>
<tr><td></td><td>Lifting charges :</td><td></td><td></td></tr>
<tr><td></td><td>Up to 30 ton</td><td rowspan="4">Per tonne or part thereof</td><td>620.70</td></tr>
<tr><td></td><td>30 - 60</td><td>827.60</td></tr>
<tr><td></td><td>60 - 90</td><td>1241.40</td></tr>
<tr><td></td><td>Above 90</td><td>1551.75</td></tr>
<tr><td>2</td><td colspan="3">Oil Skimmer M.V. Venad :</td></tr>
</table></td><td>4.3. Charges for Oil Skimmer - M.V. Venad
<table>
<tr><th>Category</th><th>Unit</th><th>Rate in ₹</th></tr>
<tr><td>Fixed charges</td><td>Per hour or part thereof</td><td>5690</td></tr>
<tr><td>Lifting charges</td><td>Per ton or part thereof</td><td>341</td></tr>
</table></td><td>Deleted Sl. no.1 Floating Crane F.C. Periyar rate as it is decommissioned</td><td>The proposed deletion is approved.</td></tr>
</table>

<table>
<tr>
<td><table>
<tr><td></td><td>Fixed charges</td><td>Per hour or part thereof</td><td>5172.50</td></tr>
<tr><td></td><td>Lifting charges</td><td>Per ton or part thereof</td><td>310.35</td></tr>
</table></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note under schedule 4.1 Charges for light duty fork lift trucks:

[No Note]</td>
<td>Note under schedule 4.1 Charges for light duty fork lift trucks:
Coastal concessional rate will be applicable only for coastal cargo operations, and the concessional rate will be restricted to ship to shore transfer and transfer from/ to quay and to/ from storage yard, and foreign rate will be applicable for other operations.</td>
<td rowspan="2">In order to bring better clarity and in line with the Coastal Concession Policy of the Government of India</td>
<td rowspan="2">The proposed note <u>is approved</u> <u>except for minor modification of replacing the words “coastal cargo operations” with “coastal cargo”</u></td>
</tr>
<tr>
<td>Note under Schedule 4.5. Charges for Harbour Mobile Crane:

[No Note]</td>
<td>Note under Schedule 4.5. Charges for Harbour Mobile Crane:
Coastal concessional rate will be applicable only for coastal cargo operations, and the concessional rate will be restricted to ship to shore transfer and transfer from/ to quay and to/ from storage yard, and foreign rate will be applicable for other operations.</td>
</tr>
<tr>
<td>---</td>
<td>4.6. Reach stacker<table>
<tr><th>Sl No</th><th>Category</th><th>Unit</th><th>Rate in ₹</th></tr>
<tr><td>1</td><td>Reach Stacker</td><td>Per hour or part thereof</td><td>4000</td></tr>
</table></td>
<td rowspan="2">Rates are introduced owing to the reason that Port could hire out the equipment when idle so as to improve the utilization of the asset.</td>
<td rowspan="2">The port has furnished the working for arriving at the proposed rate based on cost plus 16% return which has been brought out in the Order at para no.8, sl. No.(3)(vi). Revenue estimate from the proposed new items are also captured in Form-3. In view of the above, the new tariff items proposed by the port are approved.</td>
</tr>
<tr>
<td>---</td>
<td>4.7 Charges for hire of Skylift
₹1,275/- per hour or part thereof subject to a minimum of ₹2,550/-</td>
</tr>
<tr>
<td><u>CHAPTER – VI
CONTAINER FREIGHT STATION (CFS) RELATED CHARGES</u></td>
<td><u>CHAPTER – VI
CONTAINER FREIGHT STATION (CFS) RELATED CHARGES</u></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1. Stuffing and De-stuffing charges (other than UB Containers) at CFS and other Port Facilities<table>
<tr><th>Sl. No.</th><th>Description</th><th>Rate per container (in ₹)</th></tr>
</table></td>
<td>6.1. Stuffing and De-stuffing charges for Cargo Containers at CFS and other Port Facilities<table>
<tr><th>Description</th><th>Rate per container (in ₹)</th></tr>
</table></td>
<td>Deleted rate for half a container load and relevant notes 1 and 2 as such instances are very rare. Further, to ensure standardisation, rates for half load container are deleted.</td>
<td>Based on the reason given by the port, the proposed deletion relating to half container load is approved.</td>
</tr>
</table>

<table>
<tr>
<td>
<table>
<tr><td></td><td></td><td>20’</td><td>40’ and above</td></tr>
<tr><td>1</td><td>For half a container load</td><td>1603.4750</td><td>2689.7000</td></tr>
<tr><td>2</td><td>For full container load</td><td>3206.9500</td><td>5379.4000</td></tr>
</table>
</td>
<td>
<table>
<tr><td></td><td>20’</td><td>40’ and above</td></tr>
<tr><td>Containers</td><td>3527.65</td><td>5917.34</td></tr>
</table>
</td>
<td></td>
<td></td>
</tr>
<tr>
<td>
6.1.1 De-Stuffing Charges for UB Containers.
<table>
<tr><td>Description</td><td colspan="2">Rate per container (in ₹)</td></tr>
<tr><td></td><td>20’</td><td>40’ and above</td></tr>
<tr><td>For half a container load</td><td>2405.2125</td><td>4034.5500</td></tr>
<tr><td>For full container load</td><td>4810.4250</td><td>8069.1000</td></tr>
</table>
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.
</td>
<td>
6.1.1 De-Stuffing Charges for UB Containers.
<table>
<tr><td>Description</td><td colspan="2">Rate per container (in ₹)</td></tr>
<tr><td></td><td>20’</td><td>40’ and above</td></tr>
<tr><td>Containers</td><td>5291.47</td><td>8876.01</td></tr>
</table>
</td>
<td></td>
<td></td>
</tr>
<tr>
<td>
6.4. Charges for examination of import and export containers for clearance

[No Note]
</td>
<td>
6.4. Charges for examination of import and export containers for clearance

Note: In the event of stuffing/ de-stuffing of cargo at the ramp for examination, involving Tallying by Cochin Port, 50% of the stuffing/ de-stuffing charges applicable for Cargo Containers at 6.1 will be recovered.
</td>
<td>These charges are collected for inspection of Security Seal in a Container before clearance by customs. If it is found necessary that the containers have to be inspected, it is taken to the ramp for inspection and hence requires partial Stuffing and De-stuffing and hence, the Port collects 50% of Stuffing and De-stuffing charges for Cargo Containers at CFS and other Port Facilities as specified in Clause No.6.1</td>
<td>Based on the reason given by the port, the proposed deletion relating to half container load is approved.</td>
</tr>
</table>

