Annexure B

सत्यमेव जयते

**Ministry of Ports,
Shipping & Waterways**
Government of India

[Draft]
Coastal Cargo Promotion Scheme (CCPS)

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1. INTRODUCTION AND BACKGROUND

1.1 India, with its vast and strategically located coastline of over 11,000 km, presents a natural advantage for coastal transportation as an efficient, economical, and sustainable mode alternative for long-haul bulk and containerized cargo.

1.2 In Financial Year (FY) 2025-26, the total coastal cargo throughput across Indian ports reached 354 Million Metric Tonne (MMT), continuing the steady upward trend observed over the past decade, rising from 161 MMT in FY 2013-14 to 354 MMT in FY 2025-26, at a compound annual growth rate of ~7% over the 12-year period.

1.3 However, India’s logistics system remains heavily dependent on road and rail, with coastal mode forming a relatively small share. Despite its inherent potential, the share of coastal transportation in India’s freight movement remains modest at around 6% (including Inland Water Transport), lower than global benchmarks such as Japan (34%), China (24%), and Australia (17%).

1.4 Coastal mode has been positioned as a core pillar in national logistics and maritime agenda. Maritime India Vision (MIV) 2030 and Maritime Amrit Kaal Vision (MAKV) 2047 emphasize a substantial increase in modal share of coastal and inland water transport, targeting up to 1,300 Million Metric Tonne (MMT) of coastal cargo by 2047, i.e., nearly 7x - 8x increase from current levels. These ambitions are aligned with national priorities.

1.5 Therefore, to promote coastal mode and in pursuance of the announcement made in the Union Budget 2026-27, the **Coastal Cargo Promotion Scheme (CCPS)** is proposed as a focused measure to promote greater adoption of coastal mode for freight movement. The Scheme is intended to support the national vision of expanding coastal and inland waterway transport by incentivizing modal shift, enhancing the reliability of coastal cargo services, and contributing to the targeted increase in modal share from the existing level of approximately 6% to 12% by 2047.

1.6 The proposed Coastal Cargo Promotion Scheme (CCPS) is also aligned with PM GatiShakti National Master Plan, the National Logistics Policy and the Government’s broader multimodal cargo and logistics strategy.

1.7 In addition, the Ministry of Ports, Shipping and Waterways (MoPSW) has also identified commodity-specific initiatives, port infrastructure development projects, policy and regulatory reforms required, vessel availability measures, Inland Water Transport integration and green shipping initiatives to wholistically develop the coastal shipping sector in India which will create an enabling environment for the proposed Scheme.

2. THE COASTAL CARGO PROMOTION SCHEME

2.1. Title of the Scheme

a) This Scheme shall be called the "**Coastal Cargo Promotion Scheme**" hereinafter referred to as "CCPS" or "the Scheme".

b) The Scheme provides a structured framework for incentivizing incremental movement of cargo through coastal mode and for supporting development of reliable coastal logistics services in India.

2.2. Vision and Objectives

2.2.1. Vision of the Scheme

To promote adoption of coastal as preferred mode for transportation of cargo, in order to increase the share of inland waterways and coastal mode from 6 % to 12 % by 2047 and to strengthen India's multimodal logistics system.

2.2.2. Objectives of the Scheme

a) To incentivize movement of cargo through coastal mode resulting in increase in the share of cargo movement through coastal as envisaged under Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047.

b) To catalyze incremental cargo movement on coastal routes and expand Origin-Destination (OD) pairs, particularly in under-served segments.

c) To support market development for emerging cargo categories, coastal container movement, Roll on - Roll off (Ro-Ro) cargo and others suitable for coastal transportation.

d) To support reliable coastal services through performance-linked incentives, thereby improving market confidence.

e) To promote environmental sustainability in transportation and logistics ecosystem by enhancing adoption of coastal mode and to reduce burden on surface transport systems (road and rail).

2.3. Commencement and Applicability

a) The Scheme shall come into force from [DD/MM/YYYY] and shall remain valid for a period of ten (10) years subject to comprehensive review at the end of Year 5 of Scheme implementation, or at the end of current 16th Finance Commission cycle, unless modified or withdrawn by the Ministry of Ports, Shipping and Waterways (MoPSW).

b) The Scheme applies to cargo carried in Coasting Trade between Indian ports/terminals and other coastal locations in India.

c) The incentives under this Scheme shall be admissible only in respect of cargo carried in Coasting Trade by a vessel that, on the date of the relevant voyage, is registered under the Indian flag with the Directorate General of Maritime Administration in accordance with the Merchant Shipping Act, 2025, the Merchant Shipping (Registration of Vessels) Rules, 2026, and any amendment, re-enactment, modification, replacement, rule, regulation, notification, order or direction issued thereunder from time to time.

d) The Scheme shall be administered through a Digital Platform, enabling stakeholder registration, claim submission, verification, approval, disbursement, audit trail and periodic reporting.

e) Detailed implementation procedures shall be provided separately in the Scheme Guidelines issued under the Scheme.

f) Comprehensive review may be undertaken at the end of Year 5 from commencement of the Scheme, to assess and update the Scheme provisions, if required.

2.4. Definitions

For the purposes of this Scheme, unless the context otherwise requires, the following terms shall have the meanings assigned to them below. Terms not specifically defined herein shall have the meaning assigned to them under the Coastal Shipping Act, 2025, Merchant

Shipping Act, 2025, Carriage of Goods by Sea Act, 2025, Indian Ports Act, 2025, Bills of Lading Act, 2025, Major Port Authorities Act 2021, Multimodal Transportation of Goods Act, 1993, rules made thereunder, the Scheme Guidelines or any other applicable law, notification, circular or guideline issued by the competent authority.

a) "Baseline Cargo Movement" means the approved reference level of coastal cargo movement against which incremental movement under the Scheme shall be assessed. The Baseline Cargo Movement shall be determined as per the methodology defined under the Scheme Guidelines.

b) "Baseline Cargo Volume" means the approved reference level of coastal cargo volume against which incremental volume under the Scheme shall be assessed. The Baseline Cargo Volume shall be determined as per the methodology defined under the Scheme Guidelines.

c) "Cargo Facilitation Centre" or "CFC" means the dedicated facilitation and implementation unit established under Indian Ports Association (IPA) for implementing the Scheme.

d) "Cargo Owner" means the legal or beneficial owner of the cargo being moved through coastal mode and which has incurred the expenditure of transportation of goods, identified through commercial documentation, GSTIN, invoice, transport document or any other prescribed record, and registered under the Scheme for claiming Incentive Package B.

e) "CCPS Committee" means the committee constituted by the Ministry of Ports, Shipping and Waterways for implementation, oversight, review and guidance in relation to the Scheme.

f) "Coasting Trade" as defined under the Coastal Shipping Act, 2025, and rules, regulations, notifications, circulars or permissions issued thereunder from time to time.

g) "Coastal Vessel Operator" means an entity operating vessel(s) for Coasting Trade on Coastal Waters, and registered under the Scheme for claiming Incentive Package A.

h) "Coastal Cargo Declaration Form" or "CCDF" means the form submitted by a Cargo Owner or a Multimodal Transport Operator

(MTO) under the Scheme for declaring commodity-wise details of cargo moved or proposed to be moved through Coasting Trade. The form shall include details of the beneficiary and declarations as required under the Scheme Guidelines.

i) "Coastal Waters" as defined under the Coastal Shipping Act, 2025, and rules, regulations, notifications, circulars or permissions issued thereunder from time to time.

