



AN ISO 9001:2015 & ISPS COMPLIANT PORT

COCHIN PORT AUTHORITY

(Formerly COCHIN PORT TRUST)

Willingdon Island, Cochin-682009

ANNUAL ACCOUNTS

2021-22

COCHIN PORT AUTHORITY

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COCHIN PORT AUTHORITY
(Formerly COCHIN PORT TRUST)
BALANCE SHEET AS AT 31ST MARCH 2022

PARTICULARS	SCH	2021-22		2020-21	
		₹	₹	₹	₹
I SOURCE OF FUNDS					
RESERVES & SURPLUS	I				
a Capital Reserve		84,84,07,574		84,84,07,574	
b Funds		66,61,796	85,50,69,371	67,25,221	85,51,32,795
c Statutory Reserves			16,72,81,794		16,72,81,794
d Grants-in- aid			37,71,72,887		20,01,86,094
LOAN FUNDS	II				
a Government Loans		4,46,82,33,147		4,46,82,33,147	
b Unsecured Loans		2,60,41,960	4,49,42,75,107	2,56,53,064	4,49,38,86,211
Total			5,89,37,99,159		5,71,64,86,894
COCHIN FISHERIES HARBOUR	IX		11,86,366		11,86,366
GRAND TOTAL			5,89,49,85,525		5,71,76,73,260
II APPLICATION OF FUNDS					
FIXED/CAPITAL ASSETS	III				
Gross Block		7,04,26,62,942		7,02,35,90,690	
Less: Provision for Depreciation		3,40,62,49,251		3,24,30,48,307	
Net Block			3,63,64,13,691		3,78,05,42,383
Capital Work-in-Progress			8,03,76,868		3,70,61,742
INVESTMENTS	IV		15,00,000		1,15,00,000
CURRENT ASSETS, LOANS AND ADVANCES					
a <u>Current Assets:</u>					
i Interest accrued		4,69,59,525		5,34,17,670	
ii Inventories		73,27,720		71,54,469	
iii Sundry Debtors	V	53,22,82,443		51,85,02,701	
iv Cash & Bank Balances	VI	3,44,12,04,212		3,68,90,98,379	
b Loans & Advances	VII	1,04,55,87,387		78,20,95,844	
Total		5,07,33,61,286		5,05,02,69,063	
Less: Current Liabilities & Provisions	VIII	7,66,11,98,048		8,01,52,37,722	
NET CURRENT ASSETS			-2,58,78,36,761		-2,96,49,68,659
c Profit & Loss account			4,76,33,45,362		4,85,23,51,429
TOTAL			5,89,37,99,159		5,71,64,86,894
COCHIN FISHERIES HARBOUR	IX		11,86,366		11,86,366
GRAND TOTAL			5,89,49,85,525		5,71,76,73,260

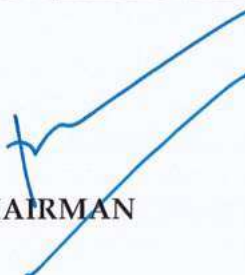

**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**


CHAIRMAN

COCHIN PORT AUTHORITY
(Formerly COCHIN PORT TRUST)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2022

PARTICULARS	SUB SCH	2021-22	2020-21
<u>INCOME</u>			
Cargo Handling & Storage charges	C	2,70,87,33,494	2,56,98,66,070
Port & Dock charges (including Pilotage fees)	D	3,35,85,90,865	3,20,06,11,809
Railway earnings	E	0	0
Estate Rentals	F	1,09,06,72,813	1,06,27,11,760
Total		7,15,79,97,172	6,83,31,89,639
<u>LESS EXPENDITURE:</u>			
Cargo handling and storage	G	50,21,85,606	52,87,70,468
Port & Dock facilities (including Pilotage)	H	1,85,96,40,783	1,55,26,20,786
Railway workings	I	0	0
Rentable lands and buildings	J	21,40,71,359	23,17,76,956
Management & General Administration (not directly attributed to particular activity)	K	1,09,71,17,610	1,12,11,55,979
Total		3,67,30,15,357	3,43,43,24,189
Operating Profit (+) / Loss (-)		3,48,49,81,814	3,39,88,65,449
Add: Finance & Misc. Income	L	43,32,16,324	43,66,33,392
Total		3,91,81,98,139	3,83,54,98,842
Less: Finance & Misc. Expenditure	M	3,82,91,92,071	3,76,34,93,384
Profit before Tax		8,90,06,068	7,20,05,457
Less: Provision for taxation			
Profit after Tax		8,90,06,068	7,20,05,457
<u>Less : Appropriations</u>			
Capital Reserve		0	0
Total			
Balance transferred to Revenue Reserve		8,90,06,068	7,20,05,457
<u>COCHIN FISHERIES HARBOUR</u>			
Income		3,80,60,692	3,06,07,724
Expenditure		3,64,45,709	3,85,09,077
Surplus (+) / Deficit (-)		16,14,983	-79,01,354


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CHAIRMAN

COCHIN PORT AUTHORITY
SCHEDULES TO BALANCE SHEET AS AT 31.03.2022

PARTICULARS	SCH	SUB SCH	2021-22	2020-21
RESERVES & SURPLUS	I	A		
Capital Reserve			84,84,07,574	84,84,07,574
CPE (HBA) Family Benefit Fund			40,65,627	38,48,145
Employees Welfare Fund			25,04,751	27,43,191
Family Security Fund			91,418	1,33,884
Total			85,50,69,371	85,51,32,795
STATUTORY RESERVES	I	A		
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets			9,83,85,897	9,83,85,897
Fund for Development, Repayment of Loans and Contingencies			6,88,95,897	6,88,95,897
Total			16,72,81,794	16,72,81,794
GRANTS- IN-AID	I			
Grant-in-aid for Development of Walkway and Parking Facilities			0	-1,06,29,246
Grant in Aid for Creation of Additional tourism facility-Walkway			-4,88,627	-83,53,072
Grant in Aid for Construction of a Subway/Flyover in front of International Container Transhipment Terminal(ICTT)			3,35,22,665	3,29,80,847
Grant-Rail Over Bridge			8,66,96,800	8,50,27,216
Grant in Aid under R&D Schemes "Studies on Siltation and Optimal ameliorative measures"			0	-10,10,380
Grant in Aid for Procurement Of Pollution Responses(PR) equipment / materials			69,53,423	67,65,462
Grant in Aid - Implementation of projects under IPDS			-35,877	-28,32,794
Grant in Aid-Upgradation of berth and backup area of Ekm. Wharf			0	-73,48,675
Grant in Aid for Developing infrastructure for cruise terminal(Samudrika)			-17,55,222	-3,62,738
Grant in Aid-Additional Infrastructure Cruise Terminal			-65,77,715	3,08,05,673
Grant in Aid-Reconstruction of South Coal Berth			-30,79,058	4,46,06,897
Grant in Aid-CFH			25,00,00,000	0
Total			36,52,36,388	16,96,49,189
Less: Excess amount spent over Grant-in-Aid - receivable from Ministry disclosed under Current Assets			-1,19,36,499	-3,05,36,905
Total Grant			37,71,72,887	20,01,86,094
LOAN FUNDS				
A. LOAN FROM GOVERNMENT	II			
Total			4,46,82,33,147	4,46,82,33,147
B. UNSECURED LOANS	II			
(a) Other Source Loan				
Principal amount of Loan			29,91,508	29,91,508
Add:- Interest Accrued			2,30,50,452	2,26,61,556
Total			2,60,41,960	2,56,53,064


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COCHIN PORT AUTHORITY
CAPITAL ASSET REGISTER AS ON 31.03.2022

SCHEDULE III

Assets	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK		
	As on 01-04-2021	Additions	Deletions	As on 31-03-2022	As on 01-04-2021	On Deletions	During the year	Total as on 31-03-2022	As on 31-03-2022	As on 01-04-2021	
Land	51,49,16,218	0	0	51,49,16,218	0	0	0	0	51,49,16,218	51,49,16,218	
Capital Dredging	84,39,61,873	0	0	84,39,61,873	19,92,12,493	0	84,53,939	20,76,66,432	63,62,95,441	64,47,49,380	
Buildings, Sheds and other structures	74,34,59,836	0	0	74,34,59,836	40,20,47,428	0	2,19,83,338	42,40,30,766	31,94,29,070	34,14,12,408	
Wharves, Roads and Boundaries	2,12,21,51,596	23,91,378	66,97,123	2,11,78,45,851	65,62,51,268	1,82,361	4,54,21,286	70,14,90,193	1,41,63,55,659	1,46,59,00,328	
Floating Crafts	1,30,68,57,646	0	0	1,30,68,57,646	95,13,33,891	0	4,32,49,693	99,45,83,584	31,22,74,062	35,55,23,755	
Docks, Sea Walls etc	18,18,56,439	3,50,68,189	0	21,69,24,628	16,94,67,754	0	38,45,924	17,33,13,678	4,36,10,950	1,23,88,685	
Cranes & Vehicles	16,32,74,441	0	1,16,90,193	15,15,84,248	13,84,87,075	1,16,90,191	1,33,97,175	14,01,94,060	1,13,90,188	2,47,87,366	
Plant and Machinery	39,23,08,005	0	0	39,23,08,005	28,20,54,392	0	1,09,92,764	29,30,47,156	9,92,60,849	11,02,53,613	
Installations for water, electricity, Fire fighting & Telecommunication	70,65,01,751	0	0	70,65,01,751	39,80,22,524	0	2,73,25,347	42,53,47,871	28,11,53,880	30,84,79,227	
Oil Pipeline Installations	3,83,25,308	0	0	3,83,25,308	3,77,20,261	0	46,541	3,77,66,802	5,58,506	6,05,047	
Miscellaneous Assets	99,77,584	0	0	99,77,584	84,51,229	0	3,57,488	88,08,717	11,68,867	15,26,355	
TOTAL	7,02,35,90,695	3,74,59,567	1,83,87,316	7,04,26,62,947	3,24,30,48,313	1,18,72,552	17,50,73,495	3,40,62,49,257	3,63,64,13,690	3,78,05,42,382	
Capital Work in Progress	3,70,61,742	6,42,95,544	2,09,80,418	8,03,76,868	0	0	0	0	8,03,76,868	3,70,61,742	
GRAND TOTAL	7,06,06,52,437	10,17,55,111	3,93,67,734	7,12,30,39,815	3,24,30,48,313	1,18,72,552	17,50,73,495	3,40,62,49,257	3,71,67,90,558	3,81,76,04,123	