<table>
<tr>
<td>-</td>
<td>6.4.1 Charges for De-stuffing /cross Stuffing facility for Custom Cleared Containers
<table>
<tr><th rowspan="2">Description</th><th colspan="2">Rate per container (in ₹)</th></tr>
<tr><th>20’</th><th>40’ and above</th></tr>
<tr><td>Charges for de-stuffing/ cross stuffing custom cleared containers at the designated area of Cochin Port, outside the CFS</td><td>284.49</td><td>568.98</td></tr>
</table></td>
<td>Since cross stuffing facilities are being offered, the rate has been proposed to be included. The rate is fixed based on Charges for examination of import and export containers for clearance presently being collected by the Port as at 6.4.</td>
<td>The rates as proposed at schedule 6.4 is proposed for Charges for De-stuffing /cross Stuffing facility for Custom Cleared Containers for 40’ container. The rate for 20’ container is proposed at half of the 40’ container.
Revenue estimate from the proposed new item is captured in Form-3. In view of the above, the new tariff item proposed by the port is approved.</td>
</tr>
<tr>
<td></td>
<td>6.4.2 Customs Document Printout at CFS
<table>
<tr><th>Description</th><th>Rate</th></tr>
<tr><td>Up to 30 pages</td><td>₹70 including taxes</td></tr>
<tr><td>Printout of Customs Document for containers serviced at other CFSs</td><td>₹300 including taxes</td></tr>
</table></td>
<td>These are in the nature of reimbursement of expenses incurred by COPT. Accordingly the rate is fixed considering the cost of customs document, cost of stationery and cost of operator.</td>
<td>Based on the reason given by the port, the proposed rate under schedule 6.4.2 is approved. Revenue estimate from the proposed new item is captured in Form-3.</td>
</tr>
<tr>
<td><u>CHAPTER – VII
MISCELLANEOUS CHARGES</u></td>
<td><u>CHAPTER – VII
MISCELLANEOUS CHARGES</u></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>7.2 Charges for issue of wharf entry permits to authorised visitors
<table>
<tr><th>l. No.</th><th>Type of Pass</th><th>Fee</th></tr>
<tr><td>11.</td><td>Issue of RFID Card</td><td>₹100 per Card</td></tr>
<tr><td>12.</td><td>Issue of RFID Tag</td><td>₹70 per Tag</td></tr>
<tr><td>13.</td><td>Duplicate Card in the event of loss</td><td>₹200 per Card</td></tr>
<tr><td>14.</td><td>Duplicate Tag in the event of loss</td><td>₹140 per Tag</td></tr>
<tr><td>15.</td><td>Issue of Laminated Pass of validity up to one year for entry of non-cargo vehicles of port users at Mattancherry Wharf</td><td>₹50</td></tr>
</table></td>
<td>Since the introduction of RFID at wharves, separate rates were introduced for issue of RFID card / tags.</td>
<td>Based on the reason given by the port, the proposed rate is approved.</td>
</tr>
<tr>
<td>---</td>
<td>Note under schedule 7.2:
All the rates specified in clause 7.2 are inclusive of taxes (GST) at the prevailing rates</td>
<td>The note on taxes was introduced in order to ensure better clarity.</td>
<td>Based on the reason given by the port, the proposed note is approved. It appears to have been introduced for ease of application and collection of the rates.</td>
</tr>
<tr>
<td>7.5. Charges for Erecting Hoardings.
<table>
<tr><th>Sl No</th><th>Description</th><th>Unit</th><th>Rate in ₹</th></tr>
</table></td>
<td>Deleted.</td>
<td>Port proposes to allot hoardings based on E-auction in the future in order to get competitive rates.</td>
<td>Based on the reason given by the port, the proposed deletion is approved.</td>
</tr>
</table>

<table>
<tr>
<td>
<table>
<tr><td>1</td><td>Single sided hoardings</td><td rowspan="8">Per Sq. mtr. per year or part thereof</td><td></td></tr>
<tr><td>(a)</td><td>Side berm of I.G.Road and Bristow Road</td><td>10000</td></tr>
<tr><td>(b)</td><td>Side berm of Other Roads</td><td>5000</td></tr>
<tr><td>2</td><td>Double sided hoardings</td><td></td></tr>
<tr><td>(a)</td><td>Side berm of I.G.Road and Bristow Road</td><td>20000</td></tr>
<tr><td>(b)</td><td>Side berm of Other Roads</td><td>10000</td></tr>
<tr><td>3</td><td>Neon boards</td><td>5000</td></tr>
</table>
Notes as prescribed in the existing SOR under this schedule:
</td>
<td></td>
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</tr>
<tr>
<td>
7.7. Taking photographs or shooting films in the port premises other than for Cargo / Vessel operations:
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Unit</th><th>Rate in ₹</th></tr>
<tr><td>1.</td><td>Making cinema / documentary by movie camera</td><td rowspan="3">Per day or part thereof</td><td>40000</td></tr>
<tr><td>2</td><td>Videography by video camera</td><td>20000</td></tr>
<tr><td>3</td><td>Photography by Still Camera</td><td>1000</td></tr>
</table>
</td>
<td>
7.6.1 Taking photographs or shooting films in the prime areas
<table>
<tr><th>Sl. No</th><th>Description</th><th>Rate in ₹ Per day (00 00hrs to 2400hrs)</th><th>Rate in ₹ Per half day (00 00hrs to 1200hrs or 1200 hrs to 2400 hrs)</th></tr>
<tr><td>1.</td><td>Making cinema/ documentary by movie camera</td><td>80000</td><td>40000</td></tr>
<tr><td>2.</td><td>Videography by video camera with less than 10 persons including crew and artistes</td><td>40000</td><td>20000</td></tr>
<tr><td>3.</td><td>Photography by still camera</td><td>2000</td><td>NA</td></tr>
</table>
Note: Prime areas in Willingdon Island is defined as Port area within toll gates of Mattanchery Toll gate and Ernakulam Toll gate upto North End and Wharves.

7.6.2 Taking photographs or shooting films in other areas
<table>
<tr><th>Sl. No.</th><th>Description</th><th>Rate in ₹ Per day (00 00hrs to 2400hrs)</th><th>Rate in ₹ Per half day (00 00hrs to 1200hrs or 1200 hrs to 2400 hrs)</th></tr>
<tr><td>1.</td><td>Making cinema/ documentary by movie camera</td><td>60000</td><td>30000</td></tr>
</table>
</td>
<td>
Separate rate bifurcating the area based on demand as prime areas and other areas have been derived, which also include rate for half a day.

Rates have not been increase during previous SOR. In the current proposal, a bifurcation based on the location was proposed to be inserted. Prime areas are proposed to be increased by 100% and other areas are proposed to be increased by 50%. The rates also include rate for half a day. These rates were fixed considering the market trends and demands. Hence the proposed increase is found to be reasonable.
</td>
<td>
Based on the reason given by the port, the proposed schedules are approved.
</td>
</tr>
</table>

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<tr>
<td></td>
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<table>
<tr><td>2.</td><td>Videography by video camera with less than 10 persons including crew and artistes</td><td>30000</td><td>15000</td></tr>
<tr><td>3.</td><td>Photography by still camera</td><td>1500</td><td>NA</td></tr>
</table>
Note: Other areas include all Port Premises outside toll gates in Willingdon Island and all Port Premises at Puthuvypin, Vallarpadam, Bolgatty, Ernakulam, Palluruthy, Thevara and Fort Kochi.
</td>
<td></td>
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</tr>
<tr>
<td>
7.9. License fees & Inspection Fees
For those owners of Valloms/ Boats who want to use their waterfront for tying up there on Valloms/ Boats & Jetties owned by of Government Organisation like SWTD, KSINC, DTPC, IFP, Matsyafed, CIFNET, Corporation of Cochin & Religious Institutions
<table>
<tr><th>Sl No.</th><th>Description</th><th>Unit</th><th>Rate in ₹</th></tr>
<tr><td>1</td><td>Jetties & piers</td><td>Rate per Jetty per annum</td><td>1297</td></tr>
<tr><td>2</td><td>Inspection fees</td><td>Rate per Jetty per annum</td><td>546</td></tr>
<tr><td>3</td><td>Additional fees for late payment of Licence Fee</td><td>Jetty/Piers per month</td><td>20</td></tr>
</table>
</td>
<td>
7.8. License fees & Inspection Fees
For those owners of Valloms/ Boats who want to use their waterfront for tying up there on Valloms/ Boats & Jetties owned by of Government Organisation like SWTD, KSINC, DTPC, IFP, Matsyafed, CIFNET, Corporation of Cochin & Religious Institutions and existing waterfront Jetties for tying up Valloms & Boats belonging to other owners.
<table>
<tr><th>Sl No</th><th>Description of Jetty</th><th>Unit</th><th>Rate in ₹</th></tr>
<tr><td>1</td><td>Government Jetties (Irrigation Dept., KSINC, Corporation, SWTD, Tourism Dept., KTDC)</td><td>Rate per Jetty per annum</td><td>2,000/-</td></tr>
<tr><td>2</td><td>Apartment Complexes, private jetties for speed boats, Hotels, Shipyards, Fuel pumps</td><td>Rate per Jetty per annum</td><td>1,00,000/-</td></tr>
<tr><td>3</td><td>Slipways</td><td>Rate per Jetty per annum</td><td>35,000/-</td></tr>
<tr><td>4</td><td>Concrete Jetties – loading and unloading of fish or ice, jetties located near ice plants used commercially for typing up 4 or more fishing boats belonging to others.</td><td>Rate per Jetty per annum</td><td>35,000/-</td></tr>
<tr><td>5</td><td>Concrete Jetties – used commercially for tying up not more than three fishing boats belonging to others</td><td>Rate per Jetty per annum</td><td>10,000/-</td></tr>
<tr><td>6</td><td>Wooden Jetties – used for typing up fishing boats belonging to others</td><td>Rate per Jetty per annum</td><td>10,000/-</td></tr>
</table>
</td>
<td>Licence fee and inspection fee thereof for boats and jetties has been modified and a consolidate statement has been incorporated vide clause No.7.8 deleting 7.9.1, 7.9.2 & 7.9.3 of existing SOR.</td>
<td>Based on the reason given by the port, the rationalised and simplified schedule of rates proposed by the port is approved except for minor modification.</td>
</tr>
</table>