j) "Digital Platform" means National Database for Coastal Shipping (NDCS) as mandated under Coastal Shipping Act 2025, integrated with the Maritime Single Window 2.0 or any other digital system notified for *inter alia* stakeholder registration, claim submission, verification, incentive computation, disbursement tracking, reporting and audit trail.

k) "Eligible Coastal Routes" means the coastal routes or Origin Destination (OD) pairs, for the purpose of incentive eligibility and computation, as notified by the CCPS Committee under the Incentive Rate Schedule for CCPS from time to time, except the excluded coastal routes or OD pairs as specified in Schedule A of this Scheme.

l) "Green Coastal Vessel" means an eligible vessel undertaking Coastal Trade and satisfying the environmental performance criteria notified under the Scheme Guidelines.

m) "Incentive Rate Schedule for CCPS" means the annual or periodic schedule issued / notified by the CCPS Committee under the Scheme Guidelines specifying the Scheme parameters (such as eligible coastal routes/ OD pairs, commodity categories, cargo types, Base Incentive Rates, distance slabs, eligibility thresholds, beneficiary-wise caps, etc.) applicable for the relevant financial year or notified period.

n) "Incremental Cargo" means the eligible cargo volume and/or eligible cargo movement, as applicable, exceeding the approved Baseline Cargo Volume or Baseline Cargo Movement for the relevant beneficiary, commodity category, cargo type, OD pair, during the applicable claim period, as determined in accordance with the Scheme Guidelines.

o) “Ministry” or “MoPSW” means the Ministry of Ports, Shipping and Waterways, Government of India.

p) “Multimodal Transport Operator (MTO)” as defined under the Multimodal Transportation of Goods Act, 1993 and registered under the Scheme for claiming Incentive Package C.

q) “Notified Base Incentive Rate” means the rate per T-KM, TEU-KM, CEU-KM or other applicable unit of cargo movement, as notified in the Incentive Rate Schedule for the relevant Incentive Package, commodity category or cargo type and progressive distance slab.

r) “Registered Service Plan” or “RSP” means a coastal movement plan submitted by a Coastal Vessel Operator in accordance with the Scheme Guidelines, with details of commodity type, cargo category, OD pairs, vessel or vessel pool, historical voyages, expected voyages, cargo volume, and other details, irrespective of whether such service is publicly scheduled as a liner service.

s) “Scheme Guidelines” means detailed operational guidelines, claim formats, documentation requirements, verification procedures and implementation instructions issued for operationalizing the Scheme by MoPSW.

t) “Standard Operating Procedures for CCPS” or “SOPs for CCPS” means the standard operating procedures issued under the Scheme Guidelines for operationalizing the Scheme on a day-to-day basis (such as activity-wise procedures, workflows, responsibilities, documentation requirements, etc.). The SOP for CCPS may be amended, supplemented or updated by MoPSW / DGS / IPA (CFC), as authorized, provided such amendments remain consistent with the Scheme and Scheme Guidelines.

u) “T-KM” or “Tonne-Kilometre” means one tonne of cargo transported over one kilometre.

v) “TEU-KM” means one Twenty-foot Equivalent Unit transported over one kilometre.

w) “Unit-KM”, in the case of Ro-Ro / rolling cargo, means one eligible vehicle, CEU, equipment unit, lane-metre or such other unit as may be prescribed in the Scheme Guidelines, transported over one kilometre.

2.5. Guiding Principles of the Scheme

a. The share of coastal mode in India's domestic cargo movement remains constrained by interconnected demand-side, supply-side and multimodal-integration challenges. Cargo owners may find coastal logistics more complex than road or rail due to fragmented volumes, irregular dispatch schedules, multiple handling points, port related charges, inventory-carrying costs, first-mile / last-mile requirements, and the need to coordinate cargo availability with vessel schedules.

b. Coastal vessel operators face issues relating to vessel deployment, route viability, vessel utilization, return-leg imbalance, berth availability, idle time and uncertain cargo commitments. These factors may discourage the commencement or continuation of coastal services, particularly on new or developing routes.

c. Potential coastal cargo may also remain dispersed among multiple cargo owners, origins or dispatch schedules. In such cases, the movement may not materialize unless cargo is aggregated and integrated into the coastal transportation ecosystem.

d. Accordingly, the Scheme adopts a balanced and function-based design under which:

    i. the Coastal Vessel Operator is the primary beneficiary for supply-side support, service viability and route continuity,

    ii. the Cargo Owner is encouraged through incentive for increasing coastal freight transportation demand and vis-à-vis modal share of coastal,

    iii. the Multimodal Transport Operator (MTO) is also promoted through incentive for undertaking cargo aggregation and multimodal-integration function to support growth of coastal mode, and

    iv. all incentives, where applicable for the same cargo movement, shall support different aspects of the logistics chain, i.e., operational cost support for Coastal Vessel Operator and Multimodal transport Operator, and incentive for choosing coastal mode for Cargo Owners

e. The Scheme shall provide incentive support **[up to 25%]** of the voyage cost, subject to the rates, slabs, thresholds, caps and computation methodology notified under the Scheme Guidelines, SOP for CCPS and Incentive Rate Schedule for CCPS.

f. Incentive rates for incremental coastal cargo movement shall be applied based on commodity category / cargo type and applicable distance slabs, as notified from time to time under the Incentive Rate Schedule for CCPS.

g. The Scheme shall promote integration with inland water transport, wherever feasible, with the inland water transport leg of the movement incentivized under the Jal Vahak Scheme 2024 and coastal leg of the movement incentivized under this Scheme.

h. The Scheme shall be implemented through a Digital Platform to ensure transparent, objective and faceless administration, with minimal manual intervention. The Scheme shall, to the extent feasible, leverage existing and notified maritime digital systems, including Maritime Single Window (MSW) and National Database for Coastal Shipping (NDCS), as mandated under the Coastal Shipping Act, 2025.

i. The Scheme shall be implemented under the overall supervision of the Ministry of Ports, Shipping and Waterways (MoPSW). The Directorate General of Shipping shall act as the Implementing Agency for the Scheme, supported by Indian Ports Association (IPA) through Cargo Facilitation Centre (CFC) and other designated agencies for verification, data integration, monitoring and reporting.

j. MoPSW shall constitute a CCPS Committee for oversight of Scheme implementation.

2.6. Scheme Incentive Packages

The Scheme comprises the following incentive packages:

a. Incentive Package A – Coastal Vessel Operator Incentive

b. Incentive Package B – Cargo Owner Incentive

c. Incentive Package C – Multimodal Transport Operator (MTO) Incentive

2.7. Baseline Approach for Incentive

a. The Scheme shall adopt a baseline-linked incentive approach to ensure that incentive is provided only for incremental coastal cargo movement. A beneficiary, whether a Coastal Vessel Operator or a Cargo Owner or a Multimodal Transport Operator (MTO), shall become eligible for incentive only if there is positive growth over both Baseline Cargo Volume and Baseline Cargo Movement in the relevant financial year, i.e., the beneficiary must exceed both the Baseline Cargo Volume and the Baseline Cargo Movement.

b. The Baseline for all beneficiaries shall be declared, verified and approved for incentive claim, computation and disbursement as per the process specified in the Scheme Guidelines.

