



AN ISO 9001:2008 & ISPS COMPLIANT PORT

COCHIN PORT TRUST

Willingdon Island, Cochin-682009

**ANNUAL ACCOUNTS
AND
AUDIT REPORT THEREON
FOR 2020-21**

**WITH ACTION TAKEN NOTES ON AUDIT OBJECTIONS/
OBSERVATIONS CONTAINED IN THE REPORT FOR THE YEAR
2020-21**



AN ISO 9001:2008 & ISPS COMPLIANT PORT

COCHIN PORT TRUST

Willingdon Island, Cochin-682009

ANNUAL ACCOUNTS AND AUDIT REPORT THEREON FOR 2020-21

COCHIN PORT TRUST

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COCHIN PORT TRUST
BALANCE SHEET AS AT 31ST MARCH 2021

PARTICULARS	SCH	2020-21		2019-20	
		₹	₹	₹	₹
I SOURCE OF FUNDS					
RESERVES & SURPLUS	I				
a Capital Reserve		84,84,07,574		84,84,07,574	
b Funds		67,25,221	85,51,32,795	66,30,095	85,50,37,669
c Statutory Reserves			16,72,81,794		16,72,81,794
d Grants-in- aid			20,01,86,094		16,86,69,429
LOAN FUNDS	II				
a Government Loans		4,46,82,33,147		4,46,82,33,147	
b Unsecured Loans		2,56,53,064	4,49,38,86,211	2,52,64,168	4,49,34,97,315
Total			5,71,64,86,894		5,68,44,86,207
COCHIN FISHERIES HARBOUR	IX		11,86,366		11,86,366
GRAND TOTAL			5,71,76,73,260		5,68,56,72,573
II APPLICATION OF FUNDS					
FIXED/CAPITAL ASSETS	III				
Gross Block		7,02,35,90,690		6,76,59,97,577	
Less:Provision for Depreciation		3,24,30,48,307		3,05,98,94,951	
Net Block			3,78,05,42,383		3,70,61,02,626
Capital Work-in-Progress			3,70,61,742		28,23,42,207
INVESTMENTS	IV		1,15,00,000		1,15,00,000
CURRENT ASSETS, LOANS AND ADVANCES					
a <u>Current Assets:</u>					
i Interest accrued		5,34,17,670		4,59,13,266	
ii Inventories		71,54,469		64,76,599	
iii Sundry Debtors	V	51,85,02,701		62,14,31,954	
iv Cash & Bank Balances	VI	3,68,90,98,379		2,27,56,18,217	
b Loans & Advances	VII	76,15,15,694		75,28,53,152	
Total		5,02,96,88,913		3,70,22,93,189	
Less:Current Liabilities & Provisions	VIII	7,99,46,57,572		6,94,21,08,702	
NET CURRENT ASSETS			-2,96,49,68,659		-3,23,98,15,513
c Profit & Loss account			4,85,23,51,429		4,92,43,56,887
TOTAL			5,71,64,86,894		5,68,44,86,207
COCHIN FISHERIES HARBOUR	IX		11,86,366		11,86,366
GRAND TOTAL			5,71,76,73,260		5,68,56,72,573

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**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**

Sd/-
CHAIRMAN

COCHIN PORT TRUST

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2021

	SUB SCH	2020-21 ₹	2019-20 ₹
<u>INCOME</u>			
Cargo Handling & Storage charges	C	2,56,98,66,070	2,45,51,80,349
Port & Dock charges (including Pilotage fees)	D	3,20,06,11,809	2,93,89,33,340
Railway earnings	E	0	0
Estate Rentals	F	1,06,27,11,760	1,09,62,00,509
Total		6,83,31,89,639	6,49,03,14,198
<u>LESS EXPENDITURE:</u>			
Cargo handling and storage	G	52,87,70,468	54,38,03,851
Port & Dock facilities (including Pilotage)	H	1,55,26,20,786	1,52,33,15,536
Railway workings	I	0	0
Rentable lands and buildings	J	23,17,76,956	27,08,53,747
Management & General Administration (not directly attributed to particular activity)	K	1,12,11,55,979	1,22,07,72,982
Total		3,43,43,24,189	3,55,87,46,115
Operating Profit (+) / Loss (-)		3,39,88,65,449	2,93,15,68,083
Add: Finance & Misc. Income	L	43,66,33,392	43,19,86,772
Total		3,83,54,98,842	3,36,35,54,855
Less: Finance & Misc. Expenditure	M	3,76,34,93,384	3,15,05,25,494
Profit before Tax		7,20,05,457	21,30,29,360
Less: Provision for taxation			
Profit after Tax		7,20,05,457	21,30,29,360
<u>Less : Appropriations</u>			
Capital Reserve		0	0
Total			
Balance transferred to Revenue Reserve		7,20,05,457	21,30,29,360
<u>COCHIN FISHERIES HARBOUR</u>			
Income		3,06,07,724	4,45,33,735
Expenditure		3,85,09,077	4,50,74,613
Surplus (+) / Deficit (-)		-79,01,354	-5,40,878

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& CHIEF ACCOUNTS OFFICER

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COCHIN PORT TRUST
SCHEDULES TO BALANCE SHEET AS AT 31.03.2021

PARTICULARS	SCH	SUB SCH	2020-21	2019-20
			₹	₹
<u>RESERVES & SURPLUS</u>	I	A		
Capital Reserve			84,84,07,574	84,84,07,574
CPE (HBA) Family Benefit Fund			38,48,145	35,77,158
Employees Welfare Fund			27,43,191	29,81,211
Family Security Fund			1,33,884	71,726
Total			85,51,32,795	85,50,37,669
<u>STATUTORY RESERVES</u>	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
<u>GRANTS- IN-AID</u>	I			
Grant-in-aid for Development of Walkway and Parking Facilities			-1,06,29,246	-19,21,399
Grant in Aid for Creation of Additional tourism facility-Walkway			-83,53,072	-72,89,222
Grant in Aid for Construction of a Subway/Flyover in front of International Container Transshipment Terminal(ICTT)			3,29,80,847	3,39,26,942
Grant-Rail Over Bridge			8,50,27,216	8,30,89,349
Grant in Aid under R&D Schemes "Studies on Siltation and Optimal ameliorative measures"			-10,10,380	-10,10,380
Grant in Aid for Procurement Of Pollution Responses(PR) equipment / materials			67,65,462	65,81,258
Grant in Aid - Implementation of projects under IPDS			-28,32,794	-1,19,66,651
Grant in Aid-Upgradation of berth and backup area of Ekm. Wharf			-73,48,675	61,25,425
Grant in Aid for Developing infrastructure for cruise terminal(Samudrika)			-3,62,738	-11,38,043
Grant in Aid-Additional Infrastructure Cruise Terminal			3,08,05,673	3,89,46,455
Grant in Aid-Reconstruction of South Coal Berth			4,46,06,897	0
Total			16,96,49,189	14,53,43,734
Less: Excess amount spent over Grant-in-Aid - receivable from Ministry disclosed under Current Assets			-3,05,36,905	-2,33,25,694
Total Grant			20,01,86,094	16,86,69,429
<u>LOAN FUNDS</u>				
<u>A. LOAN FROM GOVERNMENT</u>	II			
Total			4,46,82,33,147	4,46,82,33,147
<u>B. UNSECURED LOANS</u>	II			
(a) Other Source Loan				
Principal amount of Loan			29,91,508	29,91,508
Add:- Interest Accrued			2,26,61,556	2,22,72,660
Total			2,56,53,064	2,52,64,168