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COCHIN PORT AUTHORITY

SCHEDULES TO BALANCE SHEET AS AT 31.03.2022

PARTICULARS	SCH	SUB SCH	2021-22	2020-21
<u>INVESTMENTS</u>	IV			
A Long Term Investments				
Investment in shares of M/s Cochin Bridge Infrastructure Co Ltd (1,50,000 equity shares of Rs 10 each)			15,00,000	15,00,000
B Current Investments				
Investment in Mutual Fund- SBI Magnum Low Duration Fund Direct Growth (3865.844 units @ NAV of Rs 2586.757 per unit)			0	1,00,00,000
Total			15,00,000	1,15,00,000
<u>SUNDRY DEBTORS</u>	V			
Government Dues - Less than 6 months			12,16,72,407	11,02,34,847
- More than 6 month			8,82,74,357	10,34,51,980
Non Government Dues - Less than 6 months			11,49,30,866	10,20,48,805
- More than 6 month			31,38,72,160	30,27,03,994
			63,87,49,790	61,84,39,625
Less: Provision for doubtful debts			10,64,67,347	9,99,36,925
Total			53,22,82,443	51,85,02,701
<u>CASH & BANK BALANCES</u>	VI	B		
Cash on Hand			82,832	55,368
Bank Balance :				
Current Accounts			7,15,45,083	21,37,86,163
Savings Account			44,33,58,570	0
Fixed Deposits			2,92,59,54,979	3,47,48,04,316
Cash Card			2,62,747	4,52,532
Total			3,44,12,04,212	3,68,90,98,379
<u>LOANS AND ADVANCES (Recoverable in Cash or in kind or for Value to be Received)</u>	VII			
Payment in Advance and Debit Balance			1,00,38,28,095	72,19,74,273
Deposits			2,98,22,792	2,95,84,666
Add:Excess amount spent over Grant-in-Aid receivable from Ministry			1,19,36,499	3,05,36,905
Total			1,04,55,87,387	78,20,95,844
<u>CURRENT LIABILITIES & PROVISIONS</u>	VIII			
<u>Current Liabilities</u>				
General Provident Fund			72,58,11,515	70,90,39,237
Salaries & Wages payable			6,32,47,293	10,93,55,060
Accrued expenses			93,93,51,963	97,63,26,061
Misc. Creditors & Credit Balance			2,95,26,57,142	2,87,80,66,209
Deposits from Merchants, Contractors & Others			2,98,01,30,135	3,34,24,51,155
Total			7,66,11,98,048	8,01,52,37,722


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SUB SCHEDULE - A

COCHIN PORT AUTHORITY

DETAILS OF FUNDS & STATUTORY RESERVES

G/L CODE	House Building Advance - FBF	Employees Welfare Fund	Family Security Fund	Reserve for Replacement, Rehabilitation & modernisation of Capital Assets	Reserve for Development Repayment of loans and Contingencies
	110100 ₹	110101 ₹	110102 ₹	110200 ₹	110201 ₹
Balance as on 1 st April 2021	38,48,145	27,43,191	1,33,884	9,83,85,897	6,88,95,897
Add: Contribution from GRF	20,225	0	4,35,000		
Contribution from employees	40,477	0	1,41,534		
Accident claim from Insurance Co.	0	0	0		
Interest on investments	1,72,963	0	0		
Total	40,81,811	27,43,191	7,10,418	9,83,85,897	6,88,95,897
Less: Expenditure / Adjustments from Fund	16,184	2,38,440	6,19,000		
Balance as at 31st March 2022	40,65,627	25,04,751	91,418	9,83,85,897	6,88,95,897


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COCHIN PORT AUTHORITYBALANCE AT BANKS AND CASH ON HAND AS ON 31.03.2022

PARTICULARS		₹
Cash on hand		82,832
Cash Card		2,62,747
Current Account with Nationalised and Scheduled Banks		7,15,45,083
Savings Account with Nationalised and Scheduled Banks		44,33,58,570
Fixed Deposits with Banks:		
General Reserve Fund	67,60,32,045	
Deposit Works	1,17,80,10,980	
Grants	36,87,11,958	
Total Deposits		2,22,27,54,983
General Provident Fund		69,99,99,996
HBA FBF Investments		32,00,000
TOTAL		3,44,12,04,212
Balance with Scheduled Banks		3,44,11,21,380
Balance with Non Scheduled Banks		NIL



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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2022

INCOME

	2021-22	2020-21
	₹	₹
<u>SUB-SCHEDULE - C</u>		
<u>Cargo handling & Storage charges</u>		
Handling & Storages charges on general cargo	22,59,62,952	27,54,75,970
Cranage	6,07,255	79,450
Petroleum, Oil and lubricants handling charges	1,09,39,25,072	95,67,07,778
Demurrage on general cargo	1,17,43,026	1,10,28,259
Handling and Storage Charges on Containers	23,27,368	70,77,463
Miscellaneous charges - Cargo	1,24,97,943	1,48,67,247
Revenue share from ICTT	1,17,57,90,735	1,14,66,47,303
Waterfront Royalty- LNG Basin	18,33,82,362	15,64,36,398
Royalty for Stevedoring & Shore handling	24,96,781	15,46,200
Total	2,70,87,33,494	2,56,98,66,070
<u>SUB-SCHEDULE - D</u>		
<u>Port & Dock Charges</u>		
Towage and Mooring fees	36,07,01,706	36,76,80,631
Berth Hire charges	34,76,30,370	37,54,99,631
Port dues	80,88,11,288	77,08,99,163
Pilotage Fees	1,69,82,08,974	1,61,72,31,085
Water supply to shipping	8,40,058	10,00,718
Miscellaneous charges - Vessel	70,00,801	40,83,458
Income from Dredging Services	8,70,05,000	4,39,19,310
Income from Cruise Vessel including Maritime Service Charges	4,83,92,668	2,02,97,813
Total	3,35,85,90,865	3,20,06,11,809
<u>SUB-SCHEDULE - E</u>		
Railway earnings	0	0
<u>SUB-SCHEDULE - F</u>		
<u>Estate Rentals</u>		
Rent from land	62,29,45,556	59,91,16,368
Rent from buildings,sheds & godowns	9,34,77,290	10,70,76,515
Miscellaneous Income	35,85,42,759	34,30,72,000
Sundry Income	1,57,07,208	1,34,46,876
Total	1,09,06,72,813	1,06,27,11,760


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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2022

EXPENDITURE

	2021-22	2020-21
	₹	₹
<u>SUB-SCHEDULE - G</u>		
<u>Cargo handling & Storage</u>		
Handling & Storage of general cargo at sheds & wharves	32,56,66,808	35,77,83,596
Handling & Storage of containers	13,83,826	17,61,909
Operation & maintenance of crane	2,07,89,440	2,09,65,374
Handling of Petroleum, Oil & Lubricants	7,70,81,129	7,13,14,480
Expenditure on general facilities at wharves & boundaries	30,56,837	33,92,609
Administration and General expenses	7,41,32,723	7,35,28,500
New Minor works	74,843	24,000
Total	50,21,85,606	52,87,70,468
<u>SUB-SCHEDULE - H</u>		
<u>Port & Dock facilities including Pilotage</u>		
Towing, Berthing and Mooring	16,82,61,287	18,02,97,435
Pilotage	7,03,84,374	6,57,33,525
Water supply to shipping	19,22,737	28,46,425
Fire fighting	9,17,15,700	9,09,43,313
Dredging and Marine survey	1,08,65,52,858	80,01,45,708
Harbour Patrolling	78,23,072	81,64,065
Operation & Mtnc. of Navigational aids	2,89,91,628	3,39,50,563
Administration and general expenses	40,39,21,629	37,04,73,279
New Minor works	67,499	66,474
Total	1,85,96,40,783	1,55,26,20,786
<u>SUB-SCHEDULE - I</u>		
<u>Railway workings</u>		
Maintenance of station, other Buildings and structures	0	0


**FINANCIAL ADVISER &
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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2022

EXPENDITURE

	2021-22	2020-21
	₹	₹
<u>SUB-SCHEDULE - J</u>		
<u>Rentable land and buildings</u>		
Estate maintenance	13,56,13,063	14,57,76,740
Administration & General expenses	7,84,58,295	8,60,00,216
Total	21,40,71,359	23,17,76,956
<u>SUB-SCHEDULE - K</u>		
<u>Management & General Administration</u>		
Management & Secretariat expenses	29,65,91,266	32,35,75,951
Medical expenses	12,25,73,244	12,26,25,218
Stores keeping	2,15,30,037	2,09,00,371
Accounting and Auditing	23,93,53,728	22,95,45,052
Head office building & telephones	72,19,636	91,52,220
Engineering & workshop administration	13,17,76,235	13,73,57,458
Overhead and sundry expenses	27,80,73,465	27,79,73,061
New Minor works	0	26,649
Total	1,09,71,17,610	1,12,11,55,979


**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**

GL CODE	Description	2021-22	2020-21
		₹	₹
	<u>SUB-SCHEDULE - L</u>		
	<u>Finance & Miscellaneous Income</u>		
540000	Sundry Receipts	18,70,18,538	7,73,23,125
540001	Profit/Loss on disposal of Capital Assets	60,49,044	30,96,517
540003	Interest receivable from IGTPPL	0	0
540004	Recovery of Insurance Claim on Capital Assets	11,00,780	5,11,037
540005	Interest Income	11,01,33,803	7,87,28,060
540006	Sale of Unserviceable Stores	56,93,694	1,09,54,222
540007	Hire of Motor Lorry & Sundry Plants	2,24,988	54,272
540008	Charges for Project Management Services	7,55,23,904	4,55,44,584
540009	Items Relating to Previous Year	2,85,14,666	16,95,44,813
540010	Medical Scheme for Pensioners	49,789	61,660
540011	Medical Treatment to Non-Entitled Persons	4,76,362	2,11,636
540012	Premium for lease of land	1,84,30,755	4,97,63,989
540013	Service Exports from India Scheme (SEIS)	0	8,39,478
	Total	43,32,16,324	43,66,33,392
	<u>SUB-SCHEDULE - M</u>		
	<u>Finance & Miscellaneous Expenditure</u>		
670002	Bank Charges	4,63,078	9,26,602
670004	Prov. For Doubtful Debts	65,30,422	48,86,415
670006	Contribution to Employees Welfare Fund	0	0
670007	Contribution to Family Security Fund	4,35,000	9,20,000
670008	Contribution to Pension Fund Trust including Pension Payment	3,53,91,29,636	3,48,99,39,800
670009	Items Relating to Previous Years	5,19,58,465	2,87,53,343
670010	Contribution to CPTE HBA FBF	20,225	28,163
670012	Contribution to CPE New Pension Scheme	2,64,08,954	1,14,67,549
670014	Contribution to Gratuity Fund Trust	19,89,70,046	21,70,93,427
670016	Loss on disposal	1,73,762	0
670023	Interest on Electricity Deposit	22,23,586	23,51,980
670026	Interest on other source loans	3,88,896	3,88,896
670027	Expense on Feasibility and R&D Studies	3,29,837	3,46,329
670031	Corporate Social Responsibility	21,60,164	63,90,881
	Total	3,82,91,92,071	3,76,34,93,384