3. INCENTIVE PACKAGE A – COASTAL VESSEL OPERATOR INCENTIVE

3.1. Applicability

a. Incentive Package A shall apply to any Coastal Vessel Operator providing services for Coasting Trade on Eligible Coastal Routes in India as notified under Incentive Rate Schedule for CCPS.

b. The Coastal Vessel Operator, to claim benefits under the Scheme, shall submit a Registered Service Plan for each financial year, for each commodity category / cargo type, with the details as per the Scheme Guidelines for the purpose of establishing the Baseline Cargo Volume and Baseline Cargo Movement for the relevant financial year.

c. The incentive package shall cover such cargo types and commodities, as notified by the CCPS Committee in the Incentive Rate Schedule for CCPS. The CCPS Committee may review the cargo types and commodities list from time to time and may notify inclusion, exclusion or conditional inclusion of specific commodities and / or cargo categories, as required.

d. Notwithstanding anything contained in this Scheme, Incentive Package A shall not apply to cargo movement undertaken on the commodity-specific coastal routes / origin-destination pairs as specified in the "List of Excluded Coastal Routes / OD Pairs" at

Schedule A for a period of 3 years from the date of commencement of this scheme. The CCPS Committee may review the “List of Excluded Coastal Routes / OD Pairs” at the end of 3 years or from time to time and may notify inclusion or exclusion of other commodity-specific coastal routes / origin-destination pairs, as required, under the Incentive Rate Schedule for CCPS.

3.2. Eligibility for Incentive

A Coastal Vessel Operator shall be eligible for benefit under this Scheme if:

i. The operations are undertaken for Coasting Trade on Eligible Coastal Routes in India as notified under Incentive Rate Schedule for CCPS

ii. The Coastal Vessel Operator has submitted a Registered Service Plan for the relevant financial year under this Scheme and is approved by the Implementing Agency.

iii. The Coastal Vessel Operator achieves growth in cargo volume over Baseline Cargo Volume and in cargo movement over Baseline Cargo Movement for the relevant financial year.

3.3. Incentive Principle

a. The incentive under this package shall be provided as operating support for Coastal Vessel Operators linked to:

i. Incremental growth in cargo movement (tonne kilometers – T-KM or TEU-KM or unit-KM as applicable) over Baseline Cargo Movement for each commodity category

ii. operations of Green Coastal Vessel

iii. premium for operationalizing new commodities and new OD pairs in Coasting Trade

b. On the basis of the Registered Service Plan, verified historical cargo records and the baseline methodology prescribed under the Scheme Guidelines, the Implementing Agency shall approve separately, for each commodity category or cargo type - the Baseline Cargo Volume and the Baseline Cargo Movement for the relevant financial year.

c. For each commodity category or cargo type, the Coastal Vessel Operator shall become eligible for incentive only after the cumulative eligible cargo carried during the relevant financial year exceeds both - the Baseline Cargo Volume and the Baseline Cargo Movement.

d. Therefore, during the relevant financial year, once the Coastal Vessel Operator crosses both the Baseline Cargo Volume and the Baseline Cargo Movement approved for that relevant financial year, each subsequent eligible voyage undertaken by the Coastal Vessel Operator for the relevant commodity category or cargo type during the relevant financial year shall be treated as incremental cargo movement and may be considered for incentive on a voyage-wise basis.

3.4. Incentive Computation

a. Incentive amount shall be computed per voyage, as per the methodology defined in the Scheme Guidelines, Incentive Rate Schedule and SOP for CCPS. The incentive shall additionally include:

   i. Green Coastal Vessel Support, as defined under the Scheme Guidelines

   ii. Premium for new commodities and new OD pairs, as defined under the Scheme Guidelines

b. Detailed parameters, computation methodology, commodity-wise incentive rates, and thresholds shall be specified in the Scheme Guidelines, SOP for CCPS and Incentive Rate Schedule for CCPS. A Draft Incentive Rate Schedule for the Coastal Cargo Promotion Scheme is annexed (**Schedule B**).

4. INCENTIVE PACKAGE B – CARGO OWNER INCENTIVE

4.1. Applicability

a. Incentive Package B shall apply to Cargo Owners registered under this Scheme. Incentive shall be provided for the incremental cargo movement for each commodity category in a financial year through Coasting Trade over the Baseline Cargo Movement.

b. The Cargo Owner, to claim benefits under the Scheme, shall submit, a Coastal Cargo Declaration Form (CCDF) for each financial year, for each commodity category/ cargo type, with the details as specified in the Scheme Guidelines and SOP for CCPS for determination of Baseline Cargo Volume and Baseline Cargo Movement for the relevant financial year.

c. The incentive package shall cover such cargo types and commodities, as notified by the CCPS Committee in the Incentive Rate Schedule for CCPS. The CCPS Committee may review the cargo types and commodities list from time to time and may notify inclusion, exclusion or conditional inclusion of specific commodities and / or cargo categories, as required.

d. Notwithstanding anything contained in this Scheme, Incentive Package B shall not apply to cargo movement undertaken on the commodity-specific coastal routes / origin-destination pairs as specified in the “List of Excluded Coastal Routes / OD Pairs” at Schedule A for a period of 3 years from the date of commencement of this scheme. The CCPS Committee may review the “List of Excluded Coastal Routes / OD Pairs” at the end of 3 years or from time to time and may notify inclusion or exclusion of other commodity-specific coastal routes / origin-destination pairs, as required, under the Incentive Rate Schedule for CCPS.

4.2. Eligibility for Incentive

A Cargo Owner shall be eligible for benefit under this Scheme if:

i. The cargo is transported through Coasting Trade on Eligible Coastal Routes in India as notified under Incentive Rate Schedule for CCPS.

ii. The Cargo Owner has submitted a Coastal Cargo Declaration Form for the relevant financial year under this Scheme and is approved by the Implementing Agency.

iii. The Cargo Owner achieves growth in cargo volume over Baseline Cargo Volume and in cargo movement over Baseline Cargo Movement for a commodity category for the relevant financial year.

4.3. Incentive Principle

a. Incentive under this package shall be payable to a Cargo Owner for incremental growth in cargo movement over Baseline Cargo Movement, as defined under the Scheme Guidelines.

b. On the basis of the Coastal Cargo Declaration Form, verified historical cargo records and the baseline methodology prescribed under the Scheme Guidelines, the Implementing Agency shall approve separately, for each commodity category or cargo type - the Baseline Cargo Volume; and the Baseline Cargo Movement for the relevant financial year.

c. For each commodity category or cargo type, the Cargo Owner shall become eligible for incentive only after the cumulative eligible cargo carried during the relevant financial year exceeds both - the Baseline Cargo Volume; and the Baseline Cargo Movement for the relevant financial year.

d. Therefore, at the end of the relevant financial year, the incremental cargo movement undertaken by Cargo Owner during that financial year for the relevant commodity category or cargo type may be considered for incentive.

4.4. Incentive Computation

a. Incentive amount shall be computed on an annual basis, as per the methodology defined in the Scheme Guidelines, Incentive Rate Schedule and SOP for CCPS.

b. Detailed parameters, computation methodology, commodity-wise incentive rates, and thresholds shall be specified in the Scheme Guidelines. A Draft Incentive Rate Schedule for the Coastal Cargo Promotion Scheme is annexed (**Schedule B**).

5. INCENTIVE PACKAGE C – MULTIMODAL TRANSPORT OPERATOR(MTO) INCENTIVE

5.1. Applicability

a. Incentive Package C shall apply to any Multimodal Transport Operator (MTO) providing services for Coasting Trade on Eligible Coastal Routes in India as notified under Incentive Rate Schedule for CCPS.

b. The Multimodal Transport Operator (MTO), to claim benefits under the Scheme, shall submit a Coastal Cargo Declaration Form (CCDF) for each financial year, for each commodity category / cargo type, with the details as per the Scheme Guidelines for determining the Baseline Cargo Volume and Baseline Cargo Movement, for the relevant financial year.

c. The incentive package shall cover such cargo types and commodities, as notified by the CCPS Committee in the Incentive Rate Schedule for CCPS. The CCPS Committee may review the cargo types and commodities list from time to time and may notify inclusion, exclusion or conditional inclusion of specific commodities and / or cargo categories, as required.

d. Notwithstanding anything contained in this Scheme, Incentive Package C shall not apply to cargo movement undertaken on the commodity-specific coastal routes / origin-destination pairs as specified in the “List of Excluded Coastal Routes / OD Pairs” at Schedule A for a period of 3 years from the date of commencement of this scheme. The CCPS Committee may review the “List of Excluded Coastal Routes / OD Pairs” at the end of 3 years or from time to time and may notify inclusion or exclusion of other commodity-specific coastal routes / origin-destination pairs, as required, under the Incentive Rate Schedule for CCPS.

