

COCHIN PORT TRUST**SPECIAL MEETING NO. 1 OF 2015 -16 OF THE BOARD OF TRUSTEES**

No.1

Date: 21.10.2015

AGENDA ITEM NO. A1**REVISED ESTIMATES FOR 2015-16 & BUDGET ESTIMATES FOR 2016-17**

Revised Estimates (RE) for 2015-16 and Budget Estimates (BE) for 2016-17 of Cochin Port Trust are submitted for kind perusal and approval of the Board of Trustees. Salient features of the estimates are detailed below:-

1. Cargo Traffic:-

The Port estimates a cargo throughput of 22.49 Million Metric Tonnes (MMT) and 25.39 MMT during 2015-16 and 2016-17 respectively. The cargo throughput achieved during 2014-15 was 21.60 MMT.

2. Operating Income:-

Operating Income estimated for the years 2015-16 & 2016-17 is Rs. 429.84 Crores and Rs. 484.74 Crores respectively as against the Operating Income of Rs. 385.83 crores earned during the year 2014-15.

3. Operating Expenditure:-

Revised Estimate for the year 2015-16 and Budget Estimate for the year 2016-17 under this head are Rs. 398.48 crores and Rs. 402.12 crores respectively. The actual Operating Expenditure incurred during the year 2014-15 was Rs. 366.28 crores.

The increase/decrease in operating expenditure is mainly on the following items:-

(Rs. In crores)

Particulars	ACTUALS 2014-15	REVISED ESTIMATE 2015-16	BUDGET ESTIMATE 2016-17	% Increase. in 2015- 16 vis-a- vis (actuals) 2014-15	% Increase. in 2016- 17 vis-a- vis (actuals) 2014-15
Salaries & Wages	137.41	133.88	136.69	-2.57%	-0.53%
Stores (Operational)	1.01	2.75	1.34	171.90%	32.86%
Stores (Fuel)	11.13	11.98	17.75	7.64%	59.55%
Stores (Repairs & Maintenance)	2.57	3.67	3.60	42.55%	40.10%
Office and Administrative Expenses	5.14	7.07	7.34	37.59%	42.84%
R & M through Contract - Roads	0.84	1.33	1.49	57.97%	76.11%
R & M through Contract - Buildings	0.86	1.56	1.75	81.17%	103.98%
R & M through Contract - Plant & Equipment	0.50	1.12	1.32	124.01%	164.94%
Dry Docking of Floating Craft	0.85	13.56	4.27	1501.91%	404.44%
Hire of vehicle and transport charges	0.61	0.92	1.09	50.95%	80.10%
Water charges	2.09	2.60	2.81	24.39%	34.40%
Electric charges	20.78	24.05	25.05	15.70%	20.51%
Hire of Boats, Tugs & Launches	11.32	13.20	13.50	16.60%	19.25%
Maintenance Dredging	112.06	115.00	120.00	2.62%	7.08%
Insurance	0.45	0.54	0.57	21.25%	28.29%
Self Consumption- Electricity	0.00	1.70	2.02	100.00%	100.00%
Hire of Boats for Patrolling by Police & CISF	0.13	0.20	0.25	55.53%	94.42%
CISF - Proportionate charge	19.32	21.00	18.13	8.72%	-6.13%
Stores - Medical	3.34	4.00	4.10	19.66%	22.65%

Budget provision has been provided for the dry docking of GHD Nehru Shatabdi, Tug Balwan, MV Venad and Jalaprabha during 2015-16 and Tug Bali and Vallarpadam during 2016-17.

4. **Operating profit and operating ratio:-**

Based on the operating income and expenditure projections, Port expects an Operating profit of Rs. 31.36 crores and Rs. 82.62 crores during 2015-16 and 2016-17 respectively. The Operating Ratio for the year 2014-15 was 95 % and expected operating ratio for RE 2015-16 and BE 2016-17 is 93 % and 83 % respectively.

5. **Finance and Miscellaneous Income:-**

The Finance and Miscellaneous Income is estimated as Rs. 74.24 crores and Rs. 40.02 crores for the years 2015-16 and 2016-17 respectively as against Rs. 61.20 Crores received during 2014-15. During 2014-15, the Port received premium on lease of land amounting Rs. 22.85 mainly from Penna Cement Industries and Indian Oil Corporation.

During the current year, the Port received Rs. 1.60 crores mainly from M/s Indus Towers and Arpitha Tourist Home. A further amount of Rs. 50 crores is expected from M/s Malabar Cements Ltd. We are expecting Rs. 20 crores during 2016-17 from HPCL for land at Puthuvypeen, BTP backup area, and from Indian Navy for leasing of Q2 and Q3 berths.

6. **Finance and Miscellaneous Expenditure:-**

Finance and Miscellaneous Expenditure is estimated as Rs. 180.70 crores and Rs. 182.26 crores respectively for the years 2015-16 and 2016-17 as against Rs. 152.79 crores incurred during 2014-15. CoPT requires an amount of Rs. 145 crores for pension payment and Rs. 24 crores for gratuity payments for the current year and Rs. 160 crores and Rs. 16 crores during 2016-17. Due to financial stringency, CoPT has withdrawn Rs. 43.79 crores during the year for meeting expenditure on Pension from the respective fund as approved by the Board.