**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**

ADDITIONAL SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2022

OPERATING EXPENDITURE

GL CODE	Description	2021-22	2020-21
		₹	₹
	<u>SALARIES & WAGES:</u>		
600000	Salaries & Wages (General)	21,06,01,829	20,52,55,119
600002	PLR	1,77,98,427	1,99,39,716
600003	Overtime	1,13,16,175	94,16,840
600004	Incentive	24,65,742	23,85,323
600005	Honararium	8,33,780	23,92,269
600006	Leave Encashment	9,03,43,924	6,14,16,651
600007	Salaries & Wages (Operational)	65,68,01,435	65,50,32,062
600008	Salaries & Wages (R&M)	33,26,98,590	36,13,61,966
600010	Leave Travel Concession	0	89,609
600011	Staff Amenities & Welfare Measures	20,240	16,780
600012	Employers ESI contribution	9,95,917	10,04,325
600013	Employers EPF contribution	35,75,480	36,24,266
640000	Salaries (Port Security)	32,58,868	1,88,20,138
650000	Salaries & Wages-Medical	9,09,81,487	9,07,04,041
	TOTAL (A)	1,42,16,91,894	1,43,14,59,106
	<u>STORES</u>		
610000	Stores-General	5,41,843	11,13,801
610001	Stores-Uniform	4,25,682	9,21,091
610002	Stores-Operational	81,28,124	68,85,762
610003	Stores-Fuel	20,96,28,141	19,92,44,040
610004	Stores (R&M)	1,34,48,401	1,13,25,310
	TOTAL (B)	23,21,72,192	21,94,90,004
	<u>OFFICE & ADMINISTRATIVE EXPENSES</u>		
620000	Consumption Stores-Stationery	2,54,361	3,20,458
620001	Books & Periodicals	0	0
620002	Travelling Expense	10,62,020	10,43,108
620004	Courier charges	1,66,927	1,54,435
620005	Licence fees & Royalty	30,86,454	31,17,756
620006	Equipment & Furniture	1,98,314	1,65,611

GL CODE	Description	2021-22	2020-21
		₹	₹
620010	Miscellaneous Expenses	58,24,038	48,10,723
620011	New Minor Works	5,39,680	1,60,395
620013	Entertainment	1,21,061	21,56,356
620014	Training Programme	2,45,387	42,319
620015	Sports & Games	2,33,166	1,69,292
620016	Legal Charges	87,83,224	55,00,700
620017	Printing Charges	4,37,297	6,88,431
620018	Office Machine hire & service charges	25,744	31,846
620019	Publicity & Advertisement	14,59,661	13,08,248
620020	Audit & Accounting	76,88,413	47,34,873
620021	Rent, Rates & Taxes	20,42,149	34,74,081
620022	Telephones	12,06,631	15,11,699
620023	Subscription	1,74,968	1,33,183
620025	IPA Share Contribution	1,46,90,577	1,46,83,211
620026	Marketing expense	1,78,757	12,51,021
	TOTAL (C)	4,84,18,830	4,54,57,746
	<u>OPERATION & MAINTENANCE EXPENSES</u>		
630000	R&M arranged through Contract-Roads	81,72,886	1,00,29,114
630001	R&M arranged through Contract-Buildings	47,23,508	92,06,723
630002	R&M arranged through Contract-Plant & Equipments	24,89,496	30,38,307
630004	Dry Docking of Floating Crafts	5,77,70,583	2,88,88,476
630005	Special R&M arranged through Contract-Roads	6,57,569	7,75,356
630006	Special R&M arranged through Contract-Buildings	62,45,343	43,10,924
630007	Special R&M arranged thru Contract-Plant & Equipments	79,96,699	75,72,560
630008	Hire of Vehicles & Transport Charges	1,09,09,920	97,44,036
630009	Water Charges	4,17,15,900	4,66,01,333
630012	Electricity Charges	26,07,09,742	25,37,76,577
630013	Hire of Boats, Tugs & Launches	21,34,23,852	20,75,80,939
630015	Maintenance Dredging	95,67,46,986	69,96,72,471
630016	Sundry Expense	3,49,26,403	4,09,33,539
630017	Insurance	67,19,838	60,83,372
630018	Self Consumption-Electricity	1,46,21,031	1,30,34,432
	TOTAL (D)	1,62,78,29,755	1,34,12,48,158

GL CODE	Description	2021-22	2020-21
		₹	₹
	<u>SECURITY EXPENSES</u>		
640001	Hire of Boats for Patrolling	32,17,477	29,51,257
640002	I S P S	48,500	2,00,000
640004	CISF-Deployment Charges	12,92,35,488	15,30,62,144
640005	SEZ - Cost Recovery	13,60,380	10,67,586
640006	Private Security Charges	37,22,326	60,50,143
	TOTAL (E)	13,75,84,171	16,33,31,131
	<u>MEDICAL EXPENSES</u>		
650001	Stipend, Fees & Honorarium to Specialists	26,86,624	22,33,347
650002	Stores-Medical	2,04,01,291	1,97,67,145
650003	Provisions-Medical	89,580	95,079
650004	Hospital Equipment	24,718	90,302
650005	Medical Expenses	19,26,825	16,19,788
650006	Charges paid to Outside Hospitals	51,15,982	65,84,362
	TOTAL (F)	3,02,45,020	3,03,90,024
	<u>DEPRECIATION</u>		
	Depreciation for the year	17,50,50,236	19,17,69,609
670021	Prior Period Depreciation	23,259	1,11,78,411
	TOTAL (G)	17,50,73,495	20,29,48,020
	GRAND TOTAL (A) TO (G)	3,67,30,15,357	3,43,43,24,189


**FINANCIAL ADVISER &
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COCHIN FISHERIES HARBOUR
BALANCE SHEET AS ON 31ST MARCH 2022

(Amount in ₹)

PARTICULARS		2021-22		2020-21	
A	<u>SOURCES OF FUNDS</u>				
	Grant in aid received from GOI	19,10,32,261		19,10,32,261	
	Less : Grant utilised	18,98,45,895	11,86,366	18,98,45,895	11,86,366
	TOTAL		11,86,366		11,86,366
B	<u>APPLICATION OF FUNDS</u>				
	Fixed Assets				
	Gross Block	18,98,45,895		18,98,45,895	
	Work in Progress	0		0	
		18,98,45,895		18,98,45,895	
	Less : Grant received	18,98,45,895	0	18,98,45,895	0
	Current Assets, Loans and Advances				
	a. Current Assets:				
	(i) Interest accrued on investments	7,88,808		7,65,498	
	(ii) Sundry Debtors	1,44,49,198		1,26,51,679	
	(iii) Cash & Bank Balances	4,42,18,328		3,83,74,463	
	b. Loans & Advances	3,53,588		2,78,687	
	Total	5,98,09,923		5,20,70,327	
	Less: Current Liabilities & Provisions	9,20,86,055		8,59,61,443	
	NET CURRENT ASSETS		-3,22,76,132		-3,38,91,116
	Profit & Loss Account (Accumulated Deficit)		3,34,62,498		3,50,77,482
	TOTAL		11,86,366		11,86,366


**FINANCIAL ADVISER &
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COCHIN FISHERIES HARBOUR
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2022

(Amount in ₹)

Expenditure	Amount 2021-22	Amount 2020-21	Income	Amount 2021-22	Amount 2020-21
Salary & Other Benefits	2,58,67,660	2,70,11,518	Toll Collection	1,08,62,080	57,82,765
Electricity Charges	19,72,542	17,53,487	Electricity Charges	19,07,845	14,87,345
Security Charges	19,17,967	31,64,832	Fish out - handling Charges	61,38,567	33,64,059
Water Charges	14,38,265	12,03,236	Lease Rent on Land	70,22,005	74,70,541
Repairs & Maintenance	13,44,469	15,62,712	Building and Ground Rent	44,75,911	47,98,361
Professional Charges	5,96,890	5,17,705	Misc. Receipts	13,17,596	19,14,505
Printing and Stationary	45,200	58,615	Lease of Slipway	20,89,866	20,48,886
Sundry Expenses	82,329	61,447	Water Charges	9,28,914	7,37,850
Travelling Expenses	34,372	14,383	Licensing and License Fee	9,09,556	4,82,874
Prior Period Expense	-	1,39,479	Fish Landing Charges	7,01,864	4,55,345
Telephone Charges	32,561	50,397	Bank Interest	16,09,294	19,74,366
Advertisement Expenses	2,68,011	-	Enrolment of Fishing Crafts	97,195	90,827
Provision for Retirement Benefits	28,45,443	29,71,267	Net Deficit	-	79,01,354
Net Surplus	16,14,983				
	3,80,60,692	3,85,09,077		3,80,60,692	3,85,09,077


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COCHIN FISHERIES HARBOUR
RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2022

(Amount in ₹)

Receipts	Amount 2021-22	Amount 2020-21	Payments	Amount 2021-22	Amount 2020-21
Opening Cash in Hand	91,655	82,210	Salary & PLR	2,61,82,524	3,12,17,383
Opening Cash at Bank	3,82,82,808	4,76,05,496	Travelling Expenses	42,718	22,501
Enrolment of Fishing Crafts	97,195	90,827	Printing And Stationary	76,100	58,259
Licensing and License Fee	4,96,093	4,82,874	Advertisement charges	2,68,011	-
Lease Rent On Land & others	1,01,70,636	1,03,23,054	Repairs & Maintenance	8,25,822	15,62,712
Building And Ground Rent	48,64,060	38,10,885	Refund Of SD / Ground Rent	6,16,818	3,46,160
Fish Landing Charges	7,01,864	4,55,345	Telephone Charges	33,503	50,540
Fish Out - Handling Charges	61,38,567	33,64,059	Electricity Charges	19,72,542	17,53,487
Electricity Charges	20,24,420	13,05,551	Water Charges	14,38,265	12,03,236
Toll Collection	1,41,18,176	57,82,765	Cheque Charges	12,806	10,182
Misc. Deposit / Security	1,83,603	3,39,946	Sundry Expenses	62,689	51,389
Misc. Receipts	12,86,160	19,13,068	Professional Charges	6,05,890	6,06,205
Bank Interest	15,89,403	30,97,763	Security Charges	16,44,326	29,17,080
Tds Liability	1,09,261	1,38,067	TDS Liability Paid	1,12,851	1,70,486
Water Charges	9,55,264	5,95,413	Deposit-Service Tax Appeal	74,901	-
GST Collection	30,78,231	48,90,437	Prior Period Expenses	-	50,872
			GST Paid	59,99,302	58,82,804
			Closing Cash Balance	10,000	91,655
			Closing Bank Balance	4,42,08,328	3,82,82,808
	8,41,87,396	8,42,77,760		8,41,87,396	8,42,77,760


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COCHIN PORT AUTHORITY
NOTES TO ANNUAL ACCOUNTS 2021-22

Part I – Significant Accounting Policies

1. Income and expenditure are accounted based on mercantile system of accounting.
2. While accounting income, the principle of conservatism has been followed.
3. Fixed assets and inventory are accounted on historical cost method.
4. Depreciation is provided in the accounts on straight-line basis, assuming the value of the asset at the end of life span as Rs.1/-. Life span of the asset is fixed based on the guidelines issued by the Govt. of India from time to time. Depreciation is charged proportionately from the date of capitalization.
5. Long term investments are valued at cost. Current investments are valued at cost or fairvalue whichever is less.
6. Upfront payment received on lease of land is spread over equally to the period of lease.
7. Premium on lease of land is treated as the income in the year of receipt under Finance and Miscellaneous Income.
8. Prior period items, i.e., income or expense which arise in the current financial year as a result of errors or omissions in the preparation of financial statements or due to revision of bills or claims of one or more prior periods are included under Finance & Miscellaneous Income or Finance & Miscellaneous Expenditure.
9. Income received out of investments from various funds is credited to the respective funds.
10. Contingent liabilities are disclosed in the “Other Notes” to accounts.
11. Grant in Aid received related to specific fixed assets are presented in the Balance Sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value.
12. Revenue on Cargo and Vessel Related Services are recognized on completion of service. Revenue from estate is recognized on time basis.