5.2. Eligibility for Incentive

A Multimodal Transport Operator (MTO) shall be eligible for benefit under this Scheme if:

i. The operations are undertaken for Coasting Trade on Eligible Coastal Routes in India as notified under Incentive Rate Schedule for CCPS

ii. The Multimodal Transport Operator (MTO) has submitted a Coastal Cargo Declaration Form under this Scheme for the relevant financial year under this Scheme and is approved by the Implementing Agency

iii. The Multimodal Transport Operator (MTO) achieves growth in cargo volume over Baseline Cargo Volume and in cargo movement over Baseline Cargo Movement for the relevant financial year.

5.3. Incentive Principle

a. Incentive under this package shall be payable to a Multimodal Transport Operator (MTO) for incremental growth in cargo movement over Baseline Cargo Movement, as defined under the Scheme Guidelines.

b. On the basis of the Coastal Cargo Declaration Form, verified historical cargo records and the baseline methodology prescribed under the Scheme Guidelines, the Implementing Agency shall approve separately, for each commodity category or cargo type - the Baseline Cargo Volume; and the Baseline Cargo Movement for the relevant financial year.

c. For each commodity category or cargo type, the MTO shall become eligible for incentive only after the cumulative eligible cargo carried during the relevant financial year exceeds both - the Baseline Cargo Volume; and the Baseline Cargo Movement for the relevant financial year.

d. Therefore, during the relevant financial year, once the MTO crosses both the Baseline Cargo Volume and the Baseline Cargo Movement approved for that financial year, each subsequent eligible voyage of MTO during the relevant financial year for the relevant commodity category or cargo type shall be treated as incremental cargo movement and may be considered for incentive on a voyage-wise basis.

5.4. Incentive Computation

a. Incentive shall be computed per voyage, as per the methodology defined in the Scheme Guidelines, Incentive Rate Schedule and SOP for CCPS.

b. Detailed parameters, computation methodology, commodity-wise incentive rates, and thresholds shall be specified in the Scheme Guidelines, SOP for CCPS and Incentive Rate Schedule for CCPS. A Draft Incentive Rate Schedule for the Coastal Cargo Promotion Scheme is annexed (**Schedule B**).

6. IMPLEMENTATION MECHANISM AND INSTITUTIONAL FRAMEWORK

6.1. Overall Framework

a. The Scheme shall be implemented through a technology-enabled and institutionally coordinated framework to ensure:

   i. Transparent administration of incentives

   ii. Efficient stakeholder participation

   iii. Timely verification and disbursement

   iv. Continuous monitoring of Scheme performance

b. Detailed procedures, documentation requirements, and workflows shall be prescribed under the Scheme Guidelines.

6.2. Institutional Arrangement

The Scheme shall be implemented under the overall supervision of the Ministry of Ports, Shipping and Waterways (MoPSW). The Directorate General of Shipping shall act as the implementing agency for the Scheme, supported by Indian Ports Association (IPA) through Cargo Facilitation Centre (CFC) and other designated agencies for verification, data integration, monitoring and reporting.

6.2.1. Approving Authority

a. MoPSW shall be the approving authority and shall be responsible for:

   i. Approval of Scheme Guidelines and incentive structures

   ii. Approval of annual expenditure under the Scheme Outlay

   iii. Policy decisions, amendments, and review of Scheme performance

b. MoPSW shall constitute a CCPS Committee for oversight of Scheme implementation.

6.2.2. CCPS Committee

The CCPS Committee shall be responsible for:

a. Notification / approval of Eligible Coastal Routes, OD pairs, cargo categories

b. Notification / approval of incentive rates, caps, thresholds and package-specific parameters

c. Review of incentive utilization, route-wise performance and beneficiary participation

d. Guidance on operational issues, clarifications and implementation procedures

e. Periodic review of Scheme performance and recommendation of modifications, if required

The composition and detailed functioning of the CCPS Committee shall be prescribed under the Scheme Guidelines.

6.2.3. Implementation Agency

Directorate General of Shipping (DGS) shall act as the implementing agency, supported by Indian Ports Association (IPA) through a designated Cargo Facilitation Centre (CFC), and other designated supporting agencies.

The implementing agency shall be responsible for:

a. Approval of beneficiary registration, as required under the Scheme Guidelines

b. Approval of annual RSPs and CCDFs, Baseline Cargo Movement and Baseline Cargo Volume

c. Devise appropriate mechanism for verification and sanctioning of incentive claims

d. Monitoring of cargo movement and incentive utilisation

e. Review of cases involving duplicate claims, misrepresentation, artificial routing or non-compliance

f. Recommendation of corrective action, recovery, penalty or debarment, as per Scheme Guidelines

g. Reporting and audit support

h. Claim approval, sanction or disbursement may be delegated by Implementing Agency to IPA to be implemented through CFC. Such delegation shall be as per the framework approved by MoPSW.

6.2.4. Cargo Facilitation Centre (CFC) under Indian Ports Association (IPA)

a. CFC under the general supervision of Indian Ports Association (IPA) shall undertake day-to-day facilitation, process and verify registration applications, RSPs, CCDFs, historical information, Baselines and claims and shall submit its recommendations to Implementing Agency.

b. IPA may approve, sanction or disburse claims through CFC only where such power has been validly delegated by Implementing Agency with prior approval of MoPSW and only within the scope and conditions of that delegation.

6.2.5. Supporting Agencies

The following agencies shall provide verification and operational support, as required:

a. Major Ports and State Maritime Boards

b. IWAI, wherever IWT-related data or interface verification is required

c. SCI / other notified agencies, wherever coastal cargo movement data is required

d. GST verification and cargo-owner authentication

e. any other agency notified by MoPSW for data integration, audit or implementation support

6.3. Technology-Driven Implementation

a. The Scheme shall be implemented through National Database for Coastal Shipping (NDCS), as mandated under Coastal Shipping Act 2025, integrated with Maritime Single Window (MSW) 2.0, enabling:

   i. Stakeholder registration

   ii. Claim submission

   iii. Verification and approval

   iv. Disbursement tracking

   v. Audit and reporting

b. All processes under the Scheme shall be paperless and system-driven, to the extent feasible.

6.4. Stakeholder Registration and Onboarding

a. All eligible stakeholders shall:
   i. Register on the designated Digital Platform
   ii. Provide prescribed information and documentation
   iii. Be classified under the applicable incentive package

6.5. Claim Submission and Verification

a. Claims shall be submitted through the Digital Platform in the prescribed format
b. Verification shall be based on the data from Digital Platform, port records, and other prescribed data sources
c. Verification shall include:
   i. Cargo eligibility and classification
   ii. OD pair and route validation
   iii. Cargo quantity and distance
   iv. Compliance with package-specific conditions

6.6. Disbursement Mechanism

a. Claims shall be submitted as per the process defined under the Scheme Guidelines
b. Incentives shall be disbursed periodically as defined under the Scheme Guidelines, subject to verification
c. Disbursement shall be made only after verification through Digital Platform / port records / prescribed data sources and approval by the competent authority as defined under the Scheme Guidelines.