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COCHIN PORT TRUST

SCHEDULES TO BALANCE SHEET AS AT 31.03.2021

PARTICULARS	SCH	SUB SCH	2020-21	2019-20
			₹	₹
<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)			1,00,00,000	1,00,00,000
Total			1,15,00,000	1,15,00,000
<u>SUNDRY DEBTORS</u>	V			
Government Dues - Less than 6 months			11,02,34,847	11,01,96,343
- More than 6 month			10,34,51,980	5,42,11,823
Non Government Dues - Less than 6 months			10,20,48,805	24,56,04,647
- More than 6 month			30,27,03,994	30,64,69,651
			61,84,39,625	71,64,82,464
Less: Provision for doubtful debts			9,99,36,925	9,50,50,510
Total			51,85,02,701	62,14,31,954
<u>CASH & BANK BALANCES</u>	VI	B		
Cash on Hand			55,368	82,425
Bank Balance :				
Current Accounts			21,37,86,163	17,60,39,291
Fixed Deposits			3,47,48,04,316	2,09,75,50,303
Cash Card			4,52,532	19,46,198
Total			3,68,90,98,379	2,27,56,18,217
<u>LOANS AND ADVANCES (Recoverable in Cash or in kind or for Value to be Received)</u>	VII			
Payment in Advance and Debit Balance			70,13,94,123	70,25,59,441
Deposits			2,95,84,666	2,69,68,016
Add:Excess amount spent over Grant-in-Aid receivable from Ministry			3,05,36,905	2,33,25,694
Total			76,15,15,694	75,28,53,152
<u>CURRENT LIABILITIES & PROVISIONS</u>	VIII			
<u>Current Liabilities</u>				
General Provident Fund			70,90,39,237	68,28,52,692
Salaries & Wages payable			10,93,55,060	17,14,56,936
ESI contribution Payable			1,01,803	1,02,600
EPF contribution Payable			6,43,754	5,85,738
Accrued expenses			97,55,80,504	97,33,69,243
Misc. Creditors & Credit Balance			2,85,74,86,059	2,87,35,20,124
Deposits from Merchants, Contractors & Others			3,34,24,51,155	2,24,02,21,369
Total			7,99,46,57,572	6,94,21,08,702

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COCHIN PORT TRUST
CAPITAL ASSET REGISTER AS ON 31.03.2021

SCHEDULE III

(Amount in ₹)

Sl No.	Assets	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
		As on 01-04-2020	Additions	Deletions	As on 31-03-2021	As on 01-04-2020	On Deletions	During the year	Total as on 31-03-2021	As on 31-03-2021	As on 01-04-2020
1	Land	51,49,16,218	0	0	51,49,16,218	0	0	0	0	51,49,16,218	51,49,16,218
2	Capital Dredging	84,39,61,873	0	0	84,39,61,873	19,07,58,553	0	84,53,940	19,92,12,493	64,47,49,380	65,32,12,493
3	Buildings,Sheds and other structures	74,32,96,476	4,92,356	3,28,998	74,34,59,834	37,94,58,288	40,024	2,26,29,162	40,20,47,426	34,14,12,408	36,33,12,408
4	Wharves,Roads and Boundaries	1,86,47,74,460	25,73,77,135	0	2,12,21,51,596	59,93,64,597	0	5,68,86,670	65,62,51,267	1,46,59,00,329	1,26,53,00,329
5	Floating Crafts	1,31,63,88,646	0	95,31,000	1,30,68,57,646	91,73,87,638	95,30,999	4,34,77,251	95,13,33,890	35,55,23,756	39,90,23,756
6	Docks, Sea Walls etc	18,18,56,439	0	0	18,18,56,439	16,74,28,076	0	20,39,679	16,94,67,755	1,23,88,684	1,44,28,684
7	Cranes & Vehicles	17,34,98,090	0	1,02,23,650	16,32,74,440	13,45,30,702	1,02,23,641	1,41,80,010	13,84,87,071	2,47,87,369	3,86,67,369
8	Plant and Machinery	39,23,08,005	0	0	39,23,08,005	25,48,58,761	0	2,71,95,632	28,20,54,393	11,02,53,612	13,72,53,612
9	Installations for water, electricity, Fire fighting & Telecommunication	68,66,94,482	1,98,07,269	0	70,65,01,751	37,03,57,150	0	2,76,65,373	39,80,22,523	30,84,79,228	31,65,79,228
10	Oil Pipeline Installations	3,83,25,308	0	0	3,83,25,308	3,76,73,720	0	46,542	3,77,20,262	6,05,046	6,05,046
11	Miscellaneous Assets	99,77,582	0	0	99,77,582	80,77,468	0	3,73,761	84,51,229	15,26,353	15,26,353
	TOTAL	6,76,59,97,577	27,76,76,761	2,00,83,648	7,02,35,90,690	3,05,98,94,951	1,97,94,664	20,29,48,020	3,24,30,48,307	3,78,05,42,383	3,70,61,742
	Capital Work in Progress	28,23,42,207	2,46,83,540	26,99,64,005	3,70,61,742	0	0	0	0	3,70,61,742	28,23,42,207
	GRAND TOTAL	7,04,83,39,784	30,23,60,301	29,00,47,653	7,06,06,52,432	3,05,98,94,951	1,97,94,664	20,29,48,020	3,24,30,48,307	3,81,76,04,124	3,98,84,04,124

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SUB SCHEDULE - A

COCHIN PORT TRUST

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 2020	35,77,158	29,81,211	71,726	9,83,85,897	6,88,95,897
<u>Add:</u> Contribution from GRF	28,163	0	9,20,000		
Contribution from employees	59,784	0	1,33,158		
Accident claim from Insurance Co.	0	0	0		
Interest on investments	1,83,041	0	0		
Total	38,48,145	29,81,211	11,24,884	9,83,85,897	6,88,95,897
<u>Less:</u> Expenditure / Adjustments from Fund	0	2,38,020	9,91,000		
Balance as at 31st March 2021	38,48,145	27,43,191	1,33,884	9,83,85,897	6,88,95,897

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SUB SCHEDULE - B**COCHIN PORT TRUST****BALANCE AT BANKS AND CASH ON HAND AS ON 31.03.2021**

PARTICULARS		₹
Cash on hand		55,368
Cash Card		4,52,532
Current Account with Nationalised and Scheduled Banks		21,37,86,163
Fixed Deposits with Banks:		
General Reserve Fund	63,99,99,981	
Deposit Works	2,01,95,39,077	
Grants	13,96,42,092	
Total Deposits		2,79,91,81,150
General Provident Fund		67,26,23,166
HBA FBF Investments		30,00,000
TOTAL		3,68,90,98,379
Balance with Scheduled Banks		3,68,90,43,011
Balance with Non Scheduled Banks		NIL

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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2021