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<tr>
<td></td>
<td>
<table>
<tr><td>7</td><td>Temples, Mosques and Churches for blessing purposes only</td><td>Rate per Jetty per annum</td><td>5,000/-</td></tr>
</table>
The above rates fixed as per the Regulations are subject to notification from the Central Government. However, these rates have already been notified by the State Government.
Note:-

The above rates are exclusive of taxes at prevailing rate.
The rates above are inclusive of Inspection Fees
Lease rent for new concrete / temporary jetties may be collected taking into account in the bed of back waters in addition to Licence Fees. Lease rent for the bed of back water will be 50% of the applicable rate of lease rentals.
The Jetties owned by the Irrigation Department, Government of Kerala and Mulavukad Panchayath, Ernakulam is exempted from payment of Licence & Inspection Fees.

</td>
<td></td>
<td>The note immediately below the schedule which states that the rates are fixed as per the Regulations and are subject to notification from the Central Government and that they have already been notified by the State government is not prescribed in the SOR to be approved by the Authority.</td>
</tr>
</table>

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

F.No. TAMP/10/2019-COPT - Proposal from the Cochin Port Trust for general revision of its Scale of Rates.

A summary of the comments received from the users/ user organizations and reply furnished by Cochin Port Trust (COPT) thereon are tabulated below:

Sl. No.	Comments of the users / user organisations	Reply furnished by COPT
1.	**Bharat Petroleum Corporation Limited (Kochi Refineries Limited)**	
(i).	COPT has proposed 25% increase in the existing SOR for Port dues, Pilotage Charges, Shifting charges, Berth hire charges, Tug charges, Vessels detention charges and Pilot cancellation charges. Please note that the movement of POL products from BPCL-KR is increasing on yearly basis and also our contribution to COPT's revenue. Further, BPCL-KR is investing substantial amounts for augmenting the Port facilities at jetty and the viability of these investment are based on the prevailing rates. Since the volume of cargo handled is increasing with the existing infrastructure, such high increase in port charges is not acceptable.	Following facts are once again reproduced: (a). As per Clause 10.1.2 of the Working Guidelines to operationalize the Tariff Policy for Major Port Trusts, 2018, in case of coastal vessels, the vessel related charges should not exceed 60% of the corresponding charges for other vessels. Further, these charges should be denominated and collected in Indian Rupees only and restatement of coastal rates with reference to prevailing exchange rate at the time of each general revision of Scale of Rates will not be resorted to. (b). Considering the increase in the exchange rate by 48.63% during the period 2010-11 to 2015-16, the Port did not increase the rates for foreign going vessels during the revision in 2013 and increased marginally by 5% during the revision in 2016. (c). Meanwhile, in September 2015, MOS had directed that vessel related charges for coastal vessels will not exceed 60% of that of foreign going vessels calculated by taking into account exchange rate fluctuations. Due to this direction, the rates for coastal vessels have increased by 50% which was paid by the Port users during the period from Nov'15 to May'16. The Port did not proposed separate rates for coastal vessels while submitting the proposal for revision of SOR in 2016. The TAMP notified the new SOR in May 2016 and the same was implemented in June 2016. (d). Subsequently, in May 2016, MOS kept this direction in abeyance till further orders and directed all the Ports to fix a rate for coastal vessels without considering the fluctuations in the exchange rates. Accordingly, TAMP directed COPT to submit a revised proposal for Coastal vessels, since the new SOR notified by TAMP was based on the previous direction given by the Ministry. (e). Accordingly, COPT decided to increase by 40% which was lower than the then existing rate and decided to implement it as an adhoc rate with immediate effect subject to approval of TAMP. However TAMP vide order

		dated 17.09.2016 (notified on 10.10.2016) allowed only a 5% increase in the rates for coastal vessels which was allowed for foreign going vessels. In effect, the revenue of the Port from the Coastal vessels got reduced by 35% because of the above decision of the TAMP. The revenue impact to the Port is approx ₹20 crores per annum. [*As stated in para 15 (xvii) of Order dated 17 September 2016, the rates for coastal vessels were prescribed by applying tariff increase proposed by port at 5% and without restatement on account of foreign exchange variation as per Coastal Concession Policy of MOS*.] (f). The coastal vessels constitute more than 50% of the total vessels handled by the Port and coastal vessels for BPCL constitute approx 25% of the total coastal cargo vessels. (g). The existing rate for coastal vessels is only 37% of the foreign going vessel rate, even though the Tariff Policy states that it should be 60%. The reduction is mainly due to fluctuation in the exchange rates which is not factored while arriving at the rates for coastal vessels. (h). Even after increasing the VRC by 25% for coastal vessels, it will still be 46% of the existing foreign going vessel rate. In effect it gives 54% concession compared to default 40% as per the Tariff Policy. It is because of this reason that the Port proposed 25% increase in foreign going vessel rates to compensate for the loss on VRC from coastal vessels. It may also be noted that efforts required for handling a foreign or coastal vessel are same. Even though fluctuations in the exchange rates have benefitted the Port in the case of foreign vessels, this has not made any impact on the coastal rates leading to the above situation. (i). On the other hand, there is an average increase of 5% in the total overheads of the Port every year. In such a situation the Port should have increased the rates by 10-15% during the revision of SOR in every three years. However the Port has increased the rates only by 8.60% (5% in 2016 and 3.45% in 2018 due to indexation) during the last 9 years. (j). The present ROCE is less than 16% allowed as per TAMP policy. Unless the Port earns 16% ROCE it will be difficult to create a reserve for the future developments of the Port. If Port does not have sufficient reserves, the Port may not be able to fund for the future developments.

<table>
<tr><td>(ii).</td><td>COPT has committed to consider downward revision in wharfage, when the throughput via jetty crosses 4 Million. From this year onwards POL cargo handled is expected to be more than 4 Million. COPT proposal for increasing the wharfage by 11% from the existing rate is also not acceptable to BPCL.

Considering the above factors, BPCL request COPT to give rebate on the prevailing SOR for further operation.</td><td>(a). When COPT approached TAMP for a special dredging levy of ₹61 per MT (average for the period 2012-13 to 2014-15), TAMP has allowed only ₹38 per MT by considering a higher throughput during the period. However, the actual throughput was less than the estimates considered by TAMP.

(b). Thus increase in wharfage from ₹65 per MT to ₹103 per MT w.e.f 2016 was made only after a period of 20 years.

(c). On an analysis of the actual POL traffic handled at COT/NTB/STB from 2012-13 it is seen that total cargo handled has been less than 4 MMTPA till 2016-17. As assured by BPCL, with the commencement of IREP, total POL traffic has gone up to 4.45 MMTPA in 2017-18 and 4.18 MMTPA in 2018-19 (till January 2019). Since TAMP had allowed only a lower rate as special dredging levy which was subsequently merged with wharfage, the Port could not recover the shortfall in dredging cost.

(d). To add to this, due to the Tariff Policy (as already stated in paras (a) to (g) in reply to comments from BPCL in (A) above), coastal vessels are already enjoying 63% concession as against the default concession of 40%, thereby revenue from coastal vessels are 23% lower than what it should have been. On an average the Port handles 100 POL tanker vessels (Coastal) in COT, NTB, STB & Q4.