13. Export incentive is recognized when there is a reasonable assurance that the conditions are met and incentive will be received.
14. All new works or additions/alterations to the existing works or all new plant or equipment or craft or replacement thereof costing not more than Rs.1 lakh or life not exceeding five years are charged to revenue as New Minor Works.
15. Accounting treatment of building taken over from lessess shall be as follows:

CASE I: When Building is taken over from a lessee with or without any cost and subsequently given on rental with or without lease or used for own use, such building will be capitalized in the books of accounts at Rs.1 or at applicable agreeable/depreciated cost as on the date of taking over.

CASE II: When Building is taken over from a lessee (the possession of which with Cochin Port is transitory in nature) and is to be given on lease along with land to the new lessee with the cost of the building, then the amount received from new lessee will be given to old lessee after adjusting the dues if any to the Port. In this case Building/ Asset will not be capitalized in the books of accounts but the details of taken over building not yet leased out at year end will be disclosed in the Notes on Accounts forming part of annual accounts.

In the situation where the building is transferred at zero value by the old lessee to Port but the new lessee has paid the value of building after auction, such paid value will be treated as the Finance & Miscellaneous income of the Port.

Part II - Other Notes

16. Figures of Balance Sheet, P & L Account & Schedules have been regrouped where ever necessary consequent on changes in the items during the year.

17. Performance of the Port

Cochin Port Authority handled 34.55 MMT of cargo during 2021-22 against 31.50 MMT during 2020-21. During 2021-22, number of vessels cleared from the Port is 1509 against 1475 vessels during 2020-21. Port handled 7,35,577 TEUs of containers in 2021-22 as against 6,89,697 TEUs in 2020-21.

18. Grant in Aid:

- a) The Grant in Aid received by the Port from various Ministries are parked as fixed Deposits with Nationalised banks and encashed based on the requirement. The interest received from such investments is credited to the respective Grants. During 2021-22, interest received from various grants is Rs.0.30 crore. Interest amounting to Rs.0.55 crore (including

interest of previous years) was repaid to the Ministry of Tourism during 2021-22.

b) Status of Grant as on 31.03.2022 is as follows:

Particulars	Amount (Rs. in Crore)
Balance of Grant as on 01.04.2021 (net of grant receivable from Ministry)	16.96
Add: Grant received during the year for various Projects	27.14
Add: Interest earned during 2021-22	0.30
Less Expenditure adjusted during 2021-22	7.33
Less Interest repaid to Ministry of Tourism	0.55
Balance Grant as on 31.03.2022	36.52

19. **Loans availed from Government of India**

The final liability of GOI loan as on 31.03.2016 as approved by Cabinet Committee on Economic Affairs (CCEA) amounts to Rs.558.53 crore. As committed, Port paid the first and second installments of Rs.55.85 crore each in March 2019 & March 2020.

Due to Covid-19 Pandemic and resultant decline in the traffic and financial condition of the Port, a proposal has been submitted to the Ministry seeking moratorium of 3 years for the repayment of Government of India Loan i.e from 2020-21 to 2022-23. As per the proposal, third instalment will be due in 2023-24. Necessary clarifications have been submitted to the observations of Cabinet Secretariat, Niti Ayog, Ministry of Finance and Prime Minister's Office in this connection and awaiting for the approval.

20. **Capitalisation:**

Assets worth Rs.3.75 crore have been capitalized during the year 2021-22. Capital Work In Progress as on 31.03.2022 amounts to Rs.8.04 crore.

21. **Capital Expenditure:**

Capital Expenditure during the year 2021-22 are as follows:

Sl. No.	Particulars	Amount (Rs. in Crore)
1	Out of Government Budgetary Support (GBS)	0.00
2	Out of Internal & Extra Budgetary Resources (IEBR)	
	a) Internal Resources	3.14
	b) Grant from various Ministries	9.08
	c) Other Agencies	2.93
	Total Capital Expenditure	15.15

22. **Provisions:**

Out of the wage revision provision of Rs.8.56 crore as on 31.03.2021, Rs.6.10 crore were disbursed during the year 2021-22 towards the balance arrears of Class I&II officers. Excess provision amounting to Rs.2.46 crore was written back as Prior period income during 2021-22.

Wage Revision of Class III& IV falls due in January 2022. Provision to the tune of Rs.2.27 crore has been created for the same for the period January 2022 to March 2022.

23. **Corporate Social Responsibility**

As per the CSR Guidelines of Ministry of Shipping, Ports & Waterway, an amount of Rs.21,60,164 has been provided for CSR. (3% of profit of Rs.7,20,05,457 during 2020-21). CSR liability as on 31.03.2022 amounts to Rs 73,31,739

24. **Service Tax**

Central Excise Authorities had issued total 25 Show Cause Notices demanding a total of Rs.70.17 crore for the non collection of service tax on services provided in Estate Rentals, Rent on Jetties, License fee, Upfront payment, Royalty from M/s. IGTPPL and excess utilization of Cenvat credit, ineligible Cenvat Credit, CISF proportionate charges for security services, legal charges, non payment of Service Tax on MPSO invoices, liquidated damages. Based on legal opinion, Port Authority has filed appeal and all matters are under sub-judice before appropriate Authority/Tribunal/High Court of Kerala.

25. **Income Tax**

- a) Income Tax Assessments are completed till AY 2018-19.
- b) During the year 2021-22, Income tax refund (including interest) to the tune of Rs.14.05 crore were received for AY 2020-21.
- c) Rectification petition filed by the Port for AY 2007-08 to consider excess application of income of the earlier Assessment Years as per the Order of Hon'ble ITAT is pending with Jurisdictional Assessing Officer.

26. **Deferred Tax**

In terms of the Accounting Standard on accounting for taxes on Income AS-22, Deferred Tax Asset (net) has not been recognized in the accounts in the absence of virtual/reasonable certainty of future taxable profits.

27. Arbitration and legal proceedings

- a) M/s IGTPL had filed claim before the Arbitral Tribunal to the tune of Rs.300 Crore against which port had filed counter claim amounting to Rs.1070.71 Crore which comprises of claims raised in connection with capital and maintenance dredging work, loss due to concession on Vessel related charges, loss of revenue share on account of under utilization of facilities, cost of deployment of CISF at ICTT, reimbursement of leave salary and gratuity contribution in respect of port employees deputed to IGTPL from 01.04.2005 to 28.02.2011. The Arbitral Tribunal passed Award on 12.05.2017. The issue in respect of date of commencement of Licence period was awarded in IGTPL's favour. In respect of the issue of cost of CISF deployment at ICTT and reimbursement of leave salary, pension and gratuity contribution, the tribunal stated that IGTPL has to bear the cost but did not specify the amount to be paid. The Arbitral Tribunal in the order stated that the parties have to sort out what amount are payable by the claimant and sort it out between themselves. Based on the Expert opinion of Attorney General of India, Cochin Port filed petition against the Award dated 12.05.2017 passed by the Arbitral Tribunal in the District Court, Ernakulam on 16.08.2017. OP (Arb) No.866 of 2017 challenging the Arbitral Award dated 12.05.2017 is pending.
- b) M/s. Jaisu Shipping Co. Pvt. Ltd., who executed the Contract of 'Dredging for maintenance of channels at Cochin Port for the year 2007-08' invoked the Arbitration Clause in the Agreement and claimed Rs.3.51 crore. The Arbitral Tribunal in the Arbitration Award passed on 15.05.2013 directed Cochin Port to pay an amount of Rs.0.87 Crore to M/s. Jaisu Shipping Company along with interest @ 9% per annum from the date of the claim (19.04.2012) till the date of Award and thereafter at the same rate till the payment is made. Aggrieved on the Award, Cochin Port has challenged the Arbitration Award dated 15.05.2013 under Section 34 of the Arbitration and Conciliation Act 1996 before the Hon'ble District Court, Ernakulam. The Hon'ble District Court dismissed the O.P (Arb.) No.512/2013 vide order dated 31.01.2020 which is received by the Port on 29.02.2020. Port had sought Legal Opinion from the LA, M/s. Joseph & Kurian on 03.03.2020, regarding the scope of filing an appeal against this Order. Based on the opinion of the Legal Advisors that there is no scope for filing any further appeal under Section 37 of the Act, it was approved by Chairman, for closing the case and also for adjusting the amount payable to M/s. Jaisu Shipping Company Pvt. Ltd., Kandla i.e. Rs.87 lakhs with 9% interest per annum w.e.f 19.04.2012 till payment is made, on account of the subject matter, from the amount due to Port from M/s. Jaisu

Shipping Company Pvt. Ltd., Kandla under the Judgment and decree in O.S.No.175/2011 as explained below.

Litigation in respect of sponsorship fee due from M/s. Jaisu Shipping Co. Pvt. Ltd. amounting to Rs.2.98 Crore along with interest @12% p.a for Volvo Ocean Race has been awarded in favour of Cochin Port on 26.09.2013. As per the legal Opinion obtained by the Port, Cochin Port can file execution petition for recovery of the amount within 12 years from the date of decree. However, for this the assets owned by M/s Jaisu Shipping Co. Pvt. Ltd. which are having no encumbrance to be attached are to be identified and other civil procedure are to be complied with.