INCOME

	2020-21	2019-20
<u>SUB-SCHEDULE - C</u>		
<u>Cargo handling & Storage charges</u>		
Handling & Storages charges on general cargo	27,54,75,970	23,40,66,483
Cranage	79,450	4,97,992
Petroleum, Oil and lubricants handling charges	95,67,07,778	1,07,44,78,576
Demurrage on general cargo	1,10,28,259	66,90,311
Handling and Storage Charges on Containers	70,77,463	30,68,586
Miscellaneous charges - Cargo	1,48,67,247	1,40,34,102
Revenue share from ICTT	1,14,66,47,303	96,23,37,894
Waterfront Royalty- LNG Basin	15,64,36,398	16,00,06,406
Royalty for Stevedoring & Shore handling	15,46,200	0
Total	2,56,98,66,070	2,45,51,80,349
<u>SUB-SCHEDULE - D</u>		
<u>Port & Dock Charges</u>		
Towage and Mooring fees	36,76,80,631	22,33,26,814
Berth Hire charges	37,54,99,631	28,31,23,536
Port dues	77,08,99,163	76,29,15,762
Pilotage Fees	1,61,72,31,085	1,52,99,24,841
Water supply to shipping	10,00,718	12,21,219
Miscellaneous charges - Vessel	40,83,458	64,28,678
Income from Dredging Services	4,39,19,310	2,94,52,737
Income from Cruise Vessel including Maritime Service Charges	2,02,97,813	10,25,39,753
Total	3,20,06,11,809	2,93,89,33,340
<u>SUB-SCHEDULE - E</u>		
Railway earnings	0	0
<u>SUB-SCHEDULE - F</u>		
<u>Estate Rentals</u>		
Rent from land	59,91,16,368	60,53,08,921
Rent from buildings,sheds & godowns	10,70,76,515	10,57,87,091
Miscellaneous Income	34,30,72,000	36,72,26,936
Sundry Income	1,34,46,876	1,78,77,561
Total	1,06,27,11,760	1,09,62,00,509

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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2021

EXPENDITURE

	2020-21	2019-20
	₹	₹
<u>SUB-SCHEDULE - G</u>		
<u>Cargo handling & Storage</u>		
Handling & Storage of general cargo at sheds & wharves	35,77,83,596	36,92,94,646
Handling & Storage of containers	17,61,909	17,45,900
Operation & maintenance of crane	2,09,65,374	2,29,39,582
Handling of Petroleum, Oil & Lubricants	7,13,14,480	7,58,45,109
Expenditure on general facilities at wharves & boundaries	33,92,609	39,02,030
Administration and General expenses	7,35,28,500	6,99,78,083
New Minor works	24,000	98,500
Total	52,87,70,468	54,38,03,851
<u>SUB-SCHEDULE - H</u>		
<u>Port & Dock facilities including Pilotage</u>		
Towing, Berthing and Mooring	18,02,97,435	17,69,06,465
Pilotage	6,57,33,525	6,41,94,815
Water supply to shipping	28,46,425	66,54,463
Fire fighting	9,09,43,313	8,83,01,128
Dredging and Marine survey	80,01,45,708	82,24,42,653
Harbour Patrolling	81,64,065	67,34,923
Operation & Mtnce. of Navigational aids	3,39,50,563	2,71,68,969
Administration and general expenses	37,04,73,279	33,09,09,217
New Minor works	66,474	2,901
Total	1,55,26,20,786	1,52,33,15,536
<u>SUB-SCHEDULE - I</u>		
<u>Railway workings</u>		
Maintenance of station, other Buildings and structures	0	0

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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2021

EXPENDITURE

	2020-21	2019-20
<u>SUB-SCHEDULE - J</u> <u>Rentable land and buildings</u>		
Estate maintenance	14,57,76,740	17,34,66,472
Administration & General expenses	8,60,00,216	9,73,87,275
Total	23,17,76,956	27,08,53,747
<u>SUB-SCHEDULE - K</u> <u>Management & General Administration</u>		
Management & Secretariat expenses	32,35,75,951	36,12,40,916
Medical expenses	12,26,25,218	13,49,80,940
Stores keeping	2,09,00,371	2,18,95,472
Accounting and Auditing	22,95,45,052	23,82,23,428
Head office building & telephones	91,52,220	96,73,400
Engineering & workshop administration	13,73,57,458	15,41,38,530
Overhead and sundry expenses	27,79,73,061	30,05,04,146
New Minor works	26,649	1,16,151
Total	1,12,11,55,979	1,22,07,72,982

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GL CODE	Description	2020-21	2019-20
		₹	₹
	<u>SUB-SCHEDULE - L</u>		
	<u>Finance & Miscellaneous Income</u>		
540000	Sundry Receipts	7,73,23,125	6,76,56,395
540001	Profit/Loss on disposal of Capital Assets	30,96,517	91,63,018
540003	Interest receivable from IGTPPL	-	88,07,766
540004	Recovery of Insurance Claim on Capital Assets	5,11,037	5,71,527
540005	Interest Income	7,87,28,060	8,89,72,092
540006	Sale of Unserviceable Stores	1,09,54,222	27,03,523
540007	Hire of Motor Lorry & Sundry Plants	54,272	44,087
540008	Charges for Project Management Services	4,55,44,584	4,95,67,618
540009	Items Relating to Previous Year	16,95,44,813	8,30,15,474
540010	Medical Scheme for Pensioners	61,660	74,962
540011	Medical Treatment to Non-Entitled Persons	2,11,636	6,22,581
540012	Premium for lease of land	4,97,63,989	4,19,38,395
540013	Service Exports from India Scheme (SEIS)	8,39,478	7,88,49,334
	Total	43,66,33,392	43,19,86,772
	<u>SUB-SCHEDULE - M</u>		
	<u>Finance & Miscellaneous Expenditure</u>		
670002	Bank Charges	9,26,602	4,99,664
670004	Prov. For Doubtful Debts	48,86,415	46,30,937
670006	Contribution to Employees Welfare Fund	-	7,20,000
670007	Contribution to Family Security Fund	9,20,000	8,50,000
670008	Contribution to Pension Fund Trust including Pension Payment	3,48,99,39,800	2,62,35,24,947
670009	Items Relating to Previous Years	2,87,53,343	20,25,80,137
670010	Contribution to CPTE HBA FBF	28,163	39,350
670012	Contribution to CPE New Pension Scheme	1,14,67,549	1,13,68,322
670014	Contribution to Gratuity Fund Trust	21,70,93,427	29,54,19,734
670023	Interest on Electricity Deposit	23,51,980	33,19,850
670026	Interest on other source loans	3,88,896	3,88,896
670027	Expense on Feasibility and R&D Studies	3,46,329	4,70,112
670031	Corporate Social Responsibility	63,90,881	67,13,546
	Total	3,76,34,93,384	3,15,05,25,494

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ADDITIONAL SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2021