(e). The rates proposed by the Port are only ceiling rates which will give the Port a flexibility to fix the rates taking into confidence the stakeholders and also to earn a reasonable ROCE which will improve the reserves of the Port for further developments in the future.</td></tr>
<tr><td>2.</td><td>Penna Cement Industries Limited (PCIL)</td><td></td></tr>
<tr><td>(i).</td><td>PENNA SURAKSHA (Vessel)

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Existing tariff rate</th><th>Amount (₹) as per existing tariff</th><th>New Tariff rate</th><th>Amount (₹) as per new tariff</th><th>% of hike</th></tr>
<tr><td>1.</td><td>Port dues</td><td>₹8.3484 / GRT</td><td>147457.79</td><td>₹10.44 / GRT</td><td>184401.72</td><td>25.0539</td></tr>
<tr><td>2.</td><td>Pilotage</td><td>₹23.3383 / GRT</td><td>412224.39</td><td>₹29.17 / GRT</td><td>515229.71</td><td>24.9877</td></tr>
<tr><td>3.</td><td>Berth hire</td><td>₹0.1753 / GRT / HRS</td><td>260091.21</td><td>₹0.2191 / GRT / HRS</td><td>325076.92</td><td>24.9857</td></tr>
<tr><td>4.</td><td>Shifting Expenses</td><td>₹11.6691 / GRT</td><td>206111.31</td><td>₹14.59 / GRT</td><td>257703.17</td><td>25.0311</td></tr>
<tr><td>5.</td><td>GST</td><td></td><td>184659.25</td><td></td><td>230834.07</td><td></td></tr>
<tr><td>6.</td><td>Total</td><td></td><td>1210543.95</td><td></td><td>1513245.59</td><td>25.0146</td></tr>
</table>
In the case of Penna Suraksha there would be an increase of 25% for each entry of the vessel due to the effect of hefty hike in tariff rate, which we are not agreeable to. Since, Penna Suraksha is expected to be doing two trips in a month to Cochin this would mean an additional cash outflow of ₹6.0 lakh per month and ₹72.0 lakh per annum, putting pressures on the cash flows of the business at Cochin. This more so, since, PCIL has to pay the MGT dues to the Port, even though, it is amply clear that the</td><td>[The Port has reiterated the comments furnished at point nos.(i) (a) to (e) of BPCL comments and hence not reiterated. The additional comments of COPT are given below:]

(a). On an analysis of the VRC collected for foreign and coastal vessels, it is noticed that rates for coastal vessels were 60% of rates for foreign vessels in 2010 which gradually reduced to 49% in 2013 and 37% in Oct 2018. In other words, in the case of foreign vessels, Port has received the benefit of fluctuations in the exchange rate. However in the case of coastal vessels, due to the Policy of not taking into account exchange rate fluctuation for arriving at the rates for coastal vessels, these vessels are enjoying a 63% concession (as in Oct 2018) instead of the default 40% as required to be given as per the Policy.</td></tr>
</table>

	same was due to delay in approvals by the Port. There is already substantial pressure on the cash flows of the business at Cochin and we recommend that COPT avoids any increase in tariff.	(b). Further, in the case of COPT, more than 50% of the total vessels handled are coastal in nature and cement vessels fall in coastal category. The coastal vessels have been enjoying concession which is more than that stated in the Tariff Policy. Considering these factors, port has proposed an increase in VRC by 25%. (c). It may also be noted that operating expenditure such as fuel costs has increased by 43% over the last 3 years. In the case of dry docking charges, CSL is revising their rates upward by at least 10%-20% every 2 years. Even though the number of employees has been reduced by more than 50% compared to 2010, salaries and wages and the pension cost have increased due to wage revisions. These are factors which are beyond the control of the Port. However, Port has also taken effective steps in controlling the expenditure like banning new recruitments, following need based dredging to reduce the maintenance dredging costs, etc. Hence, the increase proposed by the Port is very minimal and still the Port could not achieve ROCE of 16% which can be charged by the Port as per the Tariff Policy.
3.	**Cochin Steamer Agents Association (CSAA)**	
(i).	Proposed general increase of about 25 to 30% is very high.	The Port has reiterated the comments furnished at point no.(i) of BPCL comments and hence not reiterated.
(ii).	Especially in respect of vessels related charges, we feel this will discourage vessel owners to select Cochin as their port and may result in diversion of services to nearby ports.	(a). As stated above, in September 2015, MOS had directed that vessel related charges for coastal vessels will not exceed 60% of that of foreign going vessels calculated by taking into account exchange rate fluctuations. Accordingly rates for coastal vessels had increased by 50%. When the TAMP directed Ports to file separate proposal for rates for coastal vessels consequent to MOS direction in May 2016 to keep the above order in abeyance, the Port in consultation with the Port users submitted the proposal with 40% increase compared to increase of 50% paid by the Port users at that time. However TAMP had allowed an increase of 5% only based on the increase proposed for foreign vessels. (b). The rates now proposed by the Port are only for 25% increase (as compared to 50%/ 40% earlier paid by the Port users) for both foreign as well as coastal vessels since TAMP as per the Policy will allow increase for coastal vessels only at the same % of increase proposed for foreign vessels. (c). Further, it may be noted that as per Clause no.7.1 of the Tariff Policy, 2018 the rates prescribed are only ceiling rates. The Ports may if they so desire charge lower rates.
(iii).	We note that the existing vessels related charges in nearby ports of Tuticorin & New Mangalore are lower than the existing vessel related charges of Cochin port, therefore, any increase will only result in diversion to other ports.	

(iv).	Toll charges – we feel any increase in this is not justified, as most of the staff of the offices in Willingdon Island are using vehicles to reach their work place which is a necessity.	Toll charges have not undergone major changes (except for re-classification changes) since the scale of rates revision in 2010. Therefore, increase in toll charges has been proposed @ 20% which is reasonable.
(v).	Proposed Performance Standards is not understood. Vessel operations depend on many factors and vessels owners alone or their agents do not have full control over it. So request to cancel /drop the same.	Performance Standards is a prerequisite of Tariff Policy 2018. Therefore, cannot be dropped or cancelled.
(vi).	(a). Vessels at Anchorage awaiting berth (item no.2.3.3.) - If waiting beyond 48 hrs. free time, then in all probability they would be waiting due to non-availability of berth which is not in the owners or agents control. (b). Vessels at Anchorage not intending to berth (Item no.2.3.4) - some vessels may be calling for bunkering at outer roads, so although 48 hrs. free is available, there may be some instances like additional time is required for repair etc. which should not be charged.	(a). Anchorage charges have been newly proposed by Cochin Port owing to the direction from TAMP vide Gazette no.189 dated 05 May 2017 on Performance Norms based Incentive and Penalty Scheme for cargo operations at the Cochin Port Trust. According to it, anchorage charges have to be levied across all major ports for the purpose of reducing pre-berthing delay and hence the overall turn-around time for vessels. This is to help streamline vessel scheduling for customers and lead to efficient usage of port anchorage. (b). These charges have been prescribed in line with the Berthing Policy. Berthing Policy has allowed Ports to charge up to 50% of normal berth hire charges based on slabs; whereas Port has proposed only up to 20% of normal berth hire charges for vessel stay beyond 144 hours. Hence the Port is not in a position to consider the contention of the user positively. (c). However, note under the charges in the draft SOR states that "Port can exempt vessels from paying anchorage charges in exceptional circumstances including but not limited to lapses on part of the Port. Any waiver of anchorage charges will require approval from Chairman of the Port or an equivalent authority." Therefore, it is at the discretion of the Port on whether to consider any waiver in anchorage charges on case to case basis. (d). In the case of anchorage charges for vessels not calling at Port berths, it is specifically stated in the note that "Any waiver of anchorage charges will require approval from Chairman of the Port or an equivalent authority." Therefore, it is at the discretion of the Port on whether to consider any waiver in anchorage charges on case to case basis.
4.	**Cochin Shipyard Ltd. (CSL)**	
(i).	The comparison of the proposed scale of rates with the existing rates in respect of certain services that are being availed by CSL like Pilotage charges, Shifting charges, Additional tug hire charges, Cold move charges etc. is given below. It is noted that there is a hike of upto 40% in certain areas.	(a). As already reiterated in the previous paras, operating expenditure of the Port such as fuel costs has increased by 43% over the last 3 years. In the case of dry docking charges, CSL is revising their rates upward by 10%-20% at least in every 2 years. Even though the number of employees has been