7. **Net loss:-**

Based on the above Income and Expenditure estimates, the net loss estimated for year 2015-16 and 2016-17 are Rs. 75.10 Crores and Rs. 59.62 crores respectively.

8. **Capital expenditure and funding pattern:-**

Estimated Capital expenditure for the years 2015-16 and 2016-17 are shown below:-

(Rs. In Crores)

	Actual 2014-15	RE 2015-16	BE 2016-17
Plan Works	17.21	52.87	89.96
Non-Plan Works	3.22	43.40	31.12
Grant in Aid Works	9.79	23.08	0.26
Total	30.21	119.35	121.34

The major items of Capital expenditure during 2014-15 and 2015-16 are:-

Major Plan Items :-

(Rs. in crores)

Particulars	Revised Estimate 2015-16	Budget Estimate 2016-17
Outer Harbour project for Deep Water Port	1.00	3.00
Barge Jetty at Puthuvypwvn (ASIDE scheme)	4.50	16.00
Rail Over Bridge at Vallarpadam	10.00	20.00
Subway in front of ICTT at Vallarpadam	20.00	10.00
Replacement of Coastal Liquid Terminal	5.00	17.00
Replacement and modification of Cargo handling equipment(Reach stacker)	0.02	3.50
Standardisation of Electrical Power supply Distribution Network at W/Island	2.00	3.00
Feasibility studies	0.50	1.00
Drain at Puthuvypeen SEZ (PS-12-C1037)	1.10	1.00
Land Development at PBSEZs	0.50	1.00
Implementation of Environment Management and Monitoring Plan (EMMP)	0.50	1.50
R&D Studies-Study on siltation for implementation of nautical depth concept	3.25	7.55

Major Non Plan items :-

(Rs. in crores)

Particulars	Revised Estimate 2015-16	Budget Estimate 2016-17
Raising and strengthening the floor of various sheds at M/W	0.01	0.50
Improvements to various Transit sheds at M/W	0.01	0.60
Construction of RCC OH water tank at M/W, E/W & Leasing area	0.01	2.50
Construction of UG water tank 4nos.	0.01	0.50
Guniting work to deck slab of Q1 & Q2 berths.	0.20	1.00
Providing new HDPE line to COT	0.01	1.00
Rectification of roads at A2 area (linked road-railway gate to NH)	0.05	0.75
Providing road to tank farms at SER area	0.01	0.60
Realignment of I.G. Road from W.shop to Matt.Halt Junction	0.10	4.15
Procurement of Batteries and other accessories for Solar powered leading lights	0.60	0.60
Improvements to Computer installations	5.50	4.00
Revamping/Provision of Fire fighting facilities at NTB and STB	5.00	0.10
Procurement of Hospital Equipments	0.40	0.40
Revamping Hospital facilities as per NABH norms	0.50	0.50
Replacing the 8" AC pumping line with 8" ductile iron pipeline.	2.00	0.01
Overhauling/Replacement of Turbo Chargers onboard GHD Nehru Shatabdi	2.00	2.00
Construction of Jetty for customs in between BTP & NCB	0.50	0.15
Installation of Access Control system	0.50	0.50

Out of plan expenditure projected for the years 2015-16 and 2016-17, the budgetary support to the tune of Rs. 38.26 crores and Rs. 54.65 crores are expected from Government.

Financial Position:-

Due to poor financial position and resource constraints, Port is not in a position to service or re-pay the loans taken from Government. CoPT has submitted a proposal to GOI for waiver of penal interest on GOI loans to the tune of Rs. 715.34 Crores after making mandatory provision of 0.25%. The proposal was recommended by Ministry of Shipping and forwarded to the Ministry of Finance. The matter is being followed up by CoPT.

The actuarial valuation of liability as on 31.03.2015 for Pension Fund for the existing employees and pensioners is Rs.2390.62 Crores and Gratuity fund for existing employees is Rs. 115.57 Crores respectively, totaling Rs. 2506.19 Crores. Due to the financial difficulty, CoPT is drawing amounts from the Pension Fund Trust for the payment of monthly pension. Since April 2013.CoPT has withdrawn Rs. 299.43 crores from LIC and repaid Rs. 71.85 crores. The balance available with LIC as on date is Rs. 84.09 crores.

CoPT is making repayment of the amount of loan availed from Mumbai Port Trust in 16 quarterly instalments and 11 instalments have been paid so far. An amount of Rs 15.63 Crores is outstanding towards principal portion, and interest deferred to the tune of Rs 2.33 crores.

Approval of the Board of Trustees is requested for the Revised Estimates for 2015-16 and Budget Estimates for 2016-17 as required under Section 98 of the Major Port Trusts Act 1963.

Sd/-
(PAUL ANTONY)
CHAIRMAN

Sd/-
DEPUTY SECRETARY