OPERATING EXPENDITURE

GL CODE	Description	2020-21	2019-20
		₹	₹
	<u>SALARIES & WAGES:</u>		
600000	Salaries & Wages (General)	20,52,55,119	19,64,51,743
600002	PLR	1,99,39,716	2,28,84,227
600003	Overtime	94,16,840	1,37,46,223
600004	Incentive	23,85,323	28,06,761
600005	Honararium	23,92,269	84,71,890
600006	Leave Encashment	6,14,16,651	7,08,96,934
600007	Salaries & Wages (Operational)	65,50,32,062	66,85,33,080
600008	Salaries & Wages (R&M)	36,13,61,966	39,20,79,142
600010	Leave Travel Concession	89,609	14,83,022
600011	Staff Amenities & Welfare Measures	16,780	28,810
600012	Employers ESI contribution	10,04,325	11,80,698
600013	Employers EPF contribution	36,24,266	36,94,632
640000	Salaries (Port Security)	1,88,20,138	2,33,69,353
650000	Salaries & Wages-Medical	9,07,04,041	9,77,45,708
	TOTAL (A)	1,43,14,59,106	1,50,33,72,223
	<u>STORES</u>		
610000	Stores-General	11,13,801	9,27,950
610001	Stores-Uniform	9,21,091	6,41,032
610002	Stores-Operational	68,85,762	68,26,000
610003	Stores-Fuel	19,92,44,040	14,34,39,252
610004	Stores (R&M)	1,13,25,310	90,37,034
	TOTAL (B)	21,94,90,004	16,08,71,267
	<u>OFFICE & ADMINISTRATIVE EXPENSES</u>		
620000	Consumption Stores-Stationery	3,20,458	5,52,108
620001	Books & Periodicals	0	22,648
620002	Travelling Expense	10,43,108	40,08,637
620004	Courier charges	1,54,435	1,96,627
620005	Licence fees & Royalty	31,17,756	29,08,031
620006	Equipment & Furniture	1,65,611	2,09,766

GL CODE	Description	2020-21	2019-20
		₹	₹
620010	Miscellaneous Expenses	48,10,723	58,77,239
620011	New Minor Works	1,60,395	12,78,340
620013	Entertainment	21,56,356	2,93,439
620014	Training Programme	42,319	11,83,425
620015	Sports & Games	1,69,292	9,00,000
620016	Legal Charges	55,00,700	99,21,090
620017	Printing Charges	6,88,431	6,18,833
620018	Office Machine hire & service charges	31,846	45,480
620019	Publicity & Advertisement	13,08,248	41,35,137
620020	Audit & Accounting	47,34,873	41,86,648
620021	Rent, Rates & Taxes	34,74,081	55,47,830
620022	Telephones	15,11,699	12,80,092
620023	Subscription	1,33,183	1,59,017
620025	IPA Share Contribution	1,46,83,211	3,82,44,079
620026	Marketing expense	12,51,021	12,86,550
	TOTAL (C)	4,54,57,746	8,28,55,017
	<u>OPERATION & MAINTENANCE EXPENSES</u>		
630000	R&M arranged through Contract-Roads	1,00,29,114	48,97,252
630001	R&M arranged through Contract-Buildings	92,06,723	92,76,892
630002	R&M arranged through Contract-Plant & Equipments	30,38,307	32,00,962
630004	Dry Docking of Floating Crafts	2,88,88,476	6,08,58,653
630005	Special R&M arranged through Contract-Roads	7,75,356	3,15,84,637
630006	Special R&M arranged through Contract-Buildings	43,10,924	1,32,46,793
630007	Special R&M arranged thru Contract-Plant & Equipments	75,72,560	44,31,528
630008	Hire of Vehicles & Transport Charges	97,44,036	98,72,077
630009	Water Charges	4,66,01,333	4,66,57,178
630012	Electricity Charges	25,37,76,577	26,77,98,762
630013	Hire of Boats, Tugs & Launches	20,75,80,939	19,85,16,420
630015	Maintenance Dredging	69,96,72,471	70,58,99,815
630016	Sundry Expense	4,09,33,539	3,95,12,396
630017	Insurance	60,83,372	54,69,626
630018	Self Consumption-Electricity	1,30,34,432	1,84,31,563
	TOTAL (D)	1,34,12,48,158	1,41,96,54,554

GL CODE	Description	2020-21	2019-20
		₹	₹
	<u>SECURITY EXPENSES</u>		
640001	Hire of Boats for Patrolling	29,51,257	27,05,311
640002	I S P S	2,00,000	0
640004	CISF-Deployment Charges	15,30,62,144	15,80,43,412
640005	SEZ - Cost Recovery	10,67,586	13,41,702
640006	Private Security Charges	60,50,143	63,57,977
	TOTAL (E)	16,33,31,131	16,84,48,402
	<u>MEDICAL EXPENSES</u>		
650001	Stipend, Fees & Honorarium to Specialists	22,33,347	34,76,859
650002	Stores-Medical	1,97,67,145	2,21,07,678
650003	Provisions-Medical	95,079	4,47,722
650004	Hospital Equipment	90,302	43,067
650005	Medical Expenses	16,19,788	15,09,470
650006	Charges paid to Outside Hospitals	65,84,362	93,01,679
	TOTAL (F)	3,03,90,024	3,68,86,474
	<u>DEPRECIATION</u>		
	Depreciation for the year	19,17,69,609	18,59,60,550
670021	Prior Period Depreciation	1,11,78,411	6,97,629
	TOTAL (G)	20,29,48,020	18,66,58,179
	GRAND TOTAL (A) TO (G)	3,43,43,24,189	3,55,87,46,115

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SCHEDULE - IX

**COCHIN FISHERIES HARBOUR
BALANCE SHEET AS ON 31ST MARCH 2021**

(Amount in ₹)

PARTICULARS		2020-21		2019-20	
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				
	<u>a. Current Assets:</u>				
	(i) Interest accrued on investments	7,65,498		18,88,895	
	(ii) Sundry Debtors	1,26,51,679		1,24,40,267	
	(iii) Cash & Bank Balances	3,83,74,463		4,76,87,706	
	<u>b. Loans & Advances</u>	2,78,687		2,58,103	
	Total	5,20,70,327		6,22,74,971	
	Less:Current Liabilities & Provisions	8,59,61,443		8,82,64,733	
	NET CURRENT ASSETS		-3,38,91,116		-2,59,89,762
	Profit & Loss Account (Accumulated Deficit)	3,50,77,482	3,50,77,482		2,71,76,127
	TOTAL		11,86,366		11,86,366

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SCHEDULE - IX

COCHIN FISHERIES HARBOUR
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2021

(Amount in ₹)

Expenditure	Amount 2020-21	Amount 2019-20	Income	Amount 2020-21	Amount 2019-20
Salary & Other Benefits	2,70,11,518	2,97,42,402	Toll Collection	57,82,765	98,70,301
Electricity Charges	17,53,487	22,92,425	Electricity Charges	14,87,345	21,35,174
Security Charges	31,64,832	27,31,032	Fish out - handling Charges	33,64,059	52,99,868
Water Charges	12,03,236	12,77,522	Lease Rent on Land	74,70,541	1,13,91,045
<i>Repairs & Maintenance</i>	15,62,712	31,31,701	Building and Ground Rent	47,98,361	60,98,113
Professional Charges	5,17,705	5,79,650	Misc. Receipts	19,14,505	9,10,828
Printing and Stationary	58,615	2,12,929	Lease of Slipway	20,48,886	20,15,181
Sundry Expenses	58,813	48,551	Water Charges	7,37,850	9,99,628
<i>Travelling Expenses</i>	14,383	45,237	Licensing and License Fee	4,82,874	6,19,858
<i>Prior Period Expense</i>	1,39,479	16,91,930	Fish Landing Charges	4,55,345	5,42,892
Telephone Charges	50,397	46,913	Bank Interest	19,74,366	44,58,269
Revenue and Postal Stamps	2,634	2,657	Enrolment of Fishing Crafts	90,827	1,92,577
Provision for Retirement Benefits	29,71,267	32,71,664	Net Deficit	79,01,354	5,40,878
	3,85,09,077	4,50,74,613		3,85,09,077	4,50,74,613

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SCHEDULE - IX

COCHIN PORT TRUST
COCHIN FISHERIES HARBOUR
RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2021

(Amount in ₹)

Receipts	Amount 2020-21	Amount 2019-20	Payments	Amount 2020-21	Amount 2019-20
Opening Cash in Hand	82,210	2,04,879	Salary & PLR	3,12,17,383	2,16,42,575
Opening Cash at Bank	4,76,05,496	3,79,07,402	Travelling Expenses	22,501	29,915
Enrolment of Fishing Crafts	90,827	1,92,577	Printing And Stationary	58,259	1,91,383
Licensing and License Fee	4,82,874	6,19,858	Revenue & Postal Stamps	2,634	2,306
Lease Rent On Land	83,35,520	89,58,183	Repairs & Maintenance	15,62,712	14,52,784
Building And Ground Rent	38,10,885	41,63,256	Refund Of SD / Ground Rent	3,46,160	4,70,170
Lease Of Slipway	19,87,534	32,47,016	Telephone Charges	50,540	46,076
Fish Landing Charges	4,55,345	5,42,892	Electricity Charges	17,53,487	22,92,425
Fish Out - Handling Charges	33,64,059	52,99,868	Water Charges	12,03,236	12,77,522
Electricity Charges	13,05,551	18,90,549	Cheque Charges	10,182	13,921
Toll Collection	57,82,765	98,70,301	Sundry Expenses	48,755	34,042
Misc. Deposit / Security	3,39,946	6,55,377	Professional Charges	6,06,205	5,04,650
Misc. Receipts	19,13,068	8,90,266	Security Charges	29,17,080	27,31,032
Bank Interest	30,97,763	45,82,128	TDS Liability Paid	1,29,905	1,24,024
Tds Liability	1,38,067	1,22,548	TDS Receivable	40,581	31,784
Water Charges	5,95,413	8,65,487	Prior Period Expenses	50,872	21,94,471
GST Collection	48,90,437	62,38,913	GST Paid	52,54,827	48,68,747
			GST Cenvat Credit	6,27,977	6,55,966
			Closing Cash Balance	91,655	82,210
			Closing Bank Balance	3,82,82,808	4,76,05,496
	8,42,77,760	8,62,51,500		8,42,77,760	8,62,51,500

Sd/-
**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**

NOTES TO ANNUAL ACCOUNTS 2020-21

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 Re.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 fair value 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 Re 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 CoPT 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 Trust handled 31.50 MMT of cargo during 2020-21 against 34.04 MMT during 2019-20. During 2020-21, number of vessels cleared from the Port is 1475 against 1589 vessels during 2019-20. Port handled 6,89,697 TEUs of containers in 2019-20 as against 6,20,061 TEUs in 2019-20.

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 2020-21, interest received from various grants is R 0.37 crores. Interest amounting to Rs 0.83 crores was repaid to the Ministry of tourism during 2020-21.

b) Status of Grant as on 31.03.2021 is as follows:

Particulars	Amount (Rs in Crores)
Balance of Grant as on 01.04.2020 (net of grant receivable from Ministry)	14.53
Add: Grant received during the year for various Projects	15.14
Add: Interest earned during 2020-21	0.37
Less Expenditure incurred during 2020-21	12.25
Less Interest repaid to Ministry of Tourism as per PFMS portal	0.83
Balance Grant as on 31.03.2021	16.96

c) The Ministry of Commerce had sanctioned an amount of Rs 15 Crores in 2013 under ASIDE Scheme for the construction of Barge berth at Puthuvypeen as part of MULT project against the total estimated cost of Rs.31.93 Crores. Against this, the port had received Rs 7.50 Crores on 05.08.2013 and Rs 0.88 Crores on 30.03.2017. As per the instruction of the Ministry in March 2018, the interest accrued on the grant amounting to Rs 1.40 Crores was credited to the grant. Besides, the Ministry had also approved the utilisation of the unspent balance from the project 'Modification of CFS' for the subject project i.e., 'Construction of Barge berth for handling bunkers in Cochin Port' which amounts to Rs 0.70 lakhs as per CoPT books of accounts. The total expenditure incurred for the project till 31.03.2021 amounts to Rs 36.16 crores out of which 50% ie Rs18.08 Crores was adjusted against the Grant of Rs 10.48 Crores including the interest received.

The Port tried for balance fund under the schemes "Trade Infrastructure for Export Scheme (TIES)" or "Sagarmala. However, the Ministry informed the Port Trust that the Barge Berth project cannot be considered for funding under any of these schemes.

Since the chances of raising grant against this project is very remote, as suggested by Audit, the excess expenditure incurred for the project amounting to Rs 7.61 crores has been transferred to Capital Work in Progress during the year 2019-20. The same has been capitalized during 2020-21 at a completion cost of Rs 25.69 crores since the asset is ready to put to use.

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 Crores. As committed, Port paid the first and second installments of Rs 55.85 crores 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 was submitted to the Ministry on 02.07.2020 for extending moratorium of 3 years for the repayment of third instalment of Government of India Loan. Certain clarification sought by the Ministry in this regard which were replied by the Port. Later, Ministry vide letter dated 27.01.2021 asked the Port to raise loan from the open market as per Section 66 of the Major Port Trust Act, 1963 or from other Ports to pay off the Govt of India Loan. Since it was not wise to opt for another loan to pay off the Govt of India loan in the wake of high cost of borrowing, Ministry was replied accordingly. Later, Ministry vide letter dated 09.03.2021 asked the Port to get the proposal for seeking Moratorium approved by the Board and thereafter Cabinet Note will be submitted. Accordingly, the proposal was approved by the Board vide Resolution No 156 dated 26.03.2021 and the matter intimated to the Ministry.

20. **Capitalisation:**

Assets worth Rs 27.77 Crores have been capitalized during the year 2020-21. Capital Work In Progress as on 31.03.2021 amounts to Rs. 3.71 Crores.

21. **Capital Expenditure:**

Capital Expenditure incurred during the year 2020-21 are as follows:

SL No	Particulars	Amount (Rs in Crores)
1	Out of Government Budgetary Support (GBS)	0.16
2	Out of Internal & Extra Budgetary Resources (IEBR)	
	a) Internal Resources	4.39
	b) Grant from various Ministries	12.15
	c) Other Agencies	0.57
	Total Capital Expenditure	17.27

22. Provisions:

50% of Wage revision arrear due to Class I &II were disbursed during 2020-21 which comes to Rs 5.90 Crores. Pension and Gratuity arrear to the tune of Rs 6.88 crores and Rs 0.96 crores respectively were also disbursed during the year.