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<tr><th>Sr. No.</th><th>Description of work</th><th>Scale of Rates from 01.09.2018 (In ₹)</th><th>Proposed scale of rates from 01.04.2019 (In ₹)</th><th>Rate Hike (In ₹)</th><th>% Increase</th></tr>
<tr><td>1.</td><td>Pilotage Charges (Basic)</td><td>206900</td><td>289660</td><td>82760</td><td>40</td></tr>
<tr><td>2.</td><td>Pilotage charge per hour after basic package (2 hrs)</td><td>77587.5</td><td>108622.5</td><td>31035</td><td>40</td></tr>
<tr><td>3.</td><td>Additional tug hire charge per tug/ hour after basic package (2 tugs)</td><td>51725</td><td>72415</td><td>20690</td><td>40</td></tr>
<tr><td>4.</td><td>Cold move charge (Basic) (50% of basic charge)</td><td>103450</td><td>144830</td><td>41380</td><td>40</td></tr>
<tr><td>5.</td><td>Tug hire charges</td><td>16791.54</td><td>20989.42</td><td>4197.88</td><td>25</td></tr>
<tr><td>6.</td><td>Shifting charges up to 30000 GRT (Per GRT)</td><td>11.67</td><td>14.59</td><td>2.92</td><td>25</td></tr>
<tr><td>7.</td><td>Shifting charges from 30001 to 60000 GRT</td><td>350073+ 9.34 per GRT over 30000 GRT</td><td>437700+ 11.68 per GRT over 30000 GRT</td><td>87627 +2.34 per GRT over 30000 GRT</td><td>25</td></tr>
<tr><td>8.</td><td>Cold move charges up to 30000 GRT (Per GRT)</td><td>11.67</td><td>14.58</td><td>2.92</td><td>25</td></tr>
<tr><td>9.</td><td>Cold move charges from 30001 to 60000 GRT</td><td>350074.5+ 9.34 per GRT over 30000 GRT</td><td>437550+ 11.67 per GRT over 30000 GRT</td><td>87475.5 +2.34 per GRT over 30000 GRT</td><td>25</td></tr>
</table>
</td>
<td>reduced by more than 50% compared to 2010, salaries and wages and the pension cost have increased due to wage revisions. These are factors which are beyond the control of the Port. However, Port has also taken effective steps in controlling the expenditure like banning new recruitments, following need based dredging to reduce the maintenance dredging costs etc. Hence the increase proposed by the Port is very minimal and still the Port could not achieve ROCE of 16% which can be charged by the Port as per the Tariff Policy.

(b). At present, maintenance dredging costs incurred are completely borne by COPT, which is causing a huge financial impact on the Port. CSL vessel movements are about 1.5% - 2.00% to total vessel movements in the Port’s dredged channel. Considering the facts as mentioned in para (a) above, increase proposed is very reasonable.

(c). In the case of charges covered under Sl. No. 2.2.2 “Pilotage Services for Other than Port Berths” of the draft SOR, rates proposed will be limited to 25% only. Necessary changes shall be made to restrict the increase in charges to 25% instead of the existing 40%.</td>
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<tr>
<td>5.</td>
<td>Bharat Petroleum Corporation Ltd. (BPCL)</td>
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<td>(i).</td>
<td>The COPT has proposed a tariff increase of 25% in vessel related charges and 10% increase in wharfage charges.
Being a major stakeholder in COPT, BPCL strongly objects to such an increase in port charges and would like to draw attention towards the following:</td>
<td rowspan="4">(i). On an average the Port handles 100 POL tanker vessels (Coastal) in COT, NTB, STB & Q4 in a year out of which BPCL handles on an average 74 vessels. An analysis of coastal rates since 2010-11 shows that the rates have increased only by 8.58% till date (an increase of 5% from November 2016 and 3.45% from October 2018).

[The port has reiterated its comments (a) to (b) on serial no.(i) of comments of BPCL (KRL) and hence not reiterated here.]

(ii). Apart from that additional comments of COPT are as given below:

(a). On an average there is an increase of 5% in the total overheads of the Port. In such a situation, the Port should have increased the rates also by 10-15% during the revision of SOR in every three years. However the Port has increased the rates only by 8.6% during the last 9 years.

(b). Even though fluctuations in the exchange rates have benefitted the Port in the case of foreign vessels, this has not made any impact on the coastal rates leading to the above situation.</td>
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<td>(a). Kochi Refinery of BPCL completed its Integrated Refinery Expansion Project (IREP) with the largest refining capacity among Public Sector refineries. BPCL operates 15.5 Million Metric Tonnes Per Annum (MMTPA) refinery at Kochi and all crude/ products oil tankers uses COPT facilities for operations.</td>
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<td>(b). During the years ended FY 2017-18 and FY 2016-17, BPCL contributed more than 20% (approx.) of the total operating income of COPT which amounts to ₹111 crores and ₹81 crores respectively. In the current year, contribution from BPCL to COPT is expected to reach ₹120 crores.</td>
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<td>(c). Further on a continuous basis, BPCL has been investing in Cochin Port for building world class oil infrastructure/ facilities as detailed below:
(i). Investment of ₹850 crores in 2007 in installation of Single Buoy Mooring (SBM) and Shore Tank Farm facility in Puthuvypeen.
(ii). Ongoing refurbishment of STB for berthing</td>
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	VR tankers at projected cost of ₹23 crores. (iii). BPCL is in talks with COPT for leasing about 20 acres of additional land in COPT area (STF Puthuvypeen) for setting up crude tanks for blending. Thus, the continuous investment of BPCL in COPT has resulted in increasing BPCL contribution of revenue to COPT.	(c). The present ROCE is only to the extent of 6% as against 16% allowed as per TAMP Policy. Unless the Port earns 16% ROCE it will be difficult to create a reserve for the future developments of the Port. Since the Port does not have enough reserves to contribute towards further development on infrastructure, BPCL had to fund the refurbishment of STB to meet their demands. (d). The rates proposed by the Port are only ceiling rates which will give the Port a flexibility to fix the rates taking into confidence the stakeholders and also to earn a reasonable ROCE which will improve the reserves of the Port for further developments in the future. (e). With reference to wharfage charges at SBM, COPT shall take a decision after joint discussion with BPCL.
	(d). With effect from 1 September 2018, COPT had increased vessel and cargo charges by 3.45%. Notwithstanding the same, within a span of 6 months another sharp hike of 25% in vessel related charges and 10% hike in wharfage charges is proposed by COPT.	
	(e). Further, as per the Memorandum of Understanding (MOU) between BPCL and COPT for construction of SBM, COPT will reduce the wharfage charges at SBM (presently ₹25/ MT) if BPCL crosses 9 MMTPA at SBM. BPCL had already crossed 9 MMTPA mark in 2011 and till date COPT has not reduced the wharfage charges at SBM (relevant extract of MOU furnished).	
(ii).	BPCL has been continuously investing in Kochi Refinery to address the increasing energy needs of the Country. Future plans includes setting up of a Petro-Chemical complex, investment in ports/ facilities/ tankages etc. All these investments will result in increase in revenue to COPT. Any sharp increase in the Scale of Rates by COPT is inappropriate and unreasonable and can adversely affect the viability of upcoming investments/ projects.	
(iii).	BPCL has requested to consider the above aspects while finalizing the COPT tariff proposal applicable w.e.f. 1 April 2019. Since the last revision has taken place recently, there shall be no increase in tariff for FY 2019-20.	
6.	**Indian Coast Guard**	
(i).	It is submitted that bills pertaining to Tug, Berth and Pilotage services utilized by ICG ships have been charged per hour and part thereof as mentioned in the Scale of Rates issued by Cochin Port Trust. However, it has been noticed that the service availed after an hour, for even couple of minutes has been charged as an hour. For Example 63 minutes of utilization of service is charged for Two hours.	The proposal of Indian Coast Guard to charge the rates as per pro-rata after an hour instead on hourly basis is not acceptable, as the rates are on hour or part thereof basis applicable across all Indian Major Ports. The clause no. 7.1 of the Tariff Policy 2018 states that the rates prescribed are only ceiling rates. The ports may, if they so desire, charge lower rates on case to case basis.
(ii).	In view of the foregoing, it is requested that the aforesaid services utilized by ICG Ships may be charged at pro-rata basis after an hour instead on basis of per hour and part thereof.	
7.	**CSLA Secretariat (CSLAS)**	
(i).	We express our inability to accept any increase in the charges at Cochin Port, as this would be detrimental to the port, since it would result in the shifting of cargo volumes to other ports in the vicinity.	The rates now proposed by the port are only increased by 25% (as compared to 50% / 40% earlier paid by the port users) for both foreign as well as coastal vessels. The concession given by Government to coastal vessels is 40% whereas the enjoyed percentage presently is 54%. This aspect may be appreciated by the CSLA.
(ii).	Instead, Cochin port should look at improving productivity and saving on the current operating costs. With the depleting ocean freight levels, shipping lines are in no position to accept any	