Earlier no assets of M/s. Jaisu Shipping Co. Pvt. Ltd. was found on enquiry for execution of Decree in OS 175/2011. As the Decree in favour of Cochin Port is for substantially higher amount than what was due to M/s. Jaisu, the Legal Advisor M/s. Joseph & Kuriyan Advocates opined to get the same adjusted by firstly issuing a letter to Jaisu demanding the adjustment and thereafter steps will have to be taken either to file application in Court to record adjustment or for attachment of decree. Later with the approval of competent authority a letter dated 13.04.2021 for adjustment has been issued to M/s. Jaisu Shipping Co. Pvt. Ltd. However, no reply is received.

Execution petition has to be filed by Cochin Port for realizing the balance dues from M/s. Jaisu Shipping Co. Pvt. Ltd. after adjusting the amount payable to them. For this purpose, assets has to be identified. Though Cochin Port attempted to identify assets of M/s. Jaisu Shipping Company Pvt. Ltd., by requesting information from other places, only Gujarat Maritime Board has replied stating 4 barges of M/s. Jaisu Dredging and Shipping Ltd. as registered with them. The matter was discussed with the LA, M/s. Joseph & Kuriyan. He informed that as the same being different company, attaching would be difficult. However, in order to attempt attachment by lifting of corporate veil, the Counsel has asked us to try to identify location of the said firm. Accordingly, a letter dated 07.03.2022 sent to Gujarat Maritime Board requesting to provide location of the barges. Awaiting reply.

- c) The contract for Capital Dredging of approach channel and ICTT berth basin for providing depth as required for 14.50 meter draft container vessels and maintenance dredging of Cochin Port during the period from 01.09.2008 to 31.12.2010 under the Agreement No.52 of 2008-09 was entrusted to M/s. Jaisu Shipping Co. Pvt. Ltd. who failed to provide the deliverables for which the

payments has been withheld by the Port. The Bank Guarantee of Rs. 19.25 Crore submitted by M/s. Jaisu Shipping Co. Pvt. Ltd. was encashed during 2011-12. The party then invoked the Arbitration clause in the Agreement.

As per the direction of the Hon'ble High Court of Kerala, Jaisu Shipping Co. Pvt. Ltd. has filed amended claim statement before the reconstituted Arbitral Tribunal worth Rs.795 Crore incorporating all the additional claims filed by them and Cochin Port has filed the Statement of defence. M/s. Jaisu Shipping Co. Pvt. Ltd., has also claimed payment of final bill for the work already done, release and return of security deposit, retention amount and encashed Performance Guarantee. Port has filed counter claim amounting to Rs.322 crore. The arguments of the claimant were heard by the Arbitral Tribunal. As Jaisu Shipping Co. Pvt. Ltd. defaulted the Arbitrator's fees for several sittings, the proceeding of claims submitted by them was terminated by the Arbitral Tribunal and only Counter Claims of Cochin Port will be heard hereafter. The last sitting of the Arbitral Tribunal was held on 14.03.2020. The Claimant's Counsel withdrew his Vakalath. As per the direction of the Arbitral Tribunal, Respondent's Legal Counsel gave notice to the Claimant specifying next hearing date as 03.04.2020 to appear personally or through new Counsel. But, the sitting scheduled on 03.04.2020 was postponed due to COVID-19 Pandemic without specifying next date of sitting. Meanwhile, the Presiding Arbitrator was deceased on 05.10.2020. The Arbitral Tribunal has not yet been re-constituted.

The bill for February 2011 and March 2011 for Rs.3.69 Crore towards Maintenance Dredging was not processed for payment as necessary supporting documents were not submitted.

- d) A suit was filed by M/s. Jakhau Salt Company Pvt. Ltd. for the loss of cargo due to collapse of Mattancherry Wharf for Rs.1.47 crore which was decreed against the Port. Port filed appeal before the Hon'ble High Court of Kerala, which is still pending.
- e) Installation & Commissioning of 110 KV sub-station and connected works at Cochin Port was given to M/s. Siemens Ltd., Chennai as on 16.03.2007 and the work was to complete in a period of 12 months as per agreement with M/s. Siemens Ltd. Since there was a delay of 9 months in completing the work, liquidated damages of Rs.1.76 crore as per the agreement was deducted while making the final payment. Arbitration award was against the Port and hence the Port appealed against the award before the Hon'ble District Court,

Ernakulam. Hearing is going on. The last hearing was posted before the court on 29.03.2022 and was adjourned to 19.05.2022 for hearing.

- f) Cochin Port had entered into a contract with M/s.Tebma Shipyards Ltd., Chennai, for construction and delivery of two nos. 45 Tons Bollard Pull Tugs. Since the delivery of Tugs was delayed, Cochin Port had recovered Liquidated Damages of Rs.8.09 Crore from the contractor. They raised objection to Cochin Port's above decision and the matter was referred for Arbitration. Arbitral Tribunal has passed an award on 10.09.2013 rejecting the claim of the Contractor and Cochin Port's counter claim for retaining the sum of Rs.8.09 crore was upheld. Subsequently, M/s. Tebma Shipyards Ltd., has filed an appeal on 21.12.2013 before Hon'ble District Court, Ernakulam seeking to set aside the award and to direct Cochin Port to release the Liquidated Damages of Rs.8.09 Crore with interest. Cochin Port filed objections to the statement of facts submitted by M/s. Tebma Shipyards Ltd. Proceedings of the Court are in progress. Last hearing was posted on 14.08.2020. However, Port's LA informed that according to the new Commercial Court notification, the above matter is transferred to the Principal Sub-Court, Ernakulam. The hearing was last posted on 30.03.2022 but adjourned to 24.06.2022.
- g) Port had filed a civil suit on 28.03.2014 against M/s. Tebma Shipyards Ltd., before the Hon'ble Sub Court at Kochi to recover an amount of Rs.1.05 Crore with interest at the rate of 15%, which was incurred by Cochin Port to rectify the manufacturing defects noticed on the Tugs supplied by M/s. Tebma Shipyards Ltd. They have submitted an affidavit dated 06.02.2015 before Hon'ble Sub Court, Kochi praying to direct the Cochin Port to refer the dispute for arbitration as stipulated in terms of Clause 45.0 of Agreement Dated 05.10.2006. The Court had directed to refer the matter for arbitration and both the parties have appointed arbitrators. However, the Arbitrator nominated by M/s. Tebma Shipyards Ltd., informed M/s. Tebma Shipyards that he is not in a position to act as Arbitrator in the above dispute. In the meantime, M/s. Cochin Shipyard Limited has taken over Tebma Shipyards as their wholly owned subsidiary. The matter is being examined to take up the matter with M/s. CSL.
- h) Cases were pending with the Supreme Court of India against various Customers, in connection with the Judgement of Hon'ble High Court of Kerala towards refund of excess ground rent collected beyond 75 days (approximately Rs. 1.58 crore).

The Hon'ble Supreme Court of India in its judgment dated 05.08.2020 on Civil Appeal No.2525 of 2018, has ordered the Appellant (Cochin Port) to re-compute the liability of the Steamer Agents, and return the balance amount to the parties concerned within two months from the date of receipt of the copy of the impugned judgment.

As per the judgment of the Hon'ble Supreme Court of India, Cochin Port has proceeded with the process of compliance of the order. Vide letter No. A6/SLPs/2012/2017/T dt: 19.07.2021 requested all the parties to submit documents evidencing the payment made in this regard along with details of container. However, only one agent, M/s. Marine container services (I) Pvt. Ltd. has submitted the documents and Cochin Port has refunded Rs.2,36,360/- on 15.09.2021 to this company.

The other parties to this case have not yet submitted any documents and the efforts of the Port to locate address of other parties were futile. The matter to be taken up with LA.

- i) Land Acquisition cases related to the Project 'Providing Direct Road Connectivity to the SEZ area at Puthuvypeen, Cochin Port advanced an amount of Rs.1.07 Crore as deposit in Sub Court, Kochi towards 50% of the Decree Debt for the conditional stay in the execution petition moved by the evictees/claimants. The remittance of the remaining amount is subject to the final verdict. The co-developers in Puthuvypeen SEZ viz. PLL, BPCL-KR & IOCL were requested to reimburse their share towards the 50% amount advanced by Cochin Port and all the three co-developers have reimbursed their share of Rs 26.97 lakhs each.
- j) M/s. Lots Shipping Ltd. invoked the Arbitration against Cochin Port with respect to operation of Ro-Ro/Lo-Lo Barge Service between W/Island & Bolghatty, claiming Rs.14.346 crore towards losses on account of low average daily volumes than the projected volumes in the tender, charter cost/day, maintenance costs of staff, taxes & levies paid, cost of frequent repair and loss of profit. Based on the default/dues on the part of M/s. Lots Shipping Ltd. as per contract conditions, Cochin Port raised a Counter Claim of Rs.15.905 crore towards business loss, non-payment of Terminal Usage charges, parking charges, damages claim etc. As per the Arbitration Award dated 26.09.2019, M/s. Lots Shipping (Claimant) is given an award to realize an amount of Rs.57,99,411 from Cochin Port (Respondent) with 9% interest from the date of the award till realization. All the Counter claims put forward

by Cochin Port are disallowed. Cochin Port challenged the award and filed Application under Section 34 of Arbitration & Conciliation Act in the Dist. Court, Ernakulam. **Arbitration (O.P.) No. 5 of 2020** filed in this regard is pending.

Mean time, M/s. Lots Shipping submitted an offer in July 2021 for waiver of 50% of the awarded amount, if Cochin Port is ready to make a lump sum payment of Rs.32,75,793 (i.e., 50% of Rs.57,99,411 + 9% interest on 50% of Rs.57,99,411 upto and including 05.03.2021) on or before 31.07.2021.

IWAI's concurrence was sought regarding accepting the offer of M/s. Lots Shipping. IWAI's concurrence is awaited.

- k) Cochin Port had given work order for "Supply, erection, testing and commissioning of 3 nos. 20 metre High Mast lighting system at the Cochin Fisheries Harbour" to M/s. Ambligola Exporters, Bangalore at a total contract value of Rs.16,77,000 on 02.07.2012 with a completion period of 3 months. But there was a delay of five months in completing the work by the contractor. From the final bill submitted by the firm an amount of Rs.5,02,278 was deducted, which includes the three amounts of Rs.1,59,825, Rs.3,40,578 and Rs.1,875 towards LD, reinstating charges of the cable trenches and filling the foundation pit using JCB respectively. M/s Ambligola Exporters, filed a case before the Hon'ble Munsiff Court, Kochi against Cochin Port. The judgement of the Court went in favour of the Plaintiff M/s. Ambligola Exporters, directing Cochin Port to pay Rs.5,16,708 to M/s. Ambligola Exporters with interest @6% per annum. An appeal was filed before the Hon'ble District Court against the judgment passed by the Hon'ble Munsiff Court on 15.03.2019. The last hearing was conducted on 21.01.2021. The case is posted on 02.06.2021 for submitting the records of Lower Court.