23. Corporate Social Responsibility

As per the CSR Guidelines of Ministry of Shipping, Ports & Waterway, an amount of Rs 63,90,881 has been provided for CSR. (3% of profit of Rs 21,30,29,360 during 2019-20)

24. Service Tax

Central Excise Authorities had issued total 26 Show Cause Notices demanding a total of Rs 70.36 Crores for the non collection of service tax on services provided in Estate Rentals, Rent on Jetties, License fee, Upfront payment, Royalty from M/s. IGTPL 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 Trust 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 2020-21, Income tax refunds (including interest) to the tune of Rs 5.60 crores, Rs 10.48 crores and Rs 10.49 crores were received for AY 2017-18, AY 2018-19 & AY 2019-20 respectively.
- 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 Crores against which port had filed counter claim amounting to Rs 1070.71 Crores 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 specified 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, CoPT 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 crores. The Arbitral Tribunal in the Arbitration Award passed on 15.05.2013 directed Cochin Port to pay an amount of Rs 0.87 Crores 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 ie. 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.

- c) Litigation in respect of sponsorship fee due from M/s. Jaisu Shipping Co. Pvt. Ltd amounting to Rs 2.98 Crores along with interest @ 12% p.a for Volvo Ocean Race has been awarded in favour of Cochin Port Trust on 26.09.2013. As per the legal Opinion obtained by the Port, CoPT 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 CoPT 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 and same is awaited.

- d) 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 Crores submitted by 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 Crores incorporating all the additional claims filed by them and CoPT has filed the Statement of defence. 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 crores. 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 CoPT 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 Crores towards Maintenance Dredging was not processed for payment as necessary supporting documents were not submitted.

- e) 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 crores which was decreed against the Port. Port filed appeal before the Hon'ble High Court of Kerala, which is still pending.
- f) Installation & Commissioning of 110 KV sub-station and connected works at Cochin Port Trust 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 crores 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 conducted on 03.03.2021. The next hearing is scheduled on 18.05.2021.
- g) CoPT 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, CoPT had recovered Liquidated Damages of

Rs. 8.09 Crores from the contractor. They raised objection to CoPT'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 CoPT's counter claim for retaining the sum of Rs.8.09 crores 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 CoPT to release the Liquidated Damages of Rs. 8.09 Crores with interest. CoPT 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. Further proceedings at Principal Sub-Court is yet to be commenced.

- h) 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 Crores 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 Port Trust 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.
- i) 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 crores).

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 Trust) 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.

Accordingly, the file is in process for calculating the amount of refund to the different parties. Delay in processing of the file is due to non-availability of records towards the amount collected during the year, 1999.

- j) Land Acquisition cases related to the Project `Providing Direct Road Connectivity to the SEZ area at Puthuvypeen, CoPT advanced an amount of Rs.1.07 Crores 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 CoPT and all the three co-developers have reimbursed their share of Rs 26.97 lakhs each.
- k) M/s. Lots Shipping Ltd. invoked the Arbitration against CoPT with respect to operation of Ro-Ro/ Lo-Lo Barge Service between W/Island & Bolghatty, claiming Rs 14.346 crores 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, CoPT raised a Counter Claim of Rs 15.905 crores 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 CoPT (Respondent) with 9% interest from the date of the award till realization. All the Counter claims put forward by CoPT are disallowed. CoPT filed Application under Section 34 of Arbitration & Conciliation Act in the District Court, Ernakulam which is pending.
- l) Cochin Port Trust 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.1875/- 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 Trust. The judgement of the Court went in favour of the Plaintiff M/s Ambligola Exporters, directing CoPT 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.

- m) 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 crores. The contractor completed the pipe laying 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. The case was posted on 20.03.2021 for hearing before Hon'ble Commercial Principle Sub Court. On that day the case was adjourned to 21.05.2021 for hearing.
- n) 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 crores. The contract consists of two parts viz., (i). Part-A- Lumpsum basis - Rs.75.041 crores and (ii) Part-B - Need/Quantity Basis- Rs. 13.47 crores. 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, CoPT 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 resolu. 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 CoPT'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, CoPT 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 [Resolu No.50 (Agenda Item No.B2) dated 28.08.2020] and obtaining DCI's undertaking that the release of Rs.11.95 crores plus GST(total amount Rs. 14.09crores.) 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 ie. Rs. 14.09 crores to DCIL.

- o) 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 crores. Counter Claims filed by CoPT and IOCL amounts to Rs.31.06 crores and Rs.43.98 crores respectively. The Arbitration proceeding are in progress.

- p) The Contract for the work, “Construction of Multi-User Liquid Terminal at Puthuvypeen, 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 crores. Counter claims filed by CoPT amounts to Rs.12.57 crores Arbitration proceedings are in progress.
- q) 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 crores 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 CoPT 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.

CoPT Board held on 20.02.2020 noted the reference of disputes between M/s GPT Geo JV and CoPT to the sole Arbitrator Sri. P Bhavadasan and approved to meet the Arbitration expenses from the remaining fund of the projects available with CoPT 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. CoPT filed the Defense Statements and Counter claims for

Rs. 11.05 crores 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 and 29.03.2021 by the Arbitral Tribunal. Next hearing is scheduled from 4th May 2021."

28. Retirement Benefits:

- a) Based on the data of 31.03.2021, the actuarial valuation of liability made by LIC is Rs 3453.55 Crores. The pension liability for the pensioners and existing employees is Rs 2355.74 crores and Rs 977.20 crores respectively totaling Rs 3332.94 Crores and Gratuity liability for existing employees is approximately Rs 120.61 Crores. Against this, Cochin Port is having investment of Rs.472.38 Crores and Rs 8.18 Crores in Pension and Gratuity Fund respectively as on 31.03.2021 which is excluding interest for the year 2020-21 as the interest rates for 2020-21 is yet to be declared by LIC.
- b) Contribution of Rs 348.99 crores to Pension Fund Trust includes Pension disbursement for the year amounting to Rs 221.25 crores.
- c) During the Board Meeting of Cochin Port Trust 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 131.75 crores made with LIC during 2020-21 includes Rs 4.98 crores 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 CoPT 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 CoPT. 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 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 Trust has been recognized as income under “sundry receipts” in the books of CoPT 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 CoPT and will be made after the settlement of dispute with M/s.LOTS Shipping Ltd.

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 COPT. Accordingly COPT 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 31.03.2021 under litigation amounts to Rs. 4.79 Crs , out of which 3.19 Cr pertains to the above judgment.

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. 2000/- to Rs. 100000/- depending on description of jetty. These have been published in the Kerala Gazette and waiting for publication in the Central Gazette. 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.

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 Trust 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, CoPT preferred an appeal before Hon'ble Electricity Ombudsman and the Ombudsman finally given order that the tariff of CoPT 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 1.17 crores as on 31.03.2021.

- 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.

vi) Duty Credit scrip:

The Port has filed application for SEIS scrips till the year 2018-19 as per the Foreign Trade Policy (FTP) 2015-20 and has recognized income from sale of scrip till 2019-20. Though the FTP has been extended upto 31.03.2021, due to Covid 19 pandemic and budgetary restrictions imposed by the Govt of India, the window for online filing the benefits of SEIS scheme has not been opened yet, due to which Port could not apply for the Duty credit scrip for the year 2019-20. Due to uncertainty, Port has not recognized SEIS income for the year 2020-21 with respect to Duty credit scrip for 2019-20.

Similarly, M/s IGTPL has also received the scrip for 2015-16, 2016-17 and 2017-18 for Rs.6.77 Crores, Rs. 5.74 Crores and Rs. 5.57 Crores respectively. Based on the observations made by C&AG and the Revenue Auditors that IGTPL 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 IGTPL. However, IGTPL 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.Siri Jagan has been mutually appointed as an external expert by CoPT and IGTPL. The External Expert Justice (Retd.) S.Siri Jagan has furnished a detailed opinion and concluded that "the revenue generated by the IGTPL from transfer of SEIS Duty Credit Scrip to third parties would constitute "Gross Revenue", as defined in the Licence Agreement and the IGTPL is contractually bound to share 33.3% of the same also with CPT, in accordance with Article 5.2 of the Licence Agreement between the parties." However, IGTPL 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 IGTPL has been acted upon and have not yielded any results, Port is in the

process of invoking the Arbitration Clause as per Article 15.3 of the Licence Agreement.

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

Sd/-

**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**



AN ISO 9001:2008 & ISPS COMPLIANT PORT

COCHIN PORT TRUST

Willingdon Island, Cochin-682009

AUDIT REPORT ON ANNUAL ACCOUNTS FOR 2020-21

**SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF
INDIA ON THE ACCOUNTS OF COCHIN PORT TRUST FOR THE YEAR ENDED
31 MARCH 2021**

We have audited the attached Balance Sheet of Cochin Port Trust, Cochin as at 31 March 2021 and the Profit & Loss Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 102 of the Major Port Trusts Act, 1963. These financial statements are the responsibility of the Port's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. The Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any are reported through Inspection Reports/ CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit, other than the basic records of India Gateway Terminal (P) Limited (IGTPL) in order to certify the total revenue and corresponding share of revenue received by Cochin Port Trust as per Concession Agreement with IGTPL. The Balance Sheet and Profit and Loss Account dealt with by this report have been drawn up in the format approved by the CAG under Section 102 of the Major Port Trusts Act, 1963;
- ii. In our opinion, proper books of accounts and other relevant records have been maintained by the Cochin Port Trust as required under Section 102 of the Major Port Trust Act, 1963 in so far as it appears from our examination of such books.

We further report that:

A. Balance Sheet:	
A.I.1	Current Liabilities and Provisions (Sch. VIII) : ₹799.46 Cr The liability on account of pension and gratuity contribution of existing employees and pensioners works out to ₹3453.55 crore as per actuarial valuation. However, the contribution made towards LIC and interest earned towards the contribution as on 31 March 2021 was ₹480.56 crore only. Thus there is a shortfall in contribution of ₹2972.99 crore. The Port Trust has not made any provision on this account. This has resulted in understatement of Current Liabilities and Provisions and consequent overstatement of Profit by ₹2972.99 crore.
B. Profit & Loss Account:	
B.I. Expenditure:	
B.I.1	Finance & Miscellaneous Expenditure (Sch. M) - ₹376.35 Cr i) CoPT decided to settle an Arbitration with M/s Jaisu Shipping Co. (P) Ltd by adjusting ₹1,57,05,733 payable to them on account of maintenance dredging charges from an amount due from them in another litigation. Eventhough, CoPT sent a notice on 24.03.2021 intimating the settlement, no response was received from the party and the process of adjustment is still pending. Since the liability on account of Arbitration Award was crystallized prior to 31.03.2021, provision should have been created for the same. Due to non provision of this amount, Finance and Misc. Expenses and Current Liabilities and Provisions are understated and current year Profit overstated by ₹1,57,05,733. ii) Hon'ble Supreme Court ordered (05.08.2020) CoPT to refund the excess amount of Ground rent collected from Steamer Agents and an amount of ₹1,29,41,413 (Provisional) is refundable to 7 parties for handling 55 containers. Due to non provision of this amount, Finance and Misc. Expenses and Current Liabilities and Provisions are understated and current year Profit overstated by ₹1,29,41,413.

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 2020-21.
D. Grant in Aid	
	Opening Balance of grant as on 01 April 2020 was ₹16.86 cr. Grant in aid received by the port during 2020-21 was ₹14.69 cr of which a sum of ₹3.08 cr was received during March 2021. A sum of ₹12.25 cr was expended during the year 2020-21 of which ₹0.72 cr was spent out of Port's own fund. A sum of ₹20.02 cr remained towards unutilized grant as on 31 March 2021.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in **ANNEXURE I** to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

- a. In so far as it relates to the Balance Sheet, of the state of affairs of the Cochin Port Trust as at 31 March 2021; and
- b. In so far it relates to Profit and Loss Account of the profit for the year ended on that date.

5. A review of accounts showing the summarised financial results of the Cochin Port Trust for the last three years is given in **ANNEXURE II**.

Sd/-

(Devika Nayar)

**Director General of
Commercial Audit, Chennai**

ANNEXURE I

Internal Audit & Internal Control:

1) Adequacy of Internal Audit:

The Internal Audit of the Port was entrusted to Chartered Accountants. Internal Audit of CoPT for the year 2020-21 was completed. However, Special Audit of Revenue from IGTPL for the year 2020-21 is pending.

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. Physical verification and certification of Cash balances, FD Receipts and Bank Guarantees as at 31st March 2021 has not been done.

3) Physical verification of Fixed Assets

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

4) System of Physical Verification of Inventories

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

5) Regularity in payment of Statutory dues

The Port is paying Statutory dues such as Provident Fund, ESI, Income Tax, GST, etc. on due dates. However, Port has defaulted repayment of one instalment of Govt. of India Loan.

Sd/-

Director (CA)

ANNEXURE II

REVIEW OF ACCOUNTS OF COCHIN PORT TRUST FOR THE YEAR ENDED 31 MARCH 2021 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 Trust at the end of each of the three years ending 31 March 2019, 2020 and 2021.

(₹ in crore)

PARTICULARS		2018-19	2019-20	2020-21
A	LIABILITIES			
(i)	Capital Reserves	84.84	84.84	84.84
(ii)	Other reserves	43.21	34.26	37.42
(iii)	Borrowings - Capital debts, Loan from Govt.	232.33	206.51	206.51
	Other loans	0.30	0.30	0.30
(iv)	Current liabilities and Provisions	955.25	868.39	971.06
(v)	Other liabilities	64.95	68.35	70.98
	Total	1380.88	1262.65	1371.11
B	ASSETS			
(i)	Fixed Assets	688.71	676.60	702.36
(ii)	<u>Less:</u> Depreciation	(302.34)	(306.00)	(324.30)
(iii)	Net fixed assets	386.37	370.60	378.05
(iv)	Capital work in progress	20.54	28.23	3.70
(v)	Investments	0.15	1.15	1.15
(vi)	Current assets, Loans & advances	460.18	370.23	502.97
(vii)	Accumulated deficit	513.74	492.44	485.24
	Total	1380.88	1262.65	1371.11
C	Working Capital ¹	(-)495.17	(-)498.16	(-)468.09
D	Net worth ²	(-)385.69	(-)373.34	(-)362.98
E	Capital employed ³	(-)108.80	(-)127.55	(-)90.04
F	Return on capital employed ⁴ (in %)	(+)17.63	(+)16.70	(+)8.00
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 Trust for the three years ending 31 March 2021 are summarized below:-

(₹ in crore)

	PARTICULARS	2018-19	2019-20	2020-21
A	Revenue			
(i)	Operating income	585.51	649.03	683.32
(ii)	Non-operating income	46.61	43.20	43.66
	Total	632.12	692.23	726.98
B	Expenditure			
(i)	Operating Expenditure	374.67	355.88	343.43
(ii)	Non-operating expenditure	238.27	315.05	376.35
	Total	612.94	670.93	719.78
C	Net surplus/deficit before appropriation	(+)19.18	(+) 21.30	(+) 7.20
D	<u>Less:</u> Appropriations / <u>add:</u> transfers (net)	0	0	0
E	Surplus/deficit transferred to revenue Reserve	(+)19.18	(+) 21.30	(+) 7.20
F	Percentage of net surplus/ deficit to:			
(i)	Operating income	(+)3.28	(+)3.28	(+) 1.05
(ii)	Net fixed assets	(+)4.96	(+)5.75	(+) 1.90
(iii)	Net worth	(+)4.97	(+)5.70	(+) 1.98

3. Ratio Analysis:

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

- ❖ Percentage of Current assets to Current liabilities was 48.16, 42.63 and 51.80 during 2018-19, 2019-20 and 2020-21 respectively.
- ❖ Percentage of Quick assets to Current liabilities was 39.53, 33.89 and 43.88 during 2018-19, 2019-20 and 2020-21 respectively.
- ❖ Percentage of Sundry debtors to Operating income was 23.59, 9.57 and 7.59 during 2018-19, 2019-20 and 2020-21 respectively.
- ❖ Capital debt to Capital reserves & General reserves Ratio was 2.28, 2.02 and 2.02 during 2018-19, 2019-20 and 2020-21 respectively.

Sd/-

Director (CA)



AN ISO 9001:2008 & ISPS COMPLIANT PORT

COCHIN PORT TRUST

Willingdon Island, Cochin-682009

**AUDIT REPORT
WITH
ACTION TAKEN NOTES
FOR 2020-21**

**Action Taken Notes on the comments on Accounts raised in the Separate Audit Report of
Cochin Port Trust for the year ended 31.03.2021**

A. Balance Sheet:

A.I. Application of Funds

A.I.1 Current Liabilities and Provisions (Sch. VIII): ₹799.46 Crore

The liability on account of pension and gratuity contribution of existing employees and pensioners works out to ₹3453.55 crore as per actuarial valuation. However, the contribution made towards LIC and interest earned towards the contribution as on 31 March 2021 was ₹480.56 crore only. Thus there is a shortfall in contribution of ₹2972.99 crore. The Port Trust has not made any provision on this account. This has resulted in understatement of Current Liabilities and Provisions and consequent overstatement of Profit by ₹2972.99 crore.

- *The current financial position of Cochin Port is not favourable to make adequate provisions based on Actuarial Valuation of Pension & Gratuity Contribution which may result in huge loss and may also render Cochin Port Trust ineligible for Government Grant in Aid/raising funds from financial institutions. Hence, provision was not made for shortfall in contribution to Pension & Gratuity funds.*

B. Profit & Loss Account

B.I. Expenditure

B.I.2. Finance & Miscellaneous Income (Sch. M) - ₹376.35 Crore

(i) CoPT decided to settle an Arbitration with M/s Jaisu Shipping Co. (P) Ltd by adjusting ₹1,57,05,733 payable to them on account of maintenance dredging charges from an amount due from them in another litigation. Eventhough, CoPT sent a notice on 24.03.2021 intimating the settlement, no response was received from the party and the process of adjustment is still pending.

Since the liability on account of Arbitration Award was crystallized prior to 31.03.2021, provision should have been created for the same. Due to non provision of this amount, Finance and Misc. Expenses and Current Liabilities and Provisions are understated and current year Profit overstated by ₹1,57,05,733.

(ii) Hon'ble Supreme Court ordered (05.08.2020) CoPT to refund the excess amount of Ground rent collected from Steamer Agents and an amount of ₹1,29,41,413 (Provisional) is refundable to 7 parties for handling 55 containers. Due to non provision of this amount, Finance and Misc. Expenses and Current Liabilities and Provisions are understated and current year Profit overstated by ₹1,29,41,413.

- i. *It has been decided that the amount of Rs.87 Lakhs plus interest payable to M/s Jaisu Shipping will be adjusted against amount receivable from M/s Jaisu Shipping amounting to Rs.2.98 Crores plus interest.*

Hence, the net impact will be accounted in the year of Final Settlement.

- ii. *We hereby state that necessary provision will be created in 2021-22 for the refund of excess ground rent collected after obtaining approval from competent authority.*

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 2020-21.

- *Annual Accounts of Port Trust 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 01 April 2020 was ₹16.86 cr. Grant in aid received by the port during 2020-21 was ₹14.69 cr of which a sum of ₹3.08 cr was received during March 2021. A sum of ₹12.25 cr was expended during the year 2020-21 of which ₹0.72 cr was spent out of Port's own fund. A sum of ₹20.02 cr remained towards unutilized grant as on 31 March 2021.

- *Factual*

ANNEXURE I

Internal Audit & Internal Control:

1) Adequacy of Internal Audit:

The Internal Audit of the Port was entrusted to Chartered Accountants. Internal Audit of CoPT for the year 2020-21 was completed. However, Special Audit of Revenue from IGTPL for the year 2020-21 is pending.

- *The Internal Audit for the year 2020-21 is completed and we have received the final Audit report. The Special Audit of Revenue from IGTPL commences after completion of Statutory Audit of IGTPL.*

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. Physical verification and certification of Cash balances, FD Receipts and Bank Guarantees as at 31st March 2021 has not been done.

- *Physical verification of Cash, FDs and BGs are being carried out on a monthly basis. For the year 2020-21, the verification was carried out till the month of February 2021. However, verification could not be conducted as on 31.03.2021 due to holidays (01.04.2021 - Maundy Thursday, 02.04.2021- Good Friday, 03.04.2021- Saturday Work From Home for weekly sanitisation of offices, 04.04.2021-Sunday holiday, 05.04.2021 to 07.04.2021- election duty. Since physical verification for March 2021 got delayed, next physical verification was done for the month of April 2021.*

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 is paying Statutory dues such as Provident Fund, ESI, Income Tax, GST, etc. on due dates. However, Port has defaulted repayment of one installment of Govt. of India Loan.

- *Due to Covid-19 Pandemic and resultant decline in the traffic and financial condition of the Port, CoPT has submitted a proposal to the Ministry for seeking moratorium of 3 years for the repayment of installments of Government of India Loan with the approval of the Board in its meeting held on 26.03.2021. Hence, CoPT has not paid the third installment of GOI Loan amounting to Rs.55.85 Crores which was due in 2020-21. The Proposal of moratorium is under active consideration of Ministry.*

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Sd/-

**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**