	increase in port tariffs.	Further, it may be noted that Clause no.7.1 of the Tariff Policy 2018 states that the rates prescribed are only ceiling rates. The ports may, if they so desire, charge lower rates on case to case basis.
(iii).	With the year on year growth in the EXIM trade, the throughput at Cochin port will continue to grow, which will automatically lead to the economies of scale and increase the revenues of Cochin port.	
(iv).	As CSLA, we would therefore request Cochin port to not implement any increase in VRC and CRC, which would directly result in an upward movement of the shipping cost to the trade and thereby increase India's cost of logistics even further, which, the country is actually looking at reducing.	
8.	**India Gateway Terminal Pvt. Ltd.**	
(i).	DP World Cochin – ICTT was envisaged as a transshipment terminal for handling 4 Million TEU's competing with Colombo Port. Various cost and lack of procedural clarity had muted the competition which ICTT could have posed to Colombo which grew from strength to strength and is now an established transshipment port handling more than 7 million TEU's. For Cochin to be competitive and pose a serious challenge to Colombo in future and get into the next phase of development from current capacity of 1 Million TEU's and progress towards the final designed capacity of 4 Million TEU's, transshipment volumes are crucial as the local cargo is limited. Again for a transshipment hub one of the most important criteria's is to be low on cost and also have a good feeder network. Since the market forces decide the price, port to port shipping lines would like to keep all the costs related to additional activities like transshipment at the minimum.	Taking concern of the submission by IGTPL which mainly compares the rates at nearby Colombo port, it is stated that the difference in the rate is seen mainly due to the Govt. Policies of respective countries. We, being the autonomous bodies, need to take care of our operational cost and revenue requirement for the subsistence.
(ii).	Vessel Related Charges (VRC) is one of the major components of cost of transshipment cycle besides the transshipment handling costs, cost of deviation from searoute and feeder costs. The Tariff for VRC at Cochin is today 9 times higher for mainline vessel compared with the VRC tariff at Colombo. VRC charges for 73,944 GRT vessel which is a medium sized mainline with TEU capacity of 6500 is only USD 9,670 per call at Colombo compared with USD 87,048 at Cochin. Cochin does offer conditional discounts to regular mainline vessels upto 85% which does bring down the VRC cost but the same is still 35% more than that of Colombo and is refunded every quarter while at Colombo it is an upfront lower rate. If Cochin Port further increases VRC then Cochin VRC after full discount will be 1.68 times that of Colombo which is for a medium sized vessel will mean an additional payout of USD 3,46,000/- per annum.	
(iii).	Similarly for feeders with 14,063 GRT which are required to support the mainline vessels with volume, high VRC is again a deterrent and an increase of 25% will mean that feeders have to pay 8 times more (USD 8,20,000) than what they pay at Colombo making it more attractive	

for them to promote feeding containers to Colombo than Cochin.

MAINLINE	Vessel Related Charges (Base Tariff) in USD						
Particulars	**Cochin**	**Colombo**	**Tuticorin**	**Chennai**	**Ennore**	**Kattupalli**	**Cochin after 25% increase**
Port Dues	28,760	3,367	19,674	22,550	25,064	11,747	35,950
Pilotage	53,950	4,455	31,562	64,692	48,501	43,621	67,438
Berth Hire	4,337	1,848	4,880	3,179	1,242	2,144	5,421
Grand Total	**87,048**	**9,670**	**56,116**	**90,421**	**74,806**	**57,512**	1,08,810
Conditional Discount on VRC for Mainline Vessel	85%	0%	50%	15% + (40% on 85%)	15% + (40% on 85%)	50% on Pilotage / Berth Hire	85%
VRC charge After Additional discount	**13,057**	9,670	28,058	40,690	33,663	34,630	16,321
Per TEU cost for 1,000 TEU Transaction	**13**	10	28	41	34	35	16

FEEDER	Vessel Related Charges (Base Tariff) in USD						
Particulars	**Cochin**	**Colombo**	**Tuticorin**	**Chennai**	**Ennore**	**Kattupalli**	**Cochin after 25% increase**
Port Dues	5,471	637	3,742	4,289	4,767	2,234	6,838
Pilotage	11,900	1,725	5,243	6,497	6,722	4,360	14,875
Berth Hire	1,320	563	743	968	236	653	1,650
Grand Total	18,691	2,925	9,727	11,754	11,726	7,247	23,363
Conditional Discount on VRC for Mainline Vessel	0%	0%	0%	15% + 15%	15% + 15%	50% on Pilotage / Beth Hire	0%
VRC charges After Additional discount	18,691	2,925	9,727	7,052	7,035	4,740	23,363
Per TEU cost for 1,000 TEU Transaction	19	3	10	7	7	5	23

(iv). Currently the VRC cost per TEU for transshipment is USD 32 (One feeder VRC + One Mainline VRC) at Cochin as against USD 13 at Colombo which is 40% of the Cost at Cochin. For a shipping line which does transactions of 5,00,000 TEU's this would mean an annual additional cost of USD 5.7 Million per annum. This would further increase to USD 7.8 Million if the proposed 25% increase is implemented further eroding the ability of Cochin to compete with Colombo.

(v). Cochin developing as a transshipment hub would also mean that more mainline vessels come to Cochin which would help reduce costs for the Indian exporters who can use Cochin as a gateway. Hence, IGTPL requests that VRC at Cochin be aligned with Colombo rather than being increased so that the Govt. of India's plan to develop a transshipment hub in India can be successful and more revenue can be generated for the country rather than losing out this revenue opportunity to Colombo.

(vi). Considering the above, our submission would be as follows:

- On VRC charges, separate treatment may be made for Container Vessels.
- For Mainline vessels, the VRC charges may not be increased, rather reduced to bridge the gap with Colombo.
- For feeder vessels, the VRC charges may please be retained at current levels.