As 42/2019 filed by Cochin Port against A. Prabhakar Shetty (Proprietor of M/s. Ambligola Exporters, Bangalore) before Dist. Court, Ernakulam came before the court on 25.03.2022 and Court adjourned the case to 21.05.2022 for hearing.

- l) The work of "Providing 200mm Ductile Iron pumping line from UG tanks at Halt area at various locations in Willington Island and Road rectification thereof was awarded to M/s. East India Engineers on 12.05.2015 with work Order value of Rs.1.91 crore. The contractor completed the pipelaying work except at the 3 railway crossing due to pending approval from Railway Authorities but the Road rectification work was not completed. The

contractor raised certain issues regarding release of retention money, modified rates for executing road rectification work etc and appointed Sole arbitrator for the subject work. As per the final order issued by the Sole Arbitrator, the contractor is eligible for claims of Rs.74.59 lakhs and port is eligible for claims of Rs.18.48 lakhs. Port has challenged the Order before Hon'ble District Court. On the hearing on 23.12.2021 the Hon'ble Judge, Commercial Court Principle Sub Judge, Ernakulam issued an Order dismissing Cochin Port Authority's Petition with the cost of the respondents.

As approved by the Chairperson Arbitration appeal has been filed before the Honourable High Court of Kerala against the order dated 23.12.2021 in O.P Arbitration No.70/2020 of the Commercial court (Principle Sub Judge), Ernakulam upholding the award dated 26.03.2018 of the Learned Sole Arbitrator.

Arb Appeal No. 9/2022 filed by Cochin Port against East India Engineers was posted before the Division Bench on 07.04.2022 and the court admitted the appeal and issued notice to the respondent.

- m) The work of "Dredging for maintenance of channels and basins at Cochin Port for the year 2017-18" was awarded to M/s. DCIL through open tender for an amount of Rs.88.511 crore. The contract consists of two parts viz., (i). Part-A- Lumpsum basis - Rs.75.041 crore and (ii) Part-B - Need/Quantity Basis - Rs.13.47 crore. As per the contract conditions, the contractor has to maintain the entire channel coming under the lumpsum part of the contract to a depth of (-) 15.90m throughout the contract period.

It was reported by DCI that as per the pre dredge survey, there was a back log quantity of around 8 Million Cu.m is to be removed for achieving the depth of (-) 15.90m and the time period given for making full depth from the date of commencement of work is 2 months. DCI has requested to allow them to maintain the channels and basins, as handed over to them till completion to the contract without any penalty. As DCI's claims are not in line with the agreement conditions, Cochin Port has not acceded to the same.

Considering the higher ruling shortfall in depth in the channels coming under the lumpsum part of the contract after the allowable period of 2 months, the Board of Trustees vide resolution No. 127 (Agenda Item No.B4) resolved to approve, (a) continuing the ongoing contract with M/s. DCI, based on the pre-dredge survey taken as on 19.02.2018, in view of settling the disputes through AMRCD as detailed in Agenda Item No.B4; and b) releasing

payment against the monthly bills of DCI since May 2018 for the work done, till the disputes are resolved through the AMRCD as: (i) @ 75% against the gross bill amount under Part A - Lumpsum basis; (ii) full payment for work done under Part B - Need /Quantity basis; (iii) to recover the charges towards the services availed by DCI for execution of the contract and other recoveries as per the agreement conditions, except the recovery towards non performance due to shortfall in depth and width; and (iv) to effect the fuel price variation payments based on the payment made as above, as recommended by Dredging Committee. Accordingly, payments towards the bills raised by DCI for the period from May 2018 onwards were released to DCI.

As per Ministry's directions during its Empowered Committee meeting held on 11.10.2019, with the approval of the Board vide Reso.No.197 dated 20.02.2020, Prof.R.Sundaravadivelu, Dept of Ocean Engineering, IIT Madras has been appointed as Conciliator for resolving the disputes in connection with the subject work, vide Cochin Port's letter dated 06.03.2020. As per the award dt 20.06.2020 issued by the Conciliator, it was recommended that out of the 25% of the bill amount that was withheld, Cochin Port may retain 10% as well as the security deposit and to release 15% of the bill amount to DCI. Accordingly, duly taking approval of the Board [Reso. No.50 (Agenda Item No.B2) dated 28.08.2020] and obtaining DCI's undertaking that the release of Rs.11.95 crore plus GST (total amount Rs. 14.09crore) is full and final settlement towards the subject contract as per the Conciliator's order and DCI shall not make any further claims on the subject contract in any forum, 15% amount of PART A bill amount [excluding for March and April 2018] plus GST had been released i.e. Rs. 14.09 crore to DCIL.

Subsequently, DCIL vide letter dated 22.01.2021 and 23.10.2021 claimed to release the SD amount of Rs.5.59 Crore withheld. However, Cochin Port has not agreed to their request and duly taking the advice of Port's LA M/s. Menon & Pai, Cochin Port vide letter 25.11.2021 informed DCIL that in view of DCIL's unconditional undertaking dated 16.09.2020 stating that the said payment is the full and final settlement towards the subject contract as per the recommendations of the Conciliator and that DCIL shall not make any further claims on the subject contract in any other forum, DCIL is not entitled to reopen the settlement by raising legally untenable contentions and hence, Cochin Port is unable to accede to the DCIL's claim for refunding the security deposit.

- n) The Contract for the Deposit work of IOCL, "Construction of Multi-User Liquid Terminal at Puthuvypen, Cochin Port on Engineering, Procurement & Construction Contract basis – Part: A Scope of work under MULT Jetty under Agreement No. 16 of 2015-16 & Supplementary Agreement to the Agreement No. 16 of 2015-16 was entrusted with M/s. RKEC Projects Private Limited, who could not complete the work within the eligible extended Contract Period. So, recovered Liquidated Damages. They invoked Arbitration on 27.04.2019 claiming, refund of Liquidated Damages recovered, hire charges of equipment, additional charges for labour, Bank Guarantee, price escalation, loss of business during the extended period, bonus, additional payment for variations etc. amounting to Rs.84.76 crore. Counter Claims filed by Cochin Port and IOCL amounts to Rs.31.06 crore and Rs.43.98 crore respectively. The Arbitration proceeding are in progress.
- o) The Contract for the work, "Construction of Multi-User Liquid Terminal at Puthuvypen, Cochin Port on Engineering, Procurement & Construction Contract basis – Part: B Scope of work under Barge Jetty (Agreement No. 17 of 2015-16 & Supplementary Agreement to the Agreement No. 17 of 2015-16)" was entrusted with M/s. RKEC Projects Private Limited, who could not complete the work within the eligible extended Contract Period. So, recovered Liquidated Damages. They invoked Arbitration claiming, refund of Liquidated Damages recovered, hire charges of equipment, additional charges for labour, Bank Guarantee, price escalation, loss of business during the extended period, bonus, additional payment for variations etc. amounting to Rs.17.26 crore. Counter claims filed by Cochin Port amounts to Rs.12.57 crore Arbitration proceedings are in progress.
- p) M/s. GPT Geo (JV), the Contractors for the work of "Construction of Flyover and ROB including modifications to GIDA Bridge No. 2 at Vallarpadam" invoked arbitration on 03.10.2018 , claiming an amount of Rs.11.74 crore towards compensation for their various charges on account of delay in completion of work. The above claims were rejected by Chief Engineer on 02.11.2018 and the contractors appeal dated 16.11.2018 was also rejected by the chairman on 15.12.2018. Contractors vide letter dated 01.01.2019, requested to appoint a sole Arbitrator from the list of 3 Arbitrators submitted by them, invoking clause 25 of the GCC. This was rejected by Cochin Port on 22.01.2019, based on opinion of Port's LA M/s Menon & Pai. Contractors filed Arbitration Request at the Hon'ble High Court of Kerala on 11.04.2019. Hon'ble High Court of Kerala, vide Judgment dated 03.09.20219 appointed Sri. P. Bhavadasan (Former Judge of High Court of Kerala) as Arbitrator. The contractors claimed an amount of Rs. 11.56 crores before the Arbitration

Tribunal.

Cochin Port Board held on 20.02.2020 noted the reference of disputes between M/s GPT Geo JV and Cochin Port to the sole Arbitrator Sri. P Bhavadasan and approved to meet the Arbitration expenses from the remaining fund of the projects available with Cochin Port for the subject work; and authorized the Chief Engineer to do all act necessary in connection with the Arbitration Proceedings.

The first sitting of the Arbitral Tribunal was held on 18.02.2020 and finalized milestone dates. Cochin Port filed the Defense Statements and Counter claims for Rs.11.05 crore on 11.09.2020. Further sittings of the Arbitration Tribunal were held on 18.03.2020, 22.06.2020, 26.06.2020, 26.06.2020, 14.08.2020, 14.10.2020, 16.11.2020, 17.12.2020, 14.01.2021, 15.03.2021, 20.03.2021 & 29.03.2021, in which the oral hearing of Claimant's part held on 15.03.2021, 29.03.2021, 02.08.2021, 05.08.2021, 06.08.2021, 25.08.2021, 26.08.2021, 31.08.2021, 02.09.2021 and 06.09.2021. Oral hearing of Respondent's part held on 08.09.2021 and 14.09.2021"

Subsequent to the petition filed by the contractors claiming 2 more additional claims in respect of post contract rectification works and delay in refund of retention money, the Hon'ble High Court of Kerala vide Judgment dated 27.09.2021 directed the contractors to approach before the present Arbitrator Retd. Justice P Bhavadasan for considering their claims. Accordingly, they filed the petition before the Arbitration Tribunal and Cochin Port filed Defense statement and additional statements on 21.01.2022. The hearing before the Tribunal is in progress. Next hearing is rescheduled on 05.04.2022.

- q) The Contract for the work, 'Construction of Jetty and Allied Facilities for Govt. of India at Cochin Port' entrusted with M/s. Mary matha Infrastructure Pvt. Ltd. (Formerly M/s.Marymatha Construction Company) was completed on 14.05.2020. On submitting 'No Claim Certificate' by them, final bill was also released in May 2020. Subsequently, on 10.09.2020, referring to few letters submitted during execution of work requested Chief Engineer to settle their claims but same was not considered citing that by issuance of 'no-claim certificate' all claims in respect of the subject work ceased to exist. Then Appeal was filed before the Chairman with more claims, which was also rejected. Consequent to that they approached Hon'ble High Court of Kerala and the Court vide Judgment dated 23.11.2021 in AR 8/2021, appointed the

Hon'ble Chief Justice (Retd.) Pius C.Kuriakose as the Sole Arbitrator. They have filed Claims amounting to Rs.16.92 Crore including interest.