6.7. Monitoring and Reporting

a. The implementing agency shall undertake continuous monitoring of:
   i. Cargo volume growth and modal share of Coasting Trade
   ii. Incentive utilization
   iii. Beneficiary participation
   iv. Route-wise and commodity-wise performance
b. Periodic reports shall be submitted to MoPSW.

6.8. Incentive Cap / Fiscal Control

a. All Incentive Packages under this Scheme shall be subject to:

   i. Beneficiary-wise annual caps, as notified

   ii. Compliance with verification requirements and Scheme conditions

b. In case of:

   i. Misrepresentation

   ii. Duplicate claims

   iii. Artificial routing or manipulation

   recovery, penalty, or debarment, may be initiated as per Scheme Guidelines.

6.9. Grievance Redressal

a. Grievance redressal mechanism shall be provided for:

   i. Registration and onboarding issues

   ii. Claim processing and disbursement issues

   iii. Eligibility or verification disputes

b. Escalation and resolution procedures shall be prescribed under the Scheme Guidelines.

7. SCHEME OUTLAY

a. The Scheme shall be implemented with such budgetary allocation as may be approved by the Government from time to time, under the relevant head of account of the Ministry of Ports, Shipping and Waterways (MoPSW).

b. The total outlay for the Scheme for the ten-year period shall be as notified by the MoPSW, based on:

   i. Approved incentive rates and caps across all packages

   ii. Estimated uptake and cargo volumes

   iii. Annual budgetary provisions

c. The allocation shall be package-wise and year-wise, as may be prescribed.

d. An estimated outlay of ₹ 10,011 crore has been considered for the Scheme over a 10-year period. The estimated is indicative and shall be subject to the comprehensive review of the Scheme at the end of Year 5, as provided under Section 2.3. The detailed year wise and package wise estimated scheme outlay is annexed (**Schedule C**).

e. Disbursement of incentives under the Scheme shall be subject to:

    i. Availability of budgetary allocation

    ii. Approved caps and limits

    iii. Verification of eligible claims

f. MoPSW may reallocate funds across incentive packages and revise annual outlays within the approved Scheme outlay, in accordance with the applicable financial rules and delegated financial powers. Any reallocation or revision requiring approval of the Competent Financial Authority shall be undertaken only with such approval.

8. CONVERGENCE WITH OTHER GOVT. SUPPORT MECHANISMS

a. Benefits under this Scheme may be availed in conjunction with any other incentive, concession, rebate or support mechanism notified by the Central Government, State Government, port authority or any other public authority, unless specifically restricted under the Scheme Guidelines or under the terms of such other support mechanism.

b. The Scheme Guidelines may prescribe disclosure requirements, adjustment mechanisms or limits, if required, to prevent duplicate support, excess recovery or unintended subsidy stacking.

9. FISCAL CAP, AUDIT AND RECOVERY

a. The CCPS Committee may prescribe beneficiary-wise annual ceilings in Incentive Rate Schedule for CCPS to ensure prudent utilisation of public funds, equitable distribution of incentives and alignment with Scheme objectives. Such ceilings may be differentiated based on cargo category, route maturity, beneficiary type, strategic importance and budget availability.

b. Where aggregate eligible claims in a financial year exceed the annual budgetary allocation for the Scheme, disbursement shall be made on a pro-rata basis, or in such order of priority as may be notified by MoPSW / Implementing Agency, and the balance may be carried forward for disbursement in the succeeding financial year subject to availability of funds.

c. MoPSW or any agency authorised by MoPSW or Government of India may undertake audit, inspection, verification, data validation or special review of any claim, record, transaction, cargo movement, or activity under the Scheme. Beneficiaries shall maintain prescribed records and provide necessary information, documents and access for such audit or verification, in such manner and for such period as may be prescribed under the Scheme Guidelines.

d. Any incentive disbursed on account of misrepresentation, suppression of material facts, duplicate claims, artificial routing, manipulation, non-compliance or any other irregularity shall be liable for recovery, together with applicable interest and/or penalty, in such manner as may be prescribed under the Scheme Guidelines. MoPSW or the competent authority may also withhold future disbursements, adjust recoverable amounts against future claims, suspend registration or debar the beneficiary, after following the prescribed procedure.

10. RESIDUAL POWERS OF MOPSW

a. MoPSW may issue clarifications, interpretations, directions, procedural relaxations or implementation instructions, wherever necessary, for effective administration of the Scheme.

b. Such clarifications or directions shall be consistent with the objectives of the Scheme and shall be binding on beneficiaries and implementing agencies, unless modified or withdrawn by MoPSW.

11. EXPECTED OUTCOMES AND KEY PERFORMANCE INDICATORS

11.1. Expected Outcomes

a. The Coastal Cargo Promotion Scheme is expected to act as a catalytic intervention for enhancing modal share of coastal transportation and strengthening India's multimodal logistics ecosystem. The Scheme is designed to support incremental coastal cargo movement, improve route viability, encourage new commodity streams and OD pairs, and promote greater participation by coastal vessel operators and cargo owners.

b. This is aligned with the Scheme objective of supporting cost-efficient and sustainable freight movement in the country.

c. **Growth in Coastal Cargo Throughput at Indian Ports:**

   i. Based on the outcome assessment undertaken for the Scheme, cargo volume growth has been projected over a 10-year period using the realistic growth scenario as the base case and factoring in the expected Scheme impact. The Scheme impact has been considered to generate an additional growth uplift equivalent to **50% over the realistic growth rate**.

   ii. As per assessment, coastal cargo throughput is estimated to increase from approximately 385 MMT in FY2026-27 (advance estimate) to around 550-600 MMT by the end of Year 5 (FY2031-32) and approximately 1000-1100 MMT by the end of Year 10 (FY2036-37), demonstrating the potential of the Scheme of increasing the cargo volume at compound annual growth rate of ~11% over 10 years.

d. **Growth in Cargo Movement**

   i. The Scheme is also expected to result in a significant increase in cargo movement measured in tonne-kilometres.

   ii. Based on the projected commodity-wise cargo volumes and weighted average distance assumptions, coastal cargo movement is estimated to increase from approximately 285 billion tonne-km in the base year FY 2026-27 to 475-500 billion tonne-km by Year 5 (FY2031-32) and 800-850 billion tonne-km by Year 10 (FY2036-37), i.e. nearly 3x increase in cargo movement.

e. Road Decongestion Benefits

i. In terms of road decongestion benefits, the Scheme is expected to reduce the burden on road-based freight movement. The Scheme is estimated to avoid approximately 2 million truck trips over the first five years and approximately **6 million truck trips over ten years**. Correspondingly, truck-km avoided are estimated at approximately ~3 billion truck-km over five years and **~8.5 billion truck-km over ten years**.

ii. These outcomes are expected to contribute to reduced highway congestion, lower road maintenance burden, improved logistics efficiency and enhanced safety on freight corridors.

f. Environmental Benefits

i. The Scheme is also expected to deliver measurable environmental benefits. The Scheme is estimated to save approximately 5.5 million tonnes of CO_2 equivalent over five years and approximately **16 million tonnes of CO_2 equivalent over ten years**.

ii. These savings reinforce the role of coastal mode as a lower-emission freight mode and support India's broader climate and sustainability objectives.

g. Socio-economic Impact: Employment Generation

i. In addition, the Scheme is expected to generate employment across the maritime and logistics value chain. Based on projected intensity of cargo movement through coastal mode, the Scheme is estimated to support approximately **1.6 lakh jobs over ten years**.

ii. These employment benefits are expected to accrue across seafaring, port operations, coastal logistics, cargo aggregation, warehousing, vessel operations, support services and allied maritime activities.

11.2. Key Performance Indicators

h. The performance of the Scheme shall be monitored through the following indicators:

   i. Total coastal cargo movement at Indian ports

   ii. Incremental cargo supported under the Scheme

   iii. Budget utilization and incentive efficiency

i. The KPI framework shall be periodically reviewed by MoPSW, and modified, as required, to ensure alignment with Scheme objectives.

***

SCHEDULES

Schedule A: List of Excluded Coastal Routes / OD Pairs under CCPS

S. No.	Commodity	Origin Port	Destination Port
1.	Coal	Paradip Port	Kamarajar Port
2.	Coal	Paradip Port	Krishnapatnam Port
3.	Coal	Paradip Port	V.O.C Port Authority
4.	Coal	Dhamra Port	Kamarajar Port
5.	Coal	Paradip Port	Kakinada Port
6.	Coal	Paradip Port	Karaikal Port
7.	Iron Ore	Vishakhapatnam Port	Mumbai / Jaigarh / Dharamtar Port
8.	Iron Ore	Dhamra Port	Mumbai / Jaigarh / Dharamtar Port
9.	Iron Ore	Paradip Port	Hazira
10.	Iron Ore	Gangavaram Port	New Mangalore Port
11.	POL	Mumbai Port	Chennai, Vizag, NMPA, Vadinar, Dahej and Hazira
12.	POL	Mundra Port	Vadinar Port
13.	POL	Sikka Port	Deendayal Port and Kamarajar Port
14.	POL	Cochin Port	Kamarajar Port
15.	POL	Cochin Port	Syama Prasad Mukherjee Port
16.	POL	Mumbai High Field (oil and gas field)	Any Port in India
17.	POL	B-80 offshore field / FSO, Mumbai Offshore	Any Port in India
18.	POL	KG-DWN-98/2 FPSO, offshore Kakinada	Any Port in India
19.	POL	PY-3 offshore oil field, Tamil Nadu (Cauvery Basin)	Any Port in India
20.	All Commodities	Any Port in mainland India	Any Port in UT of Andaman & Nicobar
21.	All Commodities	Any Port in UT of Andaman & Nicobar	Any Port in mainland India
22.	All Commodities	Any Port in mainland India	Any Port in UT of Lakshadweep
23.	All Commodities	Any Port in UT of Lakshadweep	Any Port in mainland India

S. No.	Commodity	Origin Port	Destination Port
24.	All Commodities	Any Port in UT of Andaman & Nicobar	Any Port in UT of Andaman & Nicobar
25.	All Commodities	Any Port in UT of Lakshadweep	Any Port in UT of Lakshadweep
26.	All Commodities	Any Port in UT of Andaman & Nicobar	Any Port in UT of Lakshadweep
27.	All Commodities	Any Port in UT of Andaman & Nicobar	Any Port in UT of Andaman & Nicobar

Note:

a. Coal - excluding petroleum coke and including coking coal, semi-coking or weakly coking coal, non-coking / thermal / steam coal, washed or beneficiated coal, pulverized coal injection coal, anthracite, lignite, coal fines, middlings, washery rejects, coal blends and such other coal-based cargo as may be specified in the Incentive Rate Schedule for CCPS.

b. POL – including Crude Oil and Feedstock, including indigenous or imported crude oil, offshore crude oil, condensate, vacuum gas oil, refinery feedstock and other notified crude or semi-processed petroleum cargo; Refined Petroleum Products, including motor spirit, high-speed diesel, light diesel oil, aviation turbine fuel, superior kerosene oil, naphtha, furnace oil, LSHS, fuel oil, bitumen, lubricants, base oils, petroleum coke and other notified refinery products; and Liquefied Petroleum Gases, including LPG, propane, butane and other notified liquefied hydrocarbon gases and such other cargo as may be specified in the Incentive Rate Schedule for CCPS.

c. Iron Ore - including haematite, magnetite and other notified iron-bearing ores in the form of run-of-mine ore, lumps, sized or calibrated ore, fines, blue dust, beneficiable-grade ore, concentrates, filter cake and other beneficiated forms; and including agglomerated Iron Ore, including pellet feed, iron ore pellets, sinter and other notified iron ore agglomerates and such other cargo as may be specified in the Incentive Rate Schedule for CCPS.

Schedule B: Draft Incentive Rate Schedule for the Coastal Cargo Promotion Scheme

For the purpose of initial scheme design, the Draft Incentive Rate Schedule presents tentative incentive rates for all beneficiaries Incentive Packages A, B and C herewith. The tentative rates provide commodity-wise / cargo-type-wise incentive rates across notified distance slabs for both incentive packages.

*The tentative incentive structure is based on the overall Scheme principle that incentive support may be provided **[up to 25%]** of the estimated coastal voyage cost, subject to notified rates, caps, thresholds and eligibility conditions.*

The tentative rates have been used only for working estimates of incentive amounts, package-wise outlay and Scheme impact. The final Incentive Rate Schedule for CCPS shall be notified by the CCPS Committee in accordance with the Scheme Guidelines, SOP for CCPS and approved implementation framework at the time of launch of the Scheme.

The Incentive Rate Schedule shall be a dynamic instrument and may be reviewed, revised and updated annually, or at such periodicity as may be determined by the CCPS Committee / MoPSW, taking into account market conditions, coastal voyage cost data, commodity-wise cargo trends, route viability, budget availability, Scheme uptake, stakeholder feedback and actual claim experience.

Draft Incentive Rate Schedule for the Coastal Cargo Promotion Scheme

Financial Year [●]

Issued by: CCPS Committee

Effective period: [1 April 20XX to 31 March 20XX]

Issue date: [●]

Reference: [●]

1. Short title and commencement

1.1. This Schedule may be called the "Incentive Rate Schedule for the Coastal Cargo Promotion Scheme for Financial Year [●]", hereinafter referred to as the "Incentive Rate Schedule" or "the Schedule".

1.2. This Schedule is issued under the Coastal Cargo Promotion Scheme Guidelines and shall be read together with the Scheme Guidelines, applicable Standard Operating Procedures, forms, circulars, clarifications and directions issued by the Ministry of Ports, Shipping and Waterways, Directorate General of Shipping or CCPS Committee.

1.3. This Schedule shall come into effect from [**effective date**] and shall remain applicable until [**end date**], unless amended, superseded, suspended or withdrawn earlier.

1.4. Capitalized terms used but not defined in this Schedule shall have the meanings assigned to them under the Scheme Guidelines.

2. Purpose and scope

2.1. This Schedule specifies the operational and financial parameters applicable to:

a. Incentive Package A — Coastal Vessel Operator Incentive; and

b. Incentive Package B — Cargo Owner Incentive; and

c. Incentive Package C — Multimodal Transport Operator (MTO).

2.2. The inclusion of a commodity, cargo type, route or OD pair in this Schedule shall not by itself confer an entitlement to incentive. Incentive shall be payable only upon fulfilment of all eligibility conditions under the Scheme Guidelines, this Schedule and the applicable SOP.

3. Eligible commodity categories and cargo types

3.1 Eligible commodity categories and cargo types:

S. No.	Commodity category	Indicative 2-digit HSN Code	Eligible cargo types / scope
1	Coal	27	Coking coal, non-coking / thermal coal, steam coal, washed or beneficiated coal, pulverised coal injection coal, anthracite, lignite, coal fines, middlings, washery rejects and other eligible coal

S. No.	Commodity category	Indicative 2-digit HSN Code	Eligible cargo types / scope
			cargo falling under the applicable tariff headings of Chapter 27.
2	Iron Ore	26	Iron ore lumps, sized or calibrated ore, fines, blue dust, run-of-mine ore, beneficiated iron ore, concentrates, filter cake, pellet feed, iron ore pellets, sinter and other eligible iron-bearing ores and concentrates falling under the applicable tariff headings of Chapter 26.
3	Petroleum, Oil and Lubricants — POL	27	Crude petroleum oil, condensate, refinery feedstock, motor spirit, high-speed diesel, aviation turbine fuel, kerosene, naphtha, light diesel oil, furnace oil, LSHS, fuel oil, bitumen, lubricants, base oils, petroleum coke, LPG and other eligible mineral fuels, mineral oils and petroleum products falling under the applicable tariff headings of Chapter 27.
4	Steel	72	Eligible iron and steel products, including ingots, billets, blooms, slabs, coils, sheets, plates, bars, rods, rails, structural steel and other semi-finished or finished iron and steel falling under the applicable tariff headings of Chapter 72. Articles of iron or steel falling under Chapter 73 may be included only where

S. No.	Commodity category	Indicative 2-digit HSN Code	Eligible cargo types / scope
			expressly notified in the Incentive Rate Schedule.
5	Cement	25	Cement, clinker and other eligible cementitious products falling under the applicable tariff headings of Chapter 25.
6	Containerised Cargo — FCL only	As applicable to the underlying cargo	Only **Full Container Load (“FCL”)** containers carrying eligible domestic coastal cargo shall be covered. Eligibility shall be determined with reference to the underlying cargo, its applicable HSN classification and the supporting commercial and transport documents. **Less than Container Load (“LCL”)** cargo shall not be eligible.
7	Other Dry Bulk	As notified	Such eligible dry-bulk commodities as may be expressly notified in the Incentive Rate Schedule, excluding fertilisers and other cargo specifically made ineligible under the Scheme.
8	Other Liquid Bulk	As notified	Such eligible non-POL liquid-bulk commodities as may be expressly notified in the Incentive Rate Schedule.
9	Other Break-Bulk / General Cargo	As notified	Such eligible break-bulk or general cargo as may be expressly notified in the Incentive Rate Schedule, excluding project cargo and over-dimensional cargo.

S. No.	Commodity category	Indicative 2-digit HSN Code	Eligible cargo types / scope
10	Ro-Ro Cargo	As applicable to the underlying cargo	Eligible cars, commercial vehicles, construction equipment and other wheeled cargo specifically notified under the Incentive Rate Schedule.

3.2. The HSN classification declared by the beneficiary shall be consistent across the applicable tax invoice, e-way bill, bill of lading or sea waybill, coastal manifest, multimodal transport document, port or terminal record and such other documents as may be prescribed.

3.3. In case of any inconsistency or dispute regarding commodity classification, the CFC may seek additional documents and determine the appropriate Scheme classification with reference to the applicable Customs Tariff, GST classification, cargo description, physical characteristics, end use and other relevant records. Such classification shall be for administration of the Scheme and shall not override a determination made by the competent tax or customs authority under applicable law.

3.4. Excluded commodities and cargo types

The following cargo shall not be eligible for incentive under either Package A or Package B or Package C:

a. Fertilizers of any type, including chemical, mineral, organic or mixed fertilizers, fertilizer intermediates and fertilizer cargo covered under any existing freight subsidy, reimbursement or movement-support mechanism of the Central Government or a State Government.

b. Project cargo including machinery, equipment, structures, components, modules or other cargo transported for the construction, installation, commissioning, expansion, maintenance or decommissioning of a specific project, plant, facility or infrastructure asset, whether moved as break-bulk, containerized, Ro-Ro or any other cargo type.

c. Over-Dimensional Cargo (“ODC”), including cargo whose dimensions, weight or loading configuration exceed the ordinarily permissible or operational limits of the relevant transport equipment, container, road vehicle, rail wagon, vessel, port or terminal facility, or which requires special handling, special permission, route survey, escort, lifting arrangement or dedicated transport configuration.

d. EXIM transshipment containers including containers carrying import or export cargo that are transshipped, relayed or repositioned between Indian ports as part of an international movement, whether or not the intermediate movement takes place through coastal mode.

3.5 Notwithstanding anything contained in this Schedule or the Scheme Guidelines, fertilizers, project cargo, Over-Dimensional Cargo, LCL cargo and EXIM transshipment containers shall not be eligible for incentive under the Scheme. The exclusion shall apply irrespective of the mode of packing, containerization, route, OD pair, beneficiary category or transport-document structure used for the movement. No excluded cargo shall be counted towards eligible incremental Cargo Volume, eligible incremental Cargo Movement or incentive computation.

4. Eligible and excluded coastal routes / OD pairs

4.1. Eligible routes

Eligible coastal cargo movement may be undertaken between:

a. Indian ports, terminals, berths, jetties or notified coastal facilities; or

b. such other origin and destination points as may be approved by the CCPS Committee.

4.2. Excluded routes

Notwithstanding any other provision of this Schedule, incentive shall not be payable for cargo movement undertaken on commodity-specific coastal routes / OD pairs included in **Schedule A** (List of Excluded Coastal Routes / OD Pairs) of the Scheme.

An excluded cargo movement shall continue to be excluded where the movement is routed through an intermediate port, affiliate, logistics entity or transshipment arrangement without substantive change in the origin, destination, beneficial ownership, end use or economic character of the movement.

5. Distance slabs

The Base Incentive Rate shall be applied using the following progressive distance slabs:

Slab	Distance band
1	0–500 km
2	Above 500 km and up to 1,000 km
3	Above 1,000 km and up to 1,500 km
4	Above 1,500 km and up to 2,000 km
5	Above 2,000 km and up to 3,000 km
6	Above 3,000 km

[The eligible distance for each OD pair shall be determined and notified by the CCPS Committee under this Incentive Rate Schedule].

6. Base Incentive Rate Matrix

6.1 Incentive Package A: Coastal Vessel Operator

A1: Incentive Rate for Coastal Vessel Operator (₹ per Unit-Km)

#	Commodity / Cargo Type	Unit	0–500 km	500–1000 km	1000–1500 km	1500–2000 km	2000–3000 km	>3000 km
1	Coal	₹ / T-KM	0.09	0.08	0.06	0.06	0.04	0.03
2	Iron Ore	₹ / T-KM	0.07	0.07	0.06	0.05	0.04	0.03
3	POL	₹ / T-KM	0.12	0.11	0.08	0.06	0.06	0.04
4	Steel	₹ / T-KM	0.12	0.12	0.11	0.09	0.09	0.08
5	Cement	₹ / T-KM	0.11	0.10	0.09	0.09	0.08	0.07
6	Container	₹ / TEU-KM	5.81	4.84	4.04	3.22	2.77	2.50

#	Commodity / Cargo Type	Unit	0–500 km	500–1000 km	1000–1500 km	1500–2000 km	2000–3000 km	>3000 km
7	Other Dry Bulk	₹ / T-KM	0.09	0.08	0.07	0.06	0.04	0.03
8	Other Liquid Bulk	₹ / T-KM	0.13	0.12	0.08	0.07	0.06	0.04
9	Other Break Bulk	₹ / T-KM	0.13	0.13	0.12	0.10	0.09	0.09
10	Ro-Ro Cargo	₹ / CEU-KM	0.67	0.50	0.32	0.24	0.17	0.15

Note: "Car Equivalent Unit" or "CEU" means the standard unit used for measuring Roll on- Roll off (Ro-Ro) / Pure Car Carrier (PCC) / Pure Car and Truck Carrier (PCTC) vehicle cargo capacity or movement, representing the space occupied by one standard passenger car on a Ro-Ro / PCC / PCTC vessel. For the purpose of incentive computation under CCPS, the CEU conversion factors for different vehicle categories may be notified under the Incentive Rate Schedule for CCPS.