Following is the justification :
(i). The proposed increased in the VRC @ 25% is just to break even its operation cost and revenue generation.
(ii). There is only 5% increase by port during last 9 years in the VRC.
(iii). The present ROCE is only **4.3%** as against the 16% allowed by the TAMP. Port needs to cover its operational cost mainly on account of Salary and wage and dredging.
(iv). Though the increase in the coastal rates are proposed 25%, it is still only 46% of the

		foreign rates. As per the Govt's Policy only 40% rebate is given on the foreign rates whereas at Cochin Port it will be 54%. This is justification for the proposed increase in the coastal rates. (v). The rates proposed are ceiling rates, the port may if so desire charge lower rates by way of discount.
9.	**Petronet LNG Ltd.**	
(i).	It is noted that, the proposed increase in the draft is nearly 25%. It is felt that, the increase now being discussed is in itself very steep and may be detrimental to the business opportunities that may be available. As such, it is requested to review the rates proposed in the draft. Fact that, this revision is being proposed within one year of the last revision may also be considered while deciding the new rates. The proposed increase is beyond the increase of any Index like WPI.	The statement of PLL that the increase is beyond the increase of any index like WPI and the revision is being proposed within one year of the last revision is not correct. This port is complying with the Tariff Policy 2015 and on a review of actual performance for the year 2017-2018 & 2018-19, COPT has achieved all the standards, COPT has indexed its SOR by 3.45% & 4.26% respectively and no revision of SOR was carried out. Indexation of 4.26% of the SOR is inclusive in the proposed Scale of Rates. In September 2015, MOS had directed that vessel related charges for coastal vessels will not exceed 60% of that of foreign going vessels calculated by taking into account exchange rate fluctuations. Accordingly rates for coastal vessels had increased by 50%. When the TAMP directed ports to file separate proposal for rates for coastal vessels consequent to MOS direction in May 2016 to keep the above order in abeyance, the port in consultation with the port users submitted the proposal with 40% increase compared to increase of 50% paid by the port users at that time. However TAMP had allowed an increase of 5% only based on the increase proposed for foreign vessels. The rates now proposed by the port is only increase by 25% (as compared to 50% / 40% earlier paid by the port users) for bother foreign as well as coastal vessels since TAMP as per the Policy will allow increase for coastal vessels only at the same % of increase proposed for foreign vessels. On the other hand, there is an average increase of 5% in the total overheads of the port every year. In such a situation the port should have increased the rates also by 10-15% during the revision of SOR in every three years. However, the port has increased the rates only by 8.60% (5% in 2016 and 3.45% in 2018 due to indexation) during the last 9 years. The operating expenditure such as fuel costs have increased by 43% over the last 3 years. In the case of dry docking charges. CSL is revising their rates upward by at least 10-20% once in every 2 years. Salaries and wages and the pension cost have increased due to

		wage revision settlements even though the number of employees has reduced by more than 50% compared to 2010. These steps in controlling the expenditure like banning new recruitments, austerity measure, following need based dredging to reduce the maintenance dredging costs etc. is done. Hence, the increase proposed by the port is very minimal. Even with proposed increase of 25% in VRC, the port could not still achieve ROCE of 16% granted by the TAMP and have achieved only 4.3%. Hence the increase proposed at present is reasonable.
(ii).	Also, considering the nature of LNG vessels, pilotage fees for LNG vessel is lesser than other vessels. Same discount may be extended to Port Dues and Tug hire charges, considering LNG vessels as a separate category.	COPT has not commented.
(iii).	Also, Petronet LNG Ltd. (PLL) may be considered as special category considering that: (a). As per the concessioner agreement, PLL is sharing the expenses of LNG basin dredging and channel dredging. (b). PLL also maintains the Tugs required for vessel movement. (c). Jetty is developed and maintained by PLL.	Further, it may be noted that Clause no.7.1 of the Tariff Policy, 2018 states that the rates prescribed are only ceiling rates. The ports may, if they so desire, charge lower rates on case to case basis.
10.	**Cochin Steamer Agents Association (CSAA)**	
(i).	For the year 2013 the port dues for coastal vessels were valid for 30 days, so for subsequent calls of the same vessel port dues would not be charged within 30 days.	The proposal for collecting port dues for coastal vessels for 30 days can not be accepted. As all the Major Ports in India has accepted this pattern of levying on each entry basis, this port is not in a position to change the pattern of collection.
(ii).	Cochin Port had subsequently withdrawn this provision and all coastal vessels had to pay dues on per entry basis. We assumed that this would have been implemented considering the fluctuations in the exchange rate between coastal & foreign vessels. This would have contributed significantly towards difference in exchange rate fluctuations.	
(iii).	Also, the Cochin Port has implemented indexation in SOR twice during the period 2018-2019, hence they request TAMP to consider these aspect while finalizing the proposed SOR.	
11.	**All Kerala Fishing Boat Operators Association**	
(i).	The private jetties were operated as fish landing centers and boat moorage points, workshops, ice plants, diesel pumps etc. even before 1998, the year in which licence fees was introduced. Initially it was ₹132/- in 1988 and it rose to ₹1,362 in 2013. The gradual progression during the 25 years was welcomed by the fishing folk. The chart is furnished.	The statement that if the increased license fee is implemented as desired by the middle men lobby the use of Cochin Fishing Harbour would prove more economical to the middlemen is misleading and not factual. The rate of Jetty license cannot be linked to the rate of the Cochin Fishing Harbour as the licensing and fees of jetties are governed by the COPT (Licensing of Jetties, slipways and Boat pen) Regulation 1968 which came into effect from 20.12.1968 and it may also be noted that the Cochin Fishing Harbour rates are outside the purview of TAMP. The Cochin Fishing Harbour was established and managed by COPT to provide infrastructural facilities for the acquirement and marketing of
(ii).	In 2014 the COPT arbitrarily without any concern of the livelihood of fishing folk increased the license fees of these private jetties to ₹1 lakhs plus tax. The existence of TAMP and its involvement as mandatory for increase in licence fee was totally ignored despite our ever so many submissions to that effect. The copy of notification is furnished.	

(iii).	As all our attempts to drive home to be minds of Port Trust Authorities of the need of reducing the licence fee to a reasonable level having nexus with the previous year's fees and the consent of TAMP for a hike failed to arrive at a desired and they were forced to approach the Honourable High Court of Kerala with prayers and a stay was obtained for the exorbitant hike. Copy of the Court Order is furnished.	seafood resources. But this port has proposed to increase the license fee for jetties in the waters of Cochin which are also used for commercial activities and other tourism activities, which cannot be any way connected with the Cochin Fishing Harbour. It may be noticed that in the present proposal under consideration of the TAMP, COPT has reduced the rate for jetties used by Fishing boats from ₹1 lakh to ₹35,000/- per annum.
(iv).	When information was sought from COPT under RTI Act it was informed that the licence fee rates increase was with the approval of TAMP in 2013 and for increase in 2014 it was not necessary. If the information was authoritative the Honourable High Court of Kerala would not have stayed the operation of increase of Licence Fee.	
(v).	The notification of the COPT imposing licence fees from ₹10,000 to ₹35,000/- for jetty adjacent to boat workshops, diesel pumps, ice plants, fish landing centers, berthing jetties has a cascading effect on the life and fortunes of the fishing folk as a single unit of fishing operation; any increase in their licence fees will directly place the onus on the fishing folks.	
(vi).	The licence fees brought into vogue in the Cochin Fishing Harbour is with idyllic vision in as much as the increase of fees are moderate and proportionate to the erstwhile existing rates. Further, it has a justifying answer as the developments carried out in an around the Harbour are breath takingly appreciable.	
(vii).	The AKFBOA have addressed a letter to the Chairman, COPT on 09 February 2019, requesting to break the impasse in the licence fees of jetties as they are financially weak to pursue with the Court cases. Moreover, the section are peace loving and cherish cordial co-existence which was vouched during the recent flood havoc. AKFBOA have submitted their willingness to have a reasonable increase in the fees of jetties.	
(viii).	It is pertinent to point out that the Hon'ble Cochin Port Trust, Chairman informed in the presence of TAMP Officers on 10 June 2019 that the increase of fees for steamer agents was only 25% of the existing rate which was vehemently resisted by the steamer agents. But the increase of fees for fishing jetties from ₹1,362/- in 2013 to ₹35,000/- in 2019 is abnormal and cannot be justified.	
(ix).	Their Apex Body had written a letter to the Cochin Port Trust Chairman detailing the grounds on which they requested in the licence fees with copy to TAMP (furnished).	
(x).	There have been instances of collecting the increased fees (done without the approval of TAMP) from certain jetty owners by the Marine Foreman by threat which may kindly be probed.	

2. A joint hearing in this case was held on 10 June 2019 at the COPT premises. The COPT made a brief Power Point presentation of its proposal. At the joint hearing, the COPT and the concerned users/ user organizations and representative bodies have made the submissions:

(i). **Cochin Port Trust (COPT)**
(Deputy Chairman)

(a). We all know the purpose of this hearing. The operating expenditure like cost of fuel has increased by 43% over the last 3 years. As a commercial entity, Port also requires to increase tariff.