- r) M/s IGTPPL has also received the scrip for 2015-16, 2016-17 and 2017-18 for Rs.6.77 Crore, Rs.6.40 Crore and Rs.8.48 Crore respectively. Based on the observations made by C&AG and the Revenue Auditors that IGTPPL has not paid revenue share on sale of SEIS Scrips, the Port sought legal opinion from our legal advisors and Additional Solicitor General and raised demand on IGTPPL. However, IGTPPL informed the Port that Royalty is not payable on SEIS scrips.

As per Article 15.1 of the License agreement, a meeting was conducted on 02.09.2019 to resolve the issue and difference of opinions amicably. However, it was in vain. Hence decided mutually to invoke Article 15.2 of the License agreement to take Assistance of Expert to resolve the issue. Accordingly, Hon'ble Justice (Retd) S.SiriJagan has been mutually appointed as an external expert by Cochin Port and IGTPPL. The External Expert Justice (Retd.) S.SiriJagan has furnished a detailed opinion and concluded that "the revenue generated by the IGTPPL from transfer of SEIS Duty Credit Scrip to third parties would constitute "Gross Revenue", as defined in the Licence Agreement and the IGTPPL is contractually bound to share 33.3% of the same also with Cochin Port, in accordance with Article 5.2 of the Licence Agreement between the parties." However, IGTPPL informed that the opinion furnished by Justice (Retd.) S Siri Jagan is not acceptable to them.

Since Article 15.1 'Amicable Settlement' and Article 15.2 'Assistance of Expert' of the Dispute Resolution in the Licence Agreement with IGTPPL has been acted upon and have not yielded any results, Port has invoked the Arbitration Clause as per Article 15.3 of the Licence Agreement. The final hearings of the Arbitral Tribunal are fixed on 7th & 8th July, 2022.

28. Retirement Benefits:

- a) Based on the data of 31.03.2022, the actuarial valuation of liability made by LIC is Rs.3,031.33 Crore. The pension liability for the pensioners and existing employees is Rs.2,118.41 crore and Rs.789.00 crore respectively totaling Rs.2,907.41 Crore and Gratuity liability for existing employees is approximately Rs.123.92 Crore. Against this, Cochin Port is having investment of Rs.664.17 Crore and Rs.11.24 Crore in Pension and Gratuity Fund respectively as on 31.03.2022.

- b) Contribution of Rs.353.91 crore to Pension Fund Trust includes Pension disbursement for the year amounting to Rs.237.56 crore. (including Pension arrear of Rs.7.05 crore and commutation arrear of Rs.5.82 crore)
- c) During the Board Meeting of Cochin Port held on 22.08.2015 it was decided to transfer the premium received on leasing of land in full to Pension Fund Trust considering the deteriorating position of the Pension Fund. The net investment of Rs.116.35 crore made with LIC during 2021-22 includes Rs.1.84 crore received as Premium on lease of land.

29. Other Disclosures:

i) Joint Venture with IWAI for RO-RO Operation

RO-RO Terminal has become operational from 25.02.2011. As per the MOU entered between IWAI and Cochin Port on 08.10.2009, the management and operation of RO-RO Terminals at Bolgatty Island and Willingdon Island will be carried out jointly by the port and IWAI by forming a Joint Management Committee (JMC) comprising of representatives of both the parties. As per the MOU, Port shall arrange for collection of terminal charges from the contractor and will prepare Annual Accounts of all transactions relating to the use of the terminals. The administrative expenditure shall be met out from the revenue earned and the net surplus generated will be shared in the ratio of 70% to IWAI and 30% to Cochin Port. A separate Bank Account in the name of JMC was opened to remit the amount received against terminal usage charges from the contractor.

Due to failure in complying with the tender conditions, the Port directed the party, M/s. Lots Shipping to stop the operation with effect from June 2017 .and subsequently the party has invoked arbitration against the Port, the status of which is shown under SL No 27(j) of this Notes.

The audited accounts of JMC as on 31.03.2018 shows accumulated profit amounting to Rs.35.17 Lakhs. 30% of the profit share amounting to Rs.10.55 lakhs attributable to Cochin Port has been recognized as income under "sundry receipts" in the books of Cochin Port during the year 2017-18. 70% share of profit amounting to Rs.24.62 lakhs is attributable to M/s. IWAI which has been shown as due to IWAI in the books of Cochin Port and will be made after the settlement of dispute with M/s. LOTS Shipping Ltd. as detailed above.

ii) Outstanding dues from Pre-1996 lessees.

With respect to Pre - 1996 lessees, port had charged revised lease rent based on TAMP notified rates 2010 in the year 2014. However, lessees filed litigation in the Hon'ble High Court of Kerala through Cochin Port Lease Holders Association and Interim Order was issued on 25.02.2015 to maintain status -quo in the matter. Meanwhile, estate rentals were once again revised vide TAMP Notification No. 304 dated 22.07.2016 and came into effect from 21.08.2016. Based on legal opinion obtained by the port, bills at TAMP notified rate was raised with effect from 21.08.2016 in respect of all lessees including Pre-1996 lessees. However, vide WP(C) No. 12138/2017 (N), Cochin Port Leaseholders Association along with 2 other petitioners (Pre-1996 lessees) filed a petition in the Hon'ble High Court of Kerala. Vide order dated 06.04.2017, interim stay for recovery of enhanced amounts was passed. Hon'ble High Court has vide Judgement dated 04.09.2019 dismissed the WP No.5974/2015 & 29/2015 in favour of Cochin Port. Accordingly Cochin Port raised arrears bills for the differential amount in the lease rent as per TAMP 2010 i.e from 01.10.2014 to 20.08.2016 on Feb 2020. Total arrears as on 31.03.2022 under litigation amounts to Rs.3.43 Cr., out of which Rs.2.12 Cr. pertains to the judgment referred.

iii) License fees on jetties

The Port collects license fees from boat Jetties and piers based on the CoPT (Licensing of Jetties, Slipways and Boat Pens) regulations, 1968 and its amendments in 1996. License fees initially was Rs 1,297 per Jetty per annum which was enhanced to Rs.1,00,000 per Jetty per annum for those who rent out their jetties for tying up Valloms/boats belonging to others. As required u/s 123(n) of the MPT Act, 1963, the amendments were published in the official Gazette on 13.05.2014 and the same was communicated to Jetty owners on 16.06.2014. Jetty owners filed Writ petition in the Hon'ble High Court of Kerala and interim Order was passed that if the petitioners pay 1/4th of the demand, no action shall be initiated against the petitioners. Out of 287 jetties in use, only 65 owners have paid license fee. Balance is pending on account of litigation. Subsequently Port had reduced the rates and introduced a slab rates ranging between Rs.2,000 to Rs.1,00,000 depending on description of jetty. These rates have been factored in the general revision in SoR of Port by TAMP in the year 2016 which came into existence on 21.08.2016.

TAMP vide its Notification (22.10.2019) revised SOR for Jetties and notified the license fees at the rates fixed by Cochin Port's Board in 2016. Board passed CoPT (Licensing of Jetties, Piers and slipways) Regulation, 2020 where in it was stipulated that jetty license fee would be as per SoR. The Legal cell of Cochin Port opined that since the WPs challenged the demand notices on the ground that the SOR was not approved by TAMP, fresh demand notice in accordance with Law can be always made. The status of the recovery of Jetty Licence fees is pending due to ongoing numerous litigations filed by the Jetty owners.

iv) Electricity bills of NTB & STB

The Port HT Electricity connection to North and South Tanker Berths was billed under HTII (Non Industrial – Non Commercial) Tariff. Consequent on revision of tariff, KSEB reclassified the tariff from HT II to HT IV (Commercial) w.e.f. 15.05.1999 and KSEB issued revised bill for the period from May 1999- July 2010 and raised demand of arrears. Cochin Port Authority filed a petition before Consumer Grievance Redressal Forum (CGRF) of KSEBL against the demand of arrears and requested to retain the tariff as HT-II. However the CGRF upheld the decision of KSEBL. Aggrieved on this, Cochin Port preferred an appeal before Hon'ble Electricity Ombudsman and the Ombudsman finally given order that the tariff of Cochin Port at NTB & STB to be retained under HT-II only. The KSEB filed a writ petition against the order of Ombudsman before Hon'ble High court of Kerala. The decision is yet to receive from Hon'ble High court of Kerala. The port is presently paying bill under HT-II tariff.

The differential amount towards disputes is Rs.1.24 crore as on 31.03.2022.

v) In the case of estate rentals, billing has not been made in those cases for which port has issued resumption notice and eviction is under process.

There are 7 lease cases for which billing has been stopped due to the initiation of Public Property Act/resumption notice issued/litigation

There are 11 license cases for which billing has been stopped due to the initiation of Public Property Act/resumption notice issued/litigation

vi) Duty Credit scrip:

As per the Notification No.29/2015-20 dated 23.09.2021 issued by DGFT, the claim for benefits under SEIS on payment in Indian Rupees is no more available for services rendered from FY 2019-20. However, based on the direction from IPA, Cochin Port had applied for SEIS Duty credit scrip for the year 2019-20 since there was dollar denominated income in Indian Rupees, which was rejected by DGFT.

30. A separate set of accounts of Cochin Fisheries Harbour is annexed at Schedule IX to the accounts.



**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**

**Action Taken Notes on the comments on Accounts raised in the Separate Audit Report
of Cochin Port Authority for the year ended 31.03.2022**

A. Balance Sheet

A.I. Application of Funds

A.I.1 Loans and Advances (Sch. VII): ₹104.56 crore

The above includes an amount of ₹4.04 crore shown under advance to contractors against the first and second stage payments for the dry docking repairs of the vessel GHD Nehru Shatabdi. However, the same amount has also been booked as expenditure under operation and maintenance expenses, by wrongly crediting Sundry Creditors. This has resulted in overstatement of Current Assets, Loans & Advances and Current Liabilities & Provisions by ₹4.04 crore.

• During the year 2021-22, an amount of Rs.4,04,32,870/- was paid as advance to Cochin Shipyard Ltd for dry docking of GHD Nehru Shatabdi. Being an advance, the same was accounted as Special GL 'A' so as to reflect in the advance to contractors account.

Since, the dry docking of GHD Nehru Shatabdi was already commenced during 2021-22 and a considerable work was carried out during 2021-22, the advance of Rs.4,04,32,870/- was charged to revenue expenditure during 2021-22 by reversing the advance to revenue expenditure.

However, while passing the reversal entry, special GL A was not selected. Due to this, the reversal entry got reflected in sundry creditors account as against advance to contractors account. This has been rectified during the year 2022-23.