A2: Multipliers / Premiums in addition to Base Incentive

S. No.	Multipliers	Quantum
1	Green Vessel Support	5% additional over base incentive amount
2	Premium for new commodity / OD pair	10% additional over base incentive amount

6.2 Incentive Package B: Cargo Owners

B1: Incentive Rate for Cargo Owner (₹ per Unit-Km)

#	Commodity / Cargo Type	Unit	0–500 km	500–1000 km	1000–1500 km	1500–2000 km	2000–3000 km	>3000 km
1	Coal	₹ / T-KM	0.04	0.04	0.03	0.03	0.02	0.02
2	Iron Ore	₹ / T-KM	0.03	0.03	0.03	0.02	0.02	0.01
3	POL	₹ / T-KM	0.06	0.05	0.04	0.03	0.03	0.02

#	Commodity / Cargo Type	Unit	0–500 km	500–1000 km	1000–1500 km	1500–2000 km	2000–3000 km	>3000 km
4	Steel	₹ / T-KM	0.06	0.06	0.05	0.05	0.04	0.04
5	Cement	₹ / T-KM	0.05	0.05	0.05	0.05	0.04	0.04
6	Container	₹ / TEU-KM	2.91	2.42	2.02	1.61	1.39	1.25
7	Other Dry Bulk	₹ / T-KM	0.05	0.04	0.03	0.03	0.02	0.02
8	Other Liquid Bulk	₹ / T-KM	0.07	0.06	0.04	0.04	0.03	0.02
9	Other Break Bulk	₹ / T-KM	0.07	0.06	0.06	0.05	0.05	0.04
10	Ro-Ro Cargo	₹ / CEU-KM	0.33	0.25	0.16	0.12	0.08	0.08

Note: "Car Equivalent Unit" or "CEU" means the standard unit used for measuring Ro-Ro / PCC / PCTC vehicle cargo capacity or movement, representing the space occupied by one standard passenger car on a Ro-Ro / PCC / PCTC vessel. For the purpose of incentive computation under CCPS, the CEU conversion factors for different vehicle categories may be notified under the Incentive Rate Schedule for CCPS.

6.3 Incentive Package C: Multimodal Transport Operator (MTO)

C1: Incentive Rate for MTO (₹ per Unit-Km)

#	Commodity / Cargo Type	Unit	0–500 km	500–1000 km	1000–1500 km	1500–2000 km	2000–3000 km	>3000 km
1	Coal	₹ / T-KM	0.06	0.06	0.05	0.04	0.03	0.02
2	Iron Ore	₹ / T-KM	0.05	0.05	0.04	0.04	0.03	0.02
3	POL	₹ / T-KM	0.09	0.08	0.06	0.05	0.04	0.03
4	Steel	₹ / T-KM	0.09	0.09	0.08	0.07	0.06	0.06

#	Commodity / Cargo Type	Unit	0–500 km	500–1000 km	1000–1500 km	1500–2000 km	2000–3000 km	>3000 km
5	Cement	₹ / T-KM	0.08	0.08	0.07	0.07	0.06	0.05
6	Container	₹ / TEU-KM	4.36	3.63	3.03	2.42	2.08	1.87
7	Other Dry Bulk	₹ / T-KM	0.07	0.06	0.05	0.05	0.03	0.02
8	Other Liquid Bulk	₹ / T-KM	0.10	0.09	0.06	0.05	0.05	0.03
9	Other Break Bulk	₹ / T-KM	0.10	0.09	0.09	0.08	0.07	0.07
10	Ro-Ro Cargo	₹ / CEU-KM	0.50	0.37	0.24	0.18	0.12	0.11

6.4 Concurrent applicability

a. Where the same cargo movement independently satisfies more than one multiplier condition, multiple multipliers may be applied only to the extent permitted in the Scheme Guidelines and subject to the applicable overall cap.

b. Each multiplier shall be calculated separately on the Package A Base Incentive Amount and shall not be compounded on another multiplier.

7. Beneficiary-wise and claim-wise caps

The following caps shall apply:

Cap category	Package A	Package B	Package C
Maximum incentive per beneficiary per financial year	₹ [●] crore	₹ [●] crore	₹ [●] crore

Note: To be determined and notified by the CCPS Committee

The incentive payable shall be the lower of:

a. incentive computed under the applicable methodology;

b. applicable beneficiary cap; and

c. available approved budget.

8. Claim frequency and disbursement

8.1. Incentive Package A – Coastal Vessel Operator

Claims may be filed on a voyage-wise or such other periodic basis as prescribed under the Scheme Guidelines. Disbursement may commence after the applicable volume and movement eligibility conditions have been satisfied.

8.2. Incentive Package B – Cargo Owner

Package B shall ordinarily be computed annually after completion of the relevant financial year and verification that both approved baselines have been exceeded.

8.3. **Incentive Package C – Multimodal Transport Operator (MTO)**

Claims may be filed on a voyage-wise or such other periodic basis as prescribed under the Scheme Guidelines. Disbursement may commence after the applicable volume and movement eligibility conditions have been satisfied.

9. Review and amendment

9.1. This Schedule may be reviewed annually or at such other frequency as the CCPS Committee considers appropriate.

9.2. The CCPS Committee may recommend amendment of any parameter, including rates, slabs, thresholds, caps, multipliers, commodities, routes and exclusions.

9.3. Any revised parameter shall apply from the effective date specified in the relevant notification and shall not ordinarily affect claims relating to an earlier period unless expressly stated.

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Schedule C: Year-wise and package wise estimated Scheme outlay

The year-wise and package-wise Scheme outlay presented below is an indicative estimate prepared for appraisal purpose only. The final Scheme outlay, annual budgetary allocation, package-wise allocation and disbursement limits shall be subject to approval of the Government of India and availability of budgetary provisions from time to time.

This estimate shall not be construed as a binding commitment, obligation or assurance on the part of MoPSW, DGS, IPA, CFC, ports or any other linked / implementing organization. The actual annual outlay and package-wise expenditure during implementation may vary depending on approved incentive rates, notified caps, eligible claims received, verified cargo movement, Scheme uptake, market conditions, budget availability and decisions of the competent authority.

Year-wise and package wise estimated Scheme outlay

(Values in ₹ Crore)

Scheme Year	Financial Year	Incentive Package A	Incentive Package B	Incentive Package C	Total Outlay	Share %
Year 1	2027-28	142	57	58	257	3%
Year 2	2028-29	205	82	84	370	4%
Year 3	2029-30	279	112	114	504	5%
Year 4	2030-31	355	142	144	641	6%
Year 5	2031-32	435	174	177	786	8%
5 Year Total		**1416**	**566**	**576**	**2559**	**26%**
Year 6	2032-33	529	211	217	957	10%
Year 7	2033-34	648	259	267	1174	12%
Year 8	2034-35	791	316	327	1434	14%
Year 9	2035-36	953	381	397	1731	17%
Year 10	2036-37	1157	463	487	2106	21%
10 Year Total		**5494**	**2197**	**2270**	**9961**	**100%**
CFC + Administrative Cost (₹ Crore)					50	
Total Scheme Outlay (₹ Crore)					**10011**	

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