(b). Traffic is increasing over the past 3 years. But, number of vessels are not increasing proportionately since the parcel size of the vessels has improved. Consequently, there is no increase in vessel revenue. Trade is benefitted to that extent.
[Chairman: We need the Trade. Trade needs the Port. Port and Trade need to work together to achieve a win-win situation.]

(c). Accounts Officer, COPT makes a brief power point presentation of Port's proposal. Hard copy is given.

(d). Our ARR is ₹405.16 crores. We have excluded estate related Expenses, interest on loan, 2/3 of one-time expenses like arrears of wages, arrears of pension/ gratuity, etc., while arriving at the ARR of ₹405.16 crores. The average value of excluded items amounts to ₹242.19 crores which have to be met from income of ₹246.22 crores realisable from revenue share from ICTT, Waterfront Royalty from LNG, Estate income and finance and miscellaneous income.

(e). We have proposed 25% increase in VRC, 10% increase in CRC, 2% to 100% increase in miscellaneous charges. We have also introduced new rates for anchorage services, hire of reach stacker and hire of skylift.

(f). We did not increase VRC for foreign going vessels in 2013 general revision of Scale of Rates. Ministry directed in September 2015 to restate the coastal rates with reference to fluctuation in foreign exchange rates to ensure that VRC for coastal vessels does not exceed 60% of corresponding rates for foreign going vessels. Therefore, the VRC for coastal vessels increased by 50% which the Port users paid for the period from November 2015 to May 2016. However, the Ministry kept the September 2015 direction in abeyance in May 2016 and directed the Ports to fix rates for coastal vessels without reference to fluctuation in foreign exchange rates. Accordingly, COPT in discussion with users decided to fix the rate at 40% increase over the 2010 rates but less than what was being paid by users during the period November 2015 to May 2016 and proposed to TAMP for approval. However, TAMP allowed only 5% increase in rates for coastal vessels which was allowed for foreign going vessels by its Order of September 2016 since TAMP is also bound by the Tariff Guidelines of 2015.

(g). Even when the coastal vessels are increasing over the past 3 years, there is no corresponding increase in revenue since the rates could not be increased due to limitations in the Tariff Policy.

(h). On the other hand, there is an increase of 65% in the total overheads of the Port during the period from 2010 to 2018. In this situation, Port should have increased the rates by 10% to 15% every 3 years during the revision of Scale of Rates. However, Port has increased the rates only by 8.60% (5% in 2016 and 3.45% in 2018 due to indexation during the last 9 years). Fuel cost has increased. Salary and Wages and Pension cost have increased. These are factors which are beyond the control of Port.

(i). 44% of the total expenses of Port are excluded while arriving at the ARR. These are met out of the income not covered under the proposal now.

Uncovered income also approximately 44%. The Port is able to just break even from the operation. Our present ROCE is only 4.80% instead of 16% eligible ROCE. Port is not able to improve infrastructure and do major repairs and maintenance due to insufficient reserves. With the proposed increase, the Port is expecting 22% approximate increase in revenue.

(j). Considering all the above, the increase proposed is very reasonable.

(ii). **Cochin Steamer Agents Association (CSAA)**

Port has proposed general increase of about 25% to 30%. It is very high. There is competition from nearby Ports. VRC is lower at Tuticorin and New Mangalore Ports than in Cochin Port. Our concern is that any increase will result in diversion of vessel and cargo to other Ports.

[Dy. Chairman, COPT: We are giving more than 40% concession to coastal vessels. It is not viable. Fuel prices have gone up in the last 3 years. We require fuel to propel tugs and launches. Our tariff increase is reasonable.]

(iii). **DP World (IGTPL)**

(a). VRC in Cochin is 9 times more for foreign going vessels as compared to foreign Ports like Colombo. For feeder vessels, it is 8 times more. Even after discount given by Cochin Port, VRC is 35% more as compared to foreign Ports.

(b). We request to reduce VRC for Main Line vessels to match with Colombo. Maintain VRC at current level for feeder vessels.

(c). We will give our written comments.

[FA&CAO, COPT: Container vessels handled by IGTPL is increasing for the last 4 years. We have not increased VRC. Discount given by COPT is draining the resources of Port.]

[Dy. Chairman, COPT: 51% of coastal vessels are handled at IGTPL. Coastal vessels segment has increased by 22%. Assure us more Main Line vessels.]

(iv). **All Kerala Fishing Boat Operators Association (AKFBOA)**
(General Secretary)

(a). There was gradual increase in the license fee for private fish jetties from ₹132 in the beginning in 1988-89. It was increased in a reasonable proportion upto ₹1,362 till 2012-13. Now, it has reached to ₹1,00,000.

(b). These jetties are owned and maintained by private individuals for the need of fishing folk. Increase in license fee for jetties would benefit these private individuals as they will pass on the increase to our small and medium boats.

(c). Large line boats with larger catch of fish are accommodated in the fishing jetties. We have to wait in the queue for 2 long hours spending nearly 45 litres of diesel amounting to ₹3,500. Any increase in the fees of jetties, ice plant jetties, workshop would have direct impact on us.

(d). There must be some intelligible differentia between big business houses and the fishing folks in the matter of jetty license fee. We request Chairman of Port to convene a meeting to alleviate the problems of affected people and status quo be maintained till then.

(v). **Cochin Shipyard Limited (CSL)**

(a). We notice that 40% increase for Pilotage and additional tug hire charges has been proposed. 25% increase for shifting charges and tug hire charges has been proposed. We avail pilotage and shifting services.

(b). Rates for Nehru Shatabdi Dredger may be regulated. We occasionally hire it.

[FA&CAO, COPT: Dredger is for our own use. CSL is revising their rates upward by 10% to 20% in every 2 years. We pay the hike to CSL for repairs of our vessels.]

(vi). **Container Shipping Lines Association (India) (CSLA)**

We need clarity on levy of anchorage charges. When it will be levied?

[Dy. Conservator, COPT:Vessels can stay at anchorage free of cost for first 48 hours. It is leviable after 48 hours. Anchorage schedule is as per Berthing Policy of the Ministry.]

[Dy. Chairman, COPT: If the vessels wait at anchorage for want of berths, it will be Port's account. No charges will be levied.]

(vii). **Bharat Petroleum Corporation Limited (BPCL)**

(a). 12.7% increase in rates has already happened (5% in 2016, 3.45% in 2018 and 4.26% in May 2019). We are losing ₹1 per litre for Petrol and Diesel.

(b). As per MOU, SPM wharfage should come down once we reach 9 Million Tonnes. We have already crossed 9 Million Tonnes of crude handling.

(viii). **Lakshadweep Development Corporation Ltd. (LDCL)**

There is concessional rate in the Scale of Rates of Non-commercial vessels. We are doing Government function. Our function is not commercial. Please grant us concessional rates.

[Dy. Chairman, COPT: We are commercial entity. We do not have Budgetary support from Government. If we are compensated, we can consider the request for concessional rates.]

(ix). **Indian Oil Corporation Ltd. (IOCL) – Cochin Terminal**

The performance norms of 650 tonnes / hour for MS was implemented from 04 June 2017. The standard was increased to 800 tonnes / hour with effect from 12 February 2018. It was further revised upward to 1000 tonnes / hour from 15 June 2018. The standard was reduced to 600 tonnes / hour for MS subsequently. The penalty collected by port by non-achievement of higher performance standards may be refunded.

[The COPT has not responded to the request of IOCL.]

(x). **Penna Cements Ltd. (PCL)**

Our cement vessels wait at anchorage for want of SILOS at shore. Please waive anchorage charges for our vessels.
[Chairman, COPT: We will examine.]

(xi). **Cochin Port Trust (COPT)**
(Chairman)
We need to balance the interest of trade and interest of Port without losing in the competitive environment. Our tariff is at ceiling. We can consider to offer discounts based on commercial considerations.

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