A.I.2 Current Liabilities and Provisions (Sch. VIII): ₹766.12 crore

The liability on account of pension and gratuity contribution of existing employees and pensioners works out to ₹3,031.33 crore as per actuarial valuation. However, the contribution made towards LIC and interest earned towards the contribution as on 31 March 2022 was ₹675.41 crore only. Thus there is a shortfall in contribution of ₹2,355.92 crore. The Port Authority has not made any provision on this account. This has resulted in understatement of Current Liabilities & Provisions and consequent understatement of Accumulated Loss by ₹2,355.92 crore.

• The current financial position of Cochin Port is not favorable to make huge provisions for liability accumulated over the last several years based on Actuarial Valuation of Pension & Gratuity Contribution. Such an action will result in huge losses in the books of accounts and may render Cochin Port ineligible for raising funds. The actuarial valuation of the liability and the actual investment against the liability has been disclosed in the notes to accounts.

A.II. Source of Funds

A.II.1 Grant in aid: ₹37.72 crore

The above includes interest earned on grant in aid funds amounting to ₹7.31 crore. Out of this CoPA has remitted an amount of ₹2.57 crore to the Government. Also the Ministry of Commerce had instructed to credit ₹1.40 crore (interest earned on ASIDE grant of Barge Berth) to the grant. However, the balance amount of interest earned on grant in aid amounting to ₹3.34 crore is shown as part of grants in aid. As per Rule 230 (8) of General Financial Rules 2018, 'All interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.' As such, this amount should have been shown under Current Liabilities. This has resulted in overstatement of Grants in aid and understatement of Current Liabilities by ₹3.34 crore.

- *From the year 2022-23 onwards, interest accrued on grant which is to be repaid to the respective Ministries will be disclosed under current liabilities instead of Grant in Aid.*

B. Profit & Loss Account

B.I. Income

Cargo Handling & Storage Charges (Sub Sch. – C): ₹270.87 crore

As per the Accounting Policy of CoPA on Recognition of Revenue (Item 12), Revenue on Cargo Services is to be recognized on Completion of Service only. However, following deviations of the Accounting Policy were noticed:

- i) Cargo discharge (42549.5 MT of Clinker) from foreign Vessel BATIS was undertaken in April 2022. However, wharfage income of ₹39,72,847 was wrongly accounted as income on 31 March 2022.
- ii) Cargo discharge (32000 MT of Naftha) from foreign Vessel ARDMORE SEALEADER was completed in April 2022. However, wharfage income of ₹38,42,240 was wrongly accounted as income on 31 March 2022.

This has resulted in overstatement of income and profit for the year by ₹78,15,087.

- *The facts and figures given by Audit are noted. From the year 2022-23 onwards, such cases will be accounted as "Income received in Advance".*

B.II. Expenditure

B.II.1 Finance & Miscellaneous Expenditure (Sch. M): ₹382.92 crore

Non-compliance to Ministry's direction (22 September 1976), to transfer a minimum of 3 per cent of the Capital Employed each to two reserves viz Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets; and Reserve for Development,

Repayment of Loans and Contingencies, resulted in understatement of Finance & Miscellaneous Expenditure and overstatement of Profit for the year by ₹6.15 crore.

•Till last year, while calculating Capital Employed, interest payable on Government of India loan was treated as current liabilities. If the same principal is followed in 2021-22, the capital employed would be negative during 2021-22 also and there will be no requirement for creating statutory reserves during 2021-22 as per the Government Guideline.

However, during the course of Audit for 2021-22, Audit has calculated capital employed by considering interest on GOI loan as a capital debt and not as a current liability unlike previous year due to which capital employed is positive during 2021-22 which was accepted by CoPA during the course of Audit while confirming the financial ratios.

Now, since the Ministry and IPA is in the process of formulating new accounting format and accounting standards to be followed by Major Ports in line with Major Port Authorities Act, necessary statutory reserves will be created from FY 2022-23 onwards considering the then prevailing guidelines.

C. General

C.1 As required by Accounting Standard (AS) 15, 'Accounting for Retirement Benefits in the Financial Statements of Employers', the Port has neither carried out Actuarial Valuation nor provided for the Liability towards EL Encashment of its employees in the Accounts for the year 2021-22.

• Annual Accounts of Cochin Port Authority are prepared based on the recommendations given in the Billimoria Report which neither specifies the need for Actuarial Valuation of EL Encashment nor providing liability towards the same. Hence, Port does not follow the practice of taking Actuarial Valuation of EL Encashment of employees.

Also the financial position of Cochin Port is not favourable to make adequate provision for EL encashment.

D. Grants in Aid

Opening Balance of grant as on 1 April 2021 was ₹20.02 crore. Grant in aid received by the port during 2021-22 was ₹27.14 crore of which a sum of ₹25 crore was received during March 2022. A sum of ₹7.33crore was expended during the year 2021-22and ₹1.86 crore was adjusted against expense met out of Port's own fund in earlier years. Interest accrued during the year 2021-22 amounted to ₹0.30 crore and repaid interest amounted to ₹0.55 crore which includes the interest of previous years. A sum of ₹37.72 crore remained towards unutilized grant as on 31 March 2022.

•Factual

ANNEXURE I

1) Adequacy of Internal Audit:

No discrepancies were noticed in the Internal Audit

2) Adequacy of Internal Control System:

Internal Control system provides a reasonable assurance on the achievement of the objectives of an organisation regarding efficiency and effectiveness of operations, compliance with rules and regulations and the adequacy of financial reporting system. Audit has noticed the following lapses in the system:

- i) CoPA was holding huge stock of Dredged Sand valuing ₹565 per Cubic Meter. However, it has not framed a system to measure the exact stock of Dredged Sand.

• Dredging being a continuous process, exact quantity of dredged material cannot be assessed. It is not practical to monitor the sand stock since it is dumped at shore and subject to erosion.

- ii) CoPA has not framed a system to assess the market demand and to fix accordingly the reserve price of dredged sand sold through e-tendering.

• The reserve price of dredged sand is fixed based on the highest rate offered in the auctions. The rates offered in the auction reflect the actual market demand and is more reliable.

Considering the highest discovered market rate during the auction held on 22.09.2020, the base rate of sand was fixed as Rs. 553 per cu.m., with the approval of Competent Authority which was adopted in the auctions held on 08.04.2021 and 28.09.2021, till highest offer of Rs. 565 per Cu.m. was received on 28.09.2021. On 16.11.2021 and 07.01.2022, auctions were conducted with the revised base rate of Rs. 565 per Cu.m.

3) Physical verification of Fixed Assets

No discrepancies were noticed in the system of verification of Fixed Assets.

• Factual

4) System of Physical Verification of Inventories

No discrepancies were noticed in the system of verification of Inventories.

• Factual

5) Regularity in payment of Statutory dues

The Port was regular in making payment of undisputed statutory dues.

• Factual

ANNEXURE II

REVIEW OF ACCOUNTS OF COCHIN PORT AUTHORITY FOR THE YEAR ENDED 31 MARCH 2022 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Note: This review of accounts has been prepared without taking into account the audit observations/ comments contained in the Audit Report of the Comptroller and Auditor General of India

1. Financial Position:

The following table summarises the financial position of the Port Authority at the end of each of the three years ending 31 March 2020, 2021 and 2022.

(₹ in crore)

PARTICULARS		2019-20	2020-21	2021-22	
A	LIABILITIES				FACTUAL
(i)	Capital Reserves	84.84	84.84	84.84	
(ii)	Other reserves	34.26	37.42	55.11	
(iii)	Borrowings - Capital debts, Loan from Govt.	206.51	206.51	446.82	
	Other loans	0.30	0.30	0.30	
(iv)	Current liabilities and Provisions	868.39	971.06	768.42	
(v)	Other liabilities	68.35	70.98	-	
	Total	1262.65	1371.11	1355.49	
B	ASSETS				
(i)	Fixed Assets	676.60	702.36	704.27	
(ii)	Less: Depreciation	(306.00)	(324.30)	(340.63)	
(iii)	Net fixed assets	370.60	378.05	363.64	
(iv)	Capital work in progress	28.23	3.70	8.03	
(v)	Investments	1.15	1.15	0.15	
(vi)	Current assets, Loans & advances	370.23	502.97	507.34	
(vii)	Accumulated deficit	492.44	485.24	476.33	
	Total	1262.65	1371.11	1355.49	
C	Working Capital ¹	(-)498.16	(-)468.09	(-)261.08	
D	Net worth ²	(-)373.34	(-)362.98	(-)336.38	
E	Capital employed ³	(-)127.55	(-)90.04	(+)102.56	
F	Return on capital employed ⁴ (in %)	(+)16.70	(+)8.00	(+)8.68	
1	Working capital represents current assets less Current liabilities including Interest accrued on loans.				
2	Net worth represents Capital reserves and Other reserves and Surplus less Accumulated deficit.				
3	Capital employed represents Net fixed assets and Working capital				
4	Return on Capital employed represents percentage of Net surplus/deficit (before appropriation) to Capital employed.				

2. Working Results:

The working results of the Port Authority for the three years ending 31 March 2022 are summarized below:-

(₹ in crore)					FACTUAL except notes below:-
	PARTICULARS	2019-20	2020-21	2021-22	
A	Revenue				
(i)	Operating income	649.03	683.32	715.80	
(ii)	Non-operating income	43.20	43.66	43.32	
	Total	692.23	726.98	759.12	
B	Expenditure				
(i)	Operating Expenditure	355.88	343.43	367.30	
(ii)	Non-operating expenditure	315.05	376.35	382.92	
	Total	670.93	719.78	750.22	
C	Net surplus/deficit before appropriation	(+) 21.30	(+) 7.20	(+) 8.90	
D	<u>Less:</u> Appropriations / <u>add:</u> transfers (net)	0	0	0	
E	Surplus/deficit transferred to revenue Reserve	(+) 21.30	(+) 7.20	(+) 8.90	
F	Percentage of net surplus/ deficit to:				
(i)	Operating income	(+) 3.28	(+) 1.05	(+) 1.24	
(ii)	Net fixed assets	(+) 5.75	(+) 1.90	(+) 2.45	
(iii)	Net worth	(+) 5.70	(+) 1.98	(+) 2.65*	
	*Note The revised figures on percentage of net surplus / deficit to Net Worth			NA	

3. Ratio Analysis:

Some important ratios on liquidity and solvency of the Port Authority are shown below:-

Percentage of Current assets to Current liabilities was 42.63, 51.80 and 66.02 during 2019-20, 2020-21 and 2021-22 respectively.	FACTUAL
Percentage of Quick assets to Current liabilities was 33.89, 43.88 and 52.32 during 2019-20, 2020-21 and 2021-22 respectively.	
Percentage of Sundry debtors to Operating income was 9.57, 7.59 and 7.44 during 2019-20, 2020-21 and 2021-22 respectively.	
Capital debt to Capital reserves & General reserves Ratio was 2.02, 2.02 and 4.37 during 2019-20, 2020-21 and 2021-22 respectively.	